



BUDGET COMMITTEE MEETING MINUTES

May 18, 2022 at 6:00 PM

City Hall Council Chambers & Remote Video Conferencing

CALL TO ORDER

1. Roll Call

The Wilsonville Budget Committee meeting was held at the Wilsonville City Hall beginning at 6:00 p.m. on Wednesday, May 18, 2022. Member Fitzgerald called the meeting to order at 6:00 p.m., followed by Member introductions.

PRESENT

Member Fitzgerald
Member Akervall
Member Lehan
Member Linville
Member West
Member Moulton
Member Scull
Member O'Neil
Member Russell

ABSENT

Member Hamm

STAFF PRESENT

Andrea Villagrana, Human Resource Manager
Andy Stone, IT Director
Amanda Guile-Hinman, City Attorney
Beth Wolf, Systems Analyst
Bill Evans, Communications & Marketing Manager
Bryan Cosgrove, City Manager
Chris Neamtzu, Community Develop. Director
Cindy Luxhoj, Associate Planner
Cricket Jones, Finance Operations Supervisor
Dan Carlson, Building Official
Dan Pauly, Planning Manager
Delora Kerber, Public Works Director

Dillion Jenkins, Senior Accountant
Dustin Schull, Parks Supervisor
Dwight Brashear, Transit Director
Eric Loomis, Transit Operations Manager
Georgia McAlister, Assistant Planner
Jeanna Troha, Assistant City Manager
Katherine Smith, Assistant Finance Director
Keith Katko, Finance Director
Kelsey Lewis, Grants & Programs Manager
Kerry Rappold, Natural Resources Manager
Kimberly Rybold, Senior Planner
Kris Ammerman, Parks and Recreation Director
Mark Ottenad, Public/Government Affairs Director
Martin Montalvo, Public Works Ops. Manager
Matt Palmer, Associate Engineer
Mike Nacrelli, Civil Engineer
Miranda Bateschell, Planning Director
Philip Bradford, Associate Planner
Robert Wurpes, Chief of Police
Ryan Adams, Assistant City Attorney
Scott Simonton, Fleet Services Manager
Zach Weigel, Capital Projects Engineering Manager
Zoe Mombert, Assistant to the City Manager

2. Motion to Approve the Order of the Agenda

Motion: Moved to approve the order of the agenda.

Motion made by Member O 'Neil, Seconded by Member Lehan.

Voting Yea:

Member Fitzgerald, Member Akervall, Member Lehan, Member Linville, Member West, Member Moulton, Member Scull, Member O'Neil, and Member Russell.

Voting Nay:

None.

Vote: Motion carried 9-0.

Budget Committee Members briefly introduced themselves, noting their professional backgrounds and how long they have lived in Wilsonville and served on the Budget Committee.

ELECT BUDGET COMMITTEE CHAIR

Amanda Guile-Hinman, City Attorney, reviewed the rules for nominating and electing the Chair.

Member Scull nominated Member O'Neil for 2022 Budget Committee Chair.

Member O'Neil nominated Member Scull for 2022 Budget Committee Chair.

The City Attorney confirmed there was no further nominations and declared the nominations closed.

Following a roll call vote, Member Scull was elected as 2022 Budget Committee Chair.

Chair Scull assumed the responsibilities of Committee Chair.

MOTION TO APPROVE FY 2021-22 BUDGET COMMITTEE MINUTES

3. Minutes of the May 19 and 20, 2021 Budget Committee Meetings

Motion: Moved to accept the Minutes of the May 19 and 20, 2021 Budget Committee Meetings.

Motion made by Member Linville, Seconded by Member O'Neil.

Voting Yea:

Member Fitzgerald, Member Akervall, Member Lehan, Member Linville, Member West, Member Moulton, Chair Scull, Member O'Neil, and Member Russell.

Voting Nay:

None.

Vote: Motion carried 9-0.

OPEN PUBLIC HEARING #1 - STATE SHARED REVENUE

Chair Scull called to order the City of Wilsonville Budget Committee public hearing on State Shared Revenue as reflected in the City of Wilsonville's FY 2022-23 proposed budget at 6:12 p.m. He read the conduct of public hearing format into the record.

4. Presentation ORS 221.770

Katherine Smith, Assistant Finance Director presented the Staff report on the proposed State Shared Revenues via PowerPoint, reviewing how the City met the State requirements and the revenues received. (Slide 3)

There were no questions from the Budget Committee.

5. Citizen Input

There was none.

6. Close State Shared Revenue Hearing

Chair Scull closed the public hearing on State Shared Revenue at 6:18 p.m.

