



City of Happy Valley Proposed Budget 2026-27





City of Happy Valley

Fiscal Year 2026 - 2027 Proposed Budget

BUDGET MESSAGE

City Manager's Message

Presented at Budget Committee Meeting

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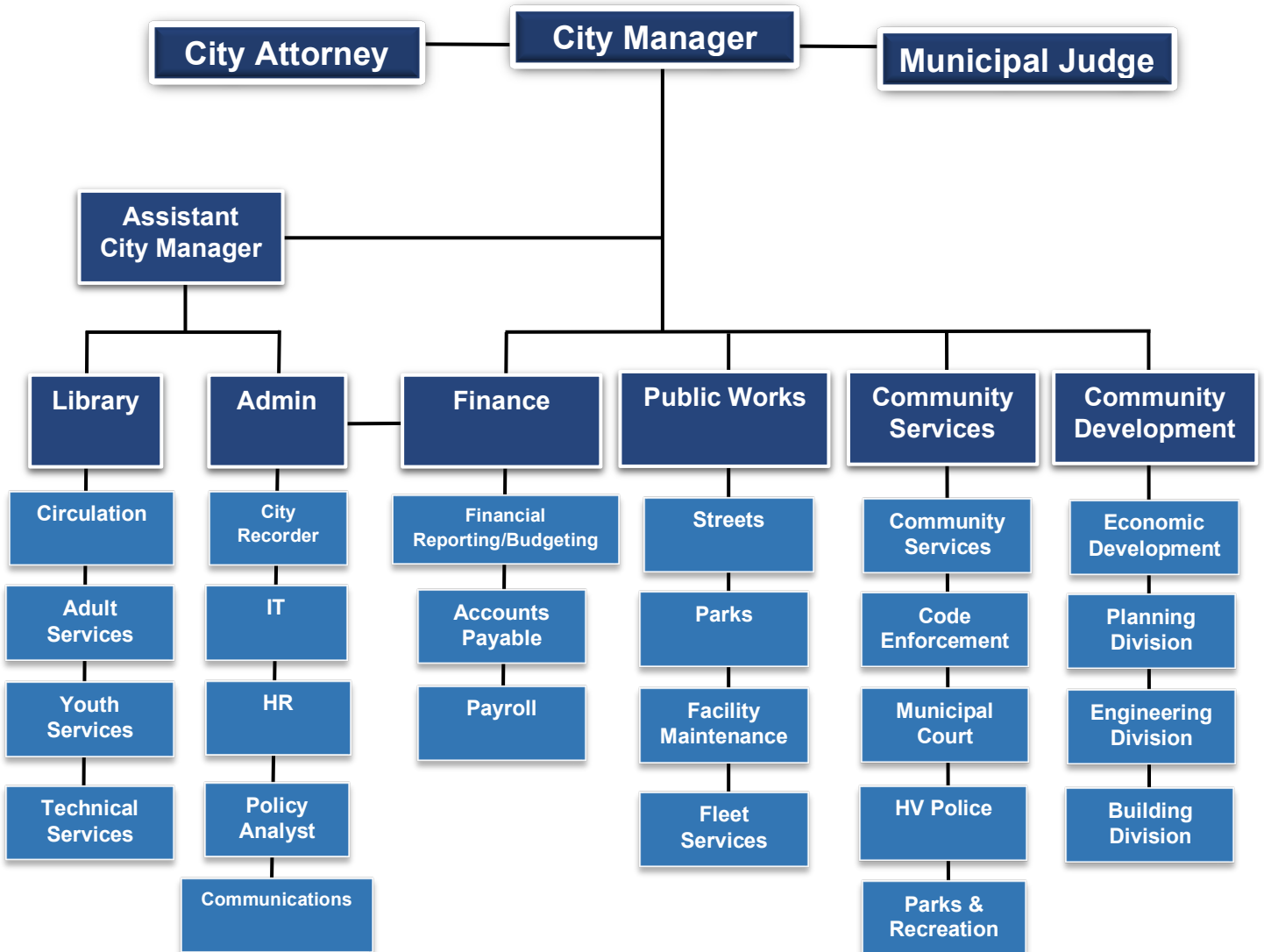
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Happy Valley Population 28,291

Citizens of Happy Valley



Mayor and Council





**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Budget Committee

Council Members

Tom Ellis – Mayor
Josh Callahan – Council President
Brett Sherman – Councilor
David Golobay – Councilor
Glen Wachter – Councilor

Citizen Members

Gerri Naumcheff
Gus Sackos
Sheila Ritz
David Emami



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Happy Valley
Oregon**

For the Fiscal Year Beginning

July 01, 2025

Christopher P. Morill

Executive Director



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Mission Statement

Preserve and enhance the safety, livability, and character of our community.

Citywide goals:

- Goal 1 Managed growth and economic development*
- Goal 2 Employee development in a quality work environment*
- Goal 3 A safe, livable community with a sense of pride and strong identity*
- Goal 4 Effective relationships with local, regional and state partners*
- Goal 5 Fiscal accountability*
- Goal 6 Environmentally sensible practices*
- Goal 7 Effective and efficient services*



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Happy Valley Overview

Happy Valley, Oregon is located in Clackamas County and is in the northwest corner of the state of Oregon. The city has a total area of approximately 11.6 square miles. It is a member of the Portland, Oregon metropolitan area bordering Portland on the southeast. The city is located within Clackamas County which is governed by a five-member board of commissioners. The city is included in several special districts governed by the Clackamas County Board of Commissioners. The city is also part of Metro, the regional government for the Portland metropolitan area. The city's interaction with Metro is in the areas of land use planning including the urban growth boundary, management of regional parks and natural area systems, and regional transportation systems.



Happy Valley includes beautiful parks, meandering trails, well maintained streets, safe neighborhoods, and attractive commercial centers, Happy Valley is a wonderful place to call home. Much of the look and feel of the city took decades of thoughtful planning and steadfast leadership to instill development standards that reflect the community values. Since its incorporation as a city, Happy Valley has grown from a rural area with a population of approximately 300 people to a thriving city of over 27,000 residents. Happy Valley is one of the fastest growing cities and has one of the highest median family incomes in Oregon. We are proud of our heritage and excited for the future ahead.

Happy Valley was organized in November of 1965, as a Council-Mayor form of government. From January 1991 to December 2000 the City operated under Ordinance 105 that created the position of City Administrator and operated under the Council-Administrator form of government. On November 7, 2000 voters approved a new charter now referred to as the 2000 Happy Valley Charter. The new charter created the position of City Manager and new form of government, Council-Manager. The City Manager is the administrative head of the city government.

Happy Valley is governed by the City Council, which is comprised of three City councilors, one Council president, and the Mayor. All councilors and the mayor serve four-year terms and are elected by the voters of Happy Valley in the general election in November. The City Manager is appointed by, reports to, and is responsible to the Mayor and City Council.

Councilor terms are staggered so term expiration occurs every two years. This assures the city has always at least two experienced Council members. The Happy Valley Council serves on a voluntary basis and dedicates a considerable amount of time in their involvement not only at Council meetings but also as representatives of the City in regional and statewide capacities. Council meets on the first and third Tuesday of each month at City Hall. Council meetings are recorded and available for viewing on the city's website: www.happyvalleyor.gov

The administration is committed to customer service, efficiency, and transparency. The City operates its own municipal court and provides street maintenance and operations, planning, engineering, building inspections, transportation planning, library, code enforcement, parks and recreation and community events. The City contracts with Clackamas County to provide police services funded by a local option levy first approved by the citizens in 2002 and passed again every five years up to 2024 (for fiscal years 2025-26 to 2029-30). Sewer, storm water management, water, K12 and community college, and fire and emergency services are provided by separate districts overlaying the City.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

The City received the Distinguished Budget Presentation Award for its 2025-26 annual budget from the GFOA, making this the 10th consecutive City budget document to receive this award. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a governmental entity, its finance staff, and its management. This international award program was first established in 1984 to encourage exemplary budgetary practices and to provide peer recognition for government finance officers who prepare budget documents. Budget proficiency is rated in four major categories: as a policy document, an operations guide, a financial plan, and a communications device.

We believe this budget document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. In addition to the budget award, the City received awards for its Annual Comprehensive Financial Reports (ACFR) almost continuously during recent fiscal years.

Budget Process

Happy Valley prepares and adopts an annual budget in accordance with ORS 294.305 through 294.565. The budget is presented by fund and department categories for the fiscal year. Over-expenditures in any category constitutes a violation of local budget law. Any unexpended budget appropriations lapse at the end of the fiscal year because the city does not employ an encumbrance system to encumber funds from one budget year to the next.

The Budget Committee for Happy Valley consists of the Council plus an equal number of legal voters who have resided in the city for at least a year. The citizen members are appointed by Council. Since Happy Valley has five councilors the Budget Committee consists of ten members, with the vote of each member being equal.

This committee is established in accordance with the provisions of Oregon Revised Statutes to review the City Manager's Proposed Budget document as prepared by the budget officer and to recommend a budget they approve to the Council for adoption. Terms for citizen members on the budget committee are three years. The City Recorder is the official record keeper for the committee, and the Finance Director is the staff liaison.

Budgeted appropriations may be transferred after adoption of the budget document using a budget resolution passed by Council. The budget may be amended during the fiscal year using a supplemental budget process as outlined in Oregon Revised Statutes governing local budget law. Supplemental budgets are adopted during a public hearing at a Council meeting and do not extend beyond the end of the fiscal year.

The City Manager is responsible for management of the overall budget and for maintaining budgetary control at the adopted appropriation level including any budget resolutions and supplemental budgets passed by Council. Ongoing review and monitoring of revenues and expenditures is performed by the Finance Department in collaboration with the respective department directors.





City of Happy Valley Fiscal Year 2026 - 2027 Budget

Budget Phases and Calendar

Pre-budget – Long Term Planning December – February

Update the five-year financial projection. This process is completed each year prior to the beginning of the budget process. Long-term issues and ideas are discussed and reviewed during the five-year projection process.

The projection is prepared by the Finance Department under the guidance of the City Manager. Projection assumptions are reviewed, updated and then applied to the current year forecast. The updated projection is reviewed by the management team.

After adjustments are made, the draft projection is presented to the Council at a work session. Changes from the Council are incorporated into the projection and a final version is then presented at the next available regular session for acceptance of the projection. The first year of the finalized projection is used as the basis for the annual budget. See excerpt from five-year projection after personnel overview.

Phase 1 February – April

Review and further refine numbers from the five-year projection based on the current year forecast and other available pertinent information. The management team meets to discuss and review all funds, programs, and services. During this timeframe, Budget Buddy meetings are held to educate the citizen volunteers on the Budget Committee about the budget process as well as city departments and services. The Proposed Budget is created based on programs and services planned for the upcoming budget period as well as information from the five-year projection to incorporate a longer-term vision.

Phase 2 April – May

The Budget Committee Meeting is held at City Hall. This public meeting requires public notices set out in statute. The entire Budget Committee is in attendance along with the city manager, department directors and other staff. City staff is in attendance to present the Proposed Budget and Budget Message as well as answer any questions the Budget Committee members may have regarding the Proposed Budget.

The Budget Committee Meeting allows in-depth review and discussion of the Proposed Budget. After discussion and review of the Proposed Budget is complete, the Budget Committee members vote on the budget. The budget and tax levies are approved if a majority of the committee votes in favor of the Proposed Budget including changes voted on and passed by the committee during the meeting. This vote of approval by the Budget Committee allows the Finance Department to convert the Proposed Budget into the Approved Budget. The Approved Budget is then sent to the Council for the Budget Hearing and adoption.

Phase 3 June – July

The Approved Budget is presented to City Council during a public meeting for adoption. Council holds a hearing to discuss the use of state shared revenues and passes resolutions to certify provision of city services and the election to receive state shared revenues. The Council holds the budget hearing to review and deliberate the Approved Budget. Council passes a resolution to adopt the budget, make appropriations, and impose taxes. If necessary, resolutions to create new reserve funds are also passed during this meeting.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Adoption of the budget by the Council allows the Finance Department to update the budget document to the Adopted version. The Adopted Budget is effective beginning July 1 of the fiscal year. The budget resolutions and property tax certification are submitted to the County before July 15 in order for the property taxes to be assessed.

Phase 4 **July – June**

If during the fiscal year a transfer of appropriation becomes necessary, the Finance Director and City Manager submit a resolution to the Council for approval. An increase in appropriation or creation of a new appropriation category or fund requires the Council to adopt a supplemental budget. A supplemental budget modifies the adopted budget and is effective through the end of the fiscal year.

Basis of Budgeting

All funds are budgeted using the modified accrual basis of accounting in accordance with budgetary accounting practices. In the modified accrual basis of accounting, revenues are recognized when they become available and measurable. Measurable means the amount is known and available means it is collectible within the current period or soon enough after the end of the current period to pay liabilities of the current period. Major revenues considered measurable and available under the modified accrual basis of accounting are property taxes, franchise fees, and intergovernmental revenues received within 60 days of the end of the fiscal year. Expenditures are recognized when the liability is incurred, except for interest on general long-term obligations which is recorded when due.

The following governmental funds are included in this budget: General, Street, Library, Parks, Storm Utility SDC, Transportation SDC, Parks SDC, Pedestrian Improvement Projects (PIP), Public Safety, Facility Capital Projects and Parks Capital Projects funds. Also, included in the budget are the following reserve funds which are budgeted per Oregon local budget law but are combined into one of the governmental funds in the Annual Comprehensive Financial Report: General Operations Reserve, General Reserve for Replacement, Library Reserve for Replacement, Parks Reserve for Replacement and Street Reserve for Replacement.

Basis of Auditing

In the Annual Comprehensive Financial Report (ACFR), governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, consistent with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Net Assets

The annual comprehensive financial report includes information about the City as a whole using accounting methods similar to those used by private-sector companies. The government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources and are a way to measure the City's financial health. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one must consider additional non-financial factors such as the City's tax base, local and statewide economic and legislative climate, as well as many other factors.

Fund Balance

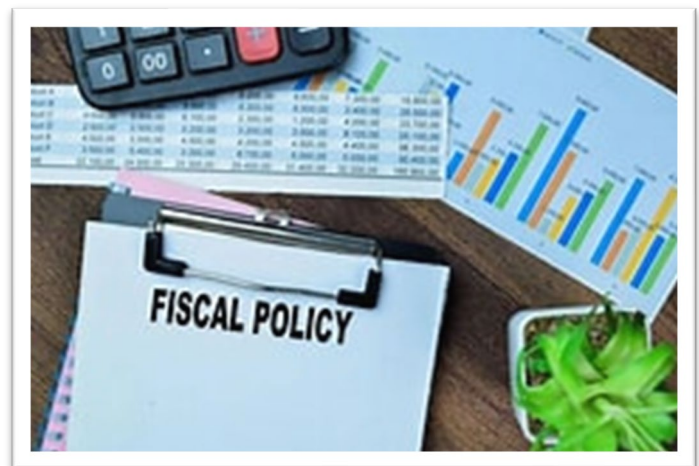
In the budget each fund shows a beginning and ending fund balance. Fund balance refers to the excess of the assets of a fund over its liabilities and reserves. Budgeted beginning fund balance in a fund is an estimate of where that fund will be at the end of the preceding fiscal year. This amount is used in the budget process as part of the estimate of total resources for a fund. Ending fund balance is calculated based on the expenditures and resources estimated for the fiscal year in the current year.

Financial Policies

The City of Happy Valley has a responsibility to its citizens to carefully account for public funds and to manage municipal finances wisely. The City Council is ultimately responsible for decisions concerning the City Charter, ordinances, and all applicable state and federal laws in its decision making. These policies are designed to establish guidelines for the fiscal stability of Happy Valley and to provide guidance for the City Manager.

Budget

The City shall prepare, adopt and amend its annual budget in accordance with Oregon Revised Statutes governing local budget law.



A balanced budget is a budget where revenues are equal to expenditures and neither a budget deficit nor a budget surplus exists. In the case of the City budget, it refers to a budget that does not have a budget deficit, but could possibly have a budget surplus. The budget surplus could be in the form of an unappropriated ending fund balance, a contingency amount, or an amount reserved for future expenditures. These categories allow amounts to be set aside and not expended in the current fiscal year.

The Finance Director will be responsible for maintaining a budgetary control system to ensure adherence to the adopted budget. The budget will support the Council's goals, long-range plans, as well as the needs of the community.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Asset Investment

Management responsibility for the asset investment program is delegated to the Finance Director with oversight by the City Manager. The Finance Director shall adhere to the Oregon Revised Statutes regarding managing the investment program for the city.

The Finance Director will invest the City's surplus funds only in those investments authorized by Oregon Revised Statutes. The City will not invest in stocks and it will not speculate or deal in futures or options.

The City will conduct business only with financial institutions (banks investment brokers, investment bankers, trustees, paying agents, registrants, etc.) deemed to be credit worthy. Safety of principal is the foremost objective of the City. Each investment transaction shall be undertaken in a manner that seeks to ensure preservation of capital and avoidance of capital losses through securities defaults, erosion of market value or other risks.

The Finance Director shall match the City's investment portfolio with its cash flow requirement. Due to the changing requirements of cash flow caused by factors not totally within the control of the Finance Director, the ability to convert securities into cash must be considered.

City investments shall be acquired in a manner designed to attain the maximum rate of return through all budget and economic cycles, taking into account constraints on investment instruments, cash flow characteristics of transactions and safety of principal.

The Finance Director will maintain a capital asset record keeping system, to record capital asset values as support for amounts recorded in the financial statements, as well as establish specific procedures to ensure both the acquisition and retirement of capital assets are recorded on an ongoing basis.

Revenue

Dedicated revenue sources shall only be used for the purpose for which they are collected. One-time revenue sources will not be used to fund ongoing activities of the city. The City will closely manage the collection of revenues and when necessary, discontinuing service, collection agencies, liens, and other collection methods may be used.

The City shall endeavor to diversify its revenue system so as to shelter operations from over reliance on any specific revenue source. Interest earned shall be distributed to the appropriate fund in accordance with the equity balance of the particular fund from which the money was provided for investment.

Debt

Debt shall not be used for operational expenditures. No debt shall be in existence for longer than the useful life of the capital investment for which the debt was incurred.

The City will examine financial alternatives in addition to long-term debt. These alternatives include pay-as-you-go, joint financing, reserve funds, lease-purchase, local improvement districts, special assessments, borrowing from other funds, system development charges, and developer contributions. A cost benefit analysis will be carried out for any alternative being considered with the goal of minimizing the cost of financing.

The City shall ensure its debt margins are within the 3 percent limitation, as set forth in the Oregon Revised Statutes. The City will be actively involved in the selection of all financial advisors, underwriters, paying agents and bond counsel. Costs associated with the issuance of debt will be kept to a minimum while maintaining the goal of conducting business with stable, low risk, credit worthy firms.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Accounting

The City shall establish and maintain its accounting systems in accordance with Generally Accepted Accounting Principles (GAAP) and shall adhere to the principles and standards promulgated by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) using guidance suggested by the Government Finance Officers Association (GFOA). The City shall maintain an accurate and current record of its capital assets to factor its investment in these capital assets into the fees the City charges for services.

An annual audit shall be conducted by an independent public accounting firm, which will issue an official opinion on the annual financial statements, as well as identify areas needing improvement, if required. An Annual Comprehensive Financial Report shall be to present the results, financial position and operations of the City for the prior fiscal year.



Reserve and Contingency

The City shall maintain a contingency plan in order to respond to significant shortfalls in the budget. The plan shall outline an appropriate course of action that management should take in response to significant gaps between revenues and expenditures. Policy 13-04 Budget Reserves & Contingency covers this issue.

The Council policy is to budget 20% of total expenditures to mitigate short term volatility of revenues, mitigate short term economic downturns, absorb unanticipated operating needs, and meet operating cash flow requirement prior to collection of property taxes and other operating revenues.

Long Term Debt

In February 2023, the Happy Valley Urban Renewal Agency issued \$14,575,000 of full faith and credit obligation bonds to provide funds for the purchase of property within the Urban Renewal boundary. Interest coupon rates range from 4% to 5%. The bonds are direct obligations and pledge the full faith and credit of the City. They were issued as 20-year serial bonds with increasing principal amounts due each year.

In the budget, debt payments are classified as expenditures for the fiscal year. In the Annual Comprehensive Financial Report (ACFR), long-term debt is reported as a liability and payments are a reduction of that liability and not an expenditure. In the Urban Renewal Debt Service Fund financial statement in the ACFR, bond premiums and discounts and bond issuance costs, are recognized when incurred. The face amount of the debt issued and premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, regardless of whether withheld from the actual debt proceeds received or paid directly by the City, are reported as debt service expenditures.

Pursuant to Oregon Revised Statute 287.004, outstanding general obligation debt for cities in Oregon cannot exceed three percent of the real market value of all properties within the City limits. For Happy Valley, this maximum is \$267 million as of June 2025. The City has not issued debt subject to this limitation.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Residents of Happy Valley are subject to debt outside of that issued by the City. Debt issued by overlapping districts becomes part of the debt burden if residents are within those overlapping districts. Happy Valley residents may be part of various overlapping districts including school, community college, sewer, and fire, as well as county and regional government districts.

Goals

The Council has established the following seven goals:

- Goal 1 – Managed growth and economic development
- Goal 2 – Employee development in a quality work environment
- Goal 3 – A safe, livable community with a sense of pride and strong identity
- Goal 4 – Effective relationships with local, regional, and state partners
- Goal 5 – Fiscal responsibility
- Goal 6 – Environmentally-sensible practices
- Goal 7 – Effective and efficient services

Summary of 2026-27 Fiscal Year Budget

Happy Valley budgets at the fund level. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, and balances and changes, which are segregated for specific activities and objectives. Happy Valley uses only governmental fund types. Governmental funds are used to account for most of the city's functions and include general, special revenue, debt service, and capital projects funds.

Description of Funds

General Fund – accounts for all financial resources and expenditures of the City, except those required to be accounted for in another fund. The principal revenue sources are property taxes, intergovernmental revenues, various fees for provided services, and interest income.

Street Fund – accounts for shared state highway revenues and expenditures authorized by the Oregon Constitution to be made from those revenues. This fund also accounts for other revenue sources, so expenditures are also made from this fund based on those revenue sources.

Library Fund – accounts for operations and maintenance of library services within the area designated by the Library District. Revenues are primarily from the Library District calculated distribution based on an intergovernmental agreement.

Parks Fund – accounts for maintenance of Happy Valley parks, city trail systems, and the recreation program. Revenues are from the Parks 5-year operating levy (current levy runs through June 30, 2028), event sponsorships, vendor fees, and user fees.

