



CITY OF OREGON CITY

CITY BUDGET COMMITTEE MEETING

MINUTES

Virtual Meeting

Monday, May 03, 2021 at 6:00 PM

If needed, the Budget Committee will reconvene for the remaining discussion on Thursday, May 6, 2021 and May 13, 2021 at 6:00 p.m. virtually via Zoom.

CONVENE BUDGET COMMITTEE MEETING

Chair Rachel Lyles Smith called the meeting to order at 6:00 PM.

ROLL CALL AND INTRODUCTIONS

PRESENT: 10 - Committee Members Rocky Smith, Mike Mitchell, Denyse McGriff, Kyle Arnhart, Timothy Christopher, Frank O'Donnell, Christina (Emma) Lugo, Adam Marl, Casey Flesch, and Rachel Lyles Smith (Chair)

STAFF: 15 - City Manager Tony Konkol, City Recorder Kattie Riggs, Finance Director Matt Zook, Public Works Director John Lewis, Community Development Director Laura Terway, Police Chief Jim Band, Library Director Greg Williams, Parks & Rec. Director Kendall Reid, Economic Development Manager James Graham, Deputy Finance Director Ryan Bredehoeft, Accountant Erin Wilkie, Senior Accounting Technician Melissa Goss, Business Manager Kelly Dilbeck, Operations Manager Denise Butcher, and Assistant Parks and Recreation Director Denise Conrad

ELECTIONS

1. Election of the Chairperson

Motion made by Committee Member O'Donnell, seconded by Committee Member Mitchell, to elect Rachel Lyles Smith as the Budget Committee Chairperson. The motion carried with the following vote:

Yea: 10 - Committee Members Arnhart, Christopher, Flesch, Lugo, Marl, McGriff, Mitchell, O'Donnell, Lyles Smith, and Smith, Jr.

2. Election of the Vice Chairperson

Motion made by Committee Member Lugo, seconded by Committee Member Arnhart, to elect Rocky Smith as the Budget Committee Vice Chairperson. The motion carried with the following vote:

Yea: 10 - Committee Members Arnhart, Christopher, Flesch, Lugo, Marl, McGriff, Mitchell, O'Donnell, Lyles Smith, and Smith, Jr.

3. Election of the Secretary

Motion made by Committee Member Lugo, seconded by Committee Member Christopher, to elect Denyse McGriff as the Budget Committee Secretary. The motion carried with the following vote:

Yea: 9 - Committee Members Arnhart, Christopher, Flesch, Lugo, Marl, Mitchell, O'Donnell, Lyles Smith, and Smith, Jr.

Abstain: 1 - Committee Member McGriff

PUBLIC COMMENTS

Brian Shaw, resident of Oregon City, asked the Committee to discuss giving a percentage of marijuana dispensary tax revenue to fund the anti-drugs programs of Oregon City Together, including programs aimed at reaching middle school students.

There was discussion about establishing procedures for the Budget Committee to work with nonprofit organizations, and there was discussion regarding scheduling a work session to separately discuss this topic.

A letter from the Three Rivers Artists Guild was also received and perused as a nonverbal public comment at this meeting.

APPROVAL OF THE MINUTES

4. Minutes of May 6, 2019 Budget Committee Meeting

Motion made by Committee Member McGriff, seconded by Committee Member Christopher, to approve the minutes of May 6, 2019 Budget Committee meeting. The motion carried with the following vote:

Yea: 10 - Committee Members Arnhart, Christopher, Flesch, Lugo, Marl, McGriff, Mitchell, O'Donnell, Lyles Smith, and Smith, Jr.

REVIEW CITY COMMISSION GOALS

5. City Commission 2021-2023 Proposed Goals

City Manager Tony Konkol introduced the draft commission goals, which included eight named goals and specified twenty-seven tasks.

Mayor Lyles Smith reviewed the discussion process for the budget proposal.

BUDGET MESSAGE FROM THE BUDGET OFFICER

6. Budget Message

City Manager Tony Konkol presented the proposed biennial budget for 2021-2023 for the City of Oregon City. The proposed budget was \$235.2 million, divided into 70% dedicated funds and 30% discretionary funds. The presentation covered revenue and expenditure rates, revenue sources, and expenditure categories. The presentation also included a breakdown of the budget's eight goals and the budget breakdown allocated to each. In addition, Mr. Konkol discussed quotes for two goals that had been under discussion but were not part of the budget draft: creating a new City website and adding charter parks. He discussed the effect of the American Rescue Plan Act (ARPA) upon the budget. He offered a breakdown of the budget draft's fund categories, including the General Fund, the Library,

Community Development, Transportation, Water, Wastewater, Stormwater, and the System Development Fund.

There was discussion regarding the procedures for adding additional fund allocation items to the budget in the future, such as funding nonprofits.

Committee Member Smith, Jr., expressed concern that the Park Designation project was not an item in the budget.

Committee Member O'Donnell requested clarification on the difference between unallocated funds and contingency funds. He emphasized the importance of flexibility in funds allocation, and asked whether contingency funds can be moved between departments. Mr. Konkol discussed the restrictions of ARPA funding allocation, which requires ties to language in the ARPA legislation. He and Matt Zook, Finance Director, also explained that though contingency funds are not initially dedicated to specific departments, they cannot be moved from one department to another after dedication. General funds could potentially be transferred.

Committee Member Lyles Smith asked whether expenditures for the recent ice storm would be covered from contingency funds. Mr. Zook explained that the current contingency funds had already been spent and that the City had allocated other funds to cover ice storm expenditures.

