



## **BUDGET COMMITTEE AGENDA**

**May 17, 2023 at 6:00 PM**

**Wilsonville City Hall & Remote Video Conferencing**

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### **PARTICIPANTS MAY ATTEND THE MEETING AT:**

City Hall, 29799 SW Town Center Loop East, Wilsonville, Oregon  
YouTube: <https://www.youtube.com/user/CityofWilsonville/featured>  
Zoom: <https://us02web.zoom.us/j/89082691055>  
Telephone: 1-312-626-6799, Webinar ID # 890 8269 1055

### **TO PARTICIPATE REMOTELY OR PROVIDE PUBLIC COMMENT:**

Register with the City Recorder:  
[cityrecorder@ci.wilsonville.or.us](mailto:cityrecorder@ci.wilsonville.or.us) or 503-570-1506  
Individuals may submit comments online via email to the address above,  
or may mail written comments to:  
City Recorder - Wilsonville City Hall  
29799 SW Town Center Loop East, Wilsonville, OR 97070

### **CALL TO ORDER**

1. Roll Call
2. Motion to Approve the Order of the Agenda

### **ELECT BUDGET COMMITTEE CHAIR**

### **MOTION TO APPROVE FY 2022-23 BUDGET COMMITTEE MINUTES**

3. [Minutes of the February 2, 2022; May 18 and May 19, 2022; and February 1, 2023 Budget Committee Meetings \(Veliz\)](#)

### **OPEN PUBLIC HEARING #1 - STATE SHARED REVENUE**

4. Presentation ORS 221.770
5. Citizen Input
6. Close State Shared Revenue Hearing

### **OPEN PUBLIC HEARING #2 - FY 2023-24 PROPOSED BUDGET**

7. Citizen Input
8. Budget Message
9. Budget Overview
10. Capital Improvement Project Budget
11. Program Budget: Public Works - PW Admin, Facilities, Roads, Water, Sewer, Storm, Street Lighting
12. Program Budget: Transportation - SMART, Fleet

**RECESS MEETING UNTIL MAY 18, 2023**

*CityRecorder@ci.wilsonville.or.us* Time frames for agenda items are not time certain (i.e. agenda items may be considered earlier than indicated). The City will endeavor to provide the following services, without cost, if requested at least 48 hours prior to the meeting by contacting the City Recorder at 503-570-1506 or [CityRecorder@ci.wilsonville.or.us](mailto:CityRecorder@ci.wilsonville.or.us): assistive listening devices (ALD), sign language interpreter, and/or bilingual interpreter. Those who need accessibility assistance can contact the City by phone through the Federal Information Relay Service at 1-800-877-8339 for TTY/Voice communication.

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**BUDGET COMMITTEE MEETING MINUTES**  
**February 02, 2022 at 6:00 PM**  
**City Hall Council Chambers & Remote Video Conferencing**

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**CALL TO ORDER**

1. Roll Call

The Wilsonville Budget Committee mid-year review was held at the Wilsonville City Hall beginning at 6:00 p.m. on Wednesday, February 2, 2022. Member Fitzgerald called the meeting to order at 6:02 p.m., followed by member introductions.

**PRESENT**

Member Fitzgerald  
 Member Akervall  
 Member West – Arrived at 6:07 p.m.  
 Member Lehan  
 Member Linville  
 Member O'Neil  
 Member Scull  
 Member Hamm  
 Member Legarza  
 Member Moulton

**STAFF PRESENT**

Bryan Cosgrove, City Manager  
 Cricket Jones, Finance Operations Supervisor  
 Delora Kerber, Public Works Director  
 Dillion Jenkins, Senior Accountant  
 Dwight Brashear, Transit Director  
 Keith Katko, Finance Director  
 Katherine Smith, Assistant Finance Director  
 Kimberly Veliz, City Recorder  
 Zoe Mombert, Assistant to the City Manager

**FINANCE INTRODUCTION**

Keith Katko, Finance Director, introduced himself and the Finance team, noting each person's professional experience and expertise.

## FY 2021-22 MID-YEAR FINANCIAL REVIEW

### 2. Presentation

Finance Director Katko presented the Mid-Year Financial Review, via PowerPoint, which was included in the record. He highlighted tonight's overall agenda and the City's fund accounting structure, noting tonight's review would focus on the Operating Funds, which were aligned with the City's mission and goals. The three overall takeaways are that the budget is on target, interest rates are low, inflation is high and local growth, permit and construction activity were strong. (Slides 2-5)

Member Linville asked what funds could be charged back to the Capital Improvement Project (CIP) Funds and if employees' time and effort were charged back. Director Katko explained when an employee works on a specific CIP project, their hours are billed to that project, and then, a direct transfer is made when the accounting is done. The General Fund houses all the essential departments, and those functions are assessed to the appropriate operating funds through indirect charges. The City uses an allocation methodology that is reviewed annually by independent auditors to ensure the transfers are reasonable.

Member West asked how long inflation would continue to rise, how inflation impacts the budget, and how can the City mitigate the effects of inflation. Director Katko responded the City outsourced water treatment plant, wastewater treatment plant, and police services, which were the three largest services in the Materials and Service budget. The contracts for the two treatment plants contained clauses to index to the consumer price index (CPI). When the CPI increases, service rates will increase the following year. He could not attest to where inflation was going.

Member Scull asked if inflation was causing project delays and if so, how did those delays affect the budget. Director Katko said supply chain issues were affecting project costs, but the cost of borrowing has never been cheaper. The current economic issues and fiscal policies are out of the City's control. City Manager Cosgrove added that cost increases meant that projects, materials, and services would cost more. In the past, Staff has always budgeted for a 1 percent increase over the prior year, but that might not be reasonable for the next fiscal year and might have to vary for each budget. No one knows when the supply chain issues and inflationary pressures would back off, but Staff would have a better idea of what would be needed in the Operating Fund by April or May.

Director Katko continued the PowerPoint presentation, along with Assistant Finance Director Katherine Smith, reviewing the revenues and then requirements or expenditures, along with the Budget, Year-End Estimate, Remaining Balance, and Budget Variance for each of the City's Operating Funds. Comments were also provided in the PowerPoint to update and discuss what was happening with the funds.

Questions from the Budget Committee members and key responses by Staff about the following funds were as noted:

## Transit Fund

Member Linville asked if the City's policy was to transfer money into individual funds to cover variances that are below the budgeted amount. City Manager Cosgrove said the City uses the bottom line total of the program budget to determine whether contingency funds needed to be moved. As long as a program stays within budget, it does not matter if more or less is being sent on specific line items within that budget. This allows flexibility for emergencies and unforeseen financial impacts. However, programs always come in under budget with very few exceptions. Director Katko added that a budget authority was only needed to spend money, so the resources are listed to conceptualize how the fund is doing.

Member West confirmed the Transit Fund Resources had a deficit of \$344,000. Director Katko said despite the deficit, the fund is very healthy. Staff did not anticipate receiving the intergovernmental state revenue funding this year, but it would be re-budgeted next year; that resource would not be spent until the revenue was received. He added the anticipated \$5.2 million in transit tax represents \$1 billion in wages and self-employment earnings in the local area. Intergovernmental revenue is typically the second largest revenue source for SMART. He explained the \$4 million received in American Rescue Plan Act (ARPA) funds was not reflected in the Transit Funds Resources Year-End Estimate for this fiscal year and would likely be shown next fiscal year. The \$2.7 million shown for Intergovernmental Federal resources assumed SMART's buses would be delivered by June 30, if not the intergovernmental revenue and expense would be pushed to the next fiscal year. The long lead-time around purchasing buses made budgeting tricky. (Slide 6)

Member Linville said she heard there were concerns about the transit tax on total payroll, but that revenue was only about 30 percent of the total Transit Fund Resources. Additionally, the amount of transit tax charged for SMART is lower than if Tri-Met was in Wilsonville. Director Katko confirmed she was correct, noting Wilsonville benefitted from having large, high-tech oriented multinational companies that had been somewhat more immune from the economic difficulties faced by some smaller and mid-sized companies, resulting in a stable revenue source in that transit tax. SMART has also been receiving federal funding at increasing higher levels, which generally must be spent on capital outlay, which meant buses.

Member Fitzgerald reminded how the City has chosen to invest in and develop new areas like Coffee Creek and Basalt Creek and other industrial development areas that City Council and the citizens have supported developing. Looking at other cities one realizes how important it is that people have been forward thinking and looking at ways to attract and retain those higher wage jobs.

Councilor West asked how much revenue the City typically receives from transit fares. He assumed the current number was low due to the pandemic. City Manager Cosgrove clarified that no fares were charged during the pandemic because the City received federal funding to offset that. However, fares were an infinitesimally small part of SMART's budget. Given the staff time involved in managing the fares, it was worth not charging fares. The only fare that made sense was the 1X between Salem and Wilsonville. He noted this Transit budget is inflated due to extenuating circumstances with stimulus and Statewide Transportation Improvement Funds (STIF).

### Road Operating Fund

Member Akervall asked if the City had been conservative with the budgeting because people were driving less during the pandemic and that was why the Beginning Fund Balance was higher than anticipated. Director Katko stated there was a slight dip in gas tax in 2021, which is reflected in the Beginning Fund Balance. However, there was also a reduction in expenses in the prior year, which rolled forward, and the gas tax increased \$.02 in January 2022. City Manager Cosgrove added the City's population increased, which resulted in higher state shared revenues. (Slide 9)

Member Akervall asked if the City was behind on some road projects and if so, was that a result of supply chain issues or other reasons. Director Katko explained the City experienced staffing vacancies as a result of the pandemic, most of which were in the Community Development Department, engineers in particular, which triggers movement on CIP projects. Being near fully staffed now has triggered movement on many of the capital projects. City Manager Cosgrove noted the City was down two engineers. He also explained that CIP Plan is a 5-year plan. After Year 5, projects move into the design phase, after which construction begins. Any project could be delayed for any number of reasons and during any phase. However, Staff does a good job of maintaining its assets and the Street Maintenance Program was a good example.

### Water Operating Fund

Member Legarza confirmed with Staff that contracted service contract increases were based on CPI and the Committee had not seen those yet. Director Katko noted the increases would be discussed during the budget meetings in May. Director Kerber added that for the water and wastewater treatment plants, the contracted personnel increases are made up of a split of the CPI for West Coast Class A Cities and the Employee Cost Index (ECI). Both contracts renew on July 1 of each year, but numbers from the previous 12 months of January through December are used to calculate those increases. She believed that the next increase would be between 3.5 percent and 4 percent.

### Stormwater Fund

Member Fitzgerald asked how the Stormwater Master Plan fit into the upcoming fiscal year's budget. Director Kerber said Staff was in the process of updating the master plan, which will help inform future capital improvement projects and major repair and maintenance projects. After the master plan is complete, Staff will look at the user rates and SDC rates to determine how those rates will need to be changed.

Member West asked if the unexpected construction project related to the stormwater issue in Charbonneau was paid for out of this year's budget, and if Staff had assessed such things in an effort to avoid future issues. Director Kerber replied the project was the storm line that ran along Miley Rd to the south of Charbonneau, noting the previous Master Plan had pointed out that as a potential area for repairs. In addition, Staff was trying to identify areas around the City with challenges to address them before emergency repairs are necessary. She believed the project in Charbonneau was likely two fiscal years ago.

### Building Inspection Fund

Member Legarza noted some projects would carry over into next year and asked if project timeline extensions were expected to continue, especially with inflation increasing. Director Katko responded that is difficult to determine. This fund's revenue can be feast or famine because the fund is dependent on the timing of when permits are pulled. For example, permits pulled in May would be for developments in the next fiscal year, which would likely result in a dip in revenue next year when inspection costs are incurred. As far as development going forward, Frog Pond was a ways from being built out, and Wilsonville in general is a very attractive geographical area for development as well as to some of the economic policies embraced here. City Manager Cosgrove added that for the Building Inspection and Community Development Funds, the money comes in on the front end and the work happens on the back end, so there were wild fluctuations in both funds. Therefore, Staff tries to maintain a healthy Ending Fund Balance.

Member Linville asked if this was one of the funds on a watch. Staff had been added to the department so the City could meet requirements for the requests and increase its timeliness for meeting building inspection requests. City Manager Cosgrove clarified the Community Development Fund was on a watch, not the Building Inspection Fund, which always had a healthy reserve, though resources were added to the Building Inspection Fund. Permit fees were increased for the first time in 15 years to capture the true cost of the labor involved in providing services to the development community. The fees are tied to employees' billable hours. Director Katko added several variants were involved, noting there are three staff vacancies in this Department, which was why a huge influx of revenue was shown. The need has been so tremendous the Department has outsourced some building inspections, which goes in the Materials and Service budgets so it kind of nets.

Member West understood contracting services was more expensive and asked if there would be additional savings by filling the contracted positions with Staff. Director Katko responded it was absolutely more expensive, noting Building Inspector Dan Carlson would address the contracted work and expense in more detail during the budget meetings in May.

### General Fund

Member Fitzgerald asked for details about the investment in more law enforcement personnel. She understood the City would be hiring another deputy. City Manager Cosgrove clarified the City has no immediate plans to hire another deputy. Chief Wurpes completed an analysis of staffing needs, shift coverages, and supervisory capacity, and he is not recommending the addition of any new deputies. A second traffic unit was added two fiscal years ago in response to citizen complaints about speeding in neighborhoods. He noted behavioral health needs really drain the Police Department's resources. A behavioral health professional does a lot of welfare checks and responds to mental health related calls and adding that position would free up a lot of capacity for the sworn officers to do more traffic enforcement.

Member West asked if the behavioral health specialist would be included in the line item for police officers and what the additional staffing cost would be for that position. City Manager Cosgrove stated the position would be reflected under Contract Services for law enforcement. He believed the total costs were around \$190,000 a year.

Director Katko reviewed the budget timeline for the rest of the fiscal year. (Slide 34)

City Manager Cosgrove said Committee Members could email him or Director Katko with any questions. Questions and Staff's responses would be distributed to all Members in advance of the budget hearing.

**ADJOURN**

The Budget Committee meeting adjourned the meeting at 7:49 p.m.

Respectfully submitted,

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





# BUDGET COMMITTEE MEETING MINUTES

May 18, 2022 at 6:00 PM

City Hall Council Chambers & Remote Video Conferencing

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## 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,

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



# BUDGET COMMITTEE MEETING MINUTES

May 19, 2022 at 6:00 PM

City Hall Council Chambers & Remote Video Conferencing

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## RECONVENE CITY BUDGET COMMITTEE MEETING FROM MAY 18, 2022

### 1. Roll Call

The Wilsonville Budget Committee meeting was held at the Wilsonville City Hall beginning at 6:00 p.m. on Thursday, May 19, 2022. The Chair reconvened the meeting at 6:00 p.m. followed by roll call.

