

FIRST MEETING OF THE CITY OF REDMOND BUDGET COMMITTEE WAS HELD VITRUALLY ON APRIL 28, 2021, VIA GOTOMEETING.

BUDGET COMMITTEE MEMBERS PRESENT: Troy Baker – Jon Bullock – Krisanna Clark-Endicott – James Cook – George Endicott – Clifford Evelyn – Ed Fitch – Phillip Meagher – Aubrey Oslund – Ron Osmundson (left at 6:23 p.m.) – Jay Patrick – Shannon Wedding – Lisa Young – James Wood (arrived at 6:20 p.m.)

STAFF PRESENT: City Manager Keith Witcosky – Deputy City Manager John Roberts – City Attorney Keith Leitz – Airport Director Zachary Bass – Chief Financial Officer Jason Neff – City Engineer Mike Caccavano – Accounting and Financial Reporting Director Brooks Slyter – Police Chief Dave Tarbet – Public Works Director Bill Duerden – City Recorder Kelly Morse – IT Specialist Sheri Cleveland – Police Captain Devin Lewis – Streets Division Manager Brad Haynes – Parks and Facilities Manager Annie McVay – Communications Director Heather Cassaro – Fleet Services Manager Scott Gibson – Police Department Administrative Assistant Becky Curtis

MEDIA PRESENT: None

CALL TO ORDER – CITY OF REDMOND BUDGET COMMITTEE

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

ELECTION OF OFFICERS

A. Chair

George Endicott moved, seconded by Jay Patrick, to nominate Lisa Young as Chair of the Budget Committee, motion passed. (Baker-yes, Bullock-yes, Clark-Endicott-yes, Cook-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Meagher-yes, Oslund-yes, Osmundson-yes, Patrick-yes, Wedding-yes, Wood-absent, Young-yes)

B. Secretary

Ed Fitch moved, there was no second, to nominate James Cook as Secretary of the Budget Committee, motion passed. (Baker-yes, Bullock-yes, Clark-Endicott-yes, Cook-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Meagher-yes, Oslund-yes, Osmundson-yes, Patrick-yes, Wedding-yes, Wood-absent, Young-yes)

For those new to the committee, Chair Young provided an overview of the role of the budget committee.

STAFF PRESENTATIONS

A. Budget Message

City Manager Keith Witcosky presented his budget message which highlighted the health of the City in terms of the financial impacts from COVID-19, federal relief funding, impacts on staff, rapid growth, and infrastructure maintenance. Defining elements of the proposed budget are:

Staffing in response to community growth

- 10 percent growth in population (currently population is approximately 32,500)
- 7 percent increase in staff/Full Time Equivalent (FTE) (currently 227 employees)

One-time Investment Opportunities

- American Rescue Plan (\$3.2 million in 2021 and \$3.2 million in 2022)

- Budget carryover
- Land Sales (\$3.4 million proposed for public safety facility)

Once in a “Half Century” Capital Projects

- Wastewater Treatment Plant, \$40-45 million, estimated completion in 2025
- Public Safety Facility (\$20-\$30 million, estimated completion in 2024)
- Expanded Air Service Terminal (\$35-\$40 million, estimated completion 2025-2026)

Infrastructure Efforts

- South Highway 97 Rebuild (\$70 million)
- Quarry Extension/Interchange (\$10-\$40 million)
- 19th Street/Airport Roundabout (\$3.2 million, estimated completion 2021-2022)
- Quartz Park (up to \$4 million)

Items such as homelessness, affordable housing, transit/connectivity, Diversity, Equity, and Inclusion, income streams and quality of life continue to be priorities for the City.

B. Significant Capital Projects

City Engineer Mike Caccavano reviewed the Capital Improvement Plan (CIP), highlighting the following significant capital projects for FY 2021/2022:

- Wastewater Treatment Plant Expansion Design (\$1.8 million)
- NW Maple Avenue/NW 9th Street Traffic Signal (\$0.5 million)
- NE Hemlock Avenue Improvements (\$1 million)
- South Canyon Drive Improvements (\$1 million)
- Quartz Park (\$2.7 million)
- SW Salmon Avenue-Odem Medo Connection (\$1.4 million)
- South Redmond Water Facility (\$6.6 million)
- Yew Avenue Pump Station Upgrade (\$0.5 million)
- SW 19th Street/Airport Way Roundabout Design (\$0.5 million)

C. Redmond Economic Development, Inc. (REDI)

Economic Development for Central Oregon Chief Executive Officer Roger Lee provided an overview of REDI's history, current staff, and their key focus which is industry development with an emphasis on job creation and capital investment in the traded sector. Mr. Lee reviewed REDI's budget noting their funding request of the City for FY 2021/2022 is \$143,000.

In the past ten years, REDI has assisted with 64 projects resulting in 2,045 jobs created and a capital investment totaling \$114,491,424. Mr. Lee described REDI's role in a business expansion/relocation project. REDI currently has 28 pending projects which could result in 1,478 jobs and a possible investment of \$230.8 million. In addition to being a key community partner, REDI manages the Greater Redmond Enterprise Zone, has consulted on nearly all major traded sector investments over the past two decades, serves as an industrial real estate expert, and aides in workforce development through the REDI internship program and manufacturing technology education at Redmond's high schools and Central Oregon Community College.

Mr. Lee and REDI Board President Sean Neary addressed questions from the committee regarding the effect of rising home costs on business relocation, the additional possibilities with increased resources, environment challenges, enterprise zone incentives, corporate taxes, and working remotely.

COMMENTS FROM CITIZENS AT THE MEETING

There were no comments from the public.

The Committee took a break at 7:30 p.m. and resumed the meeting at 7:40 p.m.

PUBLIC HEARINGS – CITY OF REDMOND BUDGET

Chair Young opened the public hearing on the City of Redmond's Budget for FY 2021/2022.

A. State Shared Revenue Hearing

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

B. General Operating Funds

Mr. Neff explained General Operating Funds, property tax collection and cash flow requirements, and operating contingency.

i. Police

Mr. Neff stated the Police Department operating budget is \$11.5 million, with 59 FTE. Resources are 93 percent of budget (\$10.8 million) with additional revenue coming from the Redmond School District for School Resource Officers (\$193,000), court fines (\$175,000), and Airport law enforcement (\$154,000). Expenditures are anticipated to be \$11.7 million.

Police Chief Dave Tarbet explained the department currently has 1.42 officers per 1,000 population with a long-term goal of 1.67 per 1,000 population. Current call volume per officer is 753 per year with the long-term goal being 700 calls per officer.

Police Captain Devin Lewis spoke to the need for a new public safety facility noting the initial intent is to move forward with land acquisition. He described other notable budget items which include \$385,000 for 3.5 new positions, \$240,000 for vehicles, \$35,000 for a public safety facility needs assessment, and use of \$70,000 in seizure funds. Chief Tarbet and Captain Lewis addressed questions throughout their presentation relating to the method for determining the goal for officers per 1,000 population, types of calls received during COVID, historical average by type of call, difference between community service officers and patrol officers, inmate holding cells in the new public safety facility, options or programs for certain types of mental health calls related to homelessness, body cameras, record keeping software efficiencies, department grants, and Diversity, Equity and Inclusion training for officers.

ii. Parks and Facilities

Mr. Neff stated the operating budget for the Parks and Facilities Fund is \$3.5 million, with 18 FTE. Resources are 94 percent of budget (\$2.2 million) with additional revenue of \$93,000 coming from cemetery plot sales/fees and \$2.1 million in Parks System Development Charges (SDC) for projects in the CIP. Expenditures are estimated at \$8.8 million.

Public Works Director Bill Duerden commented that additional land acquisition is needed to reach the goal of 4 acres of park space per 1,000 residents (currently 40 acres short). The budget includes \$1.5 million (SDCs) for land acquisition should an opportunity arise. Notable budgetary items include \$245,000 for three (3) utility positions, \$3.3 million for parks projects, \$355,000 for vehicle/equipment purchases, and \$35,000 for cemetery improvements. Staff responded to questions regarding project timelines, a growth award, timeline for obtaining park space goal, and park development trends.

iii. Transportation

Mr. Neff stated the operating budget for the Transportation Fund is \$7.5 million, with 26 FTE. Resources come from the State Highway Fund (\$2.3 million, 47 percent), General Fund (\$1.9 million, 37 percent), Federal Surface Transportation Program (\$0.4 million, 8 percent), Grant Pass-Thru (\$0.2 million, 4

percent), Internal Charges for Services (\$0.1 million, 3 percent), and Other (\$0.1 million, 1 percent). Expenditures are anticipated at \$13.5 million.

Mr. Duerden stated that Redmond's streets are the City's biggest asset, noting that a Pavement Condition Index (PCI) of greater than 80 is a cost-effective way of maintaining the asset. Annual funding of \$1.2 million is needed to maintain the PCI at a level higher than the City's goal. Mr. Neff answered questions on the increase in expenditures over prior years. Mr. Fitch commented regarding the allocation of approximately \$50,000 to identify potential right-of-way for Phase 2 of the US 97 Reroute and requested it be added to discussion at the budget meeting on May 6. Committee member Troy Baker expressed concern with the increase in materials costs across the board. In response, Mr. Duerden explained staff accounts for the increases and projects those in the next fiscal year.

Notable budget items include \$170,000 for two (2) utility positions, \$300,000 for equipment purchases, \$110,000 for a Safety and Risk Program Coordinator.

iv. Community Development

Mr. Neff stated the Community Development Fund has an operating budget of \$4.1 million with 24 FTE. Resources from business licenses and building/planning permits are anticipated to decline by 15 percent from FY 2020/2021 trends. The Building sub-fund has an operating reserve of 23 months which surpasses the goal of 18-months. The Current Planning sub-fund has a 13-month operating reserve which is under the goal of 18-months; however, trends have indicated it may break even. Expenditures are anticipated at \$13.5 million.

Deputy City Manager John Roberts reviewed statistics for single family dwelling permits, commercial permits, and building inspections. Notable budget items include \$118,000 for a Transportation Planner, \$100,000 Master Developer for the Skyline Village Pilot Project, \$133,000 for a building inspector, and \$530,000 in Community Development Block Grant (CDBG) funds. Staff addressed questions on available Urban Growth Boundary land, industrial land, Skyline Village, need for an inspector despite the 15 percent anticipated decline in building/planning permits, and planned usage for CDBG funds.

v. General Fund

Mr. Neff stated the \$17.5 million in resources for the General Fund comes from property taxes (\$11.8 million, 67 percent), franchise fees (\$3.9 million, 22 percent) State Shared Revenue (\$1 million, 6 percent), and lodging tax (net \$0.8 million, 5 percent). Property tax revenue increased by 8.9 percent (\$945,000) due to a 7.2 percent increase in assessed value, 2.2 percent from the Downtown Urban Renewal District, and 0.5 percent foregone from South 97 Urban Renewal District. Mr. Neff noted that lodging tax revenue is estimated to be \$1.2 million with \$821,284 (71 percent) going to the General Operating Fund, \$315,890 (27 percent) going towards tourism promotion, and \$19,564 (2 percent) going towards tourism related facility.

For discussion at the May 6 budget meeting, Mr. Fitch suggested allocating \$25,000-\$30,000 for a comprehensive historical study of Redmond to present and update City Hall to reflect where the City is going in the future.

The General Fund will have approximately \$16.8 million in discretionary transfers to Police (\$10.8 million, 65 percent), Parks (\$2.2 million, 13 percent), Transportation Ops (\$1.9 million, 11 percent), Transportation Capital (\$0.8 million, 5 percent), Golf (\$0.4 million, 2 percent), CDD Ops (\$0.4 million, 2 percent), and CDD Long Range Planning (\$0.2 million, 2 percent), and Capital Projects (\$0.1, 0 percent).

Notable budget items include \$132,000 (plus \$11,000 from the Airport) for Redmond Economic Development, Inc., \$45,000 for Cascades East Transit, \$21,000 General Obligation bond/public safety polling and \$19,000 for regional training center land use entitlements.

