

Minutes approved by the Budget Committee on May 22, 2014.

1. **ROLL CALL:** The meeting was called to order by Chair Rod Fuiten at 7:00 pm. The following members were present: Tom Beck,, Meredith Bliss, Rod Fuiten, Tom Johnston, Richard Kidd, Victoria Lowe, David Maisel, Camille Miller, Debby Roth, Chere Sandusky, Dale Smith, Ron Thompson, Peter Truax, and Elena Uhing. Absent: None. Staff present: Michael Sykes, City Manager; Paul Downey, Administrative Services Director; Susan Cole, Administrative Services Assistant Director; Tom Gamble, Parks & Recreation Director; Michael Kinkade, Fire Chief; Janie Schutz, Police Chief; Rob Foster, Public Works Director; Colleen Winters, Library Director; and Bev Maughan, Executive Assistant to City Manager.
2. **REVIEW OF 2013-18 CAPITAL IMPROVEMENTS PROGRAM (CIP):** Cole explained that the CIP provides a five-year plan of public physical improvements and major equipment expenditures. She noted the program is ongoing and revised annually as part of the budget process and that projects that are scheduled for FY 2013-14 have been included in the appropriate funds in the proposed budget.
3. **CONTINUED REVIEW AND DISCUSSION OF 2013-14 ANNUAL BUDGET:**
 - **Public Works Funds:** Cole reviewed the budgets and CIP projects included in the Public Works Funds and answered questions from the committee.
 - **Other Funds:** Downey reviewed the remaining funds in the proposed budget that had significant changes from last year as highlighted in the budget message, i.e. Fire SAFER Grant, Facility Major Maintenance Fund, Information Systems, Risk Management, Fire Equipment Replacement, Parks Systems Development, Capital Projects, and CIP Excise Tax and answered questions from the committee.
4. **FOLLOW-UP FROM PRIOR MEETING:** Chair Fuiten opened the floor to John Schallberger, Director of the FG Senior & Community Center, to expand on the request for additional funds. John stated the Center has transformed from a place where older folks socialize to a place where social services are transacted for essential services and the Center is preparing to meet those needs for the increase in the senior population forecasted for the next decade. He noted the proposed \$50,000 funding request would be used to hire a volunteer coordinator for \$30,000 and to use \$20,000 to shore up the shortfall from fundraising so he could focus his time on vocational training and programs. He also referred to the levy information that implied that the Center would benefit from the passage of the levy. In response to Uhing's inquiry regarding a fundraising model, John stated he considers the City a partner and would be open to meeting with her to discuss the position description and a fundraising model to insure outreach is made to all partnerships available. Other discussion noted this amount of funds was not available to shift to the Center and the Center should pursue partnering with AmeriCorps to help with volunteers. Thompson confirmed that statistics for Washington County show Forest Grove with higher percentages of seniors, disabled, and low income without vehicles which impacts the Senior Center and some investment needs to be made in this area.

In response to Maisel's prior inquiry about the Economic Development budget, King produced a summary of Economic Development projects and achievements which ensured effective and efficient use of resources.

In response to Bliss's recommendation that Council study the issue of expanding low income assistance beyond electric rates to citizens in light of increasing rates on other utilities and be more effective in promoting it and make it available to people who need it, he moved, seconded by Uhing, to send the proposed resolution to the City Council. Discussion: Staff reviewed the LIEAP program and noted it is for electricity only with an annual maximum and is not available for fees such as disconnect, reconnect and door hanging fees. Staff also noted the City does not currently have an assistance program for water and Clean Water Services is not interested in a financial assistance program for surface water and sewer. Uhing concurred that staff should review this need and bring details and possible solutions to Council for further discussion. **AYES: Tom Beck, Meredith Bliss, Rod Fuiten, Tom Johnston, Richard Kidd, Victoria Lowe, David Maisel, Camille Miller, Debby Roth, Chere Sandusky, Dale Smith, Ron Thompson, Peter Truax, and Elena Uhing. NOES: None. MOTION PASSED 14 to 0.**

In response to Smith and Uhing's inquiry to separate required certification training from discretionary training dollars, consensus was to not constrain department directors to only required training and they should be able to offer training to employees for their growth and betterment.

