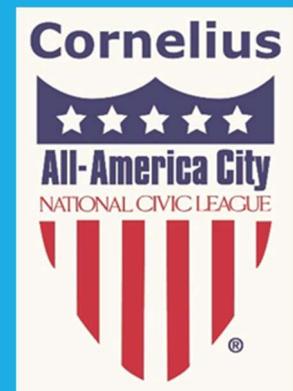
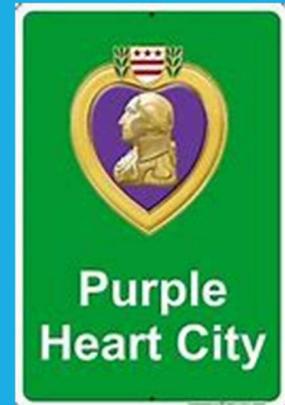


Cornelius

Oregon's Family Town

Budget in Brief

Fiscal Year 2025-2026



City of Cornelius, Oregon

A Little Cornelius History

Cornelius sits on land that was historically occupied by the Tualatin Kalapuya, or Atfalati (*ah-TFAL-uh-tee*) people. The Atfalati lived throughout the Tualatin River watershed and their territory included the modern towns of Cornelius, Forest Grove, Gaston, Hillsboro, North Plains, Beaverton, Tigard, Tualatin, and Sherwood, and current unincorporated areas of Washington and Yamhill counties. The Atfalati were one branch of the Kalapuya tribes and spoke the northernmost dialect of the Kalapuyan languages. Starting in about the 1850's, diseases introduced by newcomers to the territory devastated the Atfalati, and roughly 65 survived as of 1855. In 1856 a treaty required that the Atfalati be removed to a reservation established at Grand Ronde.

In the mid-1800's, as European newcomers to the Tualatin Valley continued to arrive in greater numbers due to the new railroad, T.R. Cornelius settled in the Valley. He enlisted with the Washington County Volunteer army, and after leaving for California and the gold rush Cornelius returned to his 1,300-acre farm in present-day Cornelius in 1871. Over time he built many structures and businesses, including a warehouse that became a boon to the farmers in the area. Later through common consent of the townsfolk the city was named after T.R. Cornelius in honor of his many contributions to the development of the community.

Cornelius was incorporated in the Spring of 1893, with the first Council meeting held on May 5 of that year. The officers of the Council included the Mayor, four Councilmen, Treasurer, Recorder and Marshall. All original members initially served without pay until the first paid staff position was established in the same year with a \$2.50 per month salary for the Marshall, who patrolled until 9:00pm and looked after two jail cells and their prisoners. The town's population was 400 in 1898, and it is now 14,389 as of July 2022.

Due in large part to the Federal Braceros program during World War II, which conscripted agricultural labor during the war effort, over 15,000 laborers from Mexico came to Oregon between 1942 and 1947. Though not the first Latinos in Oregon, they represented a foundation of Latino families in Oregon and in Cornelius. Today, more than 50% of Cornelius community members identify as Latino.

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

Certain services are provided by or in cooperation with partner organizations. The City owns the water distribution system and purchases water from the city of Hillsboro. Cornelius owns and operates sanitary sewer and storm water collection facilities; treatment is by Clean Water Services. Electricity, natural gas service, and trash collection are provided by private businesses. Cornelius is served by two school districts, Forest Grove School District and Hillsboro School District.

Dear Community Members

Dear Cornelius Community Members,

One of the most important responsibilities we have as public officials is careful stewardship of the City of Cornelius’s financial resources. We take this duty seriously and strive to provide information about the budget in user friendly, easy to understand formats. We are proud to offer this Budget-In-Brief.

The budget is the roadmap we use to provide public services in Cornelius as cost-effectively as possible. From turning on your water faucet to driving on public streets, playing in the parks, or relying on police officers and firefighters to stay safe, municipal services touch our lives every day.

Our 2025-2026 City Budget represents input from elected leadership, the Budget Committee, and our professional staff. The end result of the collaborative budget process is a document that represents the priorities of our community.

For a more detailed look at the City’s budget, please visit the city website www.corneliusor.gov or stop by City Hall or the Library to view a hard copy.



Peter Brandom

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Budget Message

This last year continued to see change and lots of activity for both the City and community. As we experienced some major leadership transitions, our team continued to accomplish a great deal. Our team ethic – to get the job done well – makes me proud to lead this organization. Our conservative spending has allowed us to address one key staff aspect, as we have brought on a full time, dedicated Fire Chief, which we have not had in nearly 15 years. Also, the replacement local option levy for the Fire Department allowed us to add three new firefighter positions, which were desperately needed. Our budgeting approach has also allowed us to escape the budget challenges that some of our partner agencies have experienced recently.

Our future success is only possible with the selfless leadership of our Mayor and City Council, and the many members of our volunteer boards and commissions. We plan to honor them again this year with a Spring dinner. I often say it is a lot to ask of anyone, with all of our busy lives and important commitments, and we are immensely grateful for their sacrifice to lead us. In order to broaden volunteer civic leadership in the organization and community, we are in the midst of our first Civic Leadership Academy, with three enthusiastic and dedicated community members. I hope that this program will provide a venue for community members from all cultures and lived experiences to engage with and volunteer as a City leader over the coming years.

Our budget baseline continues to be limited spending, beyond increases which we cannot control. We closely scrutinize any new expense, and we continue to explore opportunity for new revenue sources.

It is an honor and privilege to support a team of employees who care so deeply about their role and this community. Their dedication and humility are humbling, and I strive every day to emulate and support it.

The FY 2025-2026 budget will continue to support core City services, address City Council priorities, support existing and new long-range plans, implement needed infrastructure projects, and provide for unanticipated opportunities. We will continue to focus on public safety, road and infrastructure maintenance, parks and park amenities, and library services. The budget contains \$38.7 million in recommended funding for core services, including \$13.3 million for the General Fund. The balance is in enterprise funds, which are restricted by utility rules, state statutes, bond covenants or constitutional limitations that require expenditure only on uses related directly to that particular source of income. The General Fund includes funding for the City Manager's Office, Police and Fire, Public Works (including Parks and Engineering), Library, Municipal Court, Community Development, and Economic Development. The General Fund is about 34% of the total budget and funds more than 50% of City employees (other sources include the Fire local option levy and Washington County Cooperative Library Services (WCCLS).

Continued major increases in personnel costs, and to a lesser extent materials and services (M&S), have impacted the General Fund budget. Those cost increases continue to outpace revenues, and out-year projections show continued decline in General Fund reserves. We remain very mindful of the need to consider future impacts to the General Fund with decisions that we make today.

As the pace of new residential development in the Laurel Woods neighborhood begins to slow next year, we anticipate some new, substantial multi-family and commercial developments. With that, our staff will be busy with the associated development review and permitting processes, and infrastructure development and maintenance. Some of the major developments that we are likely to see during the next year:

- Nearly 380-unit multi-family development just east of Fred Meyer;
- Wendy's and Chipotle construction at Baseline and 26th Ave;
- U-Haul storage and services at the former Murphy's Furniture site; and
- Chick-fil-A construction at Baseline and 4th Ave.

Budget Message

The City has, thanks to the vision of prior leadership, engaged in public/private community redevelopment opportunities that represent longtime community aspirations. Specifically, the vision to establish the City's Urban Renewal Plan in 2019 is the key factor that allows for these transformative projects. They include:

- The former Estby gas station property, long blighted, at the corner of Baseline and 10th Ave, which the City acquired in January;
- The former Hanks and Grande Foods shopping center in the Town Center, which the City is under contract to acquire in May; and
- The soon-to-be former Cornelius Elementary School gym and cafeteria building, which is planned for our first Community and Recreation Center.

We plan to acquire the elementary school building later in 2025, and will continue to seek funding to renovate/retrofit the building for its new use as a community center. As the new elementary school building is finished for the beginning of the Fall school start, the old school will be removed in summer 2025, while the east side of 14th Avenue is rebuilt with angled parking.

City staff are consulting experts in bond funding, and the details of funding these projects are not yet complete. Therefore, this budget does not yet include all the funding for them, and staff will propose a supplemental budget when details are known. The good news is that the urban renewal fund has capacity to pay for the debt service on these projects, allowing us to avoid burdening the general fund.

Some major infrastructure projects are proposed for this coming year, including the long-awaited Laurel Woods bridge, completion of sidewalks on North Davis street, and design of the rebuild of N. 20th Avenue from Adair to Council Creek, part of the Washington County Major Streets Transportation Improvement Program (MSTIP). Other major improvements will take place along with new developments that require them.

We will implement our new community vision plan, Cornelius 2045, starting this year, and will implement our new 2025-2028 internal Strategic Plan. We will develop a City facilities conditions assessment and master plan, so we can adequately budget for the future maintenance of our buildings.

We are grateful for the once-in-a-lifetime American Rescue Plan Act (ARPA) funding that we have fully allocated. The positive impact to both community and organization has been major. Some of the remaining investments with the grant including our new fire engine, to be delivered this summer, a local business support center in our Library, hosted by the Chamber of Commerce, and a comprehensive communications plan.

The City continues a contract with Washington County for Police services. Our dedicated team of deputies handle the most difficult public safety incidents in our community, and we are grateful to them.

Our Capital Improvement Program (CIP) allows the City to save for larger expenditures, like fleet vehicles and equipment. Maintaining the CIP is crucial to ensure that we can purchase and replacement needed capital equipment, and to plan for infrastructure projects.

Budget Message

The Cornelius Library continues to serve the community as a key gathering space and source of access to information. The Library is open seven days a week for a total of 54 hours. Roughly 60% of Library funding is provided by the City General Fund, with the remaining 40% coming from the WCCLS. WCCLS is facilitating a major study to assess funding across the cooperative, as they plan for a replacement library levy in the Fall of 2026.

Utilities costs are projected to continue to rise due to cost increases passed through from our partner agencies and general personnel and other cost increases. We continue to purchase our water wholesale from Hillsboro, which we have since 1941. Wastewater services are provided by Clean Water Services. Rates for all utilities continue to increase, some substantially, with cumulative impacts on community members.

The City contributes a significant amount of discretionary funding to community nonprofit and advocacy groups. We have rebalanced some of these contributions, with a net decreased, and plan to develop a general basis justification and guidance for to whom and how these contributions are made.

Formation of the City budget is very much a team effort, led by our Assistant City Manager – Business Operations Ellie Jones. My sincere thanks to Ellie for her guidance, expertise, and effort, and to our Senior Leadership Team and all staff who support its development. The proposed budget responds to the City's goals while accounting for available resources, today and in the future.

We deeply appreciate you, Budget Committee members, as you volunteer your time and make sacrifices to ensure that we operate our City responsibly. Perhaps more than anyone, we are in your debt. Thank you.

I continue to see great opportunity for Cornelius, and the challenge to maintain what makes Cornelius special while evolving with changes in society and our region. I am grateful to be a part of this journey, and welcome all who wish to reach out to the City to share your opinions and passions. Together we can ensure that we build a Cornelius where people want to live, work and play.

Peter Brandom

City Manager and Budget Officer

The Budget Process

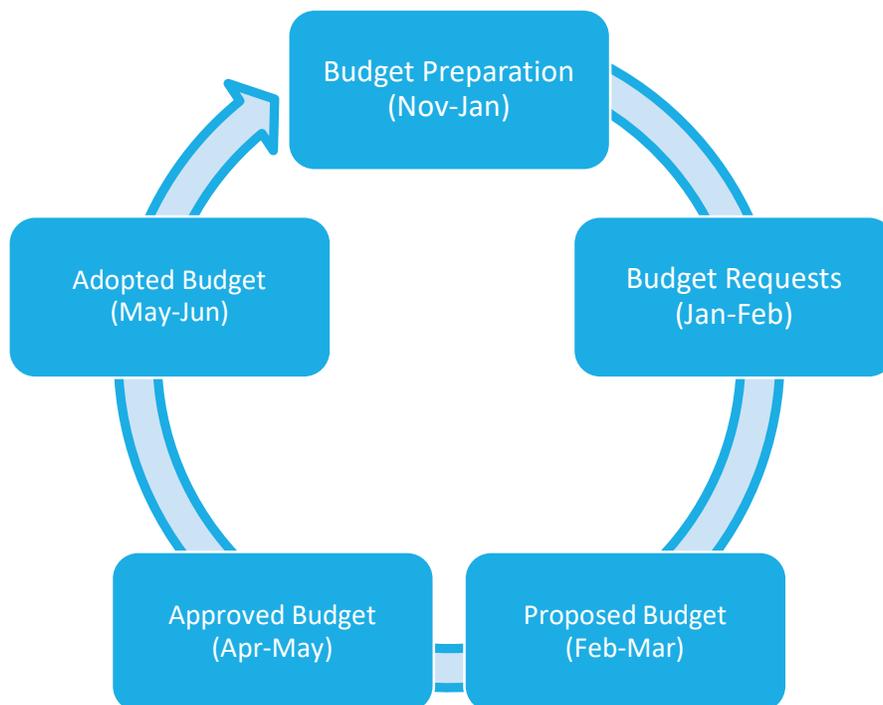
A budget as defined by Oregon State Law (Oregon Revised Statutes (ORS), Chapter 294), is a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. The City is required to budget all funds and for each fund to have a balanced budget. The State of Oregon defines balanced budgets as one in which total resources, including beginning resources, current resources and debt proceeds, equal total requirements, including current year expenditures, capital outlay, transfers, debt service and any other requirements such as debt service reserves.

As a rule, local governments in Oregon operate on a fiscal year that begins on July 1 and ends the following June 30. Cornelius' budget operates on this schedule. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also under ORS, a legally adopted budget is necessary to establish and justify a given rate and or amount of property taxes to be levied on the property within the city.

The City of Cornelius' budget will accomplish each of the four major purposes of Oregon Local Budget Law (ORS 294.305 – 294.555 and 294.565) including:

- Establish standard financial procedures
- Outline programs and services in conjunction with the fiscal policy and implement those policies
- Provide methods of estimating revenue, expenditures, and proposed tax levies
- Encourage public involvement in the budgeting process before budget adoption

Cornelius prepares and adopts its annual budget in accordance with the City Charter, Oregon Law and the Government Finance Officers Association budget guidelines.



Budget Committee

The Budget Committee is composed of the Mayor, City Councilors, and five citizen members appointed by the governing board.

The appointed members:

- Must live in the City of Cornelius,
- Must be a registered voter,
- Cannot be officers, agents, or employees of the local government,
- Serve three-year terms that are staggered so that approximately one-third of the terms end each year, and
- Can be spouses of officers, agents, or employees of the Municipality.

Cornelius Mayor and City Council



Jef Dalin
Mayor



Angeles Godinez
Council President



John Colgan
Councilor



Gregory Vaughn
Councilor



Eden Lopez
Councilor

Volunteer Citizens

Andrew Dudley

Dave Waffle

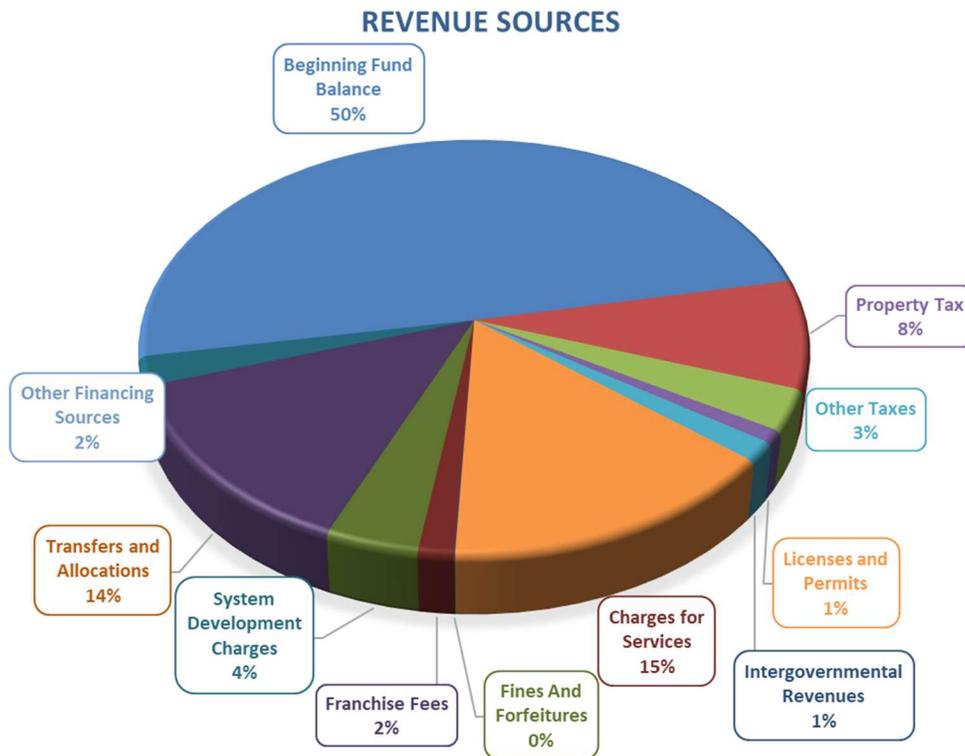
Debbie Suchan

Vacant

Vacant

Where the Money Comes From

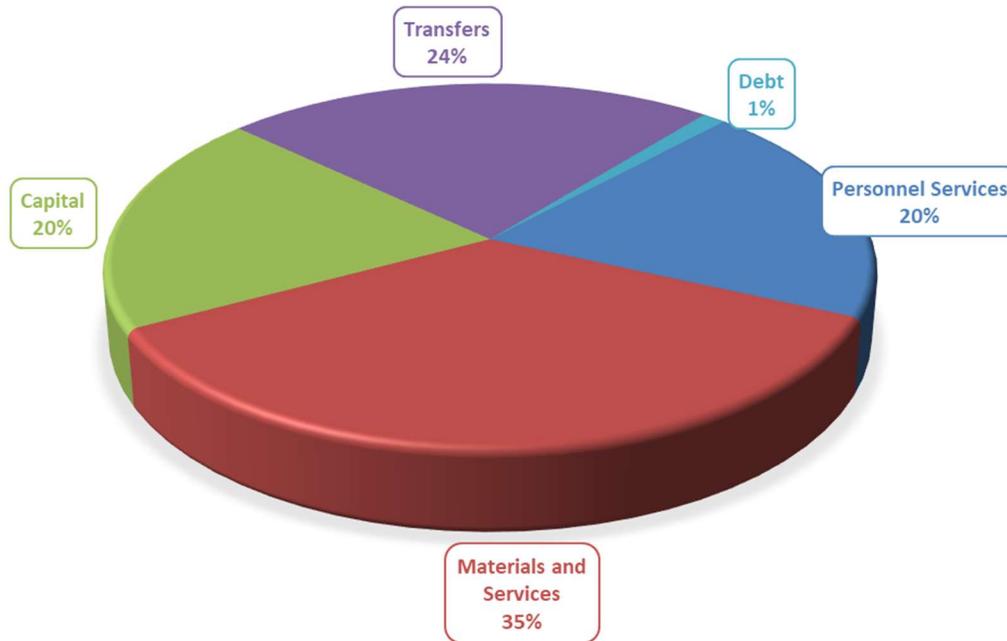
Resources of All Funds Combined by Category				
	2022-2023 Actual	2023-2024 Actual	2024-2025 Budget	2025-2026 Budget
Beginning Fund Balance	27,945,272	33,385,078	33,730,249	33,778,654
	-			
Revenues:	-			
Property Tax	4,103,400	4,374,004	5,315,000	5,777,882
Other Taxes	2,129,035	2,179,242	2,022,800	2,175,200
Licenses and Permits	1,091,744	1,166,172	2,797,542	656,672
Intergovernmental Revenues	806,219	938,484	978,238	1,027,377
Charges for Services	8,879,187	9,237,948	9,615,260	10,117,454
Fines And Forfeitures	43,862	34,652	37,000	34,000
Franchise Fees	984,583	1,049,582	992,043	1,044,152
System Development Charges	3,202,429	3,839,972	12,637,369	2,743,888
Transfers and Allocations	3,695,568	4,923,780	8,182,766	9,235,937
Other Financing Sources	2,613,981	3,236,138	1,357,832	1,530,403
Total Revenue	55,495,280	64,365,052	77,666,099	68,121,619



Where the Money Goes

Expenditures of All Funds Combined by Category				
	2022-2023 Actual	2023-2024 Actual	2024-2025 Budget	2025-2026 Budget
Expenditures:				
Personnel Services	5,308,101	5,947,067	7,249,583	7,698,326
Materials and Services	11,354,285	11,895,855	15,324,295	13,735,787
Capital	1,589,359	7,705,210	10,281,298	7,681,832
Transfers	3,695,569	4,923,781	8,182,766	9,235,937
Debt	162,888	162,888	162,890	442,391
Other	-	-	-	-
Total Expenditures	22,110,202	30,634,801	41,200,832	38,794,273
Ending Fund Balance	33,385,078	33,730,251	36,465,267	29,327,346

EXPENDITURES BY CATEGORY



General Fund

General Fund Financing Sources Summary				
	2022-2023	2023-2024	2024-2025	2025-2026
	Actual	Actual	Budget	Budget
Beginning Fund Balance	4,376,519	6,629,453	5,509,033	3,999,593
Revenues:				
Property Tax	4,103,400	4,374,004	5,315,000	5,777,882
Other Taxes	529,628	526,574	486,800	504,800
Licenses Fees and Permits	797,688	934,271	2,586,267	531,957
Intergovernmental Revenues	781,799	911,186	965,479	1,014,625
Charges for Services	772,542	824,558	848,000	908,000
Fines And Forfeitures	43,862	34,652	37,000	34,000
Franchise Fees	984,583	1,049,582	992,043	1,044,152
System Development Charges			-	-
Transfers and Allocations	831,243	457,269	1,938,824	1,819,082
Other Financing Sources	1,813,289	561,490	549,272	583,843
Total Revenue	15,034,553	16,303,039	19,227,718	16,217,934
Expenditures:				
Personnel Services	3,106,601	3,500,084	4,450,990	4,871,707
Materials and Services	4,001,580	4,555,509	5,943,691	5,160,712
Capital	536,158	1,749,996	3,939,100	1,695,832
Transfers	734,200	961,857	1,254,419	1,289,903
Debt	26,561	26,561	26,562	306,062
Other				
Total Expenditures	8,405,100	10,794,007	15,614,762	13,324,216
Ending Fund Balance	6,629,453	5,509,032	3,612,956	2,893,718

Notes:

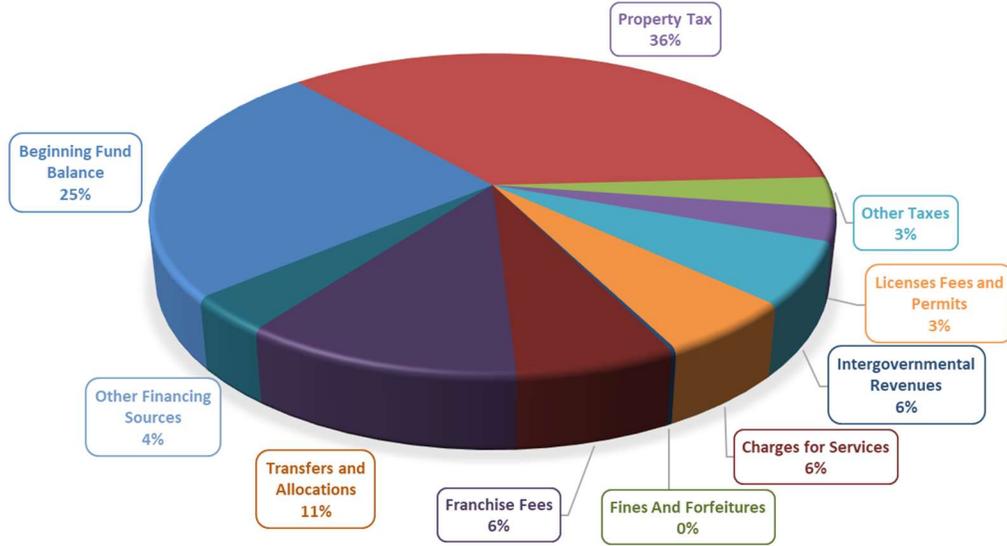
Property Taxes account for 36% of the General Fund revenue in the Fiscal Year 2025-2026 General Fund Budget.

Police services are contracted with Washington County Sheriff's office. These expenses are reflected in Materials and Services.

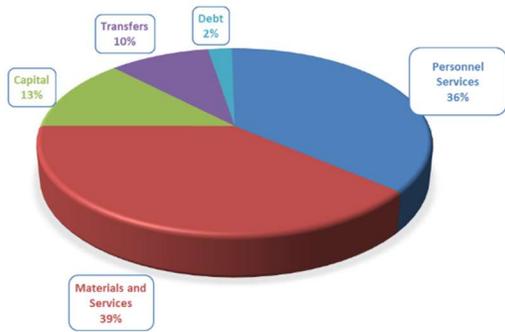
Licenses, Fees, and Permit revenue is anticipated to decrease for FY2025-2026 as we anticipate construction to slow down. This also causes a decrease to Materials and Services expense for pass through related costs. Capital project expenses increased for Parks projects funded with Transfers in from Parks System Development Charges (SDCs).

General Fund

General Fund Revenue by Category



Expenditures by Category



Expenditures by Category

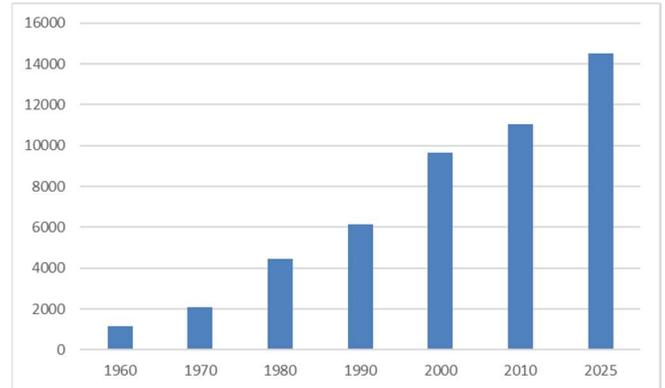


Quick Facts

Population

2025	14,490
2010	11,020
2000	9,652
1990	6,148
1980	4,462
1970	2,106
1960	1,146

Population Growth



City Tax Rate

\$3.9836 per \$1,000 assessed valuation

5-Year Fire Local Operating Levy

\$1.4610 per \$1,000 assessed valuation

Land Area and Zoning

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

Workforce by Industry

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

Capital Improvement Program

Capital Expenditures include all anticipated expenditures for individual items with a cost greater than \$5,000 and a useful life expectation of one year or more. Purchases that do not fit this description are not considered Capital Outlay items.

- The Capital Improvement Program (CIP) consists of a list of future facilities and infrastructure construction projects, major repair or facilities maintenance projects.
- Facilities include any structures or properties owned by the city, the land upon which the facility is situated for the provision of city services, and the initial furniture, fixtures, equipment and apparatus necessary to put the facility in service. Facilities include, but are not limited to the following: administrative offices, parks, service centers, and storage yards, recreation centers, libraries and water and sewer related structures.
- Infrastructure includes permanently installed facilities, generally placed underground or at-grade, which form the basis for provision of city services. Typically included are thoroughfares, bike paths, sidewalks, bridges, water and sewer lines, and storm lines.
- Equipment used in performing city business. This includes, but is not limited to police cars, fire trucks, street sweepers, sewer vacuum trucks and vehicles for administrative use.

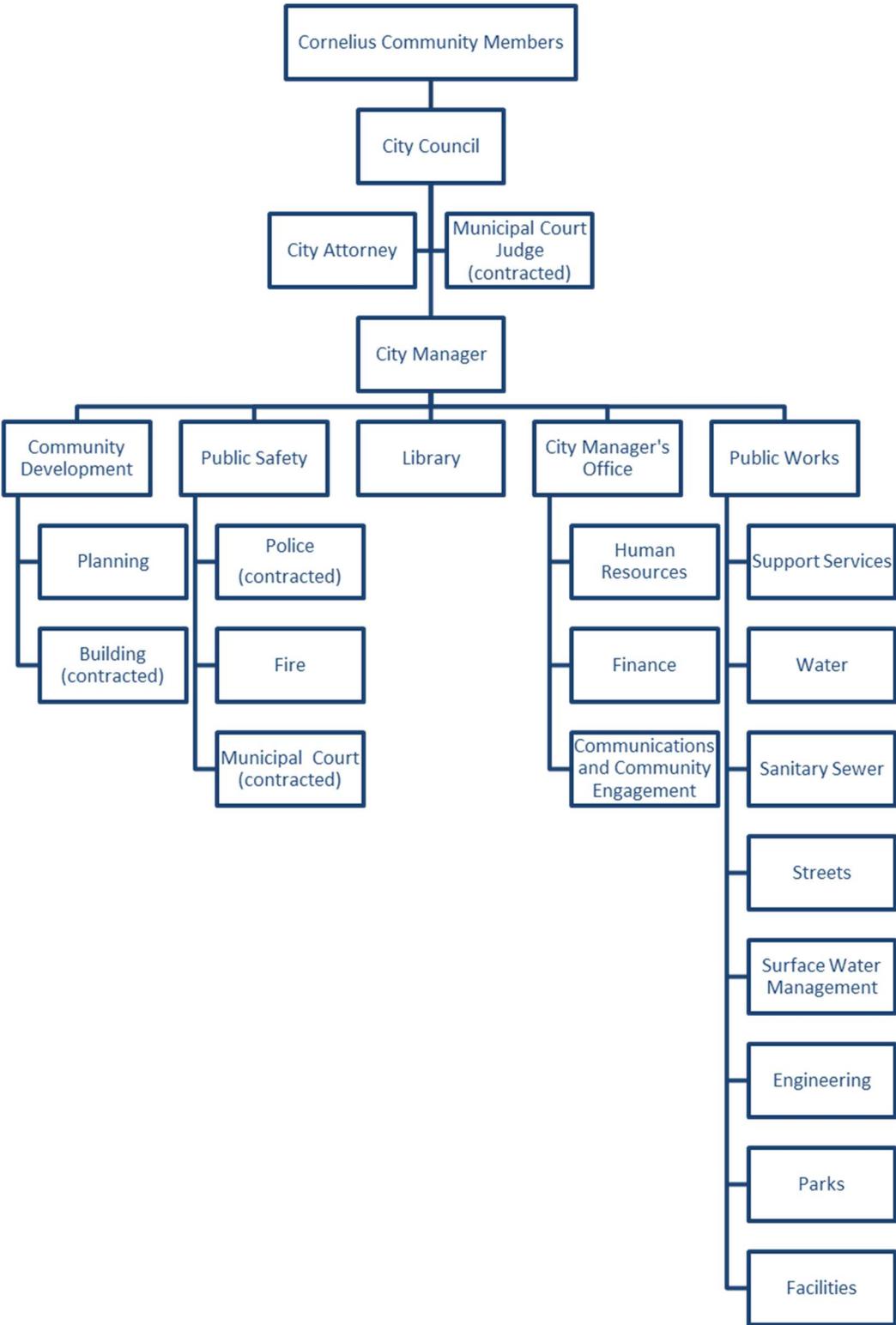
This year \$7,681,832 in capital expenditures is budgeted. This equates to 20% of the overall budget, excluding the fund balances. The details of these projects can be found in the Capital section of this budget document.

Capital Budget by Fund

General Fund (Fire)	\$54,000
General Fund (Parks).....	\$1,615,832
Internal Services Fund (Facilities)	\$299,000
Surface Water Management Fund.....	\$51,000
Water Fund	\$926,000
Sanitary Sewer Fund	\$66,000
Street Fund.....	\$4,644,000
ARPA Funded.....	\$26,000

For more details regarding the Capital Improvement Program please refer to the CIP section of the City Budget document. This can be found on our website www.corneliusor.gov .

Organizational Chart



Frequently Asked Questions

What do my property taxes pay for?

Property Taxes pay for services such as public safety, planning, and parks. The services are not fully funded by property taxes; the balance comes from other money the city receives, such as fees and charges for services.

How do the City Council and Budget Committee prioritize which services and capital projects will be funded?

The budget is developed based on the City's prioritization process of General Fund services, Council and Budget Committee discussions, citizen input, Council goal setting, and sound based business practices. Individual capital projects are selected based on prioritized criteria from the 5-year CIP developed to meet community needs and mirror plans adopted by City Council.

How are capital improvement projects funded?

Capital projects are funded through grants, system development charges, and user fees.

When I pay my utility bill, what is the money used for?

The utility bill covers three utility services; Water, Wastewater, and Storm water. The money collected from these bills pays for delivering safe water to homes, taking away and treating the waste from drains and toilets and managing the impact of rainwater runoff to mitigate flooding. The utility bill also includes a General Service Fee which helps pay for city services within the General Fund; including Police, Fire, Library and Parks services.

Why can't money be moved to where it is most needed?

Dedicated funds are legally restricted to specific expenditures. Each fund is used to account for specific transactions that act as control mechanisms to ensure money is being spent for the authorized purpose for which it is collected.

How can citizens participate in the budget process?

The budget process benefits from citizen participation, and in fact Oregon budget law requires budget committee meetings to be open for public comment. Citizen input is the foundation of Cornelius' budget development. Each year the City creates ways to gather input and encourage participation of residents in the budget development process. Citizens can attend budget committee meetings, typically held in April and May. Contact Cornelius' City Hall office for budget participation opportunities. *Contact info located on the last page of this document.*

Glossary

Budget Committee – Cornelius’ budget reviewing board, consisting of the Mayor, four City Council members, and five citizens who are appointed by the City Council. The Budget Committee has the legal authority to change any portion of the proposed budget and is responsible to pass the City’s approved budget after a series of budget deliberation meetings and public hearings.

Capital Improvement Program (CIP) – A plan for capital expenditures estimated for each year for a period of five years. It identifies each capital project, its expected beginning date, the amount and type of expenditure in each year, and the method for financing those expenditures.

Contingency – An appropriation within a fund to cover unforeseen events which occur during the budget year. City Council must authorize requests for the use of contingency appropriations.

Debt Service – Annual payment of principal and interest on the City’s debt.

Franchise Fees – Franchise fees are paid to use the public right-of-way to operate a utility within Cornelius. The majority of these fees go into the General Fund and help pay for Police, Fire, and Community Development.

Intergovernmental Revenue – Fees collected from other jurisdictions such as state shared revenue from cigarette, liquor, and gas tax.

Licenses and Permits – Fees collected from businesses for licenses to operate within the city limits.

Service Prioritization – A process used for ranking General Fund services in order of importance to the community. The results are used to allocate available revenue for payment of those services.

System Development Charges (SDCs) – A one-time fee that all new residential and commercial development pays for the growth impact on City infrastructure. SDCs are a source of funding for new infrastructure such as streets, sanitary sewers, water systems, storm water drainage, and parks.

Unappropriated – An amount that is not available for spending in the current year. It is set aside in the budget to be used as a cash carryover to the following year to provide needed cash flow until other money is received.

City Directory

City Hall

1355 N Barlow Street
Cornelius, OR 97113
Phone: 503-357-9112
Fax: 503-357-7775

Library

1370 N Adair Street
Cornelius, OR 97113
Phone: 503-357-4093
Fax: 503-357-7775

Police

1311 N Barlow Street
Cornelius, OR 97113
Phone: 503-357-1881 (*Business*)
Phone: 503-629-0111 (*Non-Emergency*)
Fax: 503-357-7545

Fire

1355 N Barlow Street
Cornelius, OR 97113
Phone: 503-357-3840 (*Business*)
Phone: 503-629-0111 (*Non-Emergency*)
Fax: 503-357-7545

Public Works

1300 S Kodiak Circle
Cornelius, OR 97113
Phone: 503-357-3011
Fax: 503-357-3424

Community Development

1300 S Kodiak Circle
Cornelius, OR 97113
Phone: 503-357-3011
Fax: 503-357-3424

Volunteer Opportunities

Citizen volunteers play a huge role in City Government, staffing and overseeing commissions, committees and boards. Participating on a City board is a rewarding experience, providing an opportunity to share your time and talents. It also enables volunteers to become involved in their local government.

The City of Cornelius has seven advisory boards, committees and a decision-making commission appointed by the Mayor with the consent of the City Council. Citizens who serve perform a community service by using their skills, interest and initiatives to make a difference.

- **Budget Committee**
- **Economic Development Committee**
- **Library Advisory Board**
- **Planning Commission**
- **Police Advisory Board**
- **Public Infrastructure Advisory Board**
- **Youth Advisory Council**

Those interested in serving may request further information by calling the City Recorder at 503-357-9112. Applications are available at City Hall or online at www.corneliusor.gov.

All City departments receive their mail at City Hall: 1355 N Barlow Street, Cornelius, OR 97113