



BUDGET COMMITTEE MEETING #2 (READJOURNMENT)

Thursday, May 14, 2026, at 6:00 PM

DRAFT APPROVED

Members Present

Mayor Jennifer Massey
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Brandon Sundeen
Councilor Russell Hubbard

Chair Lew Mason
Vice Chair Jeremy Evans
Committee Member Jennifer Gilbert at 8:10 PM
Committee Member Steve Toschi
Committee Member Ivan Salas

Members Absent:

None

Staff Present:

Gloria Butsch, Finance Director - Budget Officer
John Walsh, City Administrator (Via Zoom)
Jamie Edwards, Accountant III- Budget Comm. Sec.
Jennifer Johnson, Accountant III
Brenda Herren-Kenaga, Librarian I Patron Services
Suzanne Bishop, Library Director
Shanna Duggan, Recreation Manager

Mike DeRoia, Building Official
Jacob Graichen, City Planner
Matt Smith, Chief of Police
Doug Treat, Lieutenant
Jennifer Stratton, Police Officer
Jeremy Howell, Police Officer
Mouhamad Zaher, Public Works Director (Zoom)

Others:

Jan Zuccarini
Tony Morgan
Cheryl Morrissey
Brady Preheim
Nick Hellmich
Fatima Salas
iPhone

Leslie
Tina Curry
Robyn Toschi
Tyler Miller
Lynne Pettit
Taylor

Call to Order

Chair Lew Mason called the Budget Committee Meeting to order at 6:00 P.M.

Budget Committee Rules and Declaration of Conflicts of Interest

Finance Director Gloria Butsch opened by addressing an email received that morning containing concerns from a citizen. The citizen alleged that the Budget Committee had failed to hold a proper public hearing on the use of state shared revenue as required under ORS 1.770. Finance Director Butsch responded that an initial review confirmed a public hearing was in fact opened, public comment was solicited, and the hearing was properly closed during the May 7 meeting. Finance Director Butsch further noted that a second concern raised by the citizen—the absence of public comment at this meeting—was addressed by citing ORS 294.426, which does not require public comment at every Budget Committee meeting, as a public comment opportunity had already been provided at the first meeting.

Finance Director Butsch also reminded the Committee that due to time constraints, this meeting's agenda did not include time for Committee member presentations, and requested that any member wishing to present at the next meeting submit materials to staff at least seven days in advance.

Ground Rules were reviewed, emphasizing professional and respectful conduct, the prohibition on personal attacks, the expectation that Committee Members represent the community as a whole, and the requirement that any additional documentation requests be agreed upon by a majority of the Committee.

Declaration of Conflicts of Interest was then addressed. Finance Director Butsch reminded Committee Members of Oregon's ethics requirements, noting that a recent amendment through Senate Bill 983 (Oregon Laws 2025, Chapter 466) permits public officials to participate in budget discussions and votes even when their compensation or that of a relative is included in the budget, provided an actual conflict of interest is first disclosed. Mayor Jennifer Massey declared an actual conflict of interest, stating that her spouse is employed by the City as a Police Officer, and invoked the SB 983 exception to participate in discussion and vote on the budget.

Committee Member Steve Toschi stated the Committee did not put together the agenda, and that the next meeting should have Public Comment. Chair Mason stated the current agenda is set, anything to add would be included in the next meeting.

Approval of Minutes

1. Review & Approval of May 7, 2026, Minutes

Committee Member Steve Toschi had an amendment stating the minutes omitted his objection to the proposed budget alternative options and that the Committee should only discuss a proposed budget with currently known revenues.

Motion: Motion made by Councilor Gundersen to approve the Budget Committee Minutes from 5/7/2026 as amended, seconded by Committee Member Salas.

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

Budget Officer Comments

Finance Director Butsch provided opening remarks, noting that the proposed budget was prepared in accordance with Oregon budget law, drawing on nearly 27 years of experience assisting governments with budget preparation. She emphasized that the budget was developed collaboratively with all departments and that decisions regarding layoffs and furloughs were management decisions not requiring Budget Committee approval. Finance Director Butsch stated that she would provide information following the department head roundtable on what it would cost to restore the library and recreation departments to full staffing, in response to prior Committee inquiry.

