



STAFF REPORT

Meeting Date: February 11, 2026
Author: John Walsh, City Administrator
Reviewed: Gloria Butsch, Finance Director
Ashley Wigod, City Attorney's Office
Department: City Administrator's Office
Subject: General Services Fee Ordinance to Refer to Voters
Type of Item: Proposed Ordinance

Purpose and Community Outcome

This Agenda item proposes an ordinance adopting Chapter 13.24, General Services Fee, and referring it to be approved by the voters at the May 19, 2026, citywide election. The General Services Fee will fund police, library, parks, recreation, community development, administration, information technology, and municipal court staffing programs and services, which are the services paid for out of the General Fund.

Background

At the February 4, 2026, City Council Work Session, City staff forecast a FY 26-27 budget shortfall of \$2,214,000.00 if services funded by the General Fund are to remain the same. Over the past several years, the City has used one-time revenue sources to fill budget gaps and maintain current service levels, but those one-time revenue sources are not available in future years.

The City of St. Helens has a permanent tax rate of \$1.91 per \$1,000 of assessed value, which is one of the lowest permanent tax rates in the State of Oregon. Many other communities, even those with higher permanent tax rates, have referred to and received voter approval for local option levies that temporarily increase the property tax rate and have adopted municipal services fees charged on utility bills.

Staff presented to City Council that adoption of a \$35.30 General Services Fee would allow the City to maintain staffing, programs and services at the current service level, with a 20% reserve. Alternatively, it proposes adoption of a \$24.00 General Services Fee that would maintain staffing at a current service level with a 10% reserve.

City Council directed staff to prepare an ordinance for a \$35.30 General Services Fee for Council review and adoption to then refer to the voters at the May 19, 2026, citywide election. This Agenda item also includes an alternative for City Council consideration.

What do the General Fund programs and services currently consist of?

- City Hall is open five (5) days per week
- Library is open six (6) days per week
- Municipal Court is staffed five (5) days per week
- 13 parks are maintained consisting of approximately 204 acres
- Recreation: 3,000 participants
- 24/7 Police Services

What does the General Fund staffing currently consist of?

- 23 Police Department staff, including thirteen (13) police officers, four (4) sergeants, one (1) detective, one (1) lieutenant, one (1) Chief, and three (3) administrative services personnel, including code enforcement
- Six (6) Library Department staff
- Three (3) Parks Department staff
- Two and a half (2.5) Recreation Program staff
- Five (5) Community Development Department staff
- Nine and a half (9.5) Administration Department staff, including City Administrator, City Recorder, Human Resources, Finance, and Communications
- Two (2) Municipal Court staff, not including contracted municipal court judge, prosecutor and public defender
- One (1) Information Technology (IT) Services

Ordinance No. 3321

Ordinance No. 3321 proposes a General Services Fee that will generate revenue to continue the provision of existing services as follows:

\$ 35.30 per EDU / month (for the first year)

- Generates an estimated \$215,441/month, \$2,585,292 annually in FY 26-27.
- The fee will index annually by not more than three percent (3%) according to the Consumer Price Index for All Urban Consumers (CPI-U) in the West Region as of December of the prior year.
- Staffing, programs and services are maintained at current levels.
- Creates a 20% reserve.
- Revenue from a municipal services fee is collected on an ongoing monthly basis and is not subject to Measure 5 property tax compression.

Ordinance No. 3322

An alternative approach for consideration, that was not proposed at the February 4, 2026, Council Work Session, is to adopt a lower General Services Fee, maintain a 20% reserve, and decrease some City services. We now propose Ordinance No. 3322 for consideration, as follows:

\$ 24 per EDU / month (for the first year)

- Generates an estimated \$146,496.00/month, \$1,757,952.00 annually in FY 26-27.
- The fee will index annually by not more than three percent (3%) according to the Consumer Price Index for All Urban Consumers (CPI-U) in the West Region as of December of the prior year.
- Staffing, programs, and services will require a decrease from current levels.
- Creates a 20% reserve.
- Revenue from a General Services Fee is collected on an ongoing monthly basis and is not subject to Measure 5 property tax compression.

Both Ordinances have the following additional provisions:

Term of General Services Fee

The term is proposed for 10 years, commencing July 1, 2026, and expiring June 30, 2035.

Dedicated Ledger Account and Use of Fee

The General Services Fee collected would be recorded in a dedicated ledger account for the General Services Fee and expended only on General Fund staffing, programs, and services described which include: police, library, parks, recreation, community development, administration, information technology, and municipal court, also known as General Services.

Quarterly Reports and Annual Audit

The City will provide quarterly reports to City Council that document the General Services Fee revenue and expenditures. The City's annual audit will include a review of the collection and use of the General Services fund.

Billing of General Services Fee

The General Services Fee is charged on a customer's utility bill. The person responsible for paying the City utility account is responsible for paying the General Services Fee.

Payment on a utility services account is applied first to any public safety fee previously adopted, second to the General Services Fee, third to the sewer service charges, fourth to stormwater charges, and fifth to the charges for water service.

Water utility services may be discontinued as provided for in City code if utility charges are delinquent.

Timeline to make it onto Ballot for May 19, 2026 Election, for Voter Decision

Timeline:

- February 11, 2026, first reading of Ordinance.
- February 25, 2026 (14 days later), second reading and adoption of ordinance.
- February 25, 2026, adopt Resolution referring Ordinance for voter decision at the May 19, 2026, election, and filing Explanatory Statement and Ballot Title, with the City Elections Official.
- February 27, 2026, Notice of Proposed Ballot Title provided to newspaper of general circulation to publish on March 6, 2026.
- March 17, 2026, last day for registered voters to petition for review of ballot title.
- March 19, 2026, last day to file Notice of Referral, Ballot Title, and Explanatory Statement with County.
- May 19, 2026, Election Day.

Budget Scenarios

If the City Council decides to refer the General Services Fee to the May 19, 2026 ballot, the City will prepare two budget scenarios:

- 1) a budget if the General Services Fee receives voter approval; and
- 2) a budget if the General Services Fee does not receive voter approval.

Attachments

1. Ordinance No. 3321, General Services Fee of \$35.30, indexed annually, for a term of 10 years.
2. Ordinance No. 3322, General Services Fee of \$24.00, indexed annually, for a term of 10 years.
3. Ballot Title.
4. Explanatory Statement.

Options and Alternatives

1. First reading of Ordinance No. 3321, which adopts a \$35.30 General Services Fee, indexed annually, to fund General Fund staffing, programs, and services, and to be reviewed for second reading and adoption at the February 25, 2026, Special City Council meeting, and referred for voter decision at the May 19, 2026, citywide election.
2. First reading of Ordinance No. 3322, which adopts a \$24.00 General Services Fee, indexed annually, to fund General Fund staffing, programs, and services, and to be reviewed for second reading and adoption at the February 25, 2026, Special City Council meeting, and referred for voter decision at the May 19, 2026, citywide election.
3. Decline to approve a General Services Fee to be referred to the voters at this time.
 - a. This decision will likely result in the City reducing staffing, programs, and services for its FY 26-27 Budget, and the remainder of FY 25-26. The City Council may elect to refer a General Services Fee at the November 2026 citywide election.

Next Steps

If an Ordinance is approved for first reading by City Council, the City will:

1. Place the Ordinance on the February 25, 2026 Special City Council meeting agenda for second reading and adoption.
2. Place a Resolution for approval on the February 25, 2026, Special City Council agenda, in which the City Council directs the City Administrator to file the Ordinance with the City Elections Official and refer it for voter decision at the May 19, 2026 election.