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Budget Committee Meeting Minutes

**Tuesday, April 15, 2025
Light and Power
1818 B Street, Forest Grove**

Minutes are approved as presented by the Budget Committee 05.20.2025.

A. Call to Order

Mayor Wenzl called the regular Budget Committee meeting to order at 6:01 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; Karen Martinez; Brian Schimmel; Mariana Valenzuela; Malynda Wenzl, Mayor. **COUNCIL ABSENT:** Michael Marshall. **COMMISSION PRESENT:** David Andersen, Chair; Rachael Bateman; Tom Cook; Teresa Galvan; Mallory Hiefield; Carla Kimzey.
2. **STAFF PRESENT:** Jesse VanderZanden, City Manager; Paul Downey, Assistant City Manager/Finance Director; Jaime Zaik, Executive Assistant.

B. Public Comment:

1. No written comments were received.
2. In-Person:
 - a. Councilor Schimmel thanked both Council and Staff for their hard work and efforts in preparation of the City’s first biennial budget.

C. Consent Agenda:

1. None.

Member Introductions: Member introductions were led by Chair Andersen.

D. Additions/Deletions:

1. City Manager: Requested item E.4. be removed from the agenda.
Proposed by Councilors or Commissioners: None.

E. Discussion Items:

1. Biennial Budget Process Discussion

City Manager VanderZanden opened discussion by providing background information about the biennial budgeting process and schedule. VanderZanden also responded to inquiries from Commissioners about why the City is choosing to move to a biennial process vs. an annual budgeting process. The response was to allow the City additional foresight and financial forecasting.

2. **Navigating the Online Budget Document**
Downey provided a walkthrough of how to access the online budget book via the City's website. Paper copies will still be made available upon request. During the presentation, Paul gave a detailed overview of where to locate budget documents and how to navigate and review each section. At Cahir Andersen's request, Paul also addressed Capital Equipment Charges, explaining that General Fund vehicles are funded on a pay-as-you-go basis through the Equipment Fund. The proposed budget book will be distributed to the Budget Committee on May 6.
3. **City Council Goals and Objectives**
VanderZanden provided background information on the City Council Goals and Objectives and explained their connection to the budget. He noted that the Goals and Objectives will be sent to Budget Committee members for reference. Jesse also highlighted the 2040 Vision Plan as a long-term planning guide for the City's future. He walked the group through the Goals and Objectives, emphasizing how they align with the budget and indicating that some items may be reflected in upcoming budget documents. Chair Andersen inquired whether grant funding is only shown in the budget once the funds have been awarded. The response was yes, the City records grant funding only after it has been officially awarded. In the current environment, the City is working quickly to secure grant agreements and obligate the funds upon award.
4. **Upcoming Capital Improvement Projects**
REMOVED during Additions/Deletions.
5. **Revenue and Cost Factors FY2025/27 Budget**
Paul Downey shared a PowerPoint Presentation outlining all revenue assumptions. Highlights of the presentation and questions raised by Councilors/Commissioners are highlighted below:

Library Funding Discussion

Mayor Wenzl inquired about funding for the library and suggested using WCCLS (Washington County Cooperative Library Services) funding projections to streamline the process. It was noted that Washington County plans to conduct polling for a potential levy increase.

Councilor Schimmel asked how the proposed changes might affect the Library's structure. At this time, there is no definitive answer, as WCCLS has not yet clarified its plans for future funding.

Federal Grant Clawback

Concerns were raised regarding the federal "clawback" of unobligated BRIC (Building Resilient Infrastructure and Communities) grant funds. These previously awarded but unspent funds, dating back to 2020, are now being reclaimed by the current federal administration.

Non-Represented Staff COLA

Paul shared information about the cost-of-living adjustments (COLAs) for non-represented staff. Every three years, Human Resources conducts a wage and benefit comparison with similar cities to ensure Forest Grove remains within $\pm 5\%$ of the market median, aligning with Council policy. This strategy supports staff retention and long-term employment.

Opioid Settlement Funds

Brian inquired about the use of opioid settlement funds. The City Council previously passed a resolution allocating these funds to the Washington County CAT (Community Addiction and Triage) team. Councilor Schimmel expressed interest in reviewing the projected financial tables and raised the possibility of reconsidering the previous allocation.

6. *General Fund Financial Projections*

During the explanation of the General Fund five-year forecast, Commissioner Hiefield asked for a definition of a local option levy. Paul provided a brief overview, including how much revenue it generates and its use within the city. Paul also shared his methodology for projections, including the assumption of full staffing. He addressed how federal, and state mandates are considered in budgeting: if mandates result in significant costs, they are specifically identified in the Proposed Budget. A "menu of options" approach is used to evaluate and prioritize those expenses.

Two levels of expenditure forecasts were presented:

Full Forecast

98% Forecast, which accounts for typical fluctuations in staffing levels based on historical data.

Levy Increase and Potential Staffing Enhancements

Items listed in blue in the budget document are potential staffing and service additions that may be included if the levy is increased. Chair Andersen inquired about how the additional proposed additional staff member in Community Development would be funded. This position would be funded through revenue generated directly from building permit fees.

H. Adjournment

Chair Andersen adjourned the meeting at 8:35 p.m.