



Special Session **SPS**

Milwaukie City Council

COUNCIL SPECIAL SESSION

Ledding Library Community Room, 10660 SE 21st Avenue
 & Zoom Video Conference (www.milwaukieoregon.gov)

AGENDA

NOVEMBER 14, 2023

Council will hold this meeting in-person and through video conference. The public may attend the meeting at the Ledding Library or join the Zoom webinar, or watch live on the [city's YouTube channel](#) or Comcast Cable channel 30 in city limits. **For Zoom webinar login information** visit <https://www.milwaukieoregon.gov/citycouncil/city-council-study-session-147>.

To participate in this meeting by phone dial 1-253-215-8782 and enter Webinar ID 837 5111 0754 and Passcode: 107967. To raise hand by phone dial *9. **Written comments** may be submitted by email to ocr@milwaukieoregon.gov. Council will take limited verbal comments.

Note: agenda item times are estimates and are subject to change.

Page #

1. **CALL TO ORDER** (5:15 p.m.)
 - A. **Pledge of Allegiance**
 - B. **Native Lands Acknowledgment**

2. **ANNOUNCEMENTS** (5:16 p.m.) 1

3. **PROCLAMATIONS AND AWARDS**
 - A. **None Scheduled.**

4. **SPECIAL REPORTS**
 - A. **Metro Update – Report** (5:30 p.m.)
 Presenters: Metro Councilor, Christine Lewis

5. **COMMUNITY COMMENTS** (6:30 p.m.)
 To speak to Council, please submit a comment card to staff. Comments must be limited to city business topics that are not on the agenda. A topic may not be discussed if the topic record has been closed. All remarks should be directed to the whole Council. The presiding officer may refuse to recognize speakers, limit the time permitted for comments, and ask groups to select a spokesperson. **Comments may also be submitted in writing before the meeting, by mail, e-mail (to ocr@milwaukieoregon.gov), or in person to city staff.**

6. **CONSENT AGENDA**
 Consent items are not discussed during the meeting; they are approved in one motion and any Council member may remove an item for separate consideration.
 - A. **None Scheduled.**

7. **BUSINESS ITEMS**
 - A. **Event Vendor and Business Registration Update – Discussion** (6:35 p.m.) 5
 Staff: Toby LaFrance, Finance Director

 - B. **Fee/Tax Training – Training** (6:50 p.m.) 8
 Staff: Toby LaFrance, Finance Director

8. **PUBLIC HEARINGS**

A. **Supplemental Budget – Resolution** (7:50 p.m.)

10

Staff: Toby LaFrance, Finance Director

9. **COUNCIL REPORTS** (8:05 p.m.)

10. **ADJOURNMENT** (9:20 p.m.)

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at ocr@milwaukieoregon.gov or phone at 503-786-7502. To request Spanish language translation services email espanol@milwaukieoregon.gov at least 48 hours before the meeting. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [city's YouTube channel](#) and Comcast Channel 30 in city limits.

Servicios de Accesibilidad para Reuniones y Aviso de la Ley de Estadounidenses con Discapacidades (ADA)

La ciudad se compromete a proporcionar igualdad de acceso para reuniones públicas. Para solicitar servicios de asistencia auditiva y de movilidad, favor de comunicarse a la Oficina del Registro de la Ciudad con un mínimo de 48 horas antes de la reunión por correo electrónico a ocr@milwaukieoregon.gov o llame al 503-786-7502. Para solicitar servicios de traducción al español, envíe un correo electrónico a espanol@milwaukieoregon.gov al menos 48 horas antes de la reunión. El personal hará todo lo posible para responder de manera oportuna y atender las solicitudes. La mayoría de las reuniones del Consejo de la Ciudad se transmiten en vivo en el [canal de YouTube de la ciudad](#) y el Canal 30 de Comcast dentro de los límites de la ciudad.

Executive Sessions

The City Council may meet in executive session pursuant to Oregon Revised Statute (ORS) 192.660(2); all discussions are confidential; news media representatives may attend but may not disclose any information discussed. Final decisions and actions may not be taken in executive sessions.



RS Agenda Item

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Announcements



Mayor's Announcements – November 14, 2023

- **Holiday Market – Lewelling Elementary School – Sat., Nov. 18 (9 AM – 4 PM)**
 - Event includes over 30 vendors, raffle prizes, and a food truck.
 - Raffle proceeds benefit the Lewelling PTO.
 - Seth Lewelling Elementary School, 5325 SE Logus Rd.
- **Free Leaf Drop Sessions – Sat., Nov. 18 and Dec. 2, 9 & 16 (7 AM – 2 PM)**
 - Free for those who live within Milwaukie city limits. Bring a utility bill (e-bill or paper bill) as proof of residency.
 - Public Works Building, 6101 SE Johnson Creek Blvd.
- **Thanksgiving Farmers Market – Sun., Nov. 19 (9:30 AM – 2 PM)**
 - SE Main St. and SE Harrison St.
- **NCPRD Winter Celebrations Event – Sat., Dec. 2, (9:30 AM – 12 PM)**
 - Celebrate winter holiday traditions from different cultures through music, games, and food.
 - Milwaukie Community Center, 5440 SE Kellogg Creek Dr.
- **Umbrella Parade and Tree Lighting – Sat., Dec. 2 (4-6 PM)**
 - Join the Milwaukie tradition of decorating umbrellas and parading down Main St. ending with the lighting of the tree.
 - South Downtown Plaza, 11222 SE Main St.
- **Winter Solstice and Christmas Ships Viewing – Sat., Dec. 16 (4:30-7:30 PM)**
 - Join the annual celebration to view the ships, warm by a fire, and purchase some tasty food for a great cause.
 - Milwaukie Bay Park, 11211 SE McLoughlin Blvd.

