



BUDGET COMMITTEE

Thursday, May 01, 2025, at 6:00 PM

DRAFT MINUTES

Members Present:

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

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

Members Absent:

None

Staff Present:

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

Others:

Brady Preheim
Tina Curry
Reed Hjort

Jim Coleman
Robyn

Call to Order

6:01 P.M. Called to order

Introductions & Budget Committee Role

Finance Director Gloria Butsch welcomed the members and thanked them for volunteering, followed by a roundtable of introductions from Council, Committee Members and staff.

Mayor Jennifer Massey declared an actual conflict of interest, as her husband is a police officer employed by the City. To avoid any potential bias, she stated she would not participate in discussions or voting related to staffing for the St. Helens Police Department.

Butsch outlined the role of the Budget Committee, emphasizing that it is responsible for reviewing, discussing, and making additions or deletions to the proposed budget presented by the Budget Officer. She clarified that the Committee does not make management decisions such as establishing or eliminating specific programs or services. Additionally, she highlighted that projects within the Capital Improvement Plan (CIP) are typically determined by master planning efforts led by the City Council, in collaboration with staff and the community.

New Chair & Vice Chair Nominations

Motion: Motion made by Committee Member Toschi to nominate Budget Committee Member Mason as Budget Chair, seconded by Budget Committee Member Salas. Mason accepted.

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

Motion: Motion made by Chair Mason to nominate Committee Member Jennifer Gilbert as Vice Chair, seconded by Councilor Sundeen. Gilbert Declined.

Motion: Motion made by Committee Member Gilbert to nominate Committee Member Toschi as Vice Chair, seconded by Councilor Sundeen. Toschi accepted.

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

Public Comment (5 Minutes Each)

Public comment was heard by Brady Preheim, raising several concerns:

- He objected to Mayor Jennifer Massey's participation due to conflicts of interest related to her husband's employment with the police department and pending lawsuits.
- He questioned the use of public funds for legal fees related to election interference allegations.
- He supported canceling the Citizens Day event and redirecting those funds to the food bank.
- He inquired about tourism revenues and discrepancies in budget projections.
- He requested to see documentation on the City's banking information that had been previously requested.
- He highlighted language in the budget document referencing a public safety levy or fee increase that some claimed to be unaware of.

Approval Minutes

1. Budget Committee Minutes 5/2/2024

Motion: Motion made by Councilor Sundeen to approve the Budget Committee Minutes from 5/2/2024, seconded by Vice Chair Toschi.

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

Receive Budget Message

Butsch presented the Budget Message and Proposed Budget for FY 2026.

Budget Assumptions & CIP

Butsch shared additional information on Budget challenges and options:

- A proposed General Service Fee of \$42.10 per month would achieve an 18% General Fund reserve.
- Other options like reducing COLAs or implementing furloughs were presented but have drawbacks.
- The Public Safety Facility fee needs a \$0.30 increase to cover debt payments.
- Water, sewer, and storm rates will see increases of 2.9%, 8.1% and \$0.19 respectively.
- An additional \$2 million loan is anticipated to complete the public safety facility project.

Discussions/Questions:

There was extensive discussion among Committee members on these proposals, including, but not limited to:

- Questions about the history and funding of the public safety facility project
- Concerns about increasing fees and impacts on residents

- Suggestions to look at further cuts or use of reserves
- Requests for more information on specific department budgets
- Discussion of potential revenue sources like business license fees
- Toschi inquired on how the General Service Fee would be collected. Butsch advised on the Utility Billing, that it was not a utility fee but applied on the utility bill.
- Suggestion to reevaluate the legality of implementing the fee on the utility bill without having gone to the public for a vote.

Break 7:04 p.m.

Resumed 7:11 p.m.

Committee Discussions (Roundtable) (10 Minutes Each)

Committee members provided comments and questions during a roundtable discussion:

Mayor Massey suggested looking at hiring a full-time grant writer instead of an IT Manager position. She proposed a combination of measures like a phased-in General Service Fee along with some internal cost reductions to close the budget gap over three years.

Salas-no additional comments.

Councilor Sundeen requested more information on when the General Fund decline began. He expressed concerns about fee increases impacting residents on fixed incomes but acknowledged many cities are facing similar challenges.

Council President Chilton-asked what services would be cut and by how much if they did not do the General Service Fee. Butsch shared how much each department's budget was.

Vice Chair Toschi asked who has the burden of paying the passthrough loan back. Butsch advised Portland General Electric (PGE). Toschi reiterated that if the general service fee is added then salary cap needs to be implemented as well and wants to know what the long-term financial plan is. Toschi suggests the option to increase business licenses fees on rentals and charge the tourism contractor to provide fee.

Councilor Hubbard emphasized focusing on core priorities of life, fire, and safety. He suggested looking at every area for potential cuts and questioned if reserves could be reduced further. Butsch advised the Committee can make a recommendation to lower the reserves, it just cannot go negative.

Gilbert expressed reservations about implementing a General Service Fee, reinforcing that citizens have opposed such measures previously and highlighted the need for alternative financial options.

Councilor Gundersen indicated he needed more time to digest all the information presented before forming opinions. He acknowledged the complexity of the budget issues and the pressure to make responsible decisions.

Chair Mason inquired about several specific revenue sources and property sales that were pending or anticipated, including the status of the Millard Road property sale and the Arcadia paper mill. He emphasized the potential significance of these transactions for the City's budget and discussed the importance of considering past decisions and lessons learned in future planning.

Additional discussion topics included:

- Potential business license fees or excessive use fees for properties requiring frequent police calls
- Concerns about transparency and public input on fee proposals
- Questions about utility fund transfers and maintaining appropriate reserves
- Requests for department heads to be available at the next meeting

Check in for Adjournment to May 15, 2025

Butsch asked when they adjourned tonight, that the Committee email all their questions so they can be compiled into a Q&A at the next meeting. Butsch advised decisions will need to be made at that time and a public hearing will be held.

Chair Mason asked when they should have questions in by, Butsch advised questions should be turned in by 8 a.m. on Thursday, May 8, 2025.

Adjourned to May 15, 2025, at 8:16 p.m.

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