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Budget Committee Meeting Minutes

Tuesday, May 12, 2026
Light and Power
1818 B Street, Forest Grove

Minutes are approved as presented by the Budget Committee May 19, 2026

A. Committee Meet and Greet 5:30pm – 6pm | Optional

Council, Committee Members, and Staff were invited to attend an optional meet and greet prior to the official meeting.

B. Call to Order

Mayor Wenzl called the regular Budget Committee meeting to order at 6:00 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.

ROLL CALL: COUNCIL PRESENT: Angel Falconer; Karen Martinez; Brian Schimmel; Mariana Valenzuela, Council President; Malynda Wenzl, Mayor.

COUNCIL ABSENT: Donna Gustafson; Michael Marshall.

COMMISSION PRESENT: David Andersen; Rachael Bateman; Bryan Dennis; Mallory Hiefield; Carla Kimzey; Christobal Mejia Jr.

COMMISSION ABSENT: None.

STAFF PRESENT: Jesse VanderZanden, City Manager; Kime Ezell, Assistant City Manager; Sally Cicerchi, Assistant Finance Director; Jaime Zaik, Executive Assistant.

C. Election of Chair:

MOTION: Councilor Falconer moved, seconded by Councilor Valenzuela, to elect David Andersen as Budget Committee Chair. **VOICE VOTE: AYES: All in Attendance NOES: None. ABSENT: Donna Gustafson; Michael Marshall. MOTION CARRIED 11-0.**

D. Public Comment:

- 1. Written Comments:** No written comments were received.
- 2. In-Person Comments:** None.

E. Consent Agenda:

1. Approve Budget Committee Meeting Minutes of May 28, 2025

MOTION: Commissioner Mejia moved, seconded by Mayor Wenzl, to approve the Consent Agenda. VOICE VOTE: AYES: All in Attendance NOES: None. ABSENT: Donna Gustafson; Michael Marshall. MOTION CARRIED 11-0.

F. Additions/Deletions:

1. City Manager: None.
2. Proposed by Councilors or Commissioners: None.

G. Budget Message for FY 2025-27 Mid-Biennial Budget Update

City Manager Jesse VanderZanden provided an overview of the evening's agenda and meeting format. Chair David Andersen requested that Committee members be permitted to ask questions as they arose rather than waiting to be recognized. VanderZanden agreed.

VanderZanden acknowledged that this was the City's first budget season in more than 25 years without Paul Downey and recognized his longstanding service and contributions to the City.

VanderZanden characterized the presentation as a mid-biennial update while also strategically foreshadowing the next biennium's budget. He paraphrased the Budget Message and highlighted the recently adopted three-year Council goals and objectives derived from the 2040 Vision Plan.

Discussion included continued residential, commercial, and industrial growth within the City, along with comparisons of assessed valuations and development trends. Chair Andersen requested clarification regarding "entitled" industrial properties. Staff explained that the properties are approved for development, but construction has not yet begun.

Housing and building trends were discussed. VanderZanden explained that the City budget assumes full employment with no budgeted vacancies. Any staffing changes are reflected within the budget. The only staffing adjustment requested in the mid-biennial review is for a temporary lineman position intended to support succession planning.

Mayor Wenzl inquired about retirees in the defined benefit plan returning to work and rejoining PERS. Councilor Schimmel noted particular interest in learning how outside factors, including county transportation budgets, could impact the City.

H. Review and Discussion of FY 2025-27 Mid-Biennial Budget Update

Assistant City Manager Kim Ezell began the PowerPoint review at 6:33 p.m. with an overview of the General Fund. Chair Andersen requested examples of Special Revenue Funds. Ezell explained that Transient Lodging Tax and Building Permit Funds are Special Revenue Funds because they are legally restricted to specific purposes.

Personnel costs were identified as the primary driver of General Fund expenditure.

The following General Fund adjustments were proposed:

- \$50,000 for a Communications and Branding Plan.
- \$20,000 for Police Bond Communications.

Both adjustments were proposed to be funded through vacancy savings.

Chair Andersen inquired whether \$20,000 would be sufficient for Police Bond communications efforts. Mayor Wenzl stated she hoped a Political Action Committee would be formed and that community groups could assist with fundraising efforts.

Economic Development Coordinator, Miles Glowacki presented the Economic Development Commission budget slide. No adjustments were proposed. He noted that \$60,000 for the Economic Development Strategic Plan had been amended into the budget by Council in February 2026.

Library Director Colleen Winters presented the library review and highlighted the continued expansion of the "Library of Things," including games, puzzles, electronics, and other materials available for checkout.

Chair Andersen inquired whether additional funding was being provided through the proposed intergovernmental agreement between The City of Forest Grove and WCCLS. VanderZanden explained that per the operational portion of the IGA the City would initially receive approximately \$220,000 during the first year; however, the funding was not ongoing. No mid-biennial adjustments were requested for the Library.

Councilor Schimmel asked whether the City maintains a capital needs assessment and replacement schedule. Ezell explained that the City recently hired a Facilities Maintenance Manager and that development of a facilities assessment would be among the first priorities during the next biennium. Ezell noted that the City of Cornelius had recently completed a similar assessment for approximately \$60,000.

Parks and Recreation Director Anne Lane presented the Parks, Aquatics, and Recreation review.

Chair Andersen inquired about expenditures related to facility rentals. Lane explained that the department primarily rents school district facilities and noted that a city-owned facility would help alleviate the issue. She added that a community center would be incorporated into the upcoming Parks Master Plan.

Committee Member Bateman inquired whether the City maintains a trails plan. Lane responded that a trails and trail maintenance plan would also be included within the updated Parks Master Plan.

No adjustments were requested for the Parks and Recreation budget.

Police Chief David Marzilli presented the Police Department review, highlighting community education efforts and events intended to strengthen public engagement and participation.

Councilor Schimmel asked about contingency plans for the current police facility to ensure a safe and healthy work environment while a new facility is pursued. VanderZanden estimated that construction could begin approximately one year following voter approval of a bond measure.

Staff reported that recent air quality testing within the building produced good results. However, any future plans would depend on long-term use decisions of the facility space.

Chair Andersen inquired whether staffing levels were directly impacted by the building environment. Chief Marzilli confirmed that the condition of the facility directly affects employee recruitment and retention. Andersen also asked whether the City had explored expansion alternatives.

The Police Department requested a \$45,000 adjustment from vacancy savings associated with the expiration and replacement of the body-worn camera contract.

Fire Chief Jim Geering presented the Fire Department review.

Chair Andersen inquired about the scope of the Northern Fire Station study. Chief Geering clarified that the study only addresses potential site location and does not include projected construction or staffing costs.

Chief Geering also shared statistics demonstrating how levy funding has improved response times, allowed staffing of a second unit, and improved employee morale.

Mayor Wenzl thanked Chief Geering for providing real-world examples of how funding decisions directly affect the community.

The Fire Department requested an additional \$60,000 adjustment from the CIP Excise Tax Fund after updated estimates were received for lobby remodeling, safety improvements, and upstairs restroom renovations. The request was in addition to the \$100,000 already budgeted for facility improvements.

Community Development Director Bryan Pohl presented the Community Development review.

Chair Andersen asked how the department manages fluctuations in development activity. Pohl explained that several subdivisions are currently in the planning phase and anticipated to begin construction soon, while additional developers have also expressed interest in projects within the City.

When asked whether staffing adjustments may become necessary, Pohl noted that the department currently carries a vacancy for a third inspector and could hire quickly if development activity substantially increases.

Councilor Schimmel asked about the intergovernmental agreement with Cornelius. Pohl explained that both communities experience similar fluctuations in development activity and can rely upon staffing flexibility when needed.

Discussion also occurred regarding Accessory Dwelling Units (ADU's) and whether recent legislative changes had increased permit requests. Pohl stated that no substantial increase had occurred to date; however, the department plans to host two educational community events in partnership with the City of Cornelius.

No adjustments were proposed for the Community Development Department.

Public Works and Engineering Director Greg Robertson presented the Special Revenue Funds review. Robertson explained that Public Works and Engineering is unique because it oversees at least one fund within each of the City's five fund categories.

Councilor Schimmel inquired about delays involving a recently purchased Washington County property near Elm Street related to sewer connections and relocation issues.

Robertson clarified that the issue involved private property owners and that the City could not intervene.

Chair Andersen requested clarification regarding System Development Charges (SDC). Robertson confirmed that SDC funds may only be used for system expansion rather than maintenance.

Public Works and Engineering requested the following Sewer Fund adjustments:

- \$200,000 from contingency for the 19th Avenue Sewer and Pipeline Replacement project between Filbert and Elm Streets.
- \$45,000 from contingency for upgrades to the DS-1 Facility located at 22nd Avenue and Yew Street. The project had originally been recommended by the Budget Committee but was inadvertently omitted from the adopted budget.

Discussion followed regarding the cancellation and subsequent reinstatement of the federal BRIC grant program. Staff stated that the City is preparing an application and continues monitoring funding opportunities.

The following Water Fund adjustments were proposed:

- \$15,000 from contingency for a Water Treatment Plant booster upgrade.
- \$30,000 from contingency for inspection of the existing water reservoir to determine remaining life expectancy and replacement costs.
- \$25,000 from contingency to replace failing pumps at the Watercrest and David Hill Pump Stations.
- \$180,000 from contingency to replace a compound water meter and construct a new vault at a separate location.
- \$45,000 from contingency for the DS-1 Facility upgrade project.

The following Water SDC Fund adjustments were proposed:

- \$380,000 from contingency to replace a rapidly deteriorating steel water line. The project would replace the existing two-inch dead-end main with a larger four-inch through-line to improve both water quality and system redundancy.

The following Street Fund adjustments were proposed:

- \$45,000 from contingency for the DS-1 Facility upgrade project.

- \$25,000 from contingency for downtown parking striping improvements intended to increase parking availability.

No adjustments were proposed for the Transportation Development Tax Fund.

The following Surface Water Management Fund adjustment was proposed:

- \$45,000 from contingency for the DS-1 Facility upgrade project.

Robertson also reviewed the Bikeway Improvements Fund, noting that the revenue source is one percent of the City's gas tax revenues and that funds are currently being accumulated for a future project. Committee Member Bateman asked whether the fund was separate from the trail fund. Robertson confirmed that it was.

Councilor Schimmel asked whether staff had considered possible implications of proposed legislation affecting SDC funding for housing development. Robertson stated that he had not yet analyzed the issue, while Ezell added that staff continue monitoring legislative activity closely.

The presentation then transitioned to Enterprise Funds. Light and Power Director Keith Hormann presented the Light Fund review.

Chair Andersen inquired whether the recently constructed Crane Data Center purchases power directly from the Bonneville Power Administration (BPA) or from the City. Hormann confirmed that the data center purchases power directly from the City of Forest Grove.

Mayor Wenzl asked about adding additional lights to the City's holiday tree. Ezell noted that the City and Chamber of Commerce are collaborating on expansion of the display.

Chair Andersen asked what percentage of the data center project has been built out and what future demand increases are anticipated. Hormann explained that the City currently peaks at approximately 62 megawatts. Upon completion of the first phase of the data center, usage is expected to average between 47 and 51 megawatts and peak at approximately 75 megawatts.

Chair Andersen also asked whether increased power purchases would affect customer utility rates. Hormann explained that the City purchases power through two separate pools and currently acquires approximately three percent from the more expensive Tier 2 pool. He stated that larger power users would absorb those costs and that standard residential customers would not experience direct rate increases associated with the data center.

Councilor Schimmel and Chair Andersen requested additional public messaging regarding future rate impacts and power costs.

Mayor Wenzl inquired about the Solar Array Program. Hormann replied that the project is currently out for bid. Committee Member Hiefield asked whether the City could eventually reach maximum power capacity. Hormann responded that such a scenario is possible, though the issue extends beyond Forest Grove Light & Power alone.

Additional discussion occurred regarding power system resiliency, power transmission, and future electrical demand.

Light & Power requested one adjustment:

- \$125,000 from contingency for the hiring of an apprentice lineman.

Due to the late hour, the presentation was paused. A second Budget Committee meeting is scheduled for Tuesday, May 19, 2026, at 6:00 p.m., beginning with Special Revenue Funds.

I. Public Hearing on State Shared Revenue

Chair Andersen opened the meeting for a public hearing on State Shared Revenue at 8:56 p.m. No public comment was heard. Chair Andersen closed the floor at 8:57 p.m.

J. Adjournment

Chair Andersen adjourned the meeting at 8:58 p.m.