

## BUDGET COMMITTEE

In-person and Video Meeting  
www.milwaukieoregon.gov

## MINUTES

August 14, 2023

**Members Present:** Lisa Batey, David Chitsazan, William Johnson, Adam Khosroabadi, Robert Massey, Desi Nicodemus, Mary Rowe, Leslie Schockner, Sofie Sherman-Burton, Rebecca Stavenjord.

**Absent:** (none)

**Guest(s):** Nick Popenuk, Tiberius Solutions LLC

**Staff Present:** Community Development Director Joseph Briglio      Assistant Finance Director Michael Osborne  
Finance Director Toby LaFrance      Public Works Director Peter Passarelli  
City Manager Ann Ober      Accountant Judy Serio

### 1. CALL TO ORDER

**Chair Schockner** called the committee meeting to order at 5:32 p.m.

### 2. INTRODUCTIONS

Committee members and staff introduced themselves.

### 3. APPROVAL OF MINUTES

It was moved by **Councilor Nicodemus** and seconded by moved **Member Rowe** to approve the May 15, 2023, Budget Committee minutes as written. Motion passed with the following vote: Mayor Batey, Member Chitsazan, Councilor Khosroabadi, Member Johnson, Councilor Massey, Councilor Nicodemus, Member Rowe, Chair Schockner, and Member Sherman-Burton voting “aye.” (9:0)

### 4. PUBLIC COMMENTS

No audience member wished to address the committee.

### 5. URBAN RENEWAL BUDGETING TRAINING

**Nick Popenuk**, Tiberius Solutions, provided an overview of urban renewal area (URA) budgeting and noted the impacts of urban renewal on tax revenue and how real estate values impact URA revenue. The group discussed how URA funds could be spent, governance differences between the city and URA, best practices for managing long-term urban renewal debt, and where the Milwaukie URA district was located.

**Popenuk**, **Ober**, and **Schockner** discussed projects the URA was scheduled to fund, the URA’s financial capacity and forecast, and what urban renewal successes and failures look like. They noted when the Milwaukie Redevelopment Commission (MRC), the city’s URA, would review and adopt a new five-year plan, and how the URA fund is structured.

The group discussed when and how urban renewal districts close and use remaining revenue, what the impact of large multi-use developments on URA evaluations, and how the city has provided staffing to the URA.

It was noted that Committee Member Stavenjord arrived during the URA training.

## **6. CITIZENS UTILITY ADVISORY BOARD (CUAB) RESPONSIBILITIES DISCUSSION**

**LaFrance** discussed the proposal to combine the CUAB with the Budget Committee.

**Passarelli** presented background on the CUAB, explaining there had been a core group of members that had left the board over the last six years and that it had been a struggle to find members. During the last city recruitment, no one had applied for the CUAB. Staff discussed transitioning CUAB tasks to the Budget Committee.

**Ober** added that the Budget Committee had expressed interest in utility rates and the Capital Improvement Plan (CIP).

**LaFrance** stated there was a crossover of interest and scope between the board and committee and suggested the entire committee could take on the duties of the board or develop a subcommittee structure. It was noted that the new committee structure would be discussed at a City Council work session in September. **LaFrance** asked for feedback from the committee on the proposal to merge with the board and suggested that CUAB duties would add 30 to 60 minutes to the quarterly budget meetings.

**Schockner** asked what members would do during the additional meeting time. **LaFrance** responded that the main purpose of the CUAB was rate review.

**Schockner** asked if the rates will be set biennially. **Passarelli** responded yes, but the preference would be open for discussion.

**Batey** stated the CUAB part of Budget Committee meetings should be more robust as less discussion at a committee meeting would mean more discussion at Council meetings. **Ober** agreed with Batey and remarked on the benefits of making the CUAB a subcommittee of the Budget Committee.

**Sherman-Burton** offered perspective of the CUAB as a current board member and the group discussed the vision of the CUAB and Budget Committee combination.

**Ober** summarized that there was committee support for the Budget Committee resident members would serve on a CUAB subcommittee, the CUAB meeting items would be discussed before or after the quarterly Budget Committee meetings, meetings would be in 60-90 minutes, and formal voting would be by the Budget Committee and Council.

## **7. CITY MANAGER UPDATE**

**Ober** gave background on past conversations with the Budget Committee chair, city manager, and finance director of the utility funds' balances.

**LaFrance** explained that staff had met with Chair Schockner and discussed an analysis that had been done for the previous nine years that verifies that fund balances have been increasing. The analysis had revealed that a good job has been done of estimating utility revenues and operational expenses, the CIP is under delivering with only half of project budgets are being spent, the flip side of the coin is that, if the entire CIP budget had been spent, fund balances would be negative. Staff recommended changes be made to have a more realistic CIP budget and make changes to how the city is delivering on projects.

**Schocker** asked if the delay of the CIP projects is related to COVID-19 pandemic, and **Ober** explained the biggest issue was related to the involvement of the railroad in CIP projects. COVID did have an impact and there were federal ARPA (American Rescue Plan Act) funds that had to be spent first.

**Massey** asked if there is an expenditure rate for the CIP, if there was a dashboard to monitor the plan's progress, and the group discussed how CIP projects are monitored.

**Ober** remarked that the next Budget Committee meeting would be in the new city hall.

#### **8. PROPOSED MEETING DATES FOR FY 2024**

**LaFrance** proposed meeting dates on the agenda for the current fiscal year.

**It was moved by Member Rowe and seconded by Member Chitsazan to approve the FY 2024 proposed meeting dates of November 13, 2023; February 12, 2024; May meeting not scheduled since this is during the budget hearings; August 12, 2024. Motion passed with the following vote: Mayor Batey, Member Chitsazan, Councilor Khosroabadi, Member Johnson, Councilor Massey, Councilor Nicodemus, Member Rowe, Chair Schockner, Member Sherman-Burton, Councilor Stavenjord voting "aye." (10:0)**

#### **9. OTHER BUSINESS**

**Chitsazan** asked about the staffing levels table in the quarterly report, there are a lot of vacancies, with a lot of things taking place in the city, wanted to check staff morale. **Ober** explained that some departments' vacancies will not be filled. The diversity, equity, and inclusion (DEI) and assistant city manager positions had been filled.

**Schockner** asked that future meetings have the quarterly report review especially going into the upcoming budget season, and the for the benefit of the new committee members.

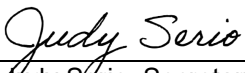
**Rowe** asked for training to get up to speed on CUAB terminology and processes.

#### **10. ADJOURN**

**It was moved by Member Rowe and seconded by Member Chitsazan to adjourn the meeting. Motion passed with the following vote: Mayor Batey, Member Chitsazan, Councilor Khosroabadi, Member Johnson, Councilor Massey, Councilor Nicodemus, Member Rowe, Chair Schockner, Member Sherman-Burton, Councilor Stavenjord voting "aye." (10:0)**

**Chair Schockner** adjourned the meeting at 7:23 pm.

Respectfully submitted,

  
\_\_\_\_\_  
Judy Serio, Secretary / Accountant