

## Budget Committee Q & A for FY2024 Proposed Budget

1. Q: 100-707-52019 Narrative for increase needs/cost for professional services for Finance Department.

A: The increase in professional services is primarily due to increased audit costs. (Single Audit required due to increase in Federal Funds (ARPA, CDBG – food bank, grants). Last year tried RFP – with no respondents.

2. Q: 100-704-52019 Narrative for increased needs/cost for professional services for Court.

A: Increase in Judge's contract services (no contract cost increase since 2018 – 15%) – \$12K

Anticipated increase in Prosecutors contract 5% - \$12K.

Place 2 Public defenders on contract and a third is hourly – increase approximately \$30K.

Increased State Psychological Evaluation \$2K

Please note these numbers reflect the increase in trial times now that covid has cleared. If the court trials decrease contract costs will be reduced.

3. Q: 100-705-52115 Provide needs statement for this program/service.

A: Reflects the change from Portland's program report writer that will be discontinued over the next few months to a report writer system being developed as a joint effort with other Columbia County Agencies. The Council amended the FY 22-23 budget to provide funding of \$160k over fiscal year 22-23 and 23-24. More detail will be forth coming as final documents and details are finalized.

4. Q: 100-705-52117 Which line item were "Body Camera" expenses previously captured under?

A: During the 2022-2023 Budget meetings, the budget committee approved 160K to replace the existing 23 BWC with updated new ones due to the aging out. The final approved budget never reflected this approval and the BWC was not placed on a line item in the police budget. This was corrected in the supplemental budget and put in Tactical.

5. Q: 100-708-50001 Provide needs statement for additional Parks FTE

A: Increase reflects

- .5 FTE – Formerly split the ARPA funded parks and recreation Administrative Assistant to now 100% Parks 47K.
- .4 FTE Split Facilities Maintenance Supervisor 40% to parks 63K
- Remainder of cost reflect PERS, Health, COLA

6. Q: 100-709-50001 Provide needs statement for additional Recreation FTE

A: Please note that FY 22-23 budget failed to reflect 1 of the ARPA funded Position and this position is budgeted to be split with Parks for last 6 months of FY 22-23 and all of FY 23-24. With that said the increase reflects .5 FTE Recreation Assistance 1 position 18K which is covered by anticipated increases in programs and revenues.

The remainder is a 0.5 ARPA funded position for \$47K.

Note: No additional personnel / program costs will be made unless the grants / funding is received.

7. Q: RECREATION: What percentage (or amount) of Recreation expenses are currently and projected to be offset by general funds (i.e., not covered by fees, permits, or grants)

A: *Reference following table:*

Recreation Program History				
	FY 20-21	FY 21-22	Projected FY 22-23	Proposed FY 23-24
<b>General Fund</b>				
Funding Sources:				
Fees - Recreation	2,247	145,764	156,000	180,000
Recreation revenues	34,754	1,441	-	-
ARPA Grants	-	65,954	133,000	189,580
<b>General fund support</b>	<b>250,438</b>	<b>138,263</b>	<b>122,400</b>	<b>57,520</b>
Total Sources	287,439	351,422	411,400	427,100
Program Uses:				
Personnel Services	117,112	272,306	366,400	365,000
Materials & Services	100,819	76,234	45,000	62,100
Total Uses	217,931	348,540	411,400	427,100
<b>Community Enhancement</b>				
Funding Sources				
Grants / Donations	186,250	4,417	200,000	216,600
Contract Services	-	-	-	400,000
Beginning Reserves	-	136,970	81,026	81,026
Total Sources	186,250	141,387	281,026	697,626
Program Uses				
Projects & Programs				37,100
Personnel Services	49,283	60,361	200,000	261,000
Total Uses	49,283	60,361	200,000	298,100

8. Q: 100-709-52023 Are Recreation Facility Maintenance costs unrelated to general services provided by the internal Building Dept? Please provide actuals or examples of these services, and which buildings they apply to.