• **LEARN MORE AT WWW.MILWAUKIEOREGON.GOV OR CALL 503-786-7555**

Let's Get in The
Spirit!



**CASH
PRIZES**

Milwaukee

DOWNTOWN BUSINESS

HOLIDAY CONTEST

SPONSORED BY CELEBRATE MILWAUKIE INC.

Winter Events Update

Dan Harris (they/he)

Events & Emergency
Management Coordinator

harrisd@milwaukieoregon.gov



Umbrella Parade

Date: Saturday, December 2, 2023

Time: 4:00 p.m. – 6:00 p.m.

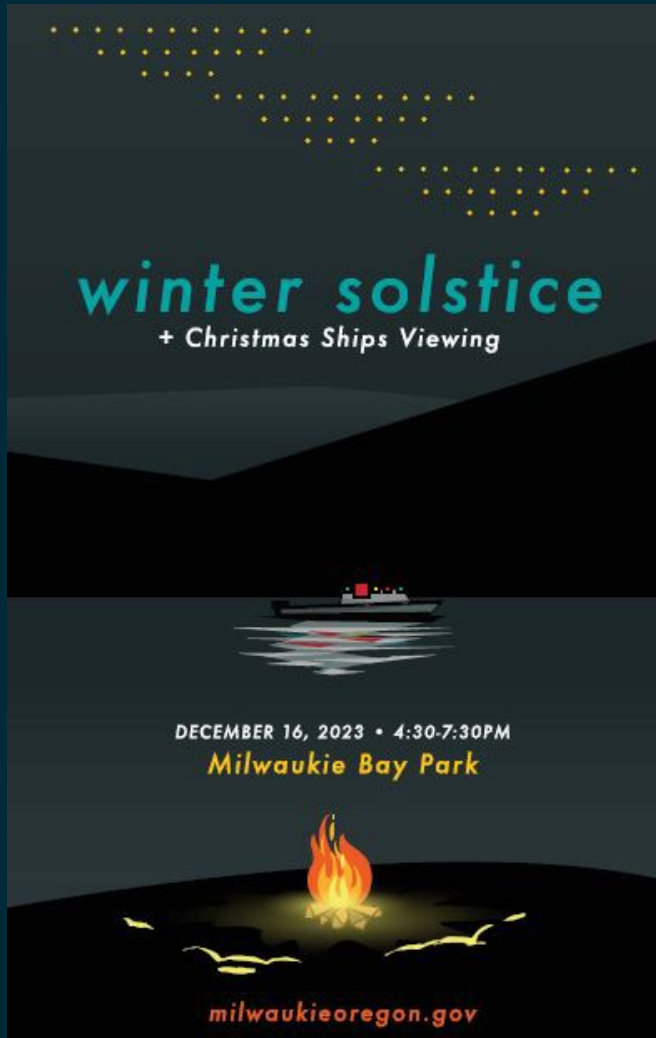
Location: Main St

Sponsors/Partners:

- Milwaukie CERT
- Rotary Club of Milwaukie
- Celebrate Milwaukie, Inc.
- Clackamas Fire District 1
- Milwaukie High School Band



Solstice Event



Date: Saturday, December 16, 2023

Time: 4:30 p.m. – 7:30 p.m.

Location: Milwaukie Bay Park Boat Ramp

Sponsors/Partners:

- Milwaukie CERT
- Celebrate Milwaukie, Inc.
- Clackamas WES
- Lewelling Neighborhood District Association
- Ardenwald/Johnson Creek Neighborhood District Association



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Events & Emergency
Management Coordinator

