TUALATIN BUDGET ADVISORY COMMITTEE MEETING

Wednesday, May 20, 2026
5:30 PM

TUALATIN CITY SERVICES
10699 SW HERMAN ROAD
TUALATIN, OR 97062

Link: https://us02web.zoom.us/j/89213454496
Phone: +1 669 900 6833
Meeting ID: 892 1345 4496
Password: 18880

Call to Order

Approval of Minutes

1. Consideration of the Budget Committee Meeting Minutes of May 11, 2026

Department Presentations

Committee Questions and Comment

Adjournment

In compliance with the Americans with Disabilities Act, this meeting location is accessible to persons with disabilities. To request accommodations, please contact the City Manager's Office at 503.691.3011 36 hours in advance of the meeting.

TUALATIN BUDGET ADVISORY COMMITTEE

OFFICIAL MEETING MINUTES
FOR MAY 11, 2026

PRESENT: Committee Member Frank Bubenik, Committee Member Valerie Pratt, Committee Member Maria Reyes, Committee Member Cyndy Hillier, Committee Member Octavio Gonzalez, Committee Member Christen Sacco, Committee Member Chris Brune, Committee Member John Hannam, Committee Member Elizabeth Michels, Committee Member Mary Dirksen, Committee Member Gerardo Sanchez-Velazquez, Committee Member Daniel Bachhuber, Committee Member Anthony Gallegos, Student Member Teddy Tsaknaridis
ABSENT: Committee Member Bridget Brooks

Call to Order

Chair Michels called the meeting to order at 5:05 p.m.

Welcome and Introductions

Elect Committee Chair

Motion to elect Daniel Bachhuber as Committee Chair made by Committee Member Hillier, Seconded by Committee Member Michels.
Voting Yea: Bubenik, Pratt, Reyes, Hillier, Gonzalez, Sacco, Brune, Hannam, Michels, Dirksen, Sanchez-Velazquez, Bachhuber, Gallegos

MOTION PASSED

Approval of Minutes

1. Consideration of the Budget Committee Meeting Minutes of May 28, 2025 and February 9, 2026

   Motion to approve the meeting minute of May 28th, 2025 made by Committee Member Pratt, Seconded by Committee Member Brune.
   Voting Yea: Bubenik, Pratt, Reyes, Hillier, Gonzalez, Sacco, Brune, Hannam, Michels, Dirksen, Sanchez-Velazquez, Bachhuber, Gallegos

   MOTION PASSED

   Motion to approve the meeting minute of February 9th, 2026 made by Committee Member Pratt, Seconded by Committee Member Brune.
   Voting Yea: Bubenik, Pratt, Reyes, Hillier, Gonzalez, Sacco, Brune, Hannam, Michels, Dirksen, Sanchez-Velazquez, Bachhuber, Gallegos

   MOTION PASSED

Budget Overview

Finance Director Don Hudson reviewed the budget process timeline, noting the internal budget kickoff was held in December and budget development work continued through May. He stated the budget guidance for this year was to prepare a budget that is responsive to the Council's vision and priorities while continuing to meet the needs of the community. Director Hudson stated he anticipates maintaining a sound financial position but noted difficult decisions may be necessary to balance departmental needs and service levels with available organizational resources.

Finance staff distributed the proposed budget binders.

Director Hudson reviewed the layout and organization of the budget binders and briefly summarized the Council priorities reflected throughout the proposed budget.

Director Hudson then reviewed a summary of City funds. He discussed debt service obligations within the General Fund and reviewed changes within several operating and capital funds. He stated the Parks Utility Fee Fund includes intergovernmental revenue associated with a state grant for the Tualatin Community Park project. He noted the Transportation Development Tax Fund reflects a decrease due to consultant services related to capital project prioritization being completed during the current year, reducing the need for additional funding. Director Hudson stated the American Rescue Plan Fund capital outlay is decreasing due to completion of Parque Las Casitas, with remaining funds expected to be used for organizational projects and other one-time needs.

Discuss City Revenues

Director Hudson presented an overview of the proposed Fiscal Year 2026-27 budget, noting the total proposed budget is $176,951,360, an increase of 6.84% over the prior fiscal year. He reviewed revenue trends, stating overall revenues are projected to increase 10.55%.

Director Hudson stated property tax revenues are projected to decrease 2.25% overall. He prefaced that noting that year-over-year growth is approximately 2.64% after accounting for depreciation on industrial equipment. Director Hudson reviewed the General Obligation Bond Fund and explained that bond sale timing affected the projections. He stated the city will not need another bond sale until 2027 and noted there is no principal payment required for the bond levy during the current fiscal year.

Director Hudson stated charges for services are projected to increase 12.84%. He explained utility bill increases are largely related to pass-through charges from Clean Water Services, including approximately 75% of sewer charges and 23% of stormwater charges, representing approximately 36% of the utility bill. He noted the average residential household is expected to see an $8.36 increase in utility costs. Director Hudson discussed recreation programming revenues, stating a market rate study determined camp fees were significantly below market rates. He stated fees will be increased over a two-year period to align with market conditions while also expanding program capacity, with additional revenues offsetting program costs.

