



BUDGET COMMITTEE

Thursday, May 12, 2022 at 5:00 PM

DRAFT-MINUTES

Members Present:

Rick Scholl, Mayor
Doug Morten, Councilor President
Patrick Birkle, Councilor (5:50 p.m.)
Stephen R. Topaz, Councilor
Jessica Chilton, Councilor
Claire Catt, Committee Chair
Lew Mason, Committee Vice Chair
Garrett Lines, Committee Member
Michelle Damis, Committee Member
Mark Gundersen, Committee Member

Members Absent:

Michelle Damis, Committee Member (5:45 p.m.)

Staff Present:

Matt Brown, Finance Director- Budget Officer
John Walsh, City Administrator
Brian Greenway, Police Chief
Jacob Graichen, City Planner
Brenda Herren-Kenaga, Interim Library Director
Mouhamad Zaher, Public Works Director
Shanna Duggan, Parks and Recreation Manager
Jennifer Johnson, Accountant- Budget Committee Secretary

5:00 P.M. - Call Meeting to Order

Introductions & Budget Committee Role

New Chair and Vice-Chair Nomination

Motion made by Mayor Scholl, seconded by Councilor President Morten, to appoint Catt as Chair.
Voting Yea: Mayor Scholl, and Councilor President Morten, Councilor Topaz, Councilor Chilton, Committee Member Catt, Committee Member Lines, Committee Member Damis, Committee Member Gundersen, Committee Member Mason

Motion made by Councilor Chilton and Seconded by Mayor Scholl to appoint Mason as Vice Chair.
Voting Yea: Mayor Scholl, Councilor President Morten, Councilor Topaz, Councilor Chilton, Committee Member Catt, Committee Member Lines, Committee Member Damis, Committee Member Gundersen, Committee Member Mason.

Approval of Previous Year Meeting Minutes

2. April 13, 2021 Minutes
3. April 27, 2021 Minutes

Morten requested paper copies of minutes for review. Minutes will be approved at the next meeting.

Open & Close Public Hearing for State Shared Revenue

Public Hearing was opened at 5:22 p.m.

Comments:

- ❖ Brady Preheim. Commented on the Planning Commission meeting. Concerns about \$800,000 used for the new Police Station.

No other comments.

Catt closed the public hearing at 5:25 p.m.

Open Public Comment

- ❖ Brenda Herren-Kenaga Is appalled that the city would consider not serving one in five residents. The under 18 community needs a dedicated person for that population. Seems like a no brainer. She says lets not betray our past when we worked together to build the Library. Please find a way to fund the youth librarian position. Then the Library can fully serve the 20% of our population.
- ❖ Rebecca Jessie A resident of St. Helens as well as a stay-at-home mom of four children. Uses the Library on a regular basis. Uses the children's programs every summer. She homeschools and uses the library for that as well. Is confused by the 21% decrease to the library budget. She does not understand why the children's librarian is taken out. The library is a safe place for kids. Please reconsider.
- ❖ Jan Zuccarini. There Library hosted several events put on by Oregon Humanities. She has participated in many of those events. Received lots of education from the library. City Councilor bios state they have an interest in enhancing the community with youth programs. Developing youth programs is a goal of Councilor members. She would like to see that happen in the budget. The community would be appreciative.
- ❖ Carrie Bissel. Mother of six, grandmother of ten. The thought of losing the library is surprising. Has brought her kids in for many library events. Girl Scout Troops have participated in events. Concerned with consequences of this. Please reconsider and keep the Children's Librarian. Catt added a point for clarification. The budget was put together by staff administration. At this point in the process Councilor and Budget Committee members have not had direct input on the budget. That is the job of the meeting tonight.

Scholl wanted to let the public know that he has read every comment submitted.

- ❖ Steven Toschi. Business owner in the city. Managing expenses can be challenging. Would like to draw the line on how much wages and expenses for employees. Make sure people are being paid appropriately. On the revenue side he sees opportunities. Gas tax is an option. Scappoose has a 3% tax. More then 20 cities in Oregon have this tax. He Feels it is important to have a Youth Librarian. Study the option of a gas tax. It is very important to have a Youth Librarian.
- ❖ Charlotte Hart. Has been a library volunteer since 1989. Urges Committee to remember that Diane Kim donated \$1 million dollars for the library and the community raised an additional \$1 million dollars for the library. Many fundraisers were done. The library was built without city funds. The Community wants the library to succeed. We need to keep a commitment to fund the Children's Librarian.

