



BUDGET COMMITTEE
Thursday, April 16, 2020
265 Strand Street, St. Helens, OR 97051
www.ci.st-helens.or.us

Welcome!

1. **Introductions**
2. **Election of Budget Chair**
3. **Approval of Minutes from Previous Year**
 - 3.A. Minutes 2019
[Minutes 4.15.19](#)
[Minutes 4.22.19](#)
4. **Public Comment**
5. **Budget Review - SDC Funds - - *Water SDC***
 - *Sewer SDC*
 - *Storm SDC*
 - *Streets SDC*
 - *Parks SDC*
6. **Budget Review - Internal Service Funds - - *Equipment***
 - *IT Services*
 - *PW Operations*
 - *Facility Major Maintenance*
7. **Budget Review- Special Revenue Funds - - *Streets***
 - *Community Development*
 - *Community Enhancement*

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8. Adjournment

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City of St. Helens Budget Committee

Meeting Minutes

April 15, 2019

Members Present: Rick Scholl, Mayor
Doug Morten, Council President
Ginny Carlson, Councilor
Stephen R. Topaz, Councilor
Rachael Barry, Committee Member
Garrett Lines, Committee Member
Bill Eagle, Committee Member
Leah Tillotson, Committee Member

Members Absent: Keith Locke, Councilor
Brian Vaerewyck, Chair

Staff Present: Matt Brown, Finance Director
John Walsh, City Administrator
Jennifer Johnson, Accounting Assistant
Sue Nelson, Public Works Engineering Director
Margaret Jeffries, Library Director
Brian Greenway, Chief of Police

6:00 P.M. - Call Meeting to Order

1) **Election of Budget Chair**
Morten nominated Barry for Chair.

Motion: Upon Eagle's motion and Scholl's second, the Committee unanimously approved Barry for Chair. [Ayes: Scholl, Morten, Carlson, Barry, Lines, Tillotson, Topaz; Nays: None]

2) **Approval of Minutes from Previous Year**
2.A March 15, 2018 Minutes
2.B April 5, 2018 Minutes
2.C April 17, 2018 Minutes
2.D May 3, 2018 Minutes

Morten asked for an explanation on how the City ended up funding the Recreation Center. He mentioned it was left open. Brown said it started with a \$20,000 grant from the Ford Family Foundation. A second grant was received for \$25,000. These funds were used for initial salary costs of a Recreation Coordinator part-time as well as some recreation assistants. As those grants run out he would like to revisit funding for the program. The current Council discussion is a \$2 fee on the utility bills.

Brown discussed the Afterschool Program that was created and is self-funding at this point.

Motion: Upon Scholl's motion and Carlson's second, the Committee unanimously approved the minutes for March 15, 2018, April 5, 2018, April 17, 2018, and May 3, 2018. [Ayes: Eagle, Morten, Carlson, Barry, Lines, Tillotson, Topaz; Nays: None]

3) **Update from Previous Year**

Brown reviewed the previous year's opportunity items. The Public Works Job & Structure Review has not been started but is currently under discussion.

Review from Previous Year

OPPORTUNITY ITEM

1. Universal Fee Schedule – Review Park User Fees
2. Strategic 10-Year Plan
3. Surplus Sale
4. Facilities Master Plan
5. Financial Software
6. Additional Staffing – Police Dept Support Staff
7. Additional Staffing – Police Dept SRO
8. Additional Staffing – Library Dept (2 Year Position)
9. Additional Staffing – Recreation Coordinator
10. Utility Billing Fee – Parks & Recreation
11. Reinvestment into Parks
12. Public Works Job & Structure Review
13. Additional Staffing – WWTP

CURRENT STATUS

On docket for Parks Commission discussion
Not Completed, new Council goals being discussed
Not started
Police Station plan started
Implementation Started (complete in 2020)
Complete
Complete
Complete
Complete
Public Forum 3/25, Council discussion 4/3
Beginning multiple projects
Not started
Complete (Budgeted, but not hired)

4) **Public Comment**

None.