Committee Member Lyles Smith expressed concern that the budget allocated significantly less funding to the issues of homelessness and affordable housing than other budget items.

REVIEW BUDGET

7. Review Proposed Budget by Section

Mr. Konkol and Mr. Zook offered a presentation breaking down the budget proposal. They covered the allocations of the General Fund's discretionary spending.

Committee Member O'Donnell asked if the presentation's expenditure chart covered one year or two. Mr. Konkol clarified that the chart represented the entire biennium. Committee Member Lugo asked about the flexibility of the General Fund budget categories. Mr. Konkol explained that the budget items were goals and that there could be opportunities for reallocation of funds at the committee's discretion in the future.

Committee Member Mitchell expressed support for addressing the Charter Parks project, and expressed concern about the website update budget quote, observing that the City's website had been updated four years ago.

There was discussion about budget numbers attached to Recreation and Tourism. Mr. Zook explained that the total budget was \$680,000: \$75,000 of that budget was revenue that would come from ARPA funds and the remaining \$605,000 consisted of funds already in the City's coffers.

Committee Member Lugo asked if there was a possibility that the Budget Committee would increase the Housing Goal budget in the future. Committee Member Lyles Smith suggested that this could be possible if other goals were reassessed. Referencing Page 6 of the Budget Book, Mr. Konkol explained that the \$10,000 budgeted for addressing affordable housing was intended as an investment to start creating a strategy and identifying goals for the issue, not as the complete budget for the issue.

Committee Member O'Donnell suggested that flexible allocation be built into the combined budget items of Tourism and Economic Development.

Committee Member McGriff expressed support for the notion of creating housing solution strategies prior to allocating further funds to the issue.

Committee Member Christopher pointed out that other budget items besides Housing were allocated more money even though these items also consisted of creating plans rather than implementing selected strategies. Mr. Konkol explained that the Housing budget was lower because many initiatives and partnerships working on the topic already exist and do not require additional funding. Jim Band, Police Chief, explained that the Housing issue covered a couple overlapping categories: long-term treatment and housing solutions for people experiencing homelessness is an issue that is dealt with primarily at the County level, while day-to-day services and crises are dealt with at the City level. He emphasized that preparing a cohesive plan would help the City access more county-level funding for long-term solutions.

Mr. Konkol explained that the budgeted amounts for each goal did not represent the hierarchical significance of each, but rather represented City Staff's estimation of how much would be needed in this biennium to complete each goal as an ongoing task.

Mr. Zook discussed some of the initiatives and funds already dedicated to housing-related issues.

Committee Member Flesch expressed agreement with Commissioner McGriff's statement regarding creating plans before allocating funds. He also requested a breakdown of salary spending in the City's budget. Ryan Bredehoeft, Deputy Finance Director, presented a chart on changes in Personal Services budgeting.

Committee Member McGriff discussed the importance of properly compensating and retaining the various staff who provide service to the City. She expressed approval of the budgeted salaries in light of average salaries in the Metropolitan area.

Committee Member Arnhart asked for more information about the Safety Officer who was to be added to Library staff. Greg Williams, Library Director, explained the Library District Fund. He explained the nature of the new safety-related position, which would not consist of a uniformed safety officer, but rather a person with behavior management training who could liaise with other social service providers, help assure that library behavior rules are being followed, and connect library patrons with social resources. Mr. Williams also discussed the nature of the new position in the technology field of library services.

Committee Member O'Donnell expressed support for the Library's services and the new positions they are adding.

Committee Member Lyles Smith expressed concern about a lack of flexibility in the proposed budget.

The Committee discussed the Budget's Policy and Administration items. Commissioner McGriff asked where the legal services could be found in the budget. Mr. Konkol explained that legal services were part of various budget items, including Professional Services. She suggested more specificity in budget item category descriptions. Committee Member Lugo asked for more information about the Community Broadband item. Mr. Konkol explained that the item was for researching the feasibility of a public-private partnership for broadband services.

Committee Member Smith, Jr. asked for clarification on the allocation of funds within the Community Events item. He also asked who would oversee Community Events. James Graham, Economic Development Manager, explained that the funds identified for Community Events were intended to provide assistance to private nonprofits producing City-sanctioned events, and that selection of events would be a collaboration between City Staff, community stakeholders, and the Commission. Committee Member Smith, Jr. encouraged improved partnerships with community organizations and more specificity regarding the intended use of Community Events funds.

Committee Member Mitchell asked if the \$100,000 allocated to Community Events was intended to fund events or to fund the creation of a program that would oversee events. He expressed concern about funding Economic Development and Tourism at the level indicated in the budget without specific plans for those funds. Mr. Graham explained that the Community Events budget item was intended for supporting events and organizations putting on events. He added that creating criteria for selecting events, and creating a plan with criteria for events, would not require extra funds.

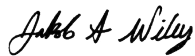
Committee Member Flesch commented that the Budget Committee was intended to propose a budget, not to decide how to implement it. The implementation is the purview of the City Commission. There was discussion about how much specificity the Budget Committee requires for budget goals, and in which categories more information was requested.

It was decided to reconvene on Thursday, May 6, 2021, at 6:00 P.M. to continue the discussion.

ADJOURNMENT

Chair Lyles Smith adjourned the meeting at 9:07 PM.

Respectfully submitted,



Jakob S. Wiley, City Recorder