



BUDGET COMMITTEE MINUTES

May 18, 2023 at 6:00 PM

Wilsonville City Hall & Remote Video Conferencing

RECONVENE CITY BUDGET COMMITTEE MEETING FROM MAY 17, 2023

1. Roll Call

The Wilsonville Budget Committee meeting was held at the Wilsonville City Hall beginning at 6:00 p.m. on Thursday, May 18, 2023. Chair Scull reconvened the meeting at 6:00 p.m. followed by roll call.

PRESENT

Chair Scull
Member Fitzgerald
Member Akervall
Member Berry
Member Dunwell
Member Linville
Member Hamm
Member Moulton
Member O'Neil
Member Russell

ABSENT

None

STAFF PRESENT

Bryan Cosgrove, City Manager
Keith Katko, Finance Director
Katherine Smith, Assistant Finance Director
Amanda Guile-Hinman, City Attorney
Andrea Villagrana, Human Resource Manager
Chris Neamtzu, Community Develop. Director
Dan Carlson, Building Official
Miranda Bateschell, Planning Director
Kris Ammerman, Parks and Recreation Director
Shasta Sasser, Library Director,
Andy Stone, IT Director
Zach Weigel, Capital Projects Engineering Manager
Jeanna Troha, Assistant City Manager
Cricket Jones, Finance Operations Supervisor

Zoe Mombert, Assistant to the City Manager

Dillion Jenkins, Senior Accountant

Dustin Schull, Parks Supervisor

Kerry Rappold, Natural Resources Manager

Mike Nacrelli, Civil Engineer

Bill Evans, Communications & Marketing Manager

PUBLIC HEARING / CITIZEN INPUT

2. Public Hearings for the FY 2023-24 Proposed Budget

Chair Scull reconvened the Public Hearing at 6:00 p.m. and read the conduct of public hearing format.

3. Citizen Input

There was none.

FY 2023-24 Operating Budget

4. Department Presentation: Policy and Administration

The Assistant Finance Director noted each year City Staff liked to showcase a program area within the Policy and Administration Department and this year, Human Resources was featured to give a special presentation.

The Human Resources Manager outlined the department's current recruitment environment, upcoming challenges, job application data, turnover statistics, candidate priorities, and options for improving the City's recruitment environment.

Questions and comments from Committee members with responses from Staff were as follows:

- The City's applicant tracking system, NEOGOV, did not include work/life balance percentages for public sector employees. However, during every interview process, applicants ask about the City's work/life balance, which was a focus for the Human Resources Department.
- Staff complete the entire recruitment process for each qualified applicant, which includes a background check and reference checks with prior employers. Hiring managers are asked what the reference check should focus on beyond ordinary questions, like being punctual. The process is still time consuming, and some checks take longer for some applicants than others, but Staff tries to move through the process quickly. Speeding up the process could prevent candidates from taking a job elsewhere.
- The most common reason that applicants turn down job offers by the City was that their current employer offered them more money.
 - The City did not offer more money as a strategy to retain employees. Employees usually leave the City for a promotion in another organization, a position with more responsibility, or a position in a larger organization. Several factors limit the City's ability to offer salary increases.

- The City does its best to offer competitive salaries. Market studies on cost-of-living increases in comparable cities were completed regularly so Staff could determine whether the City's salaries need to be adjusted in the budget as salaries are limited by the budget.

29:55-geographic search

- The City recruits nationally for positions that are difficult to fill; currently only candidates from out of state have applied for the Library Outreach position.
 - The advertising methods that work best depend on the positions required to be filled. Generally, the word-of-mouth advertising and networking with others in the profession is beneficial. The City also receives a lot of traffic from the governmentjobs.com website.
- The Professional Development budget had returned to pre-COVID levels; however, Staff did not know how the City's budget compared to the professional development budget of other cities. A comparison could be beneficial since the ability for growth played a significant role in employee retention.
- The City was on track to a 20 percent attrition rate for this year, which was typical. In 2021-2022, the City's attrition rate was 28 percent, while in years prior the range was between 15 and 20 percent. The hardest positions to recruit for and which had turnover were trade positions, such as in Public Works and Parks. It was also difficult to recruit for Engineering and Information Technology positions.
 - The Transit Department also had high turnover, but some of that was considered natural attrition due to retirements.
 - The City's attrition rates had not been compared to sister cities.
- Retention strategies were department-specific, but Citywide retention strategies were also discussed at the managerial level.
- The City had a good mix of long tenured and newer managers.
- Employees are not required to live within the city limits, but the cost of living can be an issue for people moving into the state. The City provides new employees with a relocation packet that is updated annually and includes information about every Portland suburb.

