DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

CITY OF WILSONVILLE
BUDGET COMMITTEE MEETING MINUTES

WILSONVILLE CITY HALL
29799 SW TOWN CENTER LP E

May 20, 2020 – 6:00 p.m.

A regular meeting of the Wilsonville Budget Committee was held at Wilsonville City Hall beginning at 6:00 p.m. on Wednesday, May 20, 2020 Mayor Knapp called the meeting to order at 6:01 p.m.

Budget Committee members present:

Tim Knapp, Mayor
Kristin Akervall, Council President
Joann Linville, Councilor
Charlotte Lehan, Councilor
Paul Bunn, Committee Member
Arthur Park, Committee Member
Daphnee Legarza, Committee Member
Bill Amadon, Committee Member
Andrew Karr, Committee Member

Budget Committee members absent:
Ben West, Councilor

Staff present included:

Bryan Cosgrove, City Manager
Dwight Brashear, SMART Director
Mike McCarty, Parks & Rec. Director
Jeanna Troha, Assistant City Manager
Chris Neamtzu, Community Develop. Director
Scott Simonton, Fleet Manager
Matt Baker, Facilities Supervisor
Ellie Works, Grants & Program Manager
Cathy Rodocker, Finance Director
Keith Katko, Assistant Finance Director
Andy Stone, IS Director
Delora Kerber, Public Works Director
Zach Weigel, Capital Projects Manager
Margie Trader, Accounting Technician
Mark Montalvo, Operations Manager
Beth Wolf, Senior Systems Analyst

****

ELECT BUDGET COMMITTEE CHAIR

Motion: Councilor Akervall moved to nominate Andrew Karr as the 2020-21 Budget Committee Chair. Bill Amadon seconded the nomination.

Motion: Councilor Linville moved to close the nominations for Chair. Committee Member Bunn seconded the motion.

Vote: Motion carried 9-0.

Andrew Karr was unanimously elected as the 2020-21 Chair of the Budget Committee.

Mayor Knapp passed the gavel to newly elected Chair Andrew Karr.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

MOTION TO APPROVE FY 2019-20 BUDGET COMMITTEE MINUTES

Motion: Arthur Park moved to approve the FY 2019-20 Budget Committee meeting minutes as published. Bill Amadon seconded the motion.

Vote: Motion carried 8-0-1 with Councilor Linville abstaining.

STATE SHARED REVENUE

Chair Karr called to order the City of Wilsonville Budget Committee public hearing on State Shared Revenue as reflected in the City of Wilsonville's FY 2020-21 proposed budget at 6:08 p.m. He read the conduct of public hearing format into the record.

Finance Director Cathy Rodocker presented the State Shared Revenues via PowerPoint, reviewing the State requirements, process, and revenues received.

Chair Karr confirmed there were no questions and no public comment.

Motion: Councilor Linville moved to close the public hearing on State Shared Revenues. Paul Bunn seconded the motion.

Vote: Motion carried 9-0.

Chair Karr closed the public hearing at 6:15 p.m.

PUBLIC HEARINGS/CITIZEN INPUT

A. Public Hearing for the Proposed Fiscal Year 2020-21 City of Wilsonville Budget

Chair Karr called to order the City of Wilsonville Budget Committee public hearing on the proposed Fiscal Year (FY) 2020-21 City of Wilsonville Budget and possible uses of State Shared Revenues as reflected in the City of Wilsonville's FY 2020-21 proposed budget at 6:16 p.m. He read the conduct of public hearing format into the record.

B. Citizen Input

Chair Karr confirmed there was no public comment.

BUDGET MESSAGE

City Manager Bryan Cosgrove stated no one could have envisioned at this time last year that virtual City Council and Budget Committee meetings would be conducted; COVID-19 had certainly disrupted every aspect of society. The sobering part was that this was only the beginning of this crisis, and predictions about when it would end were all guesswork at best. Everyone was learning and adjusting as they went along, and governments at all levels were experiencing revenue challenges when people most need those services.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

