

## **BUDGET COMMITTEE**

In-person and Video Meeting  
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## **MINUTES**

May 15, 2023

### **Chair Schockner called the Budget Committee meeting to order at 5:31 pm**

**Present:** Lisa Batey, David Chitsazan, Adam Khosroabadi, Robert Massey, Desi Nicodemus, Mary Rowe (via Zoom), Leslie Schockner, Jon Stoll

**Absent:** Vacancy, Rebecca Stavenjord

**Staff:** Accountant Judy Serio  
Assistant Finance Director Michael Osborne  
City Manager Ann Ober  
Finance Director Toby LaFrance

### **1. CALL TO ORDER**

### **2. INTRODUCTIONS**

### **3. APPROVAL OF FEBRUARY 13, 2023 COMMITTEE MEETING MINUTES**

Chair Schockner requested the addition of urban renewal training to the minutes. Member Stoll made a motion to approve the February 13, 2023, minutes with the revision. Member Chitsazan seconded the motion.

Motion passed with the following vote: Mayor Batey, Member Chitsazan, Councilor Khosroabadi, Councilor Massey, Councilor Nicodemus, Member Rowe, Chair Schockner, Member Stoll voting “aye.” (8:0)

### **4. PUBLIC COMMENTS**

### **5. APPOINTMENT OF COMMITTEE VICE CHAIR**

Mayor Batey nominated Councilor Massey to serve as vice chair for the committee. Member Stoll seconded the nomination.

Motion passed with the following vote: Mayor Batey, Member Chitsazan, Councilor Khosroabadi, Councilor Massey, Councilor Nicodemus, Member Rowe, Chair Schockner, Member Stoll voting “aye.” (8:0)

### **6. CITY MANAGER UPDATE**

Ober shared that Emma Sagor has been hired as Assistant City Manager and will start on June 5<sup>th</sup>. City staff will be working on a strategic plan over the next 18

months; the goal is to take the city vision and update the mission statement and values. Each department will have a strategic plan and some of the goals will be included in the upcoming budget. The new city hall is on track, staff will be moving in mid-September. City Council will be planning a community opening of the building for early October. JCB offices will be renovated to public works offices by December; there will be a community unveiling for this location. SCADA (Supervisory Control And Data Acquisition) system is more expensive than originally budgeted. This project takes priority and there will be a hold placed on the well #8 project; the well project will be included in the upcoming budget.

## **7. REVIEW AND DISCUSSION OF THE QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER OF FY 2023**

LaFrance stated the FY 2022 audit has been completed with an unqualified opinion. There was one recommendation of improvement which staff has addressed.

LaFrance began with the quarterly report highlights.

Discussion ensued with members about property taxes and operating costs.

LaFrance presented a comparison of the budgeted fund balances versus the audited fund balances. Water and Wastewater Funds' differences reflect the accounting of the ARPA money. This summary of the fund balances will be provided to the committee once a year after the annual audit.

Chair Shockner asked if the variances in fund balances reflect budgeted reserves.

LaFrance stated in the budget document each fund has a budgeted beginning fund balance, along with revenue and expenses, and ending fund balance.

Discussion ensued with members about contingency amounts within the funds

Osborne presented the outstanding utility receivables; amounts are getting back to pre-pandemic levels except the +4 month amount.

Chair Schockner asked what the breakdown is between commercial and residential.

Osborne referred to the quarterly table on page 7 to answer the question.

Councilor Khosroabadi asked if the decrease is related to the payment programs the city offers residents.

Osborne responded a significant portion is from Clackamas County payments.

Member Chitsazan asked if the past due balances are going to collections.

Ober responded giving details of the programs available and the outreach done by city staff.

Discussion ensued among members about the shut-off process.

LaFrance continued with the staffing table, which reflects two Community Development positions that will not be filled. Franchise fee for telecoms have decreased over the last year due to a legal settlement related to Comcast.

LaFrance continued with the General Fund; property taxes are in line with expectations; Human Resources budget will continue to be monitored. The Police

budget will be corrected through the supplemental budget. Building revenues are above expectations.

Councilor Massey commented the police overtime is a combination of issues.

Discussion ensued among members about police recruitment, hiring and training.

LaFrance continued with the Transportation Fund, follow-up to last meeting, the state gas tax does represent a two-month lag, and the current gas tax is \$0.38 per gallon. Water, Wastewater, and Stormwater Funds all have capital projects that have not begun.

## **8. SUPPLEMENTAL BUDGET**

LaFrance presented the supplemental budget that will go to council on June 6<sup>th</sup>. It will align the City Hall Fund budget with the project. There will be additions to police budget through offsetting reductions in other departments. It will apply the ARPA money to the After-Action Report paid by the Public Works Administration department. Lastly, it recognizes and budgets a grant received by the library.

Member Chitsazan asked for clarification of the parking management coordinator role.

Ober responded the recruitment did not produce any qualified candidates. Staff contacted a consulting firm that stated the city's parking issues are at a point where a study is necessary.

## **9. OTHER ITEMS**

Member Stoll was recognized for his three terms of service on the committee.

Member Nance, who resigned earlier this year, was also recognized.

Mayor Batey reminded committee interviews will be in the next few weeks.

## **10. ADJOURN**

It was moved by Member Stoll to adjourn the meeting. Councilor Massey seconded the motion.

Motion passed with the following vote: Mayor Batey, Member Chitsazan, Councilor Khosroabadi, Councilor Massey, Councilor Nicodemus, Member Rowe, Chair Schockner, Member Stoll voting "aye." (8:0)

Chair Schockner adjourned the meeting at 6:30 pm.

Respectfully submitted,

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Judy Serio, Secretary / Accountant