#### PRESENT

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

#### 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  
 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

### **PUBLIC HEARINGS / CITIZEN INPUT**

#### 2. Public Hearing for the FY 2022-23 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 were no comments from the public.

### **FY 2022-23 OPERATING BUDGET**

Katherine Smith, Assistant Finance Director, noted the City Departments that would be presenting budgets this evening. (Slide 3)

#### 4. Department Presentation: Policy and Administration

City Manager Cosgrove provided an overview of the department's mission and function. He noted that with all the cyber security issues happening in the world and the broadband packages the City uses, Information Technology (IT) would be highlighted this evening. (Slide 5)

Andy Stone, IT Director, introduced the Staff and described the many functions of the IT Department, as well as four projects that would be done over the next fiscal year, including the new Public Works Complex, retrofitting the Art Tech campus into the City's network, cyber security, expanding City fiber, and updating the IT Strategic Plan. (Slides 6 – 9)

Member O'Neil asked if the IT team was responsible for setting up the electronic payment system, such as for annual business assessments. He appreciated being able to pay his assessment electronically for the first time this past year instead of going to the City offices.

- Mr. Stone replied the IT Department was working to update that process and facilitate some of the backend pieces, working in conjunction with Finance or any other department as necessary.

Member Linville:

- Asked how close the Enterprise Resource Planning (ERP) was to being implemented.
- Mr. Stone replied that three of the modules, Financial, HR/Payroll, and EnerGov, have been completed and are live. Utility billing should go live in early fall.
- Asked if the City still had contract costs and if that was included in the Professional and Technical Services line item in the IT budget.
  - Mr. Stone believed the increase in that line item was for the IT Strategic Plan project planned this year. The cost for the ERP was included in a separate CIP project, which also included costs for the software company consultant, who would be paid through the end of the implementation.

Member Russell asked if the updated IT Strategic Plan would be publicly available when completed.

- Mr. Stone replied the current IT Strategic Plan was on the City website with annual updates, and the updated Plan would be available on the website after formal adoption.

Member West asked if there had been any significant or unique changes in the budget due to the pandemic that may not be in next year's budget. With all the tech adjustments made for working from home, some things not going away, like Zoom, how had the shift in the working culture affected IT?

- Mr. Stone replied some of the changes were in last year's budget, such as the increased number of internet lines for resiliency to help with remote work. He did not anticipate any other major updates at this point. The shift in the working culture was handled through laptops already in use or other methods for remote work that had a small annual cost, but large amounts of equipment did not need to be purchased. The City used a lot of what was already on hand.

Member Fitzgerald thanked the IT team for the work they did on the broadband project within a concentrated time to work with other cities and State representatives to get the package together. She asked Mr. Stone to comment about one of the projected benefits of the project, which was to provide an option for more private industry to be able to connect. She also asked if the website would provide updates on the status of the broadband project with the neighboring cities.

- Mr. Stone stated the project is still in the very early stages. IT has worked with King City and Sherwood to expand fiber routes between all of the cities, with Sherwood taking lead on the design. One of the major benefits would be to add diverse pathways for fiber amongst all the communities, so service could be routed in different ways should something happen to one line.
  - The City of Sherwood is an ISP, and the City was going to work out a deal with them to provide services to the city, including a public wireless area in some of the parks. During the pandemic, coffee shops and other areas with Wi-Fi were closed and people could not access internet services, so IT would work with the Parks Department to find the best areas to provide broadband access for citizens.

- The team would look at providing updates about the project on the website especially in conjunction with the other entities involved in the process.

Assistant Finance Director Smith presented the Policy and Administration Department budget, including the Current Year-End 2021-2022 Estimate and Proposed 2022-23 Budget, describing the proposed Baseline Changes and Add-Packages for each of the five program areas. (Slides 10–15) Comments and questions regarding these program areas were as follows:

#### IT Department

Member West asked if the City had a social media budget and if the work was strategic and done through a service.

- City Manager Cosgrove replied the City used social media for events and to get information out to the community, like that done for the Aurora Airport. Posts were boosted when a wide reach was needed. The City's social media was strategic, targeted, and done in house.

#### Legal- HR/Risk Management

Member O'Neil:

- Noted that as the city has grown and gotten busier, he has seen a lot of strain put on the Legal Department. He asked how the City determines when to hire new legal staff, whether to have another attorney or support staff, from a work quality and performance perspective. For some time, Legal has only slightly increased FTEs by about .7 and he anticipated the legal team would be taking on a lot more moving forward. He added his questions also applied to HR, which has become more complex when working to move diversity, inclusivity, and equity (DEI) forward, putting a lot more strain on HR. He anticipated that these divisions would be made larger overtime.
- City Manager Cosgrove explained there was no distinction between departments. HR has requested it is add package for last four years. Those positions compete with other positions and Staff works to determine the biggest need. HR's request rose to the top this year with all the recruitments being done, as well as the DEI and Risk Management work by the department. The Legal Department added a new legal assistant several years ago and had a city attorney, assistant city attorney, a legal intern, a paralegal, and a legal assistant to help track contracts with all the departments. Any future need for personnel would be discussed with the city attorney and go through the same internal budget deliberations that each department uses.
- Asked how workload was defined, and if the City internally tracked the time each department ~~was~~ used the Legal Department, what department used Legal most, how it was measured, and if it was incorporated into the future needs of expanding the department.
- City Manager Cosgrove explained it was a bit more difficult with the Legal Department. A line item is provided in the budget for outside legal services when the City needs to utilize an outside attorney for some specific expertise, like that used for the Aurora Airport master planning. The metrics in the Legal Department is be tied into land use, development, and litigation, so it was difficult to predict the workload from year to year. Some is known, since the City tracks development activity, but the City never knew when it might be sued, so making that determination was more difficult. In other departments, it took having ongoing conversations with the department heads.

- Commended the City’s Legal team, adding he appreciated their work on the Camping World case. He hoped time tracking was being utilized because he anticipated legal issues would develop over time, resulting in the department needing more help.
- Amanda Guile-Hinman, City Attorney, added that one of the Legal Department’s work plan items was looking at how Code enforcement is handled and potentially making some Code revisions to include things such as collecting attorney’s fees when a Code enforcement action is required.
- Suggested for Code enforcement penalties that are \$10,000 or less, the City should look at creative options, such as suing under breach of contract and property damage statutes. If the ~~xxx~~ penalty is under \$10,000 and they do not timely respond and settle, the City actually get its fees, bringing in some money the City needs to build the department.

