



## STAFF REPORT

Meeting Date: February 25, 2025

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Department: City Administrator's Office

Subject: General Services Fee Ordinance to Refer to Voters

Type of Item: Proposed Ordinance

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### 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.

At the February 11, 2026, City Council Work Session, Staff presented to City Council two proposed ordinances for consideration:

1. Ordinance No. 3321, a \$35.30 General Services Fee that would allow the City to maintain staffing, programs and services at the current service level, with a 20% reserve.
2. Ordinance No. 3322, a \$24.00 General Services fee, that would maintain staffing and services at a decreased level of service from current levels, but not as decreased as if no fee was adopted.

At the February 11, 2026, City Council Meeting, City Council approved for first reading both Ordinance No. 3321 and Ordinance No. 3322. With these adoptions, City Council has the option to approve one or the other ordinance at the February 25, 2026, City Council meeting and refer the adopted Ordinance to the voters for approval at the May 19, 2026, city wide election.

### 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: many youth served
- 24/7 Police Services

**What does the General Fund staffing currently consist of?**

- Police: 23, including thirteen (13) officers, four (4) sergeants, one (1) detective, one (1) lieutenant, one (1) Chief, three (3) administrative.
- Library: Six (6)
- Parks / Rec: Five and half (5.5)
- Community Development: Five (5)
- Administration: Ten and half (10.5), including City Administrator, City Recorder, HR, Finance, Communications, IT
- Municipal court: Two (2), excluding contracted municipal judge, public defenders

**Ordinance No. 3321**

Ordinance No. 3321 proposes a General Services Fee that will generate revenue to continue the provision of existing services without reduction.

**\$ 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**

Ordinance No. 3322 proposes a General Services Fee that will generate less revenue than Ordinance No. 3321, and therefore some cuts to staffing and services are likely required.

**\$ 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 Municipal 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 of the fee is 10 years, commencing July 1, 2026, and expiring June 30, 2035.
- The Budget Committee will review the fee after five years and make a recommendation to City Council about whether to continue the fee.

### **Dedicated Ledger Account and Use of Fee**

The General Services Fee revenues and expenditures will be recorded in a dedicated ledger account.

### **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.

### **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 Election 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. Resolution No. 2066, Adopts Ballot Title and Explanatory Statement for General Services Fee (\$35.30) to refer to voters.
4. Resolution No. 2067, Adopts Ballot Title and Explanatory Statement for General Services Fee (\$24.00) to refer to the voters.

## **Options and Alternatives**

1. Second 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 Meeting and referred for voter decision at the May 19, 2026, city-wide election.
2. Second 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, city-wide 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.
4. If Ordinance No. 3321, is approved for Second Reading, City Council must adopt Resolution No 2066 and refer the matter to the voters at the May 19, 2026, election.
5. If Ordinance No 3322, is approved for Second Reding, City Council must adopt Resolution No. 2067 and refer the matter to the voters at the May 19, 2026, election.