

FIRST MEETING OF THE CITY OF REDMOND BUDGET COMMITTEE WAS HELD ON MAY 2, 2023, AT REDMOND CITY HALL IN CIVIC ROOMS 207/208.

BUDGET COMMITTEE MEMBERS PRESENT: Troy Baker – Tobias Colvin – Clifford Evelyn – Ed Fitch – Janet McAdams – Debra Meadows – Sean Neary – John Nielsen – Kathryn Osborne – Aubrey Oslund – Karin Stauder – Shannon Wedding – Lisa Young – Cat Zwicker

STAFF PRESENT: City Manager Keith Witcosky – Deputy City Manager John Roberts – City Attorney Keith Leitz – Airport Director Zachary Bass – Deputy City Manager/Chief Financial Officer Jason Neff – Accounting and Financial Reporting Director Brooks Slyter – Police Chief Devin Lewis – Interim Public Works Director Jon Skidmore – Deputy City Recorder Kayla Duddy – Street Operations Manager Brad Haynes – Parks Planner and Project Manager Maria Ramirez – Communications Director Heather Cassaro – Billing and Collections Manager Valerie Taylor – PFC Operations & Maintenance Manager Dusty Hood – Accounting Manager James Wood – Airport Finance and Analytics Manager Steve Juba – PW Admin Services Division Manager Julie Lovrien – City Engineer Jessica MacClanahan

MEDIA PRESENT: None

CALL TO ORDER – CITY OF REDMOND BUDGET COMMITTEE

Mayor Fitch called the meeting to order at 6:00 p.m. Introductions of the committee took place.

ELECTION OF OFFICERS

A. Chair

John Nielsen moved, seconded by Clifford Evelyn, to nominate Sean Neary as Chair of the Budget Committee, motion passed. (Baker-yes, Colvin-yes, Evelyn-yes, Fitch-yes, McAdams-yes, Meadows-yes, Neary-yes, Nielsen-yes, Osborne-yes, Oslund-yes, Stauder-yes, Wedding-yes, Young-yes, Zwicker-yes)

B. Secretary

Troy Baker moved, seconded by Karin Stauder, to nominate Lisa Young as Secretary of the Budget Committee, motion passed. (Baker-yes, Colvin-yes, Evelyn-yes, Fitch-yes, McAdams-yes, Meadows-yes, Neary-yes, Nielsen-yes, Osborne-yes, Oslund-yes, Stauder-yes, Wedding-yes, Young-yes, Zwicker-yes)

STAFF PRESENTATIONS

A. Budget Message

City Manager Keith Witcosky presented his budget message which highlighted defining elements of the proposed Fiscal Year (FY) 2023/2024 budget.

COMMENTS FROM CITIZENS AT THE MEETING

There were no comments from the public.

PUBLIC HEARINGS – CITY OF REDMOND BUDGET

Chair Neary opened the public hearing on the City of Redmond's Budget for FY 2023/2024.

A. State Shared Revenue Hearing

There were no comments from the public on State Shared Revenue.

B. General Operating Funds

Deputy City Manager/Chief Financial Officer Jason Neff explained that most funds discussed during the meeting will involve the General Fund which currently has a cash flow requirement and an operating contingency of \$4.1 million each.

i. Police

Police Chief Devin Lewis announced that the Police Department's operating budget is \$14.2 million, with 63 Full Time Equivalent (FTE) employees. Ninety-four percent of the department's resources (\$13.6 million) come from the General Fund with additional revenue coming from the Redmond School District for School Resource Officers (\$250,000), court fines (\$150,000), and Airport law enforcement (\$170,000). Expenditures are anticipated to be \$14.5 million.

Chief Lewis explained that the Police Department currently has 1.34 officers per 1,000 population with a long-term goal of 1.67 per 1,000 population. The current call volume per officer is 842 per year with a long-term goal of 700 calls per officer.

Captain Lewis spoke briefly on the proposed public safety facility. He described other notable budget items which include \$377,000 for one Officer and one Captain, \$370,000 for six Police vehicles, \$20,000 for parks patrol and \$15,000 for a wellness program.

Staff addressed questions throughout the presentation.

ii. Parks and Facilities

Mr. Neff stated the operating budget for the Parks and Facilities Fund is \$4.7 million, with 21 FTE. Ninety-four percent (\$3.1 million) of the Parks and Facilities budget comes from the General fund with additional revenue of \$89,000 coming from cemetery lot sales and fees, and \$2.2 million in Parks System Development Charges for projects in the Capital Improvement Plan. Expenditures are estimated at \$8.8 million.

Parks Planner and Project Manager Maria Ramirez explained that additional land acquisition is needed to reach the goal of 4 acres of park space per 1,000 residents; the City is currently 53 acres short.

Capital projects for FY 2023/2024 consist of the following:

- Sam Johnson Park and Valleyview Park – Tennis Court Rehabilitation (\$200,000)
- Central Dry Canyon (carried forward from FY 2022/2023) (\$1.69 million)
- Fairhaven Park (\$500,000)
- Valleyview Park (\$150,000)
- Potential Land Acquisition (\$1 million)
- Future Projects (\$100,000)

Equipment purchases proposed for FY 2023/2024 consist of the following:

- Two Service Trucks – replacement (\$150,000)
- Zero-Turn Mower – replacement (\$15,000)
- Landscape Trailer – replacement (\$15,000)
- Utility Vehicle – replacement (\$20,000)
- Ice Resurfacing Machine – new (\$20,000)

PFC Operations & Maintenance Manager Dusty Hood described the other notable budgetary items which include \$97,000 for one new position and \$55,000 for preventative maintenance to City-owned parking lots.

Staff addressed questions throughout the presentation.

iii. Community Development

Mr. Neff stated the Community Development Fund has an operating budget of \$5.8 million with 27 FTE. The resources assume a slight decrease in development activity for FY 2023/2024 (2.7 percent population increase or 200 single family residential units, 200 multi-family). Expenditures are estimated at \$5.9 million.

Deputy City Manager John Roberts explained the five funds within the Community Development Department. He shared that notable budget items include \$117,000 for a Homeless Prevention and Response Coordinator, \$130,000 for a Housing Programs and Policy Specialist, \$75,000 for legal services associated with the Northpoint Pilot Project Development Agreement and Initial Phasing, \$50,000 for solid waste clean-up and enforcement.

Staff addressed questions throughout the presentation.

iv. General Fund

Mr. Neff stated the \$21 million in resources for the General Fund come from property taxes (\$13.3 million, 63 percent), franchise fees (\$4.7 million, 23 percent), State Shared Revenue (\$1.3 million, 6 percent), lodging tax (net \$1.3 million, 6 percent), and other fees (\$0.4 million, 2 percent). He explained that property tax revenue is anticipated to increase by 5.3 percent, and lodging tax revenue is estimated to be \$1.76 million with \$1,252,435 (60 percent) going to the General Operating Fund, \$348,269 (17 percent) to tourism promotion (Convention Visitors Bureau), \$317,667 (15 percent) to reserves, and \$157,622 (8 percent) to the Golf Fund.

Mr. Neff noted that the General Fund will have approximately \$20.8 million in discretionary transfers to Police (\$13.7 million, 66 percent), Parks (\$3.1 million, 15 percent), Transportation Operations (\$2.0 million, 10 percent), Transportation Capital Projects (\$0.8 million, 4 percent), Golf Debt Service (\$0.3 million, 1 percent), CDD Operations (\$0.7 million, 3 percent), and CDD Long Range Planning (\$0.2 million, 1 percent). Notable budget items include \$146,000 (plus \$12,000 from the Airport) for Redmond Economic Development, Inc., \$76,000 for Cascades East Transit, and \$25,000 for the Redmond history project in City Hall.

Mr. Neff stated the operating budget for Central Services is \$5.2 million, with 26 FTE. He shared that resources are received through the General Operating Fund (25 percent), Airport (24 percent), Wastewater (17 percent), Water (12 percent), CDD (Self-Sustaining, 3 percent), Urban Renewal (3 percent), Stormwater (2 percent), and Other (13 percent). Expenditures are anticipated to be \$5.6 million. He shared that notable budget items included \$99,000 for transitioning two current part-time roles into full-time positions (Billing and Collections Customer Service, Accounts Payable), \$108,000 for investment services, and \$80,000 for two administrative vehicles (one replacement and one for safety and trainings), and \$170,000 for Asset Management Software.

Interim Public Works Director Jon Skidmore explained what Asset Management Software is and how important Enterprise Asset Management would be for the City.

Mr. Neff explained the operating budget for Information Technology (IT) is \$2.5 million, with 8.5 FTE. Resources are received through the General Operating Fund (43 percent), Airport (18 percent), Other (17 percent), CDD (Self-Sustaining, 10 percent), Wastewater (6 percent), Water (4 percent), Stormwater (2 percent), and Urban Renewal (1 percent). Expenditures are anticipated to be \$2.5 million. He shared that notable budget items include \$151,000 for network switch replacements, \$180,000 for computer replacements, and \$600,000 in reserves for future replacement of computers, servers, etc.

Staff addressed questions throughout the presentation.

C. Enterprise Funds

i. Airport

Airport Director Zachary Bass explained the Airport Fund has an operating budget of \$11.7 million with 34 FTE. He shared that resources are received from parking (\$8.1 million, 38 percent), landing fees (\$2.2 million, 10 percent), Passenger Facility Charges (\$2.1 million, 10 percent), rental cars (\$2.0 million, 9 percent), US Forest Service leases (\$1.1 million, 5 percent), space usage fees (\$1.1 million, 5 percent), Customer Facility Charge (\$0.6 million, 3 percent), security fees (\$0.6 million, 3 percent), general aviation (\$0.6 million, 3 percent),