#### 5. Department Presentation: Community Development

Chris Neamtzu, Community Development (CD) Director, provided an overview of functions of the department’s four divisions, including the Building Fund, which is housed within a separate accounting fund. He highlighted the department’s goals and achievements and described the key factors at play in the department’s proposed budget. (Slides 16–19)

Keith Katko, Finance Director, presented the Community Department (CD) budget, including the Current Year-End 2021-2022 Estimate and Proposed 2022-23 Budget, noting the proposed Baseline Changes for each of the four program areas and that no Add-Packages were proposed. (Slides 20–23)

Dan Carlson, Building Official, explained StatTracker, which shows development activity and its impact on workload for the entire Community Development department. Wilsonville was named one of the top five fastest-growing cities in the state. The Project Permit Valuation chart is based on the calendar year because that provides the most current numbers through December 2021 and reflected the total project values in each category. He noted the first quarter of 2022 already had projects valued at \$72 million, well surpassing prior first quarter values in 2018 through 2020. He highlighted key projects in progress noting there is a lot of interest by businesses to move to Wilsonville and by existing businesses to make improvements. It was an exciting, yet challenging time with the work, but even with labor and supply chain issues, the budget numbers reflected a conservative, yet cautiously optimistic outlook. (Slides 24-26)

Member Fitzgerald thanked the Community Development Department for its good work, which has led to the increased development activity, adding she assumed the proposed budget supported Staff’s best guess of what it will take to continue at that level.

Finance Director Katko presented the Building Fund budget, including the Current Year-End 2021-2022 Estimate and Proposed 2022-23 Budget, describing the proposed Baseline Changes and Add-Packages. He also highlighted the Five-Year forecast. (Slides 27–28)



## 6. Department Presentation: Parks & Recreation

Kris Ammerman, Parks and Recreation Director, shared a brief anecdote reflecting on the pride and commitment the Park Staff took in serving the community. He provided an overview of the Department's various functions and responsibilities, as well as the recreational programs, events, services, and activities provided in the community. He also highlighted two new amenities; the new skate park and nature play area. He noted Park's day-to-day deliverables help build community, improve health and wellness, connect people to nature, and plant moments so people can harvest memories. (Slides 30–33)

Member Akervall:

- Noted the stats on the number of parks, green space acres, etc., which show that Park facilities are growing, so the number of restrooms and playgrounds being maintained is also increasing.
- She recently learned from a Parks Staff member about the new program she wanted to share with the Committee. She had received a small key chain with a number to text about park issues, such as missing toilet paper in a bathroom or a playground concern, which enabled the Parks and Rec Staff to respond to those needs in more quickly. She asked for more details about the program, adding that as the Park system grows, being able to maintain and keep up with what the City has in an important piece to appropriately serve the community.
  - Mr. Ammerman replied that his team is great with technology and innovation, and when needed IT helped with the technology. That program was implemented not too long ago, streamlining addressing the real, live problem on the ground via text, instead of through the work order system used in the past that might not have addressed the issue until the next working day when people were in the office to check those work orders. Now, issues are reported in real-time, and the response time is much quicker.
- Believed it was an excellent idea and hoped it would be successfully used as everyone got to learn the text number and send messages as needed.

Chair Scull asked if there is an independent website that updates recreation activities.

- Parks Director Ammerman replied the direct link is [wilsonvilleparksandrec.com](http://wilsonvilleparksandrec.com). The site can also be reached by going to the City website and clicking on Parks and Rec under the Departments tab.
- City Manager Cosgrove added the City also sends out an activity guide and an events calendar is published in the Boones Ferry Messenger.

Assistant Finance Director Smith presented the Parks & Recreation budget, including the Current Year-End 2021-2022 Estimate and Proposed 2022-23 Budget, describing the proposed Baseline Changes and Add-Packages for the two program areas. (Slides 34–35)

## 7. Department Presentation: Library

Shasta Sasser, Library Director, described the many activities and services the library provides, the adjustments made during the pandemic, and the changes implemented in transitioning back to in person services and opportunities. As a result of the recent strategic planning process a brand-new mission was developed, "To enrich and advance the lives of Wilsonville residents, creating opportunities for joyful discovery, lifelong learning, and community connections."

Member O'Neil

- Said the library is wonderful and he has been learning about its programs, especially the SMART program with getting the books out on the bus system.
- Noted the Dolly Parton Imagination Library (DPIL) struggles with outreach to get information to families that could benefit from an early reading program and asked if the DPIL material was on the mobile bus and if a bilingual staff member is available to have some of these conversations when the bus goes to various areas. Families living in the apartment complexes, for example, might be less likely at times to be able to go to the library, so having the DPIL materials on the bus would be a direct way to get that message to them.
- Asked for information about the status of programs directed at teens and pre-teens at the library.
  - Library Director Sasser explained that DPIL is promoted at all Library outreach events. The Friends of the Library Foundation was at the recent egg hunt to represent DPIL, which is largely run through the Foundation. Eight children signed up at the egg hunt.
    - She confirmed Library Staff do take the DPIL materials on the bus, and the signups are in both English and Spanish, noting the Outreach Librarian speaks Spanish and attends all outreach events.
  - Tween and teen programming recently transitioned from online to in-person activities. Teen programs are now being held on Wednesdays after school instead of Friday nights. Staff has seen an increase in teens using the teen area recently. A new young teen book section was just created, pulling various books from the juvenile fiction and teen fiction sections.

Member Hamm asked if the library was moving software for downloading media to Libby, which is what Portland uses.

- Library Director Sasser explained that recently the Library has had two platforms for digital materials like e-audio books and e-books, the Libby app and the Cloud Library app. The Library will migrate the collection on the Cloud Library app over to the Overdrive app. Though the app is countywide, the Library will have its own collection within the Overdrive app, which, as a whole is a State library, so many different libraries in the state contribute to that platform. The wait times were often shorter for Cloud Library. However, the Library will essentially have the same set up with its own Clackamas County collection within that State collection. It would not be integrated in the sense that somebody from Springfield could check out one of Wilsonville's items. Only Clackamas County residents could see Wilsonville's particular collection when they log in with their Clackamas County card. The Library also has Hoopla now.

Assistant Finance Director Smith presented the Library budget, including the Current Year-End 2021-2022 Estimate and Proposed 2022-23 Budget, noting there were no significant Baseline Changes or Add-Packages. (Slide 40)

## 8. Department Presentation: Public Safety

Robert Wurpes, Chief of Police, provided an overview of the Law Enforcement Department's various functions and three program areas, reviewing the Department's community focused philosophy, priorities, and positive partnership with the City's Code Compliance Department.

## Member West:

- Commented that police officer recruitment was currently tough and asked if Chief Wurpes believed Wilsonville is fully staffed, as he had heard concerns from citizens that they would like to see more patrols or better coverage. Wilsonville is the fastest-growing city in Clackamas County, so was there evidence to show the City is also ready to grow its police presence? Was the shortage of policing impacting Wilsonville?
- Knew Wilsonville is a safe city, but he wanted to make sure they are proactive, too, and firmly believed law enforcement needs to have the resources they required to do a really tough job and asked what that need looked like as far as staffing.
  - Chief Wurpes explained Clackamas County recently paid for a staffing study, which included Wilsonville. Though long and complicated, the study concluded that right now, based on the calls and amount of availability for pro-active policing, the City is on target, at least on paper, but not all positions are filled. He has concerns about supervision, which is something he will address moving forward in future budgets.
    - He added that while it looks great on paper, the real issue is that he just does not have the people. He believed the personnel target number from the study was good and healthy for the City's demand and the proactivity they would like, such as bike patrol. Right now, he simply did not have human bodies to fill those positions but was working very diligently to actually fill those positions.

