



BUDGET COMMITTEE
Thursday, April 05, 2018
265 Strand Street, St. Helens, OR 97051
www.ci.st-helens.or.us

Welcome!

1. **Election of Budget Chair**
2. **Approval of Minutes - Previous Year**
 - 2.A. Approve Minutes from February 16, 2017, May 4, 2017, and May 11, 2017.
[2-16-17 Budget Minutes](#)
[5-4-17 Budget Minutes](#)
[5-11-17 Budget Minutes](#)
3. **Discussion Part 1**
 - 3.A. #3- Strategic 10 Year Plan
 - 3.B. #4- Surplus Sale
 - 3.C. #5- Sick Leave Payout for Future Employees
 - 3.D. #6- Facilities Master Plan
 - 3.E. #7- Financial Software
 - 3.F. #17- Form of Government
 - 3.G. #2 - 1% Construction Excise Tax

The St. Helens City Council Chambers are handicapped accessible. If you wish to participate or attend the meeting and need special accommodation, please contact City Hall at 503-397-6272 in advance of the meeting.

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For more information or for an application, stop by City Hall or call 503-366-8217.**

3.H. #18- Utility Billing User Fee- Sidewalk Improvements

4. **Break**

5. **Discussion Part 2**

5.A. #1- Universal Fee Schedule - Park Use Fees

5.B. #14- Reinvestment into Parks

5.C. #12- Additional Staffing: Recreation Coordinator

5.D. #13- Utility Billing User Fee - Parks & Recreation Activities

5.E. #8- Additional Staffing - Police support Staff

5.F. #9- Additional Staffing - Police SRO

5.G. #10- Additional Staffing- Library (2 Year Position)

5.H. #20- Additional Staffing - WWTP

5.I. #11- Additional Staffing - Court

5.J. #19- Court Department

5.K. #15- Facilities Maintenance Manager Position

5.L. #16- Public Works Job & Structure Review

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6. Adjournment

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City of St. Helens

Budget Committee

Budget Meeting Minutes

February 16, 2017

Council & Members Present:

Rick Scholl, Mayor
Keith Locke, Councilor
Susan Conn, Councilor
Ginny Carlson, Councilor
Patrick Birkle, Committee Member
Bill Eagle, Committee Member
Garrett Lines, Committee Chair
Mike Funderburg, Committee Member

Staff Present:

John Walsh, City Administrator
Jon Ellis, Finance Director
Terry Moss, Chief of Police
Sue Nelson, Public Works Engineering Director
Neal Sheppard, Public Works Operations Director
Jacob Graichen, City Planner
Jennifer Johnson, Committee Secretary
Melanie Payne, Assistant to City Prosecutor
Cindy Phillips, Municipal Court Judge
Laurie Selden, Prosecuting Attorney

Members Absent:

Doug Morten, Council President
Paul Barlow, Committee Member

Others:

Beth Pulito, Amani Center



Visitors Comment

Beth Pulito asked if every dollar is allocated in the budget or is there a lump sum in the general fund and community development? Finance Director Brown said there are some, but also some contingency funds set aside as well as unappropriated funds. Pulito asked at what point in the budget process someone should ask for support or money from the City. Brown said the best time is during visitor comments at Budget Committee meetings or even at regular Council meetings. Chief of Police Moss mentioned at one time the City did participate in revenue sharing with the Amani Center.

Introductions

The meeting started with introductions of new Finance Director, new Mayor Rick Scholl, new Committee Secretary Johnson, and Budget Committee Members. Brown reviewed that this was an informational meeting and no decisions were to be made. This meeting was to review Fiscal Year 15-16 and look at some highlights for what the City is looking at for next fiscal year.

Packets included:

- Agenda
- Power Point Presentation
- Budget Calendar
- Old and New Fund Structure
- Summary of the CIP for the next 5 years

Overview of the Budget Process

Finance Director Brown reviewed the budget process. He will deliver the budget document to the Committee at the May meeting. The Committee will then discuss and possibly revise the budget. The goal of the Budget Committee is to meet the goals of the City Council, approve the budget, and approve the property tax rates.

Brown reviewed the upcoming meeting dates on the budget calendar. The first official meeting is scheduled for May 4, 2017, followed by two additional meetings if needed; May 11, 2017, and May 25, 2017.

Fiscal Year 15-16 / Audit Review

Brown said the audit presentation has been completed and once all documents are signed they will be ready to be sent to the State.

Brown gave a brief overview of where everything is after the 15-16 Fiscal Year.

Finance Director Brown presented a PowerPoint presentation. A copy of the presentation is attached.

Brown would like to move the administrative services into the general fund. Councilor Carlson asked why. Brown said the main reason is to simplify the accounting structure for the City. Most other cities include those funds in the general fund. It is easier to understand when citizens and staff are looking at a budget.

Brown pointed out water revenue is slightly higher due to a more proactive approach in collection processes on water accounts. Small changes in procedures have made an impact on revenue.

Council has approved a cost of services analysis study. This will be done in the next fiscal year. The study will give a better idea of what the City can expect in the next 4-5 years, as well as if any rate increases are needed.

New Fund Structure

Brown proposed a new fund structure for the next fiscal year. A handout showed this year versus next year's structure. Changes to the fund structure included:

- Administrative services moving into the general fund.
- Break out SDC funds and Capital Projects.
- Community Enhancement fund simplified and broken out into departments.

Councilor Conn asked where Community Development was. Brown said it will be in Economic Development. Conn and Committee Member Eagle suggested changing the name to Community Development. Brown will make that change.

Direct Labor Charges/ Indirect Costs

Brown will be replacing Indirect Costs and Direct Labor Charges with general fund support services and Public Works fund support services. This is to simplify and make it easier for staff, council, and citizens to understand.

Brown has spent the last seven months rearranging tasks to get them back to the correct departments. For example, Utility Billing staff does only utility billing tasks. Costs that were split out between departments will now be lower.

Review of Revenues & Expenses

Finance Director Brown presented the Revenue and expenditure opportunities list to the Budget Committee. A copy of the list is attached.

Review Current Fee Schedules in all Departments

No comments.

Utility Bill Additional Fees

Committee Member Eagle feels this is an aggressive approach. He feels the low-income customers would be paying the same amount as the higher income customers.

Councilor Carlson said it would be better understood by citizens if it was project specific and they could see the project happening.

Local Option Levy / Food Tax

Councilor Conn mentioned this would also be more likely to pass if it was project specific. Eagle agreed it would be hard to pass without a specific project.

Mayor Scholl is concerned about the age of the Police Station. He said the men and women police officers have to share a locker-room.

Brown mentioned successful levies have help from third parties going door to door to sell the idea. He gave an example of the City of Ashland and its success with a restaurant/fast-food tax. The tax is exempt for residents. Conn asked how they know you're a resident. Brown must show your identification to avoid the tax.

Committee Member Funderburg grew up in Ashland. He said it is a very fair tax. Councilor Carlson mentioned there are quite of a few people that pass through St. Helens during events such as Hood to Coast. Brown mentioned an added cost of updating point of sale systems to accept the new tax. Money for that would need to be set aside. Conn thinks that might be a hard sell to voters. Carlson said that it is a choice, an additional fee on your water bill is not. Conn is more optimistic on the local option levy then the food tax.

Carlson would like to state for the record that whenever there is a change to a franchise fee tax it goes to the voter's mailbox. Pretty soon all your bills have gone up, isn't that the same as an extra fee on your water bill? Scholl felt it is not the same because Comcast is optional and a luxury, water is not. Carlson felt for school aged children it is a necessity for school work.

Intergovernmental services

No comments.

General Fund- Court

Councilor Conn is opposed to taking on additional services from Scappoose and Columbia City. She would like to see Municipal Court's criminal services be moved to Circuit Court.

Chief of Police Moss said the quality of the product if the City sent the cases across the street would go downhill. The District Attorney's office would not be able to take the City's caseload as short-staffed as they already are. A lot of cases would most likely be dismissed where the City might prosecute. Conn said the District Attorney's office would have to be compensated for the extra workload. Moss said if the City has to compensate the County then why not just keep them here. Moss would not be in favor of it if the quality of service would be lost. He would also need to see the numbers.

Brown does not think the City should do away with criminal cases but instead explore other sites to help mitigate some of the loss. Conn asked how many cities in Oregon are courts of record. Municipal Court Judge said there are five.

Franchise Fee (5% to 7%)

No comments.

Building Department FTE

Currently in the budget is not moving forward with .5 FTE. Councilor Conn and Mayor Scholl feel strongly about adding a part-time building inspector because of the relationships they develop. Conn would like to eliminate using the County inspector and hire a part-time inspector. Brown will add it to the budget.

Administrative Fee on Motel/Hotel Tax

The reason for adding an admin fee would be to offset the costs for Public works or City staff that would otherwise be working on other projects. Councilor Conn would like more justification on the reason for 30%.

Equipment & Storage throughout the City

No comments.

Sick leave payout VEBA (Future Employees)

Chief Moss commented that you would not see an impact from this change for several years.

Police Reimbursement of Expenses

Chief Moss thinks it is important not to have someone staying at a job they don't want waiting for a contract to expire. Moss gave examples of other cities offering cash bonus incentives for new officers. Moss would like to discuss an option of the City paying a percentage of someone's closing cost on a purchase of a new home in our City as an incentive. He feels if you are invested in our City you are more likely to stay and be a long time employee. He would like to explore some ideas.

FTE & Restructure in Finance Department

No comments.

Sidewalks and Development

City Planner Graichen talked briefly about how staff intends to use this current fee in lieu of provisions, as a preference over the old way of doing things, which will generate capital funds to improve sidewalks.

Next Meeting Date:

Budget Committee meeting date will be May 4, 2017, at 6:00 p.m. in the City Council Chambers.



There being no further business, the meeting was adjourned at 8:28 p.m.

ATTEST:

Garrett Lines, Chair

Matt Brown, Finance Director

Prepared by: Jennifer Johnson, Committee Secretary

PowerPoint Presentations and handout attached.

City of St. Helens

Budget Committee

Budget Meeting Minutes

May 04, 2017

Council & Members Present:

Rick Scholl, Mayor
Doug Morten, Council President
Keith Locke, Councilor
Susan Conn, Councilor
Ginny Carlson, Councilor
Patrick Birkle, Committee Member
Bill Eagle, Committee Member
Mike Funderburg, Committee Member

Staff Present:

John Walsh, City Administrator
Matt Brown, Finance Director
Terry Moss, Chief of Police
Sue Nelson, Public Works Engineering Director
Jacob Graichen, City Planner
Margaret Jeffries, Library Director
Jennifer Johnson, Committee Secretary

Members Absent:

Paul Barlow, Committee Member
Garrett Lines, Committee Chair

Others:

Kannikar Petersen, Arts and Cultural Commission
Al Petersen

Visitors Comment

- Kannikar Petersen from the Arts and Cultural Commission talked about a possible short fall to the Commission's reserve. The Commission might need to ask the City Council for a loan to finance outstanding bills. She discussed the Gateway Project Phase II will be completed August 2017. Total cost for this project is \$51,169. Peterson said they are \$12,739 short, \$2000 of that is a reimbursement grant already approved. There are two more pending grants for \$10,000 each. If the Commission does not get the grants they will not have enough money to pay the remaining costs.
- Al Petersen delivered two binders from his mother, Agnes Petersen, who was unable to attend the meeting. The binders pertain to the funding of the Municipal Court discussion.

Elect Budget Chair

Motion: Committee Member Eagle moved to appoint Committee Member Patrick Birkle as Chair. Councilor Locke seconded. All in favor; none opposed; motion carries.

Approval of Minutes

May 18, 2016, minutes have been distributed and posted online.

Motion: Councilor Locke moved to approve the May 18, 2016, minutes as written. Councilor Conn seconded. All in favor; none opposed; motion carries.

Presentation of General Fund Ending Fund Balance

Finance Director Brown reviewed the General Fund Ending Fund Balance.

- Power point is attached.

Committee Member Eagle commented that the cannabis tax is not as sustainable as he would have thought it would be. Brown estimates receiving \$30,000. The Community Impact Agreement is \$110,000 of the \$140,000 in the cannabis tax line item. City Administrator John Walsh said that the internal borrowing from the State will be satisfied before distributing taxes.

Police Department

Chief Moss explained they will be moving from iPad's to a windows based tablet. The upgrade will happen this fall.

- Emergency Management Program Traditionally, all the cities contributed but it stopped in 2009. The Council was asked to set aside some money to start contributing again. They help with things such as Spirit of Halloweentown on the emergency management side with planning, preparing, radio communication, and command post.
- Two Records Staff The police station only has one records staff. When she is on vacation or sick the Police Department has to close their doors. Is not fair to the community or the employee. Chief Moss suggests a part-time staff to help and keep the office open. The cost would be about \$22,000 per year. A job share with existing staff at City Hall is an idea.

Finance Director Brown mentioned courts outcome could impact the availability of staff.

Library

Library Director Jeffries reported that the strategic planning effort was a success. The Library has developed a five-year plan for the first time.

Finance Department

Brown reviewed the Finance Department.

- There was an increase of .5 FTE. A current employee moved to full-time. That employee spends some of her time in the court department.
- Utility Billing has taken on some extra duties such as mail processing due to the simplified processes. Electronic banking, and a lockbox are some examples. Monthly billing is going to start next fiscal year August or September.
- The Purchase Card Program started. This program cuts down on physical checks processed by Accounts Payable.

Parks

Mayor Scholl strongly disagrees with the amount of the budget for the Parks Department. He says his company would starve and fail on this budget. Brown mention there is an ongoing discussion with Council to find a funding mechanism for Parks. Scholl commented a lot more time could be spent as well.

- Parks will receive handed down vehicles from public works as they replace vehicles. This will reduce costs for Parks.

Mayor Scholl mentioned a time when the Parks Department had their own budget of two million dollars. Council President Morten commented that the Public Works teams help with the Parks. He thinks it is balanced out effectively.

Planning

City Planner Jacob Graichen discussed the Mainstreet Program funding. The program started six years ago. Funds received go to SHEDCO to fund the Mainstreet Coordinator. He said the last three years have been through the RARE program. He wanted to bring it to the attention of the Budget Committee that if the program is discontinued, would the City keep funding this? The cost is around \$25,000. per year.

Building

Brown reviewed the Building Department budget.

- A part-time building inspector will be added in this year's budget.
 - Mayor Scholl would like to see the City hire a full-time inspector instead of a part-time.

Nondepartmental

Brown reviewed the increase in facilities maintenance for improvements at City Hall. New blinds, carpet, outside façade, and HVAC are some examples.

Internal Service Funds

Brown reviewed the Internal Services Funds.

- IT fund
- Equipment Fund- New to the City vehicle replacement schedule.
- Public Works Operations Fund
- Facility Major Maintenance

Next Meeting Date:

Budget Committee meeting date will be May 11, 2017, at 6:00 p.m. in the City Council Chambers.

There being no further business, the meeting was adjourned at 8:22 p.m.

ATTEST:

Patrick Birkle, Chair

Matt Brown, Finance Director

Prepared by: Jennifer Johnson, Committee Secretary

PowerPoint Presentations attached.

Council & Members Present:

Rick Scholl, Mayor
Keith Locke, Councilor
Susan Conn, Councilor
Patrick Birkle, Committee Chair
Bill Eagle, Committee Member
Garrett Lines, Committee Member

Staff Present:

John Walsh, City Administrator
Matt Brown, Finance Director
Terry Moss, Chief of Police
Sue Nelson, Public Works Engineering Director
Neal Sheppard, Public Works Operations Director
Jacob Graichen, City Planner
Margaret Jeffries, Library Director
Jennifer Johnson, Committee Secretary

Members Absent:

Paul Barlow, Committee Member
Doug Morten, Council President
Ginny Carlson, Councilor
Mike Funderburg, Committee Member

Others:

None

Chair Birkle called the meeting called to order at 6 p.m.

Public Hearing Capital Improvement Program for FY 2018-2023

- No visitor comments.

Finance Director Brown handed out new budget books with updates to the Enterprise funds.

Finance Director Brown reviewed the St. Helens Capital Improvement Projects scheduled for the next 5 years. Councilor Locke asked if the City has automatic valves on the reservoir in case of an earthquake. Public Works Operations Director Sheppard said the City does not. The City does have alarms on all the valves.

Motion: Committee Member Eagle moved to adopt the CIP for fiscal year 2018-2023 as presented. Mayor Scholl seconded. All in favor; none opposed; motion carries.

Close Public Hearing

Department Budget Presentations- Special Revenue Funds

1- Visitor & Tourism

- A. Proposed a 10% services charge to recuperate some of the Administration and Public Works time costs.

- B. Equipment fund charges to cover insurance for the taxi and some art pieces.
- 2- Community Development
 - A. Possible new roof increase to facilities maintenance.
- 3- Community Enhancement
 - A. Finance Director Brown will change the title of Public Arts Department to Public Arts Commission as requested.
- 4- Streets
 - A. Capital projects fund going away. It will be going into street funds.

Department Budget Presentations

Enterprise Funds

Finance Director Brown said you will see about a 60% increase compared to the prior year.

- 1- Water & Water SDC
 - A. New this year you will see water sales – residential, water sales commercial / industrial, late reconnection tamper fees and water connections separated out for better tracking.
 - B. Assistance program with CAT will be started with \$5000.
- 2- Sewer & Sewer SDC
 - A. Cost of service study is in progress that may affect some of the revenue.
- 3- Storm & Storm SDC
 - A. Years past storm was combined into the sewer fund. Sewer would supplement Storm.
- 4- Parks and Recreation SDC
 - A. No new projects in the works for this fiscal year.

Main Motion - Approval of Proposed Budget

Motion: Councilor Keith Locke, moved to approve expenditures for FY 2017-18 in the amount of \$40,366,730 and to establish the maximum expenditures for each fund as shown on FY 2017-18 Proposed Budget Expenditure Summary by Fund.

Discussion: Mayor Scholl expressed his concern with the Parks Department. He pointed out that the mowing expense for the new Boise property is not included in the budget. Finance Director Brown has increased some of the parks maintenance budget. Mayor Scholl said the parks are utilized by a lot of citizens. Councilor Conn asked were Mayor Scholl plans to get the extra revenue to give to the parks budget. Mayor Scholl suggested taking it from the Visitor and Tourism Fund. City Administrator John Walsh said that is a special revenue fund, expenditures are set by state guidelines on what you can use those funds on.

Mayor Scholl would like Parks to be its own department. Committee Member Eagle commented that if the budget is increased would that change the outcome of the work being done at the parks?

Mayor Scholl stated for the record that the Parks Department is way under budget.

Committee Member Eagle seconded. All in favor; none opposed; motion carries.

Motion: Committee Member Eagle moved to approve, for fiscal year 2017-18, a property tax rate of \$1.9078 per \$1,000 of assessed value for General Fund property taxes for taxes levied by the City's permanent rate. Councilor Locke seconded. All in favor; none opposed; motion carries.



There being no further business, the meeting was adjourned at 7:56 p.m.

ATTEST:

Patrick Birkle, Chair

Matt Brown, Finance Director

Prepared by: Jennifer Johnson, Committee Secretary

PowerPoint Presentation attached.

DRAFT