Storm Utility Systems Development Charge (SDC) Fund – accounts for City's development of storm drain infrastructure and improvements. Expenditures include credits to developers and capital outlay for items on the capital improvement plan. Revenues are primarily fees collected from developers.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Transportation Systems Development Charge (SDC) Fund – accounts for City’s development of transportation infrastructure and improvements. Expenditures include credits to developers and capital outlay for items on the capital improvement plan. Revenues are primarily fees collected from developers.

Parks Systems Development Charge (SDC) Fund – accounts for City’s development of parks and improvements. Expenditures include credits to developers and capital outlay for items on the capital improvement plan. Revenues are primarily fees collected from developers.

Public Safety Fund – accounts for public safety operations and maintenance within the city. Revenues are primarily from a local option levy. Expenditures include a contract for police services.

The following reserve funds are budgeted per Oregon local budget law. However, they are not considered separate funds for financial reporting and are combined into one of the above funds in the ACFR.

Pedestrian Improvement Projects (PIP) Fund – accounts for pedestrian improvement projects such as bike lanes, pedestrian crossings, pedestrian refuge, sidewalks, and pathways. Revenues in this fund are primarily vehicle registration fees.

Facilities Capital Projects Fund – accounts for the purchase of land and construction of new facilities. Revenues in this fund are transfers from the General Fund.

Parks Capital Projects Fund – resources consist of a transfer from the Parks Fund. These resources will be available to supplement Parks SDC projects when the time comes. Not all SDC projects are 100% SDC eligible so having dedicated funds set aside will help get a project off the ground smoothly.

General Operations Reserve Fund – reserve amounts to offset the cyclical nature of resources used to provide the general operations of the City. Revenues are transfers from the General Fund.

General Reserve for Replacement Fund – reserve amounts for purchase of large dollar maintenance and capital replacement and purchase, according to an annually reviewed and updated replacement schedule. Accounting for these items here allows operational expenditures to be comparable year by year without spikes caused by capital replacement purchases. Revenues are transfers from the General Fund and PEG fees.

Library Reserve for Replacement Fund – reserve amounts for purchase of large dollar maintenance and capital replacement and purchase, according to an annually reviewed and updated Library replacement schedule. Accounting for these items here allows operational expenditures to be comparable year by year without spikes caused by capital replacement purchases. Revenues are transfers from the Library Fund.

Street Reserve for Replacement Fund – reserve amounts for purchase of large dollar maintenance and capital replacement and purchase, according to an annually reviewed and updated street replacement schedule. Accounting for these items here allows operational expenditures to be comparable year by year without spikes caused by capital replacement purchases. Revenues are transfers from the Street Fund.

Parks Reserve for Replacement Fund – reserve amounts for purchase of large dollar maintenance and capital replacement and purchase, according to an annually reviewed and updated Parks replacement schedule. Accounting for these items here allows operational expenditures to be comparable year by year without spikes caused by capital replacement purchases. Revenues are transfers from the Parks Fund.



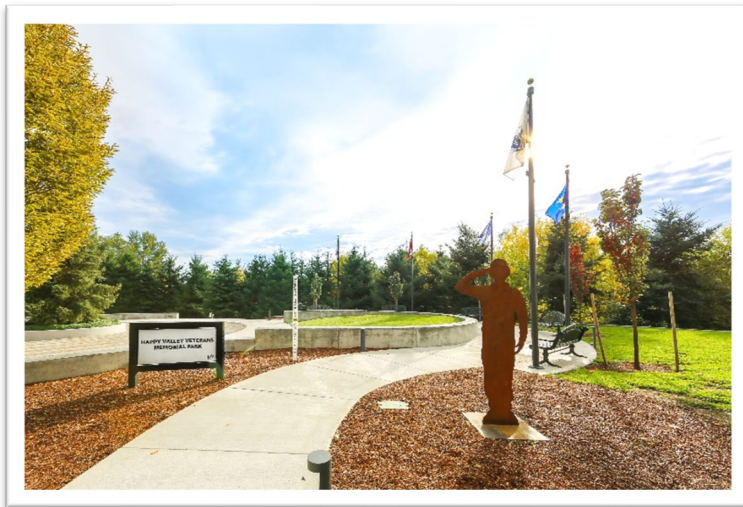
City of Happy Valley Fiscal Year 2026 - 2027 Budget

Highlights

The budget for the fiscal year beginning July 1, 2026 and ending June 30, 2027 totals \$95 million. This is an increase of 1.6% from the 2025-26 fiscal year budget which totaled \$93.6 million.

In this 2026-27 budget, personnel services represent 13% of total budgeted expenditures at \$12.3 million, up from \$12.2 million budgeted in 2025-26. This slight increase was a combination of cost-of-living increases and benefit cost increases.

Materials and services represent 18% of the total budget at \$17 million, this increased slightly from \$16.5 million in the previous budget. Capital outlay is 40% of total budgeted expenditures at \$37.8 million compared to 29% million in the 2025-26 budget. Significant capital projects, such as the Community Center Park, new Public Works facility, and 147th half street widening are all anticipated to commence during 2026-27.



The remaining \$27.9 million is made up of transfers, contingency, and reserved for future expenditures. Transfers of \$6.2 million were less than the \$7.1 million budgeted in 2025-26, due to funding constraints in the General Fund and Public Safety Fund. Contingency of \$7.4 million is lower than the \$8 million in the previous budget due to lower construction related revenues as well as use of funds for planned construction projects. Reserved for future expenditures at \$14.3 million decreased from \$22.5 million in the 2025-26 budget. Transfers primarily consisted of \$1.5 million from the General Fund to the Facility Capital Projects Fund, as well as transfers from the General, Library, Park and Street Funds to the respective reserves for replacement funds.

Administrative costs in the General Fund benefit all departments and are allocated to departments and funds based on the cost allocation plan. The plan is reviewed and updated each year to reflect any changes in the organization. Transfers from the Parks, Street, Library, Public Safety, and PIP Funds to the General Fund cover the cost of general administration per the cost allocation plan.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Below is the chart of transfers in and out for all funds in this budget.

2026-27 Budgeted Transfers		Transfer In								Total	
		GF	Gen RR	Fac Cap Proj	Park Cap Proj	Street RR	Library RR	Park RR	PSDC		
Transfer Fund	Account	001-490000	026-490030	010-490000	011-419000	028-490020	029-490040	030-490000	007-490000		
General	001-020-800123			1,500,000						1,500,000	
General	001-020-800126		600,000							600,000	
Street	002-083-800101	250,000								250,000	
Street	002-083-800126					100,000				100,000	
Library	003-030-800101	690,000								690,000	
Library	003-030-800126						495,000			495,000	
Parks	004-090-800001	320,000								320,000	
Parks	004-090-800002							700,000		700,000	
Parks	004-090-800003				800,000					800,000	
Pedestrian Improvement	021-080-800101	33,000								33,000	
Public Safety	022-070-800101	310,000								310,000	
Library Reserve for Replacement	029-030-800007								446,430	446,430	
Total		1,603,000	600,000	1,500,000	800,000	100,000	495,000	700,000	446,430	6,244,430	
GF = General Fund				Street RR = Street Reserve for Replacement Fund							
Gen RR = General Reserve for Replacement Fund				Library RR = Library Reserve for Replacement Fund							
FAC Cap Proj = Facilities Capital Projects Fund				Parks RR = Parks Reserve for Replacement Fund							
Park Cap Proj = Parks Capital Projects Fund				PSDC = Parks System Development Charge Fund							

The reserved for future expenditures went from \$22.5 million in the previous budget to \$14.3 million in this budget. The large decrease provides more flexibility to spend funds on planned capital project activities in 2026-27. These reserves also include amounts for mitigation of the cyclical nature of the economy and amounts reserved for replacement of equipment. Amounts reserved for future expenditures can be made available for appropriation using the supplemental budget process.

Amounts set aside for the replacement of equipment and facilities are determined based on schedules using replacement value, life of asset, and years until replacement. These schedules are used to justify amounts set aside in the three Reserve for Replacement Funds. The schedules are reviewed, and all items evaluated on an annual basis. The schedules are updated as items are replaced, and as new items are purchased and meet the criteria for addition.

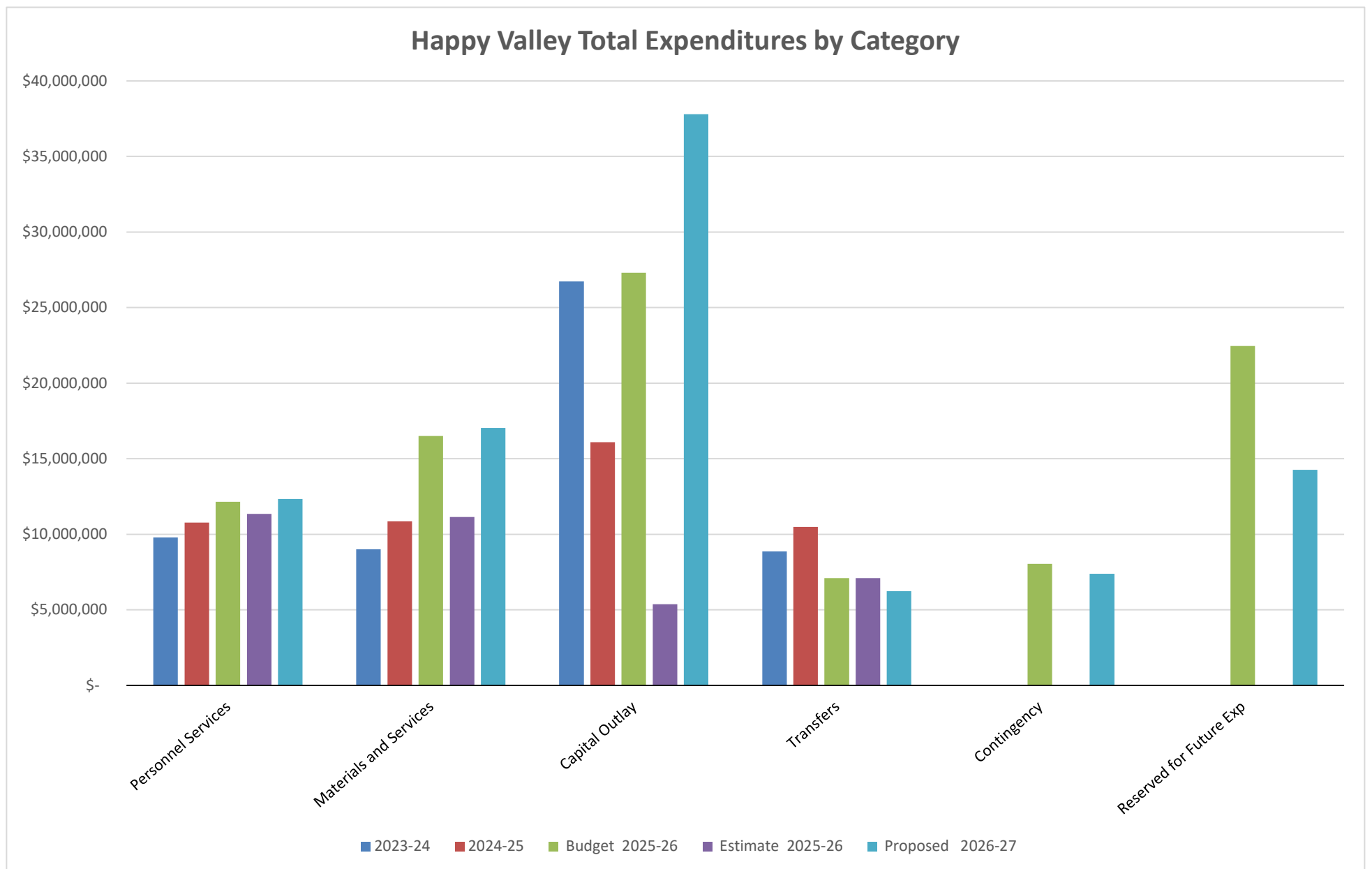
Following are charts and tables showing overall budget information by fund, category and overall resources and requirements

Total of All Funds - Happy Valley 2026-27 Budget

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 72,183,287	\$ 56,872,766	\$ 52,486,172	\$ 50,612,728	\$ 58,235,875	\$ -	\$ -
Property Taxes	10,364,183	10,846,243	11,505,000	11,550,000	12,025,000	-	-
Licenses, Permits, & Fees	6,628,010	9,398,035	7,409,000	9,287,000	7,982,000	-	-
Intergovernmental	9,364,668	7,757,526	8,400,000	8,063,761	8,119,000	-	-
Fines and Court Related	733,210	796,134	720,000	770,000	770,000	-	-
Transfers from other Funds	8,865,000	10,487,143	7,093,000	7,092,286	6,244,430	-	-
Miscellaneous	3,131,403	2,651,936	5,940,000	5,816,386	1,706,000	-	-
Total Resources	111,269,761	98,809,783	93,553,172	93,192,161	95,082,305	-	-
Requirements							
Personnel Services	9,782,499	10,771,199	12,156,850	11,357,000	12,338,600	-	-
Materials & Services	9,014,983	10,849,878	16,504,000	11,135,000	17,038,000	-	-
Operations	18,797,482	21,621,077	28,660,850	22,492,000	29,376,600	-	-
Transfers to Other Funds	8,865,000	10,487,143	7,093,000	7,092,286	6,244,430	-	-
Capital Outlay	26,734,513	16,088,835	27,301,366	5,372,000	37,792,993	-	-
Transfers, Capital	35,599,513	26,575,978	34,394,366	12,464,286	44,037,423	-	-
Contingency	-	-	8,033,524	-	7,394,293	-	-
Reserved for Future Expenditures	-	-	22,464,432	-	14,273,989	-	-
Ending Fund Balance	56,872,766	50,612,728	-	58,235,875	-	-	-
Ending Fund Balance, Reserves, and Contingency	56,872,766	50,612,728	30,497,956	58,235,875	21,668,282	-	-
Total Requirements	\$ 111,269,761	\$ 98,809,783	\$ 93,553,172	\$ 93,192,161	\$ 95,082,305	\$ -	\$ -
Budget Positions	77.00	77.00	83.00	80.00	80.00	80.00	80.00
Monthly Operating Costs per Capita	\$85	\$90	\$114	\$86	\$95	\$0	\$0

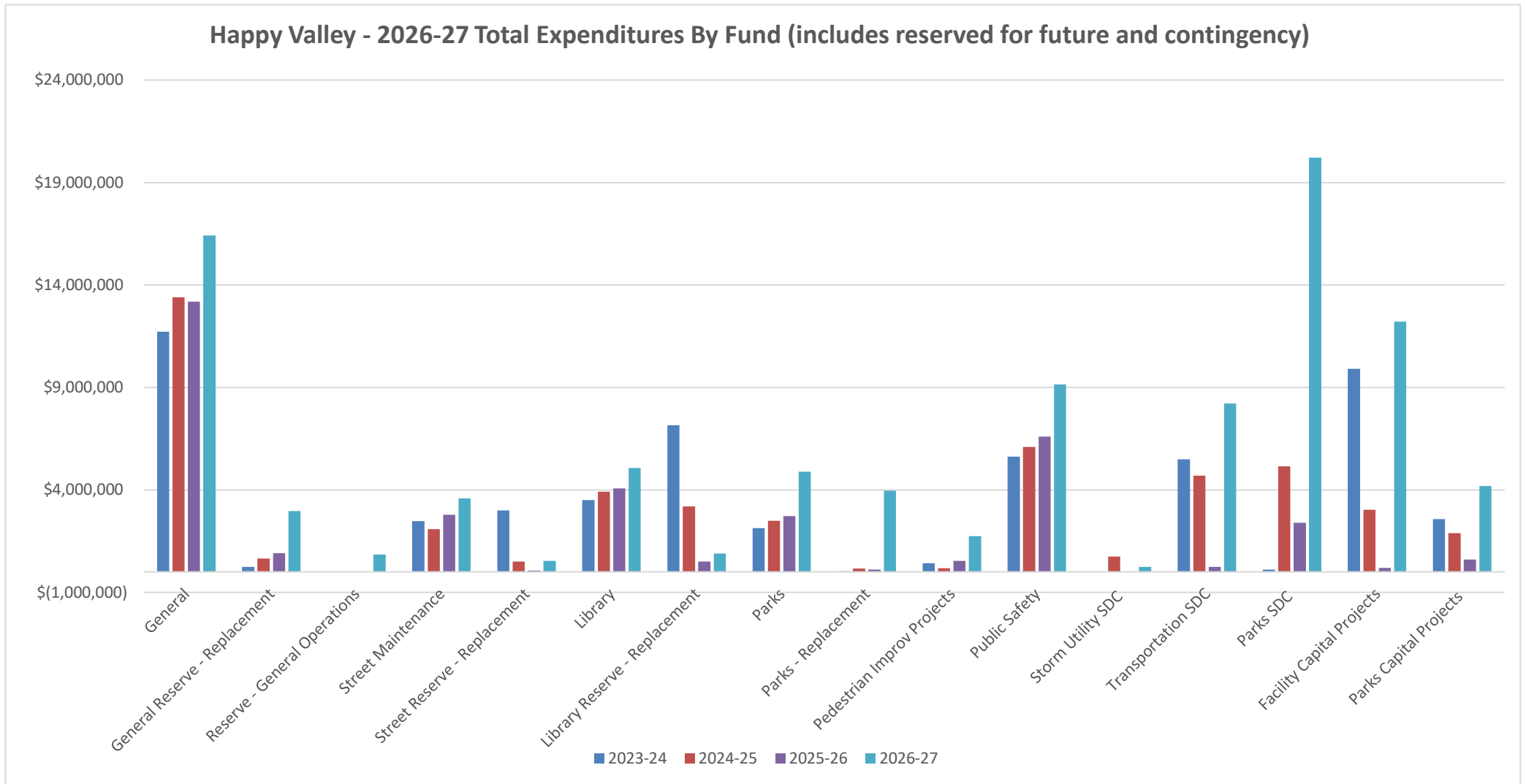
Summary by Category - Happy Valley Expenditures

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed 2026-27	Approved 2026-27	Adopted 2026-27
Personnel Services	\$ 9,782,499	\$ 10,771,199	\$ 12,156,850	\$ 11,357,000	\$ 12,338,600	\$ -	\$ -
Materials and Services	9,014,983	10,849,878	16,504,000	11,135,000	17,038,000	-	-
Capital Outlay	26,734,513	16,088,835	27,301,366	5,372,000	37,792,993	-	-
Transfers	8,865,000	10,487,143	7,093,000	7,092,286	6,244,430	-	-
Contingency	-	-	8,033,524	-	7,394,293	-	-
Reserved for Future Exp	-	-	22,464,432	-	14,273,989	-	-
Total Requirements	\$ 54,396,995	\$ 48,197,055	\$ 93,553,172	\$ 34,956,286	\$ 95,082,305	\$ -	\$ -



Summary by Fund - Happy Valley Expenditures

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed 2026-27	Approved 2026-27	Adopted 2026-27
General	\$ 11,719,469	\$ 13,408,025	\$ 17,448,493	\$ 13,186,000	\$ 16,414,448	\$ -	\$ -
General Reserve - Replacement	247,776	646,851	3,565,295	910,000	2,962,310	-	-
Reserve - General Operations	-	-	838,974	-	838,974	-	-
Street Maintenance	2,469,065	2,091,512	3,590,575	2,780,000	3,581,627	-	-
Street Reserve - Replacement	3,000,250	500,000	495,345	65,000	530,345	-	-
Library	3,508,474	3,919,145	5,072,988	4,070,000	5,067,142	-	-
Library Reserve - Replacement	7,149,500	3,195,171	925,711	512,286	887,652	-	-
Parks	2,139,012	2,485,954	4,637,659	2,726,000	4,885,615	-	-
Parks - Replacement	28,641	155,589	3,468,833	120,000	3,954,244	-	-
Pedestrian Improv Projects	430,713	174,721	2,002,445	533,000	1,739,589	-	-
Public Safety	5,621,564	6,099,022	9,104,659	6,604,000	9,142,061	-	-
Storm Utility SDC	-	750,000	933,573	-	245,990	-	-
Transportation SDC	5,490,161	4,699,890	4,876,549	250,000	8,208,706	-	-
Parks SDC	105,356	5,151,467	20,811,414	2,400,000	20,221,560	-	-
Facility Capital Projects	9,912,741	3,031,541	10,899,916	200,000	12,216,901	-	-
Parks Capital Projects	2,574,273	1,888,167	4,880,743	600,000	4,185,141	-	-
Total Requirements	\$ 54,396,995	\$ 48,197,055	\$ 93,553,172	\$ 34,956,286	\$ 95,082,305	\$ -	\$ -



Summary of City Funds - Happy Valley 2026-27 Budget

	General	Street	Library	Parks	Storm SDC	Transportation SDC	Parks SDC	Facility Capital Projects	Parks Capital Projects
Resources									
Beginning Fund Balance	\$ 4,691,448	\$ 941,627	\$ 1,146,142	\$ 1,635,615	\$ 199,990	\$ 6,508,706	\$ 18,375,130	\$ 10,716,901	\$ 2,995,141
Property Taxes	2,800,000	-	-	2,625,000	-	-	-	-	-
Licenses, Permits, & Fees	5,020,000	120,000	32,000	225,000	40,000	1,700,000	800,000	-	-
Intergovernmental	1,130,000	2,470,000	3,829,000	160,000	-	-	-	-	290,000
Fines and Court Related	770,000	-	-	-	-	-	-	-	-
Transfers from other Funds	1,603,000	-	-	-	-	-	446,430	1,500,000	800,000
Miscellaneous	400,000	50,000	60,000	240,000	6,000	-	600,000	-	100,000
Total Resources	16,414,448	3,581,627	5,067,142	4,885,615	245,990	8,208,706	20,221,560	12,216,901	4,185,141
Requirements									
Personnel Services	8,394,000	573,800	2,293,600	1,077,200	-	-	-	-	-
Materials & Services	2,688,000	610,000	695,000	1,020,000	100,000	1,000,000	1,000,000	500,000	1,000,000
Operations	11,082,000	1,183,800	2,988,600	2,097,200	100,000	1,000,000	1,000,000	500,000	1,000,000
Transfers to Other Funds	2,100,000	350,000	1,185,000	1,820,000	-	-	-	-	-
Capital Outlay	-	1,600,000	-	-	145,990	7,208,706	16,000,000	6,000,000	3,185,141
Transfers, Capital	2,100,000	1,950,000	1,185,000	1,820,000	145,990	7,208,706	16,000,000	6,000,000	3,185,141
Contingency	3,232,448	447,827	893,542	968,415	-	-	-	-	-
Reserved for Future Expenditures	-	-	-	-	-	-	3,221,560	5,716,901	-
Ending Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance, Reserves, and Contingency	3,232,448	447,827	893,542	968,415	-	-	3,221,560	5,716,901	-
Total Requirements	\$ 16,414,448	\$ 3,581,627	\$ 5,067,142	\$ 4,885,615	\$ 245,990	\$ 8,208,706	\$ 20,221,560	\$ 12,216,901	\$ 4,185,141

Summary of City Funds - Happy Valley 2026-27 Budget (Continued)

	Pedestrian Improvement Projects	Public Safety	General Operating Reserve	General Replacement Reserve	Street Replacement Reserve	Library Replacement Reserve	Parks Replacement Reserve	Grand Total
Resources								
Beginning Fund Balance	\$ 1,449,589	\$ 2,342,061	\$ 838,974	\$ 2,317,310	\$ 430,345	\$ 392,652	\$ 3,254,244	\$ 58,235,875
Property Taxes	-	6,600,000	-	-	-	-	-	12,025,000
Licenses, Permits, & Fees	-	-	-	45,000	-	-	-	7,982,000
Intergovernmental	240,000	-	-	-	-	-	-	8,119,000
Fines and Court Related	-	-	-	-	-	-	-	770,000
Transfers from other Funds	-	-	-	600,000	100,000	495,000	700,000	6,244,430
Miscellaneous	50,000	200,000	-	-	-	-	-	1,706,000
Total Resources	1,739,589	9,142,061	838,974	2,962,310	530,345	887,652	3,954,244	95,082,305
Requirements								
Personnel Services	-	-	-	-	-	-	-	12,338,600
Materials & Services	500,000	6,980,000	-	650,000	125,000	100,000	70,000	17,038,000
Operations	500,000	6,980,000	-	650,000	125,000	100,000	70,000	29,376,600
Transfers to Other Funds	33,000	310,000	-	-	-	446,430	-	6,244,430
Capital Outlay	1,206,589	-	-	1,000,000	405,345	341,222	700,000	37,792,993
Transfers, Capital	1,239,589	310,000	-	1,000,000	405,345	787,652	700,000	44,037,423
Contingency	-	1,852,061	-	-	-	-	-	7,394,293
Reserved for Future Expenditures	-	-	838,974	1,312,310	-	-	3,184,244	14,273,989
Ending Fund Balance	-	-	-	-	-	-	-	-
Ending Fund Balance, Reserves, and Contingency	-	1,852,061	838,974	1,312,310	-	-	3,184,244	21,668,282
Total Requirements	\$ 1,739,589	\$ 9,142,061	\$ 838,974	\$ 2,962,310	\$ 530,345	\$ 887,652	\$ 3,954,244	\$ 95,082,305



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Fund Matrix by Department

Department/Fund Matrix	Admin	Comm. Services	Econ. Dev.	Public Works	Library	Parks & Rec.	Public Safety	Street	Storm Water
General	✓	✓	✓	✓			✓		
Street Maintenance				✓				✓	
Library					✓				
Parks				✓		✓			
Storm Utility SDC									✓
Transportation SDC								✓	
Parks SDC						✓			
Facility Capital Projects	✓			✓					
Parks Capital Projects						✓			
Pedestrian Improv Projects								✓	
Public Safety							✓		
General Reserve - Replacement	✓			✓			✓		
Reserve - General Operations	✓								
Street Reserve - Replacement				✓				✓	
Library Reserve - Replacement					✓				
Parks Reserve - Replacement				✓		✓			



City of Happy Valley Fiscal Year 2026 - 2027 Budget

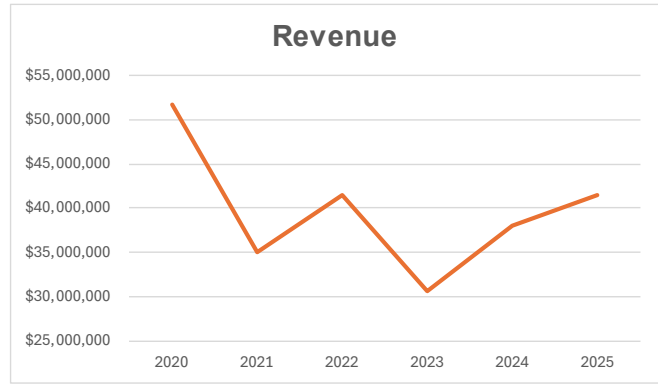
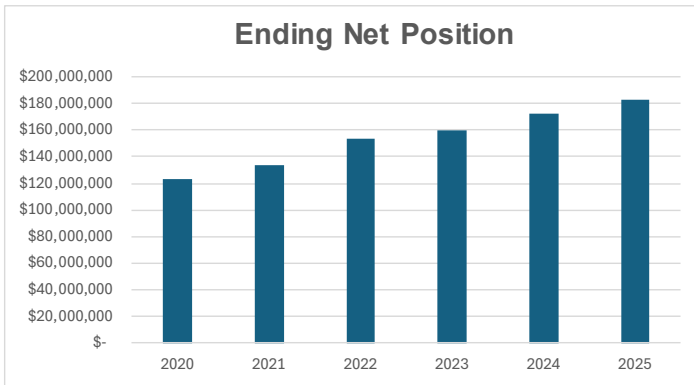
Demographics and Financial Trend Information

The charts and graphs below illustrate the positive economic cycle we are currently experiencing. Revenues are generally flat due to a stagnating development environment. The Cities growing population slightly raises the proportionate share of state revenues and increases in assessed value which increase property taxes assessed and collected. Projections going forward are unclear but less optimistic as a pending recession seems to be a strong possibility.

Net position increases are due to our continued diligence in keeping expenditures below revenues. This is done by creating efficiencies whenever possible. We expect the economic challenges to continue and this budget was created using that assumption.

The following information illustrates the change in net position and subsequent change in Ending Net Position for each year.

	2020	2021	2022	2023	2024	2025
Revenue	\$ 51,732,802	\$ 35,095,757	\$ 41,506,516	\$ 30,592,836	\$ 38,037,975	\$ 41,505,084
Expenditures	(21,423,177)	(23,757,450)	(22,236,809)	(25,646,510)	(26,287,570)	(29,743,286)
Change in Net Position	30,309,625	11,338,307	19,269,707	4,946,326	11,750,405	11,761,798
Beginning Net Position	92,476,138	122,785,763	134,124,070	153,393,777	160,276,971	172,027,376
Prior Period Adjustment	-	-	-	1,936,868	-	(563,597)
Ending Net Position	\$ 122,785,763	\$ 134,124,070	\$ 153,393,777	\$ 160,276,971	\$ 172,027,376	\$ 183,225,577



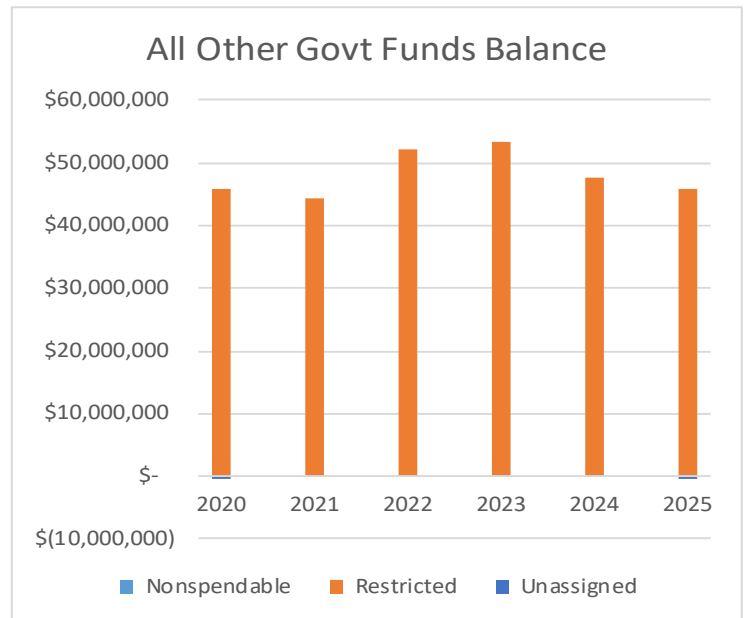
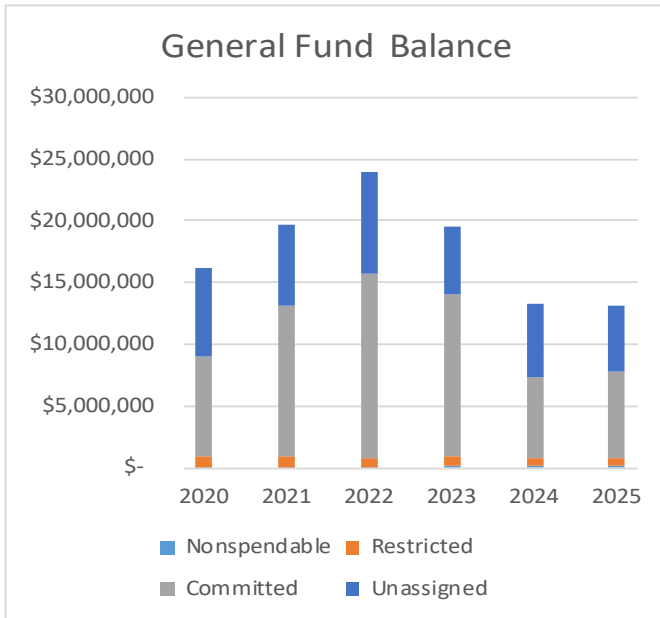


City of Happy Valley Fiscal Year 2026 - 2027 Budget

The following shows the various components of the General Fund ending fund balance as well as the various components of all other governmental funds combined from 2020 – 2025. The General Fund – Committed increases represented reserves for capital replacement and maintenance and amounts to counter the next economic downturn.

	Fiscal Year					
	2020	2021	2022	2023	2024	2025
Nonspendable	\$ 68,139	\$ 62,786	\$ 45,878	\$ 156,605	\$ 102,300	\$ 189,699
Restricted	846,032	793,450	698,450	738,195	739,299	538,720
Committed	8,058,724	12,264,231	14,971,100	13,097,678	6,468,785	7,018,134
Unassigned	7,268,787	6,601,872	8,316,576	5,608,677	5,911,625	5,425,096
Total General Fund	\$ 16,241,682	\$ 19,722,339	\$ 24,032,004	\$ 19,601,155	\$ 13,222,009	\$ 13,171,649

	Fiscal Year					
	2020	2021	2022	2023	2024	2025
Nonspendable	\$ 5,500	\$ 19,910	\$ 34,612	\$ 20,404	\$ 29,910	\$ 39,749
Restricted	45,821,739	44,434,715	52,226,774	53,502,203	47,664,522	45,726,288
Unassigned	(1,819)	-	-	-	-	(487,201)
Total All Other Govt Funds	\$ 45,825,420	\$ 44,454,625	\$ 52,261,386	\$ 53,522,607	\$ 47,694,432	\$ 45,278,836





City of Happy Valley Fiscal Year 2026 - 2027 Budget

Personnel Overview

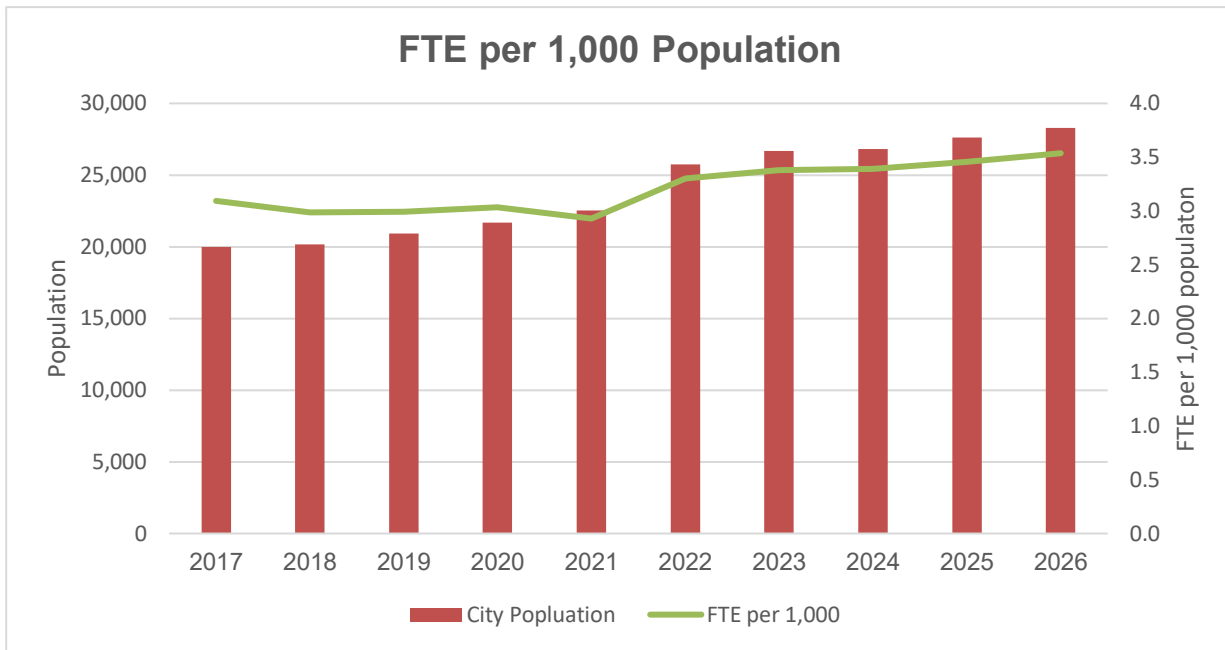
Every budget cycle, the City evaluates the needs related to the City and how personnel costs affect each department while maintaining high service levels. During the fiscal year, positions may change, transfer, or adjust as needed by City management. In this budget, the City has determined that a reduction of 3 full time equivalents (FTE) is necessary due to lack of new construction activity.

The City's total full-time equivalent (FTE) is 77. The four positions removed from the 2026-27 budget are as follows:

Position Reductions

- Administrative Assistants (2)
- Plans Examiner
- Financial Analyst (Unfilled)

As the following chart shows, we continue to run a lean organization. The City operates with under 4 FTE per 1,000 population which is well below other similar sized organizations in the area. As personnel costs are a significant cost driver, we are very deliberate with our hiring and seek efficiencies elsewhere whenever possible.





City of Happy Valley Fiscal Year 2026 - 2027 Budget

Benefits

Benefits as offered to City employees can be found in the employee manual. Along with benefits required by law the City also offers employees other benefits including medical coverage through CIS Insurance. Employees have the option to choose between Regence Blue Cross, Kaiser Permanente, and Surest. Full time employees pay 5% of the premium costs for medical and dental benefits.

The City provides a life insurance benefit for employees with a coverage amount of \$50,000. Employees can opt to have supplemental coverage for themselves and their families. The cost of any supplemental life insurance is paid by the employee.

Employees of the City are eligible to become members of the Public Employees Retirement System (PERS). The City pays the employer rate for member's pension share accounts as well as picks up the 6% contribution to the Individual Account Program. In this budget, PERS employer contributions are based upon 2025-27 biennium rates. The Tier1 / Tier2 rate is 23.15% and the OPSPR rate is 21.52%.

The City provides a long-term disability insurance benefit for employees with coverage beginning after 90 days. The City also provides an accidental death and dismemberment (AD&D) benefit for employees with a coverage amount of \$15,000.

Following is information related to positions by department along with their respective FTE's

FTE SUMMARY

2026-27 Budget

City of Happy Valley

Title	Fund	Dept	Division Name	Historical			Budget
				23-24	24-25	25-26	26-27
City Manager	General	Admin	City Manager's Office	1.00	1.00	1.00	1.00
Executive Assistant	General	Admin	City Manager's Office	1.00	1.00	1.00	1.00
Assistant City Manager	General	Admin	City Manager's Office	1.00	1.00	1.00	1.00
Management Analyst	General	Admin	City Manager's Office	1.00	1.00	1.00	1.00
Communication & PR Manager	General	Admin	City Manager's Office	1.00	1.00	1.00	1.00
Total				5.00	5.00	5.00	5.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Finance Director	General	Admin	Finance	1.00	1.00	1.00	1.00
Senior Accountant	General	Admin	Finance	1.00	1.00	1.00	1.00
Financial Analyst	General	Admin	Finance	0.60	0.60	-	-
Accounting Specialist	General	Admin	Finance	1.00	1.00	1.00	1.00
Total				3.60	3.60	3.00	3.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
IS Manager	General	Admin	Information Technology	1.00	1.00	1.00	1.00
ISS Specialist	General	Admin	Information Technology	1.00	1.00	1.00	1.00
Total				2.00	2.00	2.00	2.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Human Resources Director	General	Admin	Human Resources	1.00	1.00	1.00	1.00
City Recorder/Risk Mgmt	General	Admin	City Recorder	1.00	1.00	1.00	1.00
Records Specialist	General	Admin	City Recorder	1.00	1.00	1.00	1.00
Total				3.00	3.00	3.00	3.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Community Services (CS) Director	General	CS	Community Services	1.00	1.00	1.00	1.00
Program Supervisor	General	CS	Community Services	1.00	1.00	1.00	1.00
Community Engagement	General	CS	Community Services	1.00	1.00	1.00	1.00
Administrative Assistant	General	CS	Community Services	2.00	2.00	2.00	2.00
Total				5.00	5.00	5.00	5.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Municipal Court Clerk	General	CS	Court	2.00	2.00	2.00	2.00
Total				2.00	2.00	2.00	2.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Code Enforcement Supervisor	General	CS	Code Enforcement	-	1.00	1.00	1.00
Community Service Officer	General	CS	Code Enforcement	3.00	2.00	1.00	3.00
Administrative Assistant	General	CS	Code Enforcement	1.00	1.00	1.00	1.00
Total				4.00	4.00	3.00	5.00

FTE SUMMARY

2026-27 Budget

City of Happy Valley

Title	Fund	Dept	Division Name	Historical			Budget
				23-24	24-25	25-26	26-27
Community Development Director	General	CD	Community Development	1.00	1.00	1.00	1.00
Assist Comm Dev Director	General	CD	Community Development	-	-	1.00	1.00
Planning Assistant	General	CD	Community Development	1.00	1.00	1.00	1.00
Total				2.00	2.00	3.00	3.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Building Official	General	CD	Building	1.00	1.00	1.00	1.00
Inspectors	General	CD	Building	3.00	3.00	3.00	3.00
Inspectors/Plans Examiners	General	CD	Building	2.00	2.00	2.00	-
Permit Technician Supervisor	General	CD	Building	1.00	1.00	1.00	1.00
Permit Technicians	General	CD	Building	3.00	3.00	3.00	2.00
Total				10.00	10.00	10.00	7.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Planning Manager	General	CD	Community Development	1.00	1.00	-	-
Senior Planner	General	CD	Community Development	2.00	2.00	2.00	2.00
Total				3.00	3.00	2.00	2.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
City Engineer	General	CD	Engineering	1.00	1.00	1.00	1.00
Capital Improvement Manager	General	CD	Engineering	1.00	1.00	1.00	1.00
Engineer	General	CD	Engineering	1.00		-	1.00
Engineering Inspector	General	CD	Engineering	1.00	1.00	1.00	1.00
Engineering Technician	General	CD	Engineering	1.00	1.00	1.00	1.00
Permit Technician	General	CD	Engineering	1.00	1.00	1.00	-
Total				6.00	5.00	5.00	5.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Public Works Director	General	PW	Public Works	1.00	1.00	1.00	1.00
Administrative Assistant	General	PW	Public Works	1.00	1.00	1.00	1.00
Facilities Maintenance Technician	General	PW	Public Works	1.00	1.00	1.00	1.00
Utility Worker	General	PW	Public Works	1.00	1.00	1.00	1.00
Total				4.00	4.00	4.00	4.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Utility Worker	Street	Street	Street	4.00	4.00	4.00	4.00
Total				4.00	4.00	4.00	4.00

FTE SUMMARY

2026-27 Budget

City of Happy Valley

Title	Fund	Dept	Division Name	Historical			Budget
				23-24	24-25	25-26	26-27
Library Director	Library	LIB	Library	1.00	1.00	1.00	1.00
Library Operations Supervisor	Library	LIB	Library	1.00	1.00	1.00	1.00
Library Services Supervisor	Library	LIB	Library	-	1.00	1.00	1.00
Library Program Coordinator	Library	LIB	Library	1.00	1.00	1.00	1.00
Librarians	Library	LIB	Library	5.00	5.00	5.00	6.00
Library Assistants	Library	LIB	Library	4.00	4.00	4.00	3.00
Part Time Positions	Library	LIB	Library	5.00	4.00	4.00	4.00
On-Call Positions	Library	LIB	Library	1.00	2.00	2.00	2.00
Total				18.00	19.00	19.00	19.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Program Supervisor	Parks	REC	Recreation	1.00	1.00	1.00	1.00
Program Technicians	Parks	REC	Recreation	2.00	2.00	2.00	2.00
Public Works Supervisor	Parks	OP	Park Operations	1.00	1.00	1.00	1.00
Utility Workers - Park	Parks	OP	Park Operations	3.00	3.00	4.00	4.00
Total				7.00	7.00	8.00	8.00

Title	Fund	Dept	Division Name	23-24	24-25	25-26	26-27
Community Service Officer	Public Safety	PS	Public Safety	1.00	1.00	1.00	-
Community Service Officer	General	CD	Community Development	-	-	1.00	-
Total				1.00	1.00	2.00	-

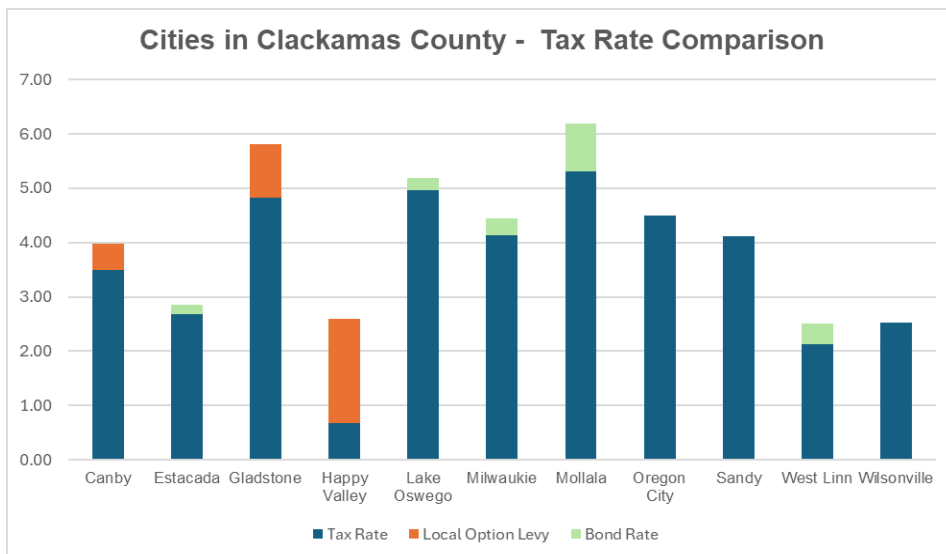
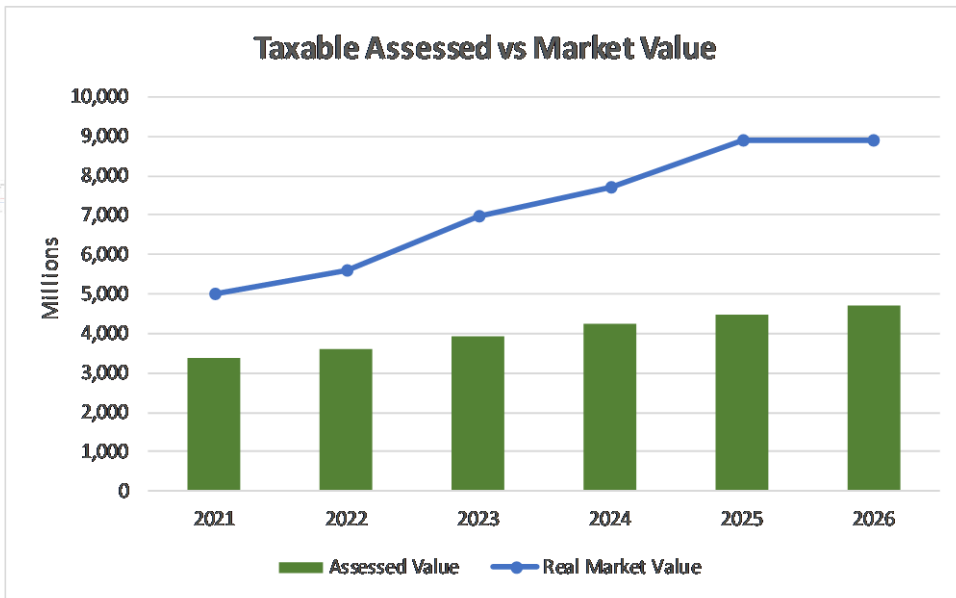
TOTAL FTES				79.60	79.60	80.00	77.00
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City of Happy Valley Fiscal Year 2026 - 2027 Budget

Also included are various charts and graphs as added information. Included are property values with a chart to illustrate the gap between assessed value and estimated real market value, tax rates including overlapping rates, ratios of outstanding debt, direct and overlapping activities debt, legal debt margin information, demographic and economic statistics, principal employers, and operating indicators by program related to Happy Valley. This information is included to help illustrate how financial information in the budget relates to services provided and activities performed by the City as well as provide information about the overall city environment both economic and demographic.

Property taxes are the largest source of revenue for the General Fund, Parks Fund and the Public Safety Fund. The City's permanent rate is \$0.671 per \$1,000 of assessed value. The City also has two local option levies: Parks \$0.54 per \$1,000 of assessed value and Public Safety \$1.54 per \$1,000 of assessed value. Assessed value may only increase for two reasons: an annual 3% increase if the assessed value is lower than its market value, or if improvements are made to the property that increases its value (example: new development). Happy Valley's total taxable assessed value of \$4.7 billion is about 53% of the total market value.





City of Happy Valley Fiscal Year 2026 - 2027 Budget

Demographic and economic statistics

Fiscal Year	Population(1)	Median Age(1)	Household Income	Per Capita Income (2)	Public School Enrollment (3)	Unemployment Rate(4)
2020	21,700	37	114,111	47,713	7,918	11.1
2021	22,552	37	113,276	45,664	8,310	4.5
2022	25,738	37	126,851	53,500	8,137	3.3
2023	26,689	39	131,980	51,540	8,279	3.3
2024	26,799	39	126,108	54,453	8,482	3.7
2025	27,637	39	126,108	54,453	8,486	4.5

Source: (1) Portland Population Research Center.

(2) U.S. Census Bureau.

(3) North Clackamas School District; included all schools in City limits plus Clackamas High School.

(4) State Department of Labor unemployment rate for the County (not seasonally adjusted).

Rank	Principal Employers	Employees
1	Fred Meyer	274
2	AG Specialty Foods	200
3	New Seasons Market	150
4	The Springs at Happy Valley	130
5	Camp Withycombe	100
6	Morningstar of Happy Valley	89
7	City of Happy Valley	80
8	Goodwill	63
9	McDonalds	55
10	Hops N Drops	45





**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

General Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

The General Fund accounts for all financial activities of the City except for those that by law or council decision are accounted for in other funds. The City's General Fund has five distinct departments: Administration, Community Services and Public Safety, Economic and Community Development, and Public Works.

Revenue Sources

The main sources of revenue in the General Fund are property taxes, right of way fees from utilities operating within the City, land use and construction fees, building permit fees, city's portion of various state shared revenues, municipal court fees, and intergovernmental revenue.

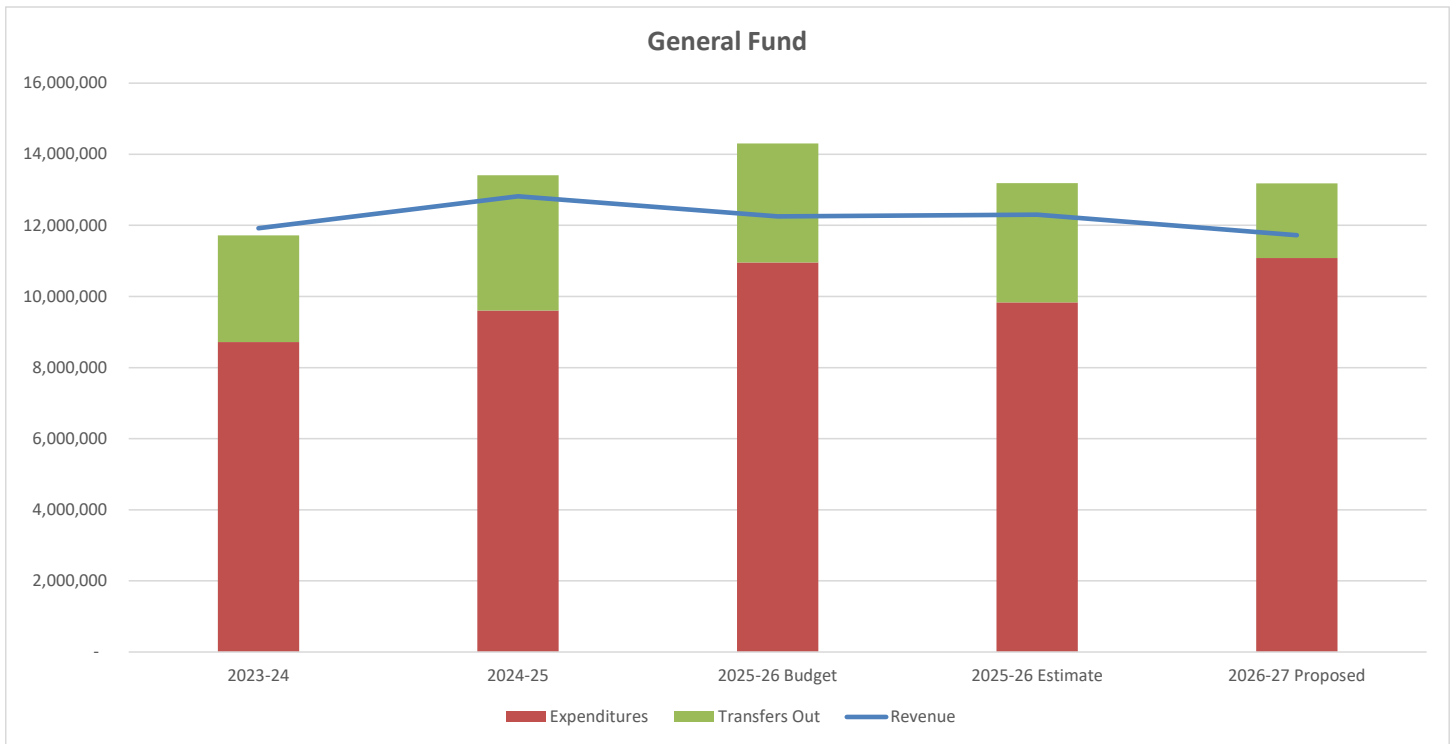
Expenditures

The main expenditures within the five departments are personnel and materials and services. General Fund capital outlay is expended in the Reserve for Replacement Fund which receives revenue as a transfer from the General Fund.

General Fund Total	Historical Information		Adopted Budget	Budget For Fiscal Year 2026-27		
	2023-24	2024-25	2025-56	Proposed	Approved	Adopted
Administration	\$ 3,557,342	\$ 4,109,015	\$ 4,715,100	\$ 4,574,700	\$ -	\$ -
Community Services and Public Safety	1,336,478	1,359,838	1,486,700	1,934,200	-	-
Economic and Community Development	3,094,507	3,323,186	3,860,400	3,583,600	-	-
Public Works	731,142	815,986	893,700	989,500	-	-
Transfers	3,000,000	3,800,000	3,350,000	2,100,000	-	-
Contingency	-	-	3,142,593	3,232,448	-	-
Total	\$ 11,719,469	\$ 13,408,025	\$ 17,448,493	\$ 16,414,448	\$ -	\$ -

General Fund

	Preceding 2023-24	Preceding 2024-25	Adopted 2025-26 Budget	2025-26 Estimate	2026-27 Proposed	2026-27 Approved	2026-27 Adopted
Revenue	11,922,028	12,817,421	12,253,000	12,303,000	11,723,000	-	-
Expenditures	8,719,469	9,608,025	10,955,900	9,836,000	11,082,000	-	-
Transfers Out	3,000,000	3,800,000	3,350,000	3,350,000	2,100,000	-	-
Annual Operating Surplus / (Shortfall)	202,559	(590,604)	(2,052,900)	(883,000)	(1,459,000)	-	-
Beginning Fund Balance	5,962,493	6,165,052	5,195,493	5,574,448	4,691,448	-	-
Ending Fund Balance / Contingency	6,165,052	5,574,448	3,142,593	4,691,448	3,232,448	-	-





**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

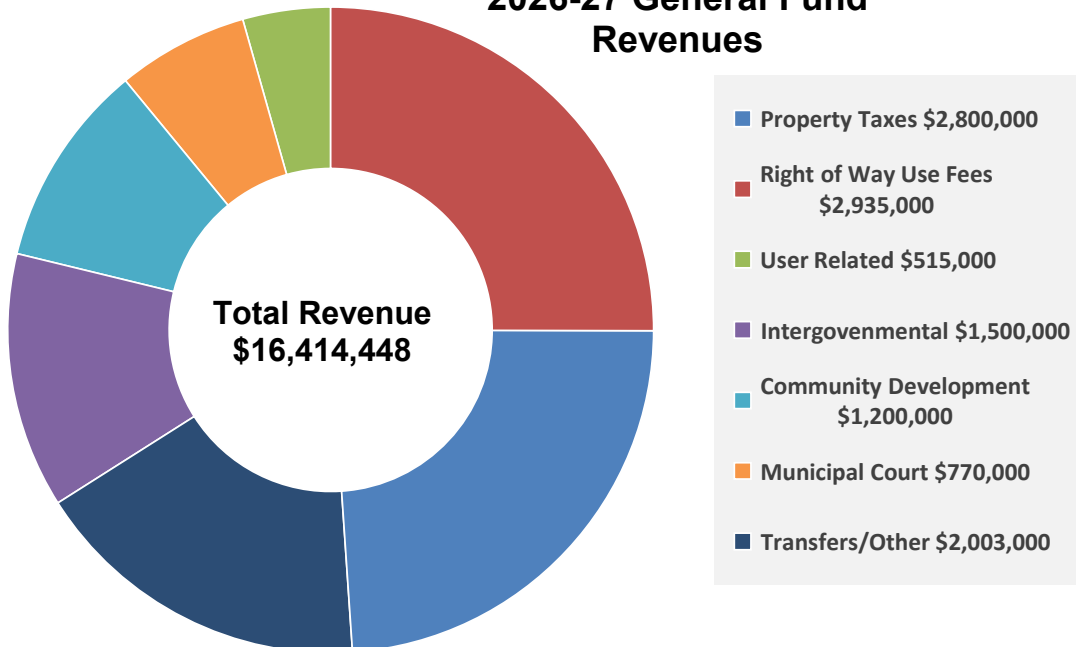
General Fund

Resources

General Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 5,962,493	\$ 6,165,052	\$ 5,195,493	\$ 5,574,448	\$ 4,691,448	\$ -	\$ -
Property Taxes	2,499,217	2,572,287	2,705,000	2,700,000	2,800,000	-	-
State Shared Rev	882,466	775,940	900,000	790,000	790,000	-	-
ROW Use Fee	2,559,277	2,811,534	2,830,000	2,900,000	2,935,000	-	-
User Related Fees	464,685	405,981	550,000	510,000	515,000	-	-
Building Fees	1,277,472	1,661,273	1,300,000	1,300,000	800,000	-	-
Planning Fees	161,872	328,306	150,000	200,000	150,000	-	-
Engineering Fees	684,340	409,435	250,000	150,000	150,000	-	-
SDC Compliance	39,010	128,833	50,000	130,000	100,000	-	-
Urban Renewal Admin Fee	247,042	289,480	320,000	350,000	370,000	-	-
Traffic Fines	651,246	672,900	600,000	650,000	650,000	-	-
Court Related Fees	81,965	123,234	120,000	120,000	120,000	-	-
Intergovernmental	281,302	397,848	200,000	225,000	340,000	-	-
Misc Revenue	452,134	435,370	400,000	400,000	400,000	-	-
Transfers In	1,640,000	1,805,000	1,878,000	1,878,000	1,603,000	-	-
Total Revenues	11,922,028	12,817,421	12,253,000	12,303,000	11,723,000	-	-
Total Resources	\$ 17,884,521	\$ 18,982,473	\$ 17,448,493	\$ 17,877,448	\$ 16,414,448	\$ -	\$ -

2026-27 General Fund Revenues





City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Property Taxes: The City's permanent tax rate is \$0.671 per thousand dollars and is levied on the assessed value of property within the City as determined under current state law. Includes taxes levied in prior years but collected in the current year.

State Shared Revenues: Includes 20% of liquor receipts distributed monthly to cities on a per capita basis. with statutory authorization for distribution in ORS 471.810(a)(b) and 471.810(1)(d) and 14% of liquor revenues paid quarterly to cities based on formula outlined in the ORS 221.770. HB3601 passed in the 2013 Special Session and implemented January 1, 2014 raised the cigarette tax 13 cents. Although the tax per pack increased cities will not receive any additional proceeds. Two 2 cents of the \$1.31 per pack cigarette tax is distributed monthly to cities on a per capita basis with statutory authorization for distribution in ORS 323.445. Population estimates compiled each July by Portland State University's Center for Population Research are certified in January of the following year and thereafter govern the distributions. Cities are to receive 10% of marijuana state tax revenues. Distribution will be based on the number of licenses issued by OLCC in the previous year for premises located in each city, after administrative and enforcement expenses are deducted. The share will be based on the number of licenses for premises located in the city compared to the total issued by the OLCC for all premises in the state. Key statutes are ORS 475B.700-.710, and .760. These state shared revenues may be used for general city operations.

ROW/ User Fees: Includes fees paid to operate within or use services provided by the City. These include facility rental charges, cell phone tower rental fees, bi-annual alarm permits, late payment and false alarm assessments, burn permits, registration fee for any dog 6 months or older, fees to operate a business within the City, local marijuana tax revenue, fee for passport photos and process filing for US Customs, and Metro business license program revenue.

Building Permit Fees: Residential and commercial, new and remodel inspection permits. Plan review for residential and commercial buildings including commercial buildings requiring a fire life safety plan. Permits and fees for mechanical inspection, plumbing inspection, and single lot erosion control. Other building permits not listed above such as: re-inspection, statewide Minor Label program revenue from the State of Oregon for performing plumbing and mechanical inspections, septic tank or sewer line abandonment, connection of public lateral to private homeowner sewer, residential construction sidewalk and driveway approach inspection, and certificates of occupancy.

Planning Fees: Includes all categories of development fees including fees by type of application and fees associated with a cost per lot to be developed. Fees are set to cover staff time and all related costs.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Resources

Engineering Fees: Includes fees to cover improvement plan review, overall development, erosion sediment control plan review, and periodic construction supervision of public improvements by the City to ensure compliance with National, State, Regional, and City standards.

SDC Compliance: Per the adopted SDC methodology, 5% of Transportation and Parks SDC's goes to the General Fund for the administration of the SDC programs.

Traffic Fines: Fines imposed in the Happy Valley Municipal Traffic Court.

Court Related Fees: Includes state and county fees associated with Traffic Court fines, municipal code violation fines, traffic safety class for persons who commit minor traffic infractions, fee to review variance applications and monitor for non-compliance issues.

Intergovernmental: Revenue from other municipalities or governmental agencies such as solid waste franchise fees, 5% of Metro Construction Excise tax, 3% of North Clackamas School District Construction Excise Tax and fees to cover administrative costs, payments from other jurisdictions for code enforcement, building inspection, street sweeping services provided, and grant revenue received from other municipalities or governmental agencies.

Misc Revenue: Includes but not limited to: unanticipated income for copy fees, refunds, donations, interest income from cash in the Local Government Investment Pool, grant revenue received from other than governmental agencies.

Transfers In: From other funds to cover respective portion of allocated costs associated with administration.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

**General Fund
Administration**



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Administration

Manager: Jason Tuck, ICMA-CM

Administration consists of the Office of the City Manager, Human Resources, City Recorder, Risk, Finance, and Information Systems.

City Manager

The Office of the City Manager is responsible for governmental coordination/cooperation, program evaluation/management, management of City staff, Council coordination/communication, special project management, implementation of Council goals and policies, fiscal responsibility, public transparency, and franchise agreement negotiation/administration.

Staff members include City Manager, Assistant City Manager, Management Analyst I/Policy Analyst, Executive Assistant, Communication & Public Relations Program Manager.

Human Resources/Risk Management

Human Resources is responsible for ensuring comprehensive competitive benefit packages, providing strategic interaction with departments to attract, hire, and retain top candidates for each position, work collaboratively to provide the best outcomes to challenges related to employees as they occur.



Staff members include Human Resources Director.

City Recorder / Risk Management

The City Recorder is responsible for the maintenance of official Ordinances and Resolutions and records pertaining to the City Council, liaison with the Clackamas County Recorder's Office, as well as all archival responsibilities for City records. The City Recorder also acts as the Elections Officer, ensuring all applicable laws are adhered to during the course of all elections within the City.

Risk management includes

- 1) identification of risk
- 2) risk assessment including minimizing exposures wherever practicable
- 3) transfer of risk utilizing risk management and insurance strategies
- 4) implementation and ongoing monitoring of the risk management plan
- 5) plan review and revision as needed.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Administration

City Recorder / Risk Management (continued)

- 6) administration and evaluation of City contracts, Intergovernmental Agreements, bonds and other forms of financial guaranty
- 7) management of the City's insurance program including property, casualty, and workers' compensation.

Staff members include City Recorder/Management Analyst II, Records Specialist.

Information Technology



Information Technology manages City servers, WAN and LAN, computer and peripheral equipment, all software programs tailored specifically to meet the varying needs of staff.

Staff members include Information Services Manager, Information Services Support Specialist II.

Finance Department

Finance is responsible for management of all financial aspects in accordance with generally accepted accounting principles and Federal and State regulations, maintenance of automated systems to provide useful accurate financial information to internal and external users, creation of annual budget per local budget statutes, creation of financial statements, management of annual audit process, manage banking and investments.

Staff members include Finance Director, Senior Accountant, Accounting Specialist.

Budget Summary:

General Fund	Historical Information			Adopted Budget	Budget For Fiscal Year 2026-27		
	2023-24	2024-25	2025-26	2025-26	Proposed	Approved	Adopted
Administration							
Personnel Services	\$ 2,088,066	\$ 2,374,182	\$ 2,615,100		\$ 2,629,700	\$ -	\$ -
Materials and Services	1,469,276	1,734,833	2,100,000		1,945,000	-	-
Total	\$ 3,557,342	\$ 4,109,015	\$ 4,715,100		\$ 4,574,700	\$ -	\$ -

General Fund - Administration

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Personnel Services							
FTE Positions	13.0	14.0	14.0	14.0	13.0	-	-
Wages	\$ 1,328,686	\$ 1,513,170	\$ 1,647,500	\$ 1,500,000	\$ 1,630,400	\$ -	\$ -
Benefits	759,380	861,012	967,600	900,000	999,300	-	-
Total Personnel Services	<u>2,088,066</u>	<u>2,374,182</u>	<u>2,615,100</u>	<u>2,400,000</u>	<u>2,629,700</u>	<u>-</u>	<u>-</u>
Materials and Services							
Office Supplies	95,090	100,014	140,000	100,000	140,000	-	-
Professional Development	150,987	181,193	190,000	160,000	170,000	-	-
Utilities	151,836	159,079	200,000	160,000	175,000	-	-
Public Accountability	57,014	44,040	70,000	80,000	80,000	-	-
Facility & Office Service Contracts	483,956	563,090	600,000	560,000	570,000	-	-
Public Outreach	97,092	87,784	90,000	80,000	80,000	-	-
General Operating	255,963	299,518	350,000	320,000	350,000	-	-
Legal	62,413	164,413	160,000	70,000	80,000	-	-
Contract Services	114,925	135,702	300,000	180,000	300,000	-	-
Total Materials and Services	<u>1,469,276</u>	<u>1,734,833</u>	<u>2,100,000</u>	<u>1,710,000</u>	<u>1,945,000</u>	<u>-</u>	<u>-</u>
Total Administration	<u>\$ 3,557,342</u>	<u>\$ 4,109,015</u>	<u>\$ 4,715,100</u>	<u>\$ 4,110,000</u>	<u>\$ 4,574,700</u>	<u>\$ -</u>	<u>\$ -</u>



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Expenditures, Administration

Personnel:

Wages: City Manager, Assistant City Manager, Finance Director, Human Resources Director, Information Systems Manager, City Recorder/Management Analyst II, Management Analyst I/Policy Analyst, Executive Assistant, Communication & Public Relations Coordinator, Records Management Specialist, Information Systems Support Specialist II, Senior Accountant, Accounting Specialist.

Benefits: Unemployment claims, retirement incentives, employer portion of FICA and Tri-met taxes, Paid Leave Oregon tax (1% employee and employer cost share picked up by the City), medical and dental benefits (employees pay 5% of premium costs), life and disability insurance, payments to PERS system for both the employer percentage and 6% employee portion, and workers' compensation insurance pooled through the League of Oregon Cities.

Materials and Services:

Office Supplies: General office supplies, postage, computer, and technology items less than \$5,000.

Professional Development: Training, travel, and meals related to City business, annual membership and professional organization dues, certifications, subscriptions, and books for staff budgeted under Administration and City Council.

Utilities: All utilities including gas, electricity, trash, recycling, phone services, water, storm, and sewer for all City facilities excluding the Library and Community Policing Center.

Public Accountability: Legal notices, website hosting of Municipal Code, financial audit, city recorder fees.

Public Outreach: Costs associated with City events, expenses for City sponsored events with other civic entities, community events, social media, newsletter (portion allocated to the Public Safety Fund), tourism, annexation program, merchandise for sale with the City logo, and Youth Council.

Repairs and Maintenance: Repairs, improvements, maintenance, and cleaning supplies for the City Hall building and systems.

Facility and Office Service Contracts: Annual maintenance and service contracts related to the City's facilities and operations. This includes the accounting system, internet services, website, document management, network, computer software, facility access and security, elevator, HVAC, landscape, and janitorial services maintenance agreements.

General Operating: Property, General Liability Automobile, banking fees, title search fees, other miscellaneous fees, costs associated with recruiting and hiring, and employee recognition and appreciation programs.

Legal: Legal expenses pertaining to all General Fund departments.

Contract Services: Services required beyond the scope of staff and items requested by Council.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

General Fund

***Community Services/Public Safety
Department***



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Community Services and Public Safety

Manager: Steve Campbell

Community Services and Public Safety consists of Police, Emergency Management, Code Enforcement, Animal Control, Municipal Court/Juvenile Diversion and Administrative Services, Public Engagement and Public Information.

Police/Emergency Management

The Police/Emergency Services department works closely with the Clackamas County Sheriff's Office, Clackamas Fire District #1, and Clackamas County Emergency Management to ensure public safety and deliver efficient emergency services. The department manages the city's police contract, including staffing, setting goals, and overseeing daily operations.

It focuses on prevention, crime reduction, and proactive community engagement. The department leads crime prevention programs and facilitates public forums, such as the Traffic & Public Safety Committee, where residents can raise concerns and help shape local safety strategies.

The department also collaborates with the Clackamas County Wildfire Defense Board, local homeowners' associations (HOAs), and Metro Parks to support fire mitigation efforts. This includes managing open spaces and reducing wildfire risk in residential areas and natural parks.

To ensure comprehensive emergency preparedness, the department develops and maintains the Emergency Operations Plan, Hazard Mitigation Plan, and Continuity of Operations Plan. It serves as the city's Emergency Manager and acts as Incident Commander when the Emergency Operations Center is activated.

Through these coordinated efforts, the department is committed to protecting the community and ensuring a swift, effective response during emergencies.

Staff: Director of Community Services & Public Safety

Code Enforcement, Animal Control and Community Resource Officer Liaison

Our Community Service Officers (CSOs) are dedicated to code enforcement, animal control, and neighborhood safety. Their primary goal is to promote code compliance through proactive enforcement, education, and collaboration with residents, businesses, developers, and neighbors. In doing so, they help foster a safer and more connected community. In the 2026-27 Budget, two positions have been transferred from the Public Safety Fund to the General Fund due to budgetary restraints.

Beyond addressing specific code violations, CSOs actively identify potential issues throughout neighborhoods. Working as the city's mediation team, working with HOA's and Businesses to resolve health and safety concerns. They also support a robust crime prevention program by coordinating volunteer patrols in parks, schools, and open spaces.

Animal control efforts focus on reuniting lost pets with their owners using licensing records and chip identification. CSOs also investigate complaints of neglect or abuse, advocate for animal welfare, and educate pet owners on licensing and responsible ownership.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Community Services and Public Safety

Code Enforcement, Animal Control and Community Resource Officer Liaison (Continued)

The department manages the HEART Program (Happy Valley Empathy and Assistance Resource Team), with a designated CSO serving as the homeless liaison. This officer responds to homelessness-related concerns, connects individuals with services, and partners with a transitional shelter to provide food and lodging for those in need.

The team also oversees the Apartment Safe Neighborhood Initiative (ASNI), which supports apartment communities in implementing best practices to reduce crime and calls for service, ultimately improving safety and quality of life for residents.

To ensure public spaces remain safe and enjoyable, CSOs regularly patrol city parks, including Metro-owned properties, reinforcing park rules and maintaining a welcoming environment for all.

Staff: Community Service Officer Supervisor, Community Service Officer (3), Administrative Assistant II

Municipal Court / Juvenile Diversion

Court Administration oversees the resolution of traffic, parking, and city code violations, as well as cases involving minors in possession of alcohol, tobacco, or other ordinance infractions. Staff manage all administrative functions of the court, including enrollment, instruction, and compliance tracking for traffic safety and fireworks diversion classes offered to eligible individuals.

The court prioritizes fair and efficient case resolution through compliance, diversion programs, or non-contested payments. For low-level youth offenses, the Juvenile Diversion Program provides an alternative to traditional court proceedings by offering community service as a positive and educational path forward.

Through these efforts, the Municipal Court promotes accountability, education, and fair outcomes for minor offenses in the community.

Staff: Municipal Court Clerk I, Municipal Court Clerk II

Administrative Services, Public Engagement & Public Information

Administrative Services

The Administrative Services team supports both residents and internal staff by managing a wide array of city services. These include processing business licenses, tree permits, animal licenses, burn permits, alarm permits, OLCC permits, special event permits, and filming permits. They also oversee the City's online service portal, ensuring a seamless experience for accessing and managing permits. Additionally, the team manages the solid waste franchise and provides passport services. Internally, they support City operations through notary services, phone coverage, mail distribution, and office supply management.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Community Services and Public Safety

Public Engagement

The Public Engagement team leads efforts to connect with residents, youth, businesses, and key partners to foster a strong sense of community and civic pride. They manage the Happy Valley Youth Council and coordinate programs like the Young Entrepreneurs Program, promoting youth leadership and civic education. Engagement extends into local schools through educational partnerships focused on government awareness and community involvement. The team coordinates welcome packets for new residents and businesses, helping them integrate into the community.

Public Engagement also includes managing tourism efforts, overseeing the Happy Valley Store, and leading marketing strategies that highlight local events, attractions, and services. They maintain strong relationships with the Happy Valley Business Alliance, local Homeowners Associations, and external partners such as Camp Withycombe, the Oregon National Guard, Army Reserves, and local veterans groups, working together to strengthen community ties and support public initiatives.

Public Information

The Public Information function, led by the City's Public Information Officer, ensures clear and consistent communication with the public. The PIO issues media releases, serves as the City's spokesperson, manages the newspaper partnership, and speaks on behalf of the City during public events, media engagements, and emergencies. In coordination with the City's Core Communications Team, this role also supports the city's messaging across media releases, the community radio station, city website, and social media platforms.

Staff: Program Supervisor, Community Engagement Specialist, Administrative Assistant I (2)

Budget Summary:

General Fund Community Services/ Public Safety	Historical Information		Adopted Budget 2025-26	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Personnel Services	\$ 1,280,679	\$ 1,280,986	\$ 1,391,700	\$ 1,839,200	\$ -	\$ -
Materials and Services	55,799	78,852	95,000	95,000	-	-
Total	\$ 1,336,478	\$ 1,359,838	\$ 1,486,700	\$ 1,934,200	\$ -	\$ -

General Fund - Community Services and Public Safety

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Personnel Services							
FTE Positions	10.0	10.0	10.0	10.0	12.0	-	-
Wages	\$ 791,438	\$ 781,143	\$ 848,900	\$ 815,000	\$ 1,085,100	\$ -	\$ -
Benefits	489,241	499,843	542,800	570,000	754,100	-	-
Total Personnel Services	<u>1,280,679</u>	<u>1,280,986</u>	<u>1,391,700</u>	<u>1,385,000</u>	<u>1,839,200</u>	<u>-</u>	<u>-</u>
Materials and Services							
CSPS Supplies	5,036	10,127	10,000	8,000	10,000	-	-
Professional Development	11,838	21,299	25,000	15,000	25,000	-	-
Public Safety Related	38,925	47,426	50,000	45,000	50,000	-	-
Contract Services	-	-	10,000	3,000	10,000	-	-
Total Materials and Services	<u>55,799</u>	<u>78,852</u>	<u>95,000</u>	<u>71,000</u>	<u>95,000</u>	<u>-</u>	<u>-</u>
Total Community Services and Public Safety	<u>\$ 1,336,478</u>	<u>\$ 1,359,838</u>	<u>\$ 1,486,700</u>	<u>\$ 1,456,000</u>	<u>\$ 1,934,200</u>	<u>\$ -</u>	<u>\$ -</u>



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Expenditures, Community Services and Public Safety

Personnel:

Wages: Director of Community Services & Public Safety, Program Supervisor, Community Services Officer Supervisor, Community Services Officer (3), Municipal Court Clerk I, Municipal Court Clerk II, Community Engagement Specialist, Administrative Assistant I (2), Administrative Assistant II.

Benefits: Items paid from these line items include unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, Paid Leave Oregon tax (1% employee and employer cost share picked up by the City), medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, and disability insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

CSPS Supplies: Supplies other than Office Supplies needed for the various functions included in this department as well as equipment below the capital item threshold. Includes but not limited to items to provide photo passport and process filing for US Customs and supplies needed in case of emergencies as stipulated in grant agreements.

Professional Development: Training, travel, and meals related to City business, annual membership dues to professional organization, certifications, subscriptions, and books for staff. Training in code enforcement, emergency services, animal control, and any of the various services provided by the department.

Public Safety Related: Lodging costs associated with non-licensed animals found in the City per requirement the City shelter animals in custody. Judge for Municipal Court sessions, translation services including signing to aid communication between defendants and court staff, student books and materials for Driver Safety Classes, and City's portion of costs for administering juvenile diversion program.

Contract Services: Contract services for nuisance abatement. The City contracts services to remove nuisances on private property if court ordered abatement fails.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

General Fund

***Economic and Community Development
Department***



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Economic and Community Development

Manager: Michael D. Walter, AICP

The Economic and Community Development Department consists of three divisions, the Planning & Economic Development Division; the Engineering Division; and the Building Division. Each has specific responsibilities, though many are inter-departmental responsibilities in relation to development reviews.

Planning and Economic Development Division



Guide residential, institutional, commercial and industrial growth to facilitate improvement of quality of life of our residents. Provide information and assistance to developers and the public about development requirements, the planning process, and Planning Commission and City Council procedures. Optimize land development, confirm compliance with adopted land use regulations and policies, and ensure development projects enhance the functional and visual characteristics of the community. Provide technical review of preliminary and final subdivision plats, design review, transportation planning, environmental planning, landscape plan review, annexations, development agreements, and long-range planning. Coordinate planning and economic development efforts with other city departments and local, regional, and state planning agencies and organizations. Review, research, and update our Comprehensive Plan and Land Development Code to be certain it meets the goals prescribed by regional and state planning agencies as well as the City Council. Promote the development and expansion of commercial, industrial and health care sector businesses. Promote the annexation of properties to provide future economic development opportunities and residential growth.

Staff members include the Economic and Community Development Director, Asst. Economic and Community Development Director, Senior Planner (2), and Planning Assistant.

Engineering Division

Oversee construction and improvement of city facilities and infrastructure, provide public works related inspections, review plans, monitor construction activities, and submit grant applications. Provide strategic planning related to new development, transportation improvements, utilities, city-supported public works programs and capital improvement projects in conjunction with other city departments. Provide city residents with a high level of customer service relative to street construction, improvements, maintenance and repairs, and public rights-of-way. Coordinate surface water issues with Clackamas County Water Environment Services (WES). Coordinate with the Traffic and Public Safety Committee, City Traffic Engineer, Code Enforcement, and Public Works Director regarding the installation and maintenance of signage and traffic control devices within public rights-of-way. Coordinate with Public Works on street cleaning including; sweeping, debris pick-up and hazardous spill removal coordination, and MS4 reporting. Review construction plans for compliance with national, regional and city standards and oversee construction and improvement projects related to new development and growth within the city limits.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Economic and Community Development

Oversee capital, upgrade, and public improvement projects within the public rights-of-way, utilizing System Development Charges for capital projects. Update Street Inventory Pavement Management Program and conduct feasibility studies regarding street pre-design. Work with the other departments relative to new site development, code compliance, and final plat review to assure compliance with conditions of approval. Maintain and update as necessary, the City’s Construction Design Standards.

Staff members include the City Engineer, Senior Civil Engineer, Civil Engineer, Engineering Inspector II, Engineering Technician III, and Permit Technician (Engineering).

Building Division

Provide code administration, inspection, plan review and permit services integral to the safe and effective construction of structures in the City. Services provided to architects, engineers, contractors, and members of the public who need code interpretation of various specialty codes. Maintain updated copies of Oregon’s construction codes and rules for use within the jurisdiction. Ensure organizations are operating in compliance with appropriate laws, individuals are properly licensed, and products meet legal specifications. Permit and inspection services provided for structural, mechanical, electrical, and plumbing permits. Issue permits to administer and enforce the state’s building codes including plan review for construction. Recognize and meet the work plan and program standards mandated through the Tri-County Service Board (State of Oregon Building Codes Division Northwest Regional Office). Issue timely building permits for construction projects following submission of complete permit applications and plans. Accomplish all requested building inspections within 24 hours of date of request. Respond to public concerns within 48 hours from date received. Provide inspection services and plan review to the City of Milwaukie and City of Oregon City per existing Intergovernmental Agreements. Allow for, facilitate, and encourage alternate methods of construction and or materials. Provide code resources for architects, engineers, building contractors and homeowners. Uniformly administer and enforce the state building codes, city ordinances and policies that set standards for construction.

Staff members include the Building Official, Building Inspector I/ Plans Examiner I, Building Inspector I, Building Inspector II (2), Permit Technician Supervisor, and Permit Technician (Building) (2).

Budget Summary:

General Fund Community and Economic Development	Historical Information		Adopted Budget 2025-26	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Personnel Services	\$ 2,823,988	\$ 2,930,660	\$ 3,465,400	\$ 3,178,600	\$ -	\$ -
Materials and Services	270,519	392,526	395,000	405,000	-	-
Total	\$ 3,094,507	\$ 3,323,186	\$ 3,860,400	\$ 3,583,600	\$ -	\$ -

General Fund - Economic & Community Development

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Personnel Services							
FTE Positions	22.0	22.0	20.0	17.0	17.0	-	-
Wages	\$ 1,779,716	\$ 1,815,809	\$ 2,148,500	\$ 1,900,000	\$ 1,938,900	\$ -	\$ -
Benefits	1,044,272	1,114,851	1,316,900	1,180,000	1,239,700	-	-
Total Personnel Services	<u>2,823,988</u>	<u>2,930,660</u>	<u>3,465,400</u>	<u>3,080,000</u>	<u>3,178,600</u>	<u>-</u>	<u>-</u>
Materials and Services							
ECD Supplies	1,298	1,185	5,000	-	5,000	-	-
Professional Development	37,073	30,214	40,000	30,000	40,000	-	-
Contract Services	232,148	361,127	350,000	315,000	360,000	-	-
Total Materials and Services	<u>270,519</u>	<u>392,526</u>	<u>395,000</u>	<u>345,000</u>	<u>405,000</u>	<u>-</u>	<u>-</u>
Total Economic & Community Development	<u>\$ 3,094,507</u>	<u>\$ 3,323,186</u>	<u>\$ 3,860,400</u>	<u>\$ 3,425,000</u>	<u>\$ 3,583,600</u>	<u>\$ -</u>	<u>\$ -</u>



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Expenditures, Economic and Community Development

Personnel:

Wages: Economic & Community Development Director, Assist Econ & CD Director, City Engineer, Senior Planner (2), Planning Assistant, Capital Improvement Manager, Engineer (unfilled), Engineering Inspector II, Engineering Technician III, Building Official, Building Inspector I, Building Inspector II (2), Permit Technician Supervisor, and Permit Technician (Building) (2).

Benefits: Items paid from these line items include: Unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, Paid Leave Oregon tax (1% employee and employer cost share picked up by the City), medical and dental benefits paid for employees (employees pay five percent of the premium costs), life, and disability insurance, payments into the PERS system for both the employer percentage and the six percent employee match.

Materials and Services:

ECD Supplies: Supplies other than Office Supplies needed for the various functions included in this department as well as equipment below the capital item threshold.

Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Annual membership dues paid to local, regional and national economic development, planning, engineering and building associations.



Contract Services: Contract for review of City transportation issues and reviewing development applications. Consulting professional engineer responsible for evaluating traffic safety and control issues throughout the city limits, provide assistance with construction plans, plat review, and project close out if needed, may include professional staff for erosion control permitting and inspections, as well as assistance with street design standards. Code revision and project work related to growth and future expansion most of which is proposed to be funded by grants. Costs associated with development of required legal descriptions for annexations. Fees paid to Metro for annexation. Costs associated with special projects, over-load current planning review, municipal code updates, and economic development plan assistance.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

General Fund

Public Works Department



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Public Works

Manager: Chris Randall

Public Works

Oversee operations related to the maintenance of City facilities and infrastructure, maintenance of the city's fleet of vehicles and equipment, manage and maintain quality public roads, parks, trails, storm drains, open spaces, and other infrastructure for the residents of the City. Provide quality community services for the health and safety of residents and the environment. Provide high level of customer service related to street construction, implementation, maintenance and repair, public rights-of-way maintenance and repair, coordination of surface water issues with Water Environment Services, installation, and maintenance of signage within public rights-of-way, street sweeping, debris pickup-up, and hazardous spill removal coordination. Coordinate work efforts of volunteers and community work force, work with committees to address existing and anticipated concerns and goals of the community. Promote recycling and sustainability practices through building maintenance. Work with the other departments to maintain a Safety Committee, coordinate issues related to public rights-of-ways, event staffing, warning sign installation and maintenance, surface water issues, feasibility studies, forecasting, and master planning projects.



Staff members include the Public Works Director, Facilities Maintenance Technician, Utility Worker II, and Administrative Assistant III.

Budget Summary:

General Fund Public Works	Historical Information		Adopted Budget 2025-26	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Personnel Services	\$ 565,623	\$ 605,374	\$ 666,700	\$ 746,500	\$ -	\$ -
Materials and Services	165,519	210,612	227,000	243,000	-	-
Total	\$ 731,142	\$ 815,986	\$ 893,700	\$ 989,500	\$ -	\$ -

General Fund - Public Works

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Personnel Services							
FTE Positions	4.0	4.0	4.0	4.0	4.0	-	-
Wages	\$ 371,119	\$ 384,416	\$ 420,000	\$ 395,000	\$ 447,900	\$ -	-
Benefits	194,504	220,958	246,700	250,000	298,600	-	-
Total Personnel Services	<u>565,623</u>	<u>605,374</u>	<u>666,700</u>	<u>645,000</u>	<u>746,500</u>	<u>-</u>	<u>-</u>
Materials and Services							
Public Works Supplies	14,964	19,978	20,000	20,000	23,000	-	-
Professional Development	22,452	30,574	27,000	20,000	25,000	-	-
Vehicle Operation & Main.	69,288	66,781	80,000	75,000	85,000	-	-
Repairs & Maintenance	36,045	70,932	60,000	70,000	80,000	-	-
Contract Services	22,770	22,347	40,000	15,000	30,000	-	-
Total Materials and Services	<u>165,519</u>	<u>210,612</u>	<u>227,000</u>	<u>200,000</u>	<u>243,000</u>	<u>-</u>	<u>-</u>
Total Public Works	<u>\$ 731,142</u>	<u>\$ 815,986</u>	<u>\$ 893,700</u>	<u>\$ 845,000</u>	<u>\$ 989,500</u>	<u>\$ -</u>	<u>\$ -</u>



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Expenditures, Public Works

Personnel:

Wages: Public Works Director, Facilities Maintenance Technician, Utility Worker II, and Administrative Assistant III.

Benefits: Items paid from these line items include unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, Paid Leave Oregon tax (1% employee and employer cost share picked up by the City), medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, and disability insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

Public Works Supplies: Supplies and materials for repairs and continued operation of Public Works facilities. Safety equipment worn by Public Works staff for protection from injury such as hard hats, boots, gloves, and safety goggles.

Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Training classes and certifications on subjects such as insecticide/herbicide use, road maintenance, safety, construction, first aid and flagman training. Staff membership in Public Works/Environmental associations, such as the American Public Works Association (APWA), Association of Clean Water Agencies (ACWA), Regional Erosion Prevention Awards program, and Pacific Northwest Clean Water Association (PNCWA).

Vehicle Operation & Maintenance: Operation, repair, and maintenance of all General Fund vehicles.

Repairs and Maintenance: Maintenance and repairs of non-vehicular equipment such as upkeep of trees, shrubs, and landscape in the public rights of way to maintain our Tree City USA status. Equipment rented during special projects. Repairs, improvements, maintenance, recycling costs, and cleaning supplies for all City buildings and systems excluding the Library and the Community Policing Center.



Contract Services: Public Works facility feasibility study and project engineering.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

General Fund

***Transfers
Contingency
Total Requirements***

General Fund - Non-Departmental, Transfers, and Contingency

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Transfers							
To Gen Res for Replacement Fund	\$ 500,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	-
To Facility Cap Project Fund	2,500,000	3,200,000	2,750,000	2,750,000	1,500,000	-	-
Total Transfers	<u>3,000,000</u>	<u>3,800,000</u>	<u>3,350,000</u>	<u>3,350,000</u>	<u>2,100,000</u>	<u>-</u>	<u>-</u>
Contingency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,142,593</u>	<u>\$ -</u>	<u>\$ 3,232,448</u>	<u>\$ -</u>	<u>\$ -</u>

General Fund - Total by Department

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Administration	\$ 3,557,342	\$ 4,109,015	\$ 4,715,100	\$ 4,110,000	\$ 4,574,700	\$ -	\$ -
Community Services / Public Safety	1,336,478	1,359,838	1,486,700	1,456,000	1,934,200	-	-
Economic & Community Development	3,094,507	3,323,186	3,860,400	3,425,000	3,583,600	-	-
Public Works	731,142	815,986	893,700	845,000	989,500	-	-
Transfers	3,000,000	3,800,000	3,350,000	3,350,000	2,100,000	-	-
Contingency	-	-	3,142,593	-	3,232,448	-	-
Total General Fund Requirements	<u>\$ 11,719,469</u>	<u>\$ 13,408,025</u>	<u>\$ 17,448,493</u>	<u>\$ 13,186,000</u>	<u>\$ 16,414,448</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Fund Balance	6,165,052	5,574,448	-	4,691,448	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Fund

Transfers, Contingency

Manager: Jason Tuck, ICMA-CM

Transfers:

To General Reserve for Replacement Fund: Transfer to reserve fund for the purchase of items per the replacement schedule.