harrisd@milwaukieoregon.gov

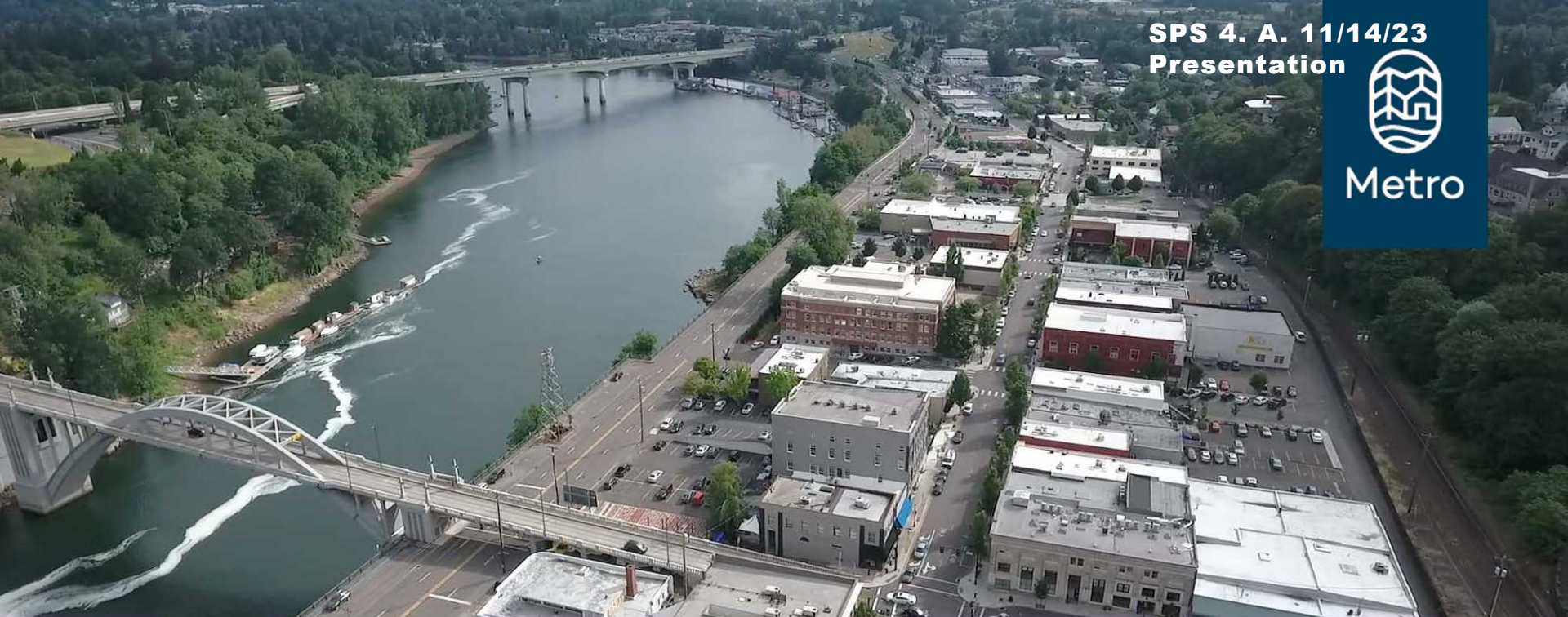




RS Agenda Item

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Special Reports



District 2 Metro update

Milwaukie City Council •

Councilor Christine Lewis • 11/14/23

Garbage and recycling

- RID Patrol success
- 880 tons of garbage in the last year
- Response time down to 1 day
- ridpatrol.oregonmetro.gov



Growth management decision

Ensuring enough land for 20 years of growth, and supporting economic development



Affordable housing

Progress underway



- On pace to exceed our construction goals



Project Map



Supportive Housing Services

Hundreds placed in housing

140 new Clackamas County
shelter beds

643 eviction preventions



Regional transportation plan

A transportation system that cuts congestion, supports clean air and improves safety across our region.



Oregon Zoo

Thinking about what's next for
animal welfare, visitor accessibility
and sustainability



Expo Center

Examining the feasibility of Expo as a facility to host sports competitions



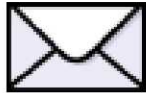
Questions?

Christine Lewis

Metro Councilor, District 2

503-797-1887

christine.lewis@oregonmetro.gov



Stay in touch

oregonmetro.gov/connect

oregonmetro.gov





RS Agenda Item

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Business Items

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Reviewed: Toby LaFrance, Finance Director, and
Daniel Harris, Events and Emergency Management Coordinator

From: Emma Sagor, Assistant City Manager

Subject: **Event Vendor and Business Registration Update**

Date Written: Nov 3, 2023

ACTION REQUESTED

Council is asked to receive an update regarding business registration requirements and their application to vendors operating at city permitted events. Council is asked to provide feedback on a proposal developed by staff and impacted stakeholders regarding a potential code amendment exempting these vendors from business tax requirements.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

- On June 21, 2005, Council adopted Ordinance 1951, amending Milwaukie Municipal Code (MMC) 5.08.030 to clarify the city's business tax.
- On November 18, 2008, Council adopted Ordinance 1989, which amended MMC 5.08, Business Taxes Generally.
- On [July 18, 2023](#), Council received an update from staff regarding a current waiver to business license fees in place for vendors at First Friday Milwaukie and the Milwaukie Farmers Market and provided direction for staff to consider process or code amendments needed to align with city policy and values.

ANALYSIS

In 2023, the city manager issued a waiver to business registration fees for vendors at two permitted events—First Friday Milwaukie and the Milwaukie Farmers Market. This topic arose in May 2023 upon reviewing and approving the temporary event permit application for First Friday Milwaukie. In regard to an inquiry from the event organizers about whether vendors operating at First Friday would need to register with the city, staff consulted MMC Chapter 5.08. As stated in 5.08.030, *"No person shall maintain, operate, engage in, conduct, or carry on any business within the City without first having paid the business tax as established by this chapter."* "Business" is defined in 5.08.020 as *"an enterprise, establishment, store, shop, activity, profession, management companies, or undertaking of any nature conducted directly or indirectly for private profit or benefit. Peddlers and solicitors are specifically included in this definition."*

The annual registration fee for businesses operating in Milwaukie in fiscal year (FY) 24 is \$175.00 plus \$10 for each full-time employee (FTE) according to [Milwaukie's 2023 and 2024 Fee Schedule](#). If a business is registering after July 1 in a calendar year, the fee is reduced to \$88.00. Businesses operating for two weeks or less in a year can register as a temporary business for \$30.00.

Section 5.08.010 of the city code states that *"business taxes imposed by this chapter are for revenue purposes only."* From a practical standpoint, the city also relies on businesses completing the

registration process so we have a list of all entities conducting business within Milwaukie, particularly to support communications in the event of an emergency.

When this question came up around vendors at First Friday, staff considered whether they might be exempt under section 5.08.110, which excludes garage sales, yard sales, and other similar activities from paying the business tax. After consulting with the city attorney, however, it was determined vendors at events like these that take place multiple times at the same location within the same calendar year are not exempt from the code as currently written.

The week of June 12, 2023, city staff met with organizers of First Friday and the Milwaukie Farmers Market to further discuss the issue. Based on these discussions, the city manager agreed to waive all registration fees for these two events for the 2023 season given that permits had been issued for both events. The city also asked that all vendors still register with the city, and an update was made to the online registration form on June 23, 2023, allowing vendors to identify as First Friday/Farmers Market affiliated to receive the waiver.

On July 18, staff provided an update on this issue to Council. Council directed staff to convene a meeting with potentially impacted stakeholders to review and discuss:

- Current code and fee requirements.
- Findings from research into other cities and markets.
- Barriers to complying with current code.
- Ideas for potential code or fee amendments.

