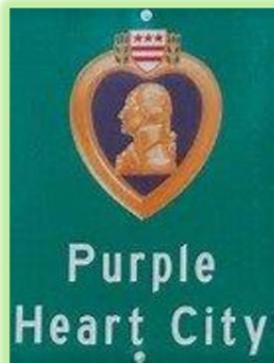


Fiscal Year Ended
June 30, 2024

City of Cornelius, Oregon

Excellence in Action

Popular Annual Financial Report



Oregon's Family Town

Message from the Mayor



Jeffrey C Dalin, Mayor

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Dear Cornelius Community Members,

The City Council and I are pleased to present the 2024 Popular Annual Financial Report (PAFR) to the residents of Cornelius. This report is a shorter version of the Annual Comprehensive Financial Report that is required by the State of Oregon to be produced each year by all municipal corporations. The PAFR report is designed to offer a snapshot of important financial information and is easy to understand for those who are not experts in government finance. We believe this report helps provide transparency, accountability and is paramount to responsible government.

We are proud that our independent, outside auditors again found that our budget received a “clean opinion” when audited. This means that you can be assured that your taxpayer dollars are being spent in a legal manner and are fully accounted for again this past year. It is a big challenge to develop and balance a multi million dollar budget each year. The entire organization contributes to an effective budget outcome. The City Council and I receive monthly reports that update us on specific spending actions and the remaining funds in each department.

We had many challenges and successes in FY2024. The city received the Government Finance Officers (GFOA) Award of Excellence in Financial Reporting award for the 2023 report. In addition, the 2023 PAFR received recognition from the GFOA.

The City Council continues to strongly support having a transparent, efficient and responsible city government. We believe that you will find this year’s PAFR to be easy to read and understand. It is my pleasure to offer you this review of the city’s financial position and honor to serve as your Mayor.

Sincerely,

Jeffrey C Dalin
Mayor
Jef.dalin@corneliusor.gov

City Council

City Council

Cornelius is governed by a City Council comprised of an elected Mayor and four Councilors. The City Council exercises policy-making and legislative authority and is responsible for City legislation, adopting the budget, appointing committees, and hiring the City Attorney, Municipal Court Judge and the City Manager. The Mayor serves a two year term. Councilors serve for four years, with two of the four Councilor's terms expiring in each biennial election. The City Manager is responsible for carrying out the day-to-day operations of the City.

Government

The City of Cornelius operates under a home rule charter and has all powers granted to municipal corporations by State statutes, including the power to issue debt, levy taxes on real property within its boundaries, and extend its corporate limits by annexation.

The City provides a full range of services, including police protection, fire protection, library, construction and maintenance of streets, parks, utility infrastructure, recreational activities and cultural events, short and long-range planning and development review, and building permits and inspection.



Mayor

Jeffrey C Dalin
Term expires 12/2024
jef.dalin@corneliusor.gov



Councilor

Eden Lopez
Term expires 12/2026
eden.lopez@corneliusor.gov



Councilor

John Colgan
Term expires 12/2026
john.colgan@corneliusor.gov



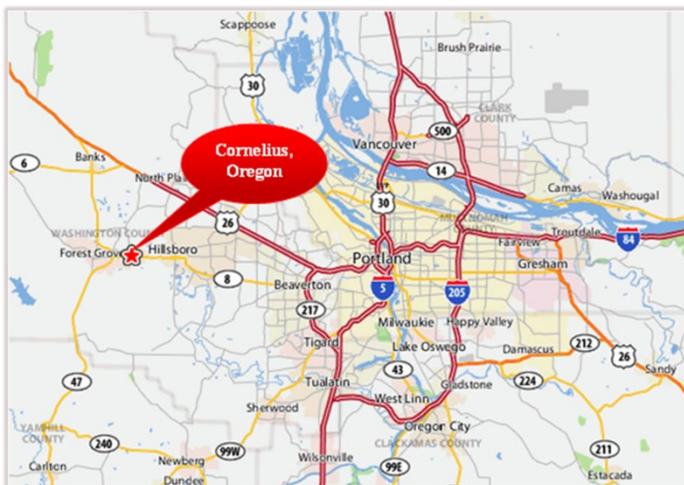
Councilor

Doris Gonzalez
Term expires 12/2024
doris.gonzalez@corneliusor.gov



Councilor

Angeles Godinez
Term expires 12/2024
angeles.godinez@corneliusor.gov



Message from City Manager



*Peter Brandom
City Manager*

Dear Cornelius Community Members:

We are pleased to present the Popular Annual Financial Report (PAFR) for the City of Cornelius for Fiscal Year (FY) 2024. This report is the short-and-easier-to-read version of our larger Annual Comprehensive Financial Report. It is required by Oregon Revised Statutes to be published annually after an independent, outside auditor reviews and summarizes City finances for conformity with the law. I am proud to say that the full report received an unmodified “clean opinion” from our auditors. This means that our finances were properly managed and accounted for throughout the year. This is due to the dedicated elected and appointed leaders who oversee the City, and the competent staff who operate the City day-to-day.

Cornelius is in Washington County and has a population of 14,389. It has comparatively low property tax revenue, when looking at the greater County and region, at roughly 60% of the County average. This is due to comparatively low assessed property values. Cornelius also has limited additional general fund revenue sources. Though the community’s population has grown by over 18% since 2018, costs have continued to outpace revenue growth. City leaders and staff continue to carefully

consider any spending, and look for ways to improve efficiencies to lower spending.

In the past year, commercial and industrial development in neighboring areas has driven modest economic growth in Washington County. In Cornelius, several commercial projects have recently completed, and several more are in the planning stages. The City Council in December 2024 adopted the City’s first 20-year Vision Plan, which will help guide policy and investment decisions through 2045. Given constraints in buildable land, development is expected to slow, but there is continued opportunity for infill development. The City’s Urban Renewal Agency, established in 2019, now has a fund balance and revenue that will allow for targeted investments in the Cornelius Urban Renewal Area. One such investment is the former gas station property at 10th/Baseline, which has been blighted for years. The City’s objective is to purchase the property, clean up soil contamination, and sell it for private development. Additional real estate projects are possible in the coming year.

The City organization has seen major staff turnover in 2024, with the retirement of long-serving department managers in Public Works, Library, and the City Recorder. In 2025, the City will hire a Fire Chief, which has been contracted with the City of Forest Grove since 2012. With the replacement of the local option fire levy in 2023, three additional firefighters will be hired in 2025 under the levy, and the City plans to plan for needed improvements to the Public Safety building.

This is the 14th year that the city has produced a PAFR. We also produce a PAFR in Spanish for our Latinx residents who comprise over 52% of our population. We will continue to focus on transparency, fiscal accountability, and understanding of how a municipal government operates.

Peter Brandom, City Manager
503-357-9112
peter.brandom@corneliusor.gov

Strategic Performance Plan



A Look Back at 2024

Financial Highlights

In early FY2024, the City was working on completing its Fiscal Year 2023 Annual Comprehensive Financial Report. Unemployment rates in the county increased this last year, with our current unemployment rate at 3.6%, compared to 3.1% in 2023. Together with our external auditor, we worked on and reviewed our financial performance for the previous year, while closely watching the changing economic indicators. Although the economy has been stable, City staff continue to look for additional revenues and keep current and future expenses at a minimum.

The past ten years the City has noted a solid performance from the Police Chief and Washington County Sheriff's Office personnel who manage the Cornelius Police Department. The police services contract was originally implemented in 2014 and was recently renewed in July 2022 for an additional ten years. We have also contracted since 2012 with neighboring City of Forest Grove for a shared Fire Chief and Logistics Technician, and after evaluating the Cornelius Fire Department staffing and operations, we are in the process of hiring a full time Fire Chief in 2025. Five firefighter positions and four student interns are currently funded through a Levy that was approved in 2023.

The City's population has increased over 18% since 2018, due in large part to increased housing, which is winding down due to limited land supply. This residential development has added around 1,200 new homes. A new 113-unit affordable housing complex was recently completed, as was a 160,000 square foot warehousing/manufacturing building in the City's industrial area. Many other small to medium scale commercial developments are planned or under construction, and there is potential for hundreds of new multifamily housing units in the next few years.

The FY2023 Annual Comprehensive Financial Report earned the Government Finance Officers Association's Certificate of Achievement in Financial Reporting, and the 2024 Budget earned the Government Finance

Officers Association's Award for Distinguished Budget Presentation. Both awards have been earned the past 16 years. The Government Finance Officers Award for Outstanding Achievement in Popular Annual Finance Reporting (PAFR) for FY2023 was earned for the 13th year in a row. All of these awards illustrate our continued pursuit to provide transparent and easy-to-understand communication tools with our residents.

Revenues and Expenditures

The City's largest revenue sources are property taxes, franchise fees, fees for charges and services, and state shared revenues. Cornelius is known for its affordable housing stock. The market values of these homes began increasing, reflecting a decrease of foreclosures, bankruptcies of residents unable to sell their home or refinance. The housing market is becoming more competitive for those looking for homes. The overall assessed value continued to increase due to some new construction, higher home values and the 3% increase allowed by law.

The City's interest income has been increasing since the COVID-19 pandemic. Personnel costs continue to rise due to increasing healthcare and retirement costs. Currently the City pays 90% of an employee's healthcare plan, with the employee paying the other 10%. Some employees cover only themselves, while some cover their entire family. The City's cost of employee retirement continues to increase every two years.

Revenue is anticipated to increase due to the fees collected for new residential and commercial construction. However, some of the fees are pass-through fees so Cornelius does not keep 100% of the revenue. And once construction is complete we anticipate overall revenue to decrease again.

The City received approximately \$2.8 million in American Rescue Plan Act (ARPA) funds and allocated a majority to community based uses and capital needs of the city, which helped offset expenses within the General Fund.

A Look Back at 2024

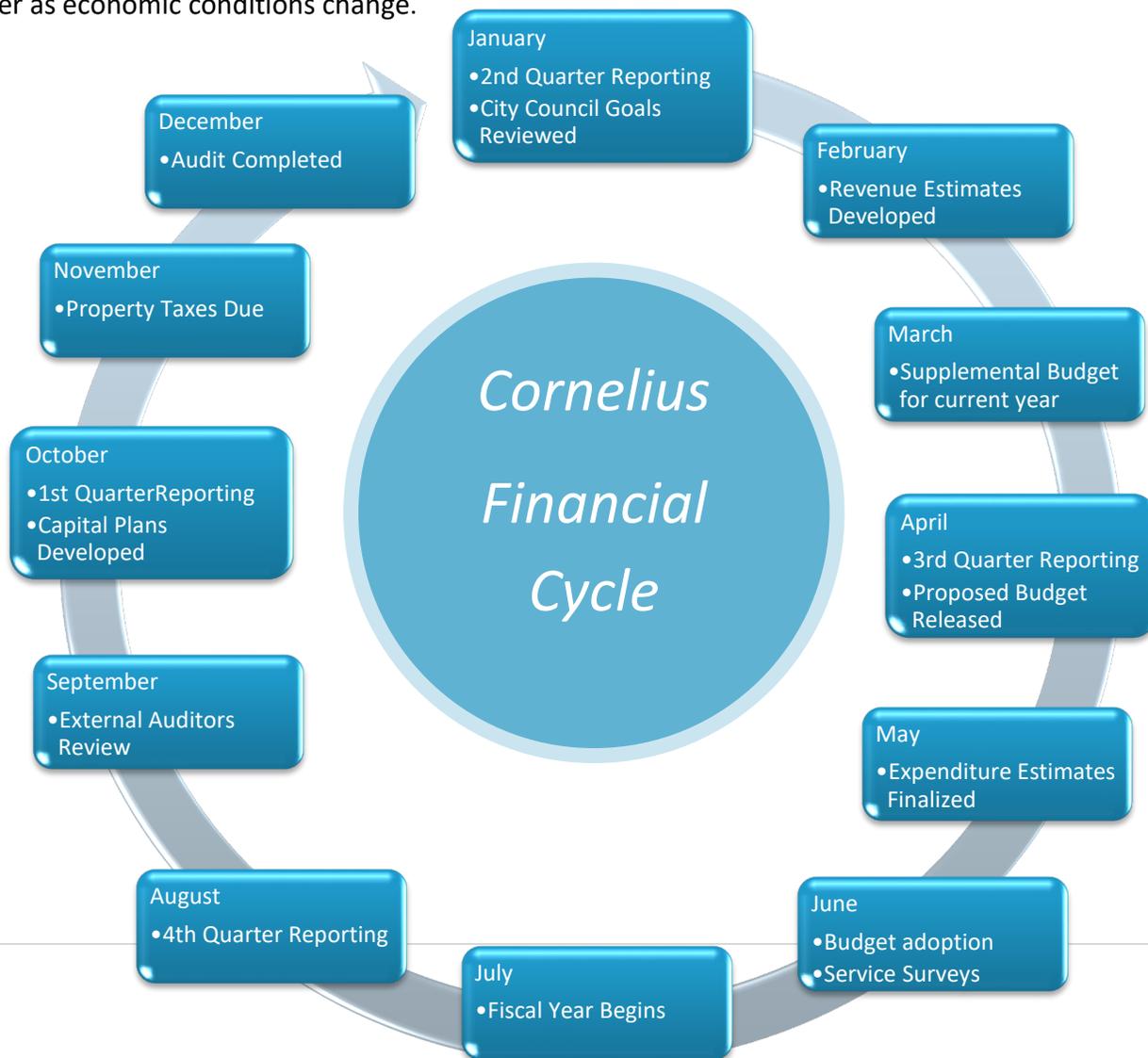
The COVID-19 pandemic did not cause any dramatic changes in revenues or expenditures. Internally, City departments will continue to monitor revenues and expenses closely and work together to keep our bottom line stable.

Reserves

Over the next few years, it will be critical for the City Council and staff to continue to address current and future operational needs, which will be an ongoing challenge and will require continued careful planning. City staff remains committed to providing quality essential services and infrastructure to its residential and commercial population. City officials were careful with spending during the past few years. While revenue came in as expected, costs were kept to minimum operating standards. This seems to have been a good strategy to rebuild financial reserves for cash flow purposes.

Conclusion

This has been a year of continued improvements for the City. The City of Cornelius is excited about the new construction coming to our city, increasing revenue, and boosting our economy. The City's history of fiscally responsible decision-making and regular monitoring of our financial position has put the City in a position to weather these latest economic fluctuations. Responsible proactive decreases in expenditures have been used to address slowing revenues; these reductions have been designed in a way that we believe will make Cornelius stronger as economic conditions change.



2024 Achievements

Reporting

The City of Cornelius achieved the Government Finance Officers Association Popular Annual Financial Reporting Awards Program award. The GFOA established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.



Popular annual financial reports submitted to the PAFR Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in governmental accounting and financial reporting.

Financial Reporting

The City of Cornelius received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program. The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

Budget



Cornelius also received recognition for our budget. The document earned the Government Finance Officers Association Distinguished Budget Presentation Award Program (Budget Awards Program) Award. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

All-America City

Cornelius was selected as an All-America City in June 2019. We began promoting our achievement in early FY2020 with local businesses sponsoring banners that appear on our main fairway. The theme for 2019 was "Creating Healthy Communities Through Inclusive City Engagement". Since 1949, the National Civic League has recognized and celebrated the best in American civic innovation with the prestigious All-America City Award. The Award, bestowed yearly on 10 communities, recognizes the work of communities in using inclusive civic engagement to address critical issues and create stronger connections among residents, businesses and nonprofit and government leaders.



Service

Connecting with more residents

The sharing of information continues to propel us to higher levels of involvement and communication while opening the window on government and improving access to our services and information.

City Staff prepare a monthly bilingual newsletter that informs citizens of happenings within the City, provides information on upcoming meetings, events and activities as well as statistical information from various departments. The newsletter is mailed to all City addresses, posted on the City website, and e-mailed to those who sign up for our e-newsletter.

City staff recently redesigned the City website, which provides ongoing, up to date, community news and event information. The new website also has the ability to be translated into multiple languages using a Google translate button on our main page. Information regarding City events is also posted on our Facebook page.

The City continues to sponsor many community events which have been well attended. Some of the events include Flicks In the Park, the Farmers Market, National Night Out, Holiday Tree Lighting, the Veterans Day celebration and the annual Community Thanksgiving Dinner.



Online services 24/7

Residents can view their utility billing history and pay their bills from anywhere they can access the internet. Not only is this system convenient, it also instantly reflects payments minimizing the amount of processing required by staff. Online services have proven to be very popular.

Community Education

Each year Cornelius hosts a National Night Out Against Crime picnic where residents can get an up close look at the equipment used to keep their community safe. This includes police cars, fire engines and even some of the street maintenance equipment. This event also offers City staff a chance to provide information on how to keep their homes and neighborhoods safe.



The Cornelius Fire department involves citizens in Fire Prevention Week with a safety fair. Fire prevention information is distributed and citizens can get information about how to test fire alarms, how to use a fire extinguisher and meet the Firefighters and EMT’s of our community.

Financial Highlights

Financial Trend Summary

The financial data below is intended to provide a big picture overview of key financial metrics over the past three years. The information below is from selected funds and does not represent all of the City's component units. For ease of reading, this data is summarized in ways that are not in accordance with Generally Accepted Accounting Principles (GAAP) and the notes to the financial statements are not provided. The City of Cornelius is audited annually and prepares a full GAAP-based Annual Comprehensive Financial Report. The latest report is available on the City of Cornelius web site at <https://www.corneliusor.gov/258/financial-reporting> For more information contact City Hall at 503-357-9112.

Government Wide		2022	2023	2024
	Assets and Deferred Outflows of Resources	93,232,696	98,593,842	107,075,885
	Liabilities and Deferred Inflows of Resources	11,061,280	10,232,573	11,437,658
	Total Net Position	\$82,171,416	\$88,361,269	\$95,638,227
	Total Liabilities and Net Position	\$93,232,696	\$98,593,842	\$107,075,885
Revenues				
Governmental	Program Revenues	6,890,509	4,806,462	5,612,575
Activities	General Revenues	7,084,835	8,309,082	9,236,498
Business	Program Revenues	12,113,265	10,507,926	10,782,619
Activities	General Revenues	68,535	403,575	773,303
	Total Revenues	\$26,157,144	\$24,027,045	\$26,404,995
Expenses				
Governmental	General Government	1,908,630	1,448,434	1,935,966
Activities	Public Safety	4,403,695	4,823,745	5,150,648
	Highways and Streets	1,106,411	1,124,905	1,351,703
	Culture and Recreation	2,272,333	1,699,112	1,930,936
	Interest on Long-Term Debt	5,782	0	3,236
Business	Water Operations	4,152,516	3,249,662	3,421,676
Activities	Sewer Operations	4,494,733	4,479,257	4,158,062
	Surface Water Management Operations	844,922	1,012,076	1,175,810
	Total Expenses	\$19,189,021	\$17,837,191	\$19,128,037
Capital Assets, net of depreciation				
	Governmental Activities	43,302,979	43,809,108	48,968,675
	Business Activities	16,706,316	16,686,076	18,062,524
	Total Capital Assets, net of depreciation	\$60,009,295	\$60,495,184	\$67,031,199
Net Position				
	Governmental Funds	10,436,333	11,747,190	12,276,178
	Restricted	980,095	3,130,651	1,874,523
	Unassigned	0	0	0
	Debt Service	0	0	0
Long Term Debt				
	Governmental Activities	394,939	334,636	321,091
	Business Activities	1,906,773	1,827,666	1,742,531
	TOTAL	\$2,301,712	\$2,162,302	\$2,063,622

Net position has been increasing the past few years. Revenue is not increasing at the same rate as expenses, so staff is conservative when it comes to spending. Debt is also kept to a minimum.

Financial Highlights

Accounting Terminology

Business Activities

Water, Sewer and Storm Water Utility funded by fees charged to users

Capital Outlay

Funds spent to purchase or construct buildings, machinery, vehicles, etc.

Fund Balance

The difference between revenue and expenses of a fund

Government-wide

The City as a whole

Governmental Activities

The City's basic services such as Police, Fire, and Parks which are mostly funded by property tax, and franchise fees

Infrastructure Assets

Stationary assets of the City that include streets, sidewalks, water, sewer and drainage systems

Net Position

The difference between assets and liabilities for the City by fund

PERS

Public Employee Retirement System

Deferred Outflows & Inflows

Consumption of Net Assets that are applicable to a future reporting period

Major Employers

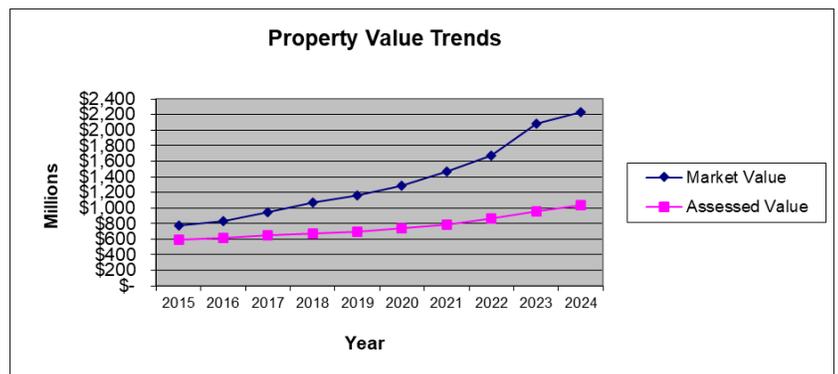
- Wal-Mart
- Fred Meyer
- Sheldon Manufacturing
- Forest Grove School District
- Virginia Garcia

Major Tax payers

- Wal-Mart
- Laurel Wood Development
- Tom Moyer Theaters
- Portland General Electric
- NW Natural
- 495 LLC

Trend Variances

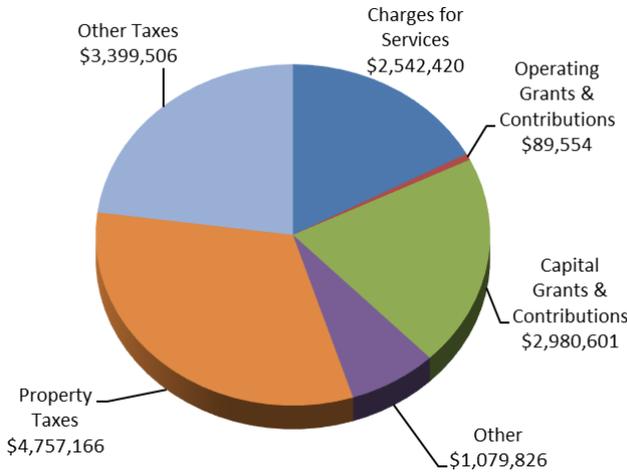
In 2024 the City's assessed value increased 8.3%; while the market value increased 7.4%. The following graph depicts the growth of both the real market value of property and the artificially restrained trend line of assessed valuation for taxation purposes.



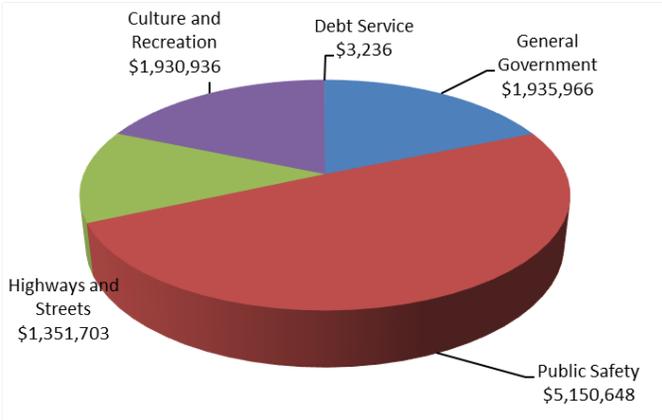
Financial Highlights

Cornelius has effectively managed its financial condition by remaining conservative. City leaders are prepared to continue to take steps necessary to manage city finances in a way that preserves the city's ability to serve the public. The graphs below show the major revenues and expenses of the city.

Governmental Revenue

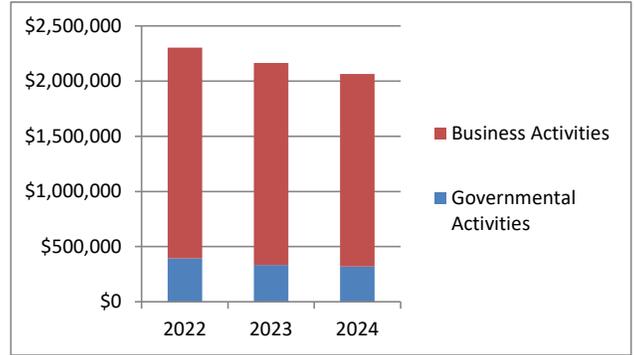


Governmental Activity Expenses



The General Fund's budgeted appropriations between the original and final budget increased by \$1,716,680. Some of the significant changes were due to new grants being received during the fiscal year. There was also an increase to Fire Department Personnel Services related to Conflagration expenses.

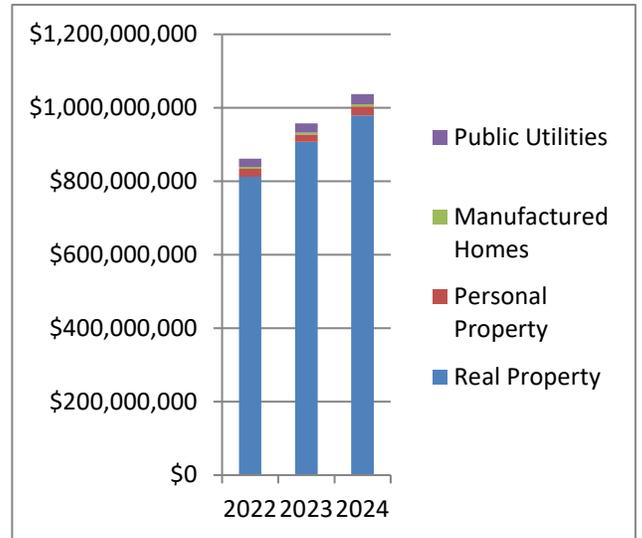
Long Term Debt



	2022	2023	2024
Governmental Activities	394,939	334,636	321,091
Business Activities	1,906,773	1,827,666	1,742,531
TOTAL	\$2,301,712	\$2,162,302	\$2,063,622

The City of Cornelius does not currently have a bond rating. City staff hopes to attain one in the future.

Assessed Property Tax Base



	2022	2023	2024
Real Property	812,183,370	906,703,850	979,241,920
Personal Property	20,988,957	20,245,409	23,688,797
Manufactured Homes	5,289,370	5,475,430	6,029,410
Public Utilities	22,666,900	24,669,200	27,594,030
TOTAL	\$ 861,128,597	\$ 957,093,889	\$ 1,036,554,157

Cornelius, Oregon Community Profile

Cornelius Oregon was established as a rural farming community along the banks of the Tualatin River in 1893. Today Cornelius has 14,389 residents within the 2.34 square miles of land that the city covers.

Cornelius is a city with a rich culture and history. The municipal government of Cornelius is dedicated to promoting community involvement, and building a safe, livable and sustainable community by providing fair, efficient and effective public services.

Quick Facts

CITY TAX RATE

\$3.9836 per \$1,000 assessed valuation (FY2024)
 \$0.4870 per \$1,000 5-year local option levy(FY2024)

WORKFORCE BY INDUSTRY

Manufacturing..... 22.9%
 Trade (retail/wholesale)..... 13.9%
 Agriculture..... 4.1%
 Services(including educational) 59.1%



Cornelius offers a full range of services including public safety, street maintenance, library, water, sewer, permits, licenses, inspections and zoning.

The City offers a full range of public services including public safety, street maintenance, a library, water, parks, sewer, permits, licenses, inspections, and zoning.

Certain services are provided by or in cooperation with regional organizations. The City owns portions of its water utility and purchases water from the City of Hillsboro for distribution. Cornelius owns and operates sanitary sewer and storm water collection facilities; treatment is by Clean Water Services, a regional authority. Electricity, telephone service, and trash disposal are provided by private businesses. Cornelius is part of two school districts, Hillsboro School District and Forest Grove School Districts.

LAND AREA & ZONING

Total Area 2.34 square miles
 Vacant Industrial 89 acres
 Developed industrial 103 acres
 Vacant Commercial 51 acres
 Developed Commercial 181 acres

SCHOOLS SERVING CORNELIUS (Public)

Elementary Schools – Cornelius..... 2
 Elementary Schools – Hillsboro..... 1
 Middle Schools –Forest Grove 2
 Middle Schools – Hillsboro..... 1
 High Schools – Forest Grove 1
 High Schools – Hillsboro..... 1

A Look Forward

Cornelius is known as Oregon's Family Town. People enjoy our safe community and believe it is an outstanding place to live, work and play. Our Mayor and City Councilors have committed to a transparent, efficient and responsive city government. With so much working well for our community, we look forward to a positive and productive future.

Cornelius is in the Portland metropolitan region, known for innovation, high technology industry, sporting goods manufacturing, and citizens having a zeal for outdoor recreation and protecting the environment. Many of our citizens work in the high technology and retail/service industries. Over half (52%) of our citizens are Latinx, which makes Cornelius rich in cultural diversity.

Both the northern and southern boundaries of Cornelius touch productive and active farmland, which is protected by state law with an urban growth boundary. We continue to look for ways to grow our local industry, jobs and to increase overall assessed values. This will leverage partnerships with our elected State Representatives, regional partners, Washington County and neighboring cities.

The City of Cornelius has purchased wholesale potable drinking water from the City of Hillsboro since 1941. We continue to explore other long term supply options to ensure a consistent water supply in the future. Our investment in an Aquifer Storage and Recovery (ASR) system allows us greater flexibility in how we deliver water. The ASR can store up to 80 million gallons, roughly three months' supply, of potable water.

The City is working with key partners and State lawmakers to identify ways to expand our commercial and industrial land supply. One key aspect is our Economic Opportunities Analysis (EOA), which was updated in FY2024. The updated EOA defines economic opportunities including land needs. The City's Urban Renewal Area continues to generate funding that will benefit the defined area, including through redevelopment of blighted and underutilized

properties in the City's town center. Cornelius continues to improve efficiencies of service delivery by partnering with other government agencies. We have been sharing a Fire Chief with the City of Forest Grove and plan to hire a full-time Fire Chief in early 2025. In the spring of 2013 we merged our municipal court with Forest Grove to reduce costs and provide a higher level of service. We began contracting for Building Department services with Forest Grove in mid-2013. We are saving expenses and improving building services. Training will be shared between the cities to reduce costs. Cornelius continues to be an active partner with the Cooperative Agencies of Washington County and will continue in the future. This partnership encourages sharing of equipment and services to reduce overall service and capital costs.

To provide for transparency in City decision making, the Metropolitan Area Communications Commission (MACC) televises City Council meetings. Citizens can learn more about their City by having access to watch City Council meetings on public cable access channels.

In addition to the televised meetings, the City is encouraging more citizen participation through public events and community outreach. In December, 2024, the City Council approved the community's first 20-year Vision Plan, called Cornelius 2045. The Plan will guide policy and investment decisions through 2045. The City's 2-year internal Strategic Plan will be updated in 2025.

The City continues to sponsor multiple community events including the National Night Out Against Crime event. In November we host the Veterans Day Memorial Event and the community Holiday Dinner with great community turnout, and in December our holiday tree lighting and singing event brings together several hundred community members. Our monthly newsletter, The Gazette, is mailed to all addresses within the city limits and is printed in both English and Spanish to better reach all members of our community. Event flyers are also printed in English and Spanish.

Cornelius has a bright future as a well-managed, transparent, and service-oriented public agency.