Assistant Finance Director Smith presented the Policy and Administration Department budget, including the Current Year-End 2022-23 Estimate and Proposed 2023-2024 Budget, describing the proposed Baseline Changes and Add-Packages for each of the five program areas: Administration, Finance, Information Technology, Legal, and Human Resources/Risk Management.

Member Dunwell asked why there was an 11 percent change in employee benefits with no difference in FTEs in the Human Resources Department. Keith Katko, Finance Director explained the benefits depended on the configuration of the employees in that department and their selections in any given year. An annual increase of 10 percent is budgeted for health insurance. Assistant Finance Director Smith stated one employee waived insurance this year.

5. Department Presentation: Community Development

The Community Development (CD) Director briefly overviewed the functions of the CD Department's four divisions, including the Building Fund, which was a separate accounting fund. He described the department's goals and achievements and highlighted key components impacting the department's proposed budget.

Comments and questions regarding CD program areas were addressed by Staff as follows:

- The mental hospital project was officially dead because the hospital was unable to get a Certificate of Need from the State of Oregon, and the City's approval timeframe expired due to a lack of construction activity.
- Supply chain issues were mostly electrical related, odd things like switches and fixtures. The school district had to prolonged delay construction for the Frog Pond Primary School due to the inability to get a specific electrical switch. Overall, the issues were narrowing.
- A planning permit was only good for five years. Construction must start within two years of approval and up to three additional one-year extensions can be requested. If nothing happens, the Villebois Village Center project would go away after five years; however, if substantial construction occurs, then one building could be built and the other two would be good forever. The Building Division would keep the Villebois planning permits alive, which Dan Carlson could explain later.
- House Bill (HB) 3414 would establish a State Housing Accountability and Production Office under the Department of Land Conservation and Development (DLCD) to bridge land use planning with building permits related to housing. The new office would help cities enact Codes that comply with State housing laws and hold cities accountable if cities were not implementing housing consistent with State law. House Bill 3414 could potentially bring resources, such as technical or financial assistance, to help cities get into compliance.
 - The current draft of the bill included challenges related to how accountability would occur in relation to the City's existing appeal and enforcement processes. The City was trying to provide direction to ensure the bill would not impact local processes or development decisions around building housing.
 - House Bill 3414 included a variance component which states that housing developers would be required to get a variance for things that they request, and a list of exceptions and exclusions was provided. The City has been commenting a lot because the variance component could be cumbersome to implement, result in an increase in appeals and slow housing production, as well as significantly impact the Planning Department budget and workload, if substantial findings around the variance requests were required to be written. The City wanted the requirements to be clear and objective.
 - Variances being discussed included things like setbacks, sidewalks, access to the front and rear of a house, etc. which could change the way neighborhoods look. The current draft allows everything unless it is included in the exceptions and exclusions list which addresses things like health and safety. For example, a developer could not get a variance for water, sewer, or stormwater infrastructure.
 - Transportation was not listed, so a development could impact the transportation system and what the City could require a developer to implement, particularly related to multi-modal connections and the trail system.
 - Other items not on the list but of concern to the City included trees, Goal 5 items, such as historic resources, housing production strategies, climate friendly and equitable community strategies.

