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City Council Work Session Minutes | **Monday, October 11, 2021**
Levy Polling | **5:30 p.m., Zoom Community Auditorium**

Minutes are unofficial until approved by Council.
Council approved minutes as presented on November 8, 2021.

1. **ROLL CALL:**
Mayor Truax called the work session to order at 5:30 p.m. via Zoom Webinar Video Conference.

The Council conducted the optional work session in a "hybrid" format allowing the public to attend virtually via **Zoom Webinar** and in-person in the Community Auditorium. Members of the public could observe the work session **LIVE** on **Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming.

ROLL CALL: COUNCIL PRESENT ATTENDED BY ZOOM WEBINAR: Kristy Kottkey; Timothy Rippe; Mariana Valenzuela; Malynda Wenzl, Council President; and Mayor Peter Truax. **COUNCIL ABSENT:** Donna Gustafson and Elena Uhing.

STAFF PRESENT ATTENDED BY ZOOM WEBINAR: Jesse VanderZanden, City Manager; and Paul Downey, Assistant City Manager/Finance Director, Acting City Recorder. **STAFF ABSENT:** Anna Ruggles, City Recorder, excused.

2. **WORK SESSION: LEVY POLLING**
Downey and VanderZanden facilitated the work session and presented a PowerPoint presentation, noting the purpose of the work session was to address Council Objective 4.2, to conduct a needs assessment for the upcoming levy renewal. Downey gave an overview of the Council work sessions held on March 15 (Levy 101) and September 13, 2021 (Levy Needs Assessment), noting there was Council consensus to:
    - Consider to replace versus renew levy, and
    - Consider polling likely voters.

Downey reported the purpose of this work session was to continue discussions on other revenue alternatives, outreach efforts, and to determine whether to conduct a poll and, if so, what rate and services. The current levy at $1.60 expires June 30, 2023. Election cycles prior to expiration (balloting at least two election cycles prior to expiration) include:
    - May 17, 2022 Primary
    - November 8, 2022 General Election
    - May, 2023

Tentative work sessions assuming May 17, 2022 ballot:
    - Nov-Dec – Review poll results
    - Dec-Jan – Consensus on timing, rate, message
    - Feb-March – Approve and file ballot measure

Downey recapped background information pertaining to the levy history (November 2002 ($0.99) to November 2017 ($1.60)); and General Fund Staffing Levels by Department, explanation of staffing changes, and Police, Fire, Parks and Recreation and Library staffing metrics and projected staff through 2028. In addition, Downey summarized findings, noting industry metrics show Fire and Police are and will increasingly become deficit staffed over the levy period unless staff is added. If additional parks space or amenities are added over the levy period, services will decline. The Library is seeking to stabilize programming funding through the General Fund instead of donations. Downey presented the following Potential Revenue Reviewed for planning purposes only:

- Public Safety Utility Bill Fee
  - A fee for public safety can be charged on the utility bill. If the fee was similar to the CIP Excise Tax fee, it would bring in about $125,000 annually for each dollar charged per electric meter.
- Right-of-Way (ROW) Utility Bill Fee
  - The fee can be charged in lieu of doing a franchise fee. For example, if a 5% ROW fee was charged, the City could collect about $170,000 annually from Clean Water Services for a Sewer ROW fee. This would increase monthly sewer charges by about $2 per month for a single-family residence as CWS would raise its rates to cover the fee.
- Urban Renewal Agency (URA)

Once the URA debt to the City is repaid, it would bring in about $170,000 per year. Revenue would increase as growth continues within the URA boundaries.

- Payment in Lieu of Taxes (PILT)
  - The City could try to negotiate PILT from non-profits who would have to agree to pay it. The concept is non-profits should pay for the services they receive similar to for-profit tax-paying businesses. Some cities have negotiated these payments with tax-exempt universities within their City. Estimate of revenue is unknown as the non-profits have to agree to make the payment.
- Property Tax Exemption Programs
  - Not having these exemption programs (e.g. non-profit low income housing and vertical housing tax credit) would increase property taxes by about $57,000 per year.
- Enterprise Zone (EZ) Tax Exemption
  - Revenue estimates are speculative for not allowing future EZ tax exemptions. There are current EZ tax exemptions, but the expiration of current EZ tax exemptions are already included in future property tax revenue projections so any estimate would be based on new, unknown, applications.

*Assuming May 17, 2022 Primary:

- Council approval: Feb 14
- General outreach Feb – Mar 21
- First and last day to file: Feb 17 – Mar 17
- County assigns Measure #: Mar 17
- Specific outreach Mar 21– May 17

*Above dates are based on past official dates. In conclusion of the above-noted presentation, Downey summarized some commonalities in outreach efforts; telephone polling concerns and timelines; needs assessment; and planning scenarios as outlined in the staff report.

Discussion:
Mayor Truax opened the floor as roundtable discussion ensued pertaining to whether to pursue other potential funding sources and whether to poll and, if so, what rate and message, to which Downey noted telephone polling, i.e., 300 likely voters by telephone, would be very difficult and expensive due to cell phone use only. Downey and VanderZanden responded to various concerns, inquiries and scenarios Council presented pertaining to funding sources and polling, noting staff is recommending Council consideration polling two rates:

- Renewal at $1.60
- Replacement at $1.95

Mayor Truax pointed out the original levy amount of $0.99 has not doubled since implementation in 2002, noting the City has been judicious. Wenzl reported the Committee for Community Involvement would be interested in holding its April Quarterly Town Meeting on the levy discussion. In conclusion of the above-noted roundtable discussion, there was Council consensus to:

- Conduct polling and poll up to a $1.95 levy rate.
- Do not study any further the following potential revenue sources: Enterprise Zone (EZ) Tax Exemption, Non-profit Tax Exemption and Urban Renewal Agency.
- Continue studying the following potential revenue sources: Right-of-Way (ROW) Utility Bill Fee; Public Safety Utility Bill Fee and Payment in Lieu of Taxes (PILT), and
- Continue studying potential partnerships, i.e., City of Cornelius and Forest Grove School District for recreational coordination.

The Council also discussed potential election dates to place the measure on the ballot; however, Council was undecided whether to consider May 17, 2022 Primary or November 8, 2022 General Election. If not May, the timeline bumps back six months, which would allow additional time to conduct aggressive outreach.

No formal action nor formal decisions were made during the work session.

3. ADJOURNMENT:
Mayor Truax adjourned the work session at 6:24 p.m.

Respectfully submitted,

Anna D. Ruggles

Anna D. Ruggles, CMC, City Recorder