



BUDGET COMMITTEE MEETING

Thursday, May 04, 2023, at 5:00 PM

MINUTES

Members Present: Rick Scholl, Mayor
Jessica Chilton, Council President
Councilor Patrick Birkle
Councilor Mark Gundersen
Councilor Brandon Sundeen
Vice Chair Claire Catt
Chair Lew Mason
Committee Member Michele Damis
Committee Member Brady Preheim
Committee Member Eddie Dunton

Members Absent: None

Staff Present: Gloria Butsch, Finance Director
John Walsh, City Administrator - Budget Officer
Jacob Graichen, City Planner
Brian Greenway, Police Chief
Jamie Edwards, Accountant II- Budget Committee Secretary
Jennifer Johnson, Accountant III
Brenda Herren-Kenaga, Librarian
Adam Hartless, Patrol Officer-in attendance as a Citizen

5:01 P.M. CALL TO ORDER - *Continued from April 13, 2023*

Review and Approval of April 13, 2023, Minutes

1. Budget Committee Minutes 4/13/23

Motion made by Vice Chair Catt. Seconded by Mayor Scholl, to approve the April 13, 2023, minutes. Voting Yea: Council President Chilton, Councilor Birkle, Councilor Sundeen, Vice Chair Mason, Committee Member Preheim, Committee Member Dunton

Review Submitted Questions and Staff Responses

Finance Director Gloria Butsch read and reviewed the attached questions from the Committee and responses from Department heads to the fiscal year 2024 proposed budget.

Additional questions/comments:

* Committee Member Brady Preheim asked to clarify the grant from the school district was not finalized yet. Butsch confirmed.

- * Councilor Patrick Birkle asked who the people are, that are funded by the GFSS (General Fund Support Services). Butsch advised of staff positions covered in the General Fund.
- * Vice Chair Claire Catt asked to clarify that the reason there is not GFSS for other departments like Recreation is because Recreation is already in the General Fund and Tourism is contracted out. Butsch confirmed that was correct and spoke on the how the different funds work and support each other.
- * Catt asked to have Library staff speak on the impacts of the library position if it is not to be filled.
- * Brenda Herren-Kenaga, Librarian, shared the impacts to the patrons at the library from not having the Makerspace open.
- * Councilor Brandon Sundeen asked to confirm the library has volunteers for the Makerspace. Herren-Kenaga confirmed they did but did not know how many they currently have or the details on their availability.
- * Patrol Officer, Adam Hartless spoke on behalf of himself as a citizen, stating he was surprised to learn police positions may not be filled as current officers retire. Further stating, the officers are already short-staffed, working 40-60 hours a week in overtime. Hartless is concerned their city will not have sufficient and quality coverage if the positions are not filled.
- * Council President Jessica Chilton was made aware that the two positions, the Council approved to fill last year had not been filled, at last night's Council meeting.
- * Police Chief Brian Greenway reported the city needs 14 officers to maintain 24-hour coverage, there are currently 10 officers. \$300,000 in overtime, there are four eligible for retirement, three have confirmed they will retire next year, when this happens, they will not be able to maintain 24-hour coverage. It takes at least a year before a hired new officer is ready to patrol.
- * City Administrator John Walsh reported, today, they met with the architect to have a cost cut back from the original budget.
- * Committee Member Eddie Dunton asked where the utility fee of \$3, proposed to be \$10 would go, Butsch reported it goes to the payment of the debt services for the public safety building.
- * Birkle asked what is the % of the gross proceeds the city receives from Tourism. Preheim state it was 10, Birkle stated in the contract agreement it wasn't seen. Walsh stated it was not defined as 10%.
- * Birkle asked if they were able to find out how much Halloweentown cost across the departments and staff time. Butsch stated that going forward they could ask departments to track that.
- * Preheim asked if there were issues in the fund balance going below the reserves, as far as its effect on the credit rating. Butsch, said it could and would affect future rates towards future debts.

