



BUDGET COMMITTEE MEETING #3 (READJOURNMENT)

Thursday, May 29, 2025, at 6:30 PM

MINUTES-APPROVED

Members Present

Mayor Jennifer Massey

Council President Jessica Chilton

Councilor Mark Gundersen

Councilor Brandon Sundeen

Councilor Russell Hubbard

Chair Lew Mason

Vice Chair Steve Toschi

Committee Member Jennifer Gilbert

Committee Member Ivan Salas

Members Absent:

None

Staff Present:

Gloria Butsch, Finance Director - Budget Officer

John Walsh, City Administrator

Jamie Edwards, Accountant III- Budget Comm. Sec.

Jennifer Johnson, Accountant III

Ashley Wigod, City Attorney

Others:

Tammy Maygra

Brady Preheim

Tina Curry

R Toschi

Jan Zucharini

Pat Rubino

Catherine Ross

W Powell

Call To Order - 6:30 PM

Chair Lew Mason called the Budget Committee Meeting #3 Readjournment to order.

Committee Member Jennifer Gilbert inquired about a missing Budget Committee member. The Chair explained that the member had disqualified themselves by moving out of the area, and there was no requirement to replace them. Finance Director Butsch confirmed that the Committee still had a quorum.

Mayor Jennifer Massey declared an actual conflict of interest due to her husband being a St. Helens police officer. She clarified that if she spoke about departments, she would be referring to all departments excluding the St. Helens Police Department.

Attorney Ashley Wigod clarified it is a potential conflict of interest. Vice Chair Toschi cited Resolution 1509 (the City's ethics rule) and suggested the mayor should recuse herself from the meeting due to her declared actual conflict. Mayor Massey agreed to abstain from both discussion and voting for this meeting.

Approval Of Minutes

1. May 15, 2025, Budget Committee Minutes

Motion: Motion made by Councilor Sundeen to approve the Budget Committee Minutes from 5/15/2025, seconded by Council President Chilton.

Voting Yea: Mayor Massey, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen, Vice Chair Mason, Committee Member Gilbert, Committee Member Salas, Committee Member Toschi

Public Comment (3 Minutes Each)**Written Public Comments**

- Public comments were made and provided to the Committee in advance of the meeting.

Chair Mason read the guidelines for public comment, noting the 3-minute limit per person and expectations regarding appropriate comments and behavior.

- Catherine Ross expressed concern about the proposed water bill increases. She stated her water bill was already \$85 a month despite being conservative with usage and objected to potentially adding \$42 per month to bills. Ross argued that water is a necessity and that tying additional fees to water bills holds access to City water "hostage." She also questioned why the City was suddenly in a position of either adding large fees to water bills or considering furloughing employees.
- Janice Zuccarini echoed Ross's concerns, particularly for senior citizens on fixed incomes. She asked where residents would find the money to cover increased costs during a time when all expenses are rising. She worried that the increases would affect renters as well, potentially leading to increased homelessness, which would then require more police resources.
- Brady Preheim claimed that the prior tourism operator generated more revenue than reported and the current tourism operator generated less revenue than reported. Preheim predicted that citizens were angry enough about fees on water bills that there would likely be an initiative to stop the practice
- Pat Rubino expressed concerns about the City's infrastructure keeping pace with housing development. She suggested that developers should contribute more to offset infrastructure costs since they are "coming in by the groves."
- Tammy Maygra criticized the Council for not addressing the budget issues sooner. She suggested that councilors should give up their stipends rather than implementing furloughs or adding fees to residents' water bills. Maygra said that many residents are trying to live on \$600-700 per month, and a \$50 increase would significantly impact them.

Staff Revisions & Opportunity Discussion

3. PROPOSED BUDGET OPTIONS FY2025-2026

Finance Director Gloria Butsch presented the revised budget options. Following the last meeting, department staff made additional reductions, resulting in options 4 and 5. Option 4 would provide a 7% fund balance (corrected from 6% shown in the documents), while Option 5 would result in an 11% fund balance with a minimal fee. All options included departmental reductions from the original proposed budget (Option 1).

Butsch noted that:

- City Council stipends had been reduced by 50% in the revised options.

