

City of St. Helens

Budget Committee Meeting

March 15, 2018

Members Present: Rick Scholl, Mayor
Doug Morten, Council President
Susan Conn, Councilor
Ginny Carlson, Councilor
Brian Vaerewyck, Committee Chair
Rachael Barry, Committee Member
Garrett Lines, Committee Member
Bill Eagle, Committee Member
Leah Tillotson, Committee Member

Members Absent: Keith Locke, Councilor

Staff Present: John Walsh, City Administrator
Matt Brown, Finance Director
Terry Moss, Police Chief
Sue Nelson, Public Works Engineering Director
Neil Sheppeard, Public Works Operations Director
Margaret Jeffries, Library Director
Jacob Graichen, City Planner
Jennifer Johnson, Accounting Assistant
Crystal Farnsworth, Communications Officer
Heidi Davis, Building & Administration Secretary
Shanna Duggan, Utility Billing Specialist

Others: Stan Chiotti
Lynn Chiotti
Simon Date
Beth Pulito
Meredith Reading
Zelda Anderson
Diane Washnack
Pam Hess
Kellie Smith
Patrick Birkle

Call Meeting to Order

The meeting was called to order at 6:01 p.m. by Mayor Scholl.

1) Begin & Introductions

- The meeting started with introductions.

2) Public Comment

- Stan Chiotti, St. Helens Garden Club donates \$6000-\$7000 every year to the City of St. Helens and Columbia City in volunteer time maintaining and planting flowers at parks and the triangle property. They also budget \$1000 per year that goes into parks for the City. With all the cuts to the Parks Department volunteers have to keep stepping forward. With plans to expand more parks they are concerned with the financial status of parks. Scholl thanked the Garden Club for all the hard work that they do.
- Kellie Smith, with the St. Helens School District. She would like to put on record that they would like to continue and move forward with a joint partnership with the City. They are wanting the City to use their facilities. They are hoping that with that partnership it will benefit the children and the community.
- Simon Date, Founder of FC Columbia County Soccer Program. They had 346 kids last year in the program. Anything the City can do to help a parks and rec program move forward would be fantastic.
- Beth Pulito, Amani Center. Has a letter of support for the School District / City joint effort as well. Would be able to promote their events that are outdoors benefit health wise. Classes through a parks and recreation district are good for small businesses.

3) Information Presentation

- Brown gave a general overview of expectations, timeline, 5- year forecasts, and opportunities.
- 1st Budget Committee Meeting will be held on 4/5/18.
- 2nd Budget Committee Meeting will be held on 4/17/18.
- 3rd Budget Committee Meeting will be held on 5/3/18.
- Brown gave an overview of funds for new members.

Water Fund

- The jump in the enterprise fund is from the fund structure change that took place this past year. In the past there was a capital improvements fund that also housed SDC accounts. Brown would like to always keep SDC money separate.
- In the next 5 years we will not get below that 90 day reserve policy. The trend is decreasing. It's going down because our costs are increasing faster than our revenue.
- The loss of Armstrong will roughly be \$800,000- \$900,000 in water, sewer and storm revenue.
- Walsh said Armstrong is actively marketing and looking to sell the site. Potentially there could be someone new coming in.

Sewer Fund

- The sewer fund in the five year forecast drops below the 90 day reserve policy in year four and five. In our prior fund structure the sewer and storm were combined. The sewer fund was subsidizing the storm fund. When the funds were separated the sewer fund had to transfer \$400,000 to keep it going.
- A masterplan is in the works that will give a better idea of what projects may or may not need to be added or taken off depending on development. The rate structure will be reviewed.

Storm

- The jump in storm has to do with the fund structure changes.
- There is a consistent downward trend.

4) General Fund Overview & Cash

- As of right now our expenses are under our revenue.
- Expected PERS rate increases will bump up expenses.
- A 20% reserve policy is set. The goal is to stay at a 30% reserve policy.
- The difference in our revenue and expenses this year is \$78,250. That's not a lot of room for what departments are asking for. An opportunity list has been created.
- Onetime expenses may be pulled from the LGIP account. This will be covered in the opportunity list. We are above average on what cities typically hold in investment accounts.
- There is about \$212,000 from outside investments in interest revenue that continues to grow that could possibly be used.
- Brown would like to be prepared for the next recession. He does not want to add things into the budget that will need to be cut out in upcoming years.

5) Opportunity List

5.A Opportunity List Review

Brown reviewed the opportunity list attached.

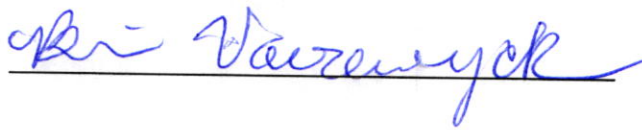
5.B Opportunity List Discussion

- Scholl asked what the numbers would be if they had implemented the 1% fee in 2016. The City would have roughly generated \$65,000.
- Tillotson questioned the City's fee structures in comparison with other cities for industrial and commercial. She wants the City to be competitive for their business. Brown mentioned a comparison with Scappoose and Columbia City has been done in the past.
- Eagle asked why the VEBA is not budgeted. Brown said it's never been budgeted in the past. It depends on when employees retire.
- Morten said a Charter Review Committee met for several hours for months on the restructure of government. Morten's recommendation is to bring that item up in a City Council work session not the Budget Committee meetings. He would also suggest that with the public works jobs and structure review.

6) Adjournment

- The meeting was adjourned at 8:05 p.m.

ATTEST:

A handwritten signature in blue ink, reading "Brian Vaerewyck", written over a horizontal line.

Brian Vaerewyck, Committee Chair

A handwritten signature in blue ink, reading "Matt Brown", written over a horizontal line.

Matt Brown, Finance Director

Prepared by: Jennifer Johnson, Committee Secretary

PowerPoint Presentation attached.