Staff were directed to return to Council with any proposed code or fee adjustments by January 2024.

Proposal for amending code and process

Staff met with representatives from First Friday Milwaukie, Celebrate Milwaukie, Inc. (the organizers of the Farmers Market), and the North Clackamas Chamber of Commerce on August 29, 2023.

The group agreed that the best path forward is to explore changes to the MMC and city's temporary event permit process to exempt vendors at city permitted events from having to obtain a business license. In the updated process, event organizers would indicate if they plan to have vendors at their event selling goods or services. If so, they would agree to provide the city a list of those vendors, with contact information. The timing of when this list would be provided would be agreed with each applicant and would be documented in the permit approval letter. Staff considered whether a fee should be associated with events that have vendors when they apply for a permit, and concluded this is not necessary at this time.

If Council is supportive of this proposal, staff will work on an amendment to MMC *Chapter 5.08.110 – Exclusions* so that vendors at city permitted events are exempt from the requirement during that event.

BUDGET IMPACT

The city estimates this exemption will impact approximately 100 vendors between the Farmers Market and First Friday. Currently Milwaukie's annual business registration fee is \$175. Staff estimates the additional revenue to be roughly \$17,500 at current rates. However, because these events have received a waiver from the city manager excluding them from paying these fees for several years, the city is currently not receiving this revenue. Therefore, we do not expect any monetary impact to the city from making this code change.

WORKLOAD IMPACT

To date, this effort has involved staff from the City Manager's and City Attorney's offices, the Finance Department, and Code Enforcement. If we proceed with the proposed change to the temporary event process and MMC, this will require staff time to prepare and implement the changes, and then a minor increase in administrative workload when event permit applications for events with vendors come in.

CLIMATE IMPACT

None.

COORDINATION, CONCURRENCE, OR DISSENT

Staff reviewed publicly available business registration information for 11 other cities in the area (Lake Oswego, Oregon City, Happy Valley, West Linn, Tualatin, Tigard, Gladstone, Gresham, Canby, Beaverton and Hillsboro) to see how their code language and fee rates compare to Milwaukie's. All reviewed cities have code language similar to our current code requiring entities engaged in business to register with the city. Fee rates, cost basis, and tiers range, and some have temporary fees more geared towards events.

Staff also reached out to 12 cities that host regular farmers markets (Beaverton, Lake Oswego, Hillsboro, Salem, Oregon City, West Linn, Hood River, Cannon Beach, Gresham, Tigard, Vancouver and Portland) to understand if they require vendors to register and if these requirements are enforced. Of those we heard back from, one exempts vendors of city-sponsored events, one requires the farmers market itself to have a license (but not individual vendors), and some have exemptions based on the number of days a vendor operates. Across the region, it appeared enforcement of business licenses at events like this is very rare.

STAFF RECOMMENDATION

Staff recommend preparing an amendment to MMC Chapter 5.08.110 – *Exclusions* for Council Consideration on January 16, 2024 so that vendors at city permitted events are exempt from business license requirements. Staff also recommend the temporary event permit application be updated to ask applicants if they plan to have vendors selling goods at their event, and if so, require the applicant to provide a contact list of those vendors at a timing agreed to in the permit approval letter.

ALTERNATIVES

Council could direct staff to leave the code as is. If this occurs, the city manager could consider further waivers based on the authority outlined in the consolidated fee schedule, or the city could require payment and registration of vendors at these events in future seasons.

ATTACHMENTS

None.



Business Registration and Vendors at City Events

Update | Nov. 14, 2023

1. Background on the conversation
2. Proposal developed by city staff and impacted stakeholders
3. Proposed next steps
4. Questions

BACKGROUND

- **Spring 2023:** Question about business registration requirements arose when permitting First Friday event
- Milwaukie Municipal Code states:
“No person shall maintain, operate, engage in, conduct, or carry on any business within the City without first having paid the business tax”
- City Manager waived registration fees for Farmers Market and First Friday, but still asked vendors to register with the city
- **July 18, 2023:** Council directed staff to meet with impacted stakeholders and prepare a proposal for next steps





Photography by Hamid Rihata Bennett

STAFF-STAKEHOLDER DISCUSSION

- **August 29, 2023:** City staff met with representatives from Farmers Market, First Friday, and North Clackamas Chamber of Commerce
- Discussed barriers faced by event organizers
- Discussed objectives of the city



JOINT PROPOSAL

Proposed path forward:

- Amend the MMC (*Chapter 5.08.110 – Exclusions*) to exempt vendors at city permitted events from having to obtain a business license
- Update temporary event permitting process so applicants indicate whether there will be vendors at their event selling goods or services
 - If yes, applicant and city would agree to a schedule for the applicant to provide contact information to the city for these vendors
- No fee would be associated

NEXT STEPS

- If Council supports this direction, staff will prepare a code amendment
- On Council agenda for January 16, 2024
- Temporary event permit process will be updated in January 2024



Questions



Contact Us

Toby LaFrance

Finance Director

lafrancet@milwaukieoregon.gov







CITY OF MILWAUKIE
CITY COUNCIL

10722 SE Main Street
P) 503-786-7502
F) 503-653-2444
ocr@milwaukieoregon.gov

Speaker Card

The City of Milwaukie encourages all citizens to express their views to their city leaders in a **respectful** and **appropriate** manner. If you wish to speak before the City Council, fill out this card and hand it to the City Recorder. Note that this Speaker Card, once submitted to the City Recorder, becomes part of the public record.

Name: DAVID ASCKENBREANNE

Address: 10505 SE HOLME AVE

Organization:

Phone:

Email: DAVID@MILWAUKIE.ORG

Meeting Date: 10/14/27

Topic: SPRINGFIELD POINTS

Agenda Item You Wish to Speak to:

#5 Community Comments

Note: Council generally does not respond to comments during this meeting. The city manager will respond to comments at the next regular session.

#7 Other Business, Topic: _____

#8 Public Hearing, Topic: _____

You are Speaking...

in Support

in Opposition

from a Neutral Position

to ask a Question

Comments:



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Name: Brendan Eiswerth

Address: _____

Organization: _____

Phone: _____

Email: _____

Meeting Date: 11/13/2023 **Topic:** Business Expense Registration

Agenda Item You Wish to Speak to:

#5 Community Comments

Note: Council generally does not respond to comments during this meeting. The city manager will respond to comments at the next regular session.

#7 Other Business, Topic: _____

#8 Public Hearing, Topic: _____

You are Speaking...

in Support

in Opposition

from a Neutral Position

to ask a Question

Comments: _____

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Reviewed: Michael Osborne, Assistant Finance Director

From: Toby LaFrance, Finance Director

Subject: **Fee/Tax Training**

Date Written: November 2, 2023

ACTION REQUESTED

This is an informational session, and no Council action is needed.

ANALYSIS

Staff will provide training on revenues and opportunities Milwaukee has to enhance revenues to support city services. Training will cover:

1. Property Tax. Limitations and decisions that Milwaukee City Council can make to refer to voters.
2. Revenue shared by the state. This includes a share of state liquor tax, cigarette tax, marijuana tax, and similar.
3. Fees implemented by Council. This will highlight items in the Consolidated Fees and Charges and typically needs an ordinance to support the fee that will be imposed.

BUDGET IMPACT

None.

WORKLOAD IMPACT

None.

CLIMATE IMPACT

None.

COORDINATION, CONCURRENCE, OR DISSENT

None.

STAFF RECOMMENDATION

Staff recommend Council receive this training and consider what opportunities they have to enhance revenues to support city services.

ALTERNATIVES

None.

ATTACHMENTS

None.

SPS 7. B. 11/14/23
Presentation

Milwaukie Revenues

Current Status and
Opportunities



Overview

- Property Taxes – Structure and Opportunities
- State Shared Revenues
- City Set Fees and Charges
- Additional Revenue Options

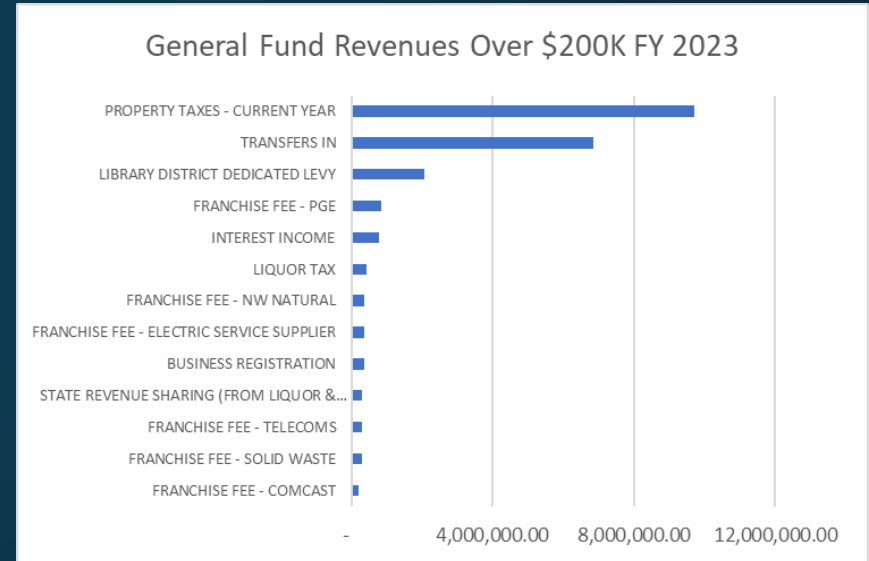


Primary Revenues

All City Revenues over \$1M



General Fund Revenues over \$200K



Property Tax - History

- Measures 5 & 50 – Set current system of charging permanent tax rate of \$6.5379/\$1,000 on assessed value.
- Assessed value can grow 3% annually.
- Local Measure 3-166 dedicated \$2.4012 of permanent tax rate to fire district and left city with \$4.1367.



Property Tax – Additional Operating Levy

- Local option levy:
 - Requires vote to establish
 - Requires vote to renew every five years
- Additional Levy over current \$4.1367 and under permanent levy of \$6.5379:
 - Requires vote to access
 - No renewal vote required
- Due to limit on assessed value growth, property tax revenues do not keep up with growth in cost of service.



Property Tax – GO Bond

- General Obligation Bond – Voter approved bond that is paid through additional property tax levy (2014 Light Rail Refinance & 2016 Library).
- Full Faith and Credit Bond – Council approved bond that is paid from designated funding source and secured by City's general revenues. (2018 & 2022 Transportation Bonds)
- Revenue Bond – Council approved bond that is paid and secured by a specific revenue source.