- The City adopted Middle Housing into the Code but could not enforce any of those Codes because the bill only lists exclusions to the variance, so everything else was on the table. An amendment has been proposed that was more specific to things typically reviewed in a development application, like minimum lot size, minimum frontage, setbacks, and landscaping. The City would not be able to enforce design standards above the ground floor for mixed-use buildings, so the City was arguing to protect the ground floor, which was especially important in creating a walkable pedestrian environment.
- All Development Review Board (DRB) members had the option to be paperless, and Staff worked to reduce using paper as much as possible.
- The Building Division presentation would include numbers on home improvement projects and how such trends might impact the budget.

Keith Katko, Finance Director, presented the Community Development Department (CD) budget, including the Current Year-End 2022-23 Estimate and Proposed 2023-24 Budget, noting the proposed Baseline Changes for the three Department divisions. No Add-Packages were proposed. He briefly described the volatile characteristics of the CD Fund and the challenges in developing the five-year forecast.

Comments and questions regarding the CD budget were addressed by Staff as follows:

- The three civil engineer positions were included in the budget but had not been filled.
- The revenue line shown on Slide 30 included residential, commercial, and industrial, as well as transfers in, project management, urban renewal projects, capital projects, and permit revenues. Much of CD was funded through the Engineering Department, which tracked and billed their time to specific capital improvement projects, and then the funding sources, i.e., water, sewer, stormwater, or street SDCs, would be reimbursed to the CD Fund for that time.
- The bottom limit for Reserves was the Financial Policy Minimum, which was 15 percent of CD's Personal Services and Materials and Services budget. While the Reserves line crossed over to the Financial Policy Minimum, revenues were anticipated to pick up. The CD budget was balanced, Staff just needed to keep monitoring it and pushing for the funding sources to come in in a timely fashion.
- The City budgeted the full FTE count consistently, however also had consulting expenses related to not being fully staffed. Personnel Services and Contracting Services were separate line items. As long as departments remained within their bottom-line budget, money could be moved around within budgeted line items.

The Building Official noted that on February 1, 2023, a comprehensive update on the overview of development activity had been presented to the Budget Committee which included what Staff anticipated development activity would be doing. The Building Official presented a brief update on the number of permits issued January through April, which already accounted for more than half of the permits issued in all of 2022, and highlighted key projects and challenges that impacted the permit numbers as well as projects that were in the queue. He noted permits issued January through April for single-family remodels and additions had already exceeded the number issued last year.

Comments and questions regarding the Building Fund were addressed by Staff as follows:

- The revenue from a permit issued for a commercial building was not significantly greater than a permit issued by the City for a single-family home. The valuation for commercial buildings and single-family homes was close as they increased, and permit fees were based on the value.
- The City has a valuation chart that could be provided for Committee members to see. In the last couple of years, the City had the State Department of Administrative Services (DAS) Project, the Twist Bioscience project, and the Performing Arts Center at the high school, all of which totaled about \$150 million in projects.

The Finance Director presented the Current Year-End 2022-23 Estimate and Proposed 2023-24 Budget, noting the proposed Baseline Changes and that no Add-Packages were proposed.

6. Department Presentation: Parks and Recreation

The Parks and Recreation Director, reviewed the Department's mission statement and highlighted the functions and responsibilities of the Department's two program areas, General Services and Parks Maintenance, noting the need for an additional FTE to accommodate future growth in 2024. He also highlighted the various boards and commissions influencing the department and supported by Staff.

Comments and questions regarding Parks and Recreation were addressed by Staff as follows:

- While the meals provided at the Community Center were suggested as being for people aged 60 and over, but no one is turned away. A donation is suggested, but the meals are free whether a donation is made. Qualification for the home delivered meals was vetted through the City's social services provider.
- Member Dunwell noted the donation was passive and the diners were never questioned. She understood that for some homebound individuals receiving home delivered meals, the delivery person was the only contact they might have. The City's meal program is not tied to Meals-on-Wheels and provides healthy food and a way to make sure community members are safe. It was a spectacular community service.
- The meal delivery program served somewhat as a safety and wellness check and there were instances where people with a medical condition were saved. He added that the social aspect of the in-person meals at the Community Center was important, particularly after COVID.