OPEN PUBLIC HEARING #2 - FY 2022-23 PROPOSED BUDGET

Chair Scull called to order the City of Wilsonville Budget Committee public hearing on the City of Wilsonville Fiscal Year (FY) 2022-23 proposed Budget at 6:18 p.m. He read the conduct of public hearing format into the record and reviewed the public notice provided regarding the meeting.

7. Citizen Input

There was none.

8. Budget Message

City Manager Cosgrove stated the Budget Message had been distributed to the Budget Committee. He noted that since the budget was printed, the printer of the Boones Ferry Messenger notified the City about its shortages, which resulted in the need to include an additional \$30,000 to \$40,000 in the printing line item of the budget. The printer is looking for paper comparable to what was used before, and hoped to get the cost back down to what it was previously. In case the printer is unable to do, so, additional resources have been budgeted to prevent the need for a supplemental budget in the future.

Finance Director Katko confirmed that the line item adjustment for the printing, along with any other changes would be included in the final revised version of the budget document. At the end of tomorrow's presentation, a motion would have to be made to amend the budget as proposed for the additional amount for the *Boones Ferry Messenger*, which would then be referred to City Council for ultimate adoption.

9. Budget Overview

Finance Director Katko briefly explained how the budget would be presented; noting the quickest way to understand the budget was the Budget Message, which is a CliffsNotes version of the budget. The budget book is a policy document, financial plan, operational guide, a communication device, and a five-year projection for the City. The proposed budget is the first year of the Five-Year Forecast. The complete forecast can be found in the appendix of the budget document.

Finance Director Katko presented the Budget Overview via PowerPoint, providing a high-level overview on how the budget operated and the inner workings of the 11 Operating, 7 SDC, and 6 Capital Funds and related inter-fund transfers, and highlighting the year over year changes in the City's Resources and Requirements from the FY 2021-22 Budget and the proposed FY 2022-23 Budget. He concluded by noting that this year, the Community Development Fund was on Staff's watch list because of its volatility, though the fund was still relatively healthy. (Slides 5-24)

Director Katko confirmed an additional audit would be required because of receiving the American Rescue Plan Act (ARPA) funding. The audit will cover the entire City on the use of federal funds. Any time the City receives more than \$750,000 in a year it triggers a single audit. The City normally falls into that classification every year because of Transit, which generally receives at least \$1 million in federal funding annually.

Member Russell understood the City's auditor, Merina & Co, would no longer be providing audit services. She asked if there had been any discussion or consideration about that change. Director Katko replied the City was at the tail end of a five-year contract with Merina & Co when the company announced that change. Every five years, the City typically goes out for a Request for Proposal (RFP), which has already been done and reviewed by Council, and Grove, Mueller & Swank has been selected as the City's new auditor.

Member West asked if the City's investment revenue would increase as the Fed increased interest rates. Director Katko confirmed that was the case, noting that while the interest on the City's incurred debt would increase, earnings on the City's investments is also expected to increase. He noted the City invests in the LGIP, a State savings account with a lower rate that was more fluid, enabling the City to access the funds much quicker. No one really knew what to expect, but he expected interest rates to continue to rise.

Chair Scull asked that given the potential interest rate increase, how confident Staff was that licenses and permit applications would not slow down. Director Katko replied according to Community Development Director Neamtzu, development in Wilsonville has not slowed at all, which he could speak more about at tomorrow's meeting. Frog Pond was on track for increased residential development, so at least for the year ahead, Staff anticipated development activity continuing.

City Manager Cosgrove clarified the behavioral health specialist position will be in Contracted Services, as it was being added to the Clackamas County Sheriff's Department contract, adding the position would coordinate directly with Clackamas County Behavioral Health. He confirmed that while the position was shown under Personnel Services, it would be in a different place in the budget. (Slide 20-21)

Member West asked if, for example, a vehicle takes a long time to deliver on, does that money get earmarked or held until delivery even though it was not part of the current budget year or was it an expense out of the current budget even though a delivery date was uncertain. Director Katko replied the vehicle in that example would have to be re-budgeted next year, in accordance with state law, because the funds could not be outflowed from the City without a budget.

10. Capital Improvement Program Budget

Finance Director Katko overviewed the Capital Improvement Program (CIP) Budget via PowerPoint, noting the CIP Budget also included Urban Renewal projects, bringing the total CIP budget to \$101.7 million for the 119 projects in the CIP. He highlighted the CIP's funding sources, reviewed the three biggest CIP projects, and explained how projects were identified to be added to the CIP list. He then highlighted the key 2022-23 CIP projects planned within each quadrant of the city and reviewed the Master Plans and Studies to be conducted next year. (Slides 26-36)

During the presentation, the Committee took a short break due to address audio issues with Zoom, reconvening the meeting at 7:15 p.m.

