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**CITY OF CANBY**  
**BUDGET COMMITTEE MEETING**  
**May 22, 2025**

**Committee Members Present:** Brian Hodson, Mayor; Kim Wiegand, Budget Committee Chair; Traci Hensley, City Council President; Paul Waterman, City Councilor; Jack Pendleton, Budget Committee Member; David Tate, Budget Committee Member (left at 9:42 p.m.); Daniel Stearns, City Councilor; James Davis, City Councilor; and Jason Padden, City Councilor.

**Committee Members Absent:** Herman Maldonado, City Councilor, and Shawn Varwig, Budget Committee Member.

**Staff Present:** Eileen Stein, City Administrator; Scott Schlag, Finance Director; Katy Joyner, Financial Analyst; Jessica Roberts, Court Supervisor; Eric Laitinen, Aquatics Program Manager; Jorge Tro, Police Chief; Don Hardy, Planning Director; Monica Stone, Waste Water Treatment Supervisor; Marisa Ely, Library Director; Jamie Stickel, Economic Development Director/ Communications Specialist; Todd Wood, Transit & Fleet Director; Tyler Nizer, Economic Development and Tourism Coordinator; Spencer Polack, Public Works Supervisor; Ryan Potter, Planning Manager; Maya Benham, Administrative Director/ City Recorder; and Teresa Ridgley, Deputy City Recorder.

**CALL TO ORDER:** Chair Wiegand called the meeting to order at 6:00 p.m., followed by a roll call.

**PUBLIC COMMENT:** Chair Wiegand read an email from Kristi Smith, Library Board Member. Ms. Smith thought equal reductions across departments were not equitable cuts. The library served thousands and losing any library employees would impact the community by cutting hours and services.

**NEW BUSINESS:**

A. Review FY 25-26 Proposed Budget

Eileen Stein, City Administrator, said the Council decided to stay with the 20% capital reserve which resulted in additional cuts to the budget.

Non General Funds

1. Facilities Fund

Spencer Polack, Public Works Supervisor, said they had removed \$42,000 for capital projects from the fund. The projects were painting weathered areas at the Civic Center and replacing the weathered awnings and shampooing carpets and upholstery. There were slight increases to materials and services due to inflation.

There was discussion about the postponement affecting the useful life of the building. Mr. Polack thought the deferred maintenance would have an affect.

2. Library Fund

Marisa Ely, Library Director, gave highlights from 2024-25 including grants and donations, creation of the new Strategic Plan, and adding a Council goal to develop a plan to fund current

and expanded library services. Upcoming goals for the next fiscal year were to continue addressing the Strategic Plan priorities, to continue building the Maker Lab, and to unveil the new Career Center. She was asked to prepare a budget with a \$20,000 reduction of the General Fund contribution. These would be reductions in the on-call budget, travel and training, library collection, and volunteer budget. To make this happen, library hours would be reduced as well as reduced programs and library of things collection. They would go from two to one reference desk staff for certain hours of the day. There would be longer wait times for check-in, shelving, and holds. There would also be reduced partnerships and the ability to fill holes in other organizations, services, and offerings, especially the School District.

It was discussed that this was a relatively small cut but had a large impact. Ms. Ely noted any cut would affect all operations because they were already spread very thin.

The \$20,000 cut from the Library Fund was put on the bubble list to revisit.

### 3. Transient Room Rund

Jamie Stickel, Economic Development Director, explained there were two pieces to the tourism budget, one towards promotion and one towards enhancement. They hoped to continue cooperative marketing with regional tourism partners and active media, revamp newcomers and visitors guides with a potential interactive map that would be connected to the Visit Canby kiosks, ongoing video promotion and online marketing, and room night generator assessment for hotel incentives. They could also look into adding \$25,000 for architectural work for a hotel as a tourism enhancement line item.

**\*\*Councilor Padden moved to create a \$25,000 tourism enhancement line item for architectural work for envisioning a hotel in Canby. Motion was seconded by Councilor Davis and passed unanimously.**

### 4. Systems Development Charge (SDC) Fund

Don Hardy, Planning Director, said there were a number of projects in the pipeline that would increase this fund next fiscal year. The budget did not include the increase to the SDC fees that they were currently working on which would include parks, streets, sewer, and stormwater. These were restricted funds that could not be used for anything but adding capacity.

