



**Study Session**

**SS**

**Milwaukie City Council**

**COUNCIL STUDY SESSION**

Ledding Library, 10660 SE 21st Ave  
& Zoom Video Conference ([www.milwaukieoregon.gov](http://www.milwaukieoregon.gov))

**AGENDA**

JANUARY 10, 2023

**Council will hold this meeting in-person and through video conference.** The public may attend the meeting by coming to the library or by joining the Zoom webinar. The meeting will be recorded and broadcast later on the city's [YouTube channel](#).

**To participate in this meeting by phone** dial 1-253-215-8782 and enter Webinar ID 837 5111 0754 and Passcode: 107967. To raise hand by phone dial \*9.

**Written comments** may be submitted by email to [ocr@milwaukieoregon.gov](mailto:ocr@milwaukieoregon.gov). Council may take limited verbal comments. **For Zoom webinar login information** visit <https://www.milwaukieoregon.gov/citycouncil/city-council-study-session-137>.

**Note:** agenda item times are estimates and are subject to change.

**Page #**

- |   |          |
|---|----------|
| <b>1. City Finances Overview – Discussion</b> (5:15 p.m.)                   | <b>1</b> |
| Staff: Michael Osborne, Assistant Finance Director                          |          |
| <b>2. Capital Improvement Program (CIP) Update – Discussion</b> (6:15 p.m.) | <b>2</b> |
| Staff: Jennifer Garbely, Assistant City Engineer                            |          |
| <b>3. Adjourn</b> (7:15 p.m.)   |          |

**Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice**

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at [ocr@milwaukieoregon.gov](mailto:ocr@milwaukieoregon.gov) or phone at 503-786-7502. To request Spanish language translation services email [espanol@milwaukieoregon.gov](mailto:espanol@milwaukieoregon.gov) at least 48 hours before the meeting. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [city's YouTube channel](#) and Comcast Channel 30 in city limits.

**Servicios de Accesibilidad para Reuniones y Aviso de la Ley de Estadounidenses con Discapacidades (ADA)**

La ciudad se compromete a proporcionar igualdad de acceso para reuniones públicas. Para solicitar servicios de asistencia auditiva y de movilidad, favor de comunicarse a la Oficina del Registro de la Ciudad con un mínimo de 48 horas antes de la reunión por correo electrónico a [ocr@milwaukieoregon.gov](mailto:ocr@milwaukieoregon.gov) o llame al 503-786-7502. Para solicitar servicios de traducción al español, envíe un correo electrónico a [espanol@milwaukieoregon.gov](mailto:espanol@milwaukieoregon.gov) al menos 48 horas antes de la reunión. El personal hará todo lo posible para responder de manera oportuna y atender las solicitudes. La mayoría de las reuniones del Consejo de la Ciudad se transmiten en vivo en el [canal de YouTube de la ciudad](#) y el Canal 30 de Comcast dentro de los límites de la ciudad.

**Executive Sessions**

The City Council may meet in executive session pursuant to Oregon Revised Statute (ORS) 192.660(2); all discussions are confidential; news media representatives may attend but may not disclose any information discussed. Final decisions and actions may not be taken in executive sessions.

**COUNCIL STAFF REPORT**

**To:** Mayor and City Council  
Ann Ober, City Manager

**Reviewed:** Ann Ober, City Manager

**From:** Michael Osborne, Assistant Finance Director

**Subject:** **Introduction to City's Finances**

**Date Written:** Dec. 30, 2022

**ACTION REQUESTED**

This is an introductory review on the city's budget, and how the city financing works. We will briefly discuss the following topics and how they apply to the city: fund accounting and different fund types, basic accounting terms as applied to the city finances, budgetary reserves and why they are needed, and types of financial reporting.

Next, we will look at an overview of recent financial trends. Looking into the different types of city revenue: fees and charges, property taxes, intergovernmental distributions, and other miscellaneous types of the city's revenue sources. In addition to, the different type of expenses: personal services, materials and services, capital outlay, and payment of debt services.

**HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

This is a brief intro into the city's finances.

**ANALYSIS**

This is a chance to learn the city's financial processes and status in a brief overview and will then answer any questions.

**BUDGET IMPACT**

None

**WORKLOAD IMPACT**

None

**CLIMATE IMPACT**

None

**COORDINATION, CONCURRENCE, OR DISSENT**

None

**STAFF RECOMMENDATION**

In preparation you are invited to review pages 39 – 51 of the city's annual biennium budget.

**ATTACHMENTS**

1. [City's Annual FY 2023 – 2024 Biennium Budget](#)

# INTRODUCTION TO CITY FINANCE

City of Milwaukie



# WHAT IS THE PURPOSE OF CITY FINANCE?

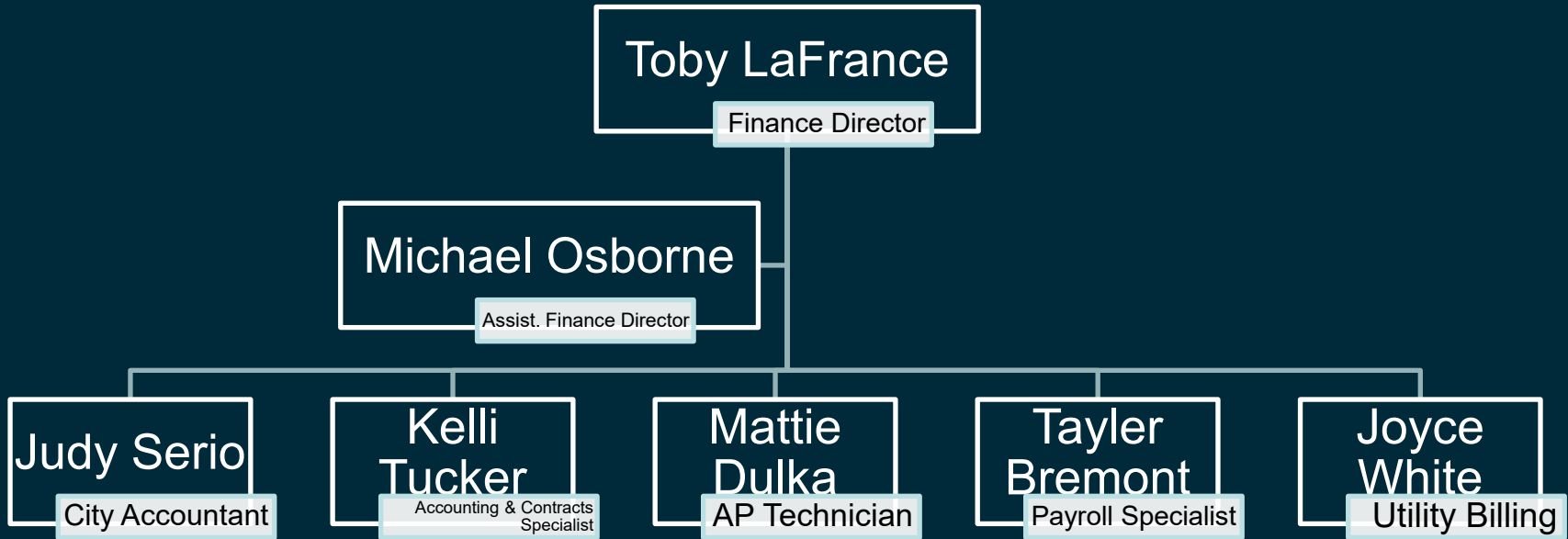
---

1. Accounting for how the city has spent valuable resources within professional guidelines
2. The adopted budget creates constraint of managing city resources
3. Budgeting process is planning how to use our limited resources to fulfill city's policy



