BUDGET COMMITTEE MEETING

Wednesday, May 28, 2025
Forest Grove Light and Power, 1818 B Street

Malynda Wenzl, Mayor
Jennifer Thomas, Chair

Rachael Bateman
Tom Cook
Angel Falconer, Councilor
Teresa Galvan
Donna Gustafson, Councilor
Mallory Hiefield
Carla Kimzey
Michael Marshall, Councilor
Karen Martinez, Councilor
Brian Schimmel, Councilor
Mariana Valenzuela, Councilor

Zoom: https://us06web.zoom.us/j/87391825509?pwd=7fXnHkjJGr7r0etWkvBCS1QKb7kDlu.1
Meeting ID: 873 9182 5509 **Passcode:** 202527

A. Call to Order

1. Roll Call

B. Public Comment Time provided for anyone wishing to speak to the Budget Committee on an item not on the agenda or on the agenda but not scheduled for a public hearing. Comments are limited to 2 minutes unless additional time is granted by the Chair. The public comment period shall not exceed 30 minutes unless a majority of Commissioners present vote to extend the time. Zoom attendees may use the “Raise Hand” option to be called on.

C. Consent Agenda Items under the Consent Agenda are considered routine and will all be adopted with a single motion, without separate discussion. Commissioners who wish to remove an item from the Consent Agenda may do so prior to the motion. Any item(s) removed will be discussed and acted upon following the approval of the remaining item(s).

1. Approve Budget Committee Meeting Minutes of May 20, 2025

D. Additions/Deletions

E. Discussion

1. **Commission Feedback on Budget Analysis Tools and Methods**

F. Review and Discussion of FY 2025-27 Proposed Budget Continued

1. Link to FY 2025-27 Proposed Budget

2. • Community Enhancement Fund
   • Capital Improvement Plan Excise Tax
   • Public Arts

- Library Endowment Fund

The following funds are not scheduled for discussion unless there are specific questions the Committee would like to address:

- Street Trees
- Forfeiture Sharing
- City Utilities
- Bike & Pedestrian Pathways
- SPWF Debt Service
- Transportation Systems

G. Public Comment on FY 2025-27 Proposed Budget

1. Chair, please open the meeting for Public Comment on the FY 2025-27 Proposed Budget
   Staff:

H. Approval of FY 2025-27 Budget

I. Adjournment

Americans with Disabilities Act (ADA) Notice: The City of Forest Grove will make reasonable accommodations for participation in the meeting. Requests for assistance can be made by contacting the City Recorder’s Office, 503-992-3235, mwoods@forestgrove-or.gov, at least 48-hours in advance of the meeting.

Budget Committee Meeting Minutes

Tuesday, May 20, 2025
Light and Power
1818 B Street, Forest Grove

Minutes are unofficial until approved by the Budget Committee.

A. Call to Order

Mayor Wenzl called the regular Budget Committee meeting to order at 6:02 p.m. via in-person and Zoom Video Conference. The meeting was held in a "hybrid" format allowing the public to attend both virtually and in-person in the Conference Room located at Light and Power.

1. **ROLL CALL: COUNCIL PRESENT:** Angel Falconer; Donna Gustafson; Michael Marshall; Karen Martinez; Brian Schimmel; Mariana Valenzuela; Malynda Wenzl, Mayor.
   COMMISSION PRESENT: Jennifer Thomas, Chair; Tom Cook; Teresa Galvan; Mallory Hiefield; Carla Kimzey.
   COMMISSION ABSENT: Rachael Bateman.

2. **STAFF PRESENT:** Jesse VanderZanden, City Manager; Paul Downey, Assistant City Manager/Finance Director; Jaime Zaik, Executive Assistant.

B. Public Comment:

1. Written Comments

No written comments were received. One presentation was submitted by the City Club of Forest Grove and included in the meeting packet.

2. In-Person Comments

Shawn Cardwell, representing the Forest Grove Foundation, spoke regarding the National Opioid Settlement Funds. Cardwell advocated for the annual settlement funds to be reallocated locally. He recommended the funds be used to purchase Naloxone, support coordination and prevention programming, and provide leadership support for local and tribal efforts. He emphasized that keeping the funds in Forest Grove would directly impact and improve lives in the community.

C. Consent Agenda:

1. Approve Budget Committee Meeting Minutes of April 15, 2025

2. Approve Budget Committee Meeting Minutes of May 13, 2025.

MOTION: Mayor Wenzl moved, seconded by Commissioner Cook, to approve the Consent Agenda. VOICE VOTE: AYES: All in Attendance NOES: None. ABSENT: Rachael Bateman MOTION CARRIED 12-0.

D. Additions/Deletions:

1. City Manager: None

2. Proposed by Councilors or Commissioners:
   Chair Thomas proposed a discussion be held after item F. on the agenda, to discuss whether the Budget Committee feels they have received the tools and documentation to effectively make decisions regarding the biennial budget.

MOTION: Chair Thomas moved, seconded by Councilor Gustafson, to approve the addition to the Agenda. VOICE VOTE: AYES: All in Attendance NOES: None. ABSENT: Rachael Bateman MOTION CARRIED 12-0.

Please note: The meeting adjourned prior to the discussion and will be added to the 05.28.2025 Budget Committee Meeting agenda.

E. Review and Discussion of FY 2025-27 Proposed Budget Continued

Downey opened the meeting with an overview of notable projects listed on the Capital Improvements Plan Summary. Assistant Finance Director Cicerchi provided the Committee with the CIP documents prior to the discussion. This document was later amended into the packet.
Downey continued his presentation of Item E.2 with several notable updates: The Bonneville Power Administration (BPA) will be increasing electric power costs to the City by 10.37% and transmission rates by 17.9%. Staff is working with a consultant to conduct a rate study to better understand the impact of these increases on customers.
Mayor Wenzl inquired about the timing of the rate increases. Historically, rate adjustments have taken effect in January. However, during an upcoming August work session, L&P will propose moving the effective date to October 1. This change would align with the Bonneville Power Administration (BPA) increase and help avoid implementing the rate hike during the peak power usage season. Mayor Wenzl also asked whether rebate programs funded by Clean Fuel Credits continue to receive strong participation.
Hormann responded that the City is still seeing 3 - 4 EV charging stations and a similar number of e-bikes being processed per biweekly accounts payable cycle.

In addition to ongoing substation repairs and upgrades, a new internal tie-in transmission line is budgeted. These infrastructure improvements are expected to enhance the reliability of the City's power supply. Clean Water Services (CWS) is proposing a 4% increase to its sewer rate. The City is likely to propose a 3% increase for its portion. It was noted that CWS's portion constitutes approximately 86% of the total sewer rate. Committee members asked questions about how CWS bills customers, how these changes will appear on Forest Grove utility bills, and potential impacts over the coming season. Commissioner Hiefield requested clarification on how the sewer fund balance is represented in the biennial budget schedule. The budget includes funding for the addition of two new water storage tanks. During the discussion on the Joint Water Commission (JWC) treatment plant, concerns were raised about the quality of water received during the summer months. Staff noted that the water supplied from JWC during this period requires additional treatment and monitoring due to elevated pH levels, which can affect the City's water supply.

During Downey's presentation on the Transient Lodging Tax (TLT) Fund, it was noted that there is approximately $189,000 in undesignated TLT funds available.
Councilor Gustafson spoke on behalf of the Main Street program with her voice as a Councilor. Councilor Gustafson requested that a budget line item be added to support the Main Street Program, administered through the City Club of Forest Grove, where she also serves as President of the Board. Councilor Gustafson presented a document outlining the request and justification for funding, which was later added to the amended meeting packet. She explained that the average annual budget for a Main Street program in cities of similar size is approximately $150,000, and the City Club is requesting 50% of that average for the first two years to help launch and stabilize the program. Councilor Gustafson noted over time, City funding would ideally decrease to around 25 - 30%, aligning with funding models from other cities. The proposal anticipates a contractual partnership with the City and other organizations, with the City Club administering the funds. She noted the funding would support revitalization efforts through the Main Street Program. Councilor Gustafson stated that the City Club has missed opportunities for grant funding due to a lack of matching capital. Mayor Wenzl provided contextual background for the Budget Committee, referencing discussions and developments that had occurred at the Council level. A Council work session is planned to follow the completion and issuance of the Main Street State Assessment, at which point a clearly defined implementation plan and expected outcomes are expected to be presented. Councilor Schimmel called for a process check during the presentation, and Chair Thomas emphasized that a decision or recommendation would not need to be made during the meeting due to the Council's upcoming work session. When asked directly, Councilor Gustafson requested that a line item be added to the budget in support of the Main Street Program.

Chair Thomas recommended tabling the discussion until the third Budget Committee meeting, allowing Councilor Gustafson to work with City staff in the interim to clarify the proposal and provide any necessary documentation.

MOTION: Councilor Marhsall moved to continue the discussion of an addition to the budget of a line item for the Main Street Program contingent upon the relevant packet materials being made available on May 28, 2025, Falconer seconded the motion.

Discussion:

Councilor Schimmel stated that a clear Council policy decision may be needed before such a partnership is formally funded. Mayor Wenzl noted that it would be unprecedented to allocate funding without a well-defined scope, including implementation strategies, and measurable outcomes. Councilor Martinez inquired whether a placeholder line item could be added to the budget, to be finalized upon receipt of supporting documentation. Councilor Valenzuela raised concerns about precedent, asking whether other organizations, such as Adelante, might expect future mid-cycle funding under similar circumstances. Councilor Gustafson, invoking a point of privilege, addressed concerns related to her reputation and role in presenting the request. Mayor Wenzl concluded the discussion by emphasizing the need for fiscal responsibility and transparency to the community.

Chair Thomas called the motion at 8:57 p.m., calling for a roll call vote.
Ayes: Tom Cook, Commissioner; Michael Marshall, Councilor; Karen Martinez, Councilor. Noes: Angel Falconer, Councilor; Teresa Galvan, Commissioner; Mallory Hiefield, Commissioner; Carla Kimzey, Commissioner; Brian Schimmel, Councilor; Mariana Valenzuela, Councilor; Jennifer Thomas, Chair; Malynda Wenzl, Mayor. Abstain: Donna Gustafson, Councilor. Absent: Rachael Bateman. MOTION FAILED 3-8, 1 ABSTENTION.

MOTION: Commissioner Cook moved to adjourn the meeting early. No Second. MOTION FAILED.

Downey continued the meeting by reviewing the Proposed Facilities Major Maintenance Budget. A restroom remodel, plumbing pipe replacement, and pool deck replacement are scheduled for the Forest Grove Aquatic Center. Councilor Falconer requested the City be mindful of seasonality when preparing for another lengthy closure.
Due to the late hour the remainder of the budget items will be added to the May 28, 2025, agenda.

F. Public Comment on FY 2025-27 Proposed Budget

No Public Comment was heard.

G. Adjournment

Chair Thomas adjourned the meeting at 9:08 p.m.