Director Hudson stated intergovernmental revenues are projected to increase 58.17% due to funding from sources including Tigard-Tualatin School District for School Resources Offices, state shared revenues, the Washington County Cooperative Library Services, and Clean Water Services reimbursements for sewer projects.

Director Hudson stated fees and charges are projected to decrease 1.5% due to declining System Development Charge revenues, partially offset by increases in road and parks utility fees from new accounts, picnic shelter and sports field rentals, and Pennies for Climate Action revenues. He noted fines and forfeitures are projected to decrease 0.18% due to reduced library lost book fees.

Director Hudson stated franchise fee revenues are projected to increase 7.85% from Portland General Electric, NW Natural, and Republic Services. He stated investment earnings are projected to decrease 19.14% due to lower anticipated earnings on investments, with budgeting based on an estimated 4% return on idle funds. Director Hudson stated license and permit revenues are projected to increase 1.95% due to stable development activity. Transfers and other revenues are projected to increase 9.72%, including secured funding of approximately $1.75 million for seismic valves at City water reservoirs. Director Hudson stated overall revenues remain stable.

Director Hudson reviewed personal services expenditures, which are projected to increase 6.78%, totaling approximately $29.4 million for 167.35 full-time equivalent positions. He stated personal services account for approximately 74% of the General Fund budget and 28.77% of the total City budget. He explained increases are driven by cost-of-living adjustments included in collective bargaining agreements, the second year of biennial PERS rate increases, and significant increases in health and dental insurance premiums.

Director Hudson stated three new positions are included in the proposed budget. Two positions are associated with splitting the previous Road/Sewer/Storm Division into two separate divisions, creating a Road Division Manager position and a Storm/Sewer Division Manager position, along with an additional Storm/Sewer Technician position. He also noted the addition of a Recreation Supervisor position within the Parks and Recreation Department.

Director Hudson stated materials and services expenditures are projected to increase 12.59%. He noted the General Fund, Building Fund, and Road Operating Fund are experiencing standard operational increases outside the City's control. He stated increases within the Sewer and Stormwater Operating Fund are primarily due to increased street sweeping contract costs. He also noted the Water Operating Fund is projected to increase 44.7% due to higher water purchase costs from the Portland Water Bureau. Director Hudson stated Road Utility Fee expenditures are decreasing approximately 17% due to reduced pavement maintenance and sidewalk and street tree program expenditures.

Director Hudson stated debt service expenditures are decreasing overall. He reviewed the Capital Improvement Plan, noting expenditures are projected to increase approximately 35% and noted the budget document includes detailed project descriptions. He also reviewed transfers, which are projected to decrease 0.82%, and explained how transfers are used to support projects across City funds.

Director Hudson reviewed the Tualatin Development Commission budget, noting the Commission oversees both the Southwest Urban Renewal District and the Core Opportunity and Reinvestment Area. He stated the proposed budget totals $8,048,255, an increase of 5.33%. He noted staffing changes include the addition of a Policy Analyst position.

Director Hudson stated the City continues to maintain a sound financial position and that while ongoing alignment remains negative, it is within a manageable range. He reviewed requested budget change requests, noting there were 28 requests across 11 cost centers and seven departments. He

stated the net General Fund expenditure request totaled approximately $1.034 million, including approximately $1.2 million in expenditures offset by approximately $175,000 in new revenues. He noted approximately $628,400 represented ongoing expenditures.

Director Hudson stated requested changes included four new positions, summer interns, expansion of the Juanita Pohl Center meal program, pedestrian bridge inspections, projects supporting Council priorities, celebration of the Tualatin Library's 50th anniversary, and installation of a mural at Parque Las Casitas. He stated 20 change requests were approved totaling approximately $308,700, with only $50,954 representing ongoing expenditures. He noted one added position is revenue neutral. Approved items included five interns, a community survey, the Parque Las Casitas mural, expansion of the Juanita Pohl Center meal program to three days per week, and the Library anniversary celebration. He stated the General Fund ongoing alignment remains negative but manageable following the approved additions.

Director Hudson provided an update on the Gaps and Needs Project, stating the project remains at the same stage as when the committee last reviewed it in February. He stated future meetings will include department presentations discussing service levels, functional areas, departmental objectives, significant budget changes, and relevant Council priorities.

Councilor Gonzalez asked whether there are areas within the budget where subcontracting services could be evaluated as a potential cost savings measure. Director Hudson stated he has not identified any services that would currently provide significant savings through subcontracting.

Councilor Gonzalez asked when those types of service evaluations would typically occur. Director Hudson stated decisions regarding changes to service delivery models would occur at the Council policy level and are outside the scope of the Budget Committee process.

Adjournment

Chair Bachhuber adjourned the meeting at 6:40 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor