



# CITY OF MILWAUKIE

## BUDGET COMMITTEE MEETING AGENDA – PUBLIC HEARING

*Saturday, May 4, 2024, at 9:00 a.m.*

**This meeting will begin immediately after the Milwaukie Redevelopment Commission (MRC) Budget Committee meeting.**

**The Budget Committee will hold this meeting in-person.** The public is invited to watch live on the [city's YouTube channel](#), Comcast Cable channel 30 in city limits, or via Zoom webinar (see link below).

**Comments:** written comments may be submitted by email to [finance@milwaukieoregon.gov](mailto:finance@milwaukieoregon.gov). The Committee will take limited verbal comments. To speak during the meeting or to watch via Zoom visit the meeting webpage <https://www.milwaukieoregon.gov/bc-bc/budget-committee-43> and follow the Zoom webinar login instructions.

1. Call to order
2. Introductions
3. Community comments
4. **PUBLIC HEARING**
  - A. **BN 2025-2026 Proposed budget department presentations**
  - B. **BN 2025-2026 Proposed budget public testimony**
  - C. **Deliberations by committee members**
  - D. **Voting by committee members**
    - i. **BN 2025-2026 proposed budget to City Council**
    - ii. **Property taxes**
      1. **General operating tax rate**
      2. **Bond levy tax amounts**
5. Motion to cancel the May 11, 2024, scheduled meeting at 10:00 am, (if needed)
6. Other items
7. Adjournment

## Pre-Submitted Questions and Feedback on the Draft BN 25-26 Proposed Budget

The following document reflects the questions and feedback provided by Budget Committee members between 4/29/2024 and 5/1/2024, as well as responses from city staff. The name of the submitter is noted after each question/comment.

### Questions submitted by Mary Rowe:

1. Q: Page 53 it shows a significant increase in misc. intergovernmental revenue for 2025. What does this include and is the increase a realistic projection? A: The major increase is due to transportation grants. The transportation grants include \$5.5 million in Safe Routes to School Funding and County URA for the Stanley Project The Wastewater grants include \$745K in ARPA for Ardenwald North and \$1.45M in Grants from WES for Infiltration and Inflow projects. WES will provide up to 30% of these projects.
2. Q: Page 86 for City Manager budget lists a priority of support establishment of cooling, warming and stabilization centers .... The budget doesn't break down materials and services enough to see how this work is being supported. A: This work is being supported by a combination of staff time, intergovernmental funds, and some general fund materials and services expenses. Staff working on establishing a cooling center at the Ledding Library include the City Manager, Events and Emergency Management Coordinator, Administrative Assistant for the City Manager's office, Behavioral Health Specialist, Library Director and Library Managers. The city has been approved for \$30,000 in annual funding for this center from Clackamas County Supportive Housing Services funds, starting in FY 2025 through FY 2027. This funding will help cover supplies and staff time staffing the center when operational. The establishment of warming and stabilization centers in Milwaukie is not being led by the city, but city staff are engaged in both efforts—the warming center is an initiative of a local church and the stabilization center is a County project. Staff time from the City Manager, Events and Emergency Management Coordinator, Community Engagement Coordinator, Chief of Police, and Behavioral Health Specialist have been dedicated to planning, coordination, and communications work to ensure these projects are successful.
3. Q: Is it realistic to only have 1 behavioral support specialist funded given the increasing # of houseless and the City's priorities on equity and providing stabilization services for those in crisis? A: Ryan Burdick- The need to work with those who are houseless, who have mental health, or addiction related issues, has never been more significant. Glen Suchanek, Milwaukie's behavioral health specialist, has done an exceptional job to date. Bu this is a challenging population and the needs of this group far outweigh one person. His work is critical, and there is a significant need for additional support in this area. Our city has done wonderful work in this area but the resources for this population are still not sufficient to match demand.

## Questions submitted by David Chitzazan:

1. Q: Community Development (pg 93) - Seems like professional/technical services and economic development are basing the amounts for the budget based on prior biennium budget amounts, when the amounts actually spent in the prior two bienniums were much lower. Is there any specific areas where these funds are expected to be used higher than PYs actuals, or is this potentially an area to strip down if need be?  
A: This should be 4.9%. Good catch!
2. Q: Public Works Admin (pg 97) - CIP is proposed 1.070M in FY2025, is there a breakdown of the projects comprising this. As i'm speaking out loud, i feel like this is in the CIP section at the end, but maybe would be good to know the top 3 expenditures. A: Balfour, Bowman-Brae, Scott Parks
3. Q: Facilities Mgmt (Pg104) - FY 2023 had the % of electricity savings in kWh and natural gas change fairly drastically (-5% and +49% respectively). Would be good to get to get some more color as to what this means and why it was an outlier year?  
A: This should be 4.9%. Good catch!
4. Q: HR (pg 112) - Prior quarter budget meetings mentioned there was an HR issue leading to additional costs, has that prior issue been resolved? A: It was a one-time issue that was absorbed in the current FY and not reflected as an increase in this year's budget but remains a future risk should something similar occur
5. Q: General question to HR, I know the main objective of HR is to protect the city, but it would be great to hear from the HR department how they are also protecting their employees in the same manner A: The hold-the-line budget does not allow for additional funds to be spent on safety or wellness.
6. Q: IT (pg115) - mentions 166k maint. agreement increase, but if i take prior biennium 1,170 + 166k, it's only 1,336. What's the additional 78k? a. would be good to get some color on what the additional 185k for other services is. Another good catch. These significant changes were left over from the previous budget. We will update the language to reflect proper changes.
7. Q: Code enforcement (pg 124) - Does this include the traffic officer or is that in Police?  
A: In this department: code compliance coordinator, code compliance specialist and parking enforcement officer
8. Q: City Recorder (pg 129) - what is the main reason(s) for the increase of 2 employees?  
A: Both are admin specialists: .5 moved from city manager, 1.5 moved from community development, .5 moved from engineering
9. Q: Construction excise tax (pg 148) - What are the estimated types of businesses supported in the 2025/2026 collaborative effort section (shows 10 in 2025, 10 in 2026) A: The hope is to offer tenant improvement and storefront improvement programs (similar to the MRC related programs) to any businesses outside of the URA.
10. Q: Transportation fund (pg 153) - For the capital outlay 2025 + 2026. Hypothetically let's say because of the staff shortages, we aren't able to fill those vacancies in the next year (which i hope we do hire someone), do we anticipate any of the projects being postponed or scrapped? A: Yes, unforeseen staffing issues could lead to some projects being postponed, but that would be a last resort. Engineering would do its best to utilize on-call professional service agreements to help fill staffing gaps.