Department Head Statements

The Chair invited department heads to present an overview of their respective departments, challenges, and proposed budget impacts.

Building Division — Building Official, Mike DeRoia

Building Official Mike DeRoia provided an overview of the division's role in administering State and City building, plumbing, mechanical, and manufactured dwelling codes. He reported that the division has historically operated with approximately 2.4 FTEs, and the proposed budget reduces staffing to 2 FTEs—himself and a Permit Technician—representing a staffing reduction of nearly 17 percent. The position being eliminated is the Community Development Administrative Assistant, which supports the Permit Technician and public lobby

functions. Expenditures are proposed to decrease by 16.4 percent overall, including an 18 percent reduction in personnel services.

On the revenue side, Building Official DeRoia noted that permit fees must be used to administer and enforce State Building Codes and that total revenues are proposed to remain flat at \$225,000. He noted that year-to-date collections were already \$30,000 ahead of projections. He expressed concern that the staffing reductions would delay permit reviews and inspections at a time when the City is on the cusp of potential development growth tied to the waterfront Sewer capacity project.

Councilor Hubbard questioned the division's outsourcing practices. Building Official DeRoia confirmed that commercial plumbing plan reviews are outsourced to other municipalities through a shared services program of approximately 45 jurisdictions, and that all outsourced plan reviews are subsequently reviewed for local Code compliance. Committee Member Toschi discussed the public safety implications of reduced staffing, with Building Official DeRoia confirming that the Building Code would still be administered and enforced but that response times would be affected. Toschi further asked of the schedule impacts with furloughs as presented in the proposed budget. DeRoia confirmed the furloughs could have an impact on turnaround time with delays in completion, not quality of work.

Police Department — Chief Matthew Smith 27:52

Police Chief Smith stated that the proposed budget represents the department's best estimate of the cost to deliver law enforcement services during the next fiscal year. He highlighted several significant cost items.

Chief Smith reported that Columbia County 9-1-1 is projected to assess user fees of approximately \$550,000 beginning in January, based on call volume, as briefed to all County agencies by the C-COM Executive Director. He noted this figure had been confirmed at a C-COM meeting attended by agency representatives.

Chief Smith disclosed that upon assuming command he identified inaccurate budget forecasts from the prior fiscal year, which have since been corrected. He also identified significant equipment deficiencies, including AR-15 patrol rifles—some dating to 1996 and 2006–2007—with failing components including bolts, bolt carriers, firing pins, optics, and extractors. Lieutenant Treat confirmed that ongoing inspections have uncovered broken bolts, carriers, and extractors, and that optics manufacturers have declined warranty service on equipment purchased nearly 20 years ago. The proposed budget includes approximately \$65,000 to replace and fully outfit all department rifles, including suppressors to mitigate officer and civilian hearing loss risk in enclosed-space deployments. Chief Smith noted that TASERS were replaced in the prior fiscal year and that a systematic equipment replacement program is now being established to avoid future lump-sum replacements.

Chief Smith reported that as of May 3, 2026, the department returned to 24-hour, 7-day-a-week patrol coverage across three shifts without incurring overtime. He acknowledged significant overtime expenditures in prior periods, noting that from approximately February through May 2026, the department had operated with on-call coverage due to staffing shortages, with Columbia County Sheriff's Office handling calls from 3:00 AM to 7:00 AM for one month. Lieutenant Doug Treat confirmed that covering those gaps required approximately 240 hours of overtime per month during that period.

Committee discussion focused on overtime spending, with Committee Member Toschi noting that actual overtime was **\$397,226** in FY2024, **\$525,432** in FY2025, and is projected at approximately **\$550,000** for the current fiscal year, against an adopted budget of **\$300,000**. Chief Smith confirmed his expectation that overtime costs will decrease substantially as three additional recruits complete their training and are deployed to patrol, and as the detective unit is rebuilt. He also noted that the department is exploring high-level discussions with the Columbia County Sheriff's Office about coordinating patrol staffing to improve coverage efficiency during overnight hours. Several questions were deferred by agreement of the Committee, with Chief Smith and Lieutenant Treat to respond in writing prior to the May 28 meeting.

Chief Smith concluded by vocally supporting the restoration of Library and Parks and Recreation funding, stating that cutting those services does not resolve the structural budget pressure, which he identified as originating primarily from public safety costs.

Committee Member Toschi asked if working without a Police Union would help the Chief to make staying in budget easier. Chief Smith said working with the Association has been very helpful and pragmatic. Toschi asked what the Chief thought about reducing the overtime budget to \$100,000 in the proposed budget. Chief Smith said with State mandated training alone causes overtime, might be able to lower a bit but not to his suggested of \$100,000, they can try to hit \$300,000 if staffing is stabilized. Toschi further asked if the Chief has been told to stay within budget, Chief Smith advised not directly but has been told he has a mission to provide Law Enforcement services and has recently declined overtime.

Planning Division — City Planner Jacob Graichen 1:10:18

City Planner Graichen reported that the Planning Division has been reduced from 2.42 FTEs to effectively 0.9 FTE—himself, subject to a 10 percent furlough (two days per month)—a reduction of approximately 63 percent. The elimination of the Community Development Administrative Assistant position is of particular concern, as that individual manages legally required mailings, public notices, and agendas. City Planner Graichen noted that the current Administrative Assistant is resigning, leaving him to absorb those responsibilities.

Committee members inquired about the impacts of such reductions on ongoing projects and efficiencies. City Planner Graichen contextualized the reduction historically, noting that the city's population has grown 114 percent since 1978 (from approximately 7,000 to 15,000 residents) while the Planning Department has returned to a single Planner—a staffing level he described as the exception rather than the rule over the past 20 years. He cautioned that reduced Planning capacity will lead to slower customer service, fewer grant applications, reduced support for commissions, greater difficulty keeping pace with State land use legislation, and diminished ability to assist with major development initiatives such as the waterfront and mill sale projects. He also referenced the principle of crime prevention through environmental design, noting that physical blight has a direct correlation with crime rates.

Recreation Division — Recreation Manager Shanna Duggan 1:32:12

Recreation Manager Duggan reported that the division has historically employed as many as 6 FTEs; the proposed budget reduces staffing to 2.0 FTEs following the elimination of a 0.5 FTE position, with furloughs applied to remaining staff. She described the division's programs as reaching far beyond traditional recreation, including deep partnerships with the School District, community grants, and wraparound services for youth and families.

Recreation Manager Duggan reported that the division has acquired nearly \$2,000,000 in grants since the recreation program was established in 2018, including a five-year, \$1,000,000 Oregon Department of Education grant (RISE program, \$235,000 annually) currently in its fourth year. Year-to-date revenues are approximately \$118,000, with a projected year-end estimate of \$387,000, with grant reimbursements of approximately \$75,000 further offsetting the department's General Fund impact to under \$100,000 annually.

The elimination of the 0.5 FTE position will directly result in the closure of the SHARP paid after-school program, which Recreation Manager Duggan estimated at a loss of approximately \$100,000 in annual revenue. Summer camp offerings are projected to drop from 14 to 3 due to reduced staffing and capacity. Recreation Manager Duggan also noted that the division is the largest employer of high school youth in Columbia County and provides affordable childcare alternatives in a community she described as a "childcare desert." She expressed concern about the downstream effects on public safety of reduced after-school programming.

Library — Library Director Suzanne Bishop 1:57:26

Library Director Bishop presented updated performance data, noting that figures on page 33 of the proposed budget were outdated. In FY2025, Columbia Center received 49,400 visits, with 38,050 of those in the library itself.