- \$200,000 had been added to event revenue to increase the General Fund transfer as requested by a Committee member, though there wasn't a Committee vote on this.
- Options 3, 4, and 5 assumed zero Cost of Living Adjustments (COLAs), though Butsch cautioned that union contracts were still in negotiation, and this wasn't guaranteed.

Vice Chair Toschi asked about the industrial business park pass-through loan of approximately \$14 million. City Administrator Walsh clarified this was not just a pass-through loan but also financing for the debt for the Urban Renewal Agency, explaining that agreements would ensure the City was protected.

Council President Chilton suggested cutting the community grants budget (\$5,000) entirely given the budget constraints. Vice Chair Toschi spoke in support of maintaining councilor stipends, noting the significant time and energy councilors devote to the City.

The Committee questioned Police Chief Hogue about the impact of the proposed 10% budget reduction. Chief Hogue stated that police services to citizens could be sustained with the budget, though training and equipment would be affected. He confirmed that 24-hour coverage would continue with current staffing levels but noted this depended on maintaining current officer staffing. He explained that six officer positions were currently vacant, with two candidates in the background check process.

Committee Member Gilbert asked about school resource officers. Chief Hogue explained that filling all six vacant positions would be necessary before considering placing officers back in schools, and even then, financial help from the school district would be required.

Vice Chair Toschi raised concerns about cuts to sewage treatment costs. Finance Director Butsch confirmed that each department had made their own cuts and assured the Committee that department heads had verified they could work with the reduced budgets.

The Committee discussed revenue generation options, including:

- Gas tax
- Business license fees for rentals (estimated at \$145,000 additional revenue)
- Lodging tax review for VRBOs (currently 10%)
- Parking garage possibilities
- Event ticket impact fees (estimated at \$127,000)

There was extensive discussion about the proposed service fee on utility bills. Vice Chair Toschi advocated for exploring all revenue options while Committee Member Gilbert expressed frustration that the fee should have been implemented the previous year when she had proposed it. She suggested putting any fee to a vote of the people.

Finance Director Butsch explained that the 7% reserve in Option 4 was concerning because it could lead to a supplemental budget being required if any unexpected expenses arose. She noted that Option 1 (with a \$42 monthly fee) was designed to address the structural deficit, while the lower fee options would likely require increases in future years.

APPROVAL OF THE PROPOSED BUDGET

After extensive discussion, The Committee reached a decision on the budget:

Motion: Motion made by Vice Chair Toschi to approve the proposed budget as revised with Option 4 for Fiscal Year 2025/2026 and the appropriations as shown for Option 4, with the amendment that \$135,840 would be the Council budget, seconded by Committee Member Gilbert.

Voting Yea: Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen, Chair Mason, Vice Chair Toschi, Committee Member Gilbert, Committee Member Salas

Voting Abstaining: Mayor Massey.

Following this, the Committee decided to recommend that the Council consider a public vote on implementing a service fee:

Motion: Motion made by Vice Chair Steve Toschi to recommend the Council put a general service fee of \$15-\$25 to the Community via vote, seconded by Committee Member Gilbert.

Voting Yea: Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen, Chair Mason, Committee Member Gilbert, Committee Member Salas, Vice Chair Toschi

Voting Abstaining: Mayor Massey

The Committee then approved the tax levy:

Motion: Motion made by Councilor Brandon Sundeen to approve the levy of the City's full tax rate of \$1.9078 per \$1,000 of assessed value for tax year 2025/2026 and approve receipt of State Shared Revenue, seconded by Vice Chair Toschi.

Voting Yea: Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen, Chair Mason, Committee Member Gilbert, Committee Member Salas, Vice Chair Toschi

Voting Abstaining: Mayor Massey

Mayor Massey thanked staff Jamie Edwards, Jennifer Johnson, and Gloria Butsch for their work on the budget process. Vice Chair Toschi also expressed appreciation for the staff's work, particularly in preparing the five options which were helpful for the Committee's decision-making. The Chair thanked the staff and adjourned the meeting.

ADJOURNMENT at 8:29 p.m.

Respectfully submitted by Jamie Edwards, Accountant III, with assisted transcription by ClerkMinutes.