## Member Fitzgerald:

- Stated she was looking forward to having David Valenzuela in the new Code Enforcement position and added the statistics provided in City Manager Cosgrove's monthly report to Council were a good resource for people to compare what the Police Department encounters each month. She appreciated and hoped the Department would continue doing appearances around the city at HOAs, schools, and the community center, so neighbors could be as proactive as they could be in preventing crime.
- Asked if there was any other comment Chief Wurpes could make, in this time of staffing challenges, on what everyone could do to help maintain this safe, clean city everyone wanted.
  - Chief Wurpes responded that National Night Out and Coffee with a Cop were some of the events the Department looks forward to for community connection.
  - He confirmed he would speak at the June 6, 2023, Council meeting to discuss new online data tools the public could use to look at the type of issues that the city is facing and what they look like over time. The tools were already available on the City website and could be found under Policing. The Department also had a new online reporting system.
  - To the question about what folks can do, the Department looks at trends, such as package theft, vehicle break-ins, and catalytic converter thefts, and tries to put information about how not to be a crime victim in the Boones Ferry Messenger and the Department's online portals. As they notice these trends, the Department tries to provide the public with crime prevention tips to offset that as part of its crime prevention strategies.

## Member Russell

- Asked what percentage of local law enforcement represent Black, Indigenous, and People of Color (BIPOC) community members and if the budget has any items that reflect money going into training, especially Diversity, Equity and Inclusion (DEI) specific training.

- Chief Wurpes explained the Department did not specifically recruit towards a specific demographic makeup for its personnel because it changes all the time. Based on the nature of the contract with the County, deputies can come to Wilsonville for a minimum of a year, and stay as long as they wish, with some staying in this assignment for up to eight years. Because of that, it is constantly a point-in-time change of what they would see.
- As far as money set aside for DEI specific training, the answer was twofold. First, the Department did have a training budget, which could be used to look for opportunities for that specific training. Second, it was also organic, as he always looks for opportunities to do that training whenever possible. Most recently, an all-staff training was held, which was already accounted for in the standard wages and a bit of overtime, to get training from a member of the Wilsonville DEI Committee who spoke to the whole department about DEI and relationships.
- Noted the Oregon Secretary of State Audits Division, where she worked, conducted a Department of Public Safety Standards & Training (DPSST) audit last year, which included recommendations on what appeared to be a lack of follow-up on training and certification of proper training standards. She asked if the Department had any training practices to address such potential deficits.
  - Chief Wurpes responded that he was not familiar with that specific audit, but noted there had been a lot of audits and changes, which was a chore to keep up with. He asked if there was something specific to Clackamas County Sheriff's Office that had to do with not being responsive in follow-up and training.
- Clarified the audit was more over the DPSST department itself. She was not too familiar with how all of it worked, but understood they were the standard-setting board for the State. If DPSST did not have those standards set for additional follow-up training requirements, then that would be on individual police departments to do that. She asked what Wilsonville or Clackamas County's policy was for maintaining and keeping up on certifications and standards trainings.
  - Chief Wurpes replied those standards were the minimum requirements, so each department can take that and raise it. Clackamas County holds required monthly trainings, covering use of force, use of court ordered reporting, de-escalation, tactics, and training of that nature. This morning, he held a three-hour ethics training, which everybody in the Department was required to attend. These trainings were beyond those minimum qualifications of the Sheriff's office. The Department tries to stay ahead and wants the best people out there working, which happen through support and training. He believed the Sheriff's Office was notches above the minimum standard, so they were doing well and were always looking at where they could improve.

#### Member O'Neil

- Wanted the community to know about Chief Wurpes' leadership efforts, noting there were community members not only of a different color, but also of different language abilities.
- Asked for an example of the efforts used when approaching a law enforcement need, especially when approaching someone who might have a different language. What interpreters were available to address that or a cultural understanding to help when responding to a call?
  - Chief Wurpes agreed that was a big question. As a small department with only 21 members, personnel changes over time, so the skill sets, background, life experiences, languages, and cultures change over time, which is a good thing, as they provide different perspectives.

- Right now, they have one staff member fluent in Spanish, another fluent in German, and many cultural and religious backgrounds represented. In terms of language, if officers know they are coming to groups that have a specific language or translations, they can plan ahead with in-person translators, which they have access to.
- In emergency situations, such as 911 calls, where things have to get settled and communicated immediately, all officers are issued department phones which have immediate access to language lines using an 800 number where they say what language is needed, and a translator comes on that phone in short order, even in the middle of the night. He has used the service himself a few times. Officers also have access to American Sign Language (ASL) interpreters, including a video sign language interpreter if one is not available in person.
- The Department is very mindful of these things and did its best to meet people where they are to work through the emergency, but it is a different scenario when there is time to prepare for those things.

Member Linville asked about the status of the Behavioral Health Specialist and what the model would be, specifically if that person would be housed at the Clackamas County center or in Wilsonville.

- Chief Wurpes responded the Specialist would be housed in Wilsonville, as it would be one FTE dedicated to Wilsonville. He was excited because when the Behavioral Health Unit (BHU) was first launched many years ago, there was that weird, “Who is this person? What’s going on?” feeling, but relationships quickly developed, and those people became part of the team. They are at roll call, with everyone knowing first names, sharing funny stories, and that communication and building trust was important moving forward. He was excited to have a dedicated person coming to Wilsonville to have that same relationship with officers here.
- As far as status, the job posting went live on the Clackamas County job postings today. A master-level clinician with certification was preferred, but they could work with an uncertified person with the educational background. He asked everyone to help spread the word about the open position.

Member Fitzgerald

- Noted the City contracted for a certain level of service as determined to be appropriate based on call and response levels in Council’s monthly reports. She asked how the City was doing with fulfilling its contracted level of service for police officers, and if the Department was fully staffed or looking for one more person.
  - Chief Wurpes responded the Department was short-staffed, as reflected in the budget numbers. The Sheriff’s Office could not give what it did not have. There was a shortage and the Department was all gears moving forward to address it. In addition to the website, they had cards and QR codes. The School Resource Officer (SRO) had a degree in marketing and had been asked to help them with branding, marketing, and targeted audiences. They were in the process of researching using a marketing team, to a limited degree to help move forward on how to best recruit and get the word out.
- Appreciated his comments, adding she liked his idea of finding ways to articulate how the role of a police officer in a city like Wilsonville could look and be.

## Member West:

- Asked if the pay was competitive compared to surrounding municipalities. Were there any innovations that the City could do to recruit and fill the law enforcement positions; were bonuses given out or were there any nice, strategic “carrots” to offer? How could the City be more competitive? Having a fully staffed, well-funded police force was essential. One reason people move to, and call Wilsonville home was because it was well policed with a professional police force and safe. He wanted to protect that.
  - Chief Wurpes responded it was challenging because the Department is bound by the County’s governing rules and could not offer bonuses or pay moving fees. The pay is competitive, and it was difficult paint a picture of the value of the entire benefits package, including medical, fringe, and retirement benefits. They were working through that challenge to give people access and show where they stood comparatively with competing agencies.
  - He thanked the City and the Wilsonville community for its support over the last couple of years in some tough times. He believed creating the positive environment that exists in Wilsonville for police officers was one of the critical steps getting people interested in serving the community.
  - He noted County fully was engaged with its full-time recruiting team and marketing people. For him, grass-roots efforts were his way forward to do his part.
- Asked if the City tended to draw experienced, well-seasoned officers, officers fresh out of the academy or within the first two to five years of their career.
  - Chief Wurpes stated one benefit of the contract was the Department’s detective was one of the best in the State at investigating fraud, identity theft, and things of that nature. All of the sergeants had previously been detectives, worked big cases, and knew what to do in an emergency. At the line level, Julie Fanger, a non-sworn staff member is the most seasoned non-sworn staff person the Department had. The patrol side was mixed, with some very experienced officers having special unit experience, like search and rescue, S.W.A.T or divers, as well as some new officers. So, there was a good mix, which he believed was a healthy balance with more experienced officers mentoring the less experienced personnel.

## Member O’Neil:

- Asked if the City’s contract rate was adjusted based on the fact the County is not in a position to fulfill the service needs under the contract since the City does not have the full FTEs under that contract. He assured this was not a criticism, but he was trying to understand how the contract works with the Sheriff’s office and how that fluctuates. If the City had less people, did it pay less, or was it firm and in stone?
  - Chief Wurpes assured the contract is flexible; the City did not pay for what it did not get. As he mentioned earlier, analyzing the Department’s budget would reveal it was a bit under budget this year.

Finance Director Katko explained that the Police and Code Enforcement Departments had been combined into the Law Enforcement/Code Enforcement Department. He presented the Public Safety budget, including the Current Year-End 2021-2022 Estimate and Proposed 2021-22 Budget, highlighting the proposed Baseline Changes and Add-Package for the two program areas, noting the Code Compliance Officer was previously in the Administrative Department, so it was a negative out of that department and added into this one.

Member Moulton:

- Noted the Add Package for the Behavioral Health Specialist was at 1.0 FTE for half of the year and asked it that was because the position was just being posted and the person would start in January.
  - Chief Wurpes explained that half position was not actually attached to the mental health position, it was an add from last year. When modeled last year, he and Assistant City Manager Jeanna Troha decided to slowly pay half of the significant start-up costs for a period of time and then take over the full cost.
- Understood the person started last year, so half of their FTE was in last year's budget.
  - Chief Wurpes explained they paid a full year in advance, so half of the position was paid over one year and the rest over six months. The City was really just stretching out that payment over a year-and-a-half instead of just one year.
  - Finance Director Katko noted the position was folded into the police contract.

#### General Fund 5-Year Forecast

Finance Director Katko presented the General Fund and the 5-Year Forecast for the City's operating funds, noting expenses above revenue were due to one-time charges and that reserves were well above mandated minimums. (Slide 49)

#### **QUESTIONS FROM THE BUDGET COMMITTEE AND STAFF RESPONSES**

Chair Scull confirmed there were no additional questions or comments.

City Attorney Guile-Hinman confirmed there was no public testimony.

Chair Scull closed the public hearing at 8:10 p.m.

#### **CONTINUED DELIBERATIONS BY BUDGET COMMITTEE**

Member O'Neil asked if there would be a budget adjustment in light of Council President Akervall's suggestion from last night.

- City Attorney Guile-Hinman advised he was referring to the \$30,000 adjustment for the Boones Ferry Messenger printing costs. The simpler way to handle this would be to move to approve the FY 2022-23 proposed budget as amended with a \$30,000 adjustment for Administration for the Boones Ferry Messenger and levying the full amount of the City's general tax rate of \$2.5206.
- Finance Director Katko clarified the \$30,000 was a rough figure based on the projected increase needed.

#### 9. Motion to Approve the FY 2022-23 Proposed Budget

**Motion:** Moved to approve the FY 2022-23 Proposed Budget in the total amount of \$285,059,238 as adjusted for an additional \$30,000 to address the printing cost associated with the Boones Ferry Messenger and levying the full amount of the City general tax rate of \$2.5206.

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

#### 10. Discussion

Member Akervall appreciated the careful review and questions over the last two evenings, the effort put into the review, and Staff's responses. It had been an important job to consider if the budget was in alignment with the vision for the City, as there were a lot of details and moving parts in the City, so this was not necessarily a simple task. She also appreciated the honesty and curiosity in looking at what was presented, and she appreciated the investment in Wilsonville.

Member Fitzgerald agreed, adding that it is often heard to use the 300-page budget document to get to sleep at night, but she learned so much from both hearing the questions and the responses, which reveal what people are curious about their city and what was important to them, which makes a big difference. She thanked the Committee and recognized that though this was a gigantic notebook filled with numbers, it was one of the most important things they did for the City. She was proud of the opportunity to work with the Budget Committee on the budget.

Chair Scull thanked the Committee for allowing him to be Chair, as the process was new to him, and he has learned a lot. He thanked Council and Staff for putting together the phenomenal, detailed budget. He appreciated Staff making the presentations and providing background to their numbers. He noted each section now had performance metrics to show a bit more about what was going on in each division or department and what was being done to improve the process.

Member O'Neil stated he enjoyed the City Council President's brief summary of analysis, which helped him with the material. However, the opportunity to watch Staff present what they do is not often focused on, which is disappointing as he was all about community member access, transparency, and openness. In the Development Review Board (DRB) meetings, people show up and have heated conversations and there was community involvement. The Staff presentations explaining the budget should not be missed, as it is a good education, and he learns even more by asking questions and hearing Staff's responses. Community members not signed into the meeting were missing out and he encouraged citizens to show up and hear what is being said.

Member Linville thanked the citizens as well as her colleagues for their work and assured the Committee did not take this lightly; it was serious business involving nearly 400 pages worth of documents and numbers. She believed Staff, under City Manager Cosgrove's leadership, did an excellent job helping the Committee understand how the pieces come to life. She noted the City has received awards for its budget document, and she appreciated the tabs so she did not have to find her way through. She especially thanked the citizens who submitted the photographs included in the document as a result from a photo contest. It was very nice to see them all, especially the little pond by her house.

Member Lehan agreed with Member Linville, adding that the budget document seems to get better and easier to follow every year. She also agreed that the photos were fabulous and suggested taking more advantage of citizen photographs in other City documents on various subjects because there is a lot of talent and citizen's capture the community so well.



Member West completely concurred with everything stated; adding he found this specific budget document the easiest to navigate through and the one he felt has been the best since his tenure on the Committee. He thanked the volunteers on the Budget Committee for their work, noting this was not just a two-day event as there was a lot of information to pour over. He was thankful as a Councilor that when they vote, he could lean on their expertise, as he was not a budget expert. There were some great questions that he literally would not have known to ask no matter how long he looked at the numbers. He thanked everyone, especially Member Russell, the newest Committee member who had been on board for only two days but picked up without missing a beat and jumped right in.

**Voting Yea:**

Member Fitzgerald, Member Akervall, Member Lehan, Member Linville, Member West, 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 24, 2022**

Chair Scull adjourned the Budget Committee meeting at 8:27 p.m.

Respectfully submitted,

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



## BUDGET COMMITTEE MINUTES

February 01, 2023 at 6:00 PM

Wilsonville City Hall & Remote Video Conferencing

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### CALL TO ORDER

#### 1. Roll Call

The Wilsonville Budget Committee mid-year review was held at the Wilsonville City Hall beginning at 6:00 p.m. on Wednesday, February 1, 2023. Acting Chair Sam Scull called the meeting to order at 6:00 p.m., followed by member introductions.

