



## **BUDGET COMMITTEE**

Thursday, April 13, 2023, at 5:00 PM

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### **MINUTES**

**Members Present:**

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

**Members Absent:**

None

**Staff Present:**

Gloria Butsch, Finance Director  
John Walsh, City Administrator - Budget Officer  
Jon Ellis, Financial Consultant  
Mouhamad Zaher, Public Works Director  
Jacob Graichen, City Planner  
Mike De Roia, Building Official  
Brian Greenway, Police Chief  
Suzanne Bishop, Library Director  
Jamie Edwards, Accountant II- Budget Committee Secretary  
Jennifer Johnson, Accountant III

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**Call to Order**

Budget Committee Meeting was called to order at 5:04 PM

**Introductions and Budget Committee Roles**

Finance Director Gloria Butsch introduced herself as the new Finance Director for the City of St. Helens. Introductions of Committee members and staff were made.

**New Chair and Vice-Chair Nominations**

Previous Committee Vice Chair Lew Mason nominated outgoing Committee Chair, Claire Catt as Chair; Catt declined. Councilor Patrick Birkle nominated Committee Member Michelle Damis as Chair, Damis declined. Birkle Nominated Mason as Chair, Mason accepted.

Birkle nominated Catt as Vice Chair; she accepted.

Motion made by Councilor Birkle, Seconded by Council President Chilton to approve Lew Mason as Committee Chair and Claire Catt as Committee Vice Chair.

Voting Yea: Council President Chilton, Councilor Sundeen, Chair Catt, Vice Chair Mason, Committee Member Damis, Committee Member Preheim, Committee Member Dunton

### Approval of Previous Meetings Minutes

1. July 13, 2022, Minutes

Motion made by Committee Member Damis and Seconded by Councilor Birkle, to approve the July 13, 2022, Minutes.

Voting Yea: Council President Chilton, Councilor Sundeen, Vice Chair Catt, Chair Mason, Committee Member Damis, Committee Member Dunton

Voting Abstaining: Committee Member Preheim

### Receive Budget Message and Proposed Budget

Finance Director Gloria Butsch read the included budget message for the City of St Helens for the 2023/2024 fiscal year.

### Documentation Orientation and Fund Structure

Butsch shared a presentation explaining the purpose and role of the budget committee along with documentation orientation and fund structure.

Butsch presented the Balanced Budget Assumptions, General Fund forecast.



## Balanced Budget Assumptions

What IS included in the 23/24 Proposed Budget?

- 3 vacant positions unfilled
- Utility rate increase assumptions
- 6% COLA for police association; 5% COLA increase for ASCME & non-personnel

What Assumptions are used in the 23/24 Proposed Budget?

#### General Fund

- Forecasted years assume 9% Personnel overall increases for Wages, Insurance & PERS
- Forecasted years assume 3% Materials & Services increases

#### Enterprise Funds

- Forecasted years assume 9% Personnel overall increases for Wages, Insurance & PERS
- Forecasted years assume 3% Materials & Services increases
- Utility rate increases for water/sewer/storm over the next 4 years
- Additional debt service required for capital projects

## Budget Assumptions and Capital Improvement Projects



## Balanced Budget Assumptions

Adjustments made to achieve 15% ending fund balance in General Fund (policy is 20%) and maintain 20% ending fund balances in utility funds

- |                       |  |
|-----------------------|--|
| • Revenue Enhancement | Increase GFS allocation to Tourism                           |
| • Library             | Vacant Library Technician Makerspace unfilled(\$100,000)     |
| • Parks               | Reallocation of 1 FTE personnel between Recreation and Parks |
| • Recreation          | Reallocation of 1 FTE to Community Enhancement               |
| • Recreation          | Increase revenue by \$20k for program charges                |
| • Technology          | Reduce computer replacement and insurance (\$33,000)         |
| • Police              | Reduce operating supplies & uniforms expense                 |
| • Police              | One vacant position unfilled                                 |
| • Police              | Reduce facilities maintenance (\$40,000)                     |
| • Public Works        | Defer purchase of mini excavator and van (\$155,000)         |
| • Public Works        | Defer replacement of water filters (\$250,000)               |
| • Public Works        | Adjust personnel allocations between Streets and Sewer       |
| • Public Works        | Vacant WF/WWTP position unfilled (\$100,000)                 |

### Department Presentations (10 Minutes each)

#### I. Administration

City Administrator John Walsh, spoke on the reserve balance and the plans to lower the deficit. Walsh explained the different departments within the Administration Department:

- **City Recorder and Human Resources**, centralized recruiting.
- **Communications**, operates fourteen social media platforms.
- **Finance**, includes Utility Billing, Accounts Receivable, Accounts Payable, and Payroll.
- **Government Affairs**, provides intergovernmental relations, lobbying, and brings in grants into the community.
- **Municipal Court**, increased costs for the Judge who has not had a raise since 2018, to retain Public Defenders, they are looking at going to a retainer base to keep them.
- **Recreation**, the community has really valued the Recreation Program and they have been developing innovative programs, but they cannot be launched unless there is funding, for which there is a large grant application in process to help with the costs.

#### II. Community Development

Walsh explained that Building and Planning are under the Community Development Department. City Planner Jacob Graichen said that the City does not have a dedicated Community Development Director; Walsh fills that role. In part, the two City Planners make up, an Assistant Community Development Director, working with 2.4 full-time equivalent employees (FTE).

Building Official, Mike De Roia said that the Building Division administers building codes. The budget reflects the volume of services they provide throughout the year. The Building Division is allowed to collect fees, but those fees can only be used for specific items.

Butsch said that there was a scrivener error in the preliminary budget document on the line item for the Building Division, Professional Services; it needs to be \$8,000 not \$6,000.

#### III. Library

Library Director- Suzanne Bishop, shared a presentation on the St. Helens Public Library's goals and strategic plans:

- Elimination of overdue fines (done)
- Courier services between Columbia County libraries
- Sustainable operation of Makerspace staff and operations
- Expand hybrid programs
- Increase digital library services (done)
- Explore rebranding of the library

Bishop is requesting a funding increase of approximately 15% to focus areas of growth in facility maintenance, printed materials, Library of Things, and Projects and Programs.

IV. **Police**

Police Chief Brian Greenway shared that the Police are not dropping their level of service, though they have reduced areas in their budget. Greenway said that the level of Police service requests has been increasing over the last five years. The officers are busy and have continued to protect and serve with limited resources. As for the budget, one area being reduced is Operating Supplies. To serve the community better, we are obtaining a new report writing system giving them the ability to mine data to better respond to needs. Another change is the body cameras; the cameras provide accountability, transparency, and legitimacy. They are in the process of replacing all the cameras that are outdated and need technology updates.

V. **Public Works**

Public Works Director, Mouhamad Zaher, reported they make up about 39% of the City budget, made up of Operations, Engineering, Information Technology, and Parks. Zaher shared the goals of Public Works and the Capital Improvements Projects and what can be deferred. Public Works has worked to cut costs where they can and when projects have come under budget, they have added the funds back into the budget.

**Enterprise Fund**

Butsch reported on the Enterprise Funds, made up of Water, Sewer, and Storm Funds.

The Water Fund- Is doing well for the current year but will not be sustainable in 2025 and beyond. Will need to look at a new rate study.

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**Water Fund – Master Plan Assumptions**

- 2% Annual Growth
  - 3% rate increases each year for 5 years
  - 9% Increase in Personnel Services
  - 5% Increase in Materials
  - Deferred replacement of water filters for \$250,000
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The Sewer Fund- Is operating healthy with the current plan of loan and grant financing.

**Sewer Fund – Master Plan Assumptions**

- 2% Annual Growth
- 8% rate increases each year for 5 years
- 9% Increase in Personnel Services
- 5% Increase in Materials
- \$6.945M Debt & Grant Funding required in 23/24 and \$5.2M Debt Service required in 24/25 to fund capital projects

The Storm Fund - is challenging but doing well with the adopted rates from FY 22/23

**Storm Fund – Master Plan Assumptions**

- 2% Annual Growth
- 17.2% (\$2.40) Rate increase in 2024, CPI Rate increases in 2025-2027
- 9% Increase in Personnel Services
- 5% Increase in Materials & Services
- Deferred projects and timelines out as proposed in Capital Improvement Plan to FY2027

**Opportunities:**

## Opportunities

1. Revisit funding strategy for Public Safety Facility
  - I. Increase public safety utility fee \$3 to \$10
  - II. Go out for a GO Bond (property tax increase)
2. Increase the public safety fee to increase support for the Police Department \$2.
3. Investigate a 5-year option levy (property tax increase) to support specific departments:
  - I. Police Department
  - II. Library Department
  - III. Parks Department
4. Investigate a continuation of the Parks utility fee
5. Complete an internal service level review for all departments & city buildings

**Open Public Comment Period**

Committee Member- Brady Preheim asked if under the first opportunities option for a general obligation bond, how long the bond would be for. Butsch said it would need a consultant to determine the amount and term. Preheim asked if option three could be a different term on the 5-year levy. Butsch advised that they are typically a 5-year, but could go out for another vote at the end of the term.

Committee Chair - Lew Mason asked if the 5-year levy could cover a new Police Department. Butsch explained how the levy works and the distribution. There would not be enough funds left over to cover the needs of the Police Department. Greenway shared about other levies local authorities were going out for this year.

Committee Member Eddie Dunton asked about the fees added to the City Docks and if those funds could be used for the parks, Walsh explained those funds go into Parks already. Mayor Rick Scholl said the fee was added to manage the dock use.

Mason mentioned last year the Budget Committee talked about the possibility of a gas tax. Walsh said that would require a vote.

Councilor Sundeen asked if the public safety fee was increased to \$10, how long it would be for. Butsch said the fee would be in place for the life of the loan, which is 30 years. Walsh said that, increasing the fee now to \$10, would increase the fund reserve.

Councilor Birkle stated the City should continue to look at other sources of funding, such as selling City-owned property where available.

Preheim asked out of the funds collected so far for the public safety facility if it was earning interest and where the funds were. Walsh shared that the funds are in an investment account and earning interest. Butsch reported out of the interest earned, if the funds were not spent specifically on the construction of the public safety facility, the City would have to pay back the interest earned to the investors.

Visitor Steve Toschi asked if there was a breakdown of the line-item title GF Support Services. Butsch said not in this document but that can be included in the next meeting. Toschi said there is an increase in overtime and asked why it was included, Walsh reported last year it was not included so it looks like an increase.

#### **Visitor Comments:**

Steve Toschi reported that the Planning Commission encourages the Budget Committee to investigate adding another City Planner.

Toschi continued to share, that as a citizen, it is crucial to look at the employees within a business to make sure they are providing value to the City. Toschi states property taxes can be doable with proper communication and education to the citizens. Gas tax is an option that is not that much and would provide considerable revenue; the key is educating the voters. This type of tax applies to anyone who comes through the city, not just the residence. Another suggestion was increasing business license fees on rentals, and believe increasing them to \$25 per month per unit would provide substantial revenue.

Butsch asked all members take the proposed budgets home and email all questions and requests to her before the next meeting, that way during the next meeting they could be prepared to discuss and respond to all questions and requests.

Preheim asked why there was such a large increase in the revenue from 2022 to 2023, Walsh said that the increase in revenue was from funding for the projects.

**The Budget Committee will reconvene on May 4, 2023, at 5:00 p.m.**

**Adjournment – 6:45 PM**

*Respectfully submitted by Jamie Edwards, Budget Committee Secretary*