A: Recreation Facilities Maintenance covers

- Pest controls, Hudson Garbage, Security, Janitorial Services, HVAC – (new)
- They apply to both recreation center and the community center (currently not broken out)

9. Q: 201-000-37015 (Tourism) What are the ORS or other legal regulations that restrict these funds to be used in tourism, instead of the General Fund?

A: The reference line is “Events Revenue” this is not restricted beyond that is received for the purpose of covering the cost of the events.

Line 201-000-32002 Lodging Taxes (TLT) – The use of TLT’s is set in ORS 320.350. Much of the statute is date driven, however we are charging an allowable percentage of GFS to the Tourism Fund in the proposed budget.

10. Q: 203-709-350xx (Community Enhancement) Provide narrative for this revenue stream

A: \$200K Grant revenues are primarily from NW regional ESD – Partnership grant program for early learning and summer programs (Pass through from state), combined with sponsorships and donations. They are applied for every year.

\$400k Recreation Contract is an opportunity to work with the school district to receive a multiyear award for recreational / educational programs.

11. Q: 205-000-33015 (Street Fund) Provide narrative for this revenue stream.

A: 450K – contribution from County for Safe Routes to School

RE: Page 5 of the budget presentation has these bullet points:

12. Q: • Revenue Enhancement "Increase GFS allocation to Tourism"  
Does "GFS" refer to the General Fund?

A: Yes, it is General Fund Services.

13. Q: What is the purpose?

A: This is the cost of administrative and other supporting general fund personnel whose services directly benefit tourism and the tourism fund.

14. Q: What is the amount?

A: For FY2024, we are estimating \$100,000. This is the first year of allocation and may be adjusted when we have actual data to support the charge.

15. Q: Library Vacant Library Technician Makerspace unfilled (\$100,000)

A: The former youth librarian had filled this role. This was a termed position that would have expired at the end of 2024.

16. Q: To where is this money being redirected?

A: Revenue Replacement

17. Q: Would we have continued to fund the position if Allen had not resigned?

A: Possibly, but not filling vacant positions has been preferred to proposing layoffs.

18. Q: How were the rate increases proposed for water, sewer, and storm developed? Are they based on the fee study recommendations of our consultant?

A: The rate increases are based on future capital needs that are set out in the Master Plans and to service any related debt used to finance those projects.

Yes, the rates are based on the recommendations from Donovan Enterprise and approved by Council in July 2022. The recommendations from the study are for a 5-year period, through FY2027.

19. Q: My understanding of the reason to add 3 to 12 dollars per month to the utility bill is because of the previous finance director, changing the construction of the police drawings and now to go back to the original drawings it will cost more because of higher construction costs? Is this correct?

A: The original plan/drawings were to construct a "Public Safety Facility" encompassing courts, IT, and associated office space. The cost for this facility was approximately 22 million dollars. After receiving the cost, the decision was made to redesign the facility and plan for a standalone police station to reduce the cost to 12.6 million. (Our loan amount) The utility fee increase was to assist in paying the loan.

9 to 10 dollars would cover the debt service costs associated with construction of the Public Safety Facilities.