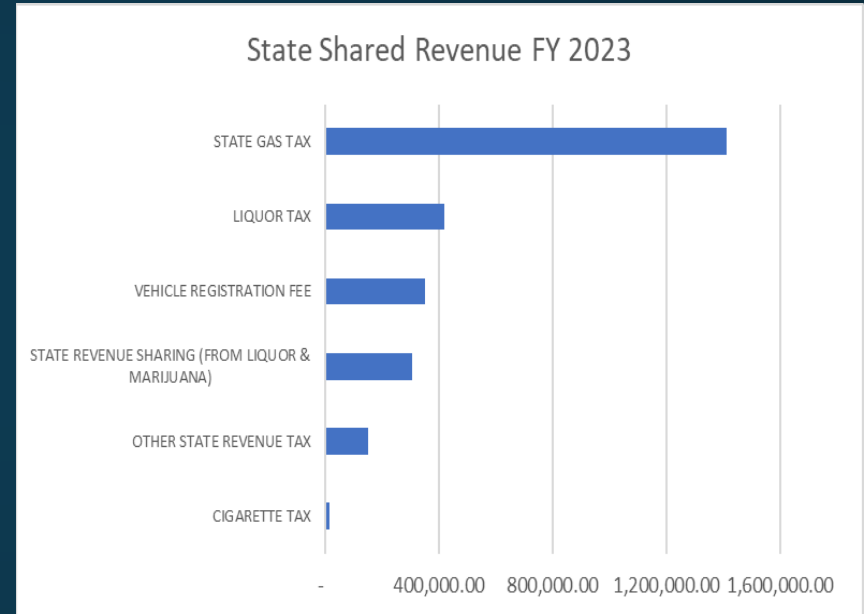
Clackamas County Property Tax Rates (Rate/\$1,000 AV)

City	Permanent Rate	Rate Charged	Local Option Rate	Bond/Other Rate	Total Charged
Portland	4.5770	4.5770	1.2026	3.0379	8.8175
Gladstone	4.8174	4.8174	0.9900		5.8074
Molalla	5.3058	5.3058			5.3058
Lake Oswego I/LO School	5.0353	4.9703		0.2140	5.1843
Lake Oswego O/LO School	4.5884	4.5884		0.2140	4.8024
Milwaukie	6.5379	4.1367		0.3302	4.4669
Oregon City	5.0571	4.4090			4.4090
Sandy	4.1152	4.1152			4.1152
Canby	3.4886	3.4886	0.4900		3.9786
Tualatin	2.2665	2.2665		0.8420	3.1085
Estacada	2.6749	2.6749		0.1399	2.8148
Happy Valley	0.6710	0.6710	1.9200		2.5910
Wilsonville	2.5206	2.5206			2.5206
West Linn	2.1200	2.1200		0.3837	2.5037
Barlow	0.5894	0.5894			0.5894



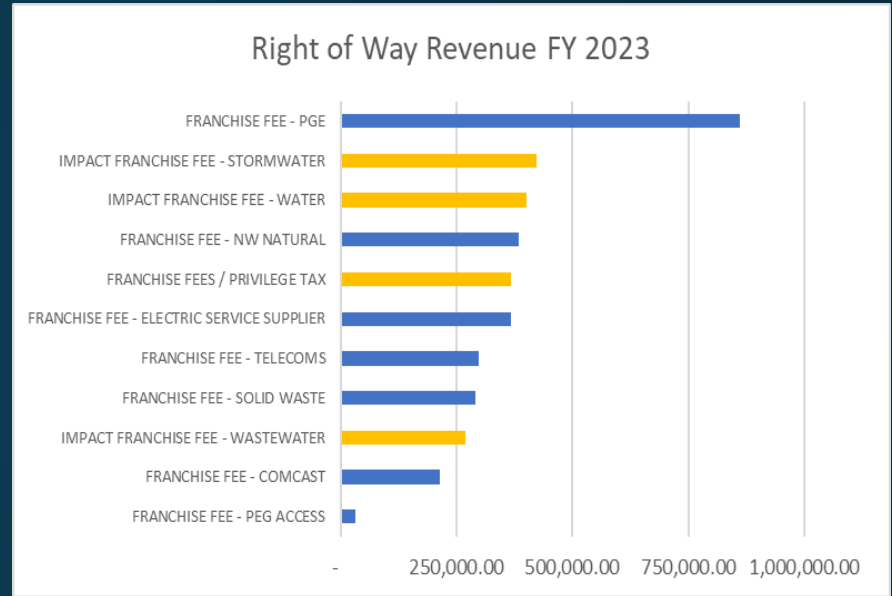
State Revenues

- Important Source of Transportation funding.
- Smaller share of GF
- Liquor Tax is the only revenue growing per capita



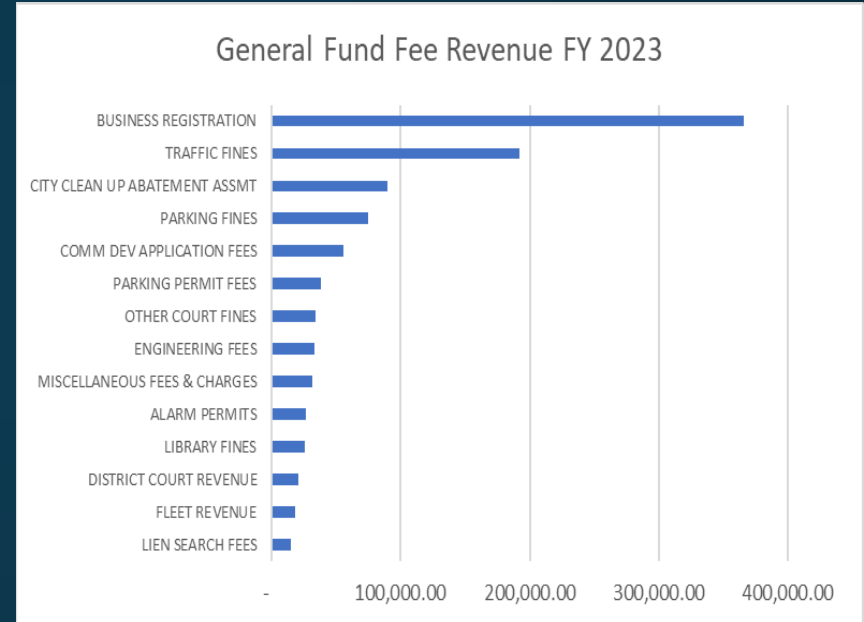
ROW Revenues

- Fee paid by utilities for the right to use city's right-of-way to transmit service.
- 8% for water, sewer, stormwater.
- 5% on all other utilities.
- \$2.4M to General Fund (blue bars).
- \$1.5M to Transportation Fund (orange bars).



