

FIRST MEETING OF THE CITY OF REDMOND BUDGET COMMITTEE WAS HELD ON APRIL 27, 2022, AT REDMOND CITY HALL IN CIVIC ROOMS 207/208.

BUDGET COMMITTEE MEMBERS PRESENT: Troy Baker – Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Debra Meadows – Phillip Meagher – Aubrey Oslund – Ron Osmundson – Jay Patrick – Shannon Wedding (via conference call) – Lisa Young – Cat Zwicker

BUDGET COMMITTEE MEMBERS EXCUSED: Ed Fitch

STAFF PRESENT: City Manager Keith Witcosky – Deputy City Manager John Roberts – City Attorney Keith Leitz – Airport Director Zachary Bass – Chief Financial Officer Jason Neff – Accounting and Financial Reporting Director Brooks Slyter – Police Chief Devin Lewis – Public Works Director Bill Duerden – City Recorder Kelly Morse – Streets Division Manager Brad Haynes – Parks Planner and Project Manager Maria Ramirez – Communications Director Heather Cassaro – Fleet Services Manager Scott Gibson – Billing and Collections Manager Valerie Taylor – PFC Operations & Maintenance Manager Dusty Hood – PFC Operations Supervisor John Hanson – Wastewater Division Manager Ryan Kirchner

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

Krisanna Clark-Endicott moved to nominate Phil Meagher as Chair of the Budget Committee, motion passed. (Baker-no, Clark-Endicott-yes, Endicott-yes, Evelyn-no, Fitch-absent, Meadows-abstain, Meagher-yes, Oslund-yes, Osmundson-no, Patrick-yes, Wedding-yes, Young-no, Zwicker-yes)

Clifford Evelyn moved to nominate Lisa Young as Chair of the Budget Committee, motion failed. (Baker-yes, Clark-Endicott-no, Endicott-no, Evelyn-yes, Fitch-absent, Meadows-abstain, Meagher-no, Oslund-no, Osmundson-yes, Patrick-no, Wedding-no, Young-yes, Zwicker-no)

B. Secretary

Aubrey Oslund moved, seconded by Clifford Evelyn, to nominate Lisa Young as Secretary of the Budget Committee, motion passed. (Baker-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-absent, Meadows-yes, Meagher- yes, Oslund- yes, Osmundson-yes, Patrick- yes, Wedding- yes, Young-yes, Zwicker- yes)

STAFF PRESENTATIONS

A. Budget Message

City Manager Keith Witcosky presented his budget message which highlighted the need for additional Central Services staffing (7 percent growth for Central Services versus 50 percent growth for all other departments), 20-year growth projections and the impacts on staffing numbers, and infrastructure needed to keep pace with growth.

Mr. Witcosky and Chief Financial Officer Jason Neff addressed questions from the Committee regarding the proposed need for financial staff, the number of staff in Central Services, wellness options for employees to avoid burnout, and Americans with Disabilities Act improvements.

COMMENTS FROM CITIZENS AT THE MEETING

There were no comments from the public.

PUBLIC HEARINGS – CITY OF REDMOND BUDGET

Chair Meagher opened the public hearing on the City of Redmond's Budget for Fiscal Year (FY) 2022/2023.

A. State Shared Revenue Hearing

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

B. General Operating Funds

Mr. Neff explained that the majority of funds discussed during the meeting will involve the General Fund which currently has a cash flow requirement and an operating contingency of \$3.7 million each.

i. Police

Mr. Neff stated the Police Department's operating budget is \$12.5 million, with 61 Full Time Equivalent (FTE) employees. Resources are 94 percent of budget (\$11.8 million) with additional revenue coming from the Redmond School District for School Resource Officers (\$237,000), court fines (\$125,000), and Airport law enforcement (\$161,000). Expenditures are anticipated to be \$12.9 million.

Police Chief Devin Lewis explained the department currently has 1.34 officers per 1,000 population with a long-term goal of 1.67 per 1,000 population. He explained that the department is recruiting lateral hires which reduces the training requirements from 9-12 month to approximately 12 weeks. Current call volume per officer is 750 per year with the long-term goal of 700 calls per officer. In FY 2022/2023, the Police department will purchase additional equipment, implement a wellness training program, continue with community outreach efforts, and use School Resource Officers for summer park bike patrols.

Captain Lewis spoke briefly on the proposed public safety facility. He described other notable budget items which include \$290,000 for 2 new officers approved in November 2021, \$263,000 for vehicles, \$59,000 for body and vehicle cameras, and \$37,000 for portable and vehicle radios.

Captain Lewis addressed questions regarding use of electric/hybrid vehicles, increase in SAIF costs, body cameras, damage to park restrooms, and signing bonuses.

ii. Parks and Facilities

Mr. Neff stated the operating budget for the Parks and Facilities Fund is \$4 million, with 20 FTE. Resources are 92 percent of budget (\$2.5 million) with additional revenue of \$110,000 coming from cemetery fees and plot sales, and \$2.5 million in Parks System Development Charges (SDC) for projects in the Capital Improvement Plan (CIP). Expenditures are estimated at \$11.1 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 60 acres short. PFC Operations & Maintenance Manager Dusty Hood described the other notable budgetary items which include \$195,000 for two (2) positions, \$397,000 for vehicle/equipment purchases, and \$125,000 for cemetery improvements. Staff responded to questions regarding vandalism in the parks, the LED streetlight replacement project, updates to the Parks Master Plan, funding for future acquisition of land, funding for Quartz Park, staff overtime, and any plans for future use of solar power.

iii. Community Development

Mr. Neff stated the Community Development Fund has an operating budget of \$4.8 million with 25 FTE. Resources from business licenses and building/planning permits are anticipated to decline by 10 percent from FY 2021/2022 trends. The Building sub-fund has an operating reserve of 20 months. The Current Planning sub-fund has a 16-month operating reserve which is slightly under the goal of 18-months.

Deputy City Manager John Roberts explained the five funds within the Community Development Department noting that many of the funds experienced growth during the pandemic. He provided statistics for single family dwelling permits, commercial permits, and business license revenue. Notable budget items include \$105,000 Master Developer for the Skyline Village Pilot Project, \$30,000 for business license software that will sync with the departments code enforcement software, and \$677,000 in Community Development Block Grant (CDBG) funds. Staff addressed questions on affordable housing, mixed housing, state surcharge, funding for a contracted planner.

iv. General Fund

Mr. Neff stated the \$19.2 million in resources for the General Fund comes from property taxes (\$12.6 million, 66 percent), franchise fees (\$4.2 million, 22 percent) State Shared Revenue (\$1.1 million, 6 percent), and lodging tax (net \$1.2 million, 6 percent). Property tax revenue is anticipated to increase by 6.5 percent. Mr. Neff noted that lodging tax revenue is estimated to be \$1.65 million with \$1.2 million (63 percent) going to the General Operating Fund, \$330,105 (18 percent) going towards tourism promotion (Convention Visitors Bureau), \$84,519 (4 percent) going towards tourism related facility, and \$271,240 (15 percent) going to reserves.

The General Fund will have approximately \$19.8 million in discretionary transfers to Police (\$11.8 million, 60 percent), Parks (\$2.5 million, 12 percent), Transportation Operations (\$2.5 million, 13 percent), Transportation Capital Projects (\$0.8 million, 4 percent), Golf Debt Service (\$0.3 million, 2 percent), CDD Operations (\$0.4 million, 2 percent), and CDD Long Range Planning (\$0.1 million, 0 percent), and Capital Projects (\$1.3, 7 percent). Staff addressed questions regarding use of any proceeds if the current Police Station is sold, amount of discretionary transfers, and lodging tax for Airbnb and VRBO.

Notable budget items include \$149,000 (plus \$11,000 from the Airport) for Redmond Economic Development, Inc., \$63,000 for Cascades East Transit, \$40,000 for the Safe Parking initiative.

Mr. Neff stated the operating budget for Central Services is \$4.1 million, with 23.5 FTE. Resources are received via the Airport (25 percent), General Operating Fund (21 percent), Water (16 percent), Wastewater (14 percent), Other (14 percent), CDD (Self-Sustaining, 3 percent), Stormwater (3 percent), and Urban Renewal (3 percent). Expenditures are anticipated to be \$4.5 million. Proposed staffing additions include a Deputy City Recorder, a Staff Accountant, an Accounting Specialist, a Budget/Finance Analyst, and a Legal Assistant.

Mr. Neff explained the operating budget for Information Technology (IT) is \$2.3 million, with 8.5 FTE. Resources are received via the General Operating Fund (43 percent), Airport (18 percent), Other (15 percent), CDD (Self-Sustaining, 9 percent), Wastewater (7 percent), Water (5 percent), Stormwater (2 percent), and Urban Renewal (1 percent). Expenditures are anticipated to be \$2.3 million. Communications Director Heather Cassaro described IT's notable budget items which are \$261,000 for two (2) technicians, \$310,000 for computer replacements, and \$185,000 in reserves for future replacement of computers, servers, etc. Ms. Cassaro explained that in FY 2022/23 IT plans to audit the City's cameras which currently involve several different systems. Additionally, many of the City's parks do not have power sources or internet to operate the cameras effectively.

C. Enterprise Funds

i. Airport

Airport Director Zachary Bass described the Airport Fund which has an operating budget of \$10.4 million with 31 FTE. Resources are received from parking (\$4.8 million, 31 percent), landing fees (\$2.1 million, 14 percent), Passenger Facility Charges (\$1.9 million, 12 percent), rental cars (\$1.6 million, 10 percent), US Forest Service

