

Minutes approved by the Budget Committee on May 23, 2012.

1. **ROLL CALL:** The meeting was called to order by Chair Rod Fuiten at 7:00 pm. The following members were present: Tom Beck, Tom BeLusko, Jr., Meredith Bliss, Rod Fuiten, Jeff Hill, Tom Johnston, Jonathan Kipp, Victoria Lowe, David Maisel, Chere Sandusky, Ron Thompson, Peter Truax, and Elena Uhing. Excused: Camille Miller. Staff present: Michael Sykes, City Manager; Paul Downey, Administrative Services Director; Susan Cole, Administrative Services Assistant Director; Jeff King, Economic Development Coordinator; Kerry Aleshire, Police Chief; Tom Gamble, Parks & Recreation Director; Jon Holan, Community Development Director; Michael Kinkade, Fire Chief; Richard Matzke, Interim Light & Power Director; Rob Foster, Public Works Director; Robyn Cram, Library Services Supervisor; Mandy Hayes, Support Unit Supervisor; and Bev Maughan, Executive Assistant to City Manager.
2. **CITIZEN COMMUNICATIONS:** None.
3. **ELECTION OF CHAIR:** Rod Fuiten was nominated for the Chair position and, with all those present voting in favor, was elected.
4. **ADDITIONS/DELETIONS:** None.
5. **BUDGET MESSAGE FOR 2011-12 ANNUAL BUDGET:** Sykes reviewed the budget message and highlighted that the proposed budget is status quo which is a reflection of the proactive long-range projection of expenditures and fund balances that staff has monitored. He noted revenues stayed relatively flat so the total expenditures stayed flat as well which necessitated reductions since some expenditure increases were uncontrollable such as union wages and gas prices. He also noted the budget addressed the critical goals of the City Council and priority action items identified by the Budget Committee during the SWOT analysis in April to improve the City's financial situation such as approving the operating levy and marketing activity in the economic development front. He stated the proposed budget allows staff to sustain and provide the critical services that are important to the community. In response to Tom BeLusko's inquiry, Paul explained the proposed budget included only known increases such as payroll step increases.
6. **REVIEW AND DISCUSSION OF 2011-12 ANNUAL BUDGET:**
 - **General Fund Overview:** Cole distributed and explained the updated General Fund Financial Plan projections as a planning tool to show impact of the proposed budget on future year forecasts and to show the dependency on the operating levy. Cole also distributed and explained the discretionary resources of the General Fund which illustrates the priority services of the City. She explained the budget process begins with staff reviewing overall revenues, receiving department requests, matching requests with revenues, focusing in on discretionary funds, and then allocating funds according to City Goals and City priorities.
 - **General Fund Resources:** Downey reviewed the changes in revenue in property taxes, franchise taxes, construction excise taxes, and interest income. In response to a couple of inquiries,

Downey noted that actual figures from the third quarter of the budgeted fiscal year would be made available to the committee during next year's budget process.

- Downey and Cole highlighted changes in the General Fund departments and answered questions from the committee. In response to an inquiry about the reduction in Senior Center operating costs, Sykes noted that the Senior Center has received additional funding over the last few years from the Meals on Wheels program and Ride Connection program and stated that with reductions in other City departments and since the Senior Center did not request the funds and had other revenues coming in he felt it prudent to reduce the contribution to the Senior Center given the City's financial circumstances. Thompson stated that the budget has included this amount automatically and to reduce it without any notification is a change that should include input with the agency. Bliss commented that there should be a request from the Senior Center and they should provide accountability for the funds from the City. Johnston suggested that any funds given to the Senior Center should be allocated to a dedicated expense. Fuiten asked that any suggestion be brought as a motion to the next meeting.

7. **DISCUSSION ON STATE SHARED REVENUE:** Downey noted that the three sources of state shared revenue and the allocated purposes are: Alcoholic Beverages – Police, Cigarette – Fire, and State Revenue Sharing – General Fund discretionary revenue. Fuiten opened the public hearing to discuss the proposed use of the state-shared revenue. There was no comment from the public and the consensus from the committee was to continue with the proposed allocation. The public hearing was closed.
8. **DISCUSSION ON CAPITAL IMPROVEMENTS PROGRAM EXCISE TAX:** Tabled until next meeting.
9. **PUBLIC COMMENT ON PROPOSED BUDGET:** Aldie Howard, spoke on behalf of the Senior Center Board of Directors of which he is a member, indicating that there is a new board, a new director, and a strong volunteer base committed to the successful operation of the Forest Grove Senior and Community Center. He encouraged the Budget Committee to continue the contribution of \$10,000 toward the operating costs of the FGS&CC. Truax reminded the Committee that the budget was planned to meet the goals of the City Council. There was no other public comment at this time.
10. **ADJOURNMENT:** The meeting was adjourned at 10:00 p.m. The next meeting is scheduled for May 25, 2011, for the review of the remaining funds and approval of the proposed budget.

Respectfully submitted,

Beverly Maughan
Executive Assistant to City Manager