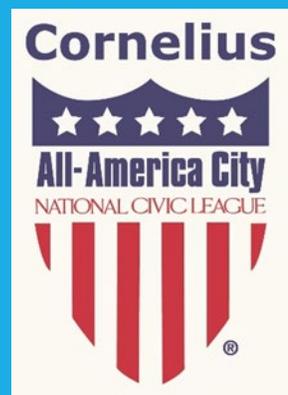


Cornelius

Oregon's Family Town

Budget in Brief

Fiscal Year 2022-2023



City of Cornelius, Oregon



A Little Cornelius History.....

The history of Cornelius began before the incorporation of the City. Like many western towns Cornelius came into existence with the arrival of the railroad. Settlers faced the challenges of the Oregon Trail to get here.

One of the successful settlers was T.R. Cornelius, who settled in the Tualatin Valley. After receiving news of the Whitman massacre Cornelius enlisted with the Washington County Volunteers and fought in five battles. Once the need for volunteers lessened he followed the gold rush to California.

Upon returning to Oregon, Sgt. Cornelius was elected Captain, at the retirement of Col. Nesmith; Capt. Cornelius was elected Colonel of Washington County Company D. After the Indian War of 1855-56 Col. Cornelius served 20 years in the Territorial Legislature. He then returned to his 1300-acre farm in 1871, and over time built a grain warehouse, creamery, two sawmills, a grocery store, several houses and barns over a wide area.

During the same period Ben Holladay built a railroad depot that housed the post office and a telegraph office in an area called Free Orchards. Cornelius' warehouse became a boon to the farmers in the area. Soon lines of wagons formed, farmers often waited all day to unload grain to the warehouse for shipping. Later through common consent of the townsfolk the city was named after the prominent storeowner T. R. Cornelius in honor of the many contributions he made to the development of the community.

The City was incorporated in the spring of 1893. The first Council meeting was held May 5, 1893. The officers of the Council consisted of the Mayor, four Councilmen, the Treasurer, Recorder and Marshall. In the beginning all members served without pay, until first paid position was established in 1893 when the City Council paid the Marshal \$2.50 per month for patrolling until 9 pm, and looking after the 2 cell jail and prisoners. In 1898 the town was said to have a population of 400. Today the City continues to grow with an estimated population of 13,498 (as of July, 2021).

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 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 District.

Planning for future land uses, civic services, and infrastructure improvements is ongoing. Cornelius is in the Portland and Beaverton, Oregon - Vancouver, Washington metropolitan area. The economy of the metro area is broad and well diversified.



Dear Citizens

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 service 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 2022-2023 City Budget represents input and vision from the citizens, the Budget Committee, and the City Council. 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.ci.cornelius.or.us or stop by City Hall or the Library to view a hard copy.



Rob Drake
City Manager

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Budget Message

The past two years have been a challenge because of the COVID-19 pandemic. It has impacted families, businesses, schools and virtually much of what we do as a community. In spite of the pandemic, our community also showed resiliency and strength in coping!

I have just completed my tenth year of service and have appreciated being a member of this dynamic and successful team and community. The Mayor and City Council have provided positive, informed, responsive and friendly leadership. Our two newest City Councilors were elected in late 2020 and are quickly learning their positions and participating effectively in Cornelius. The public has responded in a positive way and supported new directions that involve more residents and provides new opportunities to celebrate our community. City staff members have provided strong individual leadership, continued quality services for the residents of Cornelius and provided efficient and effective use of revenues. A proactive, attentive and more positive era continues in the city!

The Mayor and Council have desired to involve citizens more through community events and engaging people directly in a two-way dialogue. Due to the pandemic, many community events had been curtailed due to the risk of spreading COVID-19. We expect to bring back community events for all residents during the Summer and Fall of 2022. New and continuing traditions that are likely to return will include the Annual Take Care of Cornelius Day community-wide clean-up, Holiday Tree Lighting, Spanish-speaking Town Hall meetings focused on policing, immigration and general issues, hanging flower baskets on Adair and Baseline Streets, Flicks in the Park in August, Concerts in the Park, National Night Out Against Crime, Chalk Art Event, Annual Thanksgiving Holiday Dinner in partnership with Centro Cultural and the Washington County Sheriff's Office, partnering with two veterans groups to co-host the Annual Veterans Day Celebration in Veterans Memorial Park, and communicating through multiple electronic medium including Facebook and more information being available on the City's website. We have continued with the English and Spanish versions of *The Gazette* in the monthly utility bills. According to the Census 2020 results, our community is 53% Latino and we strive to communicate and inform Spanish speakers through multiple means of communication and more personal contact.

The City continues to work with the business community to further support their efforts in promoting a stronger economic base and encouraging new business. We have supported efforts to improve and facilitate more positive development and construction processes as opposed to being viewed only as regulators. The City continues with active participation in the Forest Grove/Cornelius Chamber of Commerce, including the Mayor being an ex-officio member of the board. We have continued our participation in the regional Greater Portland, Inc. economic development organization and both the Mayor and City Manager regularly attend meetings and provide information and input. Our City continues to actively participate in northwest Oregon's Col-Pac economic development organization and Westside Economic Alliance (WEA).

These past seven years our reactivated Cornelius Economic Development Commission (EDC) has continued implementing the Economic Development Plan. It provides for actively promoting the City's business core and assets, including the City's active support of the business community and promoting opportunities for new industry and jobs. These past six-years the EDC and City Council adopted the results of the Economic Opportunity Analysis (EOA) Grant that was funded by our regional government Metro. The EOA fully evaluated potential growth and business development opportunities in our downtown, including recommending the City forming an Urban Renewal District in the core area. As an extension of the EOA recommendation, the City applied for and received a \$315,000 Metro 2040 Grant to implement an Urban Renewal District, analyze and modify the current downtown zoning, and providing development options for two key downtown properties to be master-planned by the consultant team. The new Town Center Plan and Urban Renewal District formation were adopted in Summer 2019.



This upcoming budget cycle is the seventh-year we have a fully adopted Capital Improvement Program (CIP) that provides the information in full detail. This new budget is the fifth year that the City will include a 20-year outlook for key capital expenditure needs.

Residents supported the initial Fire Department Operating Levy in May 2015 with a 70.5% “yes” vote, which fully funded our Fire Department for the next five-year cycle and maintained two critically important paramedic positions to provide a 24-hr. paramedic response. In 2019, voters renewed the Fire Department Operating Levy with an 83.5% “yes” vote, again ensuring that Cornelius would have a more complete funding program for overall fire services.

This year’s budget contains \$42.9 million in recommended funding to provide responsive and efficient core services for Cornelius residents. The General Fund is \$10.2 million. The rest is in enterprise or “restricted funds” where utility rules, statutes, bond covenants or Constitutional limitations control the expenditure on activities not related to that particular source of income. For example, money from State, County or City fuel taxes can only be spent on streets, sidewalks and roads.

The General Fund includes funding for the City Council, Police and Fire Departments, Parks, Library, Engineering, Municipal Court and Community Development. The General Fund is about 23% of the total budget and contains more than 50% of the employees.

This year’s FY 2022-2023 budget is based on limited resources, potential impacts of the COVID-19 pandemic, and reflects the ability of our citizens and businesses to pay for services. The overall service levels will provide adequate coverage and focus on public safety, maintaining roads, providing safe and inviting park facilities, and maintaining library services. According to the annual Oregon Public Library Statistical Report, in the last ten years, the Cornelius City Library has continued to grow in use. Library materials circulation per capita has also risen. Currently, the new City Library is open seven days a week and will continue to do so with this proposed budget. Due to the opening of the new library, the FY 2019-2020 budget reflected an increase in new City Library FTEs. Funding from the WCCLS Budget (Washington County Cooperative Library Services) was increased to help cover these additional costs.

The proposed General Fund budget includes the City Council’s approval to continue to contract for police services with the Washington County Sheriff’s Office for at least another year. We are proposed and funded one additional deputy in the FY2021-2022 budget. As approved nine years ago, we continue to contract with the City of Forest Grove to manage our Municipal Court services. The two cities currently contract with the same part-time municipal judge and hold court in Forest Grove. Since the two cities adjoin one another, the traveling distance is minimal for Cornelius residents and non-residents who have received citations.