# FINANCE ORGANIZATION CHART

---



# CITY FINANCIAL OVERVIEW (AS OF 6/30/22 UNAUDITED)

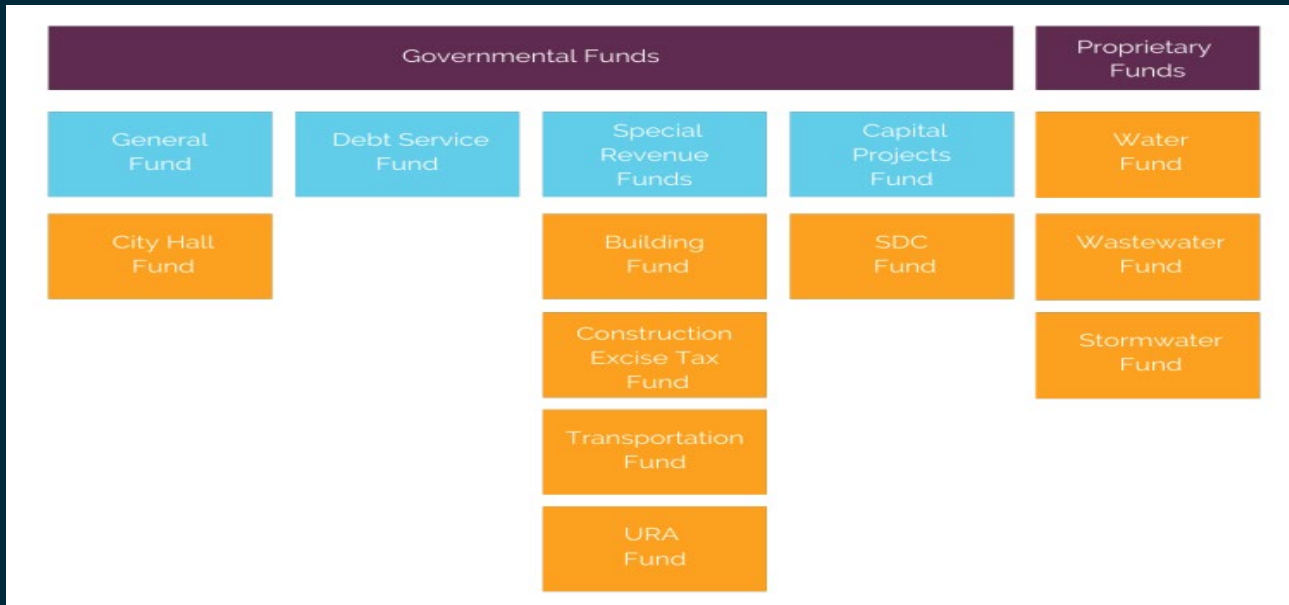
---

- City Fund Balance \$57.7 Million
- City Biennium Budget FY23-24 = \$152.9 million
- FY 2022 Revenue \$56.4 million
- City Banking:
  1. General operations checking account: \$1,325,106
  2. Oregon LGIP: \$44,251,210 (current interest rate 3.04%)
  3. Other Investments: \$14,871,588
- FTE Count: Staffed 140.45 vs Budget 146.75



# FUND ACCOUNTING

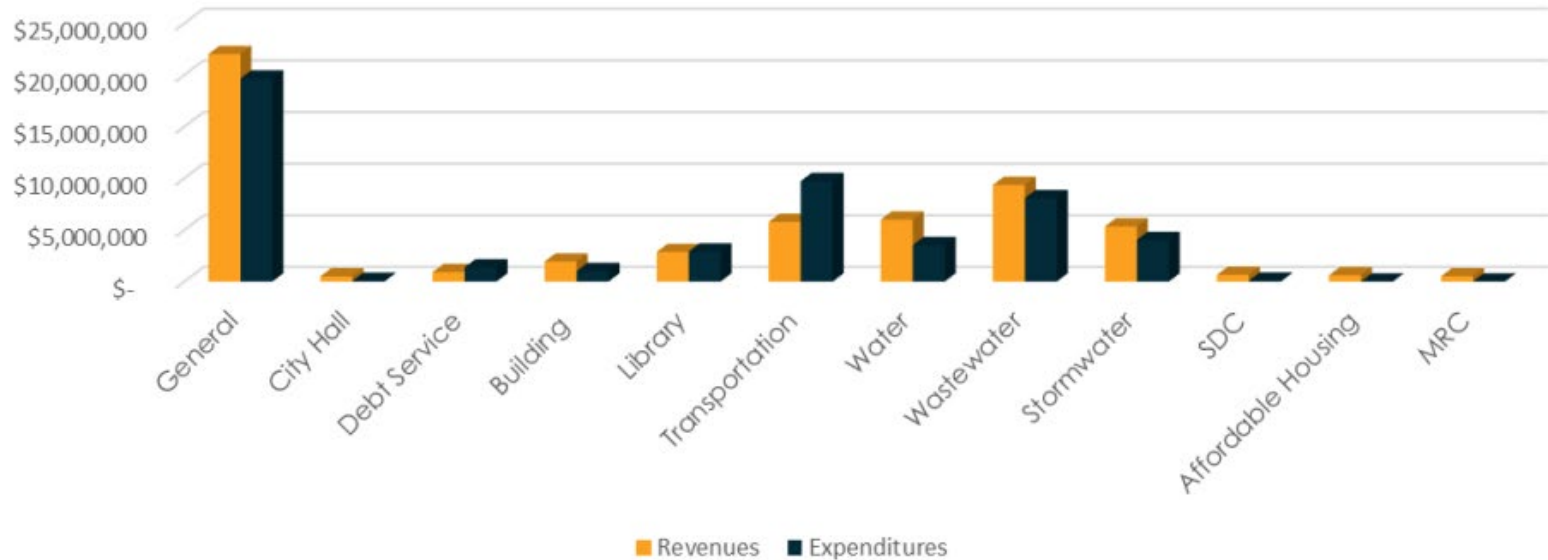
- Accounting to track the amount of money dedicated to various city operations.





# COMPARISON OF FUND ACCOUNTS

## Revenue & Expenditures - 4th Quarter



# CITY REVENUES

---

1. Fees & Charges (36%) – Utility fees, licenses, building permits
2. Property Taxes (15%) – City's primary discretionary revenue source
3. Intergovernmental (15%) – State revenues distributed to city. (I.e. Gas tax, liquor tax, vehicle registration, and grants)
4. Fund Transfers (12%) – City transfers money between funds to account for cost of specific services
5. Other Sources (8%) – Franchise fees, fines and forfeitures
6. Proceeds from debt (14%) – City budgeted \$21 million in debt proceeds



# REVENUE CALENDAR

---

- Monthly Revenues
  - Utility fees
  - Local & state gas tax
  - Vehicle registration fee
  - Liquor tax
- Quarterly Revenues
  - State revenue sharing
  - Franchise fees
- Semi-yearly Revenues
  - Property taxes (majority received in Nov/early Dec.)
- Yearly Revenues
  - Business Registration – received in Jan



# CITY EXPENSES

---

1. Personnel Services (33%) – Salaries + benefits for city staff
2. Capital Outlay (27%) – Cost of construction of buildings, structures, & facilities \$10K+.
3. Materials & Services (22%) – Noncapital supplies, dues, small tools
4. Transfers to Other Funds (12%) – Transfers for support service costs
5. Debt Service (6%) – Principal and interest cost on outstanding debt



# OUTSTANDING DEBT

- Summary of outstanding debt:

Purpose	Loan Type	Due	Interest Rate	Outstanding Amount	Annual Debt Service	
					FY 2023	FY 2024
Transportation Capital Projects	Full Faith and Credit Obligations (2018)	2048	3-5%	\$ 17,225,000	\$ 641,000	\$ 641,000
Library Capital Project	General Obligation Bonds (2016)	2036	2-4%	6,910,000	598,300	596,000
City Hall Purchase	Full Faith and Credit Obligations (2020)	2040	1-3%	6,135,000	434,062	431,000
Light-Rail Enhancements	General Obligation Bonds (2014)	2034	3-4%	2,545,000	260,175	263,375
PERS Unfunded Actuarial Liability	Liability Bonds (2005)	2028	4-5.5%	2,345,000	457,334	480,000
Department of Environmental Quality	Oregon Special Public Works Fund (2010)	2031	0%	868,120	100,208	99,708
Milwaukie Bay Park Enhancements	Full Faith and Credit Obligations (2014)	2029	3-4%	510,000	85,400	82,800
North Main Village Public Area Improvements	Oregon Public Works Loan (2006)	2031	3.12%	352,535	47,352	46,104
<i>Current Debt Issued</i>				<b>\$ 36,890,655</b>	<b>\$ 2,623,831</b>	<b>\$ 2,639,987</b>

- City anticipates issuing additional debt of \$23,540,100 to be paid over 20 years for transportation & urban renewal projects.



# BUDGET COMMITTEE

---

- Budget Committee
  - Reviews and approves the budget to Council for adoption
  - Consists of 5 members of City Council, 5 citizen members
- Meets quarterly to review city finances
  - Next meeting scheduled for February 13 @ 5:30 pm
- Next budget preparation for FY 25-26
  - Begin planning January 2024
  - Review with Budget Committee in April 2024
  - Adoption in June 2024
  - Goes into effect July 2024





Questions / Comments?

**COUNCIL STAFF REPORT**

**To:** Mayor and City Council  
Ann Ober, City Manager

**Reviewed:** Kelly Brooks, Assistant City Manager

**From:** Jennifer Garbely, Assistant City Engineer

**Subject:** **Capital Improvement Program Update**

**Date Written:** Dec. 29, 2023

**ACTION REQUESTED**

This presentation is for informational purposes. No action is requested at this time.

**HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

Update to the new council.

**ANALYSIS**

The goal of this presentation to council is to provide understanding how a capital improvement program (CIP) is created. Two of our large programs include Safe Access For Everyone (SAFE) and Street Surface Maintenance Program (SSMP). Over the last three years staff has worked to bundle projects that include SAFE, SSMP, and utilities like water, wastewater and stormwater to ensure we are only disrupting neighborhoods one time instead of multiple years in a row. Then we will provide an update on our current projects and goals.

**BUDGET IMPACTS**

The current CIP is budgeted in the 2023 and 2024 fiscal years.

**CLIMATE IMPACTS**

Each project staff looks for ways to reduce climate impacts and increase tree canopy throughout the city.

**WORKLOAD IMPACTS**

Currently not fully staffed and looking for an additional engineer to join our team. May send projects out of house to keep moving forward depending on budget impacts.

**COORDINATION, CONCURRENCE, OR DISSENT**

Engineering staff coordinated with public works, community development, finance, and the city manager's office on these projects through our capital projects chartering process to ensure interdepartmental coordination.

**STAFF RECOMMENDATION**

This report is informational only.

**ALTERNATIVES**

Not applicable.

**ATTACHMENTS**

None.





CITY OF MILWAUKIE

# CIP Project Updates

January 10, 2023

Jennifer Garbely  
Peter Passarelli  
Kelly Brooks



# How do we create a CIP?

---



PLAN DOCUMENTS



PRIORITIZATION AND  
COST ESTIMATING



RATES /FUNDING

# Planning Documents



- Bicycle & Pedestrian Accessibility Program 2016
- ADA Transition Plan 2018
- Climate Action Plan
- Comprehensive Plan
- Milwaukee Municipal Code
- Water Master Plan 2021
- Wastewater Master Plan 2021
- TSP in progress
- Stormwater Master Plan Next
- Others

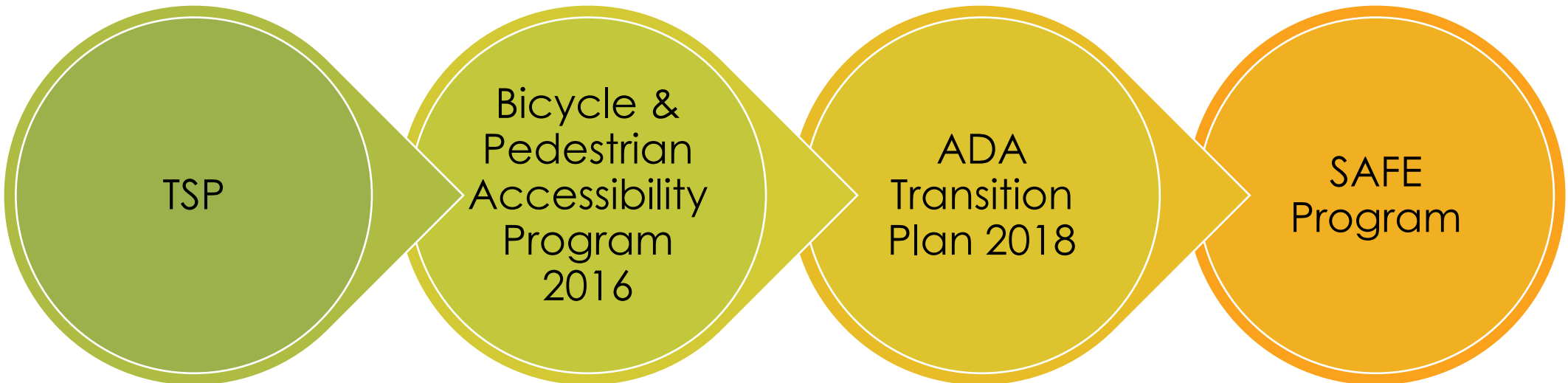
# SSMP PROGRAM GOALS

Major streets at 75% or above on Pavement Condition Index (PCI)

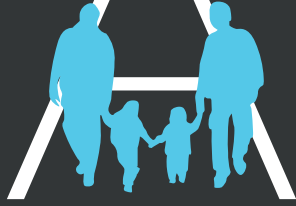
Deferred Maintenance – no concrete goal set but reconstruction of local streets should come after all preventative maintenance needs have been addressed and larger streets are brought up over 70% PCI

Prevent any street from deteriorating to the point of requiring reconstruction. Crack sealing and rehabilitation projects should be prioritized over reconstruction of already failed streets

Complete 10-year project streets



# SAFE



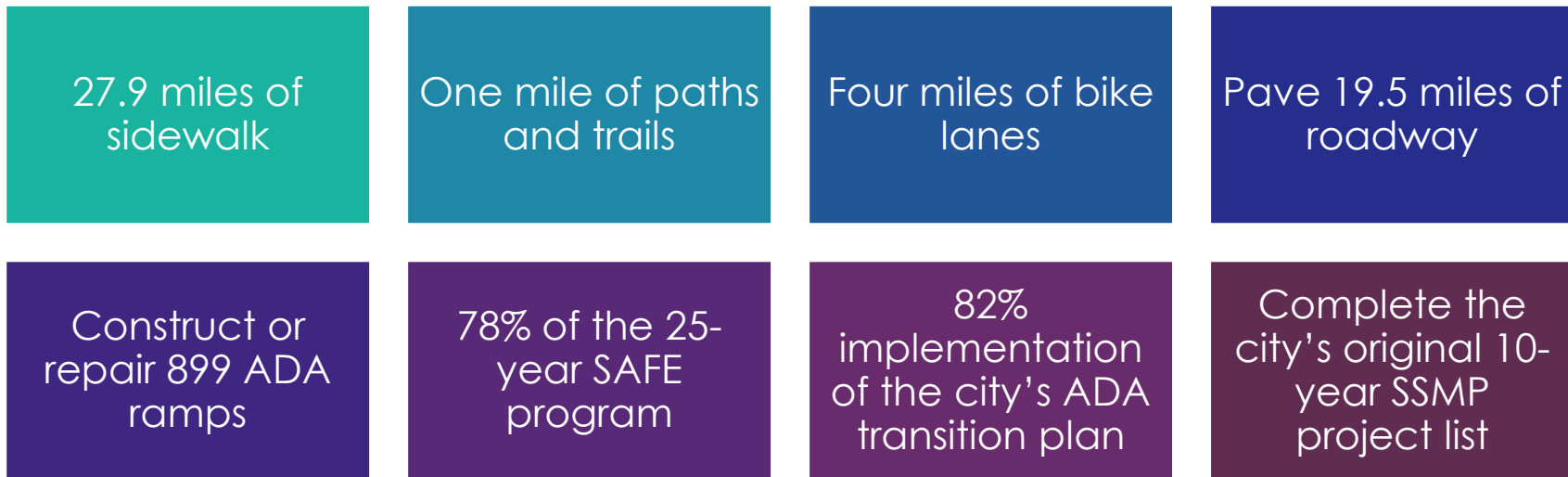
SAFE ACCESS FOR EVERYONE

## SAFE PROGRAM GOAL



Accomplish the priority 1 and 2 corridor improvements within the 20-year planning horizon.

# 9-year / Integrated Program Goals



# SSMP Condition

What are we going to do about it...

Remaining SSMP Program Streets are integrated within the SAFE program bundle projects over the next four years

Increased budget for slurry seal surface repair

Added new budget for residential asphalt repair

	ARTERIAL	COLLECTOR	NEIGHBORHOOD /LOCAL
PCI	69	56%	53
City Network	10%	30%	60%
Status from last year	Increase	Decreased	Decreased



# Prioritization and Cost Estimating

- SAFE Program Goals
- SSMP Program Goals
- Near-term Projects in Water, Wastewater, and Stormwater Master Plans
- Created Integrated/Bundled Projects
  - Update all infrastructure within project limits once
    - Cost efficiency
    - Community impact
  - Policy
    - After a street is paved it is under moratorium for 5 years

# Rates/Funding

## • Rate Setting

- Financial Projections & Targets
- Debt Coverage Ratio
- Minimum Cash Balance
- Target Operating Income
- Cost of Service Study

## • Grants

- ConnectOregon
- Safe Routes to School
- Regional Flexible Funds Allocation

## • System Development Charges

## • Urban Renewal

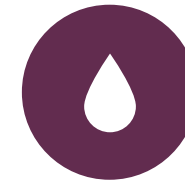
## • Bond/Loan



OPERATIONS AND  
MAINTENANCE



CAPITAL  
IMPROVEMENTS



COST OF SERVICE  
STUDIES



UTILITY MASTER PLANS



CCI INDEX SEATTLE 5  
YR AVERAGE



GROWTH AND  
CONSUMPTION



INVESTMENT INCOME

	<b>Target</b>	<b>Actuals</b>	<b>Percent Complete</b>
Sidewalk, miles	27.9	6.18	22%
Path, miles	1.0	2.34	234%
Paved, miles	19.5	6.96	35%
Bike lanes, miles	4.0	1.4	35%
Accessible Ramps	899	316	35%

## Integrated Program Goal Progress

77% are satisfied with how the city is providing safe places for people to walk and bike

A photograph of a street intersection with a crosswalk and a bicycle symbol on the road. The scene is dimly lit, suggesting dusk or dawn. A white vertical line is positioned to the right of the text.

# Upcoming Projects

# Meek North Phase

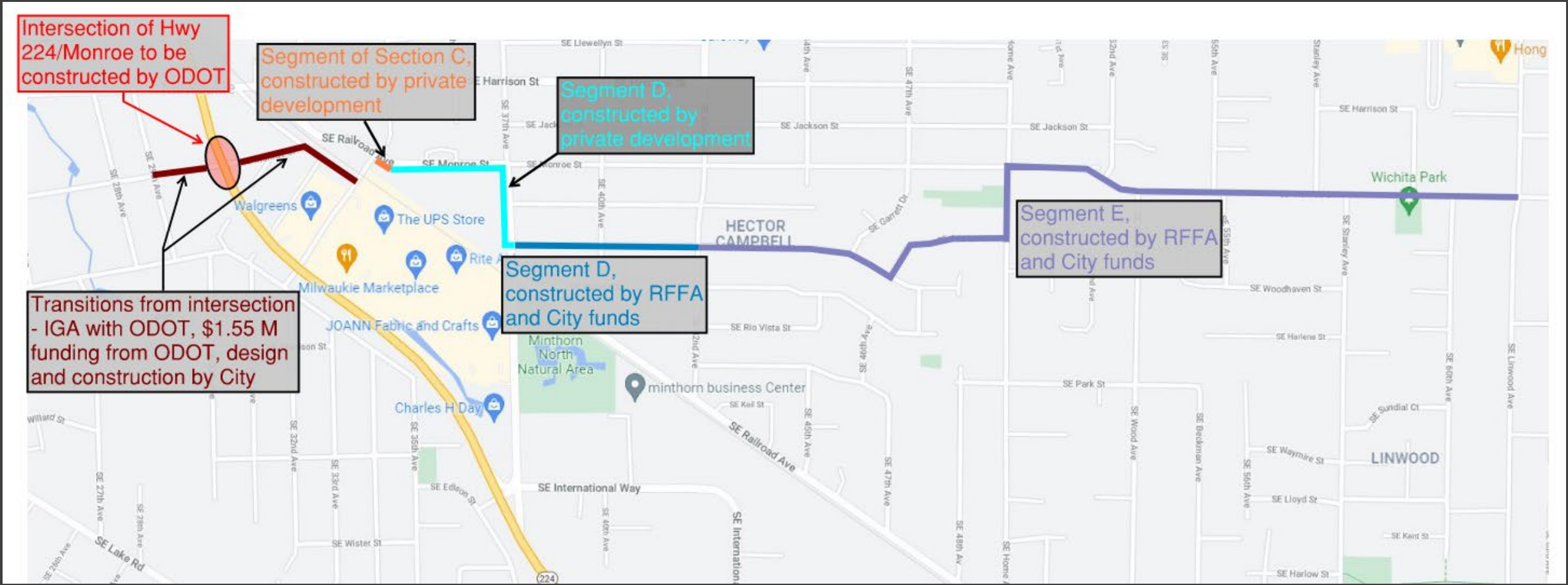
Received approval  
from the railroad  
for pipeline  
easement

Working on railroad  
agreement and land  
use

Closing date for  
property purchasing  
is June 2023

Construct in 2023





# Monroe Street Greenway

- ODOT and the City have entered into an IGA to design/construct Segments D & E; ODOT has submitted a request to obligate the project engineering funds through FHWA; once the funds are in hand, we will advertise for a request for proposals from engineering design firms.
- Guardian Real Estate has begun construction of portions of Segments C & D with the Monroe Apartments development.
- Working with ODOT for an IGA to transfer \$1.55 M in Safety Leverage funding to Milwaukie for the city to design and construct the transitions on Monroe and Campbell east and west of the Hwy 224 intersection.
- ODOT initiated design meetings in February 2022 for their project on reconstruction of the Hwy 224/Monroe intersection.
- On Oak Street and Monroe Street west of 29<sup>th</sup> we will need to identify/locate additional funding.

# Washington Area Improvements

- Outsourced Design
- Awarded to AKS
- Approaching 90% Plans





# Ardenwald North Improvements

- Approaching 90% design
- Shared roadway concept



# Water and Wastewater Projects

## SCADA –

- Repackaging/ Rebidding

## Well #2

- Closing out

## Stanley Reservoir

- Fall 2023

# Up Coming CIP Projects

## **Wastewater Improvements 2021**

- Out to bid this month

## **King Road Improvements**

- Outsourcing design (Winter RFQ)

## **Harvey**

- Outsourcing design (Winter RFQ)

## **Waverly Heights Sewer Improvements**

- Outsourcing design (Winter RFQ)

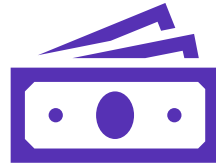
# Concerns



## **Bond funds**

Spent or obligated

Without bond #2 the program slows



## **Construction cost increases**



## **Staff Resources**



Questions