20. Q: Most folks are worried this may happen again. How has the city changed their checks and balances so it will not happen again?
- A: (Answer provided by Jon Ellis) The New Finance Director is a very good starting point to assure the appropriate fiduciary Responsibilities over the City's Resources.
21. Q: Did I understand correctly the police will let go / not fill a full-time position?
- A: We will leave the current open position unfilled for the rest of FY2023 and for FY2024.
22. Q: Is this an unfilled position now?
- A: Yes, the police currently have 3 vacancies. 2 applicants are in the finishing stages of the hiring process, and we anticipate hiring them in May 2023. The other vacancy will not be filled.
23. Q: Or as I understand we have at least one position that will be retiring soon. Will that be filled? Or will that also be unfilled?
- A: We will not fill the current unfilled position; and it may be necessary to not fill positions left by retirements.
24. Q: Is there an estimate/projected cost of the new police building?
- A: The final redesign was submitted to the architects, and we are awaiting the cost estimate from the architect firm.
25. Q: Do they still plan to house the court in the new building?
- A: No - SEE also Q & A #19
26. Q: How much money do we have set aside now for the new building? How much are we lacking to complete the project?
- A: Approximately 12.6 million from the bond proceeds. Any additional funding is yet to be determined.
27. Q: What is the interest rate for the monies we already have and if we borrow to complete the Police building what will the interest rate be on the new loan?
- A: The interest rate is 3% through 2024, then goes to 4%. Any borrowing would likely be at market rate, currently about 5% - 6%.
28. Q: We are charged \$3.00 a month now for a Public Safety surcharge (police building) on our water bill. The new suggested charges of up to \$12.00, does this include the \$3.00 we are paying now or in addition to the \$3.00?
- A: The debt service for the police station will require a fee of \$9 per month.
29. Q: Has anything been budgeted for the new Police building maintenance or will that be an additional charge in the future?
- A: This would be budgeted for in the future.
30. Q: What does model EDU mean. Is that the loan/bond we have or are applying for?

A: EDU refers to Equivalent Dwelling Unit. In the context of the Public Safety Utility fee, we are charging each individual “dwelling” the fee.

31. Q: The (PD) overtime increased double. What is the reason? Is it because they are down a position?

A: To provide 24/7 on-duty police coverage, we need 14 patrol officers. SHPD currently has 10. To be able to provide around-the-clock policing, we often must fill positions by utilizing overtime, including staffing the vacancy with sergeants. In 2022 we had officers out on extended FMLA and workers’ compensation because of injuries most of the year. As a result, our overtime usage increased sustainably and will continue to increase as wages increase along with the low staffing levels.

32. Q: Police Chief Greenway has said we will probably lose 4 officers to retirement in the next 5 years. It takes 2 years to train someone. What steps are being taken to replace these officers?

A: In 2024 SHPD will lose 3 officers to retirement, in 2025, SHPD will lose 2 more officers to retirement. We are at the mercy of the hiring and training process, which can take 1.5 years to complete, and yet is not a guarantee that SHPD will retain a person hired as an entry-level police officer. The budget committee is the first step in replacing these officers by prioritizing public safety to keep up with the growth of the city and the demand placed upon police services and this is done by continuing to increase the police staffing levels.

33. Q: According to the Saint Helens Police website 2021 there were 20 officers. Is this still the case?

A: We currently employ 20 officers, with 3 vacancies.

34. Q: The national average of Police Officers per 1000 people is a ratio of 2.4 to 1000. According to the Saint Helens Police website we have 1.37 officers to 1000. Has that changed?

A: The most recent 2019 FBI data list the national average of police officers to residents in 2019 2.3 officers for every 1000 residents. Please understand, this isn’t a credible table of measurement to staff police departments and is data that averages out across the nation. Each jurisdiction is unique as far as how many cops are needed to police cities and it’s not a “one size fits all” formula.

35. Q: This coming year the city is addressing the sewer main in a basin. Exactly where is this basin?

A: The City will kick off the design for sanitary sewer trunkline capacity improvements this coming year. This design will be for Basin 4 (Middle Trunk Basin), Basin 5 (The Interceptor), and Basin 6 (South Trunk Basin). The Middle Trunk Basin incorporates the areas between Columbia Blvd and Plymouth St from Milton Way to S 6th St. The Interceptor includes the areas from Grey Cliffs Dr to Nob Hill between S 7th St and the Columbia River. The South Trunk Basin comprises of areas on both sides of Highway 30, between Noble Rd and S 9th St from Pittsburg Rd to Millard Rd.