Member West asked where the Kiva Building project could be found in the CIP budget. Director Katko replied Delora Kerber would address the other projects and details related to the Kiva Building. He noted the immediate need was to address a roof problem that will be coming to City Council in June by way of a supplemental budget. In next year's CIP program budget, there were additional project costs related to both the Kiva building and Art Tech campus.

Member Russell asked what kind of eco-, climate-friendly considerations were part of the plans for new buildings or renovations, or what kind of green building standards were being used for those projects. City Manager Cosgrove deferred the question to Director Kerber when she presents later in the meeting.

Director Katko clarified that in the quadrant slides, the red lines represented street improvements, noting that in the southwest quadrant, the Brown Road Improvements was the last remaining West Side Urban Renewal District Project. City Engineer Zach Weigel added that Brown Road project would start design next year and was planned to be completed over the next three years. (Slide 35)

City Engineer Weigel explained a set aside account was created to set aside street SDCs for the French Prairie Bridge project in case grant funding became available or coordination with the Oregon Department of Transportation (ODOT) on advancing the project. The red dot for the French Prairie Bridge included streets, bike/ped, and anything transportation related.

Member Fitzgerald stated the French Prairie Bridge project has been discussed for many years and the cost was very high. ODOT has come under a set of requirements to make sure bike/ped facilities are included on major improvements. If things keep proceeding as they seem to be with ODOT that could mean the French Prairie Bridge would be built. She asked if the money the City had set aside for the project would be used to do further design because ODOT's ideas of where it would go might be a little different. City Engineer Weigel replied that money is set aside for coordination with ODOT advancing the project. There was ongoing coordination with ODOT about incorporating that into the Boone Bridge project.

Member O'Neil recalled the French Prairie Bridge project would allow for access for emergency vehicles and asked if that was still part of the design equation. City Engineer Weigel stated that was included in the planning work a few years ago and he believed making that redundant was still the plan.

Member Akervall asked how the charts and maps included in the PowerPoint presentation could be made more accessible to the public to provide a quick snapshot of the budget and the work the City is doing, especially considering the length of the budget document. Director Katko replied the graphics could be excerpted from the budget document and space made for them on the City's website. The budget document did break out the CIP projects by function areas, like water and sewer projects, in separate maps. City Engineer Weigel noted the City's Projects page has a map showing current projects, including all capital projects and private development projects, but not currently planned projects.

Member O'Neil asked if the budget infographics had been put in the *Boones Ferry Messenger* or on social media, adding it would be helpful to share the information beyond making people go to the City's website. Director Katko stated he would be in contact with the City's Public Relations Manager Bill Evans to discuss ideas. City Manager Cosgrove added the graphics were not included in the budget update in the annual report already released to the community, but they could be incorporated into the annual report. He believed sending out the graphics via social media was a good suggestion.

Assistant Finance Director Smith highlighted the format Staff would use for each department's budget presentations, which show how the Departments would get from their FY 2021-22 amended budgets to the FY 2022-23 proposed budget. She noted that for all departments, Personnel Services were budgeted at a 2 percent cost of living allowance (COLA), as per existing labor agreements, a 10 percent for health insurance, and for Materials and Services, employee development is budgeted to return to pre-pandemic levels with Liability Insurance anticipated to increase by 15 to 20 percent.

11. Program Budget: Public Works - PW Admin, Facilities, Roads, Water, Sewer, Storm, Street Lighting

Delora Kerber, Public Works Director, noted the National Public Works Week theme this year was "Ready and Resilient," noting it was a very good explanation of her department's role. This year Public Works received the High-Performance Operations Award from Cartograph, the software the City used for some of the department's innovative uses in tracking the City's assets around Wilsonville. She described the functions and responsibilities of the Public Works Department, highlighting the work and any budget requests within the Department's seven program areas: Administration and Emergency Management, Facilities and Grounds, Roads Maintenance, Streetlights, Water Treatment and Distribution, Sewer Collections and Treatment, and Stormwater Maintenance. (Slides 40-47)

- She noted the reconstruction work Public Works was doing after the water line leak in the lunchroom at City Hall and addressed questions posed earlier in the meeting as follows:

- Regarding earlier questions about sustainability, she explained that for the new Public Works Complex, Staff took the best criteria of the LEED certification as well as Green Globe to create a specific checklist for the project. As the design moved forward, sustainability was incorporated into the construction of the site. She noted the complex would not necessarily get a LEED certification, but it would meet the intent of sustainability of new construction. Additionally, throughout all the buildings, the department is adding/using building automation systems, which is a great way to be very efficient with both electrical usage as well as heating, ventilation, and air conditioning systems. Additionally, the State required any new building to have 1.5 percent of the construction cost put toward green energy technology, and solar panels would be put on the warehouse in the middle of the Complex's yard.
- Regarding the Art Tech campus, one of the repairs and replacements Public Works is overseeing involved the roof truss structure at the Kiva Building, which shares a campus with the Art Tech building. The roof structure of the Kiva Building is failing, so Public Works will remove the old roof and trusses and rebuild the roof to get the building back up to standard for use.
 - Before the roof issue arose, Public Works was looking at how best to use the Art Tech campus. One of the primary uses will be for the Parks and Recreation Division to expand their programming. In doing the Facility Master Plan, Staff recognized the community center is limited in what could be done with that building if any of their programs were to expand. Wilsonville Community Sharing will be temporarily located in the Art Tech building while they wait to move to its more permanent location.

Member Fitzgerald reminded Council's goals guide budget expenditures and noted some green strategies were outlined on Page 196 of the budget document under Council Goal 7.

Member O'Neil asked if the sidewalks and the green area between the street and some of the businesses on Town Center Loop were the responsibility of the City. Director Kerber replied according to the City code, the maintenance of both the sidewalk and landscape area is the responsibility of the adjacent property owner. She confirmed the bushes obstructing the sidewalks adjacent to Frye's were the property owner's responsibility, adding the Code compliance official would be engaged to work with the property owners to address such concerns.

Member Russell cited the severe drought faced by quite a bit of the state and asked if the City is doing anything with regard to water conservation policies. Director Kerber replied that next year's CIP includes a project called Water Management and Conversation Plan where the City will identify various things to do to help conserve water within the City. As far as the City is concerned, its water rights on the Willamette River do not have as many restrictions as some other agencies. If there were to be such a severe drought that would affect the City's ability to use its water permit, a curtailment plan was in place on how to address any reduction in being able to pull water from the Willamette.

Member O'Neil:

- Noted the City has to flush the system occasionally where water is released through the fire hydrants onto the street as part of necessary maintenance. He asked if there were any safety protocols related to that, such as posting signs. He walks Town Center Loop every morning and has not seen any signs warning pedestrians or cars. The flushing goes out over the road and sometimes the sidewalk. Was there a policy in place that required posting such warnings?
 - Director Kerber replied typically A-frame signs are put out around the neighborhood, letting people know the City is performing flushing activity.
- Stated a sign saying the flushing is being done but not alerting pedestrians and drivers that it is actually happening where water is going in full force across sidewalks and into the street, to him, is an immediate hazard. When the flushing is occurring, he suggested the people doing the flushing put out warning signs that it is actually in progress as opposed to posting that it will be happening. The warning signs in his neighborhood did not indicate when the flushing would happen. He was more interested in seeing such signage around the Town Center, for instance, where there is a lot of traffic.

Assistant Finance Director Smith presented the Public Works budget, including the Current Year-End 2021-2022 Amended Budget Estimate and the Proposed 2022-23 Budget, describing any proposed Baseline Changes and Add-Packages for each of the seven program areas. (Slides 48–56) Comments and questions regarding these program areas were as follows:

Water – Treatment

Member Moulton:

- Confirmed the expense of the Water Treatment Plant FTEs, which are all contracted employees, was listed in Professional Technical Services instead of Salaries, and that the contracted FTEs are not included in the City's overall FTE count.
- Asked if how many areas within the budget have contracted employees.
 - City Manager Cosgrove replied the primary areas the City contracts out are sewer and water plant operations, some landscaping of medians, and street sweeping. Assistant Finance Director Smith added police services.

12. Program Budget: Transportation - SMART, Fleet

Dwight Brashear, SMART Transit Director, introduced the SMART team and overviewed the Transportation Department via PowerPoint, describing the program areas, current projects, how the Statewide Transportation Improvement Fund (STIF) and other grants and subsidies funded SMART's programs. He noted in 2017, when he came on board as Director, the Transportation Department was on the City's financial watch list and now SMART is one of two transit operations in the entire state that operates in the black. He was also extremely proud of the transit-oriented development project that will bring much needed affordable housing to the Wilsonville area, and specifically to the transit center, which will provide residents access to wraparound social services on the first floor along with a regional transit customer service center. (Slides 57- 59)

Member Russell noted construction had started where I-5 and I-205 meet and it looked like part of the shoulder was blocked off. Did that affect the Bus on Shoulder's route? Director Brashear replied it did indeed, and SMART had a meeting with ODOT recently to express their discontent about what happened. ODOT apologized and worked with the contractor who has moved the Jersey barriers over and now the shoulder can be accessed.