- He noted that Staff took early action on the City's operating budgets. In mid-March, Staff started making reductions on items like, Training, Travel, Equipment, and Materials and Services. Department heads had scrutinized every purchase. The savings towards those actions were reallocated towards efforts for materials and supplies to keep employees and community members safe. Staff also worked with Council to put together a $400,000 small business relief grant program, adopted a gift card program of $25,000 to help families in need and support local restaurants, and provided $60,000 to Wilsonville Community Sharing for rent and utility relief. The scope and scale of operational changes by every department had been breathtaking. He acknowledged the individual and collective efforts of Staff, adding he had the pleasure of working with a group of creative, innovative, and professional people. Tonight, each department would share some of those changes, and how those programs and services would be amended going forward. He was proud to serve with people who showed up every day, rolled up their sleeves, and found creative ways to support the community from the first day of the pandemic. Since the inception of the outbreak, staffing levels had never dipped under 90%, which was a remarkable demonstration of commitment and was worthy of acknowledgement.
- The Budget Message referenced the importance of having a clear mission focused on safety, security, and opportunity. Some additional goals underlying the budget namely included frugality, the need for innovation, and adherence to the City's adopted financial policies. To that end, the Fiscal Year (FY) 2020-21 proposed budget was presented with no additional personnel and a reduction of the proposed budget by roughly $2.1 million. Materials and Services increases were primarily for continuing contractual obligations and consultants needed to address new state and federal regulations. The budgeted capital outlay requests were mainly for grant-funded bus purchases and contractual requirements at the Waste Water Treatment Plant.
- He wanted to be clear that the budget presented tonight would likely be radically different by fiscal year end. Each department was funded by a variety of revenue streams. Staff would be closely monitoring those revenue streams and were prepared to make adjustments as needed. Thankfully, and due to the combined efforts of past and current staff and Budget Committee members, the City was in good position financially with healthy reserves and very little debt. He appreciated the thoughtful questions submitted by the Budget Committee prior to tonight's meeting and hoped they had been answered in a satisfactorily manner.

Bill Amadon confirmed the described reductions applied to the budget reviewed by the Budget Committee, and the subject expenses would even further reduce the 8% reduction in Operating Expenses this year in the Budget Message.

Ms. Rodocker added Staff would be generating new numbers for the changes in contingency, etc., which would be addressed in the motion to approve the budget; that information would be sent to the Committee tomorrow. She reviewed the recommendations Staff proposed for reducing the proposed budget. First, delaying two parks projects would reduce the General Fund by $1,550,000. Staff was also looking to remove the annual contribution to the Fleet Reserve Fund used when purchasing a new vehicle or new piece of equipment. Staff believed the City's reserves were adequate. Eliminating the annual contribution would save $122,593 this fiscal year, reducing all the City's operating funds, as well as the Reserve Fund itself. Reducing the Tourism Development line item in the Parks budget in the General Fund was also proposed. The

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

Tourism Task Force had approved to spend $200,000 this fiscal year for the small grant program, and staff was recognizing a $75,000 reduction next year to accommodate the change in this fiscal year. Staff was also looking to reduce Travel and Training line items on all operating funds, resulting in a reduction of $150,333. The Assistant City Manager had worked with Clackamas County on the police budget, which was a General Fund obligation. The City always budgeted the maximum amount of increase, and following some changes and different methodologies, a $350,000 reduction was proposed for this year. In total, Staff recommended a $2,125,333 reduction, which came from reductions across the board.

Mr. Amadon noted the library was closed right now, but there were no reductions in library costs.

- Ms. Rodocker replied the library made quite a reduction in the Travel and Training line item. Library Staff had been very busy even though the doors were closed, going through the stock and offering many programs online. City directors had been asked to include information on what their departments were currently doing and on their plans once the City was able to reopen.

Assistant Finance Director Katko stated an additional goal was to ensure accountability across the City operations. He noted one correction to the Budget Message, on the first page of the budget document. The amount referenced for the Coronavirus Aid Relief and Economic Security (CARES) Act under XIV under Transit Fund should state, "~~$1.8~~ *$1.2* million".

- He presented an overview of how City's budget operates, describing the relationship between the City's 24 budgeted Funds, reviewing the $212.6 million budget by fund and by category, and explaining the year-over-year changes of the City's revenues and expenditures.

Mr. Amadon:

- Noted on Page 38, the previous yearly trend was $1.2 million in water sold to Sherwood and asked why the amount changed from $1.5 million last year to $1.1 million this year. He noted the drop from $1.2 million to $1.1 million was also significant.
  - Mr. Katko clarified that $1.5 was an optimistic budgeted number. Budgeting water was subject to several factors but ultimately, the $1.1 million was a conservative revenue number as about $1.3 million was closer to the actual trend for Sherwood.
  - Ms. Rodocker explained that Sherwood was allowed to take up to 5 MGD, which was more than Staff budgeted. Last year, they anticipated Sherwood's usage being higher with the $1.5 million. If more revenue came in, it would go into the Contingency Fund.
    - She clarified that the City of Sherwood had a separate contract and was not subject to the 3% water rate increase.

Mr. Katko corrected, "What's NEW" on Slide 17, stating the comment should have said "Changing interest rates..." Last year, interest rates rose for a short period. He noted Committee members should have received a copy of the City's investment policy.

- He confirmed the City's bond rating was the same as the past, which was the highest rating possible for a city Wilsonville's size. He also confirmed the investment reduction had nothing to do with the bond rating, but was the result of a market rate change.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

Councilor Akervall asked about the significant changes in the Interfund Loan, which after several years at $3.6 million, had increased significantly last year, which was an odd year, and now the budgeted amount had decreased to about $1.1 million.