The Assistant Finance Director presented the Parks and Recreation budget, including the Current Year-End 2022-23 Estimate and Proposed 2023-24 Budget, describing the proposed Baseline Changes and Add-Packages for the two program areas.

The City Manager clarified that the maintenance costs for the new camping area were included in the Public Works Facilities budget. A lot of the funding was spent this year and the Assistant Finance Director confirmed \$50,000 had been added next year for those maintenance costs.

Chair Scull called for a brief recess at 7:52 p.m., reconvening the meeting at 8:04 p.m.

7. Department Presentation: Library

The Library Director presented several statistics related to the Library's Services, described newly added services, and explained key components in the Library's 2023-24 budget.

The Library Director addressed questions from the Committee as follows:

- The Library had 16.76 FTE of regular paid Staff and about 4 FTE volunteers.
- Volunteer Staff levels were still climbing after COVID. The Library did not have volunteers during COVID and when volunteers returned, the Library wanted to make sure they were retrained due to the number of changes at the Library during COVID. During that retraining period, some volunteers moved on to other things. The Library always had a steady stream of volunteer applications being submitted. Six FTE volunteers was the most the Library has had and while she would like to have more, that would require Staff time to train them and monitor their progress.
- While digital materials did well during COVID, library patrons clearly indicated they still wanted to check out physical books from the Library, which contributed to the increase in the circulation of materials.
- The Seed Library was being done with the Parks and Recreation Department and began by writing to a couple of various places to request free boxes of seeds. As they accumulated, the seed packets were alphabetized and stamped by volunteers. The Library provides envelopes and spoons for Library patrons to scoop out a few seeds from the packets, label their envelopes, and take them home. The idea was that after library patrons dry some of the seeds from the plants they grew and bring them back so the Seed Library could eventually become self-sustaining.
- The Library partnered with SMART for Books on the Bus, which is available at some of the large events throughout the year instead of doing weekly visits because the program is Staff intensive.
- Many people use Wilsonville's Library. During COVID, the Library offered services that were different from other libraries, which attracted a lot of people from other libraries. Wilsonville's Library was equivalent to West Linn's library as far as funding and population, and both libraries partnered with each other.
- Contract costs for electronic subscriptions had not increased much, and the cost depended on the model. Hoopla was a pay-per-use model, which was different from some of the other contracts. The Library could control some parameters, for example, use could be limited to 10 items per user, which helps the Library estimate the cost. Use is monitored closely and if the cost gets too high, the limit could be lowered or a cap on the dollar amount per item could be added. There were many ways that publishers make digital items available and many different cost mechanisms were in play.
- The acquisition of new books has been kept flat for now. She did not want to budget for more than the Library was spending, and book costs had not gone up significantly through the Library's book vendors.

The Assistant Finance Director presented the Library budget, including the Current Year-End 2022-23 Estimate and Proposed 2023-24 Budget, and reviewed the requested Baseline Changes and Add-Packages.

8. Department Presentation: Law Enforcement

The Assistant City Manager, filling in for Police Chief Wurpes, who was attending a class at the Federal Bureau of Investigation (FBI) Academy, reviewed the Law Enforcement Department's various functions and responsibilities within its three program areas, Public Safety, Code Compliance, and Municipal Court, highlighting the Department's community focus and priorities for Fiscal Year 2023-2024.

Comments and questions regarding Law Enforcement were addressed by Staff as follows:

- The Sidewalk Repair Reimbursement Program was common in other communities and had existed in Wilsonville for about five years.
 - To qualify, the sidewalks had to be public sidewalks, which included the sidewalks in Villebois and Charbonneau located in the public right-of-way. Internal sidewalks at Target or Costco would not qualify for the funding.
 - Property owners were responsible for maintaining the sidewalks adjacent to their property. The City had to follow up on complaints about someone tripping on a sidewalk, and the program was an attempt to incentivize property owners to fix the sidewalk.
- Part of the City's contract with Clackamas County included specialized services, including access to a S.W.A.T. team, diving teams for situations on the Willamette River, etc. These specialized services were built into the contract and did not cost the City extra, although incidences that required overtime or extensive resources would add costs.
 - The County uses the budgeted amount for the cost of the law enforcement contract with the Sheriff's Office to estimate costs and every month, the amount was reconciled with the actual costs when the County billed the City for actual cost.
 - The law enforcement contract was rolled over each year.
- Chief Wurpes tried to stay on top of things like the speed racing on Graham's Ferry behind Villebois and other concerns by putting out additional patrols to enhance focus. The individual who was speed racing was caught.
- If the City determined that additional officers outside of the contract were needed, they would be paid for by the General Fund. If an additional officer was always needed on duty, the City would come before the Budget Committee with an Add Package as part of the annual budget process.
 - The number of officers per thousand was only metric and Staff also had to consider call volumes, the types of calls, and other variables. The City's staffing study will assess the community's needs now and over the next 20 years.
- The City had officers on bicycles as well as a School Resource Officer. Bicycle cops were typically used in parks and on trails and they have also gone to the schools and participated in school events. Some schools host a bike safety program, and the bike officer helped teach that class at the middle school and then lead the children on a bike ride across town.
 - Assistant City Manager Troha and Chief Wurpes recently discussed summer bike patrols and she just approved an invoice for training for the officers who would be on bicycles in public areas over the summer.
- Speed reading signs are first placed with the display turned off to gather actual speed data. When the display is turned on, the City then compares the difference in speed data.

- Hiring a police officer was a much longer process than hiring City employees. Applicants go through an extensive background check, attend the academy, and complete a field training program. Add Package requests for adding a police officer position are made to the Clackamas County Sheriff's Office, which fills the position as quickly as possible. The Sheriff's Office had been successful in getting good, qualified candidates.

The Finance Director presented the Public Safety budget, including the Current Year-End 2022-23 Estimate and Proposed 2023-24 Budgets for the program areas, and highlighted the proposed Baseline Changes and Add-Package.

The Finance Director explained that individuals convicted of traffic violations had to pay a fee and pay for the diversion class. The State received a portion of the funds received from diversion programs.

General Fund 5-Year Forecast

The Finance Director highlighted the 5-Year Forecast General Fund, noting the City was well above the reserve minimum balance and explaining how one-time capital projects and the closure of the urban renewal districts impacted the General Fund.

QUESTIONS FROM THE BUDGET COMMITTEE AND STAFF RESPONSES

Chair Scull confirmed there were no additional questions or comments and closed the public hearing at 8:49 p.m.

CONTINUED DELIBERATIONS BY BUDGET COMMITTEE

9. Motion to Approve the FY 2023-24 Proposed Budget

Motion: Moved to approve the FY 2023-24 proposed budget as amended to increase the Street Capital Fund's Street Maintenance Capital Improvement Project (CIP #4014) by \$1 million dollars inclusive of \$910,000 in Capital Project expense; \$60,000 as a related Project Management Fee transfer out to the Community Development Fund; and \$30,000 as related overhead transfer out to the General Fund, funding to be provided through \$1 million transfer-out from the Road Maintenance Fund with offsets to Contingency to balance each fund, to cumulate the total amount of \$277,476,344; and levying the full amount of the City general tax rate of \$2.5206.

Motion made by Member Akervall, Seconded by Member Moulton.

10. Discussion

Member Fitzgerald stated she appreciated Chair Scull's leadership of the Budget Committee, Staff's work on the presentations, and the questions from Committee Members.

Chair Scull thanked Staff for doing such an excellent job taking care of the City.

11. Final Motion to Approve the FY 2023-24 Proposed Budget

Voting Yea:

Member Fitzgerald, Member Akervall, Member Berry, Member Dunwell, Member Linville, Member Moulton, Member Hamm, Member Russell, Member O'Neil, and Chair Scull.

Voting Nay:

None.

Vote: Motion carried 10-0.

ADJOURN OR RECESS UNTIL MAY 23, 2023

Chair Scull adjourned the Budget Committee meeting at 8:52 p.m.

Respectfully submitted,

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