Member O'Neil commended Director Brashear for the superb work by his department. The transition SMART has made over the years has been amazing. He noted had a streetcar SMART at one time, which was a great outreach for children. He asked for an update on the streetcar's status. Director Brashear responded the trolley, which is a San Francisco streetcar replica, is still at SMART. Scott Simonton Fleet Services Manager stated the trolley is 22 years old and beyond its useful life, but his team has kept it operational as best they can. The trolley has a lot of wood damage and needs complete refurbishment. SMART had a contract to buy a replacement trolley about two years ago but were hampered by supply issues. His team is looking at some other grant opportunities to purchase a replacement trolley, but in the meantime, his staff is working to refurbish the trolley's wood to get it back out for the public. Director Brashear added SMART hopes to see the trolley operational before the summer is over.

Member Linville echoed the comments commending SMART for its operation and programs', adding another big benefit to the community was the savings on employers' employment tax. If TriMet were in Wilsonville, their increase going into effect the next fiscal year would be 0.7937 percent, whereas SMART has been holding at 0.5 percent. Director Brashear added SMART has maintained one of, if not the lowest payroll tax in the tri-county area. For the last five years, SMART has been ranked as one of the top 10 transit agencies in a national survey.

Member Fitzgerald noted that Director Brashear and his transit team are well known in the area for their collaboration with other small transit providers. Director Brashear had formed a group who meets periodically to discuss ways to make their transit systems work better, how to integrate their systems together, and they work with ODOT. They are always working on challenges. She encouraged everyone to ride transit and take a tour of SMART if available, adding it is great to do with kids, too. Director Brashear stated that he uses the transit system daily and loves it. He also loves working with the other small providers of Clackamas County, noting his 'coalition' meets every Wednesday at 1:00 pm and has for the last three or four years. The coalition is currently working on an integrated website to give customers all the information they need about all the transit providers, while still maintaining their own individual websites.

Member Russell inquired about the progress of the vanpool program and if any consideration was being given to hybrid or electric vehicles versus gas vehicles. Director Brashear replied SMART is always looking at opportunities to transition the fleet to alternative fuels and had a goal to transition the entire fleet by 2028. TriMet's goal was to do so between 2040 and 2050. SMART will have to figure out what is available now to transition the vans, but he believed there are some opportunities for alternative fuel vans. SMART wants to get some electric buses on the Bus on Shoulder route, but the market right now has not opened up enough for that to happen. SMART is constantly scanning the market and Mr. Simonton does a great job of identifying opportunities and bringing them to SMART.

Kelsey Lewis, SMART Grants & Programs Manager, explained the vanpool program was part of a partnership with Enterprise, which operates their vanpool program very similarly to its car rentals, so a vanpool group can choose the vehicle they want. She did not know if Enterprise offered electric vehicles as an option. She expected they probably offer hybrids, but she will follow up to see what options Enterprise has for alternative fuel vehicles.

Director Katko stated the SMART Transit Agency, as an FTA direct recipient, is subject to a three-year comprehensive audit, which encompasses all of SMART's policies, procedures, and financials. Last year, the FTA audit found zero occurrences of any concern. Director Brashear confirmed there were no findings from the audit, which was the first time in his over three decades of running transit across the country that, has ever happened, which was incredible. He commended his Staff, Director Katko, and everyone involved.

Director Katko presented the Transportation budget, Current Year-End 2021-2022 Amended Budget and Proposed 2022-23 Budget, highlighting the key items in the proposed Baseline Changes and Add-Packages for each program area. He noted most of the expenses would not occur unless the grant funding was in line. He concluded by highlighting the 5-Year Forecast for the Transit Fund. (Slides 60-62)

RECESS MEETING UNTIL MAY 19, 2022

Motion: Moved to continue the Budget Committee meeting to May 19, 2022 at 6:00 p.m.

Motion made by Member O'Neil, Seconded by Member West.

Voting Yea:

Member Fitzgerald, Member Akervall, Member Lehan, Member Linville, Member West, Member Moulton, Chair Scull, Member O'Neil, and Member Russell.

Voting Nay:

None.

Vote: Motion carried 9-0.

Chair Scull recessed the Budget Committee meeting at 8:46 p.m.

Respectfully submitted,

DocuSigned by:

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Paula Pinyerd, ABC Transcription Services, LLC.
for Kimberly Veliz, City Recorder