



Budget Committee Meeting #2 Reconvening

Thursday, May 02, 2024, at 6:00 PM

Approved Minutes

Members Present:

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

Chair Lew Mason
Committee Member Ivan Salas
Committee Member Jennifer Gilbert
Committee Member Jennifer Massey
Committee Member Steve Toschi

Members Absent:

None

Staff Present:

Gloria Butsch, Finance Director - Budget Officer
John Walsh, City Administrator
Jamie Edwards, Accountant II- Budget Committee Secretary
Jennifer Johnson, Accountant III

Suzanne Bishop, Library Director
Heidi Davis, Building Permit Technician
Crystal King, Communications Officer

Others:

Brady Preheim
Robyn Toschi
Lynne Pettit

Adam St Pierre
Tina Curry, Contracted Event Coordinator

Call to Order

6:00 p.m. called to order

APPROVAL OF MINUTES

1. Budget Committee Minutes 4/25/2024

Committee Member Steve Toschi requested a correction to the minutes regarding his motion about interest documentation. He clarified that he had asked for foundational documentation in the form of bank records to show the actual interest earned. Finance Director Gloria Butsch advised the recording would need to be reviewed.

Motion: Motion made by Councilor Gundersen, to approve the 4/25/2024 Budget Committee Minutes, with verified revisions. Second by Committee Member Toschi.

Voting Yea: Mayor Scholl, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen, Chair Mason, Committee Member Salas, Committee Member Gilbert, Committee Member Massey, Committee Member Toschi

Review Submitted Questions & Staff Responses

Committee Member Jennifer Massey disclosed a potential conflict of interest due to her husband being a City of St Helens employee, a St. Helens Police Officer. Massey stated she has been in contact with the Executive Director of the Oregon Ethics Board, confirming the ability to participate and vote with these discussions, when providing this disclosure. A copy of the correspondence was provided at the April 25, 2024, Budget meeting.

Finance Director Butsch advised the Q & A was distributed in advance and at the request of the Committee, Butsch read through the questions and responses. The Q & A is included in the online meeting packet.

Additional discussion and questions

Question 1 - No additional questions or comments.

Question 2 - Toschi asked if the Committee should re-evaluate the police overtime based on potential new staffing evaluation. Toschi states the St. Helens Police are the highest paid police in the Oregon, according to Zip Recruiter. Council President Jessica Chilton said that was not true. Committee Chair Lew Mason, said to continue with asking questions based on the Q & A provided. Toschi states if the Committee is comfortable with the pay, then they need to look for revenue production.

Councilor Russ Hubbard, asked to confirm that once the two new officers were hired, that overtime would reduce. Butsch advised she could not answer that as it was not her department. Massey recalled the two officers that are currently being hired, are to replace the two retiring, so overtime will be status quo and if the Levy passes and they can hire additional officers, then hopefully the overtime will go down. Chilton advised the City increased staffing and their wages to be competitive to our surrounding cities like Hillsboro, where we were losing officers too once they were trained. City Administrator John Walsh confirmed the increase in staffing and wages was to reduce turnover and costs for training.

Committee Member Jennifer Gilbert asked to confirm the Police station was getting a new roof. Walsh confirmed it was.

Mayor Rick Scholl advised of the Police staffing increases and budget increases over the last several years. Toschi stated his research reports St. Helens higher than Hillsboro and Bend. Chilton disagrees.

Butsch brought the meeting back around and read information from the Budget Manual and what the Committee can and cannot do. The Committee has no authority over contracts and salaries. Toschi said the Committee needs to decide what needs to be cut or if they need to tell people they need to pay additional amount on their billing. Butsch advised the Committee can tell departments, they need to cut budgets by a specific amount, they cannot say specific accounts. Gilbert advised overtime cannot be cut, there is always going to be overtime.

Continued discussion on opinions.

Chair Mason advised there is an agenda item for general discussion and to continue the Q&A.

Question 3 - Toschi asked if Contracted City Attorney Bill Monahan was going to be on call. Scholl advised no. Toschi discussed increasing the fee on the water bill and in his research did not find anything unlawful.

Question 4 - Massey shared an idea to charge a fee for service. Butsch advised that was a mechanism that could be used and advised the \$10 fee currently charged on the water bill is per unit, not meter. Chilton asked how the fee for service would work. Massey advised typically they are for habitual calls, depending on what it is. Toschi asked who pays the fee. Massey advised the property or building owner. Scholl said it could also be charged to businesses that have a higher call out for theft. Toschi likes the idea of exploring that option and thinks it needs an analysis done to determine the risks to the City.

Toschi states if the City raised the rate on residential rentals to \$240 a year per unit that will increase revenue by \$272,160 a year. Continued discussion on the option to increase business licenses fees for rentals.

Question 5 & 6 - Toschi advised questions 5 & 6 were his, and that they can be skipped.

Question 7 - No other questions.

Question 8 –Massey asked if it was typical to add a proposed levy that has not yet passed into the proposed budget as it creates a lot of confusion. Butsch advised we cannot levy in a supplemental budget and yes, it is normal if they are anticipated. If the levy passes and the committee hasn't approved it, they will have to do a special publication. Chilton stated, having it in the budget now, gives the Committee a chance to vote on where the money goes.

Toschi wants to know what happens if the levy is not approved. Butsch advised that it was part of the discussion after the Q&A.

Question 9 - Massey thanked for clarification.

Question 10 - No additional questions or comments.

Question 11- Massey said this was her question and could skip it.

Question 12 - Toschi asked if "the fee" was the charge on the water bill. Butsch advised yes. Toschi asked if the fee was from \$3 to \$10 to build the station. Butsch and Scholl advised yes. Toschi asked if the increase of \$7 was to add an officer. Butsch advised yes.

Massey states there is a lot of confusion on where money is coming from and going to for the officers and station. Butsch advised in the proposed budget, the transfer of \$1M to the General Fund was to keep the General Fund at the 15% reserve. Massey asked if the original plan on the interest earnings would be used to build the station. Butsch advised there was no plan. Walsh advised there was no plan on interest earnings as the plan was to build a station and the money would be used, not earning interest.

Additional discussion and acknowledgment of careful balancing between leveraging accrued interest to support immediate budgetary needs and the implications of diverting funds dedicated initially for public safety purposes. The Committee assessed risks related to reallocating these resources and the importance of adhering to fiscal guidelines to maintain transparent and equitable fund utilization.

Question 13 - Toschi asked if the levy was to hire two additional officers, Butch advised yes, the two officers currently being hired, is to replace two officers retiring. The levy would hire two additional officers for a total of four additional officers.

Question 14 – Discussion focused on the tourism program's financial transparency and accountability, highlighting notable concerns regarding the City's access to the contractor-operated account. Several members raised significant issues about oversight, particularly pointing towards the City's inability to directly access or control the account managed by the contractor, Tina Curry or E2C.

Contractor responses emphasized confidentiality provisions, stating that specific entries within the account contained confidential information crucial to maintaining competitive pricing for entertainment and service providers.

Members discussed the necessity for better oversight and considered pursuing additional documentation or legal advisories to enhance transparency. The conversation underscored the importance of understanding the financial relationship between the City and the contractor, questioning the exact nature of the trust account and its implications for the City's proprietary interests. As stated by the contractor, there exists a long-standing arrangement where the contractor manages the operational finances of tourism events, reinvesting proceeds back into the program to sustain its viability. However, this setup necessitates a clear delineation of responsibilities and financial flows, which some members felt were insufficiently transparent.

Discussion highlighted that current contractual agreements stipulate that any remaining funds after the completion of contracted obligations should revert to the City, contingent upon the continuance, or otherwise, of the contract. The City Attorney reiterated that any transition should be managed carefully with potential legal oversight to ensure compliance with existing agreements. To this end, there was a suggestion for a formal examination or audit to ascertain the fiscal health and compliance of the existing arrangements, ensuring that City interests were safeguarded, and financial protocols adhered to, thereby maintaining public trust in the tourism program's administration.

7:43 p.m. break

Resumed 7:54 p.m.

Opportunity Discussion

The Committee discussed several revenue-generating ideas:

➤ **Implementing excess use fees for repeated police calls to specific properties.**

Motion: Motion made by Committee Member Toschi moved that the Council investigate adopting an excess use fee for repeated police calls, as discussed in the meeting, Massey seconded the motion.

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

➤ **Increasing business license fees for rental properties.**

Motion: Motion made by Toschi to recommend the Council consider the adoption of a business license fee of \$240 fee for commercial and residential rental properties per year, seconded by Massey.

Discussion:

The Committee expressed concerns about the proposed increase in the fee from \$20 to \$240 that would put a burden on the renters. Alternative option was to increase at a lower rate. The Committee acknowledged the necessity of exploring diverse revenue opportunities to stabilize financial health without burdening residents.

Amended Motion: Motion was amended by Toschi to consider raising the per unit fee for residential and commercial rentals to \$240 a year on the business license, seconded by Gilbert.

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

➤ **Implementing excess use fees for repeated police calls to specific properties.**

Motion: Motion made by Committee Member Toschi moved that the Council investigate adopting an excess use fee for repeated police calls, as discussed in the meeting, seconded by Committee Member Massey.

The motion passed unanimously.

➤ **Increasing the public safety fee on water bills if the police levy fails.**

Motion: Motion made by Committee Member Gilbert moved to recommend that if the police levy does not pass, a \$15 increase to the Public Safety Fee on the water bills will be implemented to fund police positions, seconded by Massey.

Discussion: Toschi feels the Committee should be looking at recurring revenues. Walsh pointed out the General Fund supports all the departments. Another option was to charge a general services fee. Massey did not like the general services fee as it was not guaranteed to go towards public safety. Toschi said there is flexibility in that option. Gilbert asked about sunset clause; Butsch advised, that is something they could recommend. Committee

Member Ivan Silas states if the levy does not pass, that could be the citizens saying they do not want four more officers and could not support them going to the water bill. Thinks, should go back to levy for one to two officers.

Restated Motion: Motion restated by Gilbert to recommend Council increase the public safety fee by \$15 if the levy doesn't pass, seconded by Committee Member Massey.

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

Voting Nay: Mayor Scholl, Councilor Hubbard, Committee Member Salas, Committee Member Toschi

➤ **Allocating \$1 million from future property sales to the General Fund.**

Motion: Motion made by Scholl to transfer \$1 million dollars of one-time revenue from property sales into the General Fund, seconded by Toschi.

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

➤ **Authorizing the filling of Public Works positions.**

Motion: Motion made by Toschi to recommend the Council consider the authorization of filling of up to three positions in the Public Works Department, seconded by Salas.

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

Voting Nay: Council President Chilton

Gilbert wanted to address a letter from a citizen about cutting the Parks Administrative position and asked if they can take the position at the Library to retain the administrative position. Walsh advised both the Parks Administrative position, and the Library positions were ARPA funds and temporary, that have ended. Sundeen said there are key responsibilities that position does and hopes there is a plan to take it over. Gilbert asked if that position can be retained. Scholl said originally the Parks and Recreation Manager used to fill the tasks of the Parks Administrative Assistant.

The Committee also discussed the potential impacts if the police levy fails, including possibly cutting police services. They debated whether to have a backup plan to increase fees if the levy fails, but did not reach consensus on this.

Approval of the Proposed Budget

Approval of the Proposed Budget. Process below:

Motion: Motion made by Gilbert to approve proposed budget for FY 2024/2025 and appropriations as shown on FY 2024/2025 Proposed Budget Expenditures Summary by Fund as amended; and to approve levy of the City's full tax rate of \$1.9078 per \$1,000 of assessed value for tax year 2024/2025. Seconded by Gundersen.

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

Reminder: May 16, URA Budget

Adjournment -9:33 p.m.

Respectfully Submitted by Jamie Edwards, Accountant III with assisted transcription by ClerkMintues.