#### PRESENT:

Member Fitzgerald  
Member Akervall  
Member Linville (arrived after Roll Call)  
Member Dunwell  
Member Berry  
Member O'Neil  
Acting Chair Scull  
Member Moulton

#### EXCUSED

Member Hamm

#### ABSENT

Member Russell

#### STAFF PRESENT

Bryan Cosgrove, City Manager  
Keith Katko, Finance Director  
Katherine Smith, Assistant Finance Director  
Cricket Jones, Finance Operations Supervisor  
Vania Heberlein, Accountant  
Dillion Jenkins, Senior Accountant  
Dwight Brashear, Transit Director  
Delora Kerber, Public Works Director  
Chris Neamtzu, Community Development Director

Dan Carlson, Building Inspector  
 Andy Stone, IT Director  
 Zach Weigel, City Engineer  
 Jeanna Troha, Assistant City Manager,

Acting Chair Scull called for public comments. There were none.

## **FINANCE INTRODUCTION**

Keith Katko, Finance Director introduced the Finance team and reviewed the agenda, noting that tonight's focus would be on the City's operating funds because those funds contained the City's resources. He also introduced City Engineer Zach Weigel and Public Works Director Delora Kerber, who would be presenting on major capital improvement projects (CIP), and Community Development Director Chris Neamtzu and Building Inspector Dan Carlson who would be providing an update on development projects.

## **FY 2022-23 MID-YEAR REVIEW**

Director Katko began the mid-year review of the FY 2022-23 budget via PowerPoint. His presentation included details of the City's fund accounting structure (Slide 4), budgetary control measures (Slide 5), metrics and benchmarks (Slide 6) and an overview the CIP Fund (Slide 7).

Zach Weigel, City Engineer, reviewed the following CIP projects, describing the key components of each project, with Director Kato noting the funding sources for each project: Willamette River Water Treatment Plant Expansion (Slide 8), 5<sup>th</sup> Street/Kinsman Road Extension (Slide 9), Boeckman Road Corridor (Slide 10), and Street Maintenance (Slide 11).

Member Linville asked how many people attended the middle school meeting about the Boeckman Dip project. Mr. Weigel said he estimated 40 to 50 people attended.

Member O'Neil asked if rising interest rates were directly impacting the projects. He also wanted to know if contractors were locked into a commitment of what they would provide. Mr. Weigel responded that the contractors working on the 5<sup>th</sup> Street/Kinsman project were locked in because that project began just before the cost increases. Some of the subcontractors have requested change orders to cover the cost increases, but no change orders have been issued.

- Mr. Weigel also confirmed that supply chain issues have affected the rail signal, which the railroad would be purchasing, not the City. Staff and contractors were planning for supply chain issues on the Boeckman Road project by repurchasing sewer pipe.

Acting Chair Scull asked for details about the contractor's process of negotiating with the City when inflation or supply chain issues impact the project. Mr. Weigel said the contract guides, which cost increases a contractor, could request.

Member Moulton asked how the budget for such a large project, like the Boeckman Road project, was prepared before the planning was completed. Mr. Weigel explained that costs were estimated at the master planning level. The estimates are ranges based on other similar work. The cost estimates continue to be refined as the project moves forward and the goal is to keep costs within the originally estimated range. If there are cost increases, Staff looks at revenue levels to find ways to accommodate those increases.

Member Akervall requested an update on the Brown Road project, which was one of the large projects located in part of the Urban Renewal Area (URA) that was closing. Director Katko stated that was the last remaining project in the West Side URA. He noted that the tax increments for the Year 2000 URA would end this year, but tax increments for the West Side URA would continue to be collected through June 2024, when the Brown Road Project would be complete. For FY 2024-2025, \$5 million will be released back into a pool for general allocations to all of the taxing entities. He believed \$1 million of that would be deposited into the City's General Fund.

Director Kato briefly reviewed the funding sources for the Public Works Complex project (Slide 12).

Delora Kerber, Public Works Director presented details of the Public Works Complex project (Slides 13-15). Her presentation included an overview of the work done to date, design considerations, site layout, and facility amenities.

Member Dunwell asked what percentage of the set-aside was for future expansion. Director Kerber explained that determining a percentage would be difficult due to the way the complex was designed. The administration building would be two stories and 1,600 square feet and could be expanded to the north by about another 2,000 or 3,000 square feet. The warehouse in the yard included an area along the west edge where the warehouse could be expanded by an additional two bays.

Member Linville asked for the completion date and move-in date. Director Kerber confirmed that the final inspection should occur in February 2024 and she hoped Staff would be fully moved in by March 2024.

Member Dunwell asked if any City services other than Public Works would be utilizing the facility. Director Kerber said space would be shared with Parks and Recreation Staff. Park's main facility would be located on the east side of I-5, but allowing Park's to keep some of their equipment at the complex would avoid the need to move mowers back and forth.

Director Kato continued the presentation, reviewing the details of the Transit Fund (Slides 16-17), comparing the budget to the year-end estimates, noting the starting fund balance, revenues, and expenses, and projected ending fund balance.

Member Fitzgerald asked if the City was still waiting on the State Transportation Improvement Funds (STIF). Director Katko confirmed that the delay had been resolved and explained that the funds were a pass-through from TriMet. Dwight Brashear, Transit Director added that the City had an intergovernmental agreement with TriMet, which was renewed every two years. For the next renewal, the City has requested that no changes be made other than the scope of work and the budget. TriMet has indicated they are not sure they can do that.

- Director Kato noted that all of the grants came with a lot of responsibility and accountability. The federal governments to make sure funds are spent appropriately and all of the requirements are met audits the City, adding a layer of financial administration to grant funds. The STIF funds have similar oversight.

Member Linville commented that members hear concerns about the employer tax portion used to fund SMART, which is coupled with the City's policy of not charging for transit services. She reminded the City's employer tax rate is 5 percent and TriMet's is 8.037 percent. She believed the City was very judicious in setting that rate. If TriMet provided services for the City, the City's employers would be paying TriMet's rate.

- Director Brashear noted that TriMet's rate increased every year, but the City's rate had not increased since about 2008.

Member Dunwell asked if the driver shortage, which was increasing over time, was caused by constraints from a competitive standpoint on the pay scale or just overall economic conditions. Director Brashear responded that it was overall economic conditions. TriMet was about 300 drivers short and about 50 mechanics short. The City is about five drivers short.

Member Dunwell referred to Slide 16 and asked if the benefits to the Transit Fund's beginning fund balance that were driven by the transit tax, ARPA funding, CARES funding, and CRRSAA funding would carry forward into the next fiscal year. Director Katko responded that the favorable results were unusual for the Transit Fund. He explained that transit grants are focused on capital items and the funds received via congressional acts, like ARPA and CARES, pay for operational costs, which significantly helped the bottom line. Director Brashear added that his goal was to build up the fund for the long-term. Other agencies did not take that approach and experienced a day of reckoning. Director Katko noted that by tabling the funds to reserve them for future use, the City would not be encumbered by the federal restrictions required by normal grants.

- Director Brashear explained that many of the grants were competitive, so having a healthy fund balance and a supportive City Council allows the City to be more competitive because they can buy down a grant. He was proud that his department had built up a healthy budget over the last five years.

Member O'Neil commended Director Brashear for his leadership and expressed appreciation for the City Council. Member Fitzgerald agreed and noted that Wilsonville's transit system was seen as a collaborator and partner with other small cities as they discussed greenhouse gases, diesel pollution and congestion on freeways. Additionally, she was glad the routes continued despite the challenges of getting new people to start riding transit.