To Facility Capital Projects Fund: Transfer to fund future construction of new facilities including, but not limited to a public works facility.

Other:

Contingency: An amount set aside to meet unforeseen circumstances. Contingency funds may only be transferred to Personnel Services, Materials and Services, and Transfers by resolutions approved by City Council. This budget has 20% in Contingency for the General Fund.

General Fund Department Totals:

Department Totals: Summary total for each department, Transfers, and Contingency.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Parks Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks Fund

Manager: Chris Randall / Steve Campbell

Ensure a clean, safe park and trail environment, including friendly park personnel on a daily basis. Provide a high level of customer service regarding picnic areas, sport fields, splash pad, boardwalk, park equipment, and playgrounds. Work with volunteers who provide improvements to parks and trail systems. Conduct documented park inspections once a month, provide staff support for City sponsored and endorsed park activities, maintain trail systems, and assist with construction of new trails and trail connections using City staff and volunteer labor. Maintain irrigation system to provide healthy turf and conserve water, semiannually top dress and fertilize all sports fields for optimum use throughout the year. Assist in the planning and construction of new park facilities, promote recycling and sustainability practices, and meet quarterly with the Parks Advisory Committee to discuss capital projects.

Recreation Services



Provide recreation programming to the community and plan and organize community events throughout the year. Recreation services are at the core of our organization, offering a diverse range of activities throughout the year. Our primary goal is to provide educational opportunities for individuals of all ages, including youth, adults, and seniors. Collaborating closely with the Happy Valley Parks Foundation, we actively promote recreation and fundraising efforts, while also offering scholarships to underserved youth. Our business model revolves around establishing partnerships with local businesses, enabling us to offer a

wide array of recreational services such as art, music, sports, and education. These partnerships not only help us keep costs down for participants but also contribute to the overall growth and prosperity of the business community. During the summer, we organize camps and social outings for adults and families, encompassing exciting adventures like hiking, snowshoeing, kayaking, and engaging field trips to movies, museums, and other points of interest. Moreover, we create a vibrant calendar of special events and community gatherings, including annual celebrations like the 4th of July, Summer Concert Series, International Day of Happiness, National Night Out, Safety Fair, Oktoberfest, Tree Lighting, and Dumpster Day. In addition, we extend support to both profit and non-profit events, such as the Happy Valley fun run, and take charge of coordinating school activities involving the city government. Furthermore, we manage the city's volunteer program, overseeing blood drives and community service projects, as well as operating the city store and handling marketing efforts to enhance community engagement.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks Fund

Revenue

Property Taxes provided through the Parks operating levy. User related and program fees come from citizens utilizing programs and park space. Event revenue provided through event sponsorship and vendors. Park and trail grants received from other entities. Miscellaneous revenue is interest earned on the level of fund balance.

Expenditures

The Parks operations department covers maintenance and operation of all park facilities. Parks programming department plans and organizes recreational programming and community events.

Staff includes Public Works Supervisor, Utility Worker I (3), Utility Worker II, Program Supervisor, Program Technician II (2).

Budget Summary:

Parks	Historical Information		Adopted Budget 2025-26	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Operations	\$ 818,778	\$ 913,509	\$ 1,679,400	\$ 1,337,700	\$ -	\$ -
Programming	525,234	572,445	698,300	759,500	-	-
Non-Departmental	-	-	10,000	-	-	-
Transfers	795,000	1,000,000	1,010,000	1,820,000	-	-
Contingency	-	-	1,239,959	968,415	-	-
Total	\$ 2,139,012	\$ 2,485,954	\$ 4,637,659	\$ 4,885,615	\$ -	\$ -



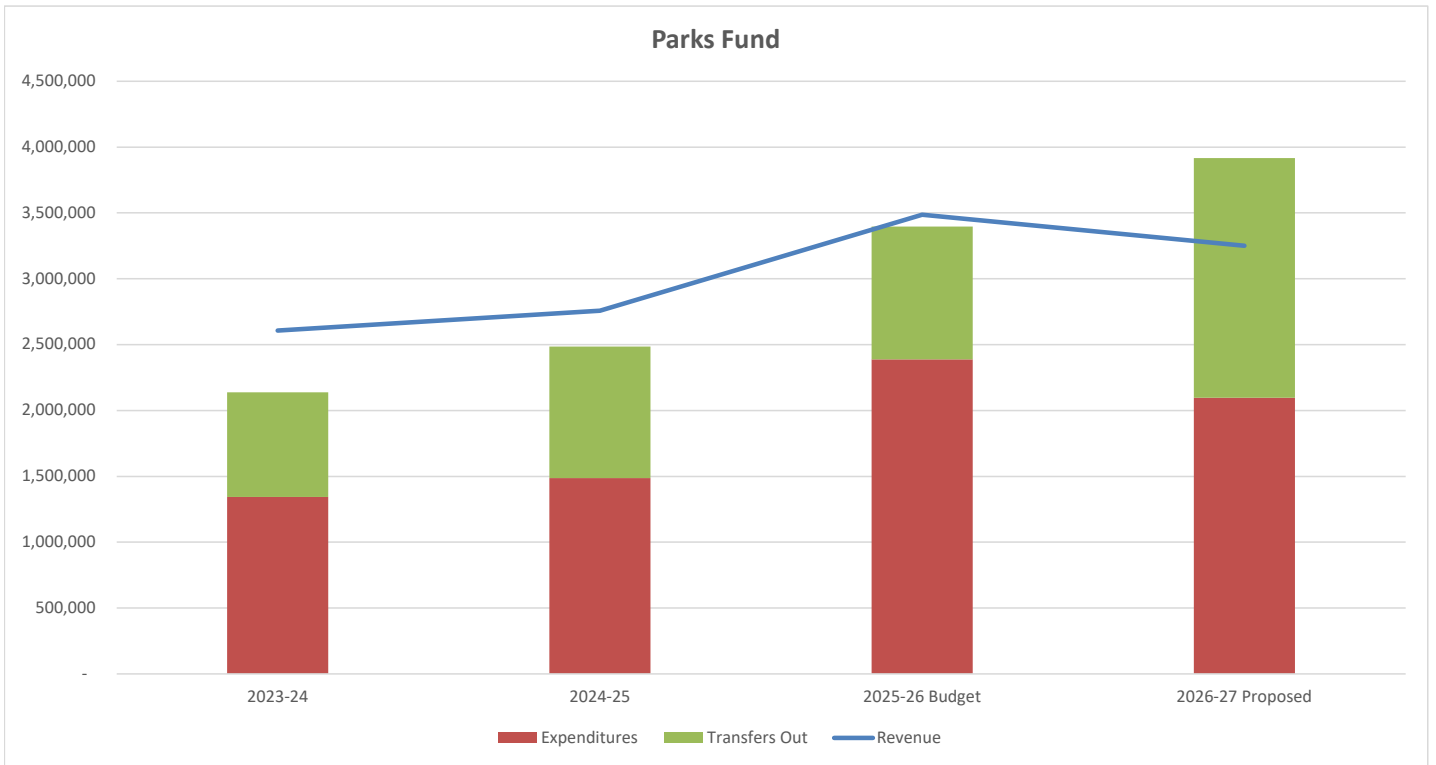
Southern Lites Park



Happy Valley Park

Parks Fund

	Preceding 2023-24	Preceding 2024-25	Adopted 2025-26 Budget	2025-26 Estimate	2026-27 Proposed	2026-27 Approved	2026-27 Adopted
Revenue	2,606,557	2,757,910	3,485,000	2,965,000	3,250,000	-	-
Expenditures	1,344,012	1,485,954	2,387,700	1,716,000	2,097,200	-	-
Transfers Out	795,000	1,000,000	1,010,000	1,010,000	1,820,000	-	-
Annual Operating Surplus / (Shortfall)	467,545	271,956	87,300	239,000	(667,200)	-	-
Beginning Fund Balance	657,114	1,124,659	1,152,659	1,396,615	1,635,615	-	-
Ending Fund Balance / Contingency	1,124,659	1,396,615	1,239,959	1,635,615	968,415	-	-



Parks Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 657,114	\$ 1,124,659	\$ 1,152,659	\$ 1,396,615	\$ 1,635,615	\$ -	\$ -
Property Taxes	2,212,022	2,327,050	2,500,000	2,500,000	2,625,000	-	-
User Related	30,827	85,379	50,000	80,000	80,000	-	-
Program Fees	40,087	43,624	40,000	60,000	60,000	-	-
Event Revenue	57,613	86,162	75,000	85,000	85,000	-	-
Grant Revenue	91,978	-	670,000	-	160,000	-	-
Misc Revenue	174,030	215,695	150,000	240,000	240,000	-	-
Total Resources	<u>\$ 3,263,671</u>	<u>\$ 3,882,569</u>	<u>\$ 4,637,659</u>	<u>\$ 4,361,615</u>	<u>\$ 4,885,615</u>	<u>\$ -</u>	<u>\$ -</u>

Parks Fund - Operations

Requirements	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Personnel Services							
FTE Positions	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Wages	\$ 251,443	\$ 299,525	\$ 346,100	\$ 350,000	\$ 404,900	\$ -	\$ -
Benefits	143,076	164,407	203,300	200,000	237,800	-	-
Total Personnel Services	<u>394,519</u>	<u>463,932</u>	<u>549,400</u>	<u>550,000</u>	<u>642,700</u>	<u>-</u>	<u>-</u>
Materials and Services							
Park Supplies	22,945	18,287	35,000	30,000	35,000	-	-
Professional Development	5,864	8,029	10,000	10,000	10,000	-	-
Utilities	76,535	99,840	90,000	110,000	115,000	-	-
Vehicle Operation & Maint.	10,833	15,685	15,000	20,000	25,000	-	-
Repairs & Maintenance	158,834	139,970	160,000	150,000	160,000	-	-
Contract Services	149,248	167,766	820,000	200,000	350,000	-	-
Total Materials and Services	<u>424,259</u>	<u>449,577</u>	<u>1,130,000</u>	<u>520,000</u>	<u>695,000</u>	<u>-</u>	<u>-</u>
Total Operations	<u>\$ 818,778</u>	<u>\$ 913,509</u>	<u>\$ 1,679,400</u>	<u>\$ 1,070,000</u>	<u>\$ 1,337,700</u>	<u>\$ -</u>	<u>\$ -</u>

Parks Fund - Recreation

Requirements	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Personnel Services							
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Wages	\$ 187,024	\$ 203,098	\$ 242,300	\$ 215,000	\$ 264,600	\$ -	\$ -
Benefits	113,654	111,556	161,000	130,000	169,900	-	-
Total Personnel Services	<u>300,678</u>	<u>314,654</u>	<u>403,300</u>	<u>345,000</u>	<u>434,500</u>	<u>-</u>	<u>-</u>
Materials and Services							
Program Supplies	9,954	6,011	20,000	6,000	10,000	-	-
Community Events	153,475	180,448	185,000	180,000	195,000	-	-
Professional Development	6,623	15,789	20,000	25,000	20,000	-	-
Program Services	13,850	19,759	25,000	35,000	40,000	-	-
Contract Services	24,206	32,427	30,000	35,000	40,000	-	-
Public Outreach	16,448	3,357	15,000	20,000	20,000	-	-
Total Materials and Services	<u>224,556</u>	<u>257,791</u>	<u>295,000</u>	<u>301,000</u>	<u>325,000</u>	<u>-</u>	<u>-</u>
Total Programming	<u>\$ 525,234</u>	<u>\$ 572,445</u>	<u>\$ 698,300</u>	<u>\$ 646,000</u>	<u>\$ 759,500</u>	<u>\$ -</u>	<u>\$ -</u>

Parks Fund - Non-Departmental, Transfers, and Contingency

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Public Outreach	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Legal	-	-	5,000	-	-	-	-
Total Non-departmental	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers							
To General Fund	270,000	300,000	310,000	310,000	320,000	-	-
To Parks Res for Replacement	525,000	700,000	700,000	700,000	700,000	-	-
To Parks Capital Projects	-	-	-	-	800,000	-	-
Total Transfers	<u>795,000</u>	<u>1,000,000</u>	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,820,000</u>	<u>-</u>	<u>-</u>
Contingency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,239,959</u>	<u>\$ -</u>	<u>\$ 968,415</u>	<u>\$ -</u>	<u>\$ -</u>

Parks Fund - Total by Department

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Operations	\$ 818,778	\$ 913,509	\$ 1,679,400	\$ 1,070,000	\$ 1,337,700	\$ -	\$ -
Programming	525,234	572,445	698,300	646,000	759,500	-	-
Non-Departmental	-	-	10,000	-	-	-	-
Transfers	795,000	1,000,000	1,010,000	1,010,000	1,820,000	-	-
Contingency	<u>-</u>	<u>-</u>	<u>1,239,959</u>	<u>-</u>	<u>968,415</u>	<u>-</u>	<u>-</u>
Total Parks Fund Requirements	<u>2,139,012</u>	<u>2,485,954</u>	<u>4,637,659</u>	<u>2,726,000</u>	<u>4,885,615</u>	<u>-</u>	<u>-</u>
Annual operating surplus/(deficit)	467,545	271,956	(1,152,659)	239,000	(1,635,615)	-	-
Ending Fund Balance	<u>\$ 1,124,659</u>	<u>\$ 1,396,615</u>	<u>\$ -</u>	<u>\$ 1,635,615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contingency % (incl transfers out)	-	-	-	-	20%	0%	0%



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks Fund

Resources

- Beginning Fund Balance:** Funds available but not spent during the previous fiscal year.
- Property Tax Revenue:** Property tax revenue received through the Parks operating levy.
- Intergovernmental Revenue: Revenue** from other municipalities or governmental agencies.
- User Related:** Fees paid for park facility reservations.
- Program Fees:** Enrollment fees for recreation programming.
- Grant Revenue:** Grant Revenue received from other entities.
- Event Revenue:** Event sponsorships and event vendor fees.
- Misc Revenue:** Includes but not limited to: Interest income from investments in the Local Government Investment Pool and other sources.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks Fund

Expenditures

Personnel:

Wages Public Works Supervisor, Utility Worker I (3), Utility Worker II (1), Program Supervisor, Program Technician II (2).

Benefits: Items paid from these line items include unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, Paid Leave Oregon tax (1% employee and employer cost share picked up by the City), medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, and disability insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

Park Supplies: Supplies used for City parks, open spaces, and trail systems to maintain safe and user-friendly environment. Safety equipment such as hardhats, safety goggles, gloves, and boots.

Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Training classes and certifications on subjects such as insecticide/herbicide use, safety, first aid, splash pad and general equipment operation. Staff membership in Oregon Recreation and Parks Association, trade journal subscriptions, and dues associated with professional memberships.

Utilities: All utilities including gas, electricity, trash, recycling, phone services, water, storm, sewer including portable toilets, and operation of all facilities within the park.

Vehicle Operation & Maintenance: Fuel, supplies, servicing, parts, and maintenance of park vehicles and equipment. Equipment included are items such as the small utility vehicle, backhoe, trucks, tractor, and mowers.

Repairs and Maintenance: Expenses related to cleanup and repair of picnic areas, routine maintenance of restroom facilities, invasive plant control, repair due to vandalism, sports field maintenance, repair and maintenance of Splash Pad and equipment rental for special projects.

Public Outreach: Costs associated with the production of educational and promotional material, social media, and events associated with park operations.

Grant Expenditures: Expenditures related to grant received from other entities.

Contract Services: Project engineering for park system projects. Programming instructors.

Program Supplies: Supplies used for running recreation programs.

Community Events – Cost associated with planning and running community events.

Transfers Out:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, overall administrative costs related to running the city.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Public Safety Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Public Safety Fund

Public Safety

Public Safety Fund

Manager: Steve Campbell

The Public Safety Fund supports the delivery of law enforcement services at the level promised to voters through the Local Option Levy. This fund accounts for tax dollars dedicated to public safety and funds contracted law enforcement services through an intergovernmental agreement with the Clackamas County Sheriff's Office.

Services include basic law enforcement patrol, traffic enforcement, investigations, and community engagement, provided by sworn and non-sworn personnel dedicated to the city. Staff includes seventeen full-time law enforcement officers. Police vehicles with Happy Valley identification reinforce community visibility and local presence.

These services are locally supervised and administered, providing the city with direct oversight of operations, service quality, and community policing efforts.

Revenue

Revenues are generated through Local Option Levy property tax collections, and interest earnings based on fund balance.

Expenditures

Expenditures include contracted police services, wages and benefits for dedicated sworn and non-sworn officers, training, equipment, facility expenses, and administrative support costs. The personnel funded include a Police Chief, Sergeants, Traffic Enforcement Officers, one Detective, Patrol Deputies for a total of 17 FTE.



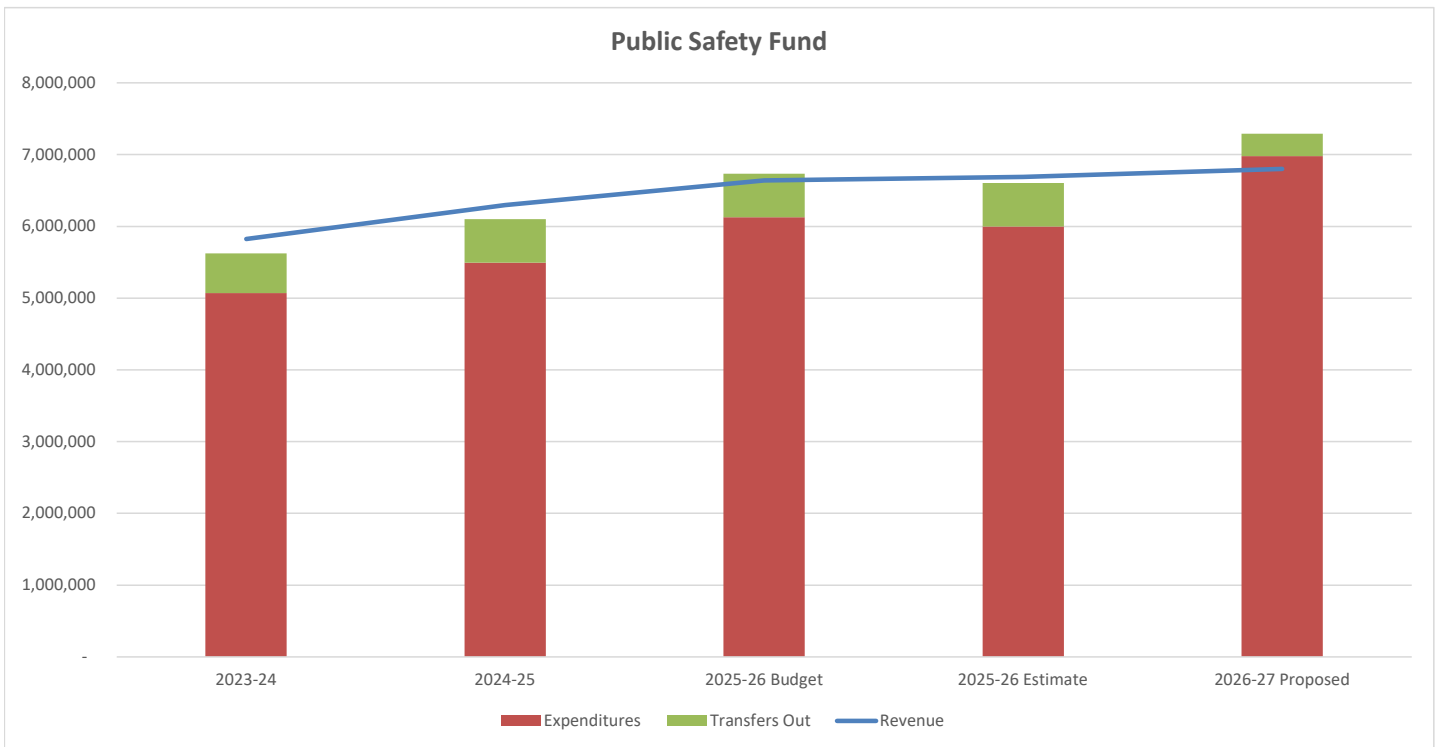
National Night Out

Budget Summary:

Public Safety Fund	Historical Information		Adopted Budget 2025-26	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Personnel Services	\$ 127,697	\$ 281,351	\$ 303,100	\$ -	\$ -	\$ -
Materials and Services	4,943,867	5,212,671	5,815,000	6,980,000	-	-
Capital Outlay	-	-	10,000	-	-	-
Transfers	550,000	605,000	605,000	310,000	-	-
Contingency	-	-	2,371,559	1,852,061	-	-
Total	\$ 5,621,564	\$ 6,099,022	\$ 9,104,659	\$ 9,142,061	\$ -	\$ -

Public Safety Fund

	Preceding 2023-24	Preceding 2024-25	Adopted 2025-26 Budget	2025-26 Estimate	2026-27 Proposed	2026-27 Approved	2026-27 Adopted
Revenue	5,826,850	6,295,424	6,640,000	6,690,000	6,800,000	-	-
Expenditures	5,071,564	5,494,022	6,128,100	5,999,000	6,980,000	-	-
Transfers Out	550,000	605,000	605,000	605,000	310,000	-	-
Annual Operating Surplus / (Shortfall)	205,286	196,402	(93,100)	86,000	(490,000)	-	-
Beginning Fund Balance	1,854,373	2,059,659	2,464,659	2,256,061	2,342,061	-	-
Ending Fund Balance / Contingency	2,059,659	2,256,061	2,371,559	2,342,061	1,852,061	-	-



Public Safety Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 1,854,373	\$ 2,059,659	\$ 2,464,659	\$ 2,256,061	\$ 2,342,061	\$ -	\$ -
Property Taxes	5,652,944	5,946,906	6,300,000	6,350,000	6,600,000	-	-
Grant Revenue	-	141,657	140,000	140,000	-	-	-
Misc Revenue	173,906	206,861	200,000	200,000	200,000	-	-
Total Resources	<u>\$ 7,681,223</u>	<u>\$ 8,355,083</u>	<u>\$ 9,104,659</u>	<u>\$ 8,946,061</u>	<u>\$ 9,142,061</u>	<u>\$ -</u>	<u>\$ -</u>
Requirements							
Personnel Services							
City FTE Positions	1	2	2	2	-	-	-
Wages	\$ 75,152	\$ 165,862	\$ 187,000	\$ 175,000	\$ -	\$ -	\$ -
Benefits	52,545	115,489	116,100	127,000	-	-	-
Total Personnel Services	<u>127,697</u>	<u>281,351</u>	<u>303,100</u>	<u>302,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contract FTE Positions	19	19	19	19	17	17	17
Materials and Services							
PS Supplies	8,153	5,922	10,000	20,000	10,000	-	-
Professional Development	8,790	7,310	20,000	12,000	15,000	-	-
Utilities	22,095	24,589	25,000	22,000	25,000	-	-
Vehicle Operation & Maint.	7,602	14,250	15,000	8,000	15,000	-	-
Repairs & Maintenance	15,509	10,176	30,000	10,000	30,000	-	-
Public Outreach	19,710	18,935	20,000	5,000	10,000	-	-
Contract Services	70,913	109,836	95,000	120,000	125,000	-	-
Police Contract - Personnel	4,791,095	5,021,653	5,600,000	5,500,000	6,750,000	-	-
Total Materials and Services	<u>4,943,867</u>	<u>5,212,671</u>	<u>5,815,000</u>	<u>5,697,000</u>	<u>6,980,000</u>	<u>-</u>	<u>-</u>
Capital Outlay							
Equip over \$5,000	-	-	10,000	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers							
To General Fund	550,000	605,000	605,000	605,000	310,000	-	-
Total Transfers	<u>550,000</u>	<u>605,000</u>	<u>605,000</u>	<u>605,000</u>	<u>310,000</u>	<u>-</u>	<u>-</u>
Contingency	<u>-</u>	<u>-</u>	<u>2,371,559</u>	<u>-</u>	<u>1,852,061</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ 5,621,564</u>	<u>\$ 6,099,022</u>	<u>\$ 9,104,659</u>	<u>\$ 6,604,000</u>	<u>\$ 9,142,061</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Fund Balance	2,059,659	2,256,061	0	2,342,061	0	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Public Safety Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Property Taxes: The voters passed a local option tax levy allowing the City to levy \$1.38 per thousand of assessed valuation for a period of five years to fund full time police protection within the City limits. Includes taxes levied in prior years but collected in the current year.