Fees and Charges

- Set by Council
- Business Registration is primary fee revenue
- Planning, Engineering, Alarm permit fees appear to be low.



Revenue Opportunities

- Potential for ROW fees.
- Addition of Transient Lodging Tax (TLT) & Transportation Network Companies (TNC)
- Review smaller dollar fees and charges such as Planning, Engineering, and Alarm permits
- Future Property Tax Levy / Bond discussion.



Property Tax Operating Levy

- Milwaukie can go to voters for a 5-year local option levy or to use the capacity between rate charged and permanent rate.
- Generally operating levies pay for additional services
- As property tax collections grow slower than operational costs, an adjustment to the rate is needed periodically.



ROW Fee Potential

- Milwaukie currently charges 8% to our utilities and 5% to all others.
- Gresham charges:
 - 10% to Gas, Electric, and its own utilities;
 - 7% to telecommunications; and
 - 5% to others.
 - Portion of revenues dedicated to streetlight and transportation programs.



TLT & TNC

- Transient Lodging Tax (TLT):
 - tax that can be applied to short-term rentals and hotel/motels within city limits.
 - 70% goes to tourism, 30% unrestricted.
- Transportation Network Company (TNC): Fee on rides for hire (Uber/Lyft)



Smaller Fees

- Milwaukie has several smaller fees: Planning, Engineering, Alarm permits are examples.
- Many do not cover the cost of service.
- Individually reviewing these will not significantly help.
- Reviewing at a high level as a package could make a difference to General Fund sustainability.



Questions



Contact Us

Toby LaFrance

Finance Director

lafrancet@milwaukieoregon.gov





RS Agenda Item

8

Public Hearings

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Reviewed: Michael Osborne, Assistant Finance Director

From: Toby LaFrance, Finance Director

Subject: **Fiscal Year (FY) 2023-2024 Supplemental Budget**

Date Written: May 22, 2023

ACTION REQUESTED

Council is asked to approve the supplemental budget for FY 2023-2024 to account for increased costs and workload in the Building Department and Facilities Department, grants in the Public Works Department, and a restructuring of how office supplies will be purchased for new City Hall.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[June 7, 2022](#) – Council adopted the FY 2023-2024 biennium budget.

[November 7, 2023](#) – Council approved three grants related to the funding of construction for Scott Park, Balfour Park, and Bowman-Brae Park. In addition, Council approved a grant to fund installation of solar panels on the Public Safety Building.

[November 13, 2023](#) – The supplemental budget was presented to the Budget Committee.

ANALYSIS

Oregon Revised Statute (ORS) 294 allows for budget adjustments when a condition arises that was not known at the time the budget was adopted. Since the biennial budget was adopted, certain conditions and situations have arisen that necessitate changes in financial planning. These adjustments and a summary of the conditions are outlined below.

Building Department

Over the last five years, the Building Division has had three staff members. While the number of permits issued has remained relatively constant, the increasingly complex nature of the permits issued has resulted in a 27% increase in inspections over this time. This means that the Building Division is doing 900 more inspections per year than they did five years ago. To handle growth and variation in workload, the Building Division turns to contracted services to help with plan review and/or inspections. During this biennium, that growth in workload is leading to a higher contracted cost than was anticipated when the budget was adopted in June 2022. In addition, more large developments are getting ready to start, including Hillside Manor. Under the Building Division's existing structure, the plan review for this development would be contracted out and 65% of the over \$1,500,000 in permit fees would be paid to our contracted plan reviewer.

This supplemental budget proposes two changes to the original budget for the Building Division. First, the contracted services budget will be increased by \$190,000 to provide contracted plan review and inspections at the current workload level for the remainder of the biennium. Second, the city will move the vacant housing and economic development program manager full time employee (FTE) position to the Building Division to be a building

inspector/plans examiner. Seven months of this position is expected to cost about \$100,000. Moving this FTE to the Building Division will mean that Milwaukie can do the plan review for Hillside Manor in house and retain all the permit fees related to that development. The retention of the full permit fees for Hillside Manor, plus other plan reviews that the new position will be able to perform, will both pay for the additional position and add to fund balance to support future work of the department.

Public Works Parks Grants

On November 7, Council approved the acceptance of three grants. These grants are \$22,603 for Balfour Park from the Milwaukie Park Foundation and the Ardenwald-Johnson Creek Neighborhood District Association (NDA); \$350,000 for Scott Park, Bowman-Brae Park, and Balfour Park from Metro's Nature in Neighborhoods Grants; and \$300,000 for Scott Park construction from the Oregon Parks and Recreation Department. These three grants will add \$672,603 in revenue to the general fund and will support park construction costs.

Facilities Division Unexpected Costs

Over the first sixteen months of the biennium, the Facilities Division has met a number of challenges. The cost of utilities for city facilities continues to increase. Inflation of the cost of time and materials for projects has outstripped expectations. The HVAC system on the Library has experienced unexpected issues. The Facilities Division has also supported unanticipated tasks related to the move to new City Hall and the remodeling of the Johnson Creek Building. In order to continue to provide consistent safe services to city buildings, the Facilities Division needs an additional \$280,000. Of the increase, \$200,000 is being supported by moving savings from the Community Development Department budget to the Facilities Division budget. The remainder is funded through transfers from other city funds that are supported by the Facilities Division.