The library was open 2,337 hours, owned 41,656 items, and circulated 68,826 items. The makerspace served 788 users. Youth programming served approximately 1,700 participants, and the summer library challenge resulted in over 265,000 minutes read. The library maintained 43 volunteers, a 35 percent increase over FY2024, contributing 1,474 hours valued at approximately **\$47,566**.

Library Director Bishop reported that the proposed budget eliminates four part-time library assistant positions (three were laid off; one was already vacant) and imposes a 10 percent furlough on all four remaining full-time staff. She stated that this results in 384 fewer service hours per month. The library has already reduced its open days from six to five (eliminating Thursdays) in anticipation of the staffing loss, and will further reduce to four days per week—Mondays, Tuesdays, Fridays, and Saturdays—once the changes take effect, which she noted has not yet been implemented.

The impacts Library Director Bishop described include fewer new material acquisitions (budget reduced approximately 24 percent), reduced makerspace hours, story time reduction from two per week to one, curtailed outreach and community partnerships, suspension of genealogy and book club programs, longer wait times at the public service desk, and diminished capacity to serve vulnerable patrons needing technology assistance. She expressed particular concern about the loss of individualized patron support, noting recent examples including a staff member who spent 30 minutes helping a patron secure her mother's housing by navigating mortgage autopay systems. The library's role as a cooling center during summer heat events was also noted, with Library Director Bishop acknowledging that without full staffing, extended cooling center hours would no longer be feasible.

A Committee member asked what it would cost to restore library and recreation staffing. Finance Director Butsch confirmed she had prepared this analysis in response to a prior Committee question.

Public Works — Public Works Director Mouhamad Zaher (via Zoom) 2:23:15

Public Works Director Zaher participated remotely via Zoom. He provided an overview of the department's five divisions: Engineering, Operations, Water Quality (water filtration and wastewater treatment), Information Technology, and Parks.

Public Works Director Zaher noted that the IT division lost one FTE in the prior year and continues with a single FTE supporting citywide technology systems. The Parks division (3 FTEs) experienced minor materials and services reductions while continuing to manage 13 citywide parks. He reported that the Engineering division is preparing to proceed with the sewer capacity design and construction project, with bid opening scheduled for the following week. The department reduced inspection services costs for this project from approximately **\$850,000** to **\$140,000** per year through in-house management strategies. Additional major capital projects include a **\$5,000,000** 5-million-gallon water reservoir, a wastewater treatment SCADA system upgrade, and a water filtration rack replacement program.

Regarding street maintenance, Public Works Director Zaher noted that the street fund stands at approximately **\$70,000**, which is insufficient to address the backlog of needed paving projects. He identified several streets requiring attention, including Gable Road and Oregon Street, estimating a minimum of **\$500,000** would be needed to complete five priority projects. He attributed the funding shortfall to low state gas tax revenues and limited STBG funds from ODOT, though he noted that current elevated gas prices may yield modest additional gas tax revenues.

Finance Division — Finance Director Gloria Butsch 2:34:51

Finance Director Gloria Butsch reported that the Finance Division will lay off one Administrative staff member, impacting Utility Billing operations and requiring reorganization of front office functions across Planning, Building, Administration, Billing, and Municipal Court. The four remaining Finance staff members will also be subject to furloughs of 8 hours every two weeks. She noted that the City's auditor has commented in each of the past two

years that the division is already short-staffed, with particular concern about internal controls. Finance Director Butsch explained that the loss of additional staff reduces the division's ability to maintain segregation of duties—critical safeguards against fraud and theft in areas such as cash handling, payment entry, and bank reconciliation. She stated that while the division will reorganize to maintain essential internal controls, walk-in customer service for Utility Billing and Planning and Building appointments will be reduced, and grant management oversight capacity will be diminished.

Review Submitted Questions & Staff Responses

Finance Director Butsch reviewed written responses to questions submitted by Committee members prior to the meeting. The completed questions and staff responses have been added to the meeting packet, after the meeting. The following items were addressed:

System Development Charges (SDCs): Broadleaf development paid all SDCs in full of no credits. A chart was provided showing SDC increases over the past seven years, with the current year representing the first increase since 2022. Finance Director Butsch confirmed that SDC revenues are restricted by State Law to the specific fund and eligible projects identified in the applicable master plan and have no effect on the General Fund.

General Fund Support Services: Finance Director Butsch presented a seven-year chart showing General Fund support service charges to Enterprise and other Funds, noting that the current year reflects a decrease.

Police Budget Overage: The police budget is projected to exceed budget by \$421,900 for FY2026. Finance Director Butsch confirmed that preparation of a supplemental budget is underway, to be presented to the City Council for action.

General Fund Revenue Forecast and Ending Fund Balance: Finance Director Butsch explained that the projected General Fund ending fund balance of \$1,122,166 is derived from the beginning fund balance plus revenues less expenditures and is not attributable to a single revenue source. A full revenue forecast was attached for Committee review.

Water Fund: The Water Fund's projected decline of approximately \$1,700,000 in FY2027 is attributable to the planned use of reserves to purchase property for the new 5-million-gallon reservoir. The Fund is expected to recover in FY2028–2029 through rate increases per the 2025 rate study and projected loan proceeds.

Property Tax Impact of New Development: Assuming \$20,000,000 in newly assessed property value, Urban Renewal would receive approximately \$252,200 and the City's permanent rate fund would receive approximately \$38,156 annually.

Debt for Sewer and Water Projects: Finance Director Butsch confirmed that no permanent debt schedule exists for the sewer project, as it is a drawdown-type loan and the final amount will not be known until project completion. The Committee noted that sewer-related debt may reach approximately \$25,000,000 and water-related debt approximately \$13,000,000. Funding options for the water reservoir project are still under analysis.

Weigandt Property Payment: The City is obligated to pay \$1,250,000 to the Weigandt Estate for property at 1771 Columbia Boulevard, due in September 2026 (180 days following the property owner's death). This amount is budgeted in the Public Safety Facility Fund (page 92 of the proposed budget).

Millard Road Property: The City Council approved the sale of Millard Road property to OHM Equity Partners LLC at \$35,000 per buildable lot by Resolution 2014 on June 19, 2024. The applicant has been engaged in an extended pre-application process since mid-2024 and as of May 11, 2026, no preliminary plat application has been submitted. Finance Director Butsch noted no property sales are anticipated until FY2027.

Proposed Police Services Fund: Finance Director Butsch addressed questions regarding the proposed option to move the Police Department into a separate Special Revenue Fund. She confirmed that the decision to present this as an option was made collaboratively by Mayor Massey, the Finance Director, City Administrator, and Police

Chief, and that the City consulted with the Oregon Department of Revenue's Budget Division, which confirmed the approach of offering an alternate budget option to the Committee is appropriate. A copy of the confirming email was attached.

Restoring Library and Recreation Funding: Finance Director Butsch confirmed that the cost to fully restore Library and Recreation staffing, eliminating all proposed layoffs and furloughs for those departments—is \$239,000. She outlined three options for funding this restoration: (1) reduce the Police budget by the same amount; (2) if the Police Department is separated into its own fund, approve a General Fund ending fund balance of 17 percent instead of 20 percent; or (3) reduce the amount transferred to the new Police Services Fund while maintaining a 20 percent General Fund ending fund balance, which would require additional reductions in the Police Services Fund.

Police Department Roles and Responsibilities: Finance Director Butsch read into the record written responses from Police Chief Smith and members of the command staff detailing the multiple concurrent duties being performed by each officer above and beyond their primary assignment, including Chief Smith simultaneously serving as Chief, Detective Sergeant, and Detective; Lieutenant Treat simultaneously serving as Lieutenant, Patrol shift filler, Municipal Court Bailiff, Lead Firearms Instructor, and Field Training Coordinator; and Patrol Sergeants carrying responsibilities typically constituting full-time positions at larger departments.

Salary and Overtime Data: Attachments providing all department heads salaries with and without overtime, and all Police Officer base wages by step and certification level including overtime, were provided to the Committee.