Development activity in the city has grown this past year and is expected to have continued growth and improvement in the coming years. Previously, there was very little undeveloped land in the city, but multiple new projects have moved forward for continued development this coming year. Several infill projects have been built out the last couple of years. In 2014, the Oregon Legislature approved a large Urban Growth Boundary (UGB) expansion contiguous and east of Cornelius. The City has annexed 138 acres of farm land that will support significant new housing choices in the City. The project’s development plans received City approval four years ago. The Laurel Woods project, which includes approximately 906 homes, began construction in 2018 and is scheduled for completion by the end of 2023. Much of the remaining vacant undeveloped industrial land was designated Shovel-Ready State Certified in FY2016-2017 for immediate development. To more effectively balance General Fund resources, nine years ago the City began contracting with the City of Forest Grove for Building Department services. We are very pleased with the work being done by the City of Forest Grove Building Department. The City’s Community Development Director, Senior Planner and City Engineer continue providing the remaining land use and engineering services.



The Budget Process

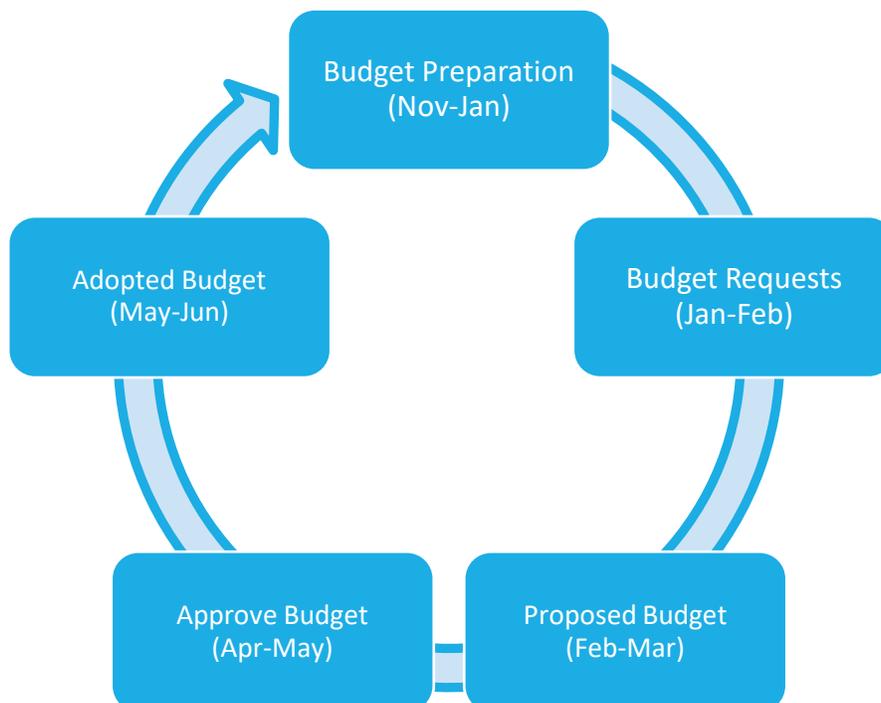
A budget as defined by Oregon State Law (Oregon Revised Statutes (ORS), Chapter 294), is a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. The City is required to budget all funds and for each fund to have a balanced budget. The 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



Luis Hernandez
Council President



John Colgan
Councilor



Doris Gonzalez
Councilor



Angeles Godinez
Councilor

Volunteer Citizens

Andrew Dudley

Dave Waffle

Brad Coffey

VACANT

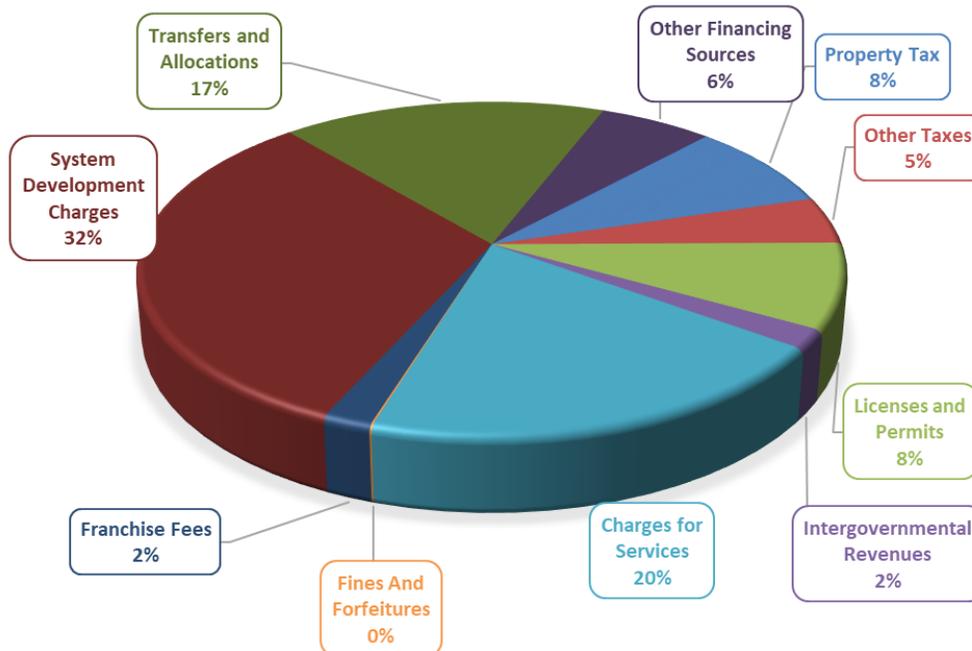
VACANT



Where the Money Comes From

Resources of All Funds Combined by Category				
	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Budget
Beginning Fund Balance	15,406,812	18,344,624	22,081,302	25,486,707
Revenues:				
Property Tax	3,185,125	3,399,056	3,402,850	3,680,000
Other Taxes	1,688,914	1,869,229	1,836,800	1,998,800
Licenses and Permits	1,553,824	2,342,237	2,009,345	3,631,935
Intergovernmental Revenues	3,770,207	755,629	813,168	811,591
Charges for Services	6,946,757	7,412,062	7,522,830	8,740,050
Fines And Forfeitures	48,975	46,981	35,000	37,000
Franchise Fees	770,937	796,864	791,521	859,383
System Development Charges	3,605,064	9,104,426	8,470,323	14,076,232
Transfers and Allocations	2,729,751	2,509,861	6,969,011	7,544,160
Other Financing Sources	1,151,043	1,012,314	2,430,112	2,648,165
Total Revenue	40,857,409	47,593,283	56,362,262	69,514,023

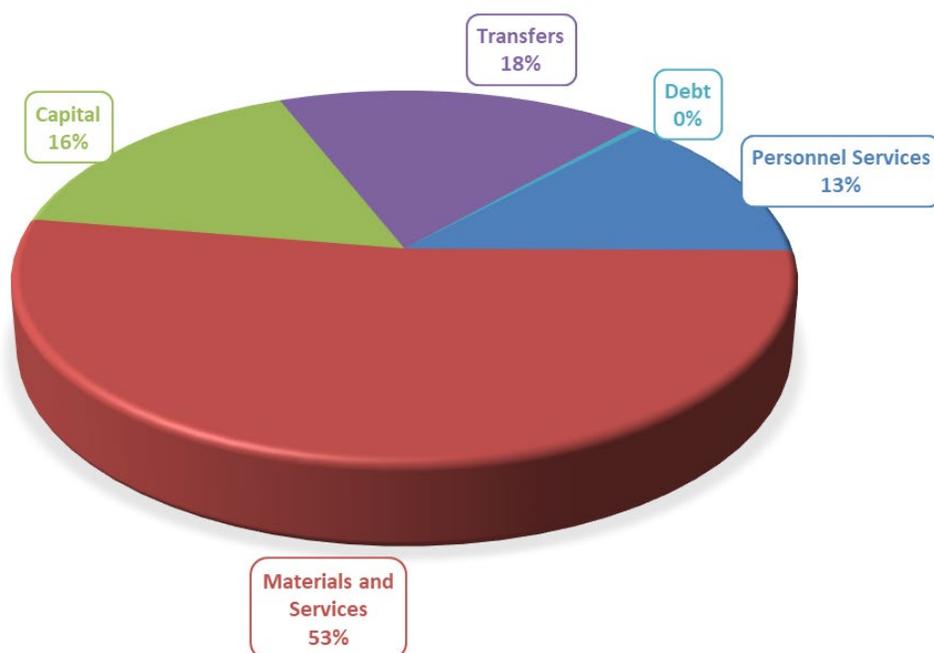
REVENUE SOURCES



Where the Money Goes

Expenditures of All Funds Combined by Category				
	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Budget
Expenditures:				
Personnel Services	4,698,145	4,778,489	5,476,711	5,676,235
Materials and Services	10,377,486	13,227,090	14,804,041	22,563,708
Capital	3,989,623	4,063,860	6,124,705	7,040,160
Transfers	2,729,751	2,509,861	6,969,011	7,544,160
Debt	717,779	932,685	482,941	162,891
Other	-	-	-	-
Total Expenditures	22,512,784	25,511,985	33,857,409	42,987,154
Ending Fund Balance	18,344,625	22,081,298	22,504,853	26,526,869

EXPENDITURES BY CATEGORY



General Fund

General Fund Financing Sources Summary				
	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Budget
Beginning Fund Balance	1,863,220	2,171,898	3,024,586	3,599,263
Revenues:				
Property Tax	3,185,125	3,399,056	3,402,850	3,680,000
Other Taxes	430,300	489,380	466,400	462,800
Licenses Fees and Permits	1,115,676	1,906,085	1,505,175	3,169,410
Intergovernmental Revenues	761,609	736,125	795,427	796,485
Charges for Services	647,224	672,365	690,000	750,000
Fines And Forfeitures	48,975	46,981	35,000	37,000
Franchise Fees	770,937	796,864	791,521	859,383
System Development Charges			-	-
Transfers and Allocations	370,677	403,940	1,722,268	545,581
Other Financing Sources	406,291	655,374	1,551,619	1,464,005
Total Revenue	9,600,034	11,278,068	13,984,846	15,363,927
Expenditures:				
Personnel Services	2,616,452	2,620,217	3,046,558	3,265,701
Materials and Services	3,606,270	4,270,780	5,912,727	6,015,618
Capital	139,400	240,122	1,381,805	195,260
Transfers	791,062	622,949	869,689	745,459
Debt	274,952	499,414	51,074	26,562
Other				
Total Expenditures	7,428,136	8,253,482	11,261,853	10,248,600
Ending Fund Balance	2,171,898	3,024,586	2,722,993	5,115,327

Notes:

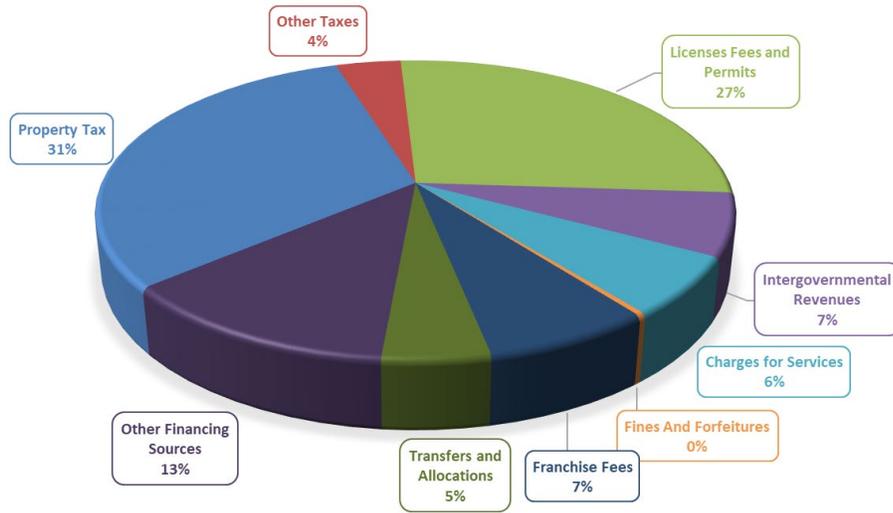
Property Taxes account for 31% of the General Fund revenue in the Fiscal Year 2022-2023 General Fund Budget.

Police services are contracted with Washington County Sheriff's office. The Cornelius Fire Chief is also contracted with neighboring City of Forest Grove. These expenses are reflected in Materials and Services.

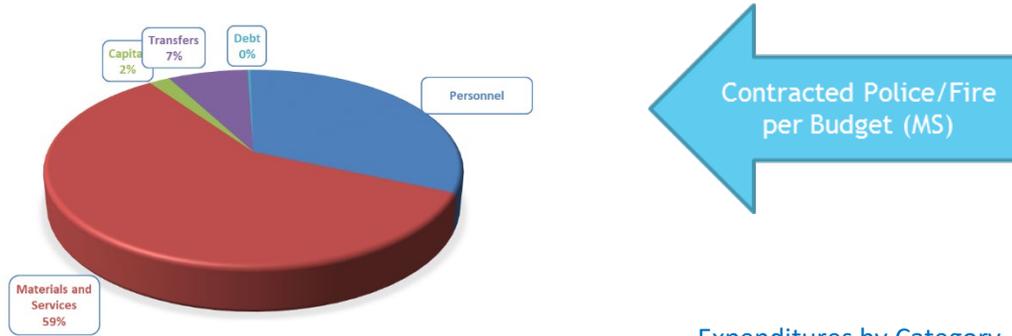
Licenses, Fees, and Permit revenue has anticipated a large increase the last few fiscal years due to new construction of multiple subdivisions throughout the City. This increased revenue also accounts for an increase in Materials and Services expense increases for pass through costs. Capital project expenses increased for Parks projects funded with Transfers in from Parks System Development Charges (SDCs)



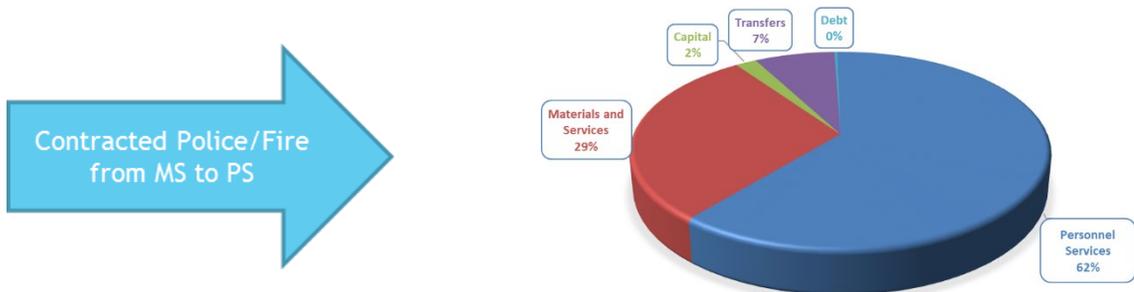
General Fund Revenue by Category



Expenditures by Category



Expenditures by Category



Quick Facts

Population

2022	13,498
2010	11,020
2000	9,652
1990	6,148
1980	4,462
1970	2,106
1960	1,146

City Tax Rate

\$3.9836 per \$1,000 assessed valuation

5-Year Fire Local Operating Levy

\$0.4870 per \$1,000 assessed valuation

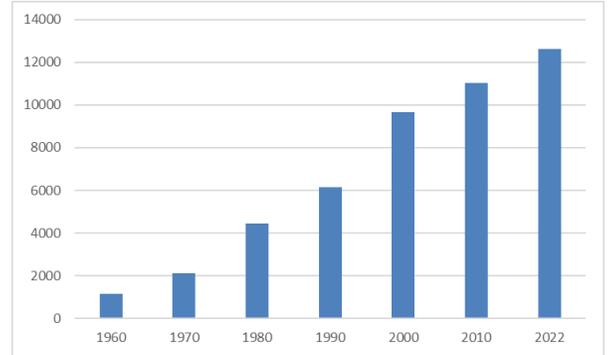
Land Area and Zoning

Total Area.....	2.34 square miles
Vacant Industrial.....	46.75 acres
Developed Industrial.....	113.02 acres
Vacant Commercial.....	217.40 acres
Developed Commercial.....	57.60 acres

Workforce by Industry

Manufacturing	23.4%
Trade (retail/wholesale)	13.1%
Agriculture	4.0%
Service.....	59.7%

Population Growth



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 \$7,040,160 in capital expenditures is budgeted. This equates to 16% of the overall budget, excluding the fund balances. The details of these projects can be found in the Capital section of this budget document.