36. Q: How long can the city put the \$250,000 water filter on hold? What are the repercussions of waiting?

A: The membranes the city use has have a life expectancy of 8-10 years. Ours are the originals and are 17 years old. With that being said, the water coming into the plant is already extremely clean, most of the time, and the filters have not been overly taxed. We have had very few integrity test failures and a retest has passed each time. We have planned to replace one rack each year for the next 5 years, so we could reasonably expect all of them to last a few more years.

37. Q: The rise in rates of 8% sewer and 3% water and \$2.40 for storm. Is this only on fixed rate or also on usage as

well?

A: It is both the fixed rate and usage rate for water and sewer; storm is a fixed rate.

38. Q: Under event revenue in 2022 it was \$820,000 now proposed revenue is \$100,000. Why? Is this Halloween town? Is the City reducing attendance to Halloweentown because of the parking?

A: The contract with the events coordinator was reworked whereby she uses the events proceeds to pay costs directly and gives the city a percentage of the gross proceeds. The city pays for building rent and utilities and the contractor reimburses the city. There is also a general fund services charge that is new in the proposed budget to cover administrative and other general fund support costs.

39. Q: For Tourism: Building lease and utilities, projects and programs what exactly are these for?

A: This is the Masonic building lease and utilities; the city leases the building and pays the utilities and is reimbursed by the contractor.

40. Q: What is GFSS?

A: General Fund Support Services – this is a charge to other operating funds for administrative and other general fund support services.

41. Q: Are the taxpayers subsidizing Halloweentown for water, sewer, public restrooms, electricity, and police or is Halloween town contributing to the city for these services?

A: We are recovering some of those costs as reimbursements and a percent of gross profits from the contractor in the Tourism Fund. See Q & A #38

42. Q: If Halloween town is contributing to the city for the services, how much?

A: We have budgeted \$100k for FY2024 in event revenues.

43. Q: Does anyone know how much Halloween town costs these different departments?

A: Not currently.

44. Q: ARPA - How much has the city received and/or will receive? What expenditures have been made with ARPA funds? What ARPA funds are anticipated to be used in the upcoming fiscal year and what for? When does ARPA funding expire? Are there restrictions on how to spend them?

A: St. Helens allotment was \$3,051,637 and all has been received. Expended as of 3/31/23 is \$1,286,660 and projected 6/30/23 is \$1,531,054; this leaves \$1,520,583. All funds have been obligated. Yes, there are restrictions on how it can be expended.

Projected expenditure to 6/30/2023:

Community Support:	\$408,218
Business Support:	\$100,000
Revenue Replacement	\$631,716
Infrastructure	\$391,120

45. Q: Tourism - What is "Miscellaneous" revenue (\$80,000)? What is included in "Projects & Programs" and what is

"GFSS" under expenses? How and where are event sponsorships paid to the city accounted for? How much has the city received in sponsorships? Since the Dark Market is owned by the city, how are revenues and expenses for it accounted for? Has a "General Budget" been created (Article 4 and 4.1 of independent contractor agreement)?

A: The \$80k is reimbursement for building lease and utilities. Projects & Programs are events not managed by the events manager. Sponsorships are received and used by the events manager. All Dark Market revenues are deposited into the Contractor's trust account which will be audited in the coming months.

46. Q: What is current City tax rate on cannabis sales? Can we increase the rate? If so, what is the process?

A: The city's rate is 3%, which is the maximum allowed.

47. Q: What is the process to institute a gas tax? Are there restrictions on how those revenues can be used?

A: This would need to go to voters. City of Scappoose did it in 2019, effective Jan 1<sup>st</sup>, 2020. Information is on their website. Restrictions would be based on the ballot measure.

The gas tax that we receive from the state is restricted to improvements and maintenance of streets and sidewalks.

48. Q: Public safety facility - What dollar amount is used in the proposed budget for the public safety fee on the utility bill? Can you provide scenarios using \$3, \$6, and \$10? What is the process for "going out" for a GO bond?

A: Below is an example of \$3, \$7, and \$10 if we phased in the increases, and assumes a 1% growth rate (building).

Next charts show no phase in and at the various rates and assuming the 1% growth rate.

[illegible]

### Debt Schedule - Public Safety Fees Analysis

City of St Helens

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A GO Bond requires voter approval.

49. Q: Can you show scenarios of what the budget would look like if all three unfilled positions were filled? One? Two?

A: The proposed budget currently shows one unfilled position. The charts above show the estimated cost of one full-time police officer: an impact of approximately \$200k per year per officer.

50. Q: How much will our debt service be after adding the Waterfront Improvement and Sewer Basin loans?

A: Public Works is working on reducing the cost of borrowing as much as possible. We have not executed the loan for the sewer repairs because the funding for it must be restructured for three separate projects. Also, since we will be removing the design costs from the SFR loan and pushing the construction of Basin 5 out, the anticipation is that the sewer loan may be around \$10 million instead of \$16 million.

51. Q: How much will the layoffs at Cascade Paper affect the budget, if any? Will it affect this year's budget?

A: The effect will be more on our local economy than specifically to this year's budget. Cascade Paper is the top payer of property taxes; however, those will still be assessed regardless of operations, at least for the coming year. The greater impact on the city's budget will be to utilities.

52. Q: How much are the ARPA funds that we will lose? \$1,461,400?

A: To our knowledge, we will not be losing any ARPA funds. All funds are obligated.

53. Q: What is/are the source(s) of the Community Development and Community Enhancement Special Revenue Funds?

A: For Community Development it is timber proceeds, grants, and loan proceeds. Community Enhancement resources are primarily grants.

54. Q: Is the 20% reserve policy the city or a state policy?

A: This is city policy based on best practices set by the Government Finance Association.

55. Q: Under Charges for Services what is the \$4,316,300 GF Support Services?

A: General Fund Support Services – this is a charge to other operating funds for administrative and other general fund support services.

56. Q: General Question: What is the City's overall thinking for overcoming the future years' negative numbers?

A: Staff are recommending a note of caution in the coming years. The City is required to have a balanced budget whereby expenditures cannot exceed available revenues. The current state of the economy with high inflation, tight labor markets, new debt obligations, and diminishing federal support (ARPA funds) will put significant pressure on the City's resources and reserves. It will be imperative that we monitor the City's finances closely and make the necessary decisions (often difficult) in order to maintain a healthy financial condition.

57. Q: What are public agencies that had to sign off on the establishment of our URA? I assume that Columbia County is one. Is there a way to know/estimate how much revenue the County will "lose" during the life of the agency?

A: All taxing agencies were consulted and receive annual reports regarding the tax impact.

58. Q: When is compression triggered? How close is the County to that point? A concern has been raised that passage of 5-290 could reduce the City's ability to raise revenue if we were to propose a levy to fund police services?

A: Compression occurs as property market value becomes close to assessed value. The point of compression is different for each taxing district. According to the staff at the county assessor's office, the City of St. Helens still in good shape. I have attached an information sheet from the county which used the City of St. Helens in the examples.

The limitations that may affect a local option levy are best explained in the following from the State of Oregon:

#### Taxable value limitation

The Oregon Constitution limits the rate of growth of property value subject to taxation. The limit is based on a property's maximum assessed value (MAV). MAV can't increase by more than 3 percent each year, unless there are changes to the property, such as the addition of a new structure, improvement of an existing structure, or subdivision or partition of the property.

Each year the MAV and RMV for each property tax account are calculated. The property is then taxed on the lesser of these two values, which is called the "taxable assessed value."

The constitution limits the amount of property taxes that can be collected from each property account. To calculate these limits, taxes are divided into education and general government categories.

If taxes in either category exceed the limit for that property, the taxes are reduced or "compressed" until the limit is reached. Local option taxes are compressed first. If the local option tax is compressed to zero and the limit still hasn't been reached, other taxes in the category are proportionally reduced.

These limits are based on the RMV of the property, not the taxable assessed value.