

**CITY OF WILSONVILLE
BUDGET COMMITTEE MEETING MINUTES
WILSONVILLE CITY HALL
29799 SW TOWN CENTER LP E**

March 8, 2018

A regular meeting of the Wilsonville Budget Committee was held at Wilsonville City Hall beginning at 6:00 p.m. on Thursday, March 8, 2018.

Budget Committee members present:

Tim Knapp, Mayor

Kristin Akervall, Councilor

Andrew Karr, Committee Member

William (Bill) Amadon, Committee Member

Arthur Park, Committee Member

Budget Committee members excused:

Charlotte Lehan, Councilor

Scott Starr, Council President

Paul Bunn, Committee Member

Sam Scull, Committee Member

Susie Stevens, Councilor

Staff present included:

Bryan Cosgrove, City Manager

Kimberly Veliz, City Recorder

Andy Stone, IT Manager

Keith Katko, Finance Operations Manager

Delora Kerber, Public Works Director

Mike McCarty, Parks and Recreation Director

Eric Loomis, Transit Field Supervisor

Nancy Kraushaar, Community Develop. Director

Susan Cole, Finance Director

Cathy Rodocker, Assistant Finance Director

Margie Trader, Accounting Technician

Dan Carlson, Building Official

Dwight Brashear, SMART Director

Katie Macadam, Accountant

Todd Blankenship, Parks Supervisor

Pat Duke, Library Director

Mayor Knapp called the meeting to order at 6:04 p.m. followed by the Pledge of Allegiance.

CITY MANAGER INTRODUCTION

City Manager Cosgrove briefly explained the purpose of the meeting.

FY 2017-18 MID-YEAR FINANCIAL REVIEW

Susan Cole, Finance Director, introduced Keith Katko, Financial Operations Manager and Cathy Rodocker, Assistant Finance Director. She explained the City decided to do a mid-year review during the fiscal year instead of combining year-end estimates with the budget so that the Committee could focus more on the annual budget and Five-Year Forecast.

Finance Director Cole and the Finance Staff presented the FY2017-18 Mid-Year Financial Review via PowerPoint that included a review of the budget calendar for FY2018-19, appropriation levels, and the following major operating funds: Transit, Building, Community Development, General

Fund, and Public Works. During the presentation, Staff responded to questions and comments from the Committee with the following key comments:

- The Five-Year Forecast showed there would be structural imbalances in the Transit Fund as time went on, so the fund was put on Staff's watch list to ensure any potential deficits did not creep into the present period.
- Grant funds for the transit busses would not appear in the budget until after the City had paid for and acquired the busses.
- Staff confirmed that the estimated ending fund balance for the Building Fund would be slightly lower than the beginning fund balance because revenues were short. Contingency funds, which are required by State law, showed a balance remaining at the end of the year because those funds would not be spent.
- Capital projects could be delayed by permitting challenges, working with other agencies like the Oregon Department of Transportation (ODOT), and Staff constraints. These delays impacted budgeting. Additionally, some of the more complicated capital projects could require fund rebalancing.
- The City benefited by loaning from the General Fund internally, rather than borrowing from a private entity. In the case of the Urban Renewal District, tens of thousands of dollars were saved in fees and interest using this internal loan mechanism.
- Wilsonville's Staff turnover rate was low compared to other cities. As a mid-sized city, Wilsonville typically lost middle managers due to limited growth opportunities. However, Wilsonville had the same Staff vacancy rate as other cities.
 - Additions to Staff were driven by the community's level of service demands, Council expectations, and growth, but only after implementing efficiencies and technologies. Police Department Staff increased because call volumes and complaints had increased. Parks Maintenance and Utility Staff would also be added.
 - Instead of hiring new Staff during the year, new and additional positions were proposed during the budget cycle. The Five-Year Forecast included estimates of how much Staff would be needed to complete the anticipated work load.
- Mayor Knapp expressed concerns about Capital Improvement Plan (CIP) projects that would not be completed and staffing vacancies in the Community Development Department. Staff explained the reasons for current vacancies and listed positions that Staff planned to fill within the next fiscal year. Staff overestimated how much work could be done in a year to ensure that projects were fully funded.
 - No new additional law enforcement would be requested for the next fiscal year. The City worked with Clackamas County Sheriff's Department to maintain high visibility in new neighborhoods. However, the City had added an additional traffic unit because certain neighborhoods requested more traffic enforcement and statistics confirmed more enforcement was necessary. Wilsonville had been the second or third safest city in the metropolitan region for the last three years. However, being located on I-5 meant Wilsonville was prone to crimes of opportunity, such as bank robberies. More crime statistics and details about calls could be provided to the Committee during the Police Chief's annual report.
- Debt service in the Stormwater Operating Fund was paid for out of the utility rates. There were no contingencies in the ending balance because the loans were inter-fund loans.
- Capital project delays did have some impact on traffic issues and development on Coffee Creek Road.

- Staff confirmed that the sewer work from Boeckman Creek to Frog Pond would not impact the developers' plans to break ground over the summer as the work would be done later. The supplemental budget would include funds for sewer design in that geographic area. The presentation on capital projects would be presented in May, as part of the budget process, and would include details about every infrastructure project.

The Committee and Staff discussed the delayed capital projects. The current situation was on par with how the City planned and budgeted. Staff had been aggressively scheduling projects so they could be ready for development when it occurred. The City had done a lot of work with a small Staff. Grants and other things the City had no control over caused project delays, but the City continued to plan as if projects would move forward. This gave the City flexibility and helped prevent over spending.

- Staff confirmed the City had a robust list of contractors and engineering firms for capital projects, but Staff did some work in-house. It was difficult to estimate additional costs caused by project delays because there were too many factors to consider. Even though most delays were caused by factors out of the City's control, Staff still considered those costs and tried to project the additional expenses that would be incurred.

The Committee and Staff briefly discussed ongoing capital projects in the area. Staff confirmed they had been working with ODOT to get an auxiliary lane on Boone Bridge up to the Canby/Aurora exit.

Bill Amadon noted he was pleased to see that each fund included money for maintenance and repairs related to minimizing deferred maintenance in the future. He thanked Staff for such a thorough and detailed presentation.

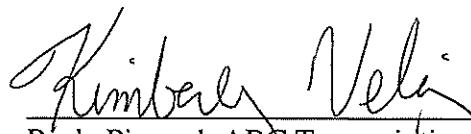
City Manager Cosgrove added that Staff appreciated being given the resources to maintain the city and the understanding that delays incurred costs.

Committee members shared why they liked that this review was now separate from the budget. They also discussed their appreciation for the community and Staff's efforts to make sure the City was well managed and fiscally responsible.

ADJOURN

Mayor Knapp adjourned the meeting at 7:27 p.m.

Respectfully submitted,



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