

City of St. Helens Budget Committee

Meeting Minutes

April 13, 2021

Members Present: Rick Scholl, Mayor
Doug Morten, Council President
Patrick Birkle, Councilor
Stephen R. Topaz, Councilor
Jessica Chilton, Councilor
Bill Eagle, Committee Member
Claire Catt, Committee Member
Garrett Lines, Committee Chair
Michelle Damis, Committee Member
Mark Gundersen, Committee Member

Members Absent: None

Staff Present: Matt Brown, Assistant City Administrator- Budget Officer
John Walsh, City Administrator
Margaret Jeffries, Library Director
Mouhamad Zaher, Public Works Director

7:00 P.M. - Call Meeting to Order

FY 2021- 2022 Budget Committee

Purpose / Role of Budget Committee

Brown discussed the role of the Budget Committee. The Budget Committee is a standing committee that reviews the proposed budget that is created by the Budget Officer (Matt Brown).

Process of Budget Committee

Brown discussed the process of the Budget Committee. It starts with staff creating a budget based on goals and objectives for the coming year. Meetings are scheduled and notices are published to the newspaper. The Budget Committee meets and goes through the budget, fund by fund. The Budget Committee meets again and approves the proposed budget and tax levy. The budget then goes to the City Council where a public hearing is held. The Council will then adopt the proposed budget.

New Chair / Vice Chair

Scholl nominated Catt; for Chair, Catt declined.

Scholl nominated Eagle for chair.

Motion: Upon Scholl's motion and Birkle's second, the Committee unanimously approved Eagle for Chair. [Ayes: Scholl, Morten, Eagle, Chilton, Catt, Damis, Lines, Birkle, Topaz; Nays: None]
Birkle seconded the nomination. All in favor; none opposed; motion carries.

Birkle nominated Catt for Vice Chair.

Motion: Upon Birkle's motion and Scholl's second, the Committee unanimously approved Catt for Vice Chair. [Ayes: Scholl, Morten, Eagle, Chilton, Catt, Damis, Lines, Birkle, Topaz; Nays: None]
Birkle seconded the nomination. All in favor; none opposed; motion carries.

Approval of Meeting Minutes

Motion: Upon Scholl's motion and Line's second, the Committee unanimously approved the minutes for 2020. [Ayes: Scholl, Morten, Eagle, Chilton, Catt, Damis, Lines, Birkle, Topaz; Nays: None]
Birkle seconded the nomination. All in favor; none opposed; motion carries.

Public Comment

None.

SDC Funds

Brown presented the SDC Funds. Master plans are in the process of being updated for water, storm and sewer. These are done by professional consultants. The last water master plan was done around 1987. Standard practice would be to update the master plans every 5-7 years. These plans go into the Capital Improvement Plan that is included in the budget. This year's CIP is lean until the master plans are completed. Next year's CIP will be full of a lot more projects. All funds are appropriated. That does not mean all the funds will be spent. Brown would like the funds available for matching grants and improvements throughout the year. Unappropriated funds can't be moved without a declaration of emergency.

Birkle asked why some funds are going up from last year and some going down. Brown said only one is forecasted to go down and that is Parks SDC. Last year's budget was adopted with \$50,000.00. The city received \$150,000.00 because of new developments like the apartment complex that was built. The city does not expect that much to come in again this year.

Catt asked if Parks SDC funds can only be used at McCormick Park. Brown said in 2015 the Parks Master Plan was revised by Jenny Dimsho. She categorized each park based on how the parks are classified. Only two parks are available to use SDC funds, Sand Island and McCormick Park.

Special Revenue Funds



Special Revenue Funds

Community Development Fund			
Taxes	80,000	Materials	1,949,000
Misc. Rev	1,645,000	Debt Service	230,000
Balance Available	944,000	Contingency	490,000
Total Resources	2,669,000	Total Expenses	2,669,000

Community Enhancement Fund			
Charge Services	500	Materials	103,200
Intergovernmental	41,000		
Miscellaneous	35,500		
Balance Available	26,200		
Total Resources	103,200	Total Expenses	103,200

Street Fund			
Intergovernmental	1,375,000	Personnel	476,000
Charge Services	20,000	Materials	656,000
Miscellaneous	14,000	Capital	450,000
Balance Available	761,000	Transfers	60,000
		Contingency	528,000
Total Resources	2,170,000	Total Expenses	2,170,000

Community Development Fund

- Brown is anticipating less motel hotel tax possibly due to Covid.

- A timber cut is planned and showing in the revenue.

Chilton asked about Tourism. Proposed in FY 21-22 recourses have tripled from the previous year. Brown is anticipating E2C to run Spirit of Halloweentown as a ticketed event. Last year that resulted in a large revenue increase. Chilton asked if revenues minus expenditures puts the city in the red. Brown expects to be in the black at a breakeven point. Brown does not expect E2C to spend everything appropriated for expenditures.

Community Enhancement Fund

This fund is used to track grant money. Chilton asked about the transitional housing. Transitional housing is for grant funds received for Community Action Team. The funds come in and go back out.

Street Fund

Revenue Sources

- Motor Vehicle Taxes
- Grant reimbursements from the State for improvements

Personal services down from previous year due to efficiencies made from the new Public Works Director. Topaz talked about additional funds coming in from the government. Will the city be able to add it to the streets budget? Walsh said there is an exception for budgeted revenue. If the city received a large grant, they will be able to expense that money. A reappropriated budget is done at the end of the fiscal year to include those funds.

Internal Service Funds



Internal Service Funds

Equipment Fund

Balance Available	412,000	Transfer	412,000
<i>Total Resources</i>	<i>412,000</i>	<i>Total Expenses</i>	<i>412,000</i>

IT Services Fund

Charge Services	518,000	Personnel	149,000
Balance Available	57,000	Materials	340,000
		Contingency	86,000
<i>Total Resources</i>	<i>575,000</i>	<i>Total Expenses</i>	<i>575,000</i>

Public Works Operations Fund

Grants	15,000	Personnel	2,811,000
Charge Services	2,891,000	Materials	584,000
Fees	50,000		
Balance Available	439,000		
<i>Total Resources</i>	<i>3,395,000</i>	<i>Total Expenses</i>	<i>3,395,000</i>

Equipment Fund

Equipment fund is used as a place holder for large equipment purchases. This is being moved to the Public Works Operations Fund. The \$412,000 is being moved to a major maintenance fund. These funds will be used for future equipment purchases for Public Works. This will help simplify the funds.

IT Services Funds

This is the same as the previous year. This is charged out to all the departments based on the number of computers and phones that they have. One IT person that is part of the personnel services. The entire IT infrastructure has been rebuilt over the course of the last year and a half.

Public Works Operation Fund

Public Works and Engineering share this fund.

- Grant from Oregon Marine board received yearly.

Zaher said he has been able to exam and find ways to be more efficient. He's been working on restructuring these funds to be more transparent. He would like to focus on what the city really needs. Catt mentioned there is no overtime budgeted. Zaher said Public Works is working hard on how to be efficient. Moving forward it will continue to improve.



Internal Service Funds

Major Maintenance Fund

Charge Services	100,000	Capital	1,053,000
Transfer	1,012,000	Contingency	332,000
Balance Available	273,000		
<i>Total Resources</i>	<i>1,385,000</i>	<i>Total Expenses</i>	<i>1,385,000</i>

Debt Service Fund

Transfer	1,160,000	Debt Service	1,160,000
<i>Total Resources</i>	<i>1,160,000</i>	<i>Total Expenses</i>	<i>1,160,000</i>

Public Safety Fund

Charge Services	50,000	Materials	50,000
<i>Total Resources</i>	<i>50,000</i>	<i>Total Expenses</i>	<i>50,000</i>

Major Maintenance Fund

Transfers incoming from Water, Sewer, and the Equipment Fund. Some funds used for final payment of 2625 Gable Road property.

- \$180,000 for matching grant Campbell Park
- \$163,000 for the library building improvements

Debt Service Fund

It's a best practice to have this fund set up to have all the debt services transferred into it as well as make all the payments out of this fund.

- A refunding bond was moved into this account this year from water, sewer, and streets

Public Safety Bond

This is a new account for this year just in case City Council decides to go out for a bond. for public safety. This is for an anticipated ordinance that will go to the City Council before the end of the year. This fund was created strictly for the public safety building.

Enterprise Funds

Enterprise funds consist of water, sewer, and storm.

Water

Water Fund			
Resources		Expenses	
Charges Services	3,747,000	Personnel	918,000
Miscellaneous	15,000	Materials	2,030,000
Balance Available	4,451,000	Capital Outlay	250,000
		Transfer	800,000
		Contingency	3,465,000
		Unappropriated	750,000
<i>Total Resources</i>	<i>8,213,000</i>	<i>Total Expenses</i>	<i>8,213,000</i>

- Personnel services has gone down from \$986,000 to \$918,000.
- Capital outlay of \$250,000 ties back to the CIP plan. The CIP plan includes water meter replacements and water main replacements.
- There was an \$800,000 transfer for the debt services fund.
- There is a 90-day reserve policy. That is 90 days of expenses held for this fund.
- Contingency funds are there for possible grant matching opportunities as well as expenses.

Questions on the water fund:

Topaz asked, what category does the reservoir fall under? Zaher answered, the city is currently under litigation against who worked on the reservoir project. Zaher could not comment or go into detail with an executive session coming up. He's looking forward to a very positive outcome.

Chilton asked why the water bills are so high because this is a question she is asked multiple times by citizens. Brown answered, 20 years ago St. Helens had many large industrial customers such as Boise, and Armstrong. Rates are often subsidized by larger industrial customers because of the larger customers impact on the infrastructure. Both Boise and Armstrong have left the city. Armstrong leaving caused impacts of \$1,000,000. Boise also caused a large impact when they left. When big companies leave the water infrastructure and maintenance still must be paid for. The wastewater treatment plant is 10 times larger than what the city needs. The loss in rates must be passed on to the remaining customers.

Unfortunately, the city has not done slow, steady increases over time such as one or two percent every year. Brown shared a utility rate comparison chart. St. Helens falls in the middle of the chart in price comparisons with neighboring cities. Walsh said a lot of times cities will not move forward with capital improvement projects to keep rates down. The city has moved forward with some improvement projects. The city has a state-of-the-art water treatment facility that's nearly paid off. There is a debt service related to that improvement and it shows in the rates.

Chilton asked if Brown anticipates the rates to continue to go up. He does not anticipate any rate increases this calendar year. He would like to wait until the master plans are complete. Zaher said the master plan for water should be completed by March of 2022. He recommends the public tour the Wastewater Treatment Plant and look at the facilities. Anyone interested can be sent his way to be educated on the infrastructure.

Sewer

Sewer Fund			
<u>Resources</u>		<u>Expenses</u>	
Charges Services	3,976,000	Personnel	914,000
Miscellaneous	15,000	Materials	2,074,000
Balance Available	3,904,000	Capital Outlay	200,000
		Transfer	900,000
		Contingency	3,057,000
		Unappropriated	750,000
<i>Total Resources</i>	<i>7,895,000</i>	<i>Total Expenses</i>	<i>7,895,000</i>

Personnel services is lower at \$914,000.00 due to efficiency improvements. The \$750,000.00 in unappropriated is for the 90- day reserve policy.

Storm

Storm Fund			
<u>Resources</u>		<u>Expenses</u>	
Charges Services	1,075,000	Personnel	505,000
Miscellaneous	5,000	Materials	881,000
Balance Available	1,976,000	Capital Outlay	150,000
		Contingency	1,170,000
		Unappropriated	350,000
<i>Total Resources</i>	<i>3,056,000</i>	<i>Total Expenses</i>	<i>3,056,000</i>

The storm fund is not as healthy. This fund in the past was included in the sewer fund. Brown worked to get this fund separated. Adjustments have been made over a couple of years. Once the master plan comes through rates may be adjusted. Eagle asked how storm fees are determined. It's based on estimated dwelling units. If it's a business, it's based on impervious surface. Morten would like the storm rates and codes to be relooked at with the City Council.

Adjournment – 7:36 p.m.

Respectfully submitted by Jennifer Johnson, Budget Committee Secretary