

BUDGET COMMITTEE

Video Meeting
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MINUTES

FEBRUARY 28, 2022

Chair Schockner called the joint meeting of the Budget Committee and Citizens Utility Advisory Board meeting to order at 5:30 p.m.

Present: Lisa Batey, Angel Falconer, Mark Gamba, Corey Hester, Kathy Hyzy, Caili Nance, Desi Nicodemus, Michael Osborne, Leslie Schockner, Edward Simmons, Jon Stoll

Absent: Joel Bergman, Laura Hanna, Mary Rowe (sabbatical), Jacob Stetson

Guest: Spencer Parsons, Beery Elsner & Hammond LLP

Staff: Accountant Judy Serio

Assistant City Engineer Jennifer Garbely

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 NOVEMBER 15, 2021 COMMITTEE MEETING MINUTES

Gamba made a motion to approve the minutes as written. It was seconded by Stoll to approve the November 15, 2021, minutes as written.

Motion passed with the following vote: Batey, Falconer, Gamba, Hyzy, Nance, Nicodemus, Osborne, Schockner, Stoll voting "aye." (9:0)

4. PUBLIC COMMENT

None

5. CITY MANAGER UPDATE

Ober stated the presentation in the meeting will provide an update on projects. City Council will be returning to in-person meetings beginning tomorrow. It is very likely the budget hearings will be in-person.

Stoll asked about the status of the old city hall building.

Ober replied it is in the process of being replatted and the request for proposal should be going out in May or June. The new city hall building is in the redesign phase.

6. RIGHT-OF-WAY / FRANCHISE FEES CODE UPDATE

McClung introduced Parsons from Beery Elsner & Hammond LLP.

Parsons discussed the Comcast and the City of Beaverton litigation and the possible outcome that could impact the collection of right-of-way (ROW) fees for informational services. Possible underpayment by some telecom providers of the ROW fee. Title 21 will see changes within the industry, technology that will need to be reviewed with the future rollout of 5G.

Schockner asked how Comcast's refusal to pay relates to this conversation.

McClung provided history of non-payment by Comcast of the 5% ROW fee.

Parsons explained why Comcast is withholding this amount and the history of the 6/21 order.

Schockner asked if the right-of-way fees for cable and data services are combined.

Parsons responded under federal law cable providers get a pass on their non-cable services. Cities do not receive 5% for data services.

McClung clarified Comcast is paying the cable fee only and not the data services fee.

Gamba asked if Comcast ceased charging their subscribers the fee.

McClung responded Comcast has stopped collecting this amount from their subscribers.

Parsons and the committee discussed 5G small cell regulation and fees.

Batey asked about the status of the 5G standards.

Ober responded Passarelli would be able to answer that question but was not prepared to speak about it tonight and given it is more policy related it would be better discussed at a City Council meeting.

7. CAPITAL IMPROVEMENT PLAN

Passarelli discussed the capital improvement plan in preparation for the 2023-2024 biennium budget. The two-year rate increase recommendations are 2.5% both years for water, 2.5% both years for wastewater; 0% increase for stormwater; 4.6% increase in SAFE and SSMP. Rate impact history was presented.

Garbely presented an overview of phase one and two of the integrated CIP program, which include SAFE, SSMP and gas tax funded projects.

Committee discussed upcoming projects.

Passarelli added the city anticipates receiving \$1 million from Water Environment Services for the Waverly Heights wastewater project which will cost approximately \$3 million.

Committee continued discussing the upcoming projects.

Passarelli presented the Stanley reservoir project, SCADA master plan project.

Ober offered the committee time to discuss the projects or utility rates presented, so if there are changes, they can be reflected in the upcoming proposed budget.

Gamba asked why there is a cap for large utility users and how many entities meet the cap and the financial impact.

Passarelli responded that it was included in the adopted ordinance for SAFE and SSMP. The number of customers it impacts can be provided at a later date.

8. GOOD NEIGHBOR COMMITTEE

Passarelli explained there have been previous conversations with the Citizen Utility Advisory Board (CUAB) and Water Environment Services (WES) about the good neighbor fund. WES has proposed a new model to Milwaukie that would allow for an expansion of the use of funds both in purpose and geographically. It would allow the city to directly manage the funds and provide feedback on project prioritization. The city and WES are working to define the expanded boundary. Map was provided to show possible expansion.

Hyzy asked what the buffer is, how many feet away from the stream.

Passarelli responded that has not been determined yet.

Discussion ensued among committee members.

Hyzy asked if the \$269,779 reflects the FY22 debt service payment.

Passarelli will find out if it reflects the debt service payment.

Discussion continued among the committee members.

9. MUNICIPAL BANKING

Schockner stated given the complexity of the municipal banking information and the time, there will not be a presentation.

Committee members thanked Schockner for compiling the information.

Gamba provided a legislative update on this topic.

10. FINANCIAL POLICIES REVIEW

Dennis proposed a change to the meeting calendar schedule within the financial policies; the change would allow more flexibility when scheduling the quarterly meetings.

Committee members agreed the change should be made to the financial policies during the budget hearings.

11. REVIEW & DISCUSSION OF THE QUARTERLY FINANCIAL REPORT FOR THE SECOND QUARTER FY 2022

Dennis asked committee members if there were questions on the financial report, given the time, there will not be a presentation.

Ober thanked Dennis and Schockner for the clarity of the report.

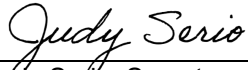
12. ADJOURN

It was moved by Stoll and seconded by Gamba to adjourn the meeting.

Motion passed with the following vote: Batey, Gamba, Falconer, Hyzy, Nance, Nicodemus, Osborne, Schockner, Stoll voting “aye.” (9:0)

Chair Schockner moved to adjourn the meeting at 7:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Judy Serio".

Judy Serio, Secretary / Accountant