11. Q: would be good to get a rough outline of the capital projects for the 12M or so. As i'm speaking out loud, i feel like this is in the CIP section at the end, but maybe would be good to know the top 3 expenditures. A: Stanley, King Rd, Ardenwald, International Way for SAFE projects.
12. Q: Water (pg 161) - what is the other intergov 3,695 from? A: ARPA water \$2.7M for Stanley Reservoir and \$995K for Ardenwald North WW - ARPA \$745 K and \$1152K WES I&I Grant and \$282K Good Neighbor funds
13. Q: Apologies for missing this, but where does the alcohol and cannabis taxes fit into the revenues (e.g. does it go to a specific dept)? A: Both are in the general fund's intergovernmental under state revenue sharing.

### **Questions submitted by William Johnson:**

1. Q: Page 77. The FTE budget lists 150.25 and 149.25 in years 2025 and 2026 respectively, but the Proposed Total is 151.25. Is the 151.25 figure accurate? Emma mentions on page 3 there is no increase of FTE over the biennium. Which columns should I be comparing to see that? A: Its 149.25. There are 2 FTE's in Police for transit police that are reimbursed by Tri-met but still add to the city's headcount.
2. Q: Page 3. Emma mentions there is no increase of FTE but that some have shifted departments. Did the shifting of FTEs change the compensation of those FTEs? Or perhaps easier to answer, did the shifting of FTEs change the average compensation of the city? A: No change in compensation, this was just aligning the employees to the proper department.
3. Q: age 96. In the accountable section, \$ amount of urban forestry per capita is growing. Why? A: The \$ per capita on Urban forestry is a measure from the Arbor Day Foundation and over the past eight years we have done a better job of documenting our cost across a broad spectrum which include tree planting, tree maintenance and removals both internally and on CIP projects, our management costs (personnel costs) and program costs, which have included new code and permitting software. The per capita costs also include volunteer hours for Arbor Day, Tree Board and other tree related events.
4. Q: Page 97. The FTE budget lists 8 and 7 in years 2025 and 2026 respectively, but the Proposed Total is 7. Is the 7 total figure accurate? The decrease is the parks position that goes away at the end of 2025.
5. Q: Page 104. What is the comparison to on the % of electricity and natural gas savings? A: This is fiscal year to year
6. Q: Page 108. Why is the # of adjusting journal entries processed being measured? The terminology is a little misleading, it should just read # of journal entries. What is the source of our bank charges? Includes credit card merchant fees, fees assessed for parking payments What goes into Utility Billing Expense? Include the meter reader and bill printing

7. Q: Page 109. Is there cost and carbon comparison between R99 renewable diesel and standard diesel? A: The city switched its diesel fuel procurement to renewable diesel fuel. Renewable diesel (also referred to as "R99", reflecting the blend rate: 99% renewable with 1% fossil fuel diesel) is a drop-in fuel, meaning no vehicle modifications are required. R-99 is 50-75% less emitting than fossil diesel considering lifecycle GHG from production. It has roughly averaged \$0.30 per gallon more, but the cost impact has been relatively marginal since the city has less than 10 diesel vehicles in its fleet.
8. Q: Page 118. First bullet says no changes to staffing level. Why does the FTE increase from 0.5 to 1.0? A: Court clerk was split between court and city recorder prior to this budget.
9. Q: Page 129. FTE budget increases by 2. What positions were added? A: Both are admin specialists: .5 moved from city manager, 1.5 moved from community development, .5 moved from engineering. No positions added.
10. Q: Page 139. FTE budget increases by 2. What positions were added? A: Behavioral Health Specialist moved from city manager to police; transit police officer. Item 1 on the explanation of changes calls out \$62K of dispatch cost growth. What is reason for the rest of the dispatch cost growth? A: *the added cost to the contract is COLA's that were built into the contract.*
11. Q: Page 141. In the second paragraph, the bonds are described as having a true interest cost of 2.86% with interest rates varying by year between 3% and 4%. How is the true interest cost lower than the interest rates? A: True interest cost includes finance charges, discount points, and prepaid interest along with accounting for the time value of money.
12. Q: Page 161. FTE budget increases by 1. What position was added? A: Adding a lead water treatment operator

Questions submitted by Michael Osborne:

1. Q: When will the Portland Trail Blazers next make the NBA Playoffs and have a successful team. A: When they get a new owner and begin to invest in good players and culture. (Just checking if you are still reading) 😊

**Questions submitted by Robert Massey:**

1. Q: Page 24 – top two paragraphs – can money be transferred within a fund to avert an over expenditure in a category without a supplemental budget - for instance between Personal Services and Material & Services within the General Fund? From the Oregon Local Budgeting Manual: can be done by resolution or ordinance. The categories must increase / decrease by an equal amount, the net change in the fund's total appropriation must be zero. This intrafund transfer does not require a transfer of resources; no additional revenue is received by the fund, the expenditures shift from one appropriation category to another.

2. Q: Page 37 – top paragraph – who is the Administrative Services Director? A: It has been another title used for Finance Director.
3. Q: Is the increased cost of the C800 Radio Project reflected in this budget ? Would it be embedded in an existing line item or will it come out of a reserve? A: Yes, it is in the M&S for professional services under “Other”. We have budget for what the committee has projected, but costs could increase.
4. Q: Is the Scope (not positive on term ) budget identified as a fund source for the 29th Greenway Enhancement a part of SSMP or SAFE? A: The enhancements to 29th Ave will be supported by SAFE dollars via the "Spot Program."

# GENERAL FUND

## FACILITIES MANAGEMENT

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### DEPARTMENT DESCRIPTION AND CORE SERVICES

The Facilities Management Department maintains and improves all city-owned buildings and properties. The department assesses condition and budgets, plans, and prioritizes projects that demonstrate effective stewardship of public resources and supports the greater city goals and vision. The Facilities Management provides clear communication, stellar customer service, timeliness, and efficiency for the following core services:

- Maintain, repair, construct, and oversee remodeling and repairs of buildings and properties
- Recommend scope and manage facility capital projects and funding uses
- Recommend solutions for increased energy efficiency
- Align goals with the city's Climate Action Plan and pursue greater results through participation in Energy Trust of Oregon's Strategic Energy Management Program to reduce energy use
- Monitor and report energy use, trends, and opportunities
- Perform preventive maintenance activities to ensure buildings and systems function properly to protect and preserve city assets
- Provide comfortable, secure, and clean work areas for city employees
- Provide on-call service 24/7/365
- Perform general contracting work for repair and improvement projects, including heating, ventilation, and air conditioning (HVAC), security, janitorial, structural, landscaping, painting, electrical, plumbing, remodeling, and office reconfigurations

### ACCOMPLISHMENTS

- Managed renovations for new city hall building to accommodate consolidated city staff and enhance community uses
- Remodeled former community development building to expand office space for public works administrative staff, including new flooring, furniture, customer service counter, and technology upgrades
- Decommissioned two underground fuel tanks and installed one aboveground fuel tank at the public works campus
- Installed three public-facing electric vehicle (EV) charging stations at the Ledding Library, Public Safety Building, and Johnson Creek Campus to encourage EV adoption and lower the city's carbon footprint
- Installed two fleet-facing EV charging stations at new city hall
- Completed design work and began construction on the Public Safety Building seismic retrofits in relation to the grant awarded by the State of Oregon Seismic Rehabilitation Grant Program
- Completed over 2,200 work orders for various facility needs such as HVAC, electrical, fire alarm, graffiti removal, locksmith services, and more



## PRIORITIES



Install new HVAC controls at city hall to improve temperature control and to reduce energy consumption



Renovate two bathrooms at public work facility to include ADA improvements



Install bollards below and above surface level at the Ledding Library to provide safety to pedestrians and the building



Install solar array at the public works facility to offset energy usage and further the city's decarbonization goals

## CHANGES TO SERVICE

The move into the new city hall significantly increased the amount of space managed by the department. As a result, staff expects continued increased workload in the 2025-2026 biennium and will continue to review priorities to maintain all city-owned facility needs.

## PERFORMANCE MEASURES

Value	Metric	FY 2021	FY 2022	FY 2023	Estimated		
					FY 2024	FY 2025	FY 2026
Efficient	# of work orders completed	1,103	1,196	1,132	1,144	1,144	1,144
	% of electricity savings in kWh	10%	3%	5%	2%	2%	2%
	% of natural gas savings	12%	18%	5%	11%	11%	11%
	# therms used per 100 cubic feet of natural gas	18,682	19,767	23,429	21,589	21,589	21,589
Accountable	# of sq. feet of managed city building space	80,000	80,000	98,000	98,000	98,000	98,000





## FINANCIAL SUMMARY – FACILITIES MANAGEMENT

(Amounts in Thousands: \$100 = \$100,000)

	HISTORICAL		BN 2023-2024 CURRENT OUTLOOK				BN 2025-2026		
	Actual FY 2021	Actual FY 2022	Amended Budget	Actual FY 2023	Estimated FY 2024	Estimated BN Total	Proposed FY 2025	Proposed FY 2026	Proposed Total
<b>PERSONNEL SERVICES</b>									
Budgeted FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Salaries & Wages	\$ 239	\$ 275	\$ 533	\$ 263	\$ 249	\$ 512	\$ 281	\$ 289	\$ 570
Employee Benefits	147	166	347	165	163	328	186	189	375
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 386</b>	<b>\$ 441</b>	<b>\$ 880</b>	<b>\$ 428</b>	<b>\$ 412</b>	<b>\$ 840</b>	<b>\$ 467</b>	<b>\$ 478</b>	<b>\$ 945</b>
<b>MATERIALS &amp; SERVICES</b>									
Professional & Technical Services:									
Electricians	12	6	20	9	2	11	10	10	20
HVAC	12	52	40	72	50	122	35	35	70
Landscape	94	131	300	165	146	311	170	170	340
Painting	1	-	40	-	3	3	7	8	15
Plumbing	12	1	20	7	19	26	10	15	25
Preventative Care	5	20	13	10	12	22	10	10	20
Repairs	10	6	70	19	40	59	35	35	70
Other	76	123	95	106	42	148	60	80	140
Fees & Licenses	-	-	-	-	-	-	2	2	4
Dues & Subscriptions	9	9	24	10	-	10	10	10	20
Materials & Supplies	25	20	22	14	3	17	11	11	22
Property Taxes	15	13	30	14	14	28	16	16	32
Education & Training	-	-	-	-	-	-	1	1	2
Special Projects	20	41	100	72	100	172	42	43	85
Utilities:									
Electricity	108	112	280	142	140	282	168	168	336
Janitorial	167	163	470	234	250	484	259	259	518
Natural Gas	15	18	32	27	15	42	21	21	42
Refuse Disposal	34	41	60	43	30	73	34	34	68
Water/Sewer/Stormwater/Streets	130	145	290	165	200	365	154	154	308
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>745</b>	<b>901</b>	<b>1,906</b>	<b>1,109</b>	<b>1,066</b>	<b>2,175</b>	<b>1,055</b>	<b>1,082</b>	<b>2,137</b>
<b>CAPITAL OUTLAY</b>									
Vehicles & Equipment	-	-	-	-	-	-	-	65	65
Construction in Progress	194	142	2,115	501	460	961	1,245	105	1,350
<b>TOTAL CAPITAL OUTLAY</b>	<b>194</b>	<b>142</b>	<b>2,115</b>	<b>501</b>	<b>460</b>	<b>961</b>	<b>1,245</b>	<b>170</b>	<b>1,415</b>
<b>FACILITIES MANAGEMENT TOTAL</b>	<b>\$ 1,325</b>	<b>\$ 1,484</b>	<b>\$ 4,901</b>	<b>\$ 2,038</b>	<b>\$ 1,938</b>	<b>\$ 3,976</b>	<b>\$ 2,767</b>	<b>\$ 1,730</b>	<b>\$ 4,497</b>

### EXPLANATION OF SIGNIFICANT BUDGET CHANGES

Facilities' materials and services budget increased by \$231,000 compared to prior biennium budget related to:

- 1) Increase of \$57,000 in Professional & Technical Services; includes general contractors and fire services.
- 2) Increase of \$56,000 or 20% and \$47,000 or 10% for electricity and janitorial services, respectively, associated with the increase of space for new city hall.
- 3) Increase of \$26,000 in dues and subscriptions for upgrade to facilities work order platform.
- 4) Increase of \$65,000 for replacement new facilities vehicle.
- 5) Increase of \$2,000 for education and training.
- 6) Increase of \$40,000 or 13% for landscape maintenance.