Special Revenue Funds

Special Revenue Funds were discussed in detail during the question and staff responses, no further discussion.

Enterprise Funds

Enterprise Funds were discussed during the question and staff responses, no further discussion.

Break-6:45 p.m.

Opportunity Discussion

Mayor Scholl said the city needs to think about sidewalks, doesn't think gas tax will generate enough revenue and doesn't feel comfortable with that and is going to be conservative going forward.

Dunton has been volunteering with Halloweentown for several years and thinks Tina has done a spectacular job with bringing in people when parking cars has seen online ticket sales and total sales for parking with an average \$125-\$150 for a car full. Dunton advised when giving people option to pay online pay \$18 vs \$20 they just said to just take the \$20 in cash for parking. Dunton shared witnessing the need and use of Police at these events four hours. Dunton is suggesting adding a fee or percentage for public safety to Halloweentown tickets -safety surcharge. Preheim doesn't believe that is within the realm of options based on the current contract. Scholl doesn't think that's a bad idea, and asked why the city can't do a tax. Birkle thinks the idea is something to look at in future contracts. Scholl agreed and further suggested that any event that comes into the city, there be a charge or tax for Community Safety.

Mason mentioned the Gas Fee would impact all people getting gas but not just citizens. Scholl stated it would need to go out to vote. Catt asked if there was a calculator that could estimate the potential revenue, Scappoose is successful because of the Fred Meyer fuel station.

Damis asked if it is possible to do a fundraiser for public safety, to gauge how interested people would be. Something that people could donate to as they came in for Halloweentown or 13 nights for public safety.

Catt asked what the boundaries are around imposing the fee on the utility bills like the current public safety fee. Preheim doesn't think it is legal to add fees to the water and sewer bill, Portland had added a fee for a public bathroom, was sued and decided to settle. Preheim's concern it would not prevail if taken to court over the fee added to the utility bill.

Preheim is concerned about the 15% projected reserve balance followed by the decline and wants to know what can be done now to fix this. Preheim would be okay with temporarily going to a 15% reserve if there was a clear plan to change that going forward. Gunderson stated ideally the city would like 30% reserve, Walsh confirmed, further stating with ARPA funding the City was able to increase services, now the funding is ending. Scholl said they are working diligently on bringing in new industries. Chilton added they are investing in the waterfront and industrial areas with the point of return on investment that those projects could provide in the future. Chilton said they need to look at current assets and options to liquidate to cut some of these deficits.

Scholl stated they have two competitors for the Armstrong property, and someone interested in our property. Preheim asked if there were projections on the potential revenue they would bring. Walsh stated when Armstrong left that was about a million-dollar loss to the city in revenue, Scholl estimates at least half could come in from a new investor.

Sundeen shared he is confident that the staff and volunteers will be able to fill in the makerspace and that our police do not have that ability. The police are a necessity and deserve better. Thinks there are ways to get creative and cut costs and save money in a lot of ways.

Public Comment

Chair Mason opened public comment.

Jennifer Massey commented that it appears that law enforcement is important that our elected officials need to put St. Helens first, and that new members may have created a fatal flaw for the future of the St. Helens specific to levy's by agreeing to the County Levy. In 2012, Portland State University did a staffing study that stated St. Helens needed 27 officers and we have 20. St. Helens needs more officers.

Lynne Pettit commented as the President of the Friends of the St. Helens Library and shared a private citizen donated \$20,000 through the Friends of the St. Helens Library to start up the Makerspace and thinks it would be a mistake to let that go by not providing a technician for that space.

Butsch read an email from a citizen with interest in retaining funding to the Makerspace position.

Open & Close Public Hearing for State Shared Revenue

Mason shared the State shares funds and opened the public hearing on Shared State Revenue.

No comments on State Shared Revenue.

Chair Mason Closed Public Hearing.