There was discussion regarding the importance of SDCs to the City's growth and how SDCs were calculated.

### 5. Cemetery Perpetual Care Fund

Mr. Polack said this was a savings account for the cemetery once all of the plots had been sold to maintain the grounds. A portion of the sales went into this fund.

Items added to the bubble list were: the average costs for a plot, increasing the percentage of the sale into the perpetual care fund, and not charging the library interest for the interfund loan the library took out every year.

## 6. Forfeiture Fund

Jorge Tro, Police Chief, said this fund came from money seized in drug related cases. The funds had restricted use.

## 7. Fleet Services Fund

Scott Schlag, Finance Director, said there would be some reduction in the internal charges due to the reduction in the facilities fund.

## 8. Sewer Combined Fund

### a. Waste Water Treatment Plant

Monica Stone, Waste Water Treatment Supervisor, discussed the highlights from this year including 100% NPDES permit compliance, grant applications, and fully staffed treatment plant. There had been issues with security and janitorial services, and in the next fiscal year a Parks Maintenance position that had not been filled would be moved to Wastewater for the janitorial work for the plant and surrounding property. They were looking at increasing capital spending to replace old equipment and she explained the capital projects they were working on. She then discussed the increases to materials and services and training.

There was discussion regarding reasons for adding the Parks Maintenance position, asset management program, and how the capital projects would be paid for by sewer funds and SDCs, not debt financing.

### b. Sanitary Collections

Mr. Polack said the collections had to do with any of the sewer that was not at the treatment plant, such as the pipes throughout town. The increase of the FTE was not a new position, it was the reallocation of current employees' time spent. There were not any changes to the materials and services and he reviewed the capital outlay projects.

### c. Stormwater System

Mr. Polack said the increase in FTEs was a reallocation of employees' time spent. There were no changes to materials and services. He explained the projects in this fund.

### d. Sewer Fund Non-Allocated

Mr. Schlag said the non-allocated was for specific items that could not be isolated to one fund, such as sewer billing, franchise fees, and overhead transfers.

There was clarification that the franchise fee was a fee the City charged itself and went into the General Fund.

## General Fund

Mr. Schlag explained the operating revenue for the next fiscal year and ending fund balance with 20% in reserves.

There was discussion regarding researching other revenue sources, how there was not a budget shortfall like it was stated at the mid-year budget review, the proposed beginning fund balance and revenues were going down, and Maple Street Park turf replacement had been increased.

#### 1. Administration

Eileen Stein, City Administrator, said election expenses had increased and money had been set aside for a Charter amendment election. Professional and technical services were reduced, attorney services had increased. She had reduced codification, Mayor travel and training, Admin travel and training, and supplies and services. This was done to get to the 20% reserve.

There was discussion regarding the Charter amendments.

#### 2. HR/Risk Management

Ms. Stein said the liability insurance premium was going up substantially and she was not able to reduce as much of this budget. She did reduce professional services and employee recognition.

#### 3. Finance

Mr. Schlag said there was a reduction in professional and technical services, auditing fees, copier lease and maintenance, printing and binding, training and travel, membership dues and fees, facilities, supplies and services, and miscellaneous office equipment. This was to get to the 20% reserve.

#### 4. Municipal Court

Maya Benham, Administrative Director/ City Recorder, said in order to get to the 20%, they would have to cut contracted staff, which included eliminating the bailiff service that affected safety and liability and eliminating one public defender that affected the increased criminal docket.

Jessica Roberts, Court Supervisor, discussed further reductions to materials and services, Spanish interpreter services, and training, conferences, and memberships for staff and the judge.

The bailiff services, public defender, and Spanish interpreter were put on the bubble list.

Ms. Roberts noted there was a large amount of community service that had been ordered and it was currently being sent to the County. She would like to work with the Park Department to bring it back into town for park and cemetery maintenance.

Mr. Schlag stated to get to the 20% reserve, they had to reduce the General Fund by \$678,000. The budget included the 5% COLA in the employee contracts.

#### 5. Planning

Mr. Hardy spoke about the Planning and Building funds together. He referred to the Council Goals and the projects related to planning that were in process. The only one that had not been started was the development code update and that was the one targeted for reduction. The code audit only would be done next fiscal year and they would seek grants as well for several of the

projects. He then explained the items they were targeting for revenue generation, especially grants and updating fees.

There was discussion regarding increasing land use application fees, how if their budget was reduced further there would be no code audit next year and that funding could be used elsewhere, and what was included in the miscellaneous revenue.

The code update was put on the bubble list.

## 6. Building

This fund was discussed above.

## 7. Police

Chief Tro said staffing had been left in tact which was 1.5 officers per 1,000 population. They had 1,000 more calls than last year and the long term goal was to have 3 officers per shift and full time supervision. To make that happen, they needed to hire three more officers. He discussed revenue that had increased this year. The costs for School Resource Officers were split 50/50 with the School District. The Behavioral Health Unit also served in Molalla for 25% of the time and they got a 30% cost reimbursement for that. They had also applied for grants. County Dispatch Fees had increased and after hours warrant checks and entry fees as well as radio fees and the taser contract had also increased. The proposed cuts to reach the 20% reserve were: cutting one replacement vehicle, cutting one replacement mobile data computer, cutting an IT tech position, reducing training, and eliminating special events. He gave a background on a possible Tri-Met officer position, which would add an officer at no extra cost and officers could learn new skills. There would also be \$40,000 to \$50,000 extra in revenue to the City in replacing the officer with a new officer whose salary would be less. It was a three year contract with stable funding.

There was discussion regarding the dispatch fees increase and looking at other services, sharing police vehicles, Code Enforcement position, and generating reports for what Code Enforcement was doing.

The special events and police vehicle were placed on the bubble list.

## 8. Parks/Cemetery

Mr. Polack said they had cut around \$51,000 out of materials and services, reducing contract services, parks grounds maintenance, no additional lights downtown for Light the Night but the Wait Park would still be lit, removing the Canby Kids grant, reducing internal charges to facilities, and reducing supplies and services. They would also not fill a vacant park position. Auburn Farms and Maple Street Park projects were still in the budget and SDC funds would be used for those projects. Part of the dog park project would be included in the budget as well.

There was discussion regarding the vacant park position and need for more parks maintenance, Park Maintenance Fee, reducing the dog park from \$500,000 to \$250,000, how the funds for the dog park would come from SDCs not General Fund, and questioning if eliminating lower cost positions really saved money in the long term.

The Canby Kids grant and turf replacement project were placed on the bubble list. Mr. Polack discussed the cemetery budget and reduction of \$6,000 in grounds maintenance, building maintenance, and tools and equipment.

#### 9. Economic Development

Ms. Stickel said the items that were cut before the 20% reserve policy were community enhancement grants and business enhancement grants. The new cuts included professional development, cutting a local brochure for marketing purposes, cuts to events in ways the community would not notice, reduced or removed contingencies for events, and reducing the Shop Local Canby gift card promotion. They would continue to fundraise and keep as much as possible the same.

There was discussion regarding the revenues from the Independence Day event and raising fees and the Certified Local Government Grant which was a matching grant and could not be reduced.

#### 10. Not Allocated

Mr. Schlag said these were revenues/expenditures that could not be directly associated with other funds, such as tax revenues, franchise fees, state revenue sharing, licensing, etc. Expenses had changed due to the internal service charge from facilities that was reduced, library reduction to not repay the interest on the interfund loan, and reduced operating contingency from \$150,000 to \$130,000.

There was discussion regarding the difference between the General Fund operating contingency and ending fund balance reserves.

Cutting the Mayor and Council's travel and training and pay was put on the bubble list.

**PUBLIC COMMENTS:** None

**COMMITTEE DISCUSSION:** This was postponed to the next meeting.

**REVIEW ACTION ITEMS/QUESTIONS FOR STAFF FOLLOW-UP AT THE MAY 29<sup>TH</sup> MEETING**

**RECESS TO MAY 29, 2025, AT 6:00 P.M.**

**ADJOURN:** The meeting was recessed at 9:52 p.m.