



BUDGET COMMITTEE

Wednesday, July 13, 2022, at 5:00 PM

DRAFT-MINUTES

Members Present:

Rick Scholl, Mayor
Doug Morten, Councilor President
Stephen R. Topaz, Councilor
Jessica Chilton, Councilor
Claire Catt, Committee Chair
Garrett Lines, Committee Member
Michelle Damis, Committee Member
Mark Gundersen, Committee Member

Members Absent:

Michelle Damis, Committee Member
Patrick Birkle, Councilor
Lew Mason, Committee Vice Chair

Staff Present:

Matt Brown, Finance Director- Budget Officer
John Walsh, City Administrator
Mouhamad Zaher, Public Works Director
Sharon Darroux, Engineering Manager
Jennifer Johnson, Accountant- Budget Committee Secretary

5:05 P.M. - Call Meeting to Order

Introductions

Approval of Previous Year Meeting Minutes

1. April 13, 2021, Minutes

Motion made by Committee Member Lines and seconded by Councilor Chilton, to approve the April 13, 2021 Minutes.

Voting Yea: Mayor Scholl, Councilor Topaz, Committee Member Gundersen, Chair Catt, Lines

2. April 27, 2021, Minutes

Motion made by Committee Member Lines and seconded by Councilor Chilton, to approve the April 27, 2021 Minutes.

Voting Yea: Mayor Scholl, Councilor Topaz, Committee Member Gundersen, Chair Catt, Lines

3. May 12, 2022, Minutes

Motion made by Committee Member Lines and seconded by Councilor Chilton, to approve the May 12th, 2022 Minutes.

Voting Yea: Mayor Scholl, Councilor Topaz, Committee Member Gundersen, Chair Catt, Lines,

Open Public Comment

Comments:

- ❖ Steven Toschi Commented on the Planning Commission meeting where a request was declined due to concerns over the sewer repair timeline of two to four years. He feels the time frame should be narrowed and resources should be found to move that project up.

No other public comments.

Public Works Positions Discussion

Scholl discussed concerns on the budget over a department that he is a liaison over, Public Works. He is concerned that there has been no mention to him or Morten about positions being removed from the budget, an operations position at the Water Filtration Facility and two Mechanics. Morten commented that he is also a liaison to the Public Works Department and was not aware of the removal of any positions. At one time Morten was overseeing Public Works. He was more than a liaison. He has spent a lot of time with Department Heads facilitating goals. There was a process to iron out new positions and removing positions. He said it is not that way now. He feels it has all been a surprise at this point. There has been no time to have conversations with Department Heads.

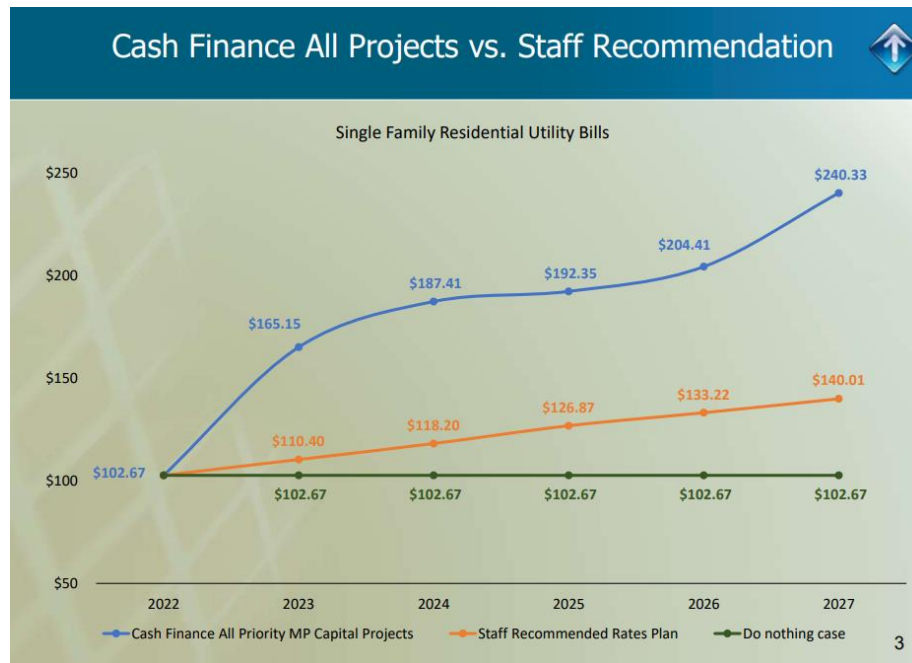
Scholl asked Brown what positions have been taken out of the budget and why. Brown asked what positions they are looking at because he still shows them in the budget. Morten said Operator 1, Operator 2, Permanent Coordinator. Brown said he has all those positions listed in the budget. None have been removed. Scholl said there was a list of positions removed that were not announced to the Budget Committee. Topaz mentioned that the Youth Librarian positions were not announced to them ahead of time. Brown said the report of all the staffing has been shared with the department head as well as the City Administrator back in February. The Budget was then reviewed again when it was put together with the Department Head and the City Administrator. Zaher asked if the Water Operator 1 position that was vacant two weeks ago, but is now gone due to budget cuts, is available. Brown said the Water Operator 1 position is not the position he was looking at. Brown said it was a part-time position. Chilton asked to hear from Walsh. Walsh said he is unable to resolve what was said between the two. He said there has been a lot of "what-if" scenarios. Scholl asked about summer help positions. Brown said summer help was not included in the Public Works Operation budget when Walsh and Brown initially talked with departments. Scholl said these items should be brought to the Budget Committee not just discussed with Walsh. Brown showed previous years FTE chart. Scholl said there are positions that are already missing that were not filled. Chilton requested access to the slide from the last meeting that showed positions that could be cut.

Scholl said the Council will further this discussion if that is okay with the Budget Committee.

Presentation – Steve Donovan and Matt Brown- Utility Rates July

Brown shared a slide show showing capital improvement plan projects and master projects with options to fund them. Donovan presented the utility rates. He presented three different scenarios.

- Do Nothing Case
- Staff Recommendation
- Cash Finance all High Priority Master Plan Projects



The middle orange line does include some streets dug up and repair costs. The graph represents the best estimates based off the master plans. Donovan said its very important to follow through with the plan for all five years. This is a five-year plan. You can adjust that plan up or down every year, but you must continue with the plan. Brown said this plan does not include any changes to staff. If staff is increased by adding more positions, you would need to raise the rates in the five-year plan. Donovan said there could also be more growth during that time and could help the plan. Brown mentioned that this year was the first-year property taxes came in at 7% lower than what he had budgeted. Rate comparison was shared, St Helens was not the highest or lowest, with the proposed rate increase it places the City at the fifth highest within the comparison group. Brown shared that the meter changeout plan was not included in the five year plan. More information will be provided in the financial report coming up at the next council meeting.

Discussion Regarding Utility Rates and Projections

Brown asked the Committee if they were comfortable with the staff recommendations. Lines would be comfortable if staff reported they were confident that with the current five- and ten-year plans, that these recommendations would meet those needs. Scholl stated with the current plans, sticking to these recommendations would support these plans. Chilton shared, there are still chances that things could happen that could change the recommended needs, however with the current plans, these recommendations will get projects started and moving forward.

Topaz asked if it was possible to add contingencies incase things come up. Donovan, reported they had that right now with their fund balances. There is \$3.8 million in the water fund, \$2 million and change in sewer as contingency. The capital improvement projects have contingency specifically built into them. Brown added that in the budget document there are specific contingency amounts, for example water has 2.7 million. Catt asked what the policy was if staff needed to use Contingency Funds. Brown responded there is a Financial Policy that outlines the 90-day policy for the Enterprise Fund, 20% reserve policy for the General Fund. Catt clarified, specifically when is Council notified. Donavon shared there is a State law, Oregon Budget Law, requiring a Supplemental Budget if you go over the budgeted appropriation.

Lines asked when the public finds out about the decision for the rate increase. Scholl reported the increase was already adopted and was surprised the media did not report it and customers will inquire when they see the increase in their water bill. Catt said it would be nice if the City's Communications Officer could post something about the rate increase, why it was being done and the projects that it would support. Scholl said this could be done.

Adjournment – 6:33 PM

Respectfully submitted by Jamie Edwards, Budget Committee Secretary