Approval of the Proposed Budget 2023/2024**Discussion:**

Mayor Scholl said they are looking at a hiring freeze for a Makerspace Technician and one officer position out of three open officer positions.

Scholl asked for discussion and recommendation or motion from the Budget Committee to Council to increase the public safety fee and look at adding a public safety fee to Tourism or any events that impacts the City such as ticket sales at the next contract. Dunton asked if the fee would go towards new officers specifically. Scholl said it would need to be looked at, but the fee in general would be the recommendation to be added.

Motion made by Scholl to implement public safety fee to \$10 from \$3 to supplement potentially an officer for a little bit and pay the service debt.

Butsch stated a sample motion would be to make motion to approve proposed budget for FY 2023/2024 and appropriations as shown on FY 2023/2024 Proposed Budget Expenditures Summary by Fund in addition to increase the public safety fee to \$10.

Amended Motion made by Mayor Scholl and seconded by Gunderson to approve proposed budget for FY 2023/2024 and appropriations as shown on FY 2023/2024 Proposed Budget Expenditures Summary by Fund; and to approve levy of the city's full tax rate of \$1.9078 per \$1,000 of assessed value for tax year 2023/2024.

Discussion

Chilton, asked for clarification on what the \$10 fee will go towards. Scholl stated his understanding was it could potentially cover one officer this year, maybe half an officer next year. Butsch said it would also cover 100 % of the debt services.

Catt stated was not currently comfortable approving the budget tonight, as there has been a lot of discussion around ways to increase revenue but not around reducing expenses. Walsh stated the department heads shared at the last meeting what they have done to reduce expenses. Butsch stated they have reduced expenses as much as possible without layoffs.

Preheim asked on the process for going out for General Obligation Bond. Butsch advised a new GO Bond would refund the existing bonds sold first then property taxes would pay for the debt service. Scholl stated and not EDUs like the fee on the water bill. It would be cheaper on the water bill versus based on the property taxes of the owners. Discussion on alternative options to accept donations for other positions or departments.

Restated Motion made by Scholl and seconded by Gunderson to approve proposed budget for FY 2023/2024 and appropriations as shown on FY 2023/2024 Proposed Budget Expenditures Summary by Fund; and to approve levy of the city's full tax rate of \$1.9078 per \$1,000 of assessed value for tax year 2023/2024.

Voting Yea: Mayor Scholl, Council President Chilton, Councilor Birkle, Councilor Gundersen, Councilor Sundeen, Vice Chair Mason, Committee Member Dunton

Voting Nay: Chair Catt, Committee Member Preheim

Motion made by Scholl and seconded by Catt to accept State Shared Revenue.

Voting Yea: Mayor Scholl, Council President Chilton, Councilor Birkle, Councilor Gundersen, Councilor Sundeen, Chair Catt, Vice Chair Mason, Committee Member Preheim, Committee Member Dunton

Motion made by Scholl and seconded by Dunton to recommend the council explore options to add a fee on tourism and other events for public safety.

Voting Yea: Mayor Scholl, Council President Chilton, Councilor Birkle, Councilor Gundersen, Councilor Sundeen, Chair Catt, Vice Chair Mason, Committee Member Dunton

Voting Nay: Committee Member Preheim

Motion made by Preheim and seconded by Birkle that Council look at GO Bond for the public safety facility.

Voting Yea: Mayor Scholl, Councilor Birkle, Councilor Gundersen, Councilor Sundeen, Chair Catt, Vice Chair Mason, Committee Member Preheim, Committee Member Dunton

Voting Nay: Council President Chilton

Motion made by Preheim and seconded by Mason that Council look at a Gas Tax.

Voting Yea: Mayor Scholl, Councilor Birkle, Councilor Gundersen, Councilor Sundeen, Chair Catt, Vice Chair Mason, Committee Member Preheim, Committee Member Dunton, Council President Chilton

ADJOURNMENT – 8:24 p.m.