- ❖ Brady Preheim. The kids are the ones who need to library the most. Concerned with staff increases does not support the police station. Feels they should have done a bond. Would like to know where the loan money is coming from. Would like the funds accounted for and tracked. He is concerned about the \$800,000 used to purchase a second Recreation Center. Emergency funds used is unacceptable.
- ❖ Nicole Woodruff. Hours would be cut without a Youth Librarian. There would not be enough staff to run the library. She feels this would hurt the community. People who come into research healthcare would be affected.
- ❖ Shauna Stroup. Library and Police Budget concerns. Influx of building. Concerned with money allocations. Concerned with funds spent on Recreation Center and not the library. The library is a huge, needed resource. Police are needed with additional apartments built. The amount of theft and crime happening is concerning.
- ❖ Jessica Barnes. Emailed her comments in.
- ❖ Jenny Fields. Mother and daycare owner. The library is essential for the youth. Programs will be affected. Its really important to find a way to keep the Youth Librarian.
- ❖ Luanne Kreutzer. Former bookstore owner. Kreutzer knows the importance of books. The library is a gem for the community. The services cannot be degraded. She would like to see the services continue. She understands how hard it is to balance the budget. Please reconsider.
- ❖ Jan Zuccarini. The Chronicle has a pole online 82% agreed Library should be funded.
- ❖ Steve Topaz. Was not consulted. Staff was reduced prior and not replaced. Staff was lost due to other offers.
- ❖ Emily Martin. Works for Scappoose Bay Watershed Councilor. Would like to include in the parks budget maintenance for Godfrey and McCormick parks noxious or invasive weeds. These weeds affect the health of the water shed. Will become more expensive long term. Would like this to be taken into consideration
- ❖ Steven Krager. Concerned about cutting funding at the library. Uses the maker space often. Expand and keep the funding. No ev that more police officers reduces crime.
- ❖ Sarah Kotkins. Mother of homeschooler. Library is dependent on a person to draw people in instead of internet use. Hopes committee is reconsidered.

Scholl is committed to the challenge to come up with providing a Youth Librarian.

Budget Assumptions & CIP

What IS included in the 22/23 Proposed Budget

- Two new Patrol Officer positions
- Utility rate increase assumptions
- New debt service for Enterprise Funds
- 5% COLA increase assumptions for 22/23

Walsh it's a financial exercise to attempt to balance the budget. With Police needs increasing all vacant positions were looked at. He said it's not about the Youth Librarian position specifically.

What Assumptions are used in the 22/23 Proposed Budget

General Fund

- Forecasted years assume 3% Personnel increases (Wages, Insurance, PERS)
- Forecasted years assume 1% Materials/Services increases Enterprise Funds
- Forecasted years assume 3% Personnel increases (Wages, Insurance, PERS)
- Forecasted years assume 5% Materials/Services increases
- Utility rate increases for water/sewer/storm over the next 5 years
- Additional debt service required for capital projects

What is NOT included in the 22/23 Proposed Budget & Forecasts

- Administration Executive Assistant (\$140,000)
- Administration Communications Assistant increase to 1.0 FTE (\$35,000)
- Administration City Attorney (\$225,000)
- Administration Human Resources Manager (\$125,000)
- Finance Accountant 3 (\$140,000)
- Library Youth Librarian (\$115,000) - Removed in 22/23 Budget
- Library Technician Makerspace (\$90,000) - Temporary position, ends Dec 2023
- Library Part-Time Shelver (\$5,000) – 2 positions removed in 22/23 Budget
- Parks Utility Worker (\$85,000) - Removed in 22/23 Budget
- Recreation PT Sports League Coordinator (\$65,000)
- Recreation Admin Assistant P&R (\$95,000) - Temporary position, ends Dec 2024
- Planning Associate Planner (\$125,000)
- Police Patrol (\$160,000) - Multiple Positions Requested
- Police Detective (\$195,000) - Multiple Positions Requested
- Public Works PT Admin Assistant (\$65,000)
- Public Works Engineer 1 (\$125,000)
- Public Works Engineer Intern (\$20,000)
- Public Works Building Maintenance Utility Worker (\$95,000).

Questions

Lines asked about the Library Tech position. Will this be going away at the end of 2023? Brown said there are two temporary positions listed that are expiring. The Maker Space position will also expire. These positions are funded by ARPA federal funds. The Library Tech funds expire in December of 2023. When those expire the position will go away. Recreation also has an Administrative Assistant that will expire December 2024.

Chilton asked if the two shelving positions are going away. Brown said those two positions were added in last year's budget that are usually filled by high school students with very limited hours. Catt asked what's the impact of the utility worker. Duggan said there are three parks' employees currently. There should not be a large impact removing that position as of now but possible relook at it in the future when there are more park spaces. The Sports Coordinator position would allow for more sports leagues and more revenue generated. Revenue is an average of \$85,000. The department has been asked to help manage other programs.

SDC Funds

SDC funds are all appropriate in case of grants, etc. Parks SDC funds Columbia View Park improvements.

Only Columbia View Park and McCormick Park are eligible for SDC funds identified in the Master Plan.

Internal Service Funds**Public Works Operations Fund**

- Charge Services 3,587,000
- Personnel 3,334,000
- Fees 75,000
- M&S 546,000
- Balance Available 538,000
- Cont. 320,000

- Total Rev 4,200,000
- Total Exp 4,200,000

Fund Notes

- New Facilities Maintenance Department

Public Safety Fund

- Charge Services 215,000
- M&S 1,500,000 Miscellaneous
- 3,000,000 Capital
- 15,255,000
- Balance Available 14,240,000
- Debt 700,000
- Total Rev 17,455,000
- Total Exp 17,455,000

Fund Notes

- Misc. revenue is assumed 2nd revenue bond for facility
- Construction estimated to begin April 2023
- \$3 PSF estimated as \$215,000 "Charges for Services"

Technology fund goes away. Moves to General Fund

Equipment Fund goes Away. Moves to PW Operations

Fund Major Maintenance fund goes away. Moves to PW Operations Fund

Special Revenue Funds

Tourism will be its own fund.

Tourism Fund

- Hotel Taxes 120,000
- M&S 210,000 Miscellaneous 265,000
- Cont. 175,000

Total Rev 385,000 Total Exp 385,000

Fund Notes

- Contingency Safety net built in.
- Assumption of new business model

Community Development Fund

- Miscellaneous 7,590,000
- M&S 9,900,000
- Grants 2,251,000
- Debt Serv. 165,000
- Balance Available 1,610,000
- Cont. 1,386,000
- Total Rev 11,451,000

- Total Exp 11,451,000

Fund Notes

- Riverfront Loan (\$7M) & 2 Riverfront Grants (\$880k)
- 2 Central Waterfront Grants for studies (\$1.3M)

Community Enhancement Fund

- Intergov. 20,000
- M&S 267,000
- Fees 20,000
- Transfer 130,000
- Balance Available 97,000
- Total Rev 267,000
- Total Exp 267,000

Fund Notes

- No specific projects noted

Street Fund

- Intergov. 1,580,000
- Personnel 570,000
- Charges 30,000
- M&S 579,000
- Miscellaneous 5,000
- Capital 500,000
- Balance Available 1,000,000
- Debt Serv. 60,000
- Cont. 906,000
- Total Rev 2,615,000
- Total Exp 2,615,000

Fund Notes

- No specific projects noted

Scholl said E2C has done an amazing job after covid.

Walsh commented that the lagoon is oversized and needing cleaned up.

Street fund, no specific project identified yet.

Enterprise Funds

Water Master Plan was just updated since 2013. Projects were identified that could be differed. This graph is showing if all the projects were completed. Morten said the time was adjusted for the reservoir. Scholl said the last Sewer Master Plan was done in 1989. Walsh said the impact of industry leaving such as Boise and Armstrong has been huge. The burden has been put back on the community.

Zaher would like to be proactive. He has dug deep into the Master Plan. Sewer infrastructure is not in good shape and extremely expensive to fix.

Lines feels strongly about infrastructure falling apart. Would like to be more proactive.

Scholl asked if the Budget Committee would be in support of the rate increases to fix this. Walsh would like to attract business back.

Water Fund – Master Plan Assumptions

- 2% Annual Growth
- 3% rate increases each year for five years
- 3% Increase in Personnel Services
- 5% Increase in Materials
- Deferred projects and timelines out; projects as proposed in Capital Improvement Plan for next five years
- Annual Maintenance reduced to \$200,000 per year

Sewer Fund – Master Plan Assumptions

- 2% Annual Growth
- No rate increases
- 3% Increase in Personnel Services
- 5% Increase in Materials
- Capital Projects as recommended in 2022 Master Plan (last full master plan done in 1989)
- \$790k in Annual Maintenance recommended in 2022 Master Plan
- Sewer Fund – Master Plan Assumptions
- 2% Annual Growth
- 8% rate increases each year for 5 years
- 3% Increase in Personnel Services
- 5% Increase in Materials
- \$10.4M Debt Service required in 22/23 and \$4.9M Debt Service required in 24/25 to fund capital projects
- Deferred projects and timelines out; projects as proposed in Capital Improvement Plan for next 5 years
- Annual Maintenance reduced to \$160,000 per year
- Storm Fund – Master Plan Assumptions
- 2% Annual Growth
- No rate increases
- 3% Increase in Personnel Services
- 5% Increase in Materials
- Capital Projects as recommended in 2022 Master Plan (last full master plan done in 1999)
- \$900k in Annual Maintenance recommended in 2022 Master Plan
- Storm Fund – Master Plan Assumptions
- 2% Annual Growth
- 22.9% rate increase in 2022, 16.6% rate increase in 2023, 17.2% rate increase in 2024, CPI rate increases in 2025-2027
- 3% Increase in Personnel Services
- 5% Increase in Materials
- Capital Projects as recommended in 2022 Master Plan
- Deferred projects and timelines out; projects as proposed in Capital Improvement Plan
- Annual Maintenance reduced to \$100,000 per year

BREAK TIME (7:00 p.m.)

General Fund

Revenue Notes

- Property Taxes avg 6.6% since 15/16, assuming 6% in forecast model
- ARPA (Grants) of \$832k in 22/23, \$575k in 23/24 and \$0 in 24/25
- In 23/24, Public Safety Facility dedications begin (\$600k in resources)
- Cigarette Tax \$10,000
- Alcohol Tax \$240,000
- Cannabis Tax \$225,000
- SDC Admin Fee \$125,000
- Transfer revenue comes from IT Fund

23/24 dedicated revenue sharing for public safety. Over \$1 million from ARPA going away makes a big impact. It moves into the General Fund.

Library

The Youth Librarian cost is \$115,000. Catt asked how departments make requests about these items. Walsh said it's a process. Department heads have meetings. A form for change request is sent out for large changes. If you're requesting something new or large items those would be on the request and it would be reviewed.

Scholl said downsizing the size of the new police station could add funds back into the general fund to support the Youth Librarian position.

General Fund Staffing Needs

- Administration Executive Assistant (\$140,000)
- Administration Communications Assistant increase to 1.0 FTE (\$35,000)
- Administration City Attorney (\$225,000)
- Administration Human Resources Manager (\$125,000)
- Finance Accountant 3 (\$140,000)
- Library Youth Librarian (\$115,000) - Removed in 22/23 Budget
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- Police Patrol (\$160,000) (Multiple Positions Requested)
- Police Detective (\$195,000) (Multiple Positions Requested) Enterprise Funds
- Public Works PT Admin Assistant (\$65,000)
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- Public Works Engineer Intern (\$20,000)
- Public Works Building Maintenance Utility Worker (\$95,000)

Opportunities

1. Revisit funding strategy for Public Safety Facility
 - Re-allocate revenue sharing back to General Fund
 - Increase \$3 public safety utility fee
 - Go out for a GO Bond (property tax increase)
2. Increase the public safety fee to increase support for the Police Department (\$2.50 per officer)
3. Investigate a 5-year option levy (property tax increase) to support specific departments:
 - Police Department
 - Library Department
 - Parks & Recreation Division
4. Investigate a continuation of the Parks & Recreation utility fee
5. Complete an internal service level review for all departments & city buildings

Catt asked cost on option five. Brown said \$70-100k would be the cost. Chilton asked how much time it would take to get that done. Brown said there is time to figure this out. Scholl is not in favor of option five. Morten agrees time is needed. There is no reason to cut staff. He recommends cutting materials and services 10% in each department. This would give the staff and Councilor time.

Lines would like to see examples of different scenarios.

Brown mentioned a Gas Tax would not help the General Fund. It can only be spent on certain things like road improvements.

Gunderson is in favor of a monthly utility fee to fund the extra police and library costs. Catt feels the Youth Librarian position is very important to the Committee.

Birkle would like to have another meeting. Scholl would also like to have another meeting.

Live Model Situations (General Fund & Public Safety Fund)

Discussions about redesigning the Public Safety Facility to a smaller model to save cost. Brown said costs for the facility do not take effect this fiscal year. The concern is year six and on. Scholl is concerned about the size of the new facility. There are still a lot of questions to be answered. Chilton asked if the Police Station is downsized would that create more funds for the library? Downsizing the Police Station would put more funds back into the General Fund.

Approval of the Proposed Budget

Scholl said it is important that the community spoke up. He is looking forward to having the new Library Director. Birkle wished he had attended for the public comment. As a teacher it is obvious the hurt in disruption in education. The Youth Librarian is essential.

Motion made by Mayor Scholl, Seconded by Councilor President Morten. To approve expenditures for FY 2022/2023 in the amount of \$87,716,000 and to establish the maximum expenditures for each fund as shown add back the Youth Librarian on FY 2022/2023 Proposed Budget Expenditures Summary by Fund.

Voting Yea: Mayor Scholl, Councilor President Morten, Councilor Birkle, Councilor Topaz, Councilor Chilton, Committee Member Catt, Committee Member Lines, Committee Member Gunderson, Committee Member Mason.

Adjournment – 9:05 p.m.