Solar Grant for the Public Safety Building

On November 7, Council approved the acceptance of a \$375,000 state grant, which will enable the city to install solar panels on the Public Safety Building. This will help lower utility costs and carbon emissions as well as provide power to emergency services in the event of a loss of power.

Office of the City Recorder (OCR) and Centralized Supply Budget

With the move to the new City Hall, the city is centralizing the ordering of basic office supplies. That task will be fulfilled by the OCR. To fulfill this task through the remainder of the biennium, \$4,000 will be added to the supplies budget in the OCR. To keep this budget neutral, \$1,000 each will be reduced from the City Manager, Community Development, Engineering, and Finance budgets.

BUDGET IMPACT

All increases in this supplemental budget are offset by either an increase in revenue, use of fund contingency, or a budget decrease in another department. Reserves will remain the same in all funds except the Building Fund where this action will enhance future reserves.

WORKLOAD IMPACT

Approval of the supplemental budget will increase efficiencies in the Building Division and better enable implementation of services in Public Works, and the OCR.

CLIMATE IMPACT

The supplemental budget includes appropriations as a result of a grant that will enable the city to install solar panels on the Public Safety Building, reducing the carbon emissions of operating that facility.

COORDINATION, CONCURRENCE, OR DISSENT

The supplemental budget includes grants from a number of local, regional, and state agencies.

STAFF RECOMMENDATION

Staff recommends approval of the supplemental budget.

ALTERNATIVES

Council can choose not to approve the supplemental budget.

ATTACHMENTS

1. Resolution



COUNCIL RESOLUTION No.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
AUTHORIZING SUPPLEMENTAL BUDGET FOR THE 2023-2024 BIENNIUM**

WHEREAS, the City of Milwaukie budget for the 2023-2024 biennium was adopted by the city council at a regular meeting on June 7, 2022: and

WHEREAS, certain conditions and situations have arisen since the initial adoption of the 2023-2024 biennium budget that necessitate changes in financial planning [Oregon Revised Statute (ORS) 294.338(3)(b)]; and

WHEREAS, workload has increased in the city’s Building and Facilities departments, grants have been received to support parks construction and installation of solar panels on the public safety building, and ordering of supplies is being centralized in new city hall; and,

WHEREAS, in accordance with local budget law, notice was published on November 9, 2023, of the public hearing held before City Council on November 14, 2023.

Now, Therefore, be it Resolved that the supplemental budget and transfers shown below are hereby adopted.

Introduced and adopted by the City Council on **November 14, 2023**.

This resolution is effective immediately.

Lisa M. Batey, Mayor

ATTEST:

APPROVED AS TO FORM:

Nicole Madigan, Deputy City Recorder

Justin D. Gericke, City Attorney

Resolution - Supplemental (Biennium FY2023-FY2024)

	Adopted	Revised	Increase / (Decrease)
<u>General Fund</u>			
Resources:			
Metro Grant	1,127,000	1,477,000	350,000
State Grants - Other	1,300,000	1,975,000	675,000
Miscellaneous Grants	-	22,603	22,603
Transfers from Other Funds	13,785,000	13,865,000	80,000
Total Change in Resources			<u>1,127,603</u>
Requirements:			
Public Works Admin	6,460,000	7,132,603	672,603
Facilities	4,901,000	5,556,000	655,000
Office of the City Recorder	1,085,000	1,089,000	4,000
City Manager	3,504,000	3,503,000	(1,000)
Finance	3,020,000	3,019,000	(1,000)
Community Development	2,001,000	1,800,000	(201,000)
Engineering	4,098,000	4,097,000	(1,000)
Total Change in Requirements			<u>1,127,603</u>
<u>Building Fund</u>			
Resources:			
Building Permits	737,000	2,237,000	1,500,000
Total Change in Resources			<u>1,500,000</u>
Requirements:			
Building Department	\$ 2,112,000	\$ 2,402,000	290,000
Reserve for Future Expenditures	\$ 3,171,000	\$ 4,381,000	1,210,000
Total Change in Requirements			<u>1,500,000</u>
<u>Transportation Fund</u>			
Requirements:			
Transfers to Other Funds	\$ 2,050,000	\$ 2,070,000	20,000
Contingency	\$ 750,000	\$ 730,000	(20,000)
Total Change in Requirements			<u>\$ -</u>
<u>Stormwater Fund</u>			
Requirements:			
Transfers to Other Funds	\$ 2,810,000	\$ 2,830,000	20,000
Contingency	\$ 910,000	\$ 890,000	(20,000)
Total Change in Requirements			<u>\$ -</u>
<u>Wastewater Fund</u>			
Requirements:			
Transfers to Other Funds	\$ 2,920,000	\$ 2,940,000	20,000
Contingency	\$ 1,030,000	\$ 1,010,000	(20,000)
Total Change in Requirements			<u>\$ -</u>
<u>Water Fund</u>			
Requirements:			
Transfers to Other Funds	\$ 3,160,000	\$ 3,180,000	20,000
Contingency	\$ 650,000	\$ 630,000	(20,000)
Total Change in Requirements			<u>\$ -</u>

Supplemental Budget

November 14, 2023



Budget Supplemental

- Reassigns Community Development position previously funded by General Fund resources to Building Fund and adds to M&S budget in Building. Action aligns staffing with workload increase and will allow city to retain more building fee revenue by sending less work to contracted service.
- Adds \$280,000 to Facilities budget for increased and unexpected costs. Funded by movement of \$200K budget from Community Development and additional \$80K support from utility and transportation funds.
- Budgets work funded by parks grants and solar grant.
- Centralizes existing supplies budget to Office of the City Recorder for departments in new city hall.

Questions



Contact Us

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Finance Director

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