



# BUDGET COMMITTEE MEETING

Tuesday, May 12, 2026

Forest Grove Light and Power, 1818 B Street

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**Malynda Wenzl, Mayor  
Vacant, Chair**

David Andersen  
Rachael Bateman  
Bryan Dennis  
Angel Falconer, Councilor  
Donna Gustafson, Councilor  
Mallory Hiefield

Carla Kimzey  
Michael Marshall, Councilor  
Karen Martinez, Councilor  
Christobal Mejia Jr.  
Brian Schimmel, Councilor  
Mariana Valenzuela, Councilor

**Zoom:** <https://us06web.zoom.us/j/87399855689?pwd=zJebaNWfvehRSeQkGQHpMaebMJc3HK.1>

**Meeting ID:** 873 9985 5689 **Passcode:** 497097

- A. Committee Meet and Greet 5:30 p.m. - 6:00 p.m. | Optional**
- B. Call to Order**
  - 1. Roll Call
- C. Election of Chair**
  - 1. Mayor Wenzl, please open the floor for nominations and elections process
- D. 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.
- E. 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 28, 2025
- F. Additions/Deletions**

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

1. FY 25-27 Mid-Biennial Budget Update

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

1. **Discussion:**
  - Budget Overview
  - Fund Review
  - Adjustment Summary

**I. Public Hearing on State Shared Revenue**

1. Chair, please open the meeting for Public Hearing on State Shared Revenue

**J. Adjournment**

**Americans with Disabilities Act (ADA) Notice:** The City is committed to providing equal access to public meetings. Requests for accommodation can be submitted to the City Recorder at least 48 hours before the meeting at: [mwoods@forestgrove-or.gov](mailto:mwoods@forestgrove-or.gov) or 503-992-3235



*A place where families and businesses thrive.*

**Budget Committee Meeting Minutes**

**Wednesday, May 28, 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.

**ROLL CALL: COUNCIL PRESENT:** Angel Falconer; Donna Gustafson; Michael Marshall; Karen Martinez; Brian Schimmel; Mariana Valenzuela; Malynda Wenzl, Mayor.

**COMMISSION PRESENT:** Jennifer Thomas, Chair; Rachael Bateman, Tom Cook; Teresa Galvan; Mallory Hiefield; Carla Kimzey.

**COMMISSION ABSENT:** None.

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

**B. Public Comment:**

1. **Written Comments:** None.

2. **In-Person Comments:** None.

**C. Consent Agenda:**

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

**MOTION:** Mayor Wenzl moved, seconded by Councilor Valenzuela, to approve the Consent Agenda. **VOICE VOTE:** AYES: All in Attendance NOES: None. ABSENT: None. **MOTION CARRIED 13-0.**

**D. Additions/Deletions:**

1. City Manager: None.

2. Proposed by Councilors or Commissioners: None.

### **E. Discussion**

Item E was carried over from the May 20, 2025 meeting, during which Chair Thomas proposed a discussion to determine whether the Budget Committee has received adequate tools and documentation to effectively review the proposed biennial budget. Chair Thomas opened the discussion and provided feedback on ways to simplify the review process, offering the following suggestions:

- Include a 3–5 year historical perspective for each fund.
- Clearly highlight and identify ending fund balances to allow for straightforward gap analysis.
- Link relevant portions of the budget message to the above data so the narrative aligns with the numbers.
- Update and include the comparative taxation rate slide for all cities—including special districts—for an “apples to apples” comparison of Washington County cities.
- Make the budget message available in PDF format so members can annotate directly on the document.

Multiple Commissioners also requested the ability to download or export the proposed budget from OpenGov into a PDF format to allow for individual review and note-taking.

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

Downey continued Item F by reviewing the remaining funds not addressed in the previous two budget meetings. Councilor Schimmel asked whether a Community Impact Grant would be available to grantees this spring and summer, noting the program operates on a two-year grant cycle. Downey confirmed that it would. Mayor Wenzl inquired if the City had scheduled the grant process. The Communications Team has established a schedule, and a work session is tentatively planned for June 2025. Chair Thomas asked if the Public Arts Commission receives funding from the General Fund. Downey responded that it does not, explaining that the Commission is funded through gifts and “Meet the Artist Dinner” ticket sales. Mayor Wenzl confirmed that the recently passed resolution related to the Public Arts Commission allows fundraising through these sales.

### **G. Public Comment on FY 2025-27 Proposed Budget**

Chair Thomas opened the floor for Public Comment.

Public Comment was received by Councilor Schimmel

### **H. Approval of FY 2025-27 Budget**

Downey briefly explained the approval process to the Committee and provided a schedule of approval motions, beginning with consideration of the proposed FY 2025-30 Capital Improvements Program (CIP).

**MOTION:** Mayor Wenzl moved, seconded by Councilor Falconer, to approve the Capital Improvements Program for FY 2025-30. **ROLL CALL VOTE:** AYES: All in Attendance NOES: None. ABSENT: None. **MOTION CARRIED 13-0.**

Downey then presented proposed amendments to the FY 2025–27 Proposed Biennial Budget in detail to the Committee before Mayor Wenzl called for a motion. No additional amendments to the FY 2025–27 Budget were presented, and Chair Thomas called for a roll call vote.

**MOTION:** Mayor Wenzl moved, seconded by Councilor Valenzuela, to approve expenditures for the FY 2025-27 Proposed Biennial Budget in the amount of \$255,001,742 and to establish the maximum expenditures for each fund as shown on FY 2025-27 Approved Biennial Budget Expenditure Summary by Fund. **ROLL CALL VOTE:** AYES: All in Attendance NOES: None. ABSENT: None. **MOTION CARRIED 13-0.**

Mayor Wenzl then moved to approve the FY 2025–26 and FY 2026–27 tax rates. No additional discussion followed.

**MOTION:** Mayor Wenzl moved, seconded by Councilor Gustafson, to approve, for fiscal year 2025-26 and fiscal year 2026-27, 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, and a property tax rate of \$1.95 per \$1,000 of assessed value for General Fund property taxes for the third and fourth years of the five-year Local Option Levy expiring on June 30, 2028. **ROLL CALL VOTE:** AYES: All in Attendance NOES: None. ABSENT: None. **MOTION CARRIED 13-0.**

**I. Adjournment**

Chair Thomas adjourned the meeting at 7:08 p.m.

**To: Forest Grove Budget Committee**

**Re: Fiscal Year 2025-27 Mid-Biennial Budget Update**

**From: Jesse VanderZanden, City Manager**  
**Kim Ezell, Assistant City Manager**

**Date: May 12, 2026**

### **FY 25-27 MID-BIENNIAL BUDGET UPDATE**

#### **SUMMARY**

It is my pleasure to update the City of Forest Grove’s FY 25-27 biennial budget for FY 26-27, the second of two fiscal years. The mid-biennial budget update is not intended to recap the entire budget, rather, to address potential changes resulting from unforeseen issues, necessary corrections, and importantly, strategically foreshadow budget items that may be included in the FY 27-29 biennial budget.

This is the first year in a quarter century since the city is undertaking this process in the absence of our long-trusted and intrepid former Assistant City Manager/Finance Director, Paul Downey. We miss him as an advisor, a question-answerer, and importantly, as a contributor and friend to the community.

Last year marked the passage of the city’s first biennial budget, meeting the City Council’s objective to promote longer-term and more strategic budget planning, reduce administrative expenses, and increase financial sustainability. While there is work to be done, the biennial budget process is fulfilling these objectives and doing a strategic job of connecting resources to capital and operating plans.

The city recently passed its annual audit with positive remarks, and the overall fiscal health of the city remains stable and resilient, reserves are adequate, and our bond rating is strong and unchanged.

#### **A VISION FOR THE FUTURE**

In 2025, the Council adopted the 2040 Vision Plan, a generational document that outlines the City’s vision, values, goals, and actions for the next 15 years. The Plan is built on the most comprehensive public engagement effort in the City’s history with thousands of community

members participating of all ages and backgrounds. The Plan is the foundation for everything we do – from Council and staff priorities and budget requests to long-term planning documents. The tenets of the 2040 Plan are:

**Our Vision:** Rooted in connection, growing with purpose.

**Our Values:** Sustainable | Safe | Connected

In March 2026, the City Council prioritized the following strategic action items for 2026-2028:

### **Goal Area: Economy**

- City incentive programs supporting small businesses
- Feasibility study for a downtown grocery store
- Update the Economic Development Strategic Plan

### **Goal Area: Community Growth**

- Build a new police facility
- Conduct a fire station location analysis
- Expand redundancy of electric system
- Continue to implement ADA improvements
- Educate landowners on Accessory Dwelling Unit (ADU) development options
- Enhance wayfinding in downtown and along arterials
- Evaluate 2-way street option on Pacific and 19<sup>th</sup>
- Implement Mountain View Safe Routes to School project
- Implement East TV Highway Safety Improvement Plan
- Implement Fernhill / Maple / Hwy 47 Intersection
- Install Rose Grove mid-block crossing on TV Highway
- Update the Yew Street Intersection
- Update the Comprehensive Plan
- Update the Emergency Operations Plan

### **Goal Area: Healthy and Active Community**

- Develop the Eastside Park (located on 19<sup>th</sup> Avenue)
- Establish a Recreation Advisory Committee
- Explore options for a multi-use recreation/community center
- Update the Parks Master Plan
- Update the Lincoln Park long-term use agreement

### **Goal Area: Community Connection**

- Update the Communication Plan

- Implement the Sanctuary City Ordinance
- Complete deferred IT maintenance

The vision, values, goals, and actions are taken in combination and used to develop the biennial budget and guide mid-biennium adjustments.

## **TRENDS**

As with any budget, it is important to be mindful of potential trends that affect revenues and expenses. The following are some broad indicators of overall economic health:

- Forest Grove’s population increased from 25,834 in 2021 to 27,241 in 2025 or 1.36% per year; higher than both Washington and Multnomah County growth rates of .66% and .12%.
- The annualized West Coast Consumer Price Index (CPI) ticked downward from 2.8% to 2.7% from 2024 to 2025, however, the back half of 2025 was 3.1% which has continued in 2026.
- Due to new development, Forest Grove’s assessed value exceeded the 4.5% estimate. FY 26-27 assessed values are projected to increase by 4.5% to \$2.60 billion due.
- The total number and valuation of building permits, a measure of economic activity, increased year over year from 58 to 185 and from \$13.9 million to \$71.4 million, due largely to industrial development. Both metrics, however, are a decrease from 2023.
- The median home price in Forest Grove dropped 6% year over year to \$500,000 and rental rates dropped 13% to an average of \$1,650 per month. Market values remain well above assessed values, meaning taxable assessed valuations are expected to continue increasing at 3% per year, which is the statutory limit.
- Housing vacancies remain at approximately 5% while other metro areas are experiencing vacancies near 9%, indicating resilient demand for housing in Forest Grove.
- Industrial vacancies for existing buildings remain near zero. Industrial development has picked up with 78 acres of 290 total undeveloped industrial acreage entitled to or under development. There is 160,000 SF under construction and 635,000 SF is entitled for construction, indicating strong industrial demand.
- Commercial vacancies remain near zero. Commercial development is steady with 5 acres of 62 total undeveloped commercial acreage entitled to or under development. There is 15,000 SF under construction (all by the Forest Grove School District which is considered commercial/institutional use) and approximately 50,000 SF is entitled for construction, indicating strong commercial demand.

- There are 376 housing permits ready for construction, however, there are no new housing land use applications pending, indicating construction may slow down. There are 386 apartment units with land use approval that have not sought building permits.
- The number of Certificate of Occupancy permits, a measure of new home completion, is holding steady at 85 in 2023, 73 in 2024, 182 in 2025, and 26 through March 2026.
- The city's average annual median income is \$87,933, up 7.2% from last year. The poverty rate remained at 15.4% (3,900 people), slightly higher than the state and national average. The poverty rate includes university students which tends to skew the percentage upwards in cities with universities.
- Unemployment continues to hover around 5%, slightly lower than the State average and slightly higher than the County average.

### **BUDGET LAYOUT**

As a full-service city, the City's budget is complex, comprised of 27 different funds. With a new Finance Director expected to start in June, the City will take a comprehensive look at all funds in preparation for the next biennium. The mid-biennial budget update has seven sections:

- 1) Overall Expenses
- 2) General Fund
- 3) Light and Power
- 4) Public Works
- 5) Special Revenue Funds
- 6) Internal Service Funds
- 7) Capital Projects Funds

### **OVERALL EXPENSES**

The total two-year biennial budget is \$254.6 million compared to the FY 24-25 adopted budget of \$162.2 million. The biennial budget is not two times the annual budget because the reserve fund and contingency balances are only counted once.

**Current Staffing:** The city's largest expense is labor. Recognizing the city has limited resources, the city exercises prudence and responsibility to ensure each hire is financially sustainable. Prior to hiring any position, the city reviews and updates any changes in duties, workload, responsibilities, and structure.

The city assumes full employment, unless stated otherwise, meaning it intends to hire all positions in the budget. The current total staff is 192.75 full-time-equivalent employees (FTE). The position increases at the start of the biennium centered on meeting the city's commitment

under the operating levy by adding 3 firefighters and 1 police officer. Please recall 1 firefighter was added in FY 23-24 and 2 police officers were added in FY 24-25. These additions have resulted in more responders per shift and assuming full staffing, a reduction in response times.

**Proposed Staffing Adjustments:** The benchmark for proposed mid-biennium staffing changes was whether the position is responsive to an unforeseen and/or changed condition that would warrant the addition. If not, staffing additions and deletions will be deferred until the start of the biennial budget when a comprehensive financial and operational analysis will be done. The city is proposing one position change in the mid-biennium adjustment:

- **Apprentice Lineman:** This addition would enable the Light & Power Department to train an aspiring lineman to replace a retiring lineman. Currently, there is a severe shortage of linemen, and the Department is experiencing an increasing workload. This position would help the Department get a head start on assuring a replacement. The cost of the FTE would be funded from personnel savings. Council approval is required for any FTE additions. The position retiring would attrition resulting in no net increase to FTE's. Estimated cost is \$125,000.

**Future Considerations:** Below are positions the city is analyzing and may propose next biennium:

- **Police Officer:** This is the last position slated for hire under the operating levy. This position would equalize all shifts and reduce average response times.
- **Human Resources Technician:** A typical ratio for assessing HR staffing is the number of employees/HR staff member. Our analysis shows Forest Grove is understaffed by that metric compared to peer studies. Further, Forest Grove HR's workload is significantly more than peer cities as it supports four bargaining units compared to one or two in most peer cities and three retirement plans compared to one in most peer cities. The HR workload has increased for all cities with the recent addition of state protected leave programs and pay equity analysis.
- **Parks Seasonal Maintenance Worker(s):** Per a 2025 City Council objective, staff reviewed 9 comparable cities and found the average acres maintained per full-time employee was significantly higher in Forest Grove. Staff are conducting further analysis to determine the impact to workload and quality of maintenance if seasonal workers are added.
- **Internships:** staff are researching possible internships for various functions including Communications, Parks, Boards and Commissions (including MYAC), and Information Technology. This may include partnerships with Pacific University and non-profits.

- **Lead Public Works Utility Worker:** The City may create a “lead” utility worker classification for personnel who complete advanced water, sewer, or stormwater, certifications. State requirements mandate a “lead” be present on worksites. This can be difficult for existing supervisors to achieve when they have crews assigned to multiple locations. The “lead” worker creates an additional responsible person which will reduce work delays and reassignments. Additionally, this would improve retention by addressing compensation market pressures and provide a long-term promotional opportunity.
- **Fire Division Chief:** This position was created to help manage the Cornelius Fire Department, Cornelius Rural Fire District, and the Gaston Rural Fire District under two separate intergovernmental agreements (IGA). Both IGA’s have been cancelled since Cornelius and Gaston each hired Fire Chiefs. This has resulted in a reduction in duties and responsibilities and likely the attrition of one of three Division Chiefs. In FY26-27 this position will be held vacant as the Department continues to analyze its operational structure and needs.
- **Part-time GIS Coordinator:** This position will be held vacant and proposed for attrition next biennium as the duties are moving to a professional services contractor.

**Retirement:** the city has three retirement programs: 1) Defined Benefit, 2) PERS, and 3) Defined Contribution. The Defined Benefit and Defined Contribution plans are closed to new enrollment, and all new employees are enrolled in PERS.

**Defined Benefit Plan:** The contribution decreases \$532,000 each year of the biennium due to higher market returns than the assumed rate of return of 5.25%. The market returns were 11.82% for the year ending June 30, 2024, and 11.89% for the year ending June 30, 2025. The plan has 46 active employees, down from 55 last year.

**PERS:** The PERS rates as a percentage of overall employee expense, which are paid to the State of Oregon, are: 1) 24.22% for OPSRP public safety, 2) 25.35% for Tier 1 & 2, and 3) 18.95% for OPSRP general. These rates are set by the State of Oregon Public Employee Retirement Board and increased 8% on July 1, 2025, and will not change until July 1, 2027.

**Defined Contribution Plan:** The contribution rate remains at 12%. This plan has 12 active employees, the same as last year.

**Bargaining Agreements:** The city has four bargaining units: 1) International Brotherhood of Electrical Workers (IBEW), 2) Forest Grove Police Association, 3) International Association of Firefighters, and 4) American Federation of State, County, and Municipal Employees (AFSCME).

All other employees are considered unrepresented. If a wage rate has not been contracted for any year in the budget, 3% was assumed to forecast expenses.

**IBEW:** The city is currently in negotiations with IBEW for a successor contract starting July 1, 2026. Contract adjustments varying from assumptions will be incorporated into the next biennial budget.

**Police:** The city settled a three-year contract effective July 1, 2025-June 30, 2028, for 4% per year each year. Increases over assumptions for FY 26-27 will be absorbed by savings from vacancies and future years will be incorporated into the next biennial budget.

**Fire:** The city settled a three-year contract effective July 1, 2025-June 30, 2028, for 4% per year each year. These increases were incorporated into the biennial budget.

**AFSCME:** The city is currently in negotiations with AFSCME for a successor contract starting July 1, 2026. Contract adjustments varying from assumptions will be incorporated into the next biennial budget.

**Unrepresented:** A survey of six peer cities showed three are planning cost of living allowance (COLA) increases of 3.5% and three of 3%. Staff are proposing an increase of 3.25%.

**Medical & Dental Insurance:** Police and Fire are in an insurance trust that provides its own insurance while all other employees are on the CIS trust. Medical premiums increased significantly in 2026 and are expected to do so again in 2027. The total fiscal impact of 2027 premium increases are estimated between \$260k-\$338k or approximately \$200k more than a standard 5% increase. There is sufficient savings in personnel vacancies to absorb the expense in this biennium, however, the increase will have to be reconciled with revenues in the next biennium. In response, the city is reviewing aspects of all plans to find savings. The premium increases are as follows:

- Medical:** On January 1, 2026, 13% to Kaiser and 7% to Regence.  
On January 1, 2027, 5.5% to Kaiser and 13.6%-20% to Regence.
- Dental:** On January 1, 2026, 3% to Kaiser and 7% to Delta and Willamette.  
On January 1, 2027, 3.5% to Kaiser and 2.0% to Delta and Willamette.
- Police & Fire:** On July 1, 2025, 8% to both premiums. July 1, 2026, expected in May.

**Paid Leave Oregon:** PLO became effective in FY 24-25. This program is funded by a 1% payroll tax with employees paying 60% and employers paying 40% to the State of Oregon. This new program results in an additional city expense of approximately \$72,000 per year.

**Worker's Compensation:** Premiums will increase 24% as of July 1, 2026, or about \$53,000.

General liability, property insurance, and auto liability premiums are decreasing 5.6%, 5.3%, and 2.9% respectively as of July 1, 2026. No budget adjustment is proposed as there are sufficient reserves in the Risk Management Fund for this biennium.

**Voluntary Employees' Benefit Association (VEBA):** No proposed changes. The city has a VEBA program for all employees.

### **GENERAL FUND**

The major sources of General Fund revenue are property taxes, payments from other governments (e.g., WCCLS and Forest Grove Rural Fire District), transfers from other City funds for collective administrative expenses, and utility franchise fees, including City-owned utilities.

The city's total tax rate is \$5.91 per \$1,000 of taxable assessed value consisting of \$3.96 for the city's permanent rate, and \$1.95 for the Local Option Levy, which will expire on June 30, 2028. The city expects to ballot the levy in May of 2027.

Property tax revenue accounts for 42% of the General Fund and is projected to increase 4.5% to approximately \$9.5 million. The Local Option levy accounts for 14% of the General Fund and is projected to increase 4.5% to approximately \$4.8 million.

The unappropriated fund balance was \$10.17 million for FY 24-25, slightly above the projected balance of \$10.03 million. Staff will be reviewing two key issues in the coming year: 1) reducing the Defined Benefit Smoothing Reserve of \$900,000, which backfills Defined Benefit Plan expenses if the assumed rate of return falls below 5.5%; and 2) whether the city's policy of maintaining a 25% operating reserve is an appropriate level for a city of our size and funding sources.

**Rates and Fees:** In May 2026, with few exceptions, staff will propose a 3% increase to aquatics, parks, water, sewer, administration, and stormwater rates, commensurate with the West Coast CPI. Clean Water Services (CWS) is expected to increase sewer and stormwater rates by 4% effective July 1, 2026. CWS and all cities are collaborating on a new intergovernmental agreement that would allow cities to recoup administrative expenses for billing storm and sewer fees on CWS' behalf which may result in increased revenues in the next biennial budget.

### **GENERAL FUND DEPARTMENT CHANGES**

**Administration:** The city recently hired an Assistant City Manager, Kim Ezell, and a Finance Director is expected to start in June. Staff are proposing two changes for the mid-biennium in response to recent Council actions and the 2040 Vision Plan:

**Communications & Branding Plan:** Building upon engagement from the 2040 Vision

Plan, Council reached consensus to contract for a Communications and Branding Plan. Cost: \$50,000, from personnel savings.

**Police Bond Communications:** To educate about the upcoming police facility bond, staff are proposing to conduct a mailer, utility bill insert, and collateral materials. Cost: \$20,000, from personnel savings.

**Aquatics:** No proposed changes. Approximately one million dollars has been spent over the past several years on deferred maintenance, extending the useful life of the 60-year-old pool and improving safety and quality.

**Parks:** No proposed changes. The Parks Master Plan will kick-off shortly and the Eastside Park will be constructed this summer. Both projects are in the budget. Two future considerations are the possible development of Kyle Park, which has reached 100% design, and researching a long-term parks maintenance facility as the existing facility on the Public Works lot is old and increasingly failing.

**Recreation:** No proposed changes. A future consideration in the Master Plan is a long-term location where recreation programs can be offered as the city is currently paying rent for recreation spaces.

**Engineering:** No proposed changes.

**Economic Development:** No proposed changes. The Economic Development Strategic Plan, a top priority identified by Council, was amended into the budget in February 2026, at \$60,000.

**Fire:** Fire has successfully hired all four levy-funded firefighter positions and since their deployment in January 2026, has been able to staff two emergency-response apparatus approximately 87% of the time, up from 57%. This has led to reduced response times and less reliance on mutual aid. Staff are researching the cost-benefit of achieving 100% using overtime. Staff are proposing one change:

**Fire Station Improvements:** The upstairs restrooms are original from 1991 and are in disrepair. Additionally, the downstairs lobby is outdated and unsecure, posing a security risk during public hours. The biennial budget includes approximately \$100,000 for improvements; however, recent estimates are approximately \$160,000. Staff are requesting an increase of \$60,000 from the CIP Excise Tax Fund. This expense will be split 50/50 with the Rural Fire District.

**Library:** No proposed changes. The Washington County Cooperative Library Service (WCCLS) is revising the governance and operating intergovernmental agreements that apportion county library levy and county general fund monies to all member libraries. While initial total county

funding for Forest Grove will increase 25% in the new IGA starting July 1, 2026, future county general fund appropriations, which comprise 35% of the overall funding, will be subject to the annual county appropriations process. The library is researching replacing the 25-year-old carpet and the divider in the Rogers Room and is working with the Friends and the Foundation on possible cost-sharing for the divider. Staff are also researching market comparables for the Rogers Room rental fee and will propose an increase to help pay for the divider.

**Police:** The city recently hired a new Police Chief, Dave Marzilli. The Department received refurbished patrol bikes from Beaverton and will be piloting a bike patrol this summer. Staff are looking into additional special assignment programs to help with recruitment and retention. If the police bond measure passes in November, staff will approach City Council for bonding authority to enable construction. Police are expected to go over the budgeted amount for body worn cameras due to a pending new contract; however, the additional expense can be covered with expected savings. A revised budget request for the long-term expense will be included in the next biennial budget.

**Community Development:** No proposed changes. Planning will issue a request for quotes for an Urban Reserve financial feasibility study and a Comprehensive Plan Update, both of which are budgeted.

### **LIGHT AND POWER (L&P) FUND**

**Revenues:** No proposed changes. The L&P fund is funded by electricity charges. The Bonneville Power Administration raised electricity costs 9.1% on October 1, 2025, with no further increases expected until October 1, 2028. In response, the city raised rates 3.25% on October 1, 2025, and is conducting a rate study to help determine future rates. There is a lawsuit against BPA that if successful, would require BPA to spill additional water, resulting in a loss of generation capacity and an estimated 6% rate increase. City Council will review the rate study in August 2026.

**Expenses:** No proposed changes. Light and Power are looking at two major projects. First, the Filbert Substation transformer was estimated to cost \$3.5 million and after completing 60% design, the cost is now estimated at \$4 million. The initial estimate was built into the existing rate base, however, an additional \$500,000 will be added to the rate study to determine future rate impacts. The second project, the transmission tie-line, an internal line from the Oak Street substation to the Filbert substation, was budgeted at \$213,000 for design. Design has reached 35% and the estimated cost is \$1.5 million, which will also be included in the rate study. The tie-line is the second of three tie-lines connecting all three of Forest Grove's substations together to ensure redundancy should power sources fail. The first tie-line, completed in 2020, extended from Filbert substation to Thatcher substation to reduce outages from the Tillamook line. The

second tie-line would connect Filbert substation to Forest Grove substation and reduce outages from BPA's 60-year old substation.

## **PUBLIC WORKS FUNDS**

**Revenues:** No proposed changes. The Public Works Funds consist of the Sewer Fund, Water Fund, Surface Water Management (SWM) Fund, Street Fund, and the related System Development Charges (SDC) Funds. Excepting the Street Fund, all are enterprise funds with revenue deriving from utility rates or fees and from development when a building permit is issued. The Street Fund's revenue comes from State and County gas taxes and County vehicle registration fees.

**Expenses:** There are proposed changes to the Sewer, Water, and Street Funds, as outlined below. These changes are due to unforeseen circumstances that reasonably cannot be delayed. All expenses are proposed to come from contingency and there is sufficient contingency in each account. Contingency expenditures require City Council approval through a budget amendment.

**Sewer Fund:** The sewer pipe on 19<sup>th</sup> Avenue between Filbert and Elm was recently inspected due to backup complaints and is at risk of catastrophic failure. The pipe is 80+ years old, made of clay, and suffers from extensive root intrusion. The project would replace the line with modern piping. Estimated cost is \$200,000 from a \$750,000 contingency.

**Sewer Fund SDC:** No proposed changes.

**Water Fund:** Staff are nearing submittal of a Building Resilient Infrastructure and Communities (BRIC) grant for \$20 million to replace the aging water reservoir. The replacement reservoir, which has been designed to 35%, is estimated to cost \$38 million. If successful in attaining the grant, staff will look at funding options. There are four proposed changes to the Water Fund totaling \$390,000 of a \$1 million contingency. The unappropriated fund balance is approximately \$18 million in anticipation of constructing a new water reservoir. The proposed changes include:

**Water Treatment Plant Booster:** The raw water booster was budgeted for maintenance, however, upon inspection, was irreparable and required replacement resulting in a cost overrun of \$40,000 for FY 25-26. Public works has identified other repairs expected to exceed the FY 26-27 budget so is also seeking an increase of \$15,000 in FY 26-27.

**Water Reservoir Inspection:** Design is progressing on the water reservoir replacement project, and an inspection of the existing reservoir is necessary for

design to progress. The inspection will determine the life expectancy of the existing reservoir and final estimated costs of a new reservoir, as well as any immediate repairs. Cost: \$30,000.

**Watercrest and David Hill Pump Stations:** These two pumps are 50 and 41 years old and have been experiencing surge problems that create excessive pressure and lead to pipe breakages. To extend their life and mediate surges, an electrical “soft start” was installed as an inexpensive corrective measure. Unfortunately, the soft start failed to work as intended necessitating future replacement of the pumps. Due to the importance and condition of the pumps, staff are proposing to start design immediately. Cost: \$25,000.

**Compound Water Meter:** This antiquated water meter was recently inspected and cannot be repaired. It is reading inaccurately resulting in reduced revenues. The meter location is complicated as it resides in an old vault and replacement is severely constrained by a natural gas line and private check-valve assembly, resulting in a new meter, vault, location, and connections being required. Cost: \$180,000.

**Water SDC Fund:** The water line on College Way between University and Pacific is one of the last remaining steel water main lines in the city. It is rapidly deteriorating and has recently experienced multiple breaks and leaks. This project will replace the 2” “dead-end” main line with a larger 4” “through” line which will improve water quality and redundancy. Estimated cost is \$380,000 of a \$380,000 contingency.

**Street Fund:** There are two proposed changes to the Street Fund totaling \$49,000 of a \$300,000 contingency. The unappropriated fund balance is \$3.1 million. The proposed changes are:

**19<sup>th</sup> Avenue Rapid Flashing Beacon (RFB):** The RFB on the south side of Safeway is at the end of its useful life and has been experiencing frequent operational issues leading to complaints. This is a very high traffic crossing that staff has fully designed and is ready to install. Estimated cost is \$24,000 of a \$300,000 contingency.

**Parking Striping:** Per a recent Council work session, several parking striping improvements were identified to add parking in downtown. These funds would be used to hire a contractor to perform the work. Estimated cost is \$25,000 of a \$300,000 contingency. Parking wayfinding signage, estimated at \$5,000, will be paid from the CIP Excise Tax Fund and there is sufficient budget in the Fund to cover the cost. Parking wayfinding signage is not eligible to be paid from street fund revenues.

**TDT Fund:** No proposed changes.

**Stormwater Fund:** No proposed changes.

**Stormwater SDC Fund:** No proposed changes.

- **All Four Non-SDC Funds (Water, Sewer, Street, Stormwater):** the DS-1 facility located at 22<sup>nd</sup> and Yew Street is utilized by all four PW divisions for daily operations to store leaves, sewer grit, street debris, and excavation materials until they can be transported for disposal. This project was recommended by the Budget Committee and approved by the City Council, however, was inadvertently not entered into the budget and requires re-approval to do so. The estimated cost is \$180,000 spread amongst the four funds contingencies.

### **SPECIAL REVENUE FUNDS**

**Building Permits Fund:** No proposed changes.

**Facility Major Maintenance Fund:** No proposed changes. This fund was established in FY 2010-11 to fund major maintenance on General Fund facilities that do not have a dedicated funding source. Funding comes from one-time savings in the General Fund.

**TLT Fund:** No proposed changes. The city is taking a comprehensive look at the Fund considering the rate increase from 2.5% to 3.5%, approximately 20 additional hotel rooms, and the State Legislature changing the eligible expenses from 70/30 to 50/50 for tourism and general fund services.

**Trail System Fund:** No proposed changes. This fund receives payments from Waste Management (WM) when WM's rate of return exceeds a certain amount.

**Community Enhancement Program (CEP) Fund:** No proposed changes. This fund is fully allocated with available reserves having been allocated in grants last year.

### **INTERNAL SERVICE FUNDS**

**Equipment Fund:** No proposed changes. The major sources of funding are the CIP Excise Tax and interdepartmental transfers that are amortized according to the Departments' respective equipment on the schedule.

**Fire Equipment Replacement Fund (FERF):** No proposed changes. The major sources of funding are the CIP Excise Tax and the Forest Grove Rural Fire Protection District who is responsible for fifty percent (50%) of the fund's expenses.

**Information Systems Fund:** No proposed changes. The city is considering an intergovernmental agreement with Tigard to provide services. The IGA would replace the current professional services contract that is slated to expire in October 2026.

## **CAPITAL PROJECTS FUNDS**

**Parks SDC:** No proposed changes. The Master Plan and construction of the Eastside Park are underway.

**Capital Improvements Program (CIP) Excise Tax Fund:** This is funded by a \$3 capital improvements excise tax on all utility bills. Per city ordinance, 90% of the revenue goes to public safety and 10% to general projects. Money is transferred from this fund to the Fire Equipment Replacement Fund and Equipment Fund to pay for fire and police vehicles, respectively. The fund realized a one-time revenue increase of \$425,000 due to the sale of Fire's ladder truck, which is not scheduled for replacement.

## **SUMMARY OF PROPOSED ADJUSTMENTS**

✓ <b>Temporary Lineman</b>	\$125,000
✓ <b>Fire Station Improvements:</b>	\$60,000 (split 50/50 with FGRFD)
✓ <b>19<sup>th</sup> Avenue Sewer Pipe:</b>	\$200,000
✓ <b>Water Treatment Plant:</b>	\$40,000 to FY 25-26 and \$15,000 to FY 26-27
✓ <b>Water Reservoir Inspection:</b>	\$30,000
✓ <b>Watercrest/David Hill Pump Design:</b>	\$25,000
✓ <b>Compound Water Meter:</b>	\$180,000
✓ <b>College Way Water Line:</b>	\$380,000
✓ <b>19<sup>th</sup> Avenue Rapid Flashing Beacon:</b>	\$24,000
✓ <b>DS-1 Paving Project:</b>	\$180,000
✓ <b>Downtown Parking Striping:</b>	\$25,000

## **CONCLUSION**

The city's budget is stable with revenues keeping pace with expenses, however, there may be some economic headwinds calling for a prudent approach. While the mid-biennium budget adjustments are few and limited to unforeseen events, the review process has prompted thoughtful and strategic visioning that will sharpen analytics and proposals for the next biennium.

The city is excited to welcome a new Finance Director in June. After onboarding, the city plans to take a comprehensive look at all funds. We will also be working on a more intuitive, graphical, and pictorially inspired presentation format that will increase transparency and awareness.

Property tax growth has relieved some of the funding pressures and allowed the City to meet its commitments under the Local Option Levy despite inflationary cost pressures. Looking ahead, forthcoming industrial development is expected to have a positive economic impact that

will warrant further budget considerations when these revenues materialize in the next biennium.

Thank you to the Budget Committee, City Council, and especially to staff for an ethos of financial stewardship, for thoughtfully and objectively addressing challenging issues with innovation and creativity, and for assuring the best interests of the City. And most importantly, for hanging in there during all the long meetings!

Sincerely,

A handwritten signature in black ink, appearing to read 'Jesse VanderZanden', with a long horizontal flourish extending to the right.

Jesse VanderZanden  
City Manager, City of Forest Grove



# **FY2025-2027 Mid-Biennium Budget Adjustments**

Jesse VanderZanden | City Manager

Kim Ezell | Assistant City Manager

Sally Cicerchi | Assistant Finance Director

May 12, 2026

# AGENDA

Purpose

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Vision 2040

---

Budget Overview

---

Fund Review

---

Adjustment Summary

---

State Shared Revenue Hearing

---

Urban Renewal Agency

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Discussion

# PURPOSE

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- Provide an overview of City budget structure
- Review City financial performance at the mid-biennium
- Consider staff requests for budget adjustments

# VISION 2040 PLAN

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Vision 2040 Action Items drive the City of Forest Grove priorities and budget for the next 15 years.

The 2026-2028 City Council Action Plan identified priority Vision 2040 Action Items for this and next biennium.

# 2026-2028 COUNCIL ACTION PLAN

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## Goal Area: Economy

- City incentive programs to support small businesses
- Feasibility study for a downtown grocery store
- Update the Economic Development Strategic Plan

## Goal Area: Community Growth

- Build a new policy facility
- Conduct a fire station location analysis
- Expand redundancy of electric system
- Continue to implement ADA improvements
- Educate landowners on Accessory Dwelling Unit (ADU) development options
- Enhance wayfinding in downtown and along arterials
- Evaluate 2-way street option on Pacific and 19<sup>th</sup>
- Implement Mountain View Safe Routes to School project
- Implement East TV Highway Safety Improvement Plan
- Implement Fernhill / Maple / Hwy 47 Intersection

- Install Rose Grove mid-block crossing on TV Highway
- Update the Yew Street Intersection
- Update the Comprehensive Plan
- Update the Emergency Operations Plan

## Goal Area: Healthy and Active Community

- Develop the Eastside Park (located on 19<sup>th</sup> Avenue)
- Establish a Recreation Advisory Committee
- Explore options for a multi-use recreation/community center
- Update the Parks Master Plan
- Update the Lincoln Park long-term use agreement

## Goal Area: Community Connection

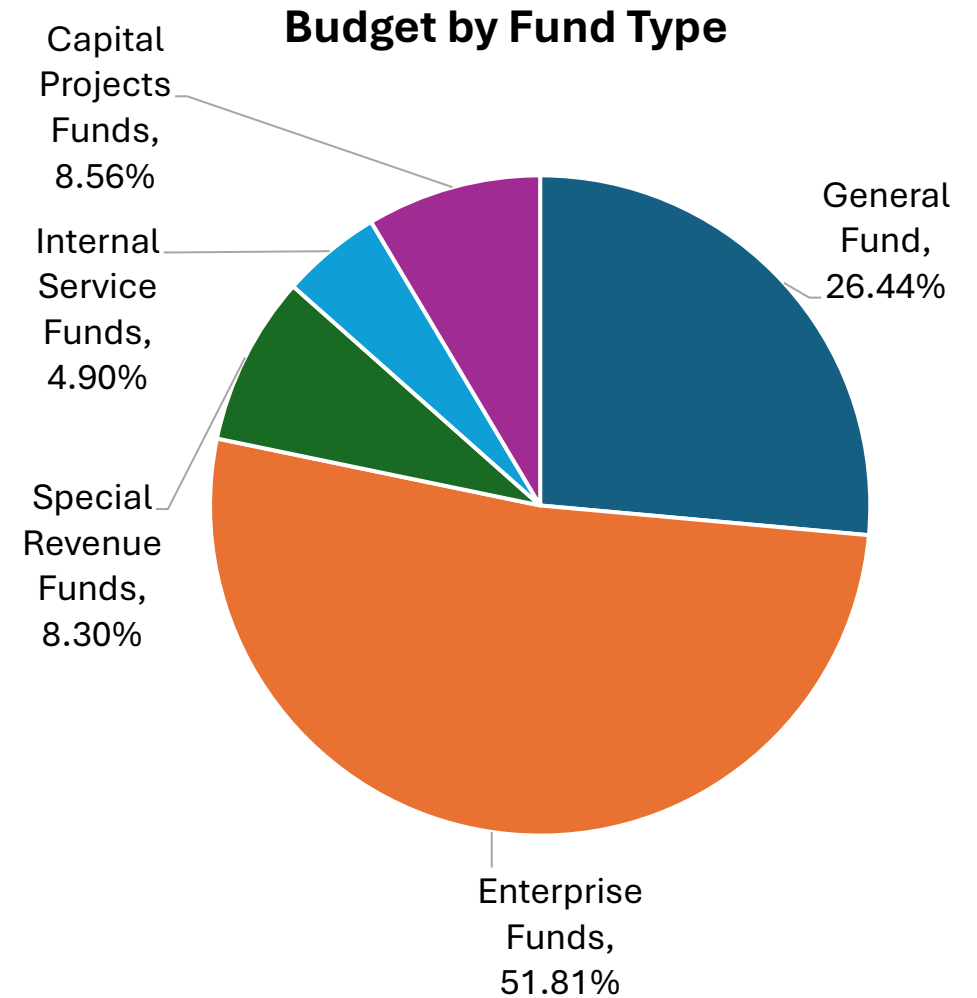
- Update the Communication Plan
- Implement the Sanctuary City Ordinance
- Complete deferred IT maintenance

# 2026-2028 COUNCIL ACTION PLAN AND BUDGET



# BUDGET OVERVIEW

- Two-year total biennial budget of \$254.6 million
- 27 active funds including:
  - General fund
  - Enterprise Funds
  - Special Revenue Funds
  - Internal Service Funds
  - Capital Projects Funds



# FUND DEFINITIONS

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## **General fund**

Fund that accounts for all financial resources that are not captured in another fund.

## **Enterprise Funds**

Funds that account for operations similar to private business, where the intent is that the costs of providing goods or services is recovered primarily through user charges.

## **Special Revenue Funds**

Funds that account for monies from specific revenue sources that are legally restricted to specific purposes.

## **Internal Service Funds**

Funds that account for goods and services provided across departments on a cost reimbursement basis.

## **Capital Projects Funds**

Funds that account for acquisition or construction of major capital facilities, not captured in other fund types.

# EXPENSE DRIVERS

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Personnel costs are the primary driver of costs in the General Fund and significantly influence Enterprise Funds. Budgeted amounts for personnel are sufficient to meet wage increases due to vacancy savings.

Budgeted/negotiated or proposed wage increases:

- Firefighters: 4%/4%
- Non-represented staff: 3%/3.25%
- Police: 3%/4%
- IBEW: 3.5%/Under negotiation
- AFSCME: 2.7%/Under negotiation

# EXPENSE DRIVERS

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1  
0

Significant medical & dental insurance increases were budgeted in the biennial budget – the final increases vary from budgeted, but are able to be absorbed within department budgets.

Budgeted/expected wage increases:

- Regence Health: +7%/16%
- Delta Dental: +7%/2%
- Kaiser Health: +13%/5.5%
- Kaiser Dental: +3%/3.5%
- Willamette Dental: +7%/2%
- Police & Fire Associations: ~8%/~8%

# REVENUE DRIVERS

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1  
1

Revenues remain stable and as projected. Assessed property values are projected to increase by 4.5% this fiscal year.

With some exceptions, staff is proposing a 3% increase to the City's rates and fees.

Clean Water Services expects to increase sewer and stormwater rates by 4%. All cities served by Clean Water Services are reviewing IGA's and may begin to recoup administrative expenses for billing storm and sewer fees on CWS' behalf.

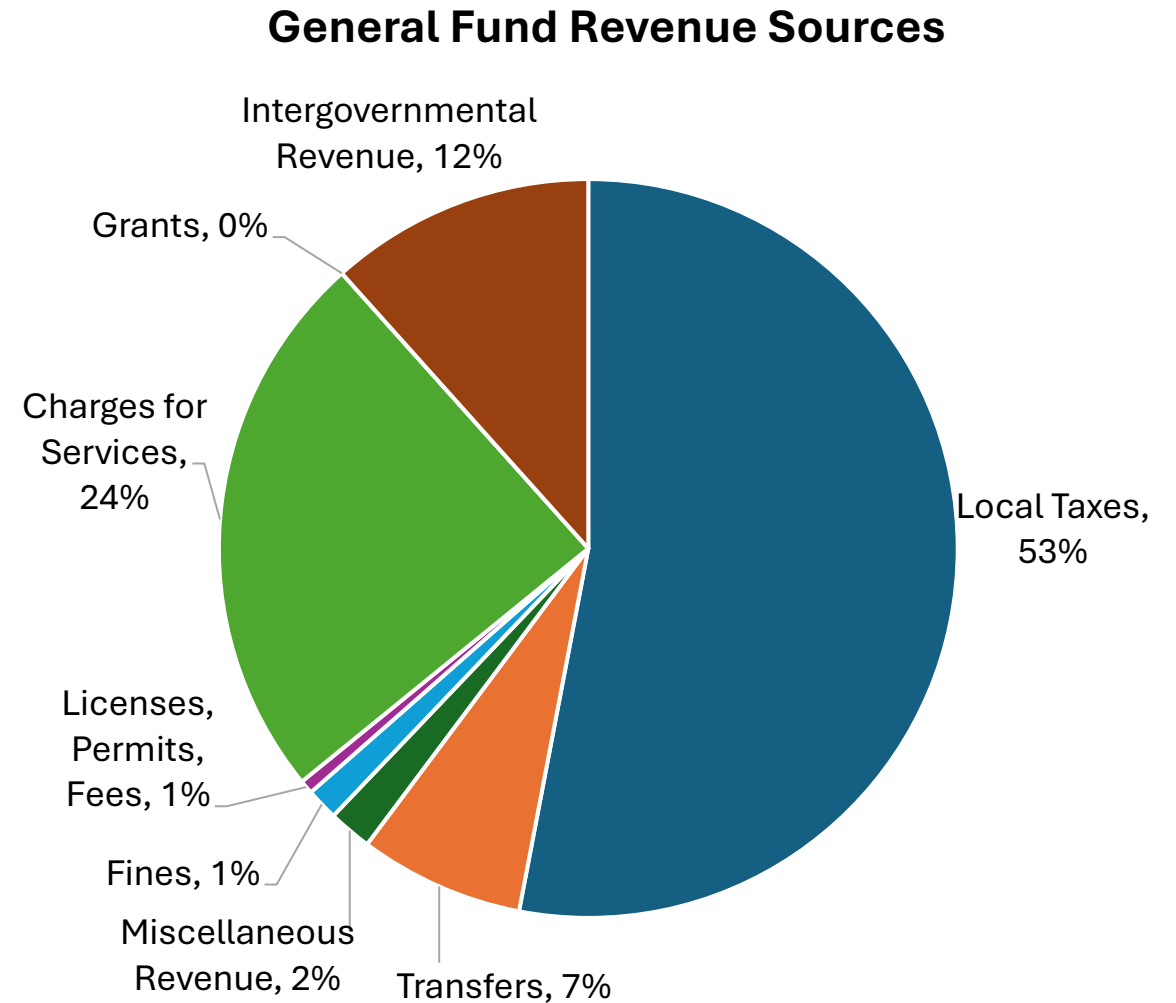
The mid-biennial budget update will focus on expenses, before the next biennium the City will complete a full revenue analysis.

# GENERAL FUND



# GENERAL FUND OVERVIEW

The General Fund is primarily funded through local taxes (property and levy) with significant contributions from charges for services and intergovernmental revenue.

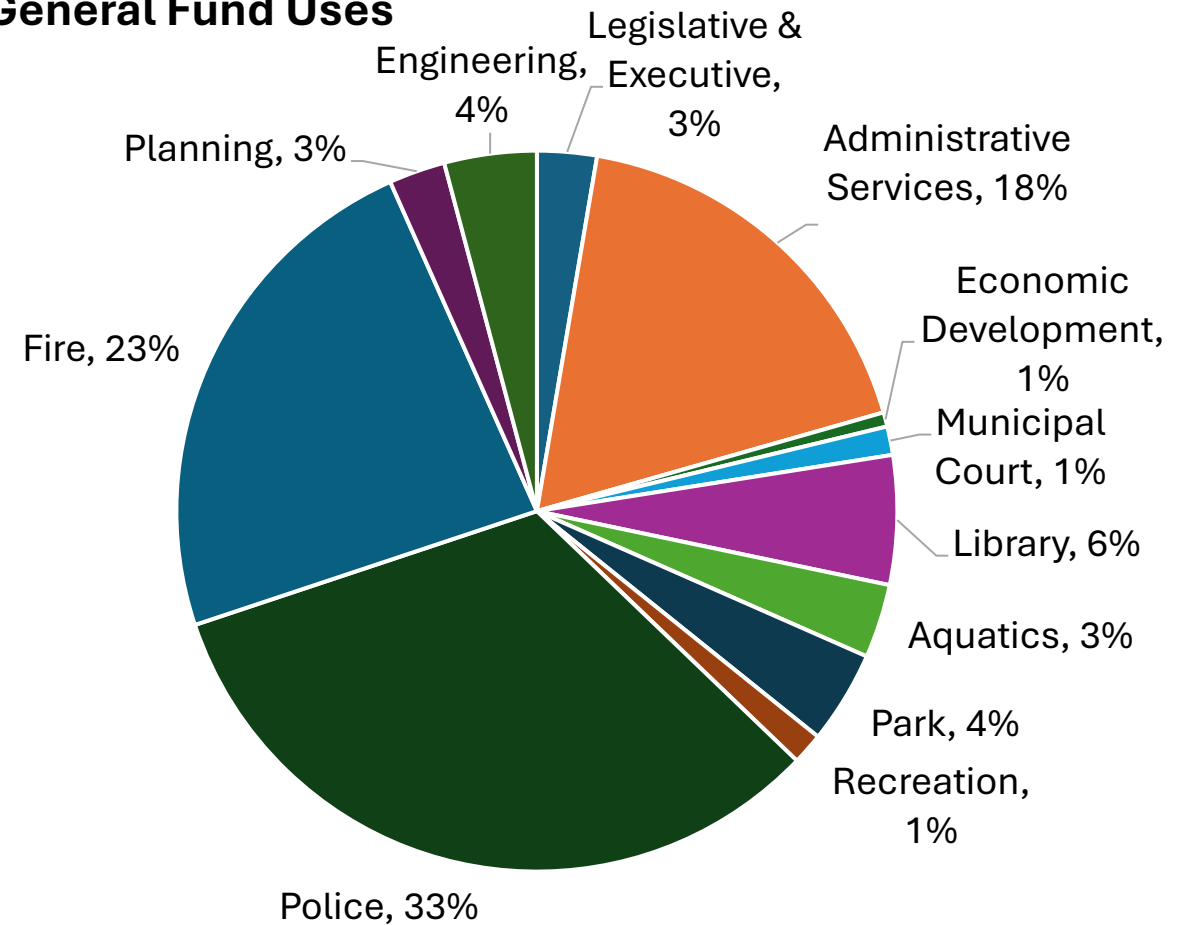


# GENERAL FUND OVERVIEW

The General Fund is used for these City functions:

- Legislative & Executive
- Administrative Services
- Economic Development
- Municipal Court
- Library
- Aquatics, Parks, Recreation
- Police
- Fire
- Planning
- Engineering

**General Fund Uses**



# GENERAL FUND OVERVIEW

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$61,823,375	\$27,626,229	44%	\$175,000	\$61,883,375

**Notes:**

- Overall, vacancies in departments are driving down expenses in Year 1.

# LEGISLATIVE & EXECUTIVE (L&E) AND ADMINISTRATIVE SERVICES: OVERVIEW

1  
6

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>L&amp;E Expenses</b>	\$1,614,455	\$836,947	52%	\$0	\$1,614,455
<b>Administrative Expenses</b>	\$10,802,743	\$4,442,941	41%	\$70,000	\$10,872,743

## Notes:

- L&E expenses align with expectations, though slightly high due to Councilor travel frontloaded into year 1. Staff will monitor in the upcoming year.
- Administrative expenses are low due to vacancies in the Department.

# L&E AND ADMINISTRATIVE SERVICES: REVIEW

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1  
7

## **FY 2025-2026**

- Supported Departments' projects
- Sanctuary City Ordinance, training and signage
- 2040 Vision Plan
- Hired Assistant CM
- Hired Finance Director
- Police Contract
- Police Facility
- State of the City
- Civics Academy
- Updated Employee Handbook

## **FY 2026-2027**

- Implement 3-year Action Plan
- AFSCME Contract
- IBEW Contract
- Comm's and Branding Plan
- Police Comm's Plan
- Police Ballot and Bond Plan(s)

# L&E AND ADMINISTRATIVE SERVICES: ADJUSTMENTS

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- Communications & Branding Plan
  - Building upon engagement from the 2040 Vision Plan, Council reached consensus to contract for a Communications and Branding Plan.
  - \$50,000 from vacancy savings
- Police Bond Communications
  - To educate about the upcoming police facility bond, staff are proposing to conduct a mailer, utility bill insert, and collateral materials.
  - \$20,000 from vacancy savings

# ECONOMIC DEVELOPMENT: OVERVIEW

1  
9

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$446,786	\$248,954	42%	\$0	\$446,786

**Notes:**

- Spending will increase in year two with the kick-off for the Economic Development Strategic Plan

# ECONOMIC DEVELOPMENT: REVIEW

## **FY 2025-2026**

- Completed the Economic Opportunities Analysis
- Increased the Transient Lodging Tax (TLT) by 1 %
- Implemented an IGA with Washington County to administer the TLT
- Secured funding for the Economic Development Strategic Plan
- Drafted the Economic Development Strategic Plan Scope of Work
- Released a Tourism Management RFQ and awarded a tourism management contract

## **FY 2026-2027**

- Economic Development Strategic Plan
- Enterprise Zone
- TLT Programs and Re-authorization

# ECONOMIC DEVELOPMENT: ADJUSTMENTS <sup>2</sup><sub>1</sub>

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- No proposed changes
- Prior change – the Economic Development Strategic Plan, a top priority identified by Council, was amended into the budget in February 2026 for \$60,000.

# MUNICIPAL COURT: OVERVIEW

2  
2

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 770,438	\$375,481	49%	\$0	\$770,438

**Notes:**

- Budget performance is on track.
- No proposed changes.

# LIBRARY: OVERVIEW

2  
3

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 3,493,125	\$1,580,503	45%	\$0	\$ 3,493,125

## Notes:

- Budget performance is on track.
- No proposed changes.



# LIBRARY: REVIEW

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## **FY 2025-2026**

- Offered 451 programs to patrons this year
- Purchased approximately 3,000 new materials for patrons
- Participated on new draft operating and governance IGA

## **FY 2026-2027**

- Investigate feasibility of reflooring library
- Investigate feasibility of purchasing new divider for Rogers Room
- Participate in designing the new county-wide collection plan

# PARKS, AQUATICS, RECREATION: OVERVIEW

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Parks Expenses</b>	\$ 2,508,270	\$1,198,994	48%	\$0	\$ 2,508,270
<b>Aquatics Expenses</b>	\$ 1,998,779	\$873,497	44%	\$0	\$ 1,998,779
<b>Recreation Expenses</b>	\$ 851,884	\$375,150	44%	\$0	\$ 851,884

**Notes:**

- Parks budget is on track with expectations.
- Aquatics budget is back-loaded due to the Spring 2026 pool closure resulting in reduced employee expenses in Year 1. Correcting for this, the budget is on track as projected.
- Recreation budget is largely on track with lower than expected professional services spending in Year 1.
- No proposed changes.

# PARKS, AQUATICS, RECREATION: REVIEW <sup>2</sup><sub>6</sub>

## FY 2025-2026

### Parks

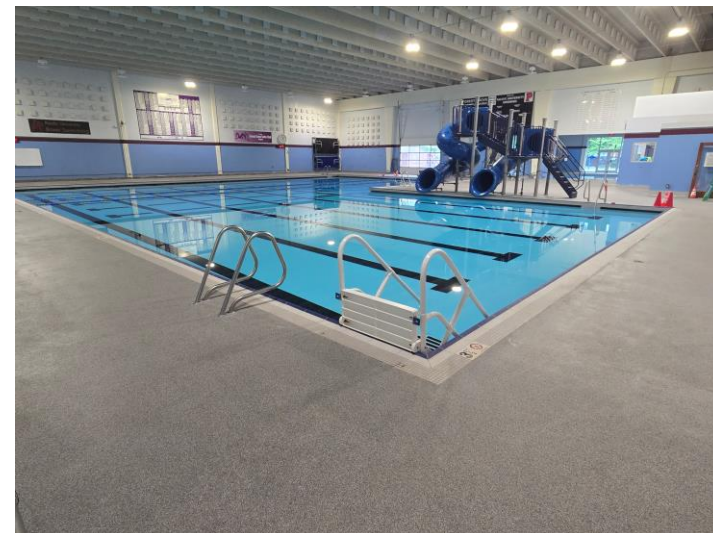
- Fire fuel mitigation and forest rehabilitation at Thatcher Park
- Trail development at Stites Park

### Aquatics

- Expanded in-service training program for lifeguards
- Pool deck resurfaced, locker rooms updated, plumbing updates

### Recreation

- Adult Pickleball League established
- Expansion of events, classes and programs



# PARKS, AQUATICS, RECREATION: REVIEW <sup>2</sup>/<sub>7</sub>

## FY 2026-2027

- Complete Eastside Park construction
- Department wide update to the Master Plan
- Lincoln Park agreement
- Maintenance analysis



# POLICE: OVERVIEW

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 19,732,874	\$9,073,983	46%	\$45,000	\$ 19,732,874

**Notes:**

- Vacancies in department are driving down expenses.

# POLICE: REVIEW

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## **FY 2025-2026**

- Hired Chief Marzilli
- City Council reached consensus on new Police Facility bond in November 2026
- Policy updates about new laws regarding masking and law enforcement
- Assisted with Sanctuary Ordinance implementation
- Scam training
- Piloting bike patrol program

## **FY 2026-2027**

- Community education/events for new Chief and for Police Facility bond
- Achieve fully staffed and operational department
- Increase training for core competencies
- Finalize new body worn camera contract

# POLICE: ADJUSTMENTS

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- **Body Worn Cameras**

- Police are expected to go over the budgeted amount for body worn cameras due to a pending new contract; however, the additional expense can be covered with expected savings. A revised budget request for the long-term expense will be included in the next biennial budget.
- \$45,000 from vacancy savings

# FIRE: OVERVIEW

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$14,142,713	\$6,405,034	45%	\$60,000	\$14,202,713

**Notes:**

- Vacancy savings due to holding Division Chief position vacant after Cornelius and Gaston IGA's were cancelled.

# FIRE: REVIEW

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## **FY 2025-2026**

- Completion of EOP Update
- Sold ladder truck
- Increased daily staffing
- Data collection and analysis
- Fire Department Open House
- Cornelius IGA

## **FY 2026-2027**

- Completion of northern fire station study
- Telestaff hiring software full functionality
- Volunteer program revision and recruitment
- Monthly data reporting
- Daily resource deployment

# FIRE: ADJUSTMENTS

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- **Fire Station Improvements –**

- The upstairs bathrooms in the Fire Station are in disrepair and the downstairs lobby presents a security concern during public hours. The biennial budget allocated \$100,000 to these improvements, but recent estimates are approximately \$160,000
- \$60,000 adjustment from CIP Excise Tax
- The cost of the project will be split 50/50 with the Rural Fire District per the IGA

# PLANNING: OVERVIEW

3  
4

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 1,524,384	\$629,492	41%	\$0	\$ 1,524,384

## Notes:

- Planning budget is back-loaded with planned Professional Services spending for the City’s Comprehensive Plan update in Year 2. Correcting for this, the Planning budget is on track.
- No proposed changes.

# PLANNING: REVIEW

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## **FY 2025-2026**

- Completed Development Code amendments
- Initiated TV Highway Access Management Strategy
- Initiated Housing Capacity Analysis
- Historic Landmarks downtown design guidelines

## **FY 2026-2027**

- Complete Housing Capacity Analysis
- Complete TV Highway Access Management Strategy
- Initiate Urban Reserve Area Feasibility Analysis
- Initiate Comprehensive Plan update

# PUBLIC WORKS FUNDS



# ENGINEERING

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 2,499,484	\$1,181,983	47%	\$0	\$ 2,499,484

**Notes:**

- Budget performance is on track.
- No proposed changes.

# ENGINEERING: REVIEW

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## **FY 2025-2026**

- Several projects have been designed and are being managed in house
- Participate in the development review process and oversee public improvements are properly designed and constructed
- Managed Public Works Building design and construction

## **FY 2026-2027**

- Continue to participate in public improvements process
- Continue to respond to citizen inquiries on transportation related complaints/concerns
- Coordinate with other agencies on projects affecting Forest Grove

# SEWER FUND: OVERVIEW

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$5,271,404	\$2,046,665	39%	\$245,000	\$5,271,404

**Notes:**

- Annual fund placeholder expenditure line items have not been spent.

# SEWER FUND: REVIEW

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## **FY 2025-2026**

- Began GIS data migration to new platform for all PW assets

## **FY 2026-2027**

- Replacement of sewer main near Filbert and Elm
- Paving improvements to DS-1

# SEWER FUND: ADJUSTMENTS

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- **19<sup>th</sup> Avenue Sewer Pipeline Replacement**
  - The sewer pipe on 19<sup>th</sup> Avenue between Filbert between Elm was recently videoed due to backup complaints and is at risk of catastrophic failure. The pipe is 80+ years old, made of clay, and suffers from extensive root intrusion and multiple breaks. The project would replace the line with a modern pipe.
  - \$200,000 from contingency
- **DS-1 Facility Upgrade**
  - The DS-1 facility located at 22<sup>nd</sup> and Yew Street is used by all four PW divisions for daily operations to store leaves, sewer grit, street debris, and excavation materials until they can be transported for disposal. This project was recommended by the Budget Committee and approved by the City Council, however, was inadvertently not entered into the budget and requires re-approval to do so.
  - \$180,000 total: \$45,000 from Sewer Fund contingency

# SEWER SDC FUND: OVERVIEW

4  
2

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$1,044,633	\$218,732	21%	\$0	\$1,044,633

**Notes:**

- No proposed changes.

# SEWER SDC FUND: REVIEW

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## **FY 2025-2026**

- Began update of Sewer Master Plan now that modeling by Clean Water Services is complete

## **FY 2026-2027**

- Work with Clean Water Services on Phase 3 I&I project which will begin in July, 2026

# WATER FUND: OVERVIEW

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$24,278,006	\$13,493,212	56%	\$295,000	\$24,278,006

## Notes:

- Budget was frontloaded into year 1 for Admin Building construction, which is underway and over half the \$6,000,000 budget has been expended.
- Federal grant opportunities have been subject to cancelation, however, the city is preparing an application for a BRIC grant that was recently reinstuted for the water reservoir. Staff is monitoring all grant programs closely.

# WATER FUND: REVIEW

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## **FY 2025-2026**

- Began PW admin building expansion and remodel
- Started GIS data migration for all PW assets
- Replaced raw water booster pump and related pipes and fittings

## **FY 2026-2027**

- Complete PW admin building expansion and remodel October 2026
- Pursue grant to partially fund reservoir replacement
- Paving improvements to DS-1.
- Begin design on upgrades to the David Hill and Watercrest pump stations

# WATER FUND: ADJUSTMENTS

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- **Water Treatment Plant Booster**

- The raw water booster was budgeted to be maintained but upon inspection, was irreparable and required a total replacement resulting in a cost overrun of \$40,000 for FY 25-26. Public works has identified other repairs expected to exceed the FY 26-27 budget.
- \$15,000 from contingency

- **Water Reservoir Inspection**

- Design is progressing on the water reservoir replacement, and an inspection of the existing reservoir is necessary for design to progress. The inspection will determine the life expectancy of the existing reservoir and therefore final estimated costs of the new reservoir, as well as identify any immediate repair needs.
- \$30,000 from contingency

# WATER FUND: ADJUSTMENTS CONTINUED

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4  
7

- **Watercrest and David Hill Pump Station**

- These two pumps are 50 and 41 years old and have been experiencing surge problems that create excessive pressure and lead to pipe breakages. To extend their life and mediate surges, an electrical “soft start” was installed as an inexpensive corrective measure. Unfortunately, the soft start failed to work as intended necessitating replacement of the pumps. The new pumps would have variable drives to eliminate pressure surges.
- \$25,000 from contingency

- **Compound Water Meter**

- This antiquated water meter was recently inspected and cannot be repaired. It is reading inaccurately resulting in reduced revenues. The meter location is complicated as it resides in an old vault and replacement is severely constrained by a natural gas line and private check-valve assembly, resulting in a new meter, vault, location, and connections being needed
- \$180,000 from contingency

# WATER FUND: ADJUSTMENTS CONTINUED

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4  
8

- **DS-1 Facility Upgrade**

- The DS-1 facility located at 22<sup>nd</sup> and Yew Street is used by all four PW divisions for daily operations to store leaves, sewer grit, street debris, and excavation materials until they can be transported for disposal. This project was recommended by the Budget Committee and approved by the City Council, however, was inadvertently not entered into the budget and requires re-approval to do so.
- \$180,000 total: \$45,000 from Water Fund contingency

# WATER SDC FUND: OVERVIEW

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$6,027,118	\$4,241,200	70%	\$380,000	\$6,027,118

**Notes:**

- With completion of a major project at the end of 2026, expenditures are expected to be in line with budget.

# WATER SDC FUND: REVIEW

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## **FY 2025-2026**

- Completed emergency intertie at Mountain View Lane and Heather Street adding redundancy to continual delivery of finished water.

## **FY 2026-2027**

- Replace College Way water main.

# WATER SDC FUND: ADJUSTMENTS

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- **College Way Water Line Replacement**
  - The water line on College Way between University and Pacific is one of the last remaining steel water main lines in the city. It is rapidly deteriorating and has recently experienced multiple breaks and leaks. This project will replace the 2” “dead-end” main line with a larger 4” “through” line which will improve water quality and redundancy.
  - \$380,000 from contingency

# STREET FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 8,143,728	\$2,987,377	37%	\$70,000	\$ 8,143,728

**Notes:**

- Budget is backloaded due to timing of street overlay project.

# STREET FUND: REVIEW

## FY 2025-2026

- Worked with Washington County to fully fund design and construction of Hwy 47/Fern Hill/Maple signalization project
- Began design on TV Hwy/Mountain View Lane SRTS project
- Worked with ODOT to prioritize Yew St/Adair intersection
- Coordinating with ODOT on Rose Grove TV Hwy pedestrian crossing
- Worked with ODOT on Quince/TV Hwy intersection improvements
- Reviewed traffic complaints and made improvements
- Completed pavement condition index study

## FY 2026-2027

- Support construction of Hwy 47/Fern Hill/Maple traffic signal and related improvements
- Continue design of TV Hwy/Mountain View Lane SRTS improvements
- Funding/technical partner in design and construction of the Council Creek Regional Trail
- Coordinate with ODOT on Rose Grove pedestrian crossing
- Implement parking lot wayfinding and striping

# STREET FUND: ADJUSTMENTS

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- **DS-1 Facility Upgrade**

- The DS-1 facility located at 22<sup>nd</sup> and Yew Street is used by all four PW divisions for daily operations to store leaves, sewer grit, street debris, and excavation materials until they can be transported for disposal. This project was recommended by the Budget Committee and approved by the City Council, however, was inadvertently not entered into the budget and requires re-approval to do so.
- \$180,000 total: \$45,000 from Street Fund contingency

- **Downtown Parking Striping**

- Per a recent Council work session, several parking striping improvements were identified to add parking in downtown. These funds would be used to hire a contractor to perform the work.
- \$25,000 from contingency

# TRANSPORTATION DEVELOPMENT TAX FUND

5  
5

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 14,131,159	\$280,997	2%	\$0	\$ 14,131,159

**Notes:**

- Budget amount includes fund balance being held for future projects.
- No proposed changes.

# TRANSPORTATION DEVELOPMENT TAX: REVIEW

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## **FY 2025-2026**

- Funded non-federal match for signalization of Adair/Yew intersection
- Funded portion of Council Creek Regional Trail
- Funded portion of Hwy 47/Maple/Fern Hill intersection signalization
- Funded portion of Martin Rd. roundabout

## **FY 2026-2027**

- Fund ADA curb ramp upgrades as part of annual street overlay program
- Continue to identify projects through partnerships by leveraging our limited transportation resources

# SURFACE WATER MANAGEMENT FUND: OVERVIEW

5  
7

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$4,282,363	\$1,740,651	41%	\$45,000	\$4,282,363

## Notes:

- Annual fund placeholder expenditure line items have not been spent.

# SURFACE WATER MANAGEMENT FUND: REVIEW

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## **FY 2025-2026**

- Secured property near Between Hawthorne St and Douglas St for a regional water quality facility

## **FY 2026-2027**

- Begin work on a regional water quality facility including consolidation of additional parcels

# SURFACE WATER MANAGEMENT FUND: ADJUSTMENTS

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- **DS-1 Facility Upgrade**

- The DS-1 facility located at 22<sup>nd</sup> and Yew Street is used by all four PW divisions for daily operations to store leaves, sewer grit, street debris, and excavation materials until they can be transported for disposal. This project was recommended by the Budget Committee and approved by the City Council, however, was inadvertently not entered into the budget and requires re-approval to do so.
- \$180,000 total: \$45,000 from Surface Water Management Fund contingency

# SURFACE WATER MANAGEMENT SDC

## FUND: OVERVIEW

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6  
0

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$734,500	\$0	0%	\$0	\$734,500

### Notes:

- No projects were planned for Year 1 of the biennium.
- No proposed changes.

# SURFACE WATER MANAGEMENT SDC FUND: REVIEW

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## **FY 2025-2026**

- No planned projects in Year 1 of the biennium

## **FY 2026-2027**

- Begin update to surface water master plan

# ENTERPRISE FUNDS



# LIGHT AND POWER FUND: OVERVIEW

6  
3

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$60,890,382	\$28,537,322	47%	\$125,000	\$60,890,382

**Notes:**

- Budget performance is on track.

# LIGHT FUND: REVIEW

## FY 2025-2026

- Met all new customer service requests within customer requested timelines
- Achieved a 99.9% power reliability index
- Completed all wildfire mitigation projects
- Completed replacement of numerous pre-1970 power poles as identified in the electric system master plan
- Collaborated with BPA on several outstanding system repair projects, the Hwy 47/Fernhill Rd pole relocation project, and the City of Forest Grove's current and future power needs
- Completed contact coordination, substation expansion/line design, and began construction of line extensions

## FY 2026-2027

- Continue to meet all new customer service requests in a timely manner
- Continue or improve power reliability index
- Continue pre-1970 pole replacement project identified in the electric system master plan (this is a multi-year project)
- Continue collaborating with BPA regarding our current and future power needs
- Begin purchasing long-lead material items related to the Filbert Substation transformer replacement project
- Pending budget approval, begin purchasing long-lead items and also begin construction of the Forest Grove to Filbert Substations transmission tie-line
- Complete all line extension upgrades required to serve new development.

# LIGHT FUND: ADJUSTMENTS

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- **Apprentice Lineman**

- This addition would enable the Light & Power Department to train an aspiring lineman to replace a retiring lineman. Currently, there is a severe shortage of linemen, and the Department is experiencing an increasing workload. This position would help the Department get a head start on assuring a replacement. The cost of the FTE would be funded from contingency. The retiring position would attrition upon retirement resulting in no net increase to FTE's.
- \$125,000 from contingency

# SPECIAL REVENUE FUNDS



# BUILDING PERMITS FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 3,515,934	\$1,374,779	39%	\$0	\$ 3,515,934

**Notes:**

- Personnel costs are below budgeted amounts due to Building Official retirement and Inspector vacancy.
- Also important to note that the budget includes three inspectors, but only two will be filled. The third is to give flexibility to rehire a third inspector if business warrants.

# FACILITY MAJOR MAINTENANCE FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 772,564	\$305,992	40%	\$0	\$ 772,564

**Notes:**

- Fund used to accumulate funds for major maintenance on General Fund facilities that do not have a dedicated funding source. Funding comes from General Fund savings.
- Budget is primarily planned for Aquatics Center and Fire Station improvements.
- No proposed changes.

# CITY TRANSIENT LODGING TAX FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 470,624	\$150,713	32%	\$0	\$ 470,624

## Notes:

- Fund revenue source is Transient Lodging Tax on local hotel rooms and short-term rentals. Last year, Council raised the tax to 3.5% from 2.5%.
- Fund purpose is to promote tourism.
- 12 additional hotel rooms to come on line in 2026
- The fund is budgeted to support four programs:
  - Tourism Event Sponsorship Program
  - Tourism Capital Grant Program
  - Public Arts Program
  - Tourism Marketing Contract

# TRAIL SYSTEM FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 156,912	\$80,000	51%	\$0	\$ 156,912

**Notes:**

- Fund revenue source is Waste Management revenues that exceed the City’s cap.
- Funds expended on trail maintenance and pickup truck to replace old pickup truck and haul materials related to trail maintenance.
- Budget performance is on track.

# COMMUNITY ENHANCEMENT FUND

7  
1

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 271,865	\$147,800	54%	\$0	\$ 271,865

## Notes:

- Fund revenue source is a fee paid on solid waste collected at the Forest Grove Transfer Station.
- Funds were expended on Community Impact and Community Enhancement Grants.

# LIBRARY ENDOWMENT FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 59,843	\$32,933	55%	\$0	\$ 59,843

**Notes:**

- Fund revenue source is interest earned on the restricted balance and occasional estate donations.
- Funds were expended on new Library furniture.



# STREET TREE FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 221,826	\$58,125	26%	\$0	\$ 221,826

**Notes:**

- Funded by fee on building permit.
- Funds expended for annual planning, planting and maintaining of street trees.

# PUBLIC ARTS DONATIONS FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 15,789	\$14,789	94%	\$0	\$ 15,789

**Notes:**

- Fund revenue source is Public Arts Commission fundraising events and interest earned on those funds.
- Public Arts Commission has utilized donated funds in Year 1 of the biennium and will use designated TLT funds in Year 2.

# INTERNAL SERVICE FUNDS



# EQUIPMENT FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 5,075,040	\$3,464,466	62%	\$0	\$ 5,075,040

**Notes:**

- Fund purpose is to manage maintenance and acquisition of the City’s fleet, excluding Light & Power and Fire.
- Budget was front-loaded into Year 1 to initiate vehicle purchases with long lead times. Over \$1 million of expected purchases are contracted and could finalize in Year 2.
- Tracking expenses closely in Year 2.

# FIRE EQUIPMENT REPLACEMENT FUND

7  
7

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 630,000	\$134,016	21%	\$0	\$ 630,000

## Notes:

- Fund purpose is to manage maintenance and acquisition of Fire vehicles and equipment. Revenue is transferred from CIP Excise Tax.
- Planned purchases of new command vehicle and updated computers on board the Fire fleet. Supply chain challenges have delayed purchases into end of Year 1/beginning of Year 2.

# INFORMATION SYSTEMS FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 1,552,600	\$807,207	52%	\$0	\$ 1,552,600

**Notes:**

- Fund is responsible for supporting City’s IT infrastructure and equipment.
- The City made significant capital investments in IT in Year 1, including new work stations for many employees and a new Nutanix server. Capital investments will continue, but decrease in Year 2.

# CITY UTILITY FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 550,248	\$271,058	49%	\$0	\$ 550,248

**Notes:**

- Fund used to pay utilities on City buildings.
- Budget performance is on track.

# RISK MANAGEMENT FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$2,016,456	\$1,010,401	50%	\$0	\$2,016,456

**Notes:**

- Fund purpose is to pay for City’s insurance and related expenses.
- Budget performance is on track.

# CAPITAL PROJECTS FUNDS



# PARKS SDC

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 6,493,099	\$751,950	12%	\$0	\$ 6,493,099

## Notes:

- Knox Ridge Park renovations completed in October
- Forest Grove Loop Trail Master Plan completed in October
- Kyle Park design completed in January
- Eastside Park construction began in May
- Parks, Recreation, Open Spaces & Trails Master Plan to begin in June

# CIP EXCISE TAX FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 1,010,118	\$428,294	42%	\$0	\$ 1,010,118

## Notes:

- Fund revenue source is \$3 CIP Excise Tax fee on utility bills. By ordinance, 90% of revenue is dedicated to public safety equipment and 10% is discretionary.
- Funds expended this year on facility security upgrades and transfers to Police fund and Fire Equipment Replacement fund for public safety equipment.

# BIKEWAY IMPROVEMENTS

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 182,206	\$0	0%	\$0	\$ 182,206

**Notes:**

- Fund revenue source is 1% of total City gas tax revenue.
- Funds are collecting for future undetermined project.

# CAPITAL PROJECTS FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 1,565	\$0	0%	\$0	\$ 1,565

**Notes:**

- This fund has been used for past large capital projects, like City Hall remodel. Not currently in use, but fund is open in case of future projects, such as the new Police Facility.

# ADJUSTMENTS SUMMARY



# ADJUSTMENTS SUMMARY

Request Item	Amount	Fund Destination	Fund Source
Communications & Branding Plan	\$50,000	Administrative Services	Administrative Services: Vacancy savings
Police Bond Communications	\$20,000	Administrative Services	Administrative Services: Vacancy savings
Fire Station Improvements	\$60,000 (split 50/50 with FGRFD)	Fire	CIP Excise Tax
Body Worn Cameras	\$45,000	Police	Police: Vacancy savings
19 <sup>th</sup> Avenue Sewer Pipe	\$200,000	Sewer Fund	Sewer Fund: Contingency
Water Treatment Plant	\$40,000 in FY25-26 and \$15,000 in FY26-27	Water Fund	Water Fund: Contingency
Water Reservoir Inspection	\$30,000	Water Fund	Water Fund: Contingency
Watercrest and David Hill Pump Station	\$125,000	Water Fund	Water Fund: Contingency

# ADJUSTMENTS SUMMARY CONTINUED

Request Item	Amount	Fund Destination	Fund Source
Compound Water Meter	\$180,000	Water Fund	Water Fund: Contingency
College Way Water Line	\$380,000	Water SDC	Water SDC: Contingency
19 <sup>th</sup> Avenue Rapid Flashing Beacon	\$24,000	Street Fund	Street Fund: Contingency
DS-1 Paving Project	\$180,000 (\$45,000 of each fund)	Water, Sewer, Street, and Surface Water Management Funds	Water, Sewer, Street, and Surface Water Management Funds: Contingency
Downtown Parking Striping	\$25,000	Street Fund	Street Fund: Contingency
Apprentice Lineman	\$125,000	Light Fund	Light Fund: Contingency

# STATE SHARED REVENUE HEARING



# STATE SHARED REVENUE HEARING

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The City is required to do two public hearings to be eligible to receive State Shared Revenue each fiscal year. The first hearing is held at this Budget Committee meeting and the second hearing is held by the City Council at the meeting when the Mid-Biennium Budget Adjustments are adopted.

The City anticipates receiving the following amount of State Shared Revenue across the biennium based on a per capita amount of the City's population compared to State population:

## **General Fund:**

- Alcoholic Beverage Tax – \$ 888,683
- Cigarette Tax - \$ 31,263
- State Shared Revenue - \$ 586,531
- State Marijuana Tax- \$ 79,109

## **Other Funds:**

- Gasoline Tax
  - Street Fund – 99% of Tax - \$ 4,359,687
  - Bike and Pedestrian Pathways Fund – 1% of Tax - \$ 44,037

# URBAN RENEWAL AGENCY



# URBAN RENEWAL AGENCY UPDATE

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
<b>Expenses</b>	\$ 3,951,081	\$2,848,784	72%	\$0	\$ 3,951,081

## Notes:

- URA continues to support local businesses through the:
  - Storefront Improvements Grants – \$24,000 to five businesses
  - Building Improvement Grants – \$350,000 to seven businesses
- The URA finalized purchases on two properties:
  - Theater property on Pacific Ave, west of Main St.
  - Former Woodfold gravel lot on 19<sup>th</sup> Avenue, south of City Hall
- The URA is not planning major purchases in Year 2 and will continue existing grant programs.