- Ms. Rodocker replied the amount was driven by the inter-agency loans the City made to urban renewal, which varied each year based on whatever the agency needed for capital projects budgeted for that fiscal year. Currently, the City was accumulating money in the Westside District because no capital projects were slated, but a large loan would have to be budgeted for the Brown Road Extension that would throw that year off. She confirmed having two years where the amount was consistent was unusual.

Mr. Katko confirmed the $900,000 PERS contribution was reflected in Material and Services, adding it was actually $3.4 million spread across many funds.

Mr. Amadon stated the $856,000 included in Material and Services for Fiscal Year (FY) 2020 being compared to FY 2021 showed a 9% decrease this year, which to a layperson meant the City was spending 9% less in Material and Services. It was hard to do year-to-year comparisons if the $856,000 PERS contribution, a one-time extraordinary contribution, was included in last year's numbers.

Chair Karr noted the one-time contribution was $3.4 million, and the State kicks in $850,000, which was why $1.6 million was left this year.

Mr. Amadon:

- Said he had emailed a comment to Staff that if the City had a one-time extraordinary $3.4 million contribution last year, was it fair to compare this year's operating budget to last year's if the $3.4 million was included in last year; it just seemed like apples and oranges. As a Budget Committee member, he understood it, but believed it was a bit misleading to the constituency and community. The City was not really reducing expenses by 6% year-to-year.
  - Mr. Katko replied Staff tried to explain it in the comment and particularly, in the budget message. For the visual presentation, it could have been extracted, but the contribution was part of the $26.4 million figure.
- Understood one could figure it out by reading all the small print, but in reviewing the budget highlights of the Budget Message and budget document, the City was reducing the Total Operating cost by 6% this year, which was not true.
  - Ms. Rodocker explained the City was required by Oregon budget law to present the information in the format shown. Staff was comparing categories, not individual expenses. The differences in PERS contributions were highlighted in the program pages. She understood Mr. Amadon's comments, which was why Staff was trying to explain it more here.
- Stated he was troubled by it, adding the item seemed less than transparent.
  - Chair Karr added that the footnotes explained the deltas.
- Replied footnotes could be done the other way by having the year-to-year differences show a 1% or 2% increase and then the footnote state 6%, if the lump sum payment was included.
  - Chair Karr replied the money was spent, so it had to be reflected as an actual expenditure.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

- Said, then he would go to the in the accounting section where Staff excluded the PERS contribution and report it in comparable numbers year-to-year and footnote it saying the PERS contribution was excluded.
  - Ms. Rodocker explained she had excluded it from Staff's performance measure where the actual expense was compared to the overall budget. When presenting any kind of fund summary, Staff was required to do it at the Materials and Services level.

Councilor Linville confirmed the Contingency expenses were for the entire budget, not just the General Fund. She did not believe it was bad to continue increasing the Contingency, but asked why the Contingency was considerably higher than the minimums in terms of the budget assumptions.

- Mr. Katko replied that overall, the reason for the largest increase was from the Transit Fund influx of $2 million in the State Infrastructure Financing Program. That fund had taken on additional funds that had been reserved specifically for matters related to the Statewide Transportation Improvement Fund (STIF) funds. Water and Sewer had large Ending Fund balances because there might be very large infrastructure needs currently or in the future for emergency preparedness. Referencing Page 233 of the Budget document, he noted $5.5 million of the $9.9 million General Fund balance was somewhat earmarked for future needs in the city.
  - He confirmed the $2 million STIF money was new at the end of last year. The City received more of a full allocation in the current fiscal year, and some of the unspent proceeds were related to capital outlay not yet spent, such as bus orders.

FY 2020-21 CAPITAL IMPROVEMENT PROGRAM

A. Overview

Ms. Rodocker provided an overview of the 2020-21 Capital Improvement Program (CIP) via PowerPoint, highlighting the CIP funds according to the types of capital and urban renewal projects, as well as the CIP funding sources. She also described how projects were identified to be added to the CIP.

B. Capital Projects

Ms. Rodocker and Capital Projects Manager Zach Weigel presented the Capital Improvement Program Proposed Budget via PowerPoint, reviewing the key 2020-21 CIP projects planned within each quadrant of the city, as well as the Street Maintenance Program and Information Technology projects.

Ms. Rodocker described the Master Plans and Studies that influenced the CIP project list and presented the 5-Year CIP Forecast and Forecast Funding Strategies.

Mr. Bunn asked if the Regional Parks 7 and 8 Project involved any Metro funds.