**EXPLANATION OF SIGNIFICANT BUDGET CHANGES (CONTINUED)**

- 7) Increase of \$8,000 or 13.3% for refuse services.
- 8) Increase of \$30,000 for HVAC services.
- 9) Decrease in \$10,000 or 16.67% in painting and plumbing services.
- 10) Increase in construction in progress as outlined in Capital Improvement Plan which includes continued efforts towards the seismic retrofits of the Public Safety Building (\$1.5 million-dollar total project amount); these expenses are partially offset by expected grant revenue of \$1,233,817. Removal of the Bertman House project is estimated at \$120,000. JCB Campus solar panel installation project is estimated at \$475,000; this expense is partially offset by the awarded Oregon Senate Bill 5506 General Fund Grant of \$350,000.

# WATER FUND

## DEPARTMENT DESCRIPTION AND CORE SERVICES

The Water Department provides residents with potable water for public health and fire response, as well as ensuring an adequate supply is available for essential daily needs. The department is responsible for compliance with state and federal regulations and with the Safe Drinking Water Act.

Milwaukie draws its water from the Troutdale Gravels Aquifer through intricate well systems and technologies. This underground water supply stretches from north of Vancouver, Washington to south of Milwaukie and is bounded by the Willamette River on the west and the base of the Cascades on the east. Milwaukie's water infrastructure has a storage capacity of six million gallons of water and can produce in excess of six million gallons of water per day through a network of continuously monitored wells, treatment plants, pump stations and piping. Emergency interties, which are water pipe connections between jurisdictional water systems, are maintained with connections to the City of Portland and Clackamas River Water for resiliency and emergency preparedness.

The department's core services include:

- Providing city residents with water that meets or exceeds all federal and state water quality requirements. More information can be found in the annual water quality report on the city's website: <https://www.milwaukieoregon.gov/WQR>.
- Maintaining water system infrastructure
- Remaining current with changing technology, rules and regulations through education and training efforts
- Preserving over 100 miles of waterline, 6,911 services, 964 fire hydrants, seven wells, three storage reservoirs, and four pump stations

## ACCOMPLISHMENTS

- Began construction on Stanley Reservoir to rehabilitate the interior and exterior of the reservoir and provide safety improvements to remedy seismic and cathodic deficiencies
- Started a lead service lines inventory to comply with the U.S. Environmental Protection Agency's Lead and Copper Rule Revisions to prevent drinking water contamination
- Established engineering service contracts to begin development of plans for future water treatment plant upgrades and other water-related capital projects
- Upgraded control systems at the Lava Pump Station and Well #7

## PRIORITIES



Complete upgrades to the Supervisory Control and Data Acquisition (SCADA) system and infrastructure to improve the city's ability to monitor and control water availability and distribution throughout the community



Increase maintenance and repairs at treatment plants and well sites to improve asset resiliency and efficiency and prolong the lifespan of water infrastructure



Research and identify energy efficient projects for the water system to reduce the utility's overall carbon footprint

## PRIORITIES (CONTINUED)



Rehabilitate the concrete reservoir at 40<sup>th</sup> and Harvey by replacing the interior liner and providing seismic improvements



Begin planning and design process for future treatment plant upgrades that incorporate new regulatory requirements



Complete lead service line inventory and make the inventory accessible to the community

## PERFORMANCE MEASUREMENTS

Value	Metric	FY 2021	FY 2022	FY 2023	Estimated		
					FY 2024	FY 2025	FY 2026
Efficient	# of meters replaced when needed	23	1	3	4	15	15
	# of water service lines repaired	7	11	5	10	10	10
	# of water main breaks repaired	6	5	2	6	5	5
	# of service orders for utility billing	2,121	1,732	1,417	1,400	1,700	1,700
Accountable	% of hydrants maintained	11%	41%	17%	20%	20%	20%



# FINANCIAL SUMMARY – WATER FUND

(Amounts in Thousands: \$100 = \$100,000)

	HISTORICAL		BN 2023-2024 CURRENT OUTLOOK				BN 2025-2026		
	Actual FY 2021	Actual FY 2022	Amended Budget	Actual FY 2023	Estimated FY 2024	Estimated BN Total	Proposed FY 2025	Proposed FY 2026	Proposed Total
<b>RESOURCES</b>									
<b>BEGINNING FUND BALANCE</b>	\$ 4,630	\$ 4,546	\$ 7,359	\$ 5,395	\$ 6,717	\$ 5,395	\$ 6,136	\$ 3,782	\$ 6,136
Fees & Charges	4,471	4,366	10,209	4,691	5,045	9,736	5,201	5,355	10,556
Reimbursement Fees	20	91	200	11	43	54	204	68	272
Intergovernmental - ARPA	-	-	2,256	-	-	-	-	-	-
Intergovernmental - Other	-	9	-	-	-	-	3,695	-	3,695
Interest Income	2	16	40	279	300	579	120	75	195
Miscellaneous	90	62	74	15	36	51	19	19	38
<b>TOTAL RESOURCES</b>	<b>\$ 9,213</b>	<b>\$ 9,090</b>	<b>\$ 20,138</b>	<b>\$ 10,391</b>	<b>\$ 12,141</b>	<b>\$ 15,815</b>	<b>\$ 15,375</b>	<b>\$ 9,299</b>	<b>\$ 20,892</b>
<b>REQUIREMENTS</b>									
<b>PERSONNEL SERVICES</b>									
Salaries	549	568	1,223	599	575	1,174	691	712	1,403
Benefits	324	339	749	347	342	689	437	446	883
<b>TOTAL PERSONNEL SERVICES</b>	<b>873</b>	<b>907</b>	<b>1,972</b>	<b>946</b>	<b>917</b>	<b>1,863</b>	<b>1,128</b>	<b>1,158</b>	<b>2,286</b>
<b>MATERIALS &amp; SERVICES</b>									
Professional & Technical Services									
Compliance Obligations	71	45	350	125	270	395	150	165	315
Electricity	204	210	440	223	242	465	250	250	500
Facility Repairs	183	200	440	174	140	314	220	220	440
Other	38	39	65	-	-	-	35	35	70
General Office Supplies	3	5	8	4	3	7	4	4	8
Dues & Subscriptions	14	13	32	13	16	29	16	16	32
Education & Training	3	6	20	11	4	15	10	10	20
Fees & Licenses	4	13	24	16	16	32	12	12	24
Franchise Fees to Transportation*	321	340	817	402	414	816	411	424	835
Operating Equipment	15	14	80	11	15	26	40	40	80
Miscellaneous Supplies	6	7	8	4	6	10	4	4	8
Rents & Leases	6	7	14	8	7	15	7	7	14
Self Insured Claims	-	-	2	-	-	-	1	1	2
Utility Assistance	-	-	13	7	-	7	7	7	14
Bad Debt	58	134	120	-	-	-	30	30	60
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>926</b>	<b>1,033</b>	<b>2,433</b>	<b>998</b>	<b>1,133</b>	<b>2,131</b>	<b>1,197</b>	<b>1,225</b>	<b>2,422</b>
Capital Outlay	1,588	416	7,371	156	2,375	2,531	7,714	2,573	10,287
Transfers to Other Funds	1,280	1,340	3,160	1,574	1,580	3,154	1,554	1,554	3,108
Contingency	-	-	650	-	-	-	-	56	56
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>4,667</b>	<b>3,696</b>	<b>15,586</b>	<b>3,674</b>	<b>6,005</b>	<b>9,679</b>	<b>11,593</b>	<b>6,566</b>	<b>18,159</b>
Unappropriated Ending Fund Balance	4,546	5,394	4,552	6,717	6,136	6,136	3,782	2,733	2,733
<b>TOTAL REQUIREMENTS</b>	<b>\$ 9,213</b>	<b>\$ 9,090</b>	<b>\$ 20,138</b>	<b>\$ 10,391</b>	<b>\$ 12,141</b>	<b>\$ 15,815</b>	<b>\$ 15,375</b>	<b>\$ 9,299</b>	<b>\$ 20,892</b>

\*Franchise fees to transportation are from the utility funds dedicating 8% of net revenues per the Municipal Code Section 3.10 passed by Ordinance # 1905 in 2002.

BUDGETED POSITIONS	Actual FY 2021	Actual FY 2022	Amended Budget	Actual FY 2023	Estimated FY 2024	Estimated BN Total	Proposed FY 2025	Proposed FY 2026	Proposed Total
Full-Time Equivalent (FTE) Employee #	8.2	8.2	8.0	8.0	8.0	8.0	9.0	9.0	9.0
Population	20,556	20,600	20,600	21,235	21,235	21,235	21,341	21,341	21,341
<b>MONTHLY OPERATING COSTS PER CAPITA</b>	<b>\$ 12</b>	<b>\$ 13</b>	<b>\$ 31</b>	<b>\$ 14</b>	<b>\$ 14</b>	<b>\$ 28</b>	<b>\$ 15</b>	<b>\$ 15</b>	<b>\$ 31</b>
<b>POLICY REQUIREMENTS</b>									
Contingency & Ending Fund Balance Above	4,546	5,394	5,202	6,717	6,136	6,136	3,782	2,789	2,789
Policy Requirement (50%)	1,540	1,640	3,780	1,760	1,820	3,570	1,940	1,970	1,970
<b>AMOUNT OVER (UNDER) POLICY REQUIREMENT</b>	<b>\$ 3,006</b>	<b>\$ 3,754</b>	<b>\$ 1,422</b>	<b>\$ 4,957</b>	<b>\$ 4,316</b>	<b>\$ 2,566</b>	<b>\$ 1,842</b>	<b>\$ 819</b>	<b>\$ 819</b>

# WASTEWATER FUND

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## DEPARTMENT DESCRIPTION AND CORE SERVICES

The Wastewater Department provides effective management and financing of the wastewater collections system within the public right-of-way. The department provides wastewater collection, pumping and revenue collection for treatment services for Milwaukie residents, while protecting environmental quality and eliminating sanitary sewer overflows.

Wastewater is carried into the city's sanitary sewer system from homes, schools, and other buildings for safe and effective disposal. Small pipes carry wastewater from buildings into sewer pipes and sewer mains placed under streets, and by gravity and a series of sewer lift stations, the vast majority of wastewater flows into the Kellogg Wastewater Treatment Plant which is operated by Clackamas County Sewer District #1. The Wastewater Department also contracts for treatment services with the City of Portland and Oak Lodge Water District for the few properties within those sewer systems. After treatment for bacteria, particulates, and temperature, the water is released into the Willamette River as clean water that meets state and federal guidelines for surface water health.

The Wastewater Department's main functions are:

- Operate and maintain wastewater collections infrastructure efficiently and at minimal cost to residents
- Provide environmental services to oversee and enforce the Fats, Oils and Grease (FOG) program to help eliminate the amount of materials in the wastewater collections system
- Maintain 79 miles of public sanitary sewers, five sewer lift stations, and 1,692 manholes

## ACCOMPLISHMENTS

- Conducted a study for the Waverly Heights Sewer System Reconfiguration project by gathering information on manhole depths and closed-circuit (CCTV) mainlines
- Inspected approximately 26% of the system and removed roots from sewer mainlines
- Collaborated with the Engineering Department to gather information on utility locations and condition assessments for capital projects
- Installed four pipe patch repairs to fix inflow and infiltration concerns
- Investigated restaurants not in compliance with the FOG program and enforced installation of more effective grease interceptors to reduce sewer backups and discharges to the city's sewer main
- Continued to enhance FOG program through cooperation with local municipalities and preferred pumpers
- Provided prompt response to lift station failures that prevented backups or overflow
- Ongoing collaboration with the Information Technology and Engineering departments and contractors for upgrades to the Supervisory Control and Data Acquisition (SCADA) system
- Co-purchased a new electric truck with the Stormwater Department to reduce emissions and fuel costs



## PRIORITIES



Provide quality customer service through responsive site visits and communications and creating a safe and enjoyable work environment for employees by meeting all state and federal standards



Research and identify energy efficiency projects for wastewater collection system to reduce the utility's overall carbon footprint to meet Milwaukie's goal of carbon neutrality by 2045



Prevent mainline blockages and sanitary sewer overflows by completing routine maintenance, cleaning, and CCTV inspections in accordance with asset management guidelines



Expand department staff expertise and knowledge through trainings, workshops, and certification programs aligned with city needs and goals, including climate resiliency



Complete upgrades to SCADA system and infrastructure to improve the city's ability to monitor and control wastewater collection

## PERFORMANCE MEASURES

Value	Metric	FY 2021	FY 2022	FY 2023	Estimated		
					FY 2024	FY 2025	FY 2026
Efficient	# of linear feet hydro cleaning performed in the mainline	68,056	89,069	105,193	106,000	110,000	110,000
	# of manhole inspections	43	328	435	460	500	500
	# of linear feet mainline inspections with TV equipment	75,366	90,000	110,000	110,000	110,000	110,000
	# of lift station inspections	440	530	462	500	550	550





# FINANCIAL SUMMARY – WASTEWATER FUND

(Amounts in Thousands: \$100 = \$100,000)

	HISTORICAL		BN 2023-2024 CURRENT OUTLOOK				BN 2025-2026		
	Actual FY 2021	Actual FY 2022	Amended Budget	Actual FY 2023	Estimated FY 2024	Estimated BN Total	Proposed FY 2025	Proposed FY 2026	Proposed Total
<b>RESOURCES</b>									
<b>BEGINNING FUND BALANCE</b>	\$ 5,525	\$ 5,454	\$ 6,294	\$ 5,664	\$ 5,733	\$ 5,664	\$ 4,654	\$ 2,602	\$ 4,654
Fees & Charges	8,070	8,352	17,859	8,751	9,089	17,840	9,279	9,211	18,490
Proceeds from Reimbursement District	43	165	86	190	25	215	43	43	86
Intergovernmental:									
ARPA Funds	-	-	-	132	-	132	-	-	-
Good Neighbor	-	-	608	-	-	-	-	-	-
Other	-	5	1,125	-	-	-	1,762	717	2,479
Interest Income	15	23	50	239	140	379	100	75	175
Miscellaneous	4	29	26	4	7	11	14	14	28
Transfers In	49	-	-	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 13,706</b>	<b>\$ 14,028</b>	<b>\$ 26,048</b>	<b>\$ 14,980</b>	<b>\$ 14,994</b>	<b>\$ 24,241</b>	<b>\$ 15,852</b>	<b>\$ 12,662</b>	<b>\$ 25,912</b>
<b>REQUIREMENTS</b>									
<b>PERSONNEL SERVICES</b>									
Salaries	289	336	700	346	356	702	358	369	727
Benefits	159	170	392	190	201	391	225	230	455
<b>TOTAL PERSONNEL SERVICES</b>	<b>448</b>	<b>506</b>	<b>1,092</b>	<b>536</b>	<b>557</b>	<b>1,093</b>	<b>583</b>	<b>599</b>	<b>1,182</b>
<b>MATERIALS &amp; SERVICES</b>									
Professional & Technical Services:									
Electricity	10	13	31	12	11	23	18	18	36
Facility Repairs	43	49	150	45	45	90	75	75	150
Good Neighbor	-	-	150	-	-	-	-	-	-
Other	12	2	126	8	20	28	73	98	171
Wastewater Treatment Costs	5,199	5,147	11,215	5,246	5,210	10,456	5,400	5,450	10,850
General Office Supplies	-	-	2	-	1	1	1	1	2
Dues & Subscriptions	1	1	4	-	1	1	2	2	4
Education & Training	1	8	24	14	15	29	12	-	12
Franchise Fees to Transportation*	173	197	532	269	262	531	310	301	611
Operating Equipment	-	4	20	2	10	12	-	-	-
Miscellaneous Supplies	5	8	4	6	6	12	3	3	6
Rents & Leases	-	-	15	-	-	-	8	8	16
Self Insured Claims	-	-	1	-	-	-	1	1	2
Utility Assistance	-	-	11	7	-	7	7	7	14
Bad Debt	93	155	85	-	30	30	35	35	70
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>5,537</b>	<b>5,584</b>	<b>12,370</b>	<b>5,609</b>	<b>5,611</b>	<b>11,220</b>	<b>5,945</b>	<b>5,999</b>	<b>11,944</b>
Construction in Progress	886	843	5,314	1,546	2,521	4,067	5,080	1,645	6,725
Debt Service	101	101	202	101	191	292	191	193	384
Transfers to Other Funds	1,280	1,330	2,920	1,455	1,460	2,915	1,451	1,451	2,902
Contingency	-	-	1,030	-	-	-	-	34	34
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>8,252</b>	<b>8,364</b>	<b>22,928</b>	<b>9,247</b>	<b>10,340</b>	<b>19,587</b>	<b>13,250</b>	<b>9,921</b>	<b>23,171</b>
Unappropriated Ending Fund Balance	5,454	5,664	3,120	5,733	4,654	4,654	2,602	2,741	2,741
<b>TOTAL REQUIREMENTS</b>	<b>\$ 13,706</b>	<b>\$ 14,028</b>	<b>\$ 26,048</b>	<b>\$ 14,980</b>	<b>\$ 14,994</b>	<b>\$ 24,241</b>	<b>\$ 15,852</b>	<b>\$ 12,662</b>	<b>\$ 25,912</b>

\*Franchise fees to transportation are from the utility funds dedicating 8% of net revenues per the Municipal Code Section 3.10 passed by Ordinance #1905 in 2002.

	Actual FY 2021	Actual FY 2022	Amended Budget	Actual FY 2023	Estimated FY 2024	Estimated BN Total	Proposed FY 2025	Proposed FY 2026	Proposed Total
<b>BUDGETED POSITIONS</b>									
Full-Time Equivalent (FTE) Employee #	5.0	5.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Population	20,556	20,600	20,600	21,235	21,235	21,235	21,341	21,341	21,341
<b>MONTHLY OPERATING COSTS PER CAPITA</b>	<b>\$ 29</b>	<b>\$ 9</b>	<b>\$ 33</b>	<b>\$ 12</b>	<b>\$ 16</b>	<b>\$ 27</b>	<b>\$ 26</b>	<b>\$ 12</b>	<b>\$ 38</b>
<b>POLICY REQUIREMENTS</b>									
Contingency & Ending Fund Balance Above	5,454	5,664	4,150	5,733	4,654	4,654	2,602	2,775	2,775
Policy Requirement (25%)	1,840	1,880	4,150	1,930	1,950	3,880	2,040	2,060	2,060
<b>AMOUNT OVER (UNDER) POLICY REQUIREMENT</b>	<b>\$ 3,614</b>	<b>\$ 3,784</b>	<b>\$ 0</b>	<b>\$ 3,803</b>	<b>\$ 2,704</b>	<b>\$ 774</b>	<b>\$ 562</b>	<b>\$ 715</b>	<b>\$ 715</b>

# STORMWATER FUND

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## DEPARTMENT DESCRIPTION AND CORE SERVICES

The Stormwater Department provides effective management and financing of the stormwater system within the city's public right-of-way. The department protects the health, safety and welfare of the public by providing safe, efficient capture and conveyance of stormwater runoff which in turn promotes healthy surface water systems.

The Stormwater Department is also responsible for management of natural resource efforts to align with the city's climate and urban forest goals, including green infrastructure, trees, and vegetation in the right-of-way. Milwaukie has a natural topography that includes areas of low land without natural drainage, resulting in reliance on infiltration (the seepage of surface water through soil) to drain stormwater. These areas experience flooding issues during heavy rain events and have a higher need for new infrastructure and replacement of underground structures that assist in infiltration due to the prevalence in the area and failure susceptibility.

The department was issued a National Pollutant Discharge Elimination System (NPDES) permit by the Oregon Department of Environmental Quality (DEQ) which contains requirements to minimize impacts from pollutants carried into area streams, rivers and wetlands via the stormwater system. The city's permit is for a stormwater system separate from the wastewater system, known as a Municipal Separated Storm Sewer System (MS4). The department continues to meet increased requirements around maintenance, water quality sampling, and treatment of new and existing stormwater facilities. The department's core services include:

- Design, construct, maintain, inspect, and enforce stormwater rules and regulations
- Perform general maintenance and sweep city streets in compliance with NPDES permit
- Permit the Water Pollution Control Facility (WPCF) and storm system in general
- Permit for Underground Injection Control components such as drywells
- Provide ongoing education for employees to keep current with the evolving technology, rules, and regulations
- Maintain 41 miles of storm mainlines, 1,603 catch basins, 210 drywells, 122 sedimentation manholes, 539 manholes, five detention ponds, and 46 rain gardens

## ACCOMPLISHMENTS

- Swept 1,300 lane miles of streets and cleaned over 2.4 miles of storm water
- Updated and implemented a new Stormwater Management Plan in accordance with the city's stormwater NPDES permit
- Created an online reference library of relevant stormwater compliance documents
- Began construction on the second phase of the Meek Street Stormwater Pipeline project
- Initiated process to update the Stormwater System Plan
- Completed annual reports in compliance with NPDES permit and maintained compliance with WPCF permit
- Achieved the eighth year of Tree City USA certification and a fifth Tree City Growth Award from the Arbor Day Foundation
- Collaborated with DEQ on issuance a new NPDES MS4 permit to better align with stormwater goals and practices

## ACCOMPLISHMENTS (CONTINUED)

- Installed a new manhole at the city's public works campus
- Repaired various stormwater pipes damaged by roots
- Conducted five spill responses and illicit discharge investigations and four sinkhole investigations
- Co-purchased new electric truck with Wastewater Department to reduce emissions and fuel costs

## PRIORITIES



Comply with DEQ regulations listed in permits, management plans and monitoring plans, including implementation of updated NPDES MS4 permit and stormwater management plan and updates to erosion control code to implement escalating enforcement requirements



Improve riparian habitat restoration and stormwater management on private property utilizing programs for restoration efforts and green infrastructure



Evaluate and prepare for future changes to the total maximum daily load regulations



Continue to lead by example in dewatering practices at the city's decant facility



Strategically plant, preserve, and manage trees in the community's urban forest to maximize the important role trees play in stormwater management



Expand department staff expertise and knowledge through trainings, workshops, and certification programs aligned with city needs, including climate resiliency



Evaluate tree and shrub species that may better adapt to future climates



Address potential known flood areas through capital improvement projects



Complete updates to the Stormwater System Plan

## PERFORMANCE MEASURES

Value	Metric	FY 2021	FY 2022	FY 2023	Estimated		
					FY 2024	FY 2025	FY 2026
Accountable	# of dry wells cleaned as required by state statute	16	4	24	24	24	24
	# of responses related to environmental spills	7	6	9	10	10	10
Efficient	# of catch basins cleaned	822	836	806	850	850	850
	# of feet of mainline cleaning	11,313	38,411	50,778	55,000	60,000	65,000
	# of feet inspected by TV monitoring	50,992	38,055	21,467	30,000	35,000	40,000
	# of rain bioswales maintained	264	418	357	360	360	360
	# of inspections for erosion control	194	516	285	300	300	300
	# of miles of streets swept to clear debris	1,266	1,274	1,095	1,300	1,300	1,300

# FINANCIAL SUMMARY – STORMWATER FUND

(Amounts in Thousands: \$100 = \$100,000)

	HISTORICAL		BN 2023-2024 CURRENT OUTLOOK				BN 2025-2026		
	Actual FY 2021	Actual FY 2022	Amended Budget	Actual FY 2023	Estimated FY 2024	Estimated BN Total	Proposed FY 2025	Proposed FY 2026	Proposed Total
<b>RESOURCES</b>									
<b>BEGINNING FUND BALANCE</b>	\$ 5,132	\$ 6,090	\$ 7,278	\$ 7,056	\$ 8,940	\$ 7,056	\$ 7,707	\$ 1,633	\$ 7,707
Fees & Charges	5,118	5,200	10,611	5,151	5,185	10,336	5,222	5,251	10,473
Intergovernmental	308	61	585	-	585	585	-	-	-
Interest Income	25	22	30	262	275	537	60	60	120
Miscellaneous	33	45	60	83	17	100	17	17	34
Transfers In	56	-	-	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 10,672</b>	<b>\$ 11,418</b>	<b>\$ 18,564</b>	<b>\$ 12,552</b>	<b>\$ 15,002</b>	<b>\$ 18,614</b>	<b>\$ 13,006</b>	<b>\$ 6,961</b>	<b>\$ 18,334</b>
<b>REQUIREMENTS</b>									
<b>PERSONNEL SERVICES</b>									
Salaries	487	487	1,096	477	524	1,001	567	584	1,151
Benefits	214	257	607	264	280	544	310	318	628
<b>TOTAL PERSONNEL SERVICES</b>	<b>701</b>	<b>744</b>	<b>1,703</b>	<b>741</b>	<b>804</b>	<b>1,545</b>	<b>877</b>	<b>902</b>	<b>1,779</b>
<b>MATERIALS &amp; SERVICES</b>									
Professional & Technical Services									
Facility Repairs	89	103	222	125	100	225	115	115	230
Refuse	-	27	50	36	35	71	35	35	70
Stormwater monitoring	-	-	-	-	-	-	25	25	50
Other	103	156	274	85	122	207	117	124	241
General Office Supplies	-	3	2	1	1	2	-	-	-
Fees & Licenses	-	8	6	2	7	9	8	8	16
Dues & Subscriptions	8	1	12	1	1	2	5	5	10
Education & Training	2	15	10	26	26	52	15	15	30
Franchise Fees to Transportation*	398	395	849	423	426	849	414	416	830
Operating Equipment	-	-	50	2	2	4	18	18	36
Miscellaneous Supplies	3	24	4	15	14	29	4	4	8
Rents & Leases	-	1	4	-	-	-	2	1	3
Self Insured Claims	-	-	10	-	-	-	5	5	10
Utility Assistance	-	-	10	6	6	12	5	5	10
Bad Debt	57	135	70	-	-	-	25	25	50
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>660</b>	<b>868</b>	<b>1,573</b>	<b>722</b>	<b>740</b>	<b>1,462</b>	<b>793</b>	<b>801</b>	<b>1,594</b>
Construction In Progress	1,861	1,330	9,981	724	4,346	5,070	8,303	1,856	10,159
Transfers to Other Funds	1,360	1,420	2,810	1,425	1,405	2,830	1,400	1,400	2,800
Contingency	-	-	910	-	-	-	-	45	45
<b>TOTAL PROGRAM REQUIREMENTS</b>	<b>4,582</b>	<b>4,362</b>	<b>16,977</b>	<b>3,612</b>	<b>7,295</b>	<b>10,907</b>	<b>11,373</b>	<b>5,004</b>	<b>16,377</b>
Unappropriated Ending Fund Balance	6,090	7,056	1,587	8,940	7,707	7,707	1,633	1,957	1,957
<b>TOTAL REQUIREMENTS</b>	<b>\$ 10,672</b>	<b>\$ 11,418</b>	<b>\$ 18,564</b>	<b>\$ 12,552</b>	<b>\$ 15,002</b>	<b>\$ 18,614</b>	<b>\$ 13,006</b>	<b>\$ 6,961</b>	<b>\$ 18,334</b>

\*Franchise fees to transportation are from the utility funds dedicating 8% of net revenues per the Municipal Code Section 3.10 passed by Ordinance # 1905 in 2002.

	Actual FY 2021	Actual FY 2022	Amended Budget	Actual FY 2023	Estimated FY 2024	Estimated BN Total	Proposed FY 2025	Proposed FY 2026	Proposed Total
<b>BUDGETED POSITIONS</b>									
Full-Time Equivalent (FTE) Employee #	8.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Population	20,556	20,600	20,600	21,235	21,235	21,235	21,341	21,341	21,341
<b>MONTHLY OPERATING COSTS PER CAPITA</b>	<b>\$ 11</b>	<b>\$ 12</b>	<b>\$ 25</b>	<b>\$ 11</b>	<b>\$ 12</b>	<b>\$ 23</b>	<b>\$ 12</b>	<b>\$ 12</b>	<b>\$ 24</b>
<b>POLICY REQUIREMENTS</b>									
Contingency & Ending Fund Balance Above	6,090	7,056	2,497	8,940	7,707	7,707	1,633	2,002	2,002
Policy Requirement (25%)	680	760	1,520	720	740	1,460	770	780	780
<b>AMOUNT OVER (UNDER) POLICY REQUIREMENT</b>	<b>\$ 5,410</b>	<b>\$ 6,296</b>	<b>\$ 977</b>	<b>\$ 8,220</b>	<b>\$ 6,967</b>	<b>\$ 6,247</b>	<b>\$ 863</b>	<b>\$ 1,222</b>	<b>\$ 1,222</b>

**State Shared Revenues  
FY 2020 - 2025**

Revenues	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024*
State revenue sharing	262,945	300,753	379,097	307,228	294,951
% Change	5%	13%	21%	-23%	-4%
Cigarette & Other tax	227,067	266,045	170,590	166,129	170,203
% Change	22%	15%	-56%	-3%	2%
Liquor tax	396,248	401,410	393,334	417,899	332,498
% Change	22%	1%	-2%	6%	-26%
State gas tax	1,393,810	1,559,105	1,672,716	1,672,946	1,572,043
% Change	-15%	11%	7%	0%	-6%

*Highlight = Beginning of COVID Impacts*

*\*Estimated amounts for FY 2024.*

\$ 2,280,070	\$ 2,527,313	\$ 2,615,737	\$ 2,564,200	\$ 2,369,694
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