5. PUBLIC COMMENT ON PROPOSED BUDGET:

6. APPROVE BUDGET:

Staff recommended changes to the Proposed FY 2013-14 Budget as follows:

- **Fund 212 – Street Tree Fund:** The street trees paid for by these fees have been planted except for the current houses being built. The Fund is accumulating a significant cash balance over the years. Staff reviewed the Fund and determined when the Fund was established, \$50 of the fee was to pay for staff administrative time. That portion of the fee has never been moved to the General Fund to pay for the Community Development staff that administers the program. In the last 14 years, 2,033 trees have been planted so the staff time covered by the fees would be \$101,650. Staff is proposing to transfer these funds to the Facility Major Maintenance Fund instead of the General Fund. This will leave \$28,918 in the fund which the Community Development said is enough to cover the costs of all the trees which have been paid for but not yet planted. The funds transferred to the Facility Major Maintenance Fund will be placed in that Fund's Unappropriated Ending Fund Balance. Additionally, \$6,750 in estimated fees to be collected for staff time in FY 2013-14 are being budgeted to be transferred to the General Fund.
- **Fund 630 - Water Fund:** As discussed in the Water Fund budget, staff is proposing to spend \$20,000 on an update of the water rate study to determine the level of future rate increases needed over the next several years. The money will be taken from the Water Fund Unappropriated Ending Fund Balance.
- **Fund 710 – Risk Management Fund:** As discussed in the Risk Management Fund, general liability premiums will be increasing by 23% instead of the 10% originally project so the Property/Liability Premiums to be paid next year need to be increased by \$15,055. The money to pay for the increase will come from Contingency and Unappropriated Ending Fund Balance.

Motion to Approve Capital Improvements Program

Meredith Bliss moved, seconded by David Maisel to approve the Capital Improvements Program for FY 2013-18. **AYES: Tom Beck, Meredith Bliss, Rod Fuiten, Tom Johnston, Richard Kidd, Victoria**

Lowe, David Maisel, Camille Miller, Debby Roth, Chere Sandusky, Dale Smith, Ron Thompson, Peter Truax, and Elena Uhing. NOES: None. MOTION PASSED 14 to 0.

Motion to Approve Budget as Changed by Staff

Victoria Lowe moved, seconded by Camille Miller, to approve expenditures for FY 2013-14 in the amount of \$82,847,697 and to establish the maximum expenditures for each fund as shown on FY 2013-14 Approved Budget Fund Expenditure Summary.

Motion to Amend Budget:

Maisel moved, seconded by Truax, to increase the Senior Center Fund by \$5,000.

DISCUSSION: Lowe stated she would be interested in seeing a summary of the partnering work and a planned approach to the needs for the Senior Center in the future before allocating more money. Beck supported the motion but concurred with Lowe and would also like to see better forecasting of needs from the Center so funding requests have been fully explored before the budget comes to the committee. Fuiten stated he has mixed feelings in giving a "token" increase without accountability but supports the work of the Center. Miller supports the work the director has done at the Center and he needs the help and support of the City. Uhing would like to see the funds allocated to the Center pinpointed to be spent on a sustainable fundraising model. ROLL CALL VOTE: AYES: Tom Beck, Meredith Bliss, Tom Johnston, Richard Kidd, David Maisel, Camille Miller, Debby Roth, Chere Sandusky, Dale Smith, Ron Thompson, Peter Truax, and Elena Uhing. NOES: Victoria Lowe, Rod Fuiten. MOTION PASSED 12 to 2.

Motion to Approve Budget as Amended:

AYES: Tom Beck, Meredith Bliss, Rod Fuiten, Tom Johnston, Richard Kidd, Victoria Lowe, David Maisel, Camille Miller, Debby Roth, Chere Sandusky, Dale Smith, Ron Thompson, Peter Truax, and Elena Uhing. NOES: None. MOTION PASSED 14 to 0.

Motion to Approve Property Tax Rate:

Peter Truax moved, seconded by Dale Smith, to approve, for fiscal year 2013-14, a property tax rate of \$3.9554 per \$1,000 of assessed value for General Fund property taxes for taxes levied by the City's permanent rate, a property tax rate of \$1.60 per \$1,000 of assessed value for General Fund property taxes for the first year of the five-year Local Option Levy approved in May, 2012, and to levy property taxes for general obligation bonded indebtedness in the amount of \$515,124. DISCUSSION: None. AYES: Tom Beck, Meredith Bliss, Rod Fuiten, Tom Johnston, Richard Kidd, Victoria Lowe, David Maisel, Camille Miller, Debby Roth, Chere Sandusky, Dale Smith, Ron Thompson, Peter Truax, and Elena Uhing. NOES: None. MOTION PASSED 14 to 0.

7. **ADJOURNMENT:** The meeting was adjourned at 10:16 p.m. The approved budget will be presented to the City Council for adoption on Monday, June 24, 2013.

Respectfully submitted,

Beverly Maughan
Executive Assistant to City Manager