- Mr. Cosgrove replied the City expected about $1.2 million in local shared revenue that could be reprogrammed to reimburse the General Fund, and enough money would be left over to complete the project in Boones Ferry Park.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

  - He clarified that the City was funding the Regional Parks 7 and 8 Project, but Polygon, a private developer, was actually doing the project per the development agreement. The project was a commitment to the Villebois community and went through a very extensive planning process. These were the last parks in Villebois.
  - Staff believed the City needed to retain as many General Fund dollars as possible since the length of the current crisis was unknown. The local share revenue could be backfilled to keep the City from minimizing its commitment to the Villebois residents. He believed the longer COVID continued the bidding climate would keep improving due to more competition and fewer projects happening on the private side.
  - He clarified that the developer was not impacted in any way and would build whatever project the City had the money to build. The commitment issue was more of a concern for the people living in Villebois who expected those regional parks would be built, and they would be built.
- Ms. Rodocker reported the original commitment was the $2.6 million portion of the Park's SDCs. Since the City did the agreement nearly 20 years ago, the price of the parks has increased over the years. The City was meeting the original commitment made to the developer in the agreement.

Arthur Park:
- Stated he lives in Villebois and understood the City had to reengineer and kind of strip the park down, so that what was promised or committed to would not happen. He asked if the City planned to defer putting in that park until next year when the City had a better fiscal situation.
  - Mr. Cosgrove replied it was a hard question to answer right now. He was confident the park would be completed as the project was already under construction, but it was being done in a way that the City could delay one aspect of that project for a certain amount of time, if needed. The City had that flexibility and was working with the developer. Ultimately, he believed the City would be able to complete the entire project using the City's local share revenue of the regional bond measure that recently passed.
- Asked who would build the park, noting Villebois was pretty close to being building out. Would Phase 1 be completed and Phase 2 deferred?
  - Mr. Weigel replied it depended on when the local share funds became available. Currently, the plan was to build Phase 1 and a portion of Phase 2, and then as the local share money became available, either Polygon would finish that work or the City would hire its own contractor to finish it. As far as the timeframe, it looked like Metro would be issuing bonds within the next couple of months, but getting the funds involved quite a process. It would likely be a year or two at the most before the project was completed.

Daphnee Legarza asked what the $30,950 was for the Villebois Park under the operating component of the capital projects on Page 168, noting she did not see any reference to that in the capital description. What were the operational impacts?
- Ms. Rodocker replied that would be what the Parks Department estimated it would cost for maintaining the park once the park was operational. Staff calculated an operating cost as best as possible for every project because it was important to realize there were ongoing costs after completion. The figure was for information only and not actually included in the Parks' operation budget.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

- Mr. Cosgrove added that number was an estimate of the additional expenses to maintain the two parks once the City assumed maintenance responsibility, which was after 5 years for the regional parks in Villebois.

Councilor Akervall confirmed the local share revenue funds from Metro were not competitive. She understood the funding from Metro made funding the project more secure, but the City was originally essentially taking the cost for the park from the General Fund, which would have been very secure, and moving it to this other funding source, which would delay it, but would relieve the strain on the General Fund.

- Mr. Cosgrove replied he believed that was accurate, but noted he was not convinced the park project would be delayed.

Chair Karr asked if the Public Works facility was shovel ready.

- Mr. Cosgrove replied that was the goal. The proposed budget would make it shovel ready, but, obviously, it would take time to do the design and engineering.

Chair Karr noted there had been a lot of discussion in the past few years about the condition of Charbonneau's infrastructure. He asked if the City had a better handle on the long-term plan for addressing the issues.

- Mr. Weigel replied the City had a 30-year infrastructure replacement plan for Charbonneau and the City was currently in year four, so the City was making progress, but there was a lot of work to do.

Ms. Legarza noted on the well project, the City needed to repair and maintain six of the eight existing wells as backup wells. She asked about the other two wells the City was not using as emergency backup wells and if there were, any costs associated with them.

- Mr. Weigel replied as part of the last Water Master Plan update, the City did a comprehensive study of those wells, and the Nike well in Memorial Park did not have great water quality or pressure. The Master Plan recommended not keeping that well, but Staff was considering the cost benefits of improving the well and converting it for irrigation for Memorial Park. The Canyon Creek well was in such poor condition that it was not worth trying to improve. The Water Master Plan recommended shifting the water rights from that well to a nearby well, so there would still be capacity, but not the infrastructure.
  - He confirmed investing in the well at Memorial Park for irrigation purposes could result in some operational savings down the road.
- Ms. Rodocker added that converting the well would also reduce water sales since the City currently paid for irrigating Memorial Park.

Staff clarified the street maintenance work done on Day Road earlier this year were emergency repairs. The Street Maintenance work proposed in the budget was for a more extensive repair of the travel lanes between Grahams Ferry and Boones Ferry Roads, but did not include the intersection or the center lane. The project was not a complete overlay of the road, but focused on replacing bad areas.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

Mayor Knapp asked if the City had given up trying to get Washington County to contribute on Day Road because of all the gravel trucks coming in on that road to get into the county.

- Mr. Cosgrove replied their answer had not changed. Staff could approach the County again, but so far, they had not been enthusiastic about contributing.

Ms. Rodocker clarified the HB 2001 Plan was recorded in the Planning program and not part of the CIP Master Plans, which regarded the whole district.

- She also clarified the company for the new ERP (Enterprise Resource Planning) software was Tyler Technologies, adding Munis would be used for Finance and EnerGov for Community Development.

Mr. Bunn asked if the City had turned the entire project over to the consultant or was the City doing the backend software stuff and the consultant doing the transition management as far as working with the different departments. He asked for clarification on the division of labor.

- Ms. Rodocker replied the consultant was with Staff at each training, noting the reasons behind Staff's decisions to provide a roadmap of how results might have materialized if there was an issue.
    - She confirmed most of the work was being done by City IT Staff with the consultant being the facilitator and experienced hand guiding the process. For example, the software could not use the City's existing general ledger account codes, so the consultant helped the City streamline all the account codes and get them back in order. The consultant helped Staff through the decision making process, while the IT Department loaded new versions of Eden data to facilitate the testing process. Implementation consultants related to Munis were implementing all the needed requirements. She believed a strong team was involved on the software replacement for both the Finance and HR Departments and she expected the same for Permitting as well.

Mayor Knapp:

- Noted the City had talked through the years about SMART Cities projects and was starting with the LED street light replacement. He asked if there was an IT component to the scepter network and the City's telemetry capability within those new pieces.
    - Andy Stone, IT Director, explained the LED lighting project was a pilot project being done by Public Works. The entire project was wireless, so the data was being transferred back and forth through a cloud program back to the City's facilities. The City was trying to lay fiber in the ground so if the City came to a point where it could have a meet point, a minimal amount of construction and money would be involved.
    - Delora Kerber, Public Works Director, confirmed the City was working with PGE on the pilot project. All the lights around Town Center Loop were replaced with LEDs and a disc would be on top with nodes that could be used as a SMART network, which provided many opportunities. The pilot project would help determine whether the City wanted to deploy that type of technology elsewhere in the city. Currently, some of the vendors were having issues with some networking connections, so the technology had not yet been fully deployed. Staff was also working with PGE on a pilot project to read water meters remotely.
- Stated he was glad the project was going forward, even though they were not identified as IT projects in the CIP.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

Ms. Legarza:

- Understood the LED project was a pilot project and that future funding would be allocated for potentially a larger project. She asked if any rebates or incentives for the LED upgrades had been researched through the power company.
  - Ms. Kerber replied that concurrent to the LED pilot project on Town Center Loop, Staff was also working on a design project for replacing the cobra head lights with LED lights along minor and major arterials, which would go out for bid within the next month or so, and as part of that, Staff was working with the consultant and engaging with Energy Trust of Oregon in order to get rebates for all the various lights.
  - She confirmed those were two separate projects, and that for the project already reflected in the proposed funding, the City would receive discounts from the contractor for potential rebates.
- Believed the proposed Operating Funds on Page 168 were rolled into the operating budgets. Under the Water, there was a meter replacement operational impact of $20,500, however, that she did not see a meter project in the CIP list.
  - Ms. Kerber explained there were two different meter funds. One regarded the systematic replacement of water meters as they reached about 20 years old, which were replaced on an annual basis. The other water meter fund was within Operations and had to do with new development because the City installed the new water meters.
    - She confirmed the $20,500 was not specifically associated with a capital project, but a systematic operations program for water meter replacement.
  - Ms. Rodocker explained the meter replacement program amount was removed from the CIP last year, but had not been removed from the list. It was now included in the Water Operating Fund.

FY 2020-21 OPERATING BUDGET

A. Department Presentations

Cathy Rodocker, Finance Director, described the format being used for all the department presentations. Each department director would also describe their department's response to COVID-19 and program for reentry. As in the past, the budget program presentations would begin with the amended budget at FY 2019-2020, and the fiscal changes that occurred resulting in the FY 2020-21 proposed budget.

1. <u>Transportation</u>

Dwight Brashear, SMART Transit Director, stated it had been eight or nine weeks that SMART had been dealing with the pandemic, and he believed SMART has responded admirably. He had a solid team and could not be more proud of those who had stepped up to the plate. According to the U.S. Transportation Secretary, SMART was essential, critical infrastructure, had been out every day of the pandemic, and would continue to provide service. Initially, SMART experienced a decrease in ridership, which resulted in reducing service. Like other transit agencies, SMART eliminated all fares to prevent the need to handle currency, and ridership had begun to increase by about 8% over the last couple of weeks.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

- He described the changes and additions SMART had made in response to COVID-19, highlighting the programs and activities that had been suspended, heightened disinfecting and protection measures, limiting capacity in the facilities and on buses, and exercising fiscal restraint. Deliveries had increased for the Meals on Wheels program, and Staff helped create a grocery delivery program for shut-ins and those most vulnerable.
- The $1.2 million of CARES Act funding SMART received required no match and its use was very flexible. It could be used for capital purchases or operating, which he planned to do to maintain SMART's services on the streets.
    - SMART was also working with the State and other state transit agencies to seek better flexibility with the STIF revenue, which could only be used to add or enhance service. A decision was expected as early as mid-June.
- SMART expected to increase service to meet capacity needs while maintaining social distancing, which had been reduced from 6 ft. to 3 ft. on buses in order to accommodate more riders. Strategically placing more buses in the system would allow SMART to service those unable to ride existing buses due to capacity limits.
- SMART continued to seek new and innovative ways to disinfect and would be following the effectiveness of using UV lights, which the MTA in New York had started using.
- The Transit Options Program would be phased in as employees returned to work and kids returned to school. SMART would also be working with employers to start the new vanpool program.
- SMART would maintain essentially spending only, and continue to seek additional state and federal funding.