Misc. Revenue: Includes but is not limited to unanticipated income, interest income from cash invested in the Local Government Investment Pool and other investments.

Expenditures

Materials and Services:

PS Supplies: Office supplies needed for the various functions included in this department as well as non-capital type equipment.

Professional Development: Training, travel, and meals related to City business, annual membership dues to professional organization, certifications, subscriptions, and books for staff. Training in code enforcement, emergency services, animal control, and any of the various public safety services provided by the department.

Utilities: Costs for utilities at facility provided for Sheriff Personnel.

Vehicle Operation & Maintenance: Costs related to vehicle operation and maintenance of vehicles used for public safety.

Repairs & Maintenance: Costs associated with the upkeep of the facility used by Sheriff Personnel. Costs for unexpected and unanticipated events which are beyond the scope of the current contract.

Public Outreach: Costs for Community Services officers, uniforms badges, nametags, and other required clothing and portion of newsletter.

Contract Services: Costs for contract services providing public safety in the City not covered in the inter-governmental agreement (IGA) with Clackamas County. Maintenance costs for e-ticketing software. Case prosecution costs.

Police Contract - IGA: Contract with Clackamas County Sheriff for full-time police protection. Contract includes Police Chief, Sergeants, Traffic Enforcement Officers, Detective, and Patrol Officers. Expected costs related to this contract renewal are expected to increase significantly in 2026-27 and future years.

Capital Outlay:

Equipment over \$5,000: Items associated with the maintenance and upkeep of the Community Policing Station and items to be used in connection with public safety. None budgeted in 2026-27.





City of Happy Valley Fiscal Year 2026 - 2027 Budget

Public Safety Fund

Expenditures

Transfers:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, and overall administrative costs related to running the city. The allocation from the Public Safety Fund has been reduced significantly in the 2026-27 due to funding constraints.

Other:

Contingency: Amount set aside to meet unforeseen circumstances. Contingency funds may only be transferred to Materials and Services, and Transfers by resolutions approved by City Council. This budget has 26% in Contingency for the Public Safety Fund.





City of Happy Valley
Fiscal Year 2026 - 2027 Budget

Library Fund



City of Happy Valley

Fiscal Year 2026 - 2027 Budget

Library Fund

Manager: Sarah Roller

The Library Fund provides and promotes informational, educational, cultural and recreational materials, resources, and programs to enhance the economic, social, and cultural vitality of the community. The Library is responsive to the needs of the community with welcoming environments, a broad range of relevant programs, and materials in a variety of formats. It's staffed by highly qualified, customer-focused employees.

Revenue

The primary revenue for library operations is from Library District funds. The district distributes funds to each Library City according to a set formula outlined in the intergovernmental agreement. The calculation includes assessed value and population served, including unincorporated population. In addition, the Library receives revenue from a Ready to Read grant provided by the State of Oregon, and the collection of fines, lost item charges, and printing fees.

Expenditures

The Library maintains a seven day a week operation in a 25,455 sq. ft. building. Staff provide programming and outreach for all ages, reference and circulation services, the purchase and cataloging of materials, and management of the Library Fund. Internet stations, catalog computers, Wi-Fi access, equipment, and software are available for public use. The Library's collection available to checkout includes:

- Print Books and CD Audiobooks
- DVDs, Music CDs, and Video Games
- Magazines and Newspapers
- Digital resources such as eBooks, eAudiobooks, Databases, and Digital Periodicals



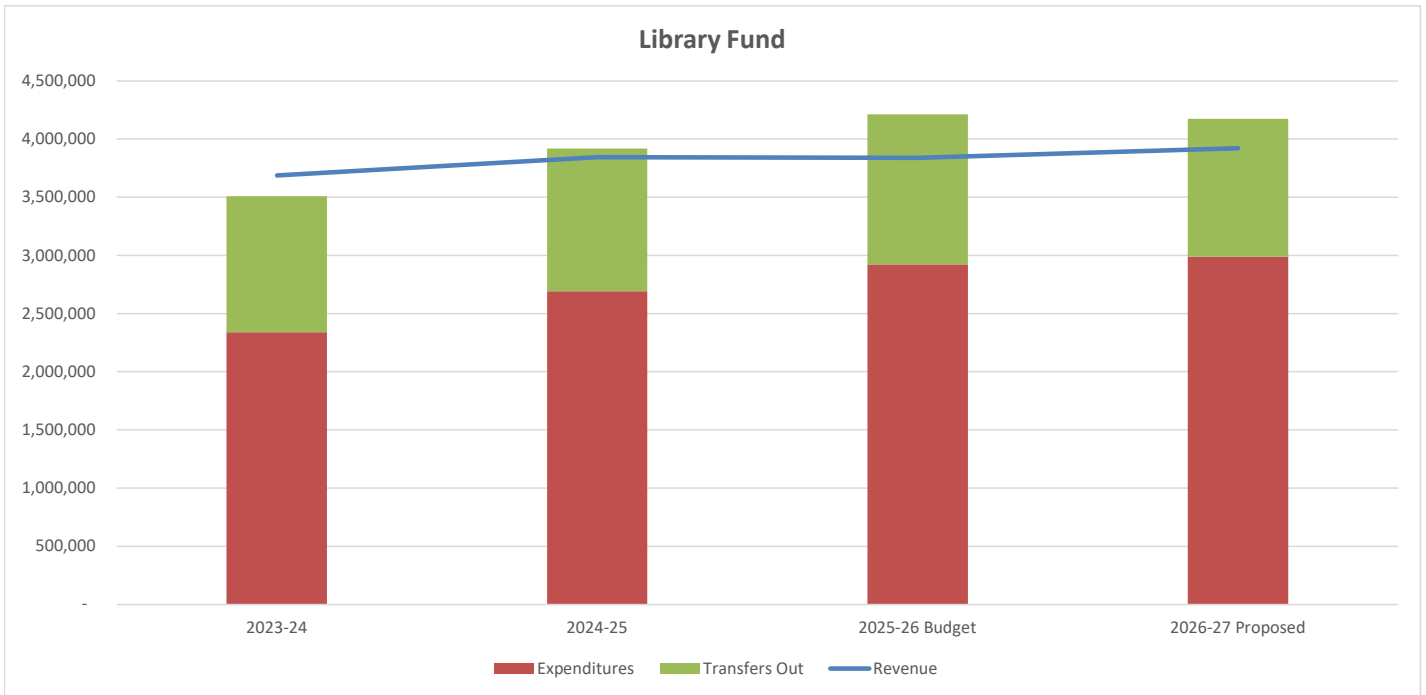
Happy Valley Library

Budget Summary:

Library	Historical Information		Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Personnel Services	\$ 1,782,461	\$ 2,054,029	\$ 2,198,850	\$ 2,293,600	\$ -	\$ -
Materials and Services	556,013	638,116	725,000	695,000	-	-
Transfers	1,170,000	1,227,000	1,290,000	1,185,000	-	-
Contingency	-	-	859,138	893,542	-	-
Total	\$ 3,508,474	\$ 3,919,145	\$ 5,072,988	\$ 5,067,142	\$ -	\$ -

Library Fund

	Preceding 2023-24	Preceding 2024-25	Adopted 2025-26 Budget	2025-26 Estimate	2026-27 Proposed	2026-27 Approved	2026-27 Adopted
Revenue	3,689,563	3,844,299	3,840,000	3,871,000	3,921,000	-	-
Expenditures	2,338,474	2,692,145	2,923,850	2,780,000	2,988,600	-	-
Transfers Out	1,170,000	1,227,000	1,290,000	1,290,000	1,185,000	-	-
Annual Operating Surplus / (Shortfall)	181,089	(74,846)	(373,850)	(199,000)	(252,600)	-	-
Beginning Fund Balance	1,238,899	1,419,988	1,232,988	1,345,142	1,146,142	-	-
Ending Fund Balance / Contingency	1,419,988	1,345,142	859,138	1,146,142	893,542	-	-



Library Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 1,238,899	\$ 1,419,988	\$ 1,232,988	\$ 1,345,142	\$ 1,146,142	\$ -	\$ -
District Revenue	3,439,726	3,734,116	3,750,000	3,750,000	3,820,000	-	-
User Related	33,191	33,677	30,000	32,000	32,000	-	-
Grant Revenue	9,700	-	10,000	9,000	9,000	-	-
Misc Revenue	206,946	76,506	50,000	80,000	60,000	-	-
Total Resources	\$ 4,928,462	\$ 5,264,287	\$ 5,072,988	\$ 5,216,142	\$ 5,067,142	\$ -	\$ -
Requirements							
Personnel Services							
FTE Positions	18.0	19.0	19.0	18.0	19.0	-	-
Wages	\$ 1,180,648	\$ 1,347,530	\$ 1,428,450	\$ 1,380,000	\$ 1,467,900	\$ -	\$ -
Benefits	601,813	706,499	770,400	770,000	825,700	-	-
Total Personnel Services	1,782,461	2,054,029	2,198,850	2,150,000	2,293,600	-	-
Materials and Services							
Office Supplies (inc- State Aid Grant)	66,672	89,308	90,000	60,000	90,000	-	-
Professional Development	11,183	10,081	15,000	10,000	10,000	-	-
Library Media	277,177	275,787	310,000	290,000	310,000	-	-
Utilities	46,600	56,529	60,000	55,000	65,000	-	-
Repairs & Maintenance	16,786	25,950	50,000	30,000	35,000	-	-
Facility and Office Contracts	137,595	180,461	200,000	185,000	185,000	-	-
Total Materials and Services	556,013	638,116	725,000	630,000	695,000	-	-
Transfers							
To General Fund	570,000	627,000	690,000	690,000	690,000	-	-
To Lib. Res. for Replacement Fund	600,000	600,000	600,000	600,000	495,000	-	-
Total Transfers	1,170,000	1,227,000	1,290,000	1,290,000	1,185,000	-	-
Contingency	-	-	859,138	-	893,542	-	-
Total Requirements	\$ 3,508,474	\$ 3,919,145	\$ 5,072,988	\$ 4,070,000	\$ 5,067,142	\$ -	\$ -
Ending Fund Balance	1,419,988	1,345,142	-	1,146,142	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Library Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

District Revenue: Each year the District receives the amount collected for the year plus delinquent taxes recovered from the previous year. The District distributes funds when received using the formula. The Formula has two components:

City Assessed Value Component: The annual distribution to a Library City for properties within its boundaries shall equal the assessed value of such Library City's properties, as established annually by the Clackamas County Assessor, divided by the total assessed value of all properties in the District. This determines the Assessed Value Percentage Rate for each Library City. Each Library City will receive funds equal to the Assessed Value fund amount multiplied by its individual Assessed Value Percentage Rate.

Unincorporated Population Served Component: After calculation of each Library City's Assessed Value fund amount, the District shall calculate the remaining funds to be distributed (the "Remainder Amount") and distribute those funds based on the Unincorporated Population Served Percentage Rate based on their Service Population Area.

User Related Fees: Library receives overdue fines, payments for lost material, copier fees, printer fees, and room rental fees.

Misc. Revenue: Includes but is not limited to donations, interest income from cash invested in the Local Government Investment Pool and other investments, and the Ready to Read grant from the State of Oregon, which provides funds for Summer Reading and reading readiness programs.





City of Happy Valley

Fiscal Year 2026 - 2027 Budget

Library Fund

Expenditures

Personnel

Wages: Library Director, Library Operations Supervisor, Library Services Supervisor, Library Program Coordinator, Librarian I (11), Librarian II (1), Library Assistant I (11), Library Assistant II (1), Library Aide (11).

Benefits: Items paid from these line items include unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA, Tri-met taxes paid by the City, Paid Leave Oregon tax (1% employee and employer cost share picked up by the City), medical and dental benefits paid for employees (employees pay 5% of the premium costs), life and disability insurance, and payments into the PERS system for both the employer percentage and the 6% pick up employee portion.



Materials and Services

Office Supplies: General office supplies, postage, Ready to Read grant expenditures, program expenditures, and cleaning supplies for the Library building and systems.

Professional Development: Training, travel, and meals related to City business, annual membership and professional organization dues, certifications, subscriptions, and books for Library staff.

Library Media: Books, music CDs, audiobooks, DVDs and Blu-Ray discs, videogames, kits, e-books, periodicals, databases, and electronic resources for the public's use.

Utilities: Gas, electricity, trash, recycling, phone services, water, internet, storm, and sewer.

Repairs and Maintenance: Repairs, improvements, maintenance, and computer and technology items less than \$5,000.

Facility and Office Service Contracts: Annual maintenance and service contracts related to the Library's facilities and operations. This includes internet services, access and security, elevator, HVAC, janitorial services, network, and computer software maintenance agreements.

Transfers

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, and overall administrative costs related to running the city.

To Library Reserve for Replacement Fund: Transfer to accumulate funds for purchases per the Library Reserve for Replacement list.

Other

Contingency: An amount set aside to meet unforeseen circumstances. Contingency funds may be transferred to Personnel Services, Materials and Services, and Transfers by resolutions approved by Council. This budget has 20% in Contingency for the Library Fund.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Street Maintenance Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Street Maintenance Fund

Manager: Chris Randall

The Street Maintenance Fund provides maintenance, and preservation of all paved roads and streets within the City. Provide high level of customer service related to street construction, public rights-of-way maintenance and repair, coordination of surface water issues with Water Environment Services, installation, and maintenance of signage within public rights-of-way, street sweeping, debris pickup-up, and hazardous spill removal coordination. Maintenance activities include but are not limited to pothole patching, street reconstruction, overlays, seal coating, crack sealing, street sweeping, sign replacement, fog and centerline striping, median maintenance, debris pickup and removal, and hazardous spill cleanup. Promote and pursue the use of the Pedestrian Master Plan. Update street standard construction details to address changing needs. Promote recycling and sustainability practices. Work with Engineering Department related to inspections, public rights-of-ways, street design, maintenance, and preservation, and reconstruction. Maintenance activities are coordinated with other agencies such as Clackamas County Water Environment Services (WES) and Department of Transportation and Development, and Oregon Department of Transportation.

Staff members include Utility Worker I (3), Street Sweeper.

Revenue

City's share of State Highway Trust Fund from a per-gallon tax and state vehicle registration fees, intergovernmental revenue based on agreements with neighboring jurisdictions for street sweeping and public works projects, and interest earned on the level of fund balance. Also included is revenue from City gas tax from any gas station operating within city boundaries as well as the City's portion of the vehicle registration fee administered by Clackamas County.

Expenditures

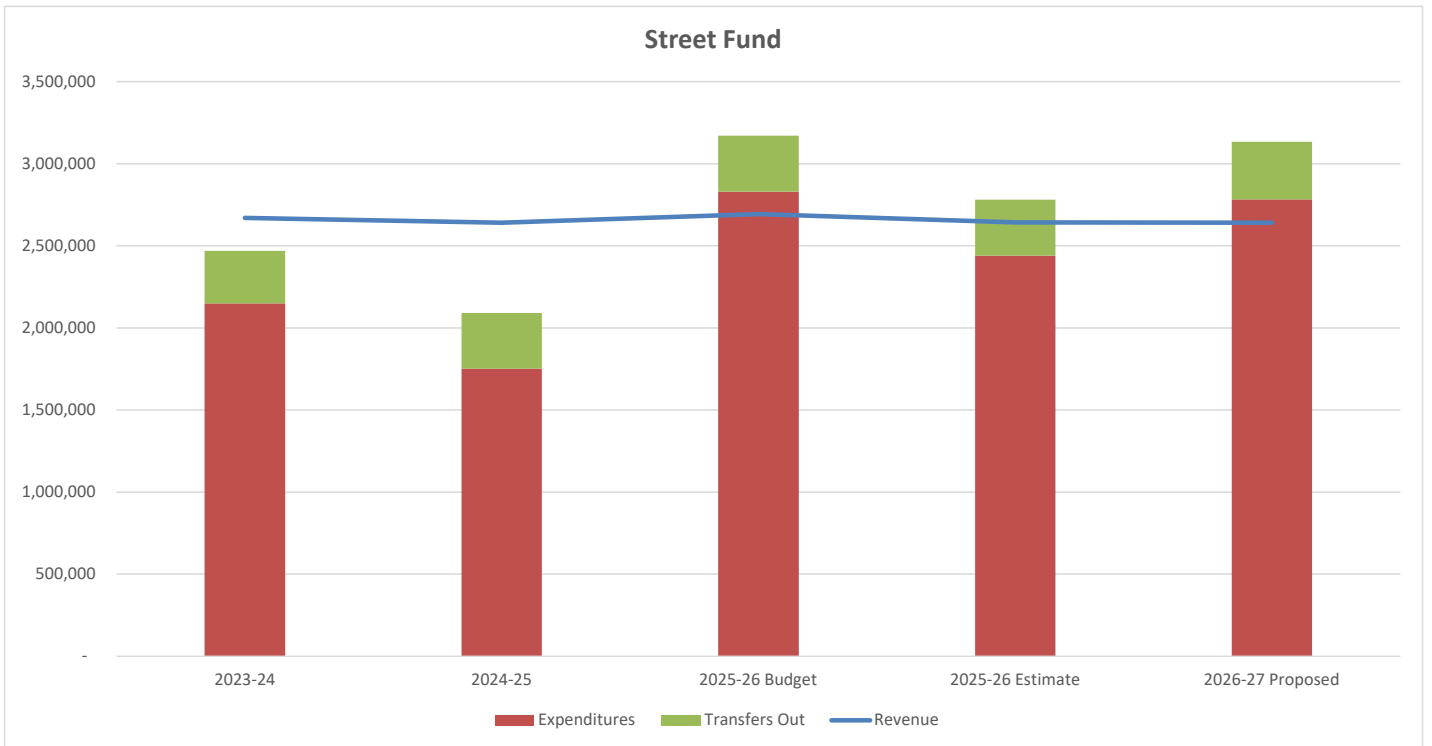
Reconstruction, overlays, slurry seals, and crack seals, installation and maintenance of traffic signage and striping, street sweeping, debris pickup, hazardous spill removal coordination, inclement weather services including snow removal and sanding icy roads, maintenance, and improvements to meet the street maintenance index. Staff training and continued education related to street maintenance practices. Contracted WES Street Sweeping.

Budget Summary:

Street Maintenance	Historical Information		Adopted Budget	Budget For Fiscal Year 2026-27		
	2023-24	2024-25	2025-56	Proposed	Approved	Adopted
Personnel Services	\$ 418,788	\$ 466,031	\$ 563,300	\$ 573,800	\$ -	\$ -
Materials and Services	467,571	502,240	667,000	610,000	-	-
Capital Outlay	1,262,706	783,241	1,600,000	1,600,000	-	-
Transfers	320,000	340,000	340,000	350,000	-	-
Contingency	-	-	420,275	447,827	-	-
Total	\$ 2,469,065	\$ 2,091,512	\$ 3,590,575	\$ 3,581,627	\$ -	\$ -

Street Fund

	Preceding 2023-24	Preceding 2024-25	Adopted 2025-26 Budget	2025-26 Estimate	2026-27 Proposed	2026-27 Approved	2026-27 Adopted
Revenue	2,670,555	2,640,564	2,694,000	2,643,000	2,640,000	-	-
Expenditures	2,149,065	1,751,512	2,830,300	2,440,000	2,783,800	-	-
Transfers Out	320,000	340,000	340,000	340,000	350,000	-	-
Annual Operating Surplus / (Shortfall)	201,490	549,052	(476,300)	(137,000)	(493,800)	-	-
Beginning Fund Balance	328,085	529,575	896,575	1,078,627	941,627	-	-
Ending Fund Balance / contingency	529,575	1,078,627	420,275	941,627	447,827	-	-



Street Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 328,085	\$ 529,575	\$ 896,575	\$ 1,078,627	\$ 941,627	\$ -	\$ -
State Shared Revenues	2,095,435	2,215,089	2,250,000	2,223,000	2,220,000	-	-
Intergovernmental Revenue	70,518	-	-	-	-	-	-
Local Gas Tax Revenue	123,078	117,013	124,000	120,000	120,000	-	-
Vehicle Registration Fee	246,771	246,438	240,000	250,000	250,000	-	-
Misc Revenue	134,753	62,024	80,000	50,000	50,000	-	-
Total Resources	\$ 2,998,640	\$ 3,170,139	\$ 3,590,575	\$ 3,721,627	\$ 3,581,627	\$ -	\$ -
Requirements							
Personnel Services							
FTE Positions	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Wages	\$ 238,231	\$ 259,739	\$ 309,800	\$ 270,000	\$ 309,800	\$ -	\$ -
Benefits	180,557	206,292	253,500	230,000	264,000	-	-
Total Personnel Services	418,788	466,031	563,300	500,000	573,800	-	-
Materials and Services							
Supplies	-	56	2,000	-	-	-	-
Professional Development	18,423	25,388	20,000	15,000	25,000	-	-
Utilities	4,517	5,816	15,000	15,000	15,000	-	-
Vehicle Operation & Maint.	95,149	54,500	80,000	60,000	80,000	-	-
Repairs and Maintenance	180,468	177,580	300,000	250,000	250,000	-	-
Contract Services	169,014	238,900	250,000	200,000	240,000	-	-
Total Materials and Services	467,571	502,240	667,000	540,000	610,000	-	-
Capital Outlay							
Street Reconstruction	1,262,706	783,241	1,600,000	1,400,000	1,600,000	-	-
Total Capital Outlay	1,262,706	783,241	1,600,000	1,400,000	1,600,000	-	-
Transfers							
To General Fund	220,000	240,000	240,000	240,000	250,000	-	-
To Street Reserve for Replacement Fund	100,000	100,000	100,000	100,000	100,000	-	-
Total Transfers	320,000	340,000	340,000	340,000	350,000	-	-
Contingency	-	-	420,275	-	447,827	-	-
Total Requirements	\$ 2,469,065	\$ 2,091,512	\$ 3,590,575	\$ 2,780,000	\$ 3,581,627	\$ -	\$ -
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	529,575	1,078,627	-	941,627	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Street Maintenance Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

State Shared Revenue: The City's share of the apportionment of Highway Fund revenue (includes Motor Vehicle Fuel Tax Fees, Motor Carrier Fees, DMV Registration Fees, and Road Use Assessment Fees). These funds are distributed under ORS 366.524 and 366.800.

