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- **Fiscal Year 2026-27 Budget:** The fiscal year (FY) 2026-27 budget process is well underway. Department budget meetings with the City Manager were held in February, and capital improvement project (CIP) budget discussions are scheduled for March. As part of this process, we continue to update, as well, the City's five-year financial forecast. While the forecast is anchored by the FY 2026-27 budget, it provides a broader, long-term perspective on the City's financial outlook. As a next step, the proposed budget will be presented to the Budget Committee at meetings scheduled for May 7, 12, and 14 (if needed).
- **General Fund Update:** As the City begins preparing the upcoming budget, staff and Council will review the long-term financial outlook for the General Fund. The General Fund supports many core City services, including police, library, parks, and general administration. Unlike enterprise funds such as stormwater and sewer, the General Fund does not have rate-setting authority to adjust revenues as costs increase.

The General Fund supports a range of operating costs as well as capital investments in city parks and facilities. Over the past three years, more than \$11 million in parks and facilities capital projects have been funded from the General Fund. In addition to capital projects, the cost of providing services also increases annually.

The General Fund's primary revenue source is property tax, which is limited by Oregon Ballot Measures 5 and 50. These measures constrain annual revenue growth, which may not keep pace with inflation or rising service costs. As a result, the City continually evaluates how General Fund resources are allocated among services and infrastructure needs.

The City's current permanent property tax rate is \$2.5206 per \$1,000 of assessed value. For comparison, Tigard's rate is \$2.5131 per \$1,000 of assessed value, in addition to a \$0.29 local option levy and a \$9.38 monthly parks fee, while Sherwood's permanent rate is \$3.2975. In the near future, the City will need to explore additional revenue funding mechanisms to continue the current level of city services.

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- **Utility Billing:** Water shutoffs for non-payment are often a sensitive issue. The City follows uniform, automated billing policies to ensure timely customer payments. These policies are applied consistently and uniformly to all customers, without exceptions based on longevity or tenure.

Because the City cannot evict tenants or repossess property for unpaid utility bills, service interruption is the only enforcement mechanism available. It becomes significantly more difficult to collect balances once they grow large, and the City cannot float unpaid balances or require current customers to subsidize past-due accounts. For this reason, the shutoff process begins when an account reaches 15 days past due, without action by the customer.

In February, service was disconnected for 29 customers. While multiple notices are provided, some customers still feel they were not adequately warned. Our standard communication timeline is as follows:

- **December:** Water usage occurs
- **January:** Bill issued for December usage; payment due January 31.
- **February:** New bill issued for January usage, reflecting any past-due balance
- **Mid-February:** Delinquent notice sent for unpaid balances
- **Final warnings:** Two automated phone calls — one at least three days prior to shutoff and another the day before

Customers enrolled in the online portal also receive three email reminders during this process.

We remain committed to providing clear, timely, and repeated communication before service is disconnected. Overall, delinquency rates remain relatively low. Of approximately 7,300 accounts billed each month, about 300 (less than 5%) receive delinquent notices, and roughly 30 accounts are disconnected for non-payment.

If a customer vacates a property without paying, charges may accumulate for multiple months of usage. In those cases, we send an initial letter providing 30 days to remit payment, followed by a second notice before referring the account to collections. On average, about five accounts per month are sent to collections.

This consistent and automated approach ensures fairness, fiscal responsibility, and protection of the broader ratepayer base.

- **Attached Financials:** Finance continues to monitor all departments for on-going budget compliance.

	Current Year Budget	Year to Date Activity	Remaining Balance	% Used
<b>110 - General Fund</b>				
Taxes	\$ 17,528,500	\$ 13,385,118	\$ 4,143,382	76%
Intergovernmental	3,254,985	2,381,392	873,593	73%
Licenses and permits	171,700	114,720	56,980	67%
Charges for services	384,102	272,333	111,769	71%
Fines and forfeitures	180,000	112,992	67,008	63%
Investment revenue	531,000	558,804	(27,804)	105%
Other revenues	675,650	847,767	(172,117)	125%
Transfers in	6,477,241	3,588,814	2,888,427	55%
<b>TOTAL REVENUES</b>	<b>\$ 29,203,178</b>	<b>\$ 21,261,940</b>	<b>\$ 7,941,238</b>	<b>73%</b>
Personnel services	\$ 14,095,430	\$ 8,120,842	\$ 5,974,588	58%
Materials and services	14,992,012	8,412,740	6,579,272	56%
Capital outlay	135,000	81,091	53,909	60%
Transfers out	6,049,658	1,783,552	4,266,106	29%
<b>TOTAL EXPENDITURES</b>	<b>\$ 35,272,100</b>	<b>\$ 18,398,225</b>	<b>\$ 16,873,875</b>	<b>52%</b>
<b>610 - Fleet Fund</b>				
Charges for services	\$ 1,933,368	\$ 1,288,912	\$ 644,456	67%
Investment revenue	48,000	32,494	15,506	68%
<b>TOTAL REVENUES</b>	<b>\$ 1,981,368</b>	<b>\$ 1,339,571</b>	<b>\$ 641,797</b>	<b>68%</b>
Personnel services	\$ 1,155,130	\$ 642,422	\$ 512,708	56%
Materials and services	840,440	460,743	379,697	55%
Capital outlay	532,000	162,543	369,457	31%
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,527,570</b>	<b>\$ 1,265,709</b>	<b>\$ 1,261,861</b>	<b>50%</b>
<b>230 - Building Inspection Fund</b>				
Licenses and permits	\$ 952,000	\$ 759,638	\$ 192,362	80%
Investment revenue	157,000	115,824	41,176	74%
<b>TOTAL REVENUES</b>	<b>\$ 1,109,000</b>	<b>\$ 875,462</b>	<b>\$ 233,538</b>	<b>79%</b>
Personnel services	\$ 1,148,520	\$ 577,470	\$ 571,050	50%
Materials and services	243,155	124,390	118,765	51%
Transfers out	422,808	281,872	140,936	67%
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,814,483</b>	<b>\$ 983,731</b>	<b>\$ 830,752</b>	<b>54%</b>
<b>231 - Community Development Fund</b>				
Licenses and permits	\$ 446,718	\$ 527,567	\$ (80,849)	118%
Charges for services	457,002	200,108	256,894	44%
Intergovernmental	598,995	100,000	498,995	17%
Investment revenue	93,000	78,214	14,786	84%
Transfers in	4,627,515	2,866,013	1,761,503	62%
<b>TOTAL REVENUES</b>	<b>\$ 6,223,230</b>	<b>\$ 3,771,901</b>	<b>\$ 2,451,329</b>	<b>61%</b>
Personnel services	\$ 3,995,690	\$ 2,234,849	\$ 1,760,841	56%
Materials and services	1,031,820	525,031	506,789	51%
Transfers out	1,170,209	549,600	620,609	47%
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,197,719</b>	<b>\$ 3,309,479</b>	<b>\$ 2,888,240</b>	<b>53%</b>
<b>240 - Road Operating Fund</b>				
Intergovernmental	\$ 2,181,000	\$ 1,313,627	\$ 867,373	60%
Investment revenue	26,000	28,493	(2,493)	110%
Transfers in	509,940	496,606	13,334	97%
<b>TOTAL REVENUES</b>	<b>\$ 2,716,940</b>	<b>\$ 1,838,726</b>	<b>\$ 878,214</b>	<b>68%</b>
Personnel services	\$ 608,120	\$ 259,661	\$ 348,459	43%
Materials and services	754,894	434,455	320,439	58%
Capital outlay	44,850	49,362	(4,512)	110%
Debt service	360,000	356,446	3,554	99%
Transfers out	1,420,588	393,213	1,027,375	28%
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,188,452</b>	<b>\$ 1,493,136</b>	<b>\$ 1,695,316</b>	<b>47%</b>

	Current Year Budget	Year to Date Activity	Remaining Balance	% Used
<b>241 - Road Maintenance Fund</b>				
Charges for services	\$ 2,661,000	\$ 1,658,803	\$ 1,002,197	62%
Investment revenue	172,000	133,013	38,987	77%
<b>TOTAL REVENUES</b>	<b>\$ 2,833,000</b>	<b>\$ 1,791,817</b>	<b>\$ 1,041,183</b>	<b>63%</b>
Transfers out	\$ 3,081,080	\$ 1,297,910	\$ 1,783,170	42%
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,081,080</b>	<b>\$ 1,297,910</b>	<b>\$ 1,783,170</b>	<b>42%</b>
<b>260 - Transit Fund</b>				
Taxes	\$ 6,300,000	\$ 4,559,701	\$ 1,740,299	72%
Intergovernmental	2,757,000	2,240,179	516,821	81%
Charges for services	20,000	12,224	7,776	61%
Investment revenue	698,000	437,220	260,780	63%
Other revenues	21,000	11,809	9,192	56%
<b>TOTAL REVENUES</b>	<b>\$ 9,796,000</b>	<b>\$ 7,261,133</b>	<b>\$ 2,534,867</b>	<b>74%</b>
Personnel services	\$ 5,871,460	\$ 3,037,500	\$ 2,833,960	52%
Materials and services	2,914,658	1,803,743	1,110,915	62%
Capital outlay	1,158,000	33,402	1,124,598	3%
Transfers out	3,062,248	1,839,293	1,222,955	60%
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,006,366</b>	<b>\$ 6,713,938</b>	<b>\$ 6,292,428</b>	<b>52%</b>
<b>510 - Water Operating Fund</b>				
Charges for services	\$ 10,864,000	\$ 6,781,710	\$ 4,082,290	62%
Investment revenue	412,000	391,623	20,377	95%
Other revenues	40,000	39,016	984	98%
<b>TOTAL REVENUES</b>	<b>\$ 11,316,000</b>	<b>\$ 7,212,350</b>	<b>\$ 4,103,650</b>	<b>64%</b>
Personnel services	\$ 753,650	\$ 307,102	\$ 446,548	41%
Materials and services	5,285,211	2,537,578	2,747,633	48%
Capital outlay	2,204,493	776,870	1,427,623	35%
Debt service	375,000	370,757	4,243	99%
Transfers out	3,700,814	1,167,313	2,533,501	32%
<b>TOTAL EXPENDITURES</b>	<b>\$ 12,319,168</b>	<b>\$ 5,159,619</b>	<b>\$ 7,159,549</b>	<b>42%</b>
<b>520 - Sewer Operating Fund</b>				
Charges for services	\$ 7,833,000	\$ 4,667,810	\$ 3,165,190	60%
Investment revenue	380,000	287,668	92,332	76%
Other revenues	31,500	17,675	13,825	56%
Loan proceeds	10,500,000	-	10,500,000	0%
Transfers in	600,000	600,000	-	100%
<b>TOTAL REVENUES</b>	<b>\$ 19,344,500</b>	<b>\$ 5,573,152</b>	<b>\$ 13,771,348</b>	<b>29%</b>
Personnel services	\$ 505,250	\$ 236,026	\$ 269,224	47%
Materials and services	4,729,522	2,438,447	2,291,075	52%
Capital outlay	114,850	49,362	65,488	43%
Debt service	2,886,000	359,469	2,526,531	12%
Transfers out	13,823,655	1,335,842	12,487,813	10%
<b>TOTAL EXPENDITURES</b>	<b>\$ 22,059,277</b>	<b>\$ 4,419,146</b>	<b>\$ 17,640,131</b>	<b>20%</b>
<b>550 - Street Lighting Fund</b>				
Charges for services	\$ 559,000	\$ 321,010	\$ 237,990	57%
Investment revenue	34,000	29,553	4,447	87%
<b>TOTAL REVENUES</b>	<b>\$ 593,000</b>	<b>\$ 350,564</b>	<b>\$ 242,436</b>	<b>59%</b>
Materials and services	\$ 367,290	\$ 142,612	\$ 224,678	39%
Transfers out	1,280,827	85,147	1,195,680	7%
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,648,117</b>	<b>\$ 227,759</b>	<b>\$ 1,420,358</b>	<b>14%</b>
<b>570 - Stormwater Operating Fund</b>				
Charges for services	\$ 3,581,000	\$ 2,112,941	\$ 1,468,059	59%
Investment revenue	242,000	178,010	63,990	74%
<b>TOTAL REVENUES</b>	<b>\$ 3,823,000</b>	<b>\$ 2,290,952</b>	<b>\$ 1,532,048</b>	<b>60%</b>
Personnel services	\$ 480,980	\$ 214,732	\$ 266,248	45%
Materials and services	848,994	389,730	459,264	46%
Capital outlay	44,850	49,362	(4,512)	110%
Debt service	325,000	321,317	3,683	99%
Transfers out	4,759,006	1,089,884	3,669,122	23%
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,458,830</b>	<b>\$ 2,065,024</b>	<b>\$ 4,393,806</b>	<b>32%</b>

	Current Year Budget	Year to Date Activity	Remaining Balance	% Used
<b>336 - Frog Pond Development</b>				
Licenses and permits	\$ 2,500,000	\$ 1,202,660	\$ 1,297,341	48%
Investment revenue	27,000	120,101	(93,101)	445%
<b>TOTAL REVENUES</b>	<b>\$ 2,527,000</b>	<b>\$ 1,322,761</b>	<b>\$ 1,204,239</b>	<b>52%</b>
Materials and services	\$ 19,540	\$ 2,304	\$ 17,236	12%
Transfers out	3,573,177	854,912	2,718,265	24%
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,592,717</b>	<b>\$ 857,216</b>	<b>\$ 2,735,501</b>	<b>24%</b>
<b>348 - Washington County TDT</b>				
Washington County TDT	\$ -	\$ -	\$ -	-
Investment revenue	112,000	71,333	40,667	64%
<b>TOTAL REVENUES</b>	<b>\$ 112,000</b>	<b>\$ 71,333</b>	<b>\$ 40,667</b>	<b>64%</b>
<b>346 - Roads SDC</b>				
System Development Charges	\$ 2,100,000	\$ 2,706,709	\$ (606,709)	129%
Investment revenue	287,000	256,370	30,630	89%
<b>TOTAL REVENUES</b>	<b>\$ 2,387,000</b>	<b>\$ 2,963,079</b>	<b>\$ (576,079)</b>	<b>124%</b>
Materials and services	\$ 40,760	\$ 6,937	\$ 33,823	17%
Transfers out	8,213,181	198,294	8,014,887	2%
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,253,941</b>	<b>\$ 205,232</b>	<b>\$ 8,048,709</b>	<b>2%</b>
<b>396 - Parks SDC</b>				
System Development Charges	\$ 1,320,000	\$ 1,142,960	\$ 177,040	87%
Investment revenue	77,000	71,687	5,313	93%
<b>TOTAL REVENUES</b>	<b>\$ 1,397,000</b>	<b>\$ 1,214,647</b>	<b>\$ 182,353</b>	<b>87%</b>
Materials and services	\$ 9,490	\$ 3,450	\$ 6,040	36%
Transfers out	918,557	56,148	862,409	6%
<b>TOTAL EXPENDITURES</b>	<b>\$ 928,047</b>	<b>\$ 59,598</b>	<b>\$ 868,449</b>	<b>6%</b>
<b>516 - Water SDC</b>				
System Development Charges	\$ 1,000,000	\$ 1,412,218	\$ (412,218)	141%
Investment revenue	65,000	69,676	(4,676)	107%
<b>TOTAL REVENUES</b>	<b>\$ 1,065,000</b>	<b>\$ 1,481,894</b>	<b>\$ (416,894)</b>	<b>139%</b>
Materials and services	\$ 14,570	\$ 3,642	\$ 10,928	25%
Debt service	453,000	450,724	2,276	99%
Transfers out	3,888,490	2,346,278	1,542,212	60%
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,356,060</b>	<b>\$ 2,800,645</b>	<b>\$ 1,555,415</b>	<b>64%</b>
<b>526 - Sewer SDC</b>				
System Development Charges	\$ 1,000,000	\$ 977,025	\$ 22,976	98%
Investment revenue	30,000	41,577	(11,577)	139%
<b>TOTAL REVENUES</b>	<b>\$ 1,030,000</b>	<b>\$ 1,018,601</b>	<b>\$ 11,399</b>	<b>99%</b>
Materials and services	\$ 12,380	\$ 2,507	\$ 9,873	20%
Transfers out	1,751,531	666,043	1,085,488	38%
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,763,911</b>	<b>\$ 668,549</b>	<b>\$ 1,095,362</b>	<b>38%</b>
<b>576 - Stormwater SDC</b>				
System Development Charges	\$ 170,000	\$ 251,472	\$ (81,472)	148%
Investment revenue	144,000	91,866	52,134	64%
<b>TOTAL REVENUES</b>	<b>\$ 314,000</b>	<b>\$ 343,338</b>	<b>\$ (29,338)</b>	<b>109%</b>
Materials and services	\$ 5,650	\$ 598	\$ 5,052	11%
Transfers out	647,645	131,735	515,910	20%
<b>TOTAL EXPENDITURES</b>	<b>\$ 653,295</b>	<b>\$ 132,333</b>	<b>\$ 520,962</b>	<b>20%</b>

	<b>Current Year Budget</b>	<b>Year to Date Activity</b>	<b>Remaining Balance</b>	<b>% Used</b>
<b>815 - Westside Capital Projects</b>				
Investment revenue	\$ 224,000	\$ 150,089	\$ 73,911	67%
<b>TOTAL REVENUES</b>	<b>\$ 224,000</b>	<b>\$ 150,089</b>	<b>\$ 73,911</b>	<b>67%</b>
Materials and services	\$ 375,000	\$ 76,188	\$ 298,813	20%
Capital outlay	2,851,000	340,194	2,510,806	12%
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,226,000</b>	<b>\$ 416,381</b>	<b>\$ 2,809,619</b>	<b>13%</b>
<b>825 - Coffee Creek Capital Projects</b>				
Investment revenue	\$ 14,000	\$ 14,683	\$ (683)	105%
Transfers in	500,000	500,000	-	100%
<b>TOTAL REVENUES</b>	<b>\$ 514,000</b>	<b>\$ 514,683</b>	<b>\$ (683)</b>	<b>100%</b>
Materials and services	\$ 236,004	\$ 93,528	\$ 142,476	40%
<b>TOTAL EXPENDITURES</b>	<b>\$ 866,004</b>	<b>\$ 93,528</b>	<b>\$ 772,476</b>	<b>11%</b>
<b>827 - Coffee Creek Debt Service</b>				
Taxes	\$ 718,000	\$ 744,633	\$ (26,633)	104%
Investment revenue	29,000	15,203	13,797	52%
<b>TOTAL REVENUES</b>	<b>\$ 747,000</b>	<b>\$ 759,836</b>	<b>\$ (12,836)</b>	<b>102%</b>
Debt service	\$ 780,000	\$ 639,149	\$ 140,851	82%
<b>TOTAL EXPENDITURES</b>	<b>\$ 780,000</b>	<b>\$ 639,149</b>	<b>\$ 140,851</b>	<b>82%</b>
<b>830 - Wilsonville Investment Now Program</b>				
Taxes	\$ 1,174,100	\$ 832,882	\$ 341,218	71%
<b>TOTAL REVENUES</b>	<b>\$ 1,174,100</b>	<b>\$ 832,882</b>	<b>\$ 341,218</b>	<b>71%</b>
Materials and services	\$ 1,174,100	\$ -	\$ 1,174,100	0%
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,174,100</b>	<b>\$ -</b>	<b>\$ 1,174,100</b>	<b>0%</b>