Mayor Knapp stated he was very proud of SMART and of the work, they were doing. Jumping right into the opportunity for the grant was a great example of trying to adapt, and the success in getting that grant in short order to help with the City's operations during the downturn had been outstanding work. Continuing the high quality service provided by SMART was important to the community and to businesses as well, and it was one of the unique programs that Wilsonville should be very proud of. He looked forward to future opportunities to augment SMART's regular operations and to continue to find ways to adapt to these times. On behalf of the Council and the entire City operations, he wanted to thank SMART and make the Budget Committee aware of the unusual efforts and extra mile that SMART had put forth.

Councilor Linville said she echoed the Mayor's comments, adding that each time she saw a SMART bus stopped with the door was open, she had taken the opportunity to thank the drivers for their work. She noted the $1.2 million grant did not show up in the Resource Summary under the Intergovernmental Grant or Other Revenue, and asked if that would be updated or was, it reflected elsewhere.

- Ms. Rodocker clarified the City hoped to receive the grant this fiscal year before July 1.
- Mr. Cosgrove clarified the grant was not a reimbursement, but a one-time infusion of cash.

Mr. Amadon commended SMART and, particularly, the grant writer, noting they all did terrific work which he was proud to see happen. It was heartwarming to see SMART's horizontal integration in providing Meals on Wheels and grocery delivery. He thanked Mr. Brashear for leading that charge and keeping the SMART team motivated.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

- Mr. Brashear noted SMART was one of the few agencies in the state that did not have a driver problem. Drivers at other agencies were frightened about coming to work, while SMART had never had an attendance problem. He was extremely proud to be able to lead such a team of dedicated men and women.

Mr. Bunn:
- Commended the SMART team for all their work.
- Understood that at the height of the pandemic, TriMet was still decreasing its services, and he assumed WES would be impacted as well. The Operational Summary in the budget document had assumptions about interoffice grants and what the City owed. Based on prior conversations, he understood the City paid so much to TriMet because even though the City hosted the facility, TriMet was billing the City for the WES service from the WES transit center to Beaverton Transit Center.
  - Mr. Cosgrove confirmed the City paid an annual amount to TriMet for the service that escalated by a small CPI increase each year.
- Asked if WES was cutting back on its schedule and not running as frequently, what impact that would have on how much the City owed TriMet.
  - Mr. Brashear replied that was a good question, adding it was probably yet to be determined. He explained that SMART adjusted its service on the same day that TriMet cutback, because SMART's service into the transit center depended on those trains. He confirmed that TriMet invoiced the City, but he did not know if the contract was based on a flat fee or the hours of service.
  - Mr. Cosgrove confirmed the contract was not based on hours, adding that what the City paid was a drop in the bucket compared to the cost of running the line. It was a contractual obligation that the City was bound to for another four years, when the City would be back at the negotiating table.
  - Mr. Katko added that amount was budgeted at $360,000 for next year.

Chair Karr praised the entire SMART organization for its responsiveness and reaction through the pandemic, adding they raised the level to more than just a bus service by thinking about Meals on Wheels, grocery delivery, and providing a community service. He believed that was just one more selling point anytime the City talked to companies paying the Transit Tax.

Mr. Brashear overviewed the Transit/Fleet budget, which included grants, STIF revenue, and local match expectations for SMART, noting the local match was minimal considering the total purchases.

Councilor Linville:
- Asked if the STIF paid for the two-year grant for the TDM (Transportation Demand Management) technician.
  - Mr. Katko clarified the TDM grant was a federal grant, and the STIF did pay for FTEs in the sense that it paid for the expense of the routes outside the city.
  - Mr. Brashear added it also paid for the midday service for Salem and that a good portion of the STIF funding was used to match federal grants, which was ideal for SMART.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

- Confirmed the STIF funds were stable and anticipated to continue.
  - Mr. Brashear noted STIF funds were based on employment in Wilsonville; it was one tenth of 1% of total payroll. SMART anticipated it would continue, but the numbers moving forward were uncertain.

Councilor Akervall:
- Confirmed the anticipated reduction in STIF money was not reflected in the figures in the budget document.
  - Mr. Cosgrove noted the budget was delivered to the Budget Committee prior to the COVID-19 outbreak. The presentation reflected Staff's actual projections, but Staff had to go back and amend the proposed budget accordingly.
- Echoed her appreciation for the work SMART had done and its innovation with the new programs, adding that a big part of the work the SMART team had done before played a big part in helping move people getting to and from businesses, including employers, and also providing access to those in the community who did not necessarily have access. The care shown for populations that are more vulnerable was a reflection of the City's character and that important work had always been happening. That same character showed in the leadership and the innovation in some of these other programs, which was a natural extension of what, had been there all along. She thanked SMART for continuing to show such strength in that area.

SMART

Mr. Katko presented the SMART Transportation budget, reviewing the Current 2019-20 Year-End Estimate and Proposed 2020-21 Budget, noting key items in the proposed Baseline Changes and Add-Packages for SMART's program areas. The real delta in SMART's budget was the one-time contribution to the PERS side account at approximately $617,000. Because the delivery time for the buses was uncertain, this capital expense was budgeted for each year.

Fleet

Mr. Katko reviewed the Fleet Transportation budget, reviewing the Current 2019-20 Year-End Estimate and Proposed 2020-21 Budget, along with the proposed Baseline Changes and Add-Packages for the Fleet program areas. The one-time contribution to the PERS side account was approximately $125,000. The Fleet fund was an internal service fund, so its funding was allocated to other departments that use vehicles and equipment; however, about 80% was related to transit operations.

Chair Karr noted Preventative Maintenance on Page 158 showed the percent completed on time trending at 90, 85, and 90%, but 82% was forecasted, which was a prediction worse than the City had for the last two to three years.
- Scott Simonton, Fleet Services Manager, explained the City was required to maintain an 80% minimum on federally funded equipment. Due to some staffing shortages throughout the year, he opted to be more conservative on that number to avoid over reporting the possibility.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

2. Public Works

Ms. Kerber presented the changes the Public Works Department had made in response to COVID-19 via PowerPoint, noting that work had pretty much continued uninterrupted, but many changes had been implemented to accommodate physical distancing both out in the field and within the office space itself, which she described. The Facilities team had increased the time spent sanitizing heavily used touch points in all City facilities, doing special cleanings as needed throughout the City's facilities, in addition to their regular janitorial duties.

- Public Works was also responsible for Emergency Management coordination for the city and had worked to implement the reentry of the city and engineering controls throughout all City facilities, which included purchasing and installing Plexiglas dividers at front counter for Staff; placing stanchions to create physical barricades for physical distancing between City Staff and customers; informational signs in restrooms and elsewhere reminding about hand washing, etc.; and 'wait here' signs placed on floors; all of which were part of what was required to help with physical distancing.
- She agreed the City could not have picked better timing to bring janitorial services in-house, which had been critical in being able to turn so quickly, especially in the beginning stages of COVID as being present for continuous cleaning was very fortuitous.

Chair Karr stated he could not imagine how it would have been with the prior contracting service, which did not do a very good job without COVID.

Ms. Rodocker presented the Public Works budget, Current Year-End 2019-2020 Estimate and Proposed 2020-21 Budget, describing the proposed Baseline Changes and Add-Packages for each of the seven program areas. Comments and questions regarding the following program areas were as follows:

Administration

Mr. Amadon confirmed the PERS one-time charge for the Public Works Administration was not in the Administration budget, but part of the General Fund and included in the Finance program.

Facilities

Ms. Legarza:

- Asked if the City ever considered Facilities as being more of an Internal
- Service Fund like Fleet as opposed to a General Fund item.
  - Mr. Katko replied he was uncertain if the City had specifically considered that, but it was not beyond the realm of possibilities. It was more that the historical nature of the City had left the fund, as it was, though Staff it could be switched to an Internal Service Fund. There just had not been an impending desire to do so; it was more of an accounting decision. He agreed Facilities could easily be an Internal Service Fund, just like the IT, Finance, Legal, HR Departments.
  - Ms. Rodocker explained Facility costs were collected through inter-fund transfers. Community Development, Transit, Water Treatment Plant, Sewer, and Building paid their share of the cost associated with Facilities through inter-fund transfers rather than Facilities being its own Internal Service Fund. Any Department that was a standalone fund received a charge for Facilities maintenance.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

- Mr. Katko added the big heavy users of Facilities were in the General Fund already, such as the Library, Community Service, and City Hall. If Facilities was a separate fund, transfers would have to be made back into the General Fund, which might be another reason Facilities had not become an Internal Service Fund.
- Agreed that made sense if the biggest users were already general funded.

Water – Distribution

Ms. Legarza inquired what the increase in fees and dues pertained to regarding the Oregon Health Authority.

- Ms. Kerber explained the Oregon Health Authority Drinking Water Program required a survey every three or five years depending on a city's performance. Previously, fees were charged at the time of the survey, but now the fees were spread over the three- or five-year period, so now the City was charged an annual fee. She clarified the survey was for the entire water distribution system, the wells, the water treatment plant, and distribution.

Wastewater – Pretreatment

Ms. Legarza asked if the City issued fines for any violations as part of the program, and if so, was that was part of the revenue scheme.

- Ms. Kerber responded that as part of the Pretreatment program, the City had permitted as well as agreement users, and if violations were found, the City could charge fines. It was more of a rarity, because usually, Staff could work with them and get them back into compliance before fines were leveraged. The amount of revenue collected from fines over the years was not a large amount.

Wastewater – Treatment

Chair Karr noticed a couple of department budgets indicated insurance adjustments. He asked if that was just normal inflation or if there had been some change in insurance.

- Mr. Katko replied adjustments were mostly inflationary; the City still had the same insurance.

Wastewater – Collection

Mr. Amadon noted Repairs and Maintenance adjustment had increased yet another $18,000 for next year. In prior years, that budget had been $13,000, then $8,000, then $64,000, and now $83,000. He asked why the cost was escalating so quickly.

- Mr. Cosgrove replied the City was getting older.
- Ms. Kerber agreed it was just a manner of aging infrastructure. She explained that close circuit TV work had revealed various needed repairs, such as holes in pipes, manholes needing to be rebuilt, etc.

Stormwater

Chair Karr asked if the street sweeping contract would be an annual or one-time cost.

- Ms. Kerber confirmed it was an annual cost. Staff sweeps every street in the city at least once a month and the bike lanes twice a month. Staff went out for an RFP for a new street sweeper and the costs were significantly higher because DEQ had very stringent requirements for what cities had to do with the debris picked up off the streets, which was considered contaminated material, so unfortunately, the cost increased very high.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

Mayor Knapp understood the City was in discussions with Republic about a possible alternative disposal method, and asked if that went anywhere.

- Ms. Kerber replied Staff continued to have conversation, and it was determined that the area Republic was willing to give or loan to the City was too small for the City to use for debris dumping.

Ms. Legarza:

- Noted the City regularly maintained the storm drain systems to reduce the accumulation of pollutants and debris in the environment. She confirmed that regarded the drop inlets, culverts, and such things that the City regularly cleaned on some sort of a schedule.
  - Ms. Kerber added that it also included catch basins and swales. She confirmed the City used a large Vactor truck and a ditch witch for smaller areas.
  - Mr. Cosgrove confirmed the City only had one Vactor truck in the fleet; however, another smaller one was needed because to improve efficiency. Another Vactor truck was proposed for the budget this year, but had been pulled out given everything that happened this year.
- Confirmed the use of the Vactor truck was charged separately to Wastewater and Stormwater.
  - Ms. Kerber explained that when the Vactor truck was purchased, the cost was split, one-third to Stormwater and two-thirds to Wastewater, and that was pretty much how it would be operated, as Staff members in both Stormwater and Wastewater knew how to operate the truck, which was scheduled accordingly.

Mr. Cosgrove encouraged the Committee members to email any additional questions, so Staff could respond at the next meeting.

B. Questions and Comments from the Budget Committee

Chair Karr confirmed there were no further questions or public comments regarding the proposed FY 2020-21 City of Wilsonville budget.

Mayor Knapp announced the loss of former Budget Member Tony Holt, and noted Council's remembrance of him. After his years of service, especially on the Budget Committee, he believed it would be appropriate that Mr. Holt be memorialized through a proclamation, adding he was open to other ideas if the Committee felt so inclined.

Mr. Bunn agreed Mr. Holt should be recognized, adding he had the honor of serving with Mr. Holt on the Budget Committee and in other areas where they worked on together. He was very impressed with Mr. Holt's level of professionalism and his commitment to the city. Many people gave a lot and their efforts were appreciated, but Tony not only gave a lot, but the excellence of what he provided was impressive. He had great thoughts, he gave it all he had, and everything he did was very thought provoking. He was honored to have served with Tony Holt.

The Budget Committee agreed that Staff should put together a commemoration or proclamation.

DocuSign Envelope ID: DC3BB03A-1265-4681-AECF-ED59AF4F253D

Mr. Cosgrove stated Staff would have that for the June 1 Council meeting. He also suggested putting Mr. Holt's picture on the final budget cover as a way to pay tribute, perhaps sending a copy to his family. Staff would also coordinate with anyone who wanted to sign or write notes on the inside of the budget cover, which Staff would send to Mr. Holt's family.

RECESS MEETING UNTIL MAY 21, 2020

The 2019-20 Budget Committee meeting recessed at 9:06 p.m. for continuation on May 21, 2020 at 6 p.m. with the public record left open.

Respectfully submitted,

DocuSigned by:
Kimberly Veliz
E781DE10276B498...

Paula Pinyerd, ABC Transcription Services, LLC. for
Kimberly Veliz, City Recorder