Member Berry commented that Salem City Councilors had said they were impressed by the presentation on Wilsonville's SMART Transit given at a recent League of Oregon Cities meeting. She also noted she was impressed by the cleanliness of the shelters and buses.

Katherine Smith, Assistant Finance Director, continued the presentation, reviewing the following Public Works Funds: Road Fund (Slides 19-20), Water Fund (Slides 21-23), Sewer Fund (Slides 24-26), Stormwater Fund (Slides 27-29), and Street Lighting Fund (Slides 30-31). For each fund, she compared the budget to the year-end estimates, noting the starting fund balance, revenues and expenses, and projected ending fund balance.

Acting Chair Scull asked if the total savings in the Street Lighting Fund included power consumption, replacement lamps, and all of the associated hardware. Brian Cosgrove, City Manager responded that Assistant Finance Director Smith was referring to energy savings. Director Kerber added that PGE maintained the streetlights and converting from high-pressure sodium to LED lights requires a different maintenance schedule, which does result in a savings of how much the City pays PGE to maintain each pole. The old lamps lasted three to five years, but it will be 10 years before the LEDs need to be re-lamped.

Member Dunwell asked how many phases were involved in the lamp replacement project. Director Kerber said the City had 1,000 lights left to replace. Phases 1 and 2 were completed by December of 2022. For Phase 3, the City was waiting for savings to accrue so the work could be paid for with cash on hand. She estimated that total energy cost savings would be about \$127,000 a year once the project was completed.

- Director Katko noted that all of the Public Works Funds had healthy reserves well above the Council's financial policy minimums.

Chris Neamtzu, Community Development Director gave an overview of residential and industrial development activity in the City.

Member Dunwell asked if there was anything, the City could do to push development forward on the Fry's site. Director Neamtzu said Staff had discussed controlling the site, but the required investment would be at least \$25 million. The City could also play a more significant role in economic development at that site. Development proposals were brought forward and The Calida Group did due diligence, which resulted in the deal between the ownership and The Calida Group falling apart. Since then, there had been no activity.

Acting Chair Scull understood that any tenant of the Fry's site would demolish the property and rebuild. City Manager Cosgrove clarified that the building could be used as is for commercial use. However, a change of use would trigger additional requirements. Director Neamtzu added there was a delicate balance between making modifications and triggering the new Code.

Member Fitzgerald asked Staff to describe the types of uses that could be applied to the site. Director Neamtzu explained that the Town Center Plan opened up the entire district for a wide variety of housing types over 100 acres. The Fry's site could have buildings up to four stories tall. Mixed-use developments are allowed and have been incentivized. Drive-through and big box retail have been discouraged.

Dan Carlson, Building Inspector, reviewed development trends and statistics on building permits and project valuations (Slides 33-35).

Member Berry asked where the multifamily permits were. Mr. Carlson stated the multifamily permits were included in either the Commercial TI, Remodel, Additions category or the New Commercial Permit category on Slide 35.

Member Moulton asked for an explanation of the total number of permits by category on Slide 33. Mr. Carlson explained that the total number included plumbing, mechanical, and other trades permits, which are not captured separately because that would clutter the graph.

Acting Chair Scull referred to Slide 34 and said he understood the City had near-term inflationary headwinds and supply chain issues. He wanted to know the reason for that, noting that single-family permits had been declining since 2015. Mr. Carlson confirmed that the peak in 2015 was Villebois. From 2013 to 2018, the mass Villebois was developed at a rapid level. The City could see that in Frog Pond however, Frog Pond had paced out development quite a bit more than Villebois and Frog Pond East and South were not yet ready for development.

Acting Chair Scull asked what the turnaround time was for the existing permits for commercial and single-family development. Mr. Carlson stated the City's performance standard for residential plan review of lots that were ready to build on was two weeks. The standard for commercial was three weeks. When Staff does not hit their targets, adjustments are made quickly with contract help. He also noted that the time between when the permit is issued, and the project is complete could be as quick as 90 days for a residential project. However, Frog Pond Primary School was estimated to take 18 months to two years due to the size and complexity of the project.

Member Linville recalled that an increase in permit fees had been approved in 2020, prior to the pandemic. She asked if that was reflected in the project permit, valuation amounts listed on Slide 35. Mr. Carlson clarified that the chart only represented the value of projects, which did not correlate to permit fees. The increase in 2020 was the first increase in 14 years and an annual cost of living adjustment was built into the fee schedule that allows the City to keep pace with the market.

- He also confirmed for Member Linville that there was no increase in staffing in 2020 and noted that staffing would be decreasing as the City gained efficiencies by doing more work electronically. Member Fitzgerald commented that savings through increased efficiency was something the City should be proud of.

Director Katko continued the presentation, reviewing the resources, requirements, beginning and ending fund balances of the Building Inspection Fund (Slides 36-37) and Community Development Fund (Slides 38-40). He and Assistant Finance Director Smith presented the details of the General Fund's resources, requirements, and five-year forecast (Slides 41-48).

Member Linville asked for the definition of a franchise fee, which she understood was passed onto citizens. Director Katko stated that it was a fee assessed on certain entities in exchange for access to the rights-of-way, for example to run electrical lines. City Manager Cosgrove explained that a certain percentage above what the State Statute allowed was passed on to citizens.

Member Dunwell asked if the ARPA funding was over. Director Katko confirmed the funding would end this fiscal year. The City received \$2.8 million the prior year and this year's. The funding was nice but was never considered recurring revenue. However, the \$1.4 million received as part of the Clackamas County Library District IGA included state shared revenues.

Member Linville asked for details about the opioid settlement money. Director Katko responded that the City needed a plan of action to comply with spending requirements.

Member O'Neil asked if franchise fees covered everything that went through Wilsonville. City Manager Cosgrove confirmed they were federally regulated and were exempt from franchise fees.

Acting Chair Scull noted that the Council required the ending fund balance to be 15 to 20 percent. He asked if that amount was adjusted for inflation each year. Director Katko said yes and explained that when the budget is established for each fund, the ending balance is a percentage of the materials, services, and personnel in that fund. When expenses increase, the restriction increases as well.

Member Fitzgerald noted that ARPA funds would be used to hire a behavioral health specialist. She asked if ARPA funds would be used for anything else in the near future. Staff confirmed the behavioral health position would be covered for three years by ARPA funds. ARPA funds would also be used to buy down system development charges (SDCs) for the transit development project, Parks and Recreation janitorial staff, and broadband.

Assistant Finance Director Smith noted that the General Fund Five Year Forecast (Slide 48) demonstrated that City fund balances were significantly higher than the Council's financial policy minimums and updated financial forecasts for all City funds would be included with the annual budget presentation in May.

Director Katko reviewed the important upcoming dates listed on Slide 49 and encouraged Committee Members to contact him anytime with questions about any financial issues. Quarterly financial reports would be sent to Committee Members throughout the year.



Member Berry understood the gasoline tax had decreased due to the number of electric vehicles increasing. She asked if that was a concern for revenue. Director Katko responded that the State was considering alternatives because electric vehicles use the roads that the gas tax is used to maintain. City Manager Cosgrove added that the League of Oregon Cities was also discussing the issue.

Acting Chair Scull thanked Staff for doing such an excellent job.

**ADJOURN**

The Budget Committee meeting adjourned the meeting at 8:14 p.m.

Respectfully submitted,

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

DRAFT