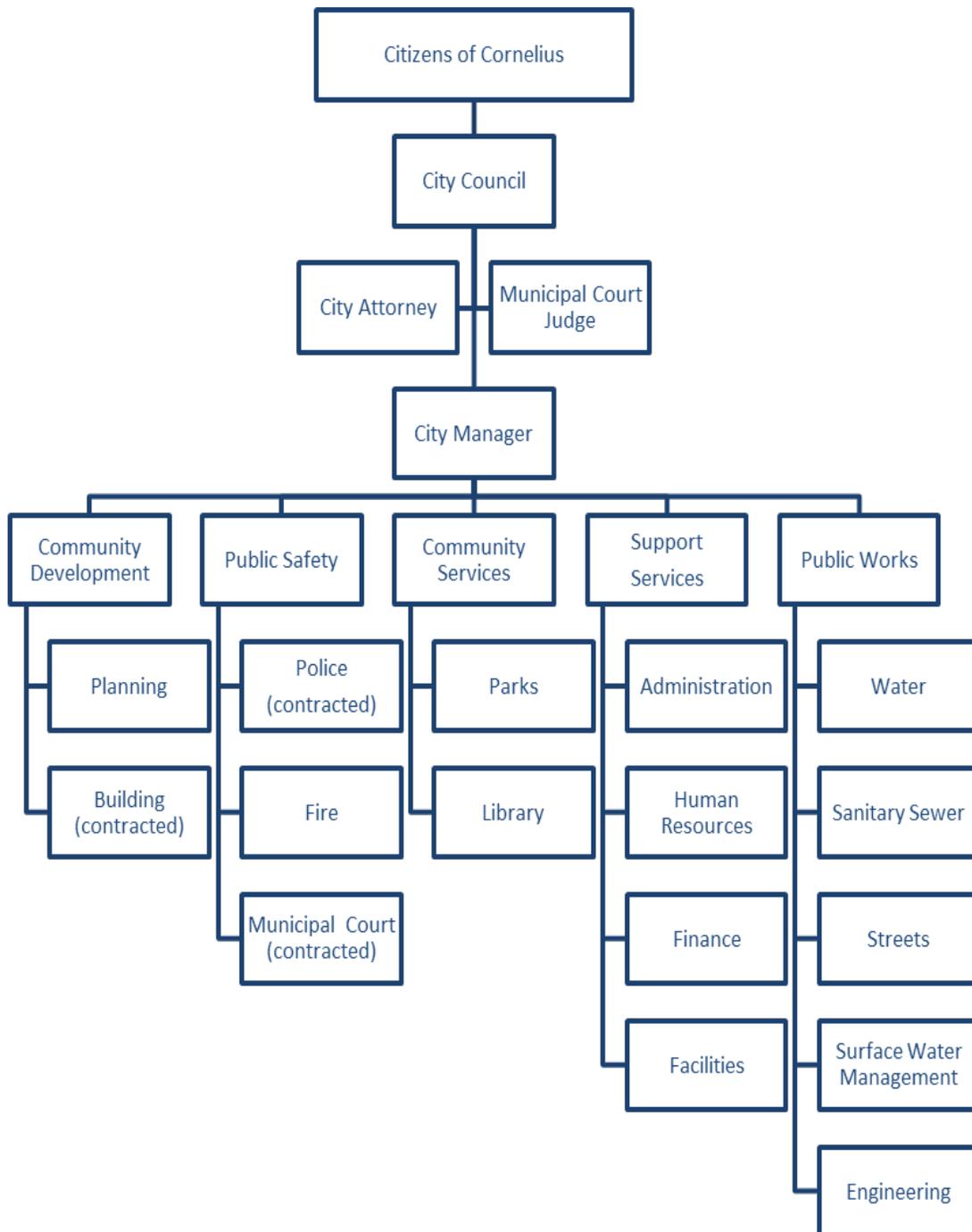
Capital Budget by Fund

General Fund (Community Development)	\$12,000
General Fund (Fire)	\$14,000
General Fund (Parks).....	\$169,260
Internal Services Fund (Facilities)	\$152,500
Surface Water Management Fund	\$261,000
Water Fund	\$703,000
Sanitary Sewer Fund	\$371,000
Street Fund.....	\$5,357,400

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.ci.cornelius.or.us .



Organization 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.**



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**
- **Parks Advisory Board**
- **Planning Commission**
- **Police Advisory Board**
- **Public Works 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.ci.cornelius.or.us.

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