5) **Additions to 2019/20 Budget**

Brown presented the 19/20 Budget Requests

19/20 Budget Requests

1. Police Dept – 1 Sergeant
2. Police Dept – 3 Patrol
3. Police Dept – Additional M&S
4. Rec Program – FT Rec Coordinator
5. Rec Program – Reg. PT Rec Lead
6. Engineering Dept – 1 FT Engineer
7. Communications – Additional M&S
8. Eng/Plan/PW – Additional M&S
9. Building – Additional M&S
10. Admin - Development Coordinator – 1 FTE

City Council will discuss on 4/17 to decide staffing and service level increase requests

These items will be discussed at the next City Council meeting before being added to the budget. Nelson clarified that they are looking for someone with some background in GIS and AutoCAD programs to also assist with inspections, as well as put together some streets projects. They are looking for a technician level person. Tillotson asked if this position would replace current overtime usage. Nelson said no, there is no current overtime being spent.

6) **Budget Review- SDC FUNDS**

Brown presented the SDC Funds shown below. All the funds are appropriated in case a project comes up. Tillotson asked what the limitations are for SDC Funds spending guidelines. Nelson said the SDC funds have to increase capacity of whatever system they are being spent for. Those projects must be identified in a master plan.

6.A Water SDC

Water SDC			
Resources		Expenses	
Charges for Services	50,000	M&S	305,000
Fund Balance Avail.	690,000	Capital Outlay	435,000
<i>Total Resources</i>	<i>740,000</i>	<i>Total Expenses</i>	<i>740,000</i>

6.B Sewer SDC

Sewer SDC			
Resources		Expenses	
Charges for Services	50,000	M&S	505,000
Fund Balance Avail.	1,266,000	Capital Outlay	811,000
<i>Total Resources</i>	<i>1,316,000</i>	<i>Total Expenses</i>	<i>1,316,000</i>

6.C Storm SDC

Storm SDC			
Resources		Expenses	
Charges for Services	50,000	M&S	155,000
Fund Balance Avail.	248,000	Capital Outlay	143,000
<i>Total Resources</i>	<i>298,000</i>	<i>Total Expenses</i>	<i>298,000</i>

6.D Streets SDC

Streets SDC			
Resources		Expenses	
Charges for Services	50,000	M&S	290,000
Fund Balance Avail.	1,240,000	Capital Outlay	1,000,000
<i>Total Resources</i>	<i>1,290,000</i>	<i>Total Expenses</i>	<i>1,290,000</i>

6.E **Parks SDC**

Parks SDC			
<u>Resources</u>		<u>Expenses</u>	
Charges for Services	25,000	M&S	105,000
Fund Balance Avail.	227,000	Capital Outlay	147,000
<i>Total Resources</i>	<i>252,000</i>	<i>Total Expenses</i>	<i>252,000</i>

Topaz asked what happens if there is a catastrophe. Brown explained that if you need more than is appropriated you could declare a State of Emergency to use any unappropriated fund balance, usually not SDC funds. Walsh said it depends on what the catastrophe is. Some might be covered by insurance. Topaz asked how an earthquake that damages the cooling pond would be handled. Morten said that would be earthquake insurance. Barry asked why money is budgeted but not spent. Brown said everything is appropriated to spend. It depends what projects are being done. Some projects are only SDC eligible for a portion of the costs of the project. If the City does not have the matching portion for that project it has to wait.

8) **Budget Review- Internal Service Funds**

8.A **Equipment**

Equipment Fund			
<u>Resources</u>		<u>Expenses</u>	
Charges for Services	575,000	P/S	274,000
Fund Balance Avail.	670,000	M/S	121,500
		Capital Outlay	335,000
		Contingency	514,500
<i>Total Resources</i>	<i>1,245,000</i>	<i>Total Expenses</i>	<i>1,250,000</i>

PW Purchases in 19/20:

1. Chipper	\$50,000
2. Water Truck	\$70,000
3. Eng/Plan SUV	\$45,000
4. Bucket Truck	\$125,000
5. PW Pickup	\$45,000

Brown said the Equipment Fund is used for funding large equipment over \$5000. Brown mentioned the City has signed a contract with Enterprise Fleet Management. They are currently working on replacing all of the Police vehicles as well as City Hall vehicles. Nelson mentioned one or two vehicles will also go on the the lease program.

8.B IT Services

IT Fund			
Resources		Expenses	
Charges for Services	226,000	P/S	131,000
Transfers	100,000	M/S	290,000
Fund Balance Avail.	140,000	Contingency	45,000
<i>Total Resources</i>	<i>466,000</i>	<i>Total Expenses</i>	<i>466,000</i>

Brown said these funds are for our new IT person as well as Centerlogic. This also includes a computer replacement schedule. Topaz asked if it is more secure to have an internal IT person as opposed to an outside company. Brown said it is not feasible at this time to only have one internal IT person. Brown also mentioned we have IT insurance.

8.C PW Operations

PW Operations Fund			
Resources		Expenses	
Charges for Services	3,223,000	P/S	2,838,500
Fees	30,000	M/S	286,500
Fund Balance Avail.	720,000	Transfers	835,000
		Contingency	13,000
<i>Total Resources</i>	<i>3,973,000</i>	<i>Total Expenses</i>	<i>3,973,000</i>

8.D Facility Major Maintenance

Facility Major Maintenance Fund			
Resources		Expenses	
Charges for Services	60,000	Capital Outlay	345,000
Fund Balance Avail.	630,000	Contingency	345,000
<i>Total Resources</i>	<i>690,000</i>	<i>Total Expenses</i>	<i>690,000</i>

2019/20 Tentative Projects:

1. Park Projects: Multiple site projects and new master plans for individual parks
2. City Hall: UB/Court remodel, upstairs configuration, elevator feasibility

Brown said some re-configurations with upstairs offices will be completed out of this fund. Some adjustments have been made with court and utility billing staff. Combining the two front offices would be more efficient. The Committee discussed adding an elevator to City Hall.

Carlson said there might be grant options for the elevator. Morten mentioned maintenance and inspection costs on an elevator.

8.C PW Operations

Brown charges water, streets, and storm for staffing and materials and services. It's a split allocation. A Transfer of \$835,000.00 was made to reimburse the Enterprise fund for funds that were not used in the prior year. That money was charged out to Enterprise funds. A lot of it is staffing either dropped off or was never hired on, creating extra funds available that Brown transferred to where it was originally allocated to.

9) Budget Review- SPECIAL REVENUE FUNDS

9.A Streets

19/20 Budget Review – Special Revenue Funds

Street Fund			
Resources		Expenses	
Intergovernmental	1,430,000	P/S	461,500
Misc. Revenue	16,000	M/S	567,500
Transfers	117,600	Debt Service	60,000
Fund Balance Avail.	1,000,000	Capital Outlay	440,000
		Contingency	534,600
		Unappropriated	500,000
<i>Total Resources</i>	<i>2,563,600</i>	<i>Total Expenses</i>	<i>2,563,600</i>

CIP #	PROJECT	2019-20	2020-21	2021-22	2022-23	2023-24	CIP TOTAL	FUNDING SOURCE
	STREETS DEPARTMENT							
STS.002	1st Street Improvements	-	-	-	300,000	-	300,000	Street Fund
STS.003	Sidewalk Improvements	10,000	10,000	10,000	10,000	10,000	50,000	Street Fund / STP
STS.004	AC Overlays	-	-	200,000	-	-	200,000	Street Fund
STS.006	Replace Light at OPR & S. 18th	-	-	200,000	-	-	200,000	Street Fund
STS.007	Road Patching Projects	20,000	20,000	20,000	20,000	20,000	100,000	Street Fund / STP
STS.008	Street Sweeping Cleanup	25,000	-	-	-	-	25,000	Street Fund
STS.009	North Vernonia Sidewalk	400,000	-	-	-	-	400,000	Street & SDC Fund
STS.010	S. 1st & St. Helens Intersection Imp.	25,000	100,000	-	-	-	125,000	Street Fund / STP
STS.011	Wayfinding Signs - Grant Match	60,000	-	-	-	-	60,000	Street Fund / STP
STS.012	Crack Sealing	75,000	-	-	-	-	75,000	Street Fund / STP
STS.013	ADA Ramp Improvements	25,000	-	-	-	-	25,000	Street Fund / STP
	Streets Total =	640,000	130,000	430,000	330,000	30,000	1,560,000	

Tillotson asked if sidewalks can be funded by STP. Nelson said yes, 50%, but don't confuse this with SDC funds. The total available amount for STP funds is \$600,000 but some has already been committed to other completed projects, around \$200,000 and about \$200,000 for the N. Vernonia Road. Project. Brown said funding for streets is declining.

Break

9.B Community Development

19/20 Budget Review – Special Revenue Funds

Visitor Tourism Fund			
Resources		Expenses	
Taxes	130,000	M/S	375,000
Misc. Revenue	245,000		
<i>Total Resources</i>	<i>375,000</i>	<i>Total Expenses</i>	<i>375,000</i>

Community Development Fund			
Resources		Expenses	
Misc. Revenue	730,000	M/S	823,500
Grants	170,000	Debt Service	280,000
Fund Balance Avail.	1,000,000	Contingency	796,500
<i>Total Resources</i>	<i>1,900,000</i>	<i>Total Expenses</i>	<i>1,900,000</i>

- The City expects to see \$900,000 from a timber cutting planned.
- A lot of planned professional services for the veneer plant property.
- The Committee discussed wetlands in that area.

10) **Budget Review - ENTERPRISE FUNDS**

Tillotson asked if the City could go off of the how much the population is growing to decide on how many workers are needed. Brown said it's not a direct correlation. Opinions may differ in different departments. He believes the City should become more efficient as it grows, not necessarily hire more employees. Police may depend on call levels instead of population. Greenway agreed, calls for services not population. Data needs to show where we are at.

10.A Water

19/20 Budget Review – Enterprise Funds

Water Fund			
Resources		Expenses	
Charges for Services	3,763,000	P/S	960,500
Misc. Revenue	25,000	M/S	1,733,500
Transfers	221,700	Debt Service	499,000
Fund Balance Avail.	3,450,000	Capital Outlay	375,000
		Contingency	1,891,700
		Unappropriated	2,000,000
<i>Total Resources</i>	<i>7,459,700</i>	<i>Total Expenses</i>	<i>7,459,700</i>

CIP #	PROJECT	2019-20	2020-21	2021-22	2022-23	2023-24	CIP TOTAL	FUNDING SOURCE
WATER DEPARTMENT								
WTR.002	Land Purchase	250,000	-	-	-	-	250,000	Water SDC
WTR.003	Water Meter Replacement	25,000	25,000	25,000	25,000	25,000	125,000	Water
WTR.004	Water Main Replacements	200,000	200,000	200,000	200,000	200,000	1,000,000	Water
WTR.006	Waterproof Reservoir Exterior	50,000	-	-	-	-	50,000	Water
WTR.007	Pittsburg Rd / Milton Creek Bypass	100,000	100,000	-	-	-	200,000	Water
WTR.010	Water Master Plan Update	-	150,000	-	-	-	150,000	Water SDC
	Water Total =	625,000	475,000	225,000	225,000	225,000	1,775,000	

Brown presented the Enterprise Funds. The Committee discussed the LED light replacement that was intended to save money.

Topaz commented that some of the storm water was not put in when they isolated the sanitary sewer. He asked if that would be reinvestigated. Nelson said new storm drains were installed for the I&I project or improved the existing storm drainage. Topaz disagreed stating no they did not. Topaz said water ran all down St. Helens Street. He said there is no storm water collection between those two streets. Nelson said that they could take a look at that. She noted at the time of the project some of the property owners refused to provide an easement or did not feel they needed the additional storm drainage. Topaz referenced a sewer system from 1913 that was in that area.

Scholl noted the awkward situation with Topaz being a City Councilor and having had a previous lawsuit with the City that was lost by Topaz. Scholl would like to move on from these types of discussions.

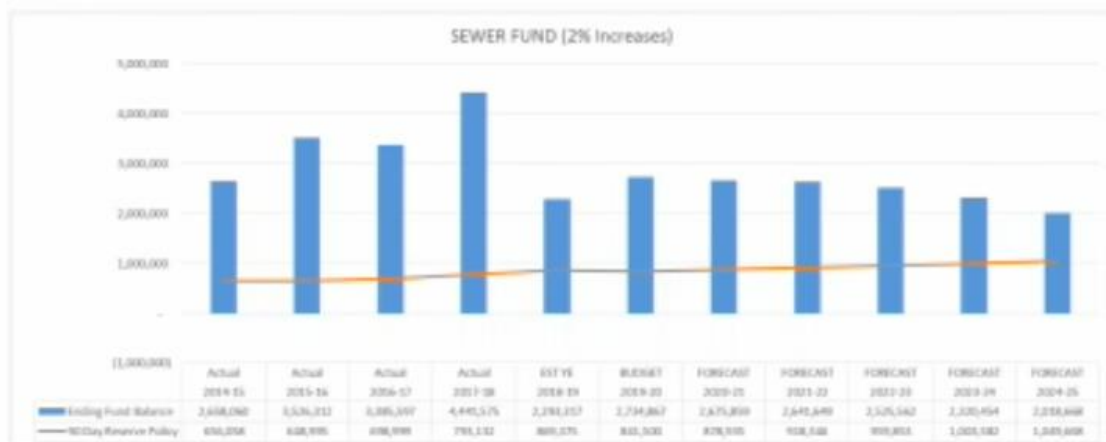
The Committee reviewed Brown's graphs which illustrate no increase in utility bills, as well as a graph that illustrates a 2% increase.

10.B Sewer

19/20 Budget Review – Enterprise Funds

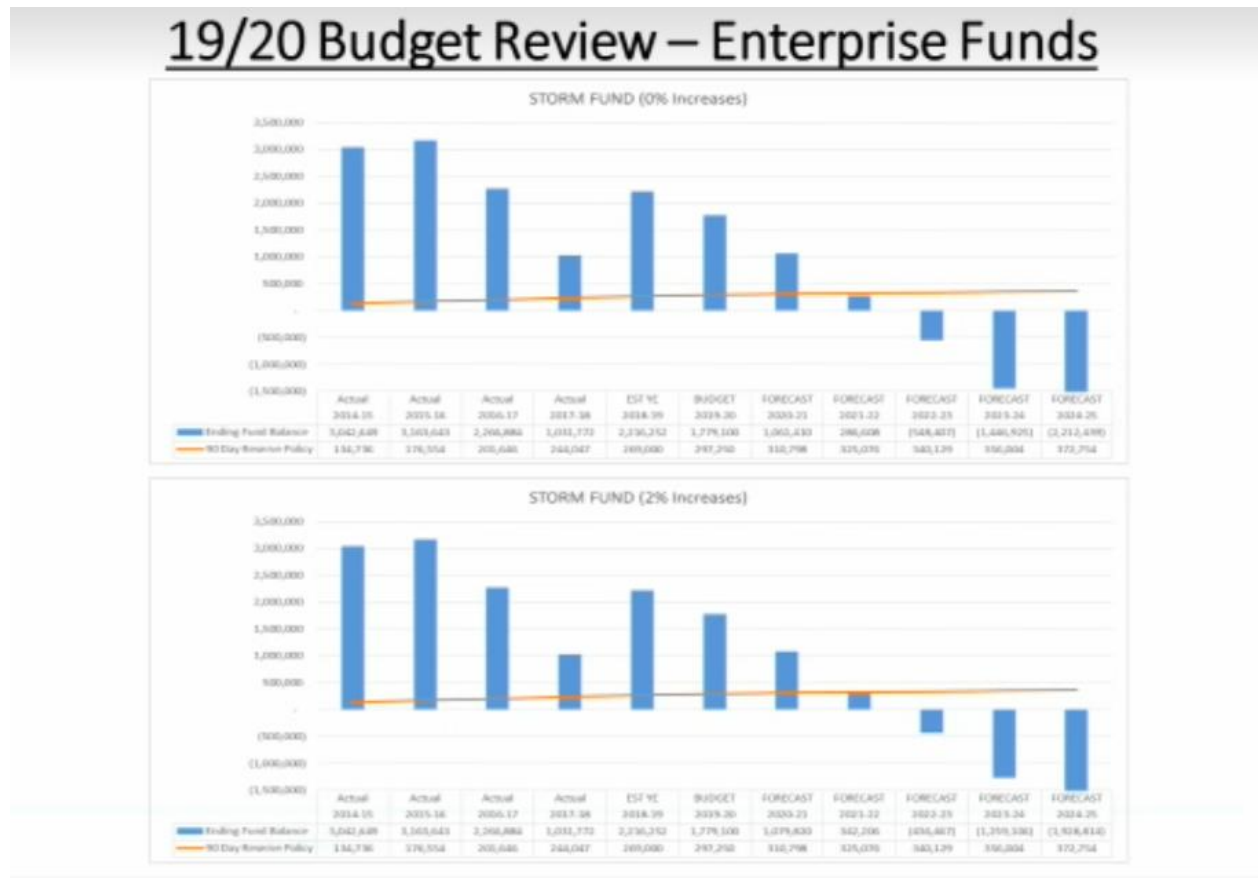
Sewer Fund				Expenses	
Resources					
Charges for Services	4,086,500			P/S	1,219,000
Misc. Revenue	13,500			M/S	2,147,000
Transfers	316,050			Debt Service	578,000
Fund Balance Avail.	2,000,000			Capital Outlay	200,000
				Contingency	1,272,050
				Unappropriated	1,000,000
<i>Total Resources</i>	<i>6,416,050</i>			<i>Total Expenses</i>	<i>6,416,050</i>

CIP #	PROJECT	2019-20	2020-21	2021-22	2022-23	2023-24	CIP TOTAL	FUNDING SOURCE
SEWER DEPARTMENT								
SWR.001	Primary Dredge Lagoon	-	100,000	-	-	-	100,000	Sewer Fund
SWR.002	Sewer Main Replacement	200,000	200,000	200,000	200,000	200,000	1,000,000	Sewer Fund
SWR.005	Sewer Master Plan	150,000	-	-	-	-	150,000	Sewer SDC Fund
	Sewer Total =	350,000	300,000	200,000	200,000	200,000	1,250,000	



The top illustrates a 0% increase. The bottom illustrates a 2%.

10.C Storm



Scholl asked why Grey Cliffs and Walmart do not pay storm fees. Nelson commented there are a few commercial business, like Armstrong, Cascades, and Walmart that don't drain their storm water into city storm drains therefore they don't pay any storm fees. It's stated in the Ordinance that if you drain directly into a water source such as a creek or river you do not pay a storm fee. Carlson commented that she can understand some frustration with residents paying for storm fees that could not get into their houses during the last storm we had with flooding. Morten asked if it would be feasible to put any of the storm projects on hold for a bit in our approach to solving this budget issue. Scholl is concerned with large businesses not paying any storm fee.

Nelson is holding off on certain projects until the Storm Water Master Plan is redone. There may be some projects eligible for SDC funding.

11) **Adjournment** – 8:30 p.m.

Respectfully submitted by Jennifer Johnson, Budget Committee Secretary

ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor

City of St. Helens Budget Committee

Meeting Minutes

April 22, 2019

Members Present: Rick Scholl, Mayor
Doug Morten, Council President
Ginny Carlson, Councilor
Stephen R. Topaz, Councilor
Brian Vaerewyck, Chair
Keith Locke, Councilor
Rachael Barry, Committee Member
Garrett Lines, Committee Member
Bill Eagle, Committee Member
Leah Tillotson, Committee Member

Members Absent: None

Staff Present: Matt Brown, Finance Director
John Walsh, City Administrator
Jennifer Johnson, Accounting Assistant
Sue Nelson, Public Works Engineering Director
Margaret Jeffries, Library Director
Brian Greenway, Chief of Police

6:00 P.M. - Call Meeting to Order

1) **Visitor Comments - Limited to five (5) minutes per speaker**

♦Al Petersen. He has a concern with the approval of the budget and tax rate. He looked on the City's website to read last year's budget of 127 pages. He asked the Committee members if they have seen the proposed budget that should be around 130 pages. He said it is not published anywhere. He is very concerned. Only a summary has been available to the public. He believes ethically you cannot approve a budget that you have not seen or read.

Finance Director Brown expressed that the 130 page document is usually created after the adoption of the budget. Peterson said that is not how it has been done in the past. Brown said he provides the information that is required by statute. That is what was presented at last week's meeting. Budget changes that were adopted by City Council will be reviewed in tonight's meeting.

Petersen referenced page 48 of last year's budget showing a transfer of \$240,000 from the General Fund to the Tourism Fund. Brown said the transfer was discussed at the City Council meeting. It was also posted online and published in the newspaper. The Tourism Fund had

\$260,000 of unappropriated funds. Legally, unless a State of Emergency, unappropriated funds cannot be used. The transfer was made on June 30th and paid back the following day on July 1.

Topaz commented he has not had enough time to review the details of the budget. He has not been provided enough information to double check.

Brown said the purpose of the Budget Committee is to approve appropriations. Committee Member Barry would like an orientation for new members and current members.

Scholl reminded the Committee that the City is also audited every year. Locke said it takes several years on the Council to understand the budget. Carlson said the Budget meetings are too close together. The Committee needs more time to review the information.

2) **Review Questions from the Previous Meeting**

Brown provided a copy of all questions and responses that have been asked pertaining to the Budget for review. No further questions were asked.

3) **Review Updates from Previous Meeting**

Changes from Meeting One:

- Council approved the Development Coordinator position. Community Development Fund, General Fund, Water, Sewer, and Storm will be impacted by salary charges.
- Engineering Tech position was not approved.
- Recreation position was approved contingent on grant or \$2 utility billing fee.

Tillotson thought the utility billing fee was going out as a vote before the Council approved it. Scholl said the discussion was to hold a public forum which has been done. Topaz agrees that the public should be asked before placing a fee on the water bill. Brown said some unexpected events have transpired that the Recreation Department was not planning on funding for several years such as the Afterschool Program and acquiring the Recreation Center (old FARA building).

4) **Budget Review- General Fund**

4.A General Fund Information

Brown said there are not a lot of huge changes. The biggest change is the recreation grants anticipated revenue. The \$160,000 anticipated revenue from the recreation user fee set at \$2.

Tillotson pointed out the Police Personal Services increased. Brown said this is due to added personnel and PERS increases.

5) **Break**

6) **Public Hearing for State Shared Revenue**

Barry opened the Public Hearing at 7:40 p.m.

No public comment.

Brown discussed Cigarette Tax, Alcohol Tax, Revenue Sharing, and Cannabis Tax. All funds are dedicated to the General Fund.

Locke suggested it be something to talk about with City Council, giving some back to the community. Carlson would like to see revenue from the Cannabis Fund go to education and law enforcement. City Administrator Walsh mentioned part of those funds do go to the Council Discretionary Fund. They received \$10,000 to give back to the community.

Barry asked for a motion to support shared revenue for general fund use this fiscal year.

Motion: Eagle moved to receive state shared revenue for General Fund use fiscal year 2019-2020 with further discussion on how it will be used.

Discussion: Lines asked how would a citizen who wanted to ask a question about the Dog Park fencing would approach the Budget Committee. Brown said at the Budget Committee or a City Council meeting during public comment. Scholl mentioned the City does a lot for the Food Bank, Senior Center, and Alano Club.

Motion: Upon Eagles's motion and Barry's second, the Budget Committee unanimously approved the motion. [AYES: Vaerewyck, Barry, Lines, Eagle, Tilotson, Scholl, Morten, Locke, Carlson, Topaz; Nays: None]

7) **Approval of 2019/2020 Property Tax Rate**

Motion: Eagle moved to approve for fiscal year 2019-2020, a property tax rate of \$1.9078 per \$1,000 of assessed value for General Fund property taxes for taxes levied by the City of St. Helens permanent rate.

Discussion: Lines asked how the value is decided. Brown said is it set by the State and County. It is a permanent rate. Scholl said St. Helens is the second lowest in the County.

Upon Eagles's motion and Tilotson second, the Budget Committee unanimously approved the motion. [AYES: Vaerewyck, Berry, Lines, Eagle, Tilotson, Scholl, Morten, Locke, Carlson, Topaz; Nays: None]

8) **Approval of 2019/2020 Proposed Budget**

2019-2020 Budget Summary Approval

Motion: Barry moved to approve the expenditures for fiscal year 2019-2020 in the amount of \$42,754,450.00 and to establish the maximum expenditures for each fund as shown on fiscal year 2019-2020 purposed budget expenditures summary by fund.

Discussion: No new changes.

Upon Barry's motion and Eagle seconded, the Budget Committee approved the motion. [AYES: Vaerewyck, Barry, Lines, Eagle, Tilotson, Scholl, Morten, Locke, Carlson; Nays: None]

Topaz abstained. Topaz abstained he said he does not know enough about it to approve it.

9) **Adjourn-** 8:20 p.m.

Respectfully submitted by Jennifer Johnson, Budget Committee Secretary.

ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor