



## CITY OF OREGON CITY CITY BUDGET COMMITTEE MEETING MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City  
Thursday, April 24, 2025 at 6:00 PM

### 1. CONVENE MEETING AND ROLL CALL

*Mayor Denyse McGriff convened the meeting at 6:01 P.M.*

**PRESENT: 9 -** *Committee Member Mike Mitchell, Committee Member Scott Wilson, Committee Member Denyse McGriff, Committee Member Sheri Weber, Committee Member Bill Peterson, Committee Member Laurie Ariniello, Committee Member William Gifford, Committee Member Dave Hunt, Committee Member Adam Marl*

**EXCUSED: 1** *Committee Member Rocky Smith*

**STAFFERS: 10 -** *City Manager Tony Konkol, Assistant City Manager Alex Rains, City Recorder Jakob Wiley, Police Chief Shaun Davis, Public Works Director Dayna Webb, Communications Manager Jarrod Lyman, Planning Manager Pete Walter, Economic Development Coordinator Ann Griffin*

### 2. OFFICER ELECTIONS

**a. Election of Chair, Vice Chair, and Secretary**

*Motion by Committee Member Gifford, seconded by Committee Member Mitchell, to nominate William Gifford as Secretary. The motion carried by the following vote:*

**Yea:** *Committee Members Mitchell, Wilson, McGriff, Weber, Peterson, Ariniello, Gifford, Hunt, and Marl*

*Motion by Committee Member Ariniello, seconded by Secretary Gifford, to nominate Dave Hunt as Vice Chair. The motion carried by the following vote:*

**Yea:** *Committee Members Mitchell, Wilson, McGriff, Weber, Peterson, Ariniello, Gifford, Hunt, and Marl*

*Motion by Committee Member Mitchell, seconded by Committee Member McGriff, to nominate Adam Marl as Chair. The motion carried by the following vote:*

**Yea:** *Committee Members Mitchell, Wilson, McGriff, Weber, Peterson, Ariniello, Gifford, Hunt, and Marl*

### 3. PUBLIC COMMENTS

*Jason Pohl, Oregon City resident and President of the Oregon City Police Employees' Association, requested more full time patrol officers. He stated that the city had not added any full-time patrol officer positions since 2017, and the proposed budget called for reducing the number of full-time employees (FTEs) in the police department from 61.73 to 59.25.*

David Goldberg, Oregon City resident and Chair of Oregon City's Library Board, noted that the library would need the city's support in increasing the library's tax levy in the coming years. He added that the proposed budget included increasing the allocated charges to the library by 95%, from \$416,800 to \$812,000. This proposal would mean the city's general fund contribution to the library would be negative for the first time in at least 10 years.

Roger Rolen, resident of Oregon City, expressed his support for Mr. Pohl's request and advocated for the construction of a new boat ramp on the Clackamas River that would be free for Oregon City residents.

Steve Williams, resident of Oregon City, also advocated for the construction of a new boat ramp on the Clackamas River. He said that the Sportcraft boat ramp was too small for modern boat sizes, including fire rescue boats.

Frank O'Donnell, resident of Oregon City and former City Commissioner, advised the committee to look for more efficient ways to use limited funds, rather than cut programs and employees. He also asked that the committee not reduce the level of police and code enforcement FTEs. He asked that the committee not raise taxes.

a. Approval of Minutes

**Motion made by Committee Member McGriff, seconded by Committee Member Ariniello, to approve the minutes of the May 04, 2023 Budget Committee meeting. The motion carried by the following vote:**

**Yea: Committee Members Wilson, McGriff, Marl, Weber, Hunt, Peterson, Ariniello, Mitchell, and Gifford.**

b. Budget Message from the Budget Officer

Tony Konkol, City Manager, presented the proposed 2025-2027 biennial budget. He said he would present the budget in full and then break it down by individual funds. He noted that the budget was balanced, as required by state law, and that the city had implemented a hiring freeze on vacant positions.

Mr. Konkol explained that the city had two different types of funding: discretionary and dedicated. Discretionary funds were accounted for in the general fund and amounted to \$70.9 million. Dedicated funds were legally or contractually required to be spent on specific uses and amounted to \$247.2 million. The city's total budget was \$318.1 million.

The city's property tax rate was \$4.409 per thousand of assessed value. This rate was set in 2013. The maximum allowable property tax rate was \$5.0571. He detailed the city's revenue sources and expenditure categories.

Mr. Konkol then spoke about each of the city's goals for the biennium and how this budget addressed each of the goals.

Mr. Konkol described the major funds in turn. He noted that the proposed budget represents a net decrease of 3.67 FTEs across the city. He stated that expenditures for the biennium still outpace revenues, and the city is only able to operate at this level of spending by drawing down on reserves. The proposed budget assumed that property taxes would not be raised.

Mr. Konkol stated that reserves and contingencies totaled \$11.9 million. The goal was to have an end balance of 27% of general fund operating expenses. He explained that the marijuana tax revenue sharing agreement between cities and the state had changed drastically, with the city expecting to get \$400,000 less per year from this revenue source.

Mr. Konkol then began to discuss the \$12.2 million budget for the library. He noted that the budget proposed creating a library services manager position and \$530,000 in capital expenses.

He explained that the city had re-worked how it handled internal service charges. As an example, the city paid about \$1.1 million to insure its buildings. That full amount had been absorbed by the general fund but would now be charged to each department based on their use of city buildings.

Mr. Konkol then discussed the community development department, which oversaw the planning fund of \$3.7 million and building fund of \$10.7 million. He mentioned that the building fund operates as a dedicated fund. He noted that the budget called for eliminating a part-time plans examiner.

Mr. Konkol then discussed the transportation budget of \$23 million, the water budget of \$41.6 million, the wastewater budget of \$45.5 million, and the stormwater fund of \$13.5 million. He then discussed revenues gained from system development charges (SDCs). Each SDC raised dedicated funds to help pay for projects related to city growth.

Mr. Konkol then summarized the guiding vision of the budget. While revenues had returned to pre-pandemic levels, expenses had increased at a faster rate. As a result, this budget reduced the overall staff levels by not filling existing vacancies.

Mr. Konkol also noted that this proposed budget was made on the assumption that the Urban Renewal Agency would collect 25% of its available tax increment financing (TIF) in the first year of the biennium and 50% of its available TIF in the second year. The Urban Renewal Budget Committee had recommended collecting 100% of the TIF in both years. This means the budget was about \$1.4 million underfunded.

### c. Budget Deliberations

Secretary Gifford asked that the revenue lines from intergovernmental agreements be listed by individual agency or agreement.

There was discussion about when to ask questions about specific parts of the budget. It was agreed that questions would be asked as Mr. Konkol went through each department's budget.

Committee Member Mitchell asked what was included in the \$250,000 for the diversity, equity, and inclusion (DEI) goal. He noted that the previous budget allocated \$150,000, and the discussion at the time was around making this DEI work internalized. Mr. Konkol said that \$250,000 was an estimate of how to move forward with the areas of focus identified by the results of a stay survey. The human resources department only had 2 people and did not have the training or capacity to handle this kind of project on their own. He hoped that this would get the city to where they could internalize some of this work after the biennium.

Committee Member Mitchell asked how much of the \$560,000 for the community court program would be funded by grants. Mr. Konkol said the whole program would be funded by grants that were already secured, with the exception of some costs that would be internalized by existing staff.

Committee Member Mitchell then asked how much of the \$375,000 for the destination marketing and management organization (DMMO) would come from the transient lodging tax (TLT). Mr. Konkol said all of it. Committee Member McGriff added that she felt some TLT money should also be allocated to the economic development department, since it would still be doing a small amount of tourism-related work.

Committee Member Mitchell asked where the \$400,000 listed for the design of a boat ramp and park improvements was coming from. Mr. Zook responded that the city would receive \$200,000 per year from the Water Environment Services (WES) good neighbor funding agreement, and that was the source of the money. Mr. Konkol added that the city intended to use this money to tee up

*a larger grant request with the state.*

*Mr. Hunt asked if the city was currently implementing a hiring freeze. Mr. Konkol said the city currently had a hiring freeze for positions paid for out of the general fund. He added that this budget relies on the city receiving an additional \$1.4 million from the urban renewal district electing to collect less than the full amount of its tax increment financing (TIF). However, the city was structurally imbalanced regardless. The city had not increased property taxes since 2013, but it had increased staff and programming. He encouraged the committee to be proactive about addressing structural imbalances with this budget.*

*There was discussion about the taxes and fees the city charges. 23.76% of the city's land was nontaxable, which was substantially higher than comparable cities. Increasing tax rates by 10 cents per thousand would raise about \$500,000 per year. A home with an assessed value of \$500,000 would pay about \$50 per year more in property taxes per 10 cent raise. The city put a \$78 per year fee on all water bills, and that raised close to \$1.2 million per year.*

*Mister Peterson asked for an update on ongoing labor negotiations. Mister Konkol said that the city was in negotiations with both of its unions. The city had solid estimates on what to expect with medical insurance and PERS, which were reflected in the budget. The city added a 3% cost of living adjustment in this budget.*

*Mr. Konkol then continued his presentation by talking about the general fund. The total general fund budget was \$83.8 million. Proposed budget included \$4.6 million in contingency, \$6 million in unappropriated funds, and \$1.3 million in dedicated funds reserved for projects beyond the biennium. He also discussed general fund discretionary spending towards city goals.*

*There was discussion about the \$90,000 budget for the Citizen Involvement Committee (CIC).*

*Mr. Konkol gave an overview of the Policy and Administration section of the budget. He highlighted that the Communications department used to be embedded in the City Manager section of the budget but would be given its own section in this budget.*

*Mr. Konkol gave a breakdown of the Economic Development portion of the budget. He mentioned that \$300,000 was budgeted for an adaptive reuse program in downtown, with the understanding that the Urban Renewal Agency would reduce its TIF collection enough to make up the difference. He recommended abandoning this program if the Urban Renewal Agency collected the full TIF.*

*Mr. Konkol gave an overview of the Information Technology (IT) portion of the budget. There was discussion about the industry trending towards software as a service with recurring costs, the cost and security benefits of cloud-based systems, and the use of AI.*

*The committee took a break from 8:00 PM. to 8:06 PM.*

*Mr. Konkol gave an overview of the General Government portion of the budget, which accounted for about \$3.4 million. There was discussion about phase two of the Cayuse Five Tribute.*

*There was discussion about how the contingency and unappropriated fund balance numbers are set.*

*Mr. Konkol gave an overview of the Facilities portion of the budget. There was discussion about how Facilities being part of its own department with staff members responsible for specific buildings would be more efficient than how it previously operated.*

*Mr. Konkol then gave an overview of the Police Department and Code Enforcement portions of the budget. Police was the largest portion of the General Fund, amounting to \$27.4 million. He noted that the hiring freeze had affected both departments, with vacancies for a police record specialist,*

a homeless liaison officer, and a code enforcement officer going unfilled. Police Chief Shaun Davis spoke of the increased volume in call for code enforcement over the past two years and how it was not feasible to have seven days a week coverage with fewer than 5 code enforcement officers. Chair Marl stated that a case manager position was added in the previous budget based on a one-time opiate settlement fund, and that it would not be prudent to hire someone based on one-time funding.

There was more discussion about five day a week code enforcement coverage versus seven day a week code enforcement coverage and how the county closing the downtown courthouse would affect parking revenues.

Committee Member Mitchell asked if the \$112,000 for flower baskets could be used for a code enforcement officer. There was discussion of the Special Programs line item of the Police budget, which included homeless cleanups and crime prevention programs.

## **5. RECESS**

*Recess to the May 1, 2025 Oregon City Budget Committee meeting.*

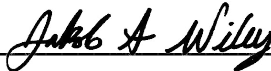
*Motion by Committee Member Ariniello, seconded by Secretary Gifford, to recess until May 01, 2025 at 6:00 PM. The motion carried with the following vote:*

**Yea: Committee Members Wilson, Marl, Weber, Hunt, Peterson, Mitchell, Ariniello, and Gifford**

**Nay: Committee Member McGriff**

*Chair Marl recessed the meeting at 8:49 PM.*

*Respectfully submitted,*



Jakob S. Wiley, City Recorder  
Date Approved: May 15, 2025