Intergovernmental Revenue: Revenue from other municipalities or governmental agencies. Payment for street sweeping services and public works projects provided to other jurisdictions,

Local Vehicle Registration Fee: Revenue from the City's portion of the vehicle registration fee administered by Clackamas County.

Local Gas Tax Revenue: Revenue from City gas tax from any gas station operating within city boundaries.

Misc. Revenue: Includes but not limited to interest income from investments in the Local Government Investment Pool and other sources.





City of Happy Valley Fiscal Year 2026 - 2027 Budget

Expenditures

Street Maintenance Fund

Personnel:

Wages: Utility Worker I (3), Street Sweeper.

Benefits: Items paid from these line items include unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, Paid Leave Oregon tax (1% employee and employer cost share picked up by the City), medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, disability, and workers' compensation insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

Supplies: Safety equipment worn by staff to protect them from injury. Examples: Hardhats, safety goggles, gloves, and boots.



Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Cost of travel, meals and lodging while attending training and meetings. Costs for the attendance at street construction/inspection and/or maintenance seminars and training materials. Memberships associated with street repair and maintenance and subscriptions to trade journals.

Utilities: Share of cost of utilities for Public Works Shop. Equipment to control vehicle speeds and routes, i.e., lights, speed humps, barricades, and school zone indicators. Also includes Street Lighting District expense.

Vehicle Operation & Maintenance: Cost share for operation of vehicles including tractor, backhoe, street sweeper, large and mid-size dump trucks, and attachments for work on public streets.

Repairs and Maintenance: Maintenance and repairs of non-vehicular equipment. Street name, warning, notification signage, and striping located within the public rights of way. Street sweeping recycling and disposal. Continued equipment repairs and improvements associated with the Public Works Operations Facility. Materials for minor or emergency street repairs such as crushed rock, cold patch, and sealers. Costs due to severe or inclement weather where snow or ice create driving hazards. Cost of debris removal caused by severe wind or rain events. Expenditures related to any emergency events that cause damage to publicly owned infrastructure. Additional equipment rental during special projects or emergency situations.

Contract Services: Cost of using outside organizations or companies for the routine maintenance of streets, such as crack sealing, tree maintenance, and street sweeping. Utilization of traffic and civil engineering consulting services as required for street improvements projects.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Expenditures

Street Maintenance Fund

Capital Outlay:

Street Reconstruction (Pavement Management Rehabilitation and Preventative Maintenance):

Roadway improvements including overlays, sealcoats, and other related improvements to assure the preservation of the roadway system and prevent deterioration to a worse condition category. Additional costs are associated with the replacement of streets and roads that have suffered deteriorations rates of 75% or more. All maintenance is based on the Pavement Condition Index.

The Pavement Condition Index (PCI) is a numerical indicator of a pavement or road. It is a statistical measure which requires manual/visual inspections and survey of the required roads. The PCI is a numerical index between 0 and 100. A score of "100" would indicate best possible condition. A score of "0" would indicate a failed pavement surface.

The City's current Pavement Condition Index (PCI) is 84, which is in the Satisfactory class. Other local governments in the area have PCI ratings as follows: Gresham 60, West Linn 72, Lake Oswego 75, Portland 53.



The City of Happy Valley has over 170 lane miles of roadway which totals to a value of almost \$50 million dollars. This asset happens to be the largest asset owned and operated by the City of Happy Valley. It goes without saying that keeping these streets in good condition is very important. Not only for the safety of the traveling public but also from an infrastructure investment and maintenance standpoint

Transfers Out:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, overall administrative costs related to running the city.

To Street Reserve for Replacement Fund: Transfer to accumulate funds for purchases per the Street Reserve for Replacement list.

Other:

Reserved for Future Expenditures: Amount set aside to meet unforeseen circumstances. Will be appropriated based on policy thresholds.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

***Storm Utility System Development Charges
Fund***



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Storm Utility System Development Charges Fund

Managers: Michael D. Walter, AICP / Chris Randall

ORS 223.297 to 223.314 provides a uniform framework for imposing systems development charges (SDC) by governmental units and established that these charges may only be used for capital improvements. ORS 223.307 sets authorized expenditure of SDC's. SDC improvement fees may be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for such improvement. An increase in system capacity may be established if improvement increases the level of performance or service provided by existing facilities or provides new facilities. ORS 223.311 requires SDC's be deposited into accounts designated for such monies and an annual accounting of these funds is to be made.

Revenue

Storm Drain SDCs, interest, miscellaneous revenue.

Expenditures

Storm Drain SDCs

Used to complete Capital Storm Drain Projects as identified in the City's Storm Drain Master Plan and Capital Improvement Plan (CIP). Projects are planned within the City's major drainage ways and focused on watershed protection/enhancement activities.



Contract Services

Used to complete Storm and Sewer Master Plans.

Budget Summary:

Storm Utility System Development Charges	Historical Information		Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Materials and Services	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -
Capital Outlay	-	750,000	833,573	145,990	-	-
Total	\$ -	\$ 750,000	\$ 933,573	\$ 245,990	\$ -	\$ -

Storm Utility System Development Charges (SDC) Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 772,208	\$ 840,573	\$ 893,573	\$ 153,990	\$ 199,990	\$ -	\$ -
SDC - Storm Drainage	39,339	48,992	30,000	40,000	40,000	-	-
Misc Revenue	29,026	14,425	10,000	6,000	6,000	-	-
Total Resources	<u>\$ 840,573</u>	<u>\$ 903,990</u>	<u>\$ 933,573</u>	<u>\$ 199,990</u>	<u>\$ 245,990</u>	<u>\$ -</u>	<u>\$ -</u>
Requirements							
Materials and Services							
Contract Services	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
Total Materials and Services	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Capital Outlay							
SDC Projects - Storm Drain	-	750,000	833,573	-	145,990	-	-
Total Capital Outlay	<u>-</u>	<u>750,000</u>	<u>833,573</u>	<u>-</u>	<u>145,990</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ -</u>	<u>\$ 750,000</u>	<u>\$ 933,573</u>	<u>\$ -</u>	<u>\$ 245,990</u>	<u>\$ -</u>	<u>\$ -</u>
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	840,573	153,990	-	199,990	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Storm Utility System Development Charges Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Misc Revenue: Interest earned on cash invested in the Local Government Investment Pool and other investments.

SDC – Storm Drain: SDC's collected on building permits to fund the City's CIP for storm drainage.

Expenditures

Capital Outlay:

Planned projects for Storm Drain

Typical projects include the removal of existing roadside drainage ways with the installation of underground drainage systems including inlets and manhole structures.

- Storm Drain Master Plan update.
- Storm Drain system construction in undeveloped storm drain system areas.
- Partnerships with outside agencies associated with capital storm drain projects within Clackamas County Service District No. 1 (CCSD#1).



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

***Transportation System Development
Charges Fund***



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Transportation System Development Charges Fund

Managers: Michael D. Walter, AICP / Chris Randall

ORS 223.297 to 223.314 provides a uniform framework for imposing systems development charges (SDC) by governmental units and established that these charges may only be used for capital improvements. ORS 223.307 sets authorized expenditure of SDC's. SDC improvement fees may be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for such improvement. An increase in system capacity may be established if improvement increases the level of performance or service provided by existing facilities or provides new facilities. ORS 223.311 requires systems development charges be deposited into accounts designated for such monies and an annual accounting of these funds is to be made.

Revenue

Transportation SDCs, privilege tax, interest, miscellaneous revenue.

Expenditures

Completion of Capital Transportation Projects as identified in the City's Transportation System Plan (TSP) and Capital Improvement Plan (CIP). Also includes an SDC methodology and administrative documents.

Budget Summary:

Transportation System Development Charges	Historical Information		Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Materials and Services	\$ 67,726	\$ 246,728	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
Capital Outlay	5,422,435	4,453,162	3,876,549	7,208,706	-	-
Total	\$ 5,490,161	\$ 4,699,890	\$ 4,876,549	\$ 8,208,706	\$ -	\$ -

Transportation System Development Charges (SDC) Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 8,654,943	\$ 6,960,796	\$ 3,626,549	\$ 4,673,706	\$ 6,508,706	\$ -	\$ -
SDC - Transportation	291,028	582,554	150,000	1,200,000	800,000	-	-
ROW - Undergrounding	217,120	845,753	900,000	885,000	900,000	-	-
Misc Revenue	287,866	484,493	200,000	-	-	-	-
Transfers In	3,000,000	500,000	-	-	-	-	-
Total Resources	\$ 12,450,957	\$ 9,373,596	\$ 4,876,549	\$ 6,758,706	\$ 8,208,706	\$ -	\$ -
Requirements							
Materials and Services							
Contract Services	\$ 67,726	\$ 246,728	\$ 1,000,000	\$ 150,000	\$ 1,000,000	\$ -	\$ -
Total Materials and Services	67,726	246,728	1,000,000	150,000	1,000,000	-	-
Capital Outlay							
SDC Projects	3,289,994	2,804,426	3,876,549	100,000	7,208,706	-	-
Undergrounding Projects	2,132,441	1,648,736	-	-	-	-	-
Total Capital Outlay	5,422,435	4,453,162	3,876,549	100,000	7,208,706	-	-
Total Requirements	\$ 5,490,161.0	\$ 4,699,890.0	\$ 4,876,549.0	\$ 250,000.0	\$ 8,208,706.0	\$ -	\$ -
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	6,960,796	4,673,706	-	6,508,706	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Transportation System Development Charges Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

SDC – Transportation (TSDC’s): TSDC’s collected on building permits to fund the City’s CIP for transportation.

ROW Undergrounding: Tax collected through utilities which will be committed to electrical line undergrounding projects.

Misc. Revenue: Interest earned on cash invested in the Local Government Investment Pool and other investments.

Transfers In: Transfer from the Street Fund for Fee in Lieu collections for TSDC related projects.

Expenditures

Materials and Services:

Contract Services: Completion of the Capital Improvement Plan (CIP), SDC methodology, and administrative documents.

Capital Outlay: Expenditures for TSDC capital and electric line undergrounding projects.

Other:

Reserved for Future Expenditures: Amount set aside to meet unforeseen circumstances. Will be appropriated based on policy thresholds.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Parks System Development Charges Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks System Development Charges Fund

Managers: Michael D. Walter, AICP / Chris Randall

ORS 223.297 to 223.314 provides a uniform framework for imposing systems development charges (SDC) by governmental units and established that these charges may only be used for capital improvements. ORS 223.307 sets authorized expenditure of SDC's. SDC improvement fees may be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for such improvement. An increase in system capacity may be established if improvement increases level of performance or service provided by existing facilities or provides new facilities. ORS 223.311 requires systems development charges be deposited into accounts designated for such monies and an annual accounting of these funds is to be made.



Revenue

Parks SDCs, interest, miscellaneous revenue.

Expenditures

Community Center Park design will continue from FY 2025-26. Construction is anticipated to commence in Spring 2027. Also includes an SDC methodology study and administrative documents.

Budget Summary:

Parks System Development Charges	Historical Information		Adopted Budget 2025-26	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Materials and Services	\$ 58,059	\$ 488,800	\$ 500,000	\$ 1,000,000	\$ -	\$ -
Capital Outlay	47,297	2,162,667	10,000,000	16,000,000	-	-
Transfers	-	2,500,000	-	-	-	-
Total	\$ 105,356	\$ 5,151,467	\$ 10,500,000	\$ 17,000,000	\$ -	\$ -
Reserve for Future Expenditures	\$ -	\$ -	\$ 10,311,414	\$ 3,221,560	\$ -	\$ -

Parks System Development Charges (SDC) Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 20,017,588	\$ 20,954,271	\$ 19,146,414	\$ 18,510,844	\$ 18,375,130	\$ -	\$ -
SDC - Parks	307,194	1,471,173	500,000	1,200,000	800,000	-	-
Misc Revenue	734,845	754,724	700,000	600,000	600,000	-	-
Transfer In (loan)	-	482,143	465,000	464,286	446,430	-	-
Total Resources	<u>\$ 21,059,627</u>	<u>\$ 23,662,311</u>	<u>\$ 20,811,414</u>	<u>\$ 20,775,130</u>	<u>\$ 20,221,560</u>	<u>\$ -</u>	<u>\$ -</u>
Requirements							
Materials and Services							
Contract Services	\$ 58,059	\$ 488,800	\$ 500,000	\$ 400,000	\$ 1,000,000	\$ -	\$ -
Total Materials and Services	<u>58,059</u>	<u>488,800</u>	<u>500,000</u>	<u>400,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Capital Outlay							
SDC Projects	47,297	2,162,667	10,000,000	2,000,000	16,000,000	-	-
Total Capital Outlay	<u>47,297</u>	<u>2,162,667</u>	<u>10,000,000</u>	<u>2,000,000</u>	<u>16,000,000</u>	<u>-</u>	<u>-</u>
Transfers							
To Library Reserve (Interfund loan)	-	2,500,000	-	-	-	-	-
Total Transfers	<u>-</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ 105,356</u>	<u>\$ 5,151,467</u>	<u>\$ 10,500,000</u>	<u>\$ 2,400,000</u>	<u>\$ 17,000,000</u>	<u>\$ -</u>	<u>\$ -</u>
Reserve for Future Expenditures	-	-	10,311,414	-	3,221,560	-	-
Ending Fund Balance	20,954,271	18,510,844	-	18,375,130	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks System Development Charges Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

SDC – Parks (PSDC’s): PSDC’s collected on building permits to fund the City’s CIP for Parks.

Misc. Revenue: Interest earned on cash invested in the Local Government Investment Pool and other investments.

Transfer In: Payments received from the Library Reserve for Replacement Fund related to a seven-year interfund loan from the Parks SDC Fund to finance a portion of the Happy Valley Library expansion project. The \$2.5 million interfund loan commenced on June 1, 2024 with an interest rate of 5%. Principal payment during 2025-26 was \$357,143. Future annual principal payments for the next 5 budget years will continue at \$357,143. Final repayment is scheduled for June 2031.

Expenditures

Materials and Services:

Contract Services: Completion of the Capital Improvement Plan (CIP), SDC methodology, and administrative documents.

Capital Outlay:

SDC Projects: Community Park design and construction begins in 2026-27. Other capital expenditures on SDC eligible projects.

Transfers:

Other:

Reserved for Future Expenditures: Amount set aside to meet unforeseen circumstances. Will be appropriated based on policy thresholds.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Pedestrian Improvement Projects Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Pedestrian Improvement Projects Fund

Managers: Michael D. Walter, AICP / Chris Randall

Purpose of this fund is to account for pedestrian pathways and other improvements based on the City's adopted Pedestrian Master Plan. High priority projects constructed as funds become available. Smaller projects to connect existing pedestrian networks approved by Council annually.

Revenue

Revenues received from the Vehicle Registration Fee.

Expenditures

Project engineering and costs for construction of planned pedestrian projects. PIP amounts allocated annually for Traffic and Public Safety projects as well as for boulevard sidewalk maintenance. Amounts used for matching when grants are awarded to the City.

Budget Summary:

Pedestrian Improvement Projects	Historical Information		Adopted Budget	Budget For Fiscal Year 2026-27		
	2023-24	2024-25	2025-26	Proposed	Approved	Adopted
Materials and Services	\$ 60	\$ 99,510	\$ 500,000	\$ 500,000	\$ -	\$ -
Capital Outlay	400,653	42,211	1,469,445	1,206,589	-	-
Transfers	30,000	33,000	33,000	33,000	-	-
Total	\$ 430,713	\$ 174,721	\$ 2,002,445	\$ 1,739,589	\$ -	\$ -

Pedestrian Improvement Projects (PIP) Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 1,692,354	\$ 1,563,445	\$ 1,712,445	\$ 1,692,589	\$ 1,449,589	\$ -	\$ -
Misc Revenue	55,033	57,427	50,000	50,000	50,000	-	-
Vehicle Registration Fee	246,771	246,438	240,000	240,000	240,000	-	-
Total Resources	<u>\$ 1,994,158</u>	<u>\$ 1,867,310</u>	<u>\$ 2,002,445</u>	<u>\$ 1,982,589</u>	<u>\$ 1,739,589</u>	<u>\$ -</u>	<u>\$ -</u>
Requirements							
Materials and Services							
Contract Engineering	\$ 60	\$ 99,510	\$ 500,000	\$ 200,000	\$ 500,000	\$ -	\$ -
Total Materials and Services	<u>60</u>	<u>99,510</u>	<u>500,000</u>	<u>200,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Capital Outlay							
Pedestrian Pathways	400,653	42,211	1,469,445	300,000	1,206,589	-	-
Total Capital Outlay	<u>400,653</u>	<u>42,211</u>	<u>1,469,445</u>	<u>300,000</u>	<u>1,206,589</u>	<u>-</u>	<u>-</u>
Transfers							
To General Fund	30,000	33,000	33,000	33,000	33,000	-	-
Total Transfers	<u>30,000</u>	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ 430,713</u>	<u>\$ 174,721</u>	<u>\$ 2,002,445</u>	<u>\$ 533,000</u>	<u>\$ 1,739,589</u>	<u>\$ -</u>	<u>\$ -</u>
Reserved for Future Expenditures		-	-	-	-	-	-
Ending Fund Balance	1,563,445	1,692,589	-	1,449,589	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Pedestrian Improvement Projects Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Misc Revenue: Interest income on investments in the Local Government Investment Pool and other sources.

Vehicle Registration Fee: The City's share of the vehicle registration fee administered through Clackamas County.

Transfers In: Transfer to fund projects.

Expenditures

Materials and Services:

Contract Engineering: Transportation engineering and planning.

Capital Outlay:

Pedestrian Pathways: Construction of pedestrian pathways. The Traffic and Public Safety Committee reviews and prioritizes a list of projects up to \$50,000 per budget cycle to the Public Works Director and City Manager for consideration. Also \$10,000 per budget cycle for the maintenance of boulevard street sidewalks.

Transfers:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, and overall administrative costs related to running the city.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Facility Capital Projects Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Facility Capital Projects Fund

Manager: Travis Warneke, CPA

This fund was created for the construction of new facilities including but not limited to a public works facility and a police station. The timing of these projects is uncertain, but the eventual purchase of land and construction of the facilities will be accounted for in this fund.

Revenue

Miscellaneous – Interest income from investments in the Local Government Investment Pool and other sources.

Transfers from the General Fund.

Expenditures

Purchase of land and expenditures related to the construction of facilities.

Budget Summary:

Facility Capital Projects	Historical Information		Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Materials and Services	\$ 170,663	\$ 254,753	\$ 2,000,000	\$ 500,000	\$ -	\$ -
Capital Outlay	9,742,078	2,776,788	2,000,000	6,000,000	-	-
Total	\$ 9,912,741	\$ 3,031,541	\$ 4,000,000	\$ 6,500,000	\$ -	\$ -
Reserve for Future Expenditures	\$ -	\$ -	\$ 6,899,916	\$ 5,716,901	\$ -	\$ -

Facility Capital Projects Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 10,980,425	\$ 3,846,704	\$ 4,149,916	\$ 4,117,515	\$ 10,716,901	\$ -	\$ -
Misc Revenue	279,020	102,352	4,000,000	4,049,386	-	-	-
Transfers In - General Fund	2,500,000	3,200,000	2,750,000	2,750,000	1,500,000	-	-
Total Resources	<u>13,759,445</u>	<u>7,149,056</u>	<u>10,899,916</u>	<u>10,916,901</u>	<u>12,216,901</u>	<u>-</u>	<u>-</u>
Requirements							
Materials and Services							
Contract Services	170,663	254,753	2,000,000	200,000	500,000	-	-
Total Materials and Services	<u>170,663</u>	<u>254,753</u>	<u>2,000,000</u>	<u>200,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Capital Outlay							
Project Construction	-	-	2,000,000	-	6,000,000	-	-
Land	9,742,078	2,776,788	-	-	-	-	-
Total Capital Outlay	<u>9,742,078</u>	<u>2,776,788</u>	<u>2,000,000</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ 9,912,741</u>	<u>\$ 3,031,541</u>	<u>\$ 4,000,000</u>	<u>\$ 200,000</u>	<u>\$ 6,500,000</u>	<u>\$ -</u>	<u>\$ -</u>
Reserved for Future Expenditures	-	-	6,899,916	-	5,716,901	-	-
Ending Fund Balance	3,846,704	4,117,515	-	10,716,901	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Facility Capital Projects Fund

Resources

Transfer from General Fund: Amounts from the General Fund to allow for the construction of facilities.

Expenditures

Materials and Services:

Contract Services: Professional consulting services to design the future Public Works facility. Expenditures associated with rental properties that are located on sites designated for future City facilities.

Capital Outlay: Public Works Facility construction commences during 2026-27.

Land: Purchase of land for future facility location.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Parks Capital Projects Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks Capital Projects Fund

Manager: Travis Warneke, CPA

The Parks Capