



BUDGET COMMITTEE MEETING

Tuesday, May 19, 2026

Forest Grove Light and Power, 1818 B Street

Malynda Wenzl, Mayor
Jennifer Thomas, Chair

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. Call to Order

1. Roll Call

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

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

1. Approve Budget Committee Meeting Minutes of May 12, 2026

D. Additions/Deletions

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

1. **Discussion:**
 - Continuation of Fund Review
 - Adjustment Summary

F. Adjournment

Americans with Disabilities Act (ADA) Notice: The City of Forest Grove will make reasonable

accommodations for participation in the meeting. Requests for assistance can be made by contacting the City Recorder's Office, 503-992-3235, mwoods@forestgrove-or.gov, at least 48-hours in advance of the meeting.



A place where families and businesses thrive.

Budget Committee Meeting Minutes

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

Minutes are unofficial until approved by the Budget Committee

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.



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

Vision 2040

Budget Overview

Fund Review

Adjustment Summary

State Shared Revenue Hearing

Urban Renewal Agency

Discussion

PURPOSE

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

VISION 2040 PLAN



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

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 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 19th
- 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

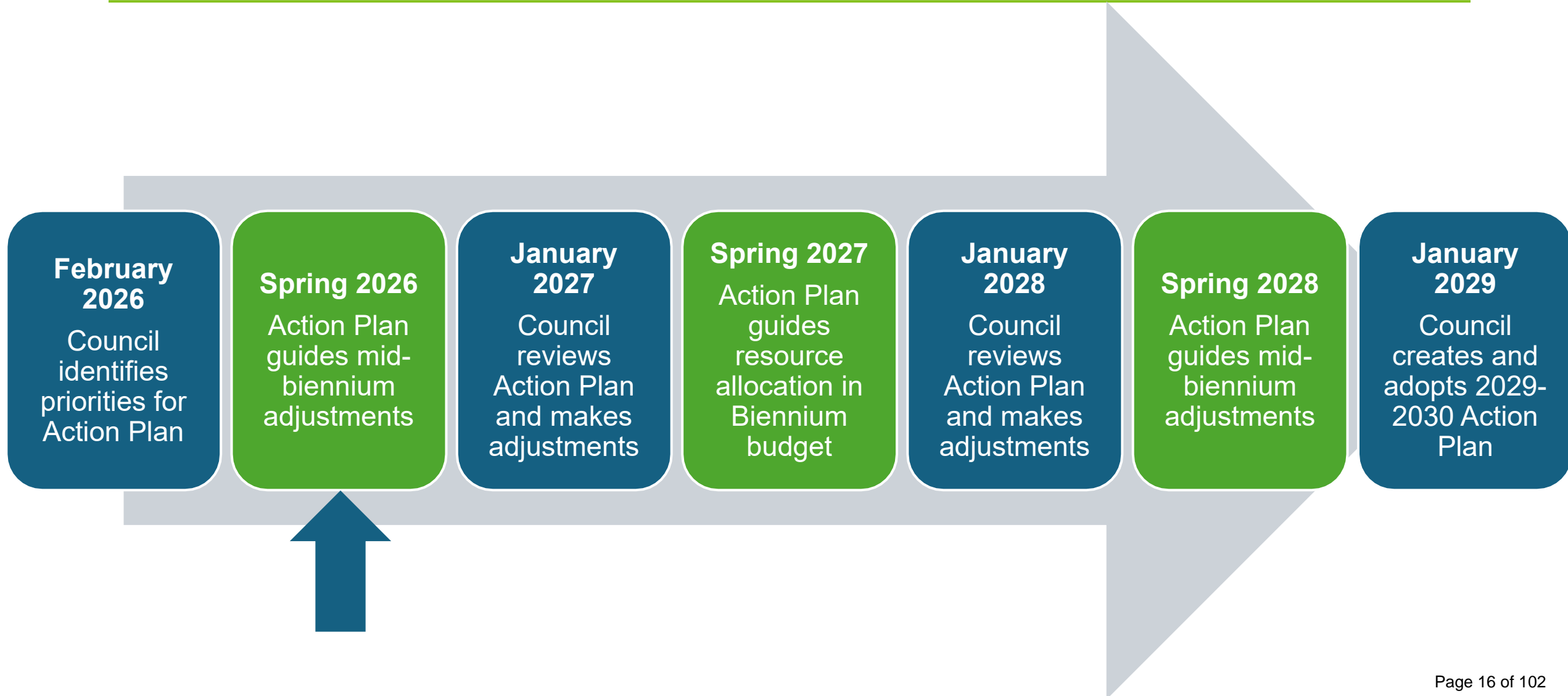
Goal Area: Healthy and Active Community

- Develop the Eastside Park (located on 19th 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

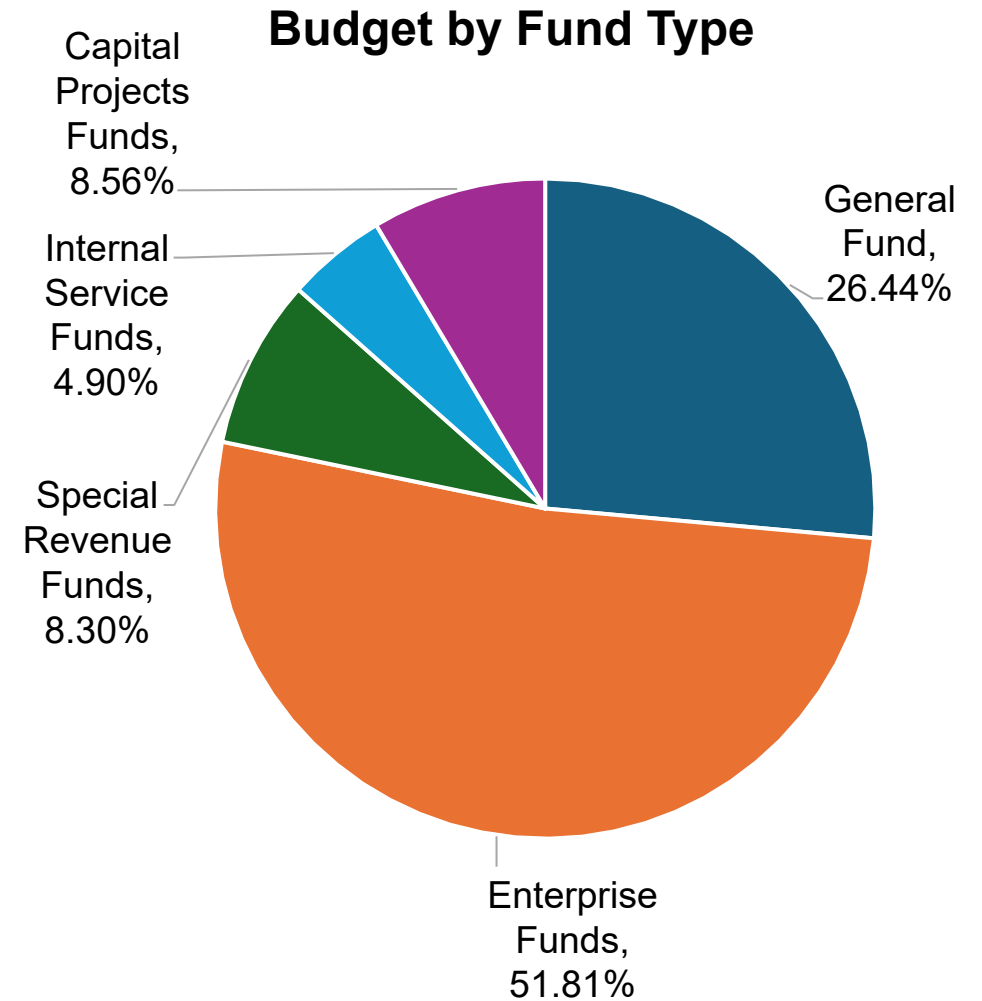
- Update the Communication Plan
- Implement the Sanctuary City Ordinance
- Complete deferred IT maintenance

2026-2028 COUNCIL ACTION PLAN AND BUDGET ⁶



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

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

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

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 insurance 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

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.

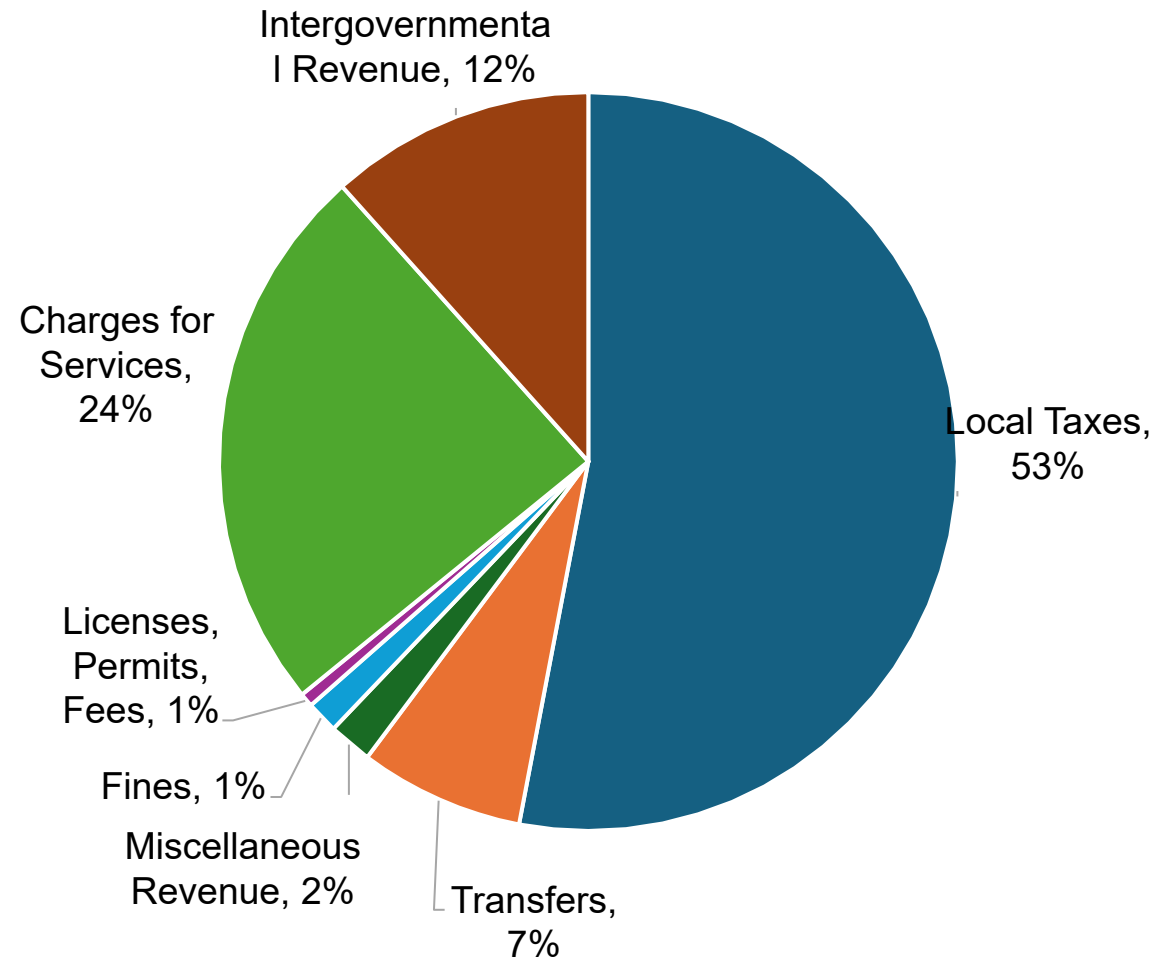
GENERAL FUND



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 Revenue Sources

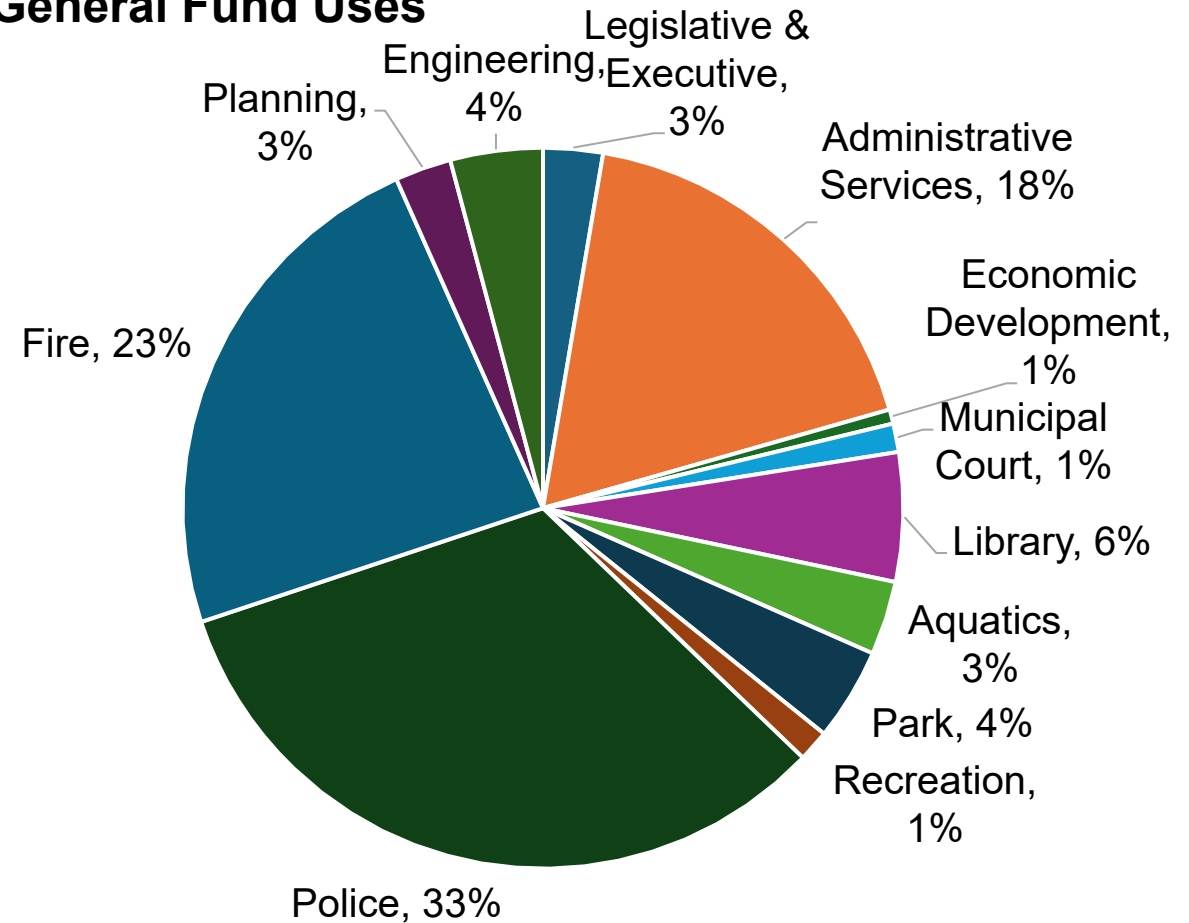


GENERAL FUND OVERVIEW

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
Expenses	\$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

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
L&E Expenses	\$1,614,455	\$836,947	52%	\$0	\$1,614,455
Administrative Expenses	\$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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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

- **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

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

2
1

- 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
Expenses	\$ 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

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

2
5

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

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

FY 2026-2027

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



POLICE: OVERVIEW

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

Notes:

- Vacancies in department are driving down expenses.

POLICE: REVIEW

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
- Explore creating special assignments

POLICE: ADJUSTMENTS

- **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. The updated cost for the BWC contract 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
Expenses	\$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

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

- **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
Expenses	\$ 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

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
- Initiate Housing Production Strategy
- Hiring budgeted Associate Planner

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

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
- Downtown Glow-up

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
Expenses	\$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

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

- **19th Avenue Sewer Pipeline Replacement**
 - The sewer pipe on 19th 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 22nd 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

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

4
4

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

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

- **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

- **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

- **DS-1 Facility Upgrade**

- The DS-1 facility located at 22nd 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
Expenses	\$6,027,118	\$4,241,200	70%	\$380,000	\$6,027,118

Notes:

- Budget was front-loaded to pay for the water intertie project.

WATER SDC FUND: REVIEW

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

- **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
Expenses	\$ 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

- **DS-1 Facility Upgrade**

- The DS-1 facility located at 22nd 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
Expenses	\$ 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

5
6

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
Expenses	\$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

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

- **DS-1 Facility Upgrade**

- The DS-1 facility located at 22nd 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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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

FY 2025-2026

- No planned projects in Year 1 of the biennium

FY 2026-2027

- Begin update to surface water master plan

BIKEWAY IMPROVEMENTS

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

ENTERPRISE FUNDS



LIGHT AND POWER FUND: OVERVIEW

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	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$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
- Downtown Glowup

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

- **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
Expenses	\$ 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
Expenses	\$ 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

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 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 furnishings in the Children’s Area.



STREET TREE FUND

	Adopted Biennial Budget	Expected Year 1 Performance	% of Total Biennial Budget	Requested Adjustment	Proposed Adjusted Biennial Budget
Expenses	\$ 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	\$558	4%	\$0	\$ 15,789

Notes:

- Fund revenue source is Public Arts Commission fundraising events and interest earned on those funds.
- Public Arts Commission intends to spend funds on projects 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
Expenses	\$ 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

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

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 th 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 th 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

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
Expenses	\$ 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 19th Avenue, south of City Hall
- The URA is not planning major purchases in Year 2 and will continue existing grant programs.