Proposed Budget Presentation #2 FY2027 3:05:38

Finance Director Butsch presented summary slides addressing the fiscal outlook. The slides were added to the meeting packet after the meeting. She confirmed that based on Committee and Community input, the proposed \$24 General Service Fee is assumed not to pass. Without the fee, the General Fund shortfall is \$1,758,000 at a 10 percent reserve target and \$2,911,500 at a 20 percent reserve target. Finance Director Butsch noted that separating the Police Department into a dedicated special revenue fund has received broadly positive feedback, as it provides transparency and allows voters to understand precisely how a dedicated Police Services fee would be used.

Finance Director Butsch presented budget forecast slides demonstrating that without the fee but with the Police Department separated from the General Fund, the General Fund's reserve percentage could potentially increase over the forecast period, potentially enabling the reduction or elimination of furloughs by FY2028 and the restoration of staffing in Planning, Building, and Finance by FY2029. A slide showing the General Fund with the Police Department removed and Library and Recreation funding restored demonstrated a reserve percentage of 17 percent in the near term.

Finance Director Butsch clarified that the Committee cannot make a definitive decision about the Police Fund structure or fee until after the May 19 ballot results are known, as a fee that fails would require further budget adjustments at the Council level.

Committee Discussion

Substantial Committee discussion arose on several interconnected issues.

November Ballot Measure and Budget Assumptions: Committee Member Gilbert raised a legal concern, citing ORS 294.352, which requires that revenues in a budget reflect reasonable expectations. Gilbert argued that if the Committee has stated in writing an assumption that the General Service Fee will not pass, it may not be appropriate to simultaneously plan a budget around a second fee to be placed on the November ballot, as that revenue source may similarly not meet the "reasonable expectations" standard. Other Committee members and Council members present acknowledged that while the concern was noted for the record, the Committee could

discuss scenarios without formally adopting a budget contingent on unverified revenues. The Committee agreed that a legal clarification should be sought prior to the May 28 meeting.

Police Department Structural Reform: Significant discussion took place regarding the proposal to separate the Police Department into a dedicated Special Revenue Fund. Committee members in favor of this option argued that this approach provides transparency, isolates other General Fund departments from recurring budget pressure caused by Police spending growth, and mirrors a model used successfully by other Oregon cities including Columbia City. A Council Member present expressed support for placing the concept on the next Council meeting agenda for discussion. Opposing views centered on the complexity of introducing a structural budget change in the middle of a budget cycle, and the preference for completing the analysis of the current proposed budget before introducing alternative fund structures.

Public Comment: Committee Member Gilbert moved to allow public comment at the current meeting, citing the public's right to participate in decisions affecting their community. After discussion, the Committee agreed by consensus not to open public comment at this meeting given the late hour but agreed that written public comments submitted prior to the May 28 meeting would be accepted and distributed to Committee members in advance. A consensus for public comment at the May 28 meeting was expressed but not formally voted upon at this time.

Committee Discussion — Library and Recreation Restoration 3:21:26

Following the roundtable discussion, Committee Member Toschi formally moved to restore full funding to the Library and Recreation, including the reinstatement of all laid-off positions and the elimination of proposed furloughs for those departments, as calculated by Finance Director Butsch.

Motion: Motion made by Committee Member Toschi to restore full funding to the Library and Recreation Departments—eliminating all proposed layoffs and furloughs for those departments, at an approximate cost of **\$239,000**, seconded by Committee Member Salas.

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

Adjournment at 10:09 PM to May 28, 2026.

The Committee agreed that the proposed budget was not ready for final approval at this meeting. Discussion confirmed that the next scheduled meeting is May 28, 2026. Committee Members were advised that anyone wishing to add items to the May 28 agenda should submit requests to staff by May 19. It was noted that two Committee Members would not be able to attend in person and may participate remotely. A quorum was confirmed for the May 28 meeting. The Urban Renewal Agency budget presentation was identified as a required agenda item for May 28, with materials to be made available by May 26.

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