

BUDGET COMMITTEE

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

MINUTES**FEBRUARY 24, 2020****Chair Stoll called the Budget Committee meeting to order at 5:30 p.m.**

Present: Lisa Batey, Angel Falconer, Mark Gamba, Kathy Hyzy, Caili Nance, Michael Osborne, Wilda Parks, Mary Rowe, Leslie Schockner, Edward Simmons, Jacob Stetson, Jon Stoll

Absent: none

Staff: Assistant City Manager Kelly Brooks
Assistant Finance Director Keith McClung
City Engineer Steve Adams

City Manager Ann Ober
Finance Director Bonnie Dennis
Public Works Director Peter Passarelli

1. CALL TO ORDER**2. INTRODUCTIONS****3. APPROVAL OF OCTOBER 28, 2019 COMMITTEE MEETING MINUTES**

It was moved by Mayor Gamba and seconded by Ms. Batey to approve the October 28, 2019 minutes as written.

Motion passed with the following vote: Batey, Falconer, Gamba, Hyzy, Nance, Osborne, Parks, Rowe, Schockner, Stoll voting “aye.” (10:0)

4. PUBLIC COMMENT

Elvis Clark asked how much staff time and money has been dedicated to the three City Council goals and priorities, in particular goal number 2, climate change action.

Ann Ober clarified that during public comment questions are not answered but she is willing to answer them later.

5. APPOINTMENT OF CHAIR & VICE-CHAIR

Ms. Dennis explained the previous appointment took place in 2018, but according to the City Recorder, a chair should be appointed yearly.

It was moved by Ms. Parks and seconded by Mayor Gamba to appoint Mr. Stoll as chair of the committee.

Motion passed with the following vote: Batey, Falconer, Gamba, Hyzy, Nance, Osborne, Parks, Rowe, Schockner, Stoll voting “aye.” (10:0)

It was moved by Mayor Gamba and seconded by Ms. Parks to appoint Ms. Batey as vice-chair of the committee.

Motion passed with the following vote: Batey, Falconer, Gamba, Hyzy, Nance, Osborne, Parks, Rowe, Schockner, Stoll voting “aye.” (10:0)

6. CITY MANAGER UPDATE

Ms. Ober stated most of the projects will be discussed in the CIP. The project not discussed in the upcoming CIP is the new City Hall building; the closing is expected to be June 2020. The current owner is doing improvements to the building prior to the closing.

7. REVIEW & DISCUSSION OF THE QUARTERLY FINANCIAL REPORT FOR THE FY 2020 SECOND QUARTER ENDED DECEMBER 31, 2019

Ms. Dennis presented the highlights of the quarterly report in order to allow for ample time for the CIP presentation. A clean opinion was received from the auditors for FY19. In the Building Inspections fund, fees and charges have exceeded budget due to new residential and commercial construction; personnel services and materials and services are being monitored and may require a transfer to cover costs.

Ms. Schockner asked for explanation of the Metro excise revenue.

Ms. Dennis responded it is revenue the city receives from Metro related to an intergovernmental agreement for construction projects, tied to the number of permits. She continued with the Wastewater fund, there are overages in personnel costs due to benefit election changes and promotions received due to certifications; a transfer will need to be done.

Members discussed the cash from operations presentation for the utility funds and how it is calculated.

Chair Stoll asked where the money is coming from that is reflected in the inter-governmental capital / donations line in the Library Fund

Ms. Dennis responded that there will be a reclass entry from miscellaneous revenue to intergovernmental for the energy trust grant; as for the other amount, she will need to research.

Ms. Schockner stated the Library's property tax revenue is low and asked if at the end of the year it will match the budget, or will the budget be decreased.

Ms. Dennis responded property taxes are allocated between the General, Debt Service and Library funds based on a percentage of assessed value provided by the county.

Ms. Batey stated the Library receives a fixed percentage of the General fund dollars.

8. CAPITAL IMPROVEMENT PLAN (CIP) BN 2021 – 2022

Mr. Passarelli presented the CUAB's rate recommendations for utilities; he explained how the rates were determined. The recommendations for the upcoming biennium budget: water 0%, 2.5%; wastewater 2.5% for both years; stormwater 2.5% for both years; SAFE 3.59%; SSMP 3.59%. In order to keep stormwater increases down, debt of \$2.5 million would be utilized.

Ms. Brooks discussed the SAFE, SSMP and gas tax programs. The projects listed are under the assumption of obtaining additional bonding to cover the costs.

The committee discussed the rate comparison table that illustrated the average utility bills of neighboring cities.

Ms. Parks asked if the new vehicle registration fee can be used for some of the projects listed.

Mr. Adams responded the revenue has been allocated to some of the upcoming projects. He continued with a discussion of the street's current and upcoming projects.

Ms. Ober stated if the committee has concerns about taking on additional debt for the CIP projects being discussed to mention it prior to the budget hearings.

Mr. Adams distributed and discussed the street bond project list's costs.

Committee members discussed the costs on the distributed sheet and the projects in general.

Mr. Passarelli presented the upcoming water projects.

Ms. Ober mentioned that during the budget hearings the CIP presentation will be general not specific, since that was done tonight. Members will be able to ask questions on CIP projects during that time.

9. OTHER ITEMS

Chair Stoll asked about the plans for the current City Hall building.

Ms. Ober responded that this past weekend City Council interviewed candidates for the blue-ribbon task force; members will discuss the policy priorities for future uses of the building.

Ms. Batey asked about the status of the sales of two city properties.

Ms. Ober responded the Pond House did receive qualifying bids and the property will be sold. The Bertman House is currently being discussed amongst staff due to multiple parcels that are involved; there is not an answer right now.

10. ADJOURNMENT

It was moved by Ms. Falconer and seconded by Mayor Gamba to adjourn the meeting. Motion passed with the following vote: Batey, Falconer, Gamba, Hyzy, Nance, Osborne, Parks, Rowe, Schockner, Stoll voting "aye." (10:0)

Chair Stoll moved to adjourn the meeting at 7:33 p.m.

Respectfully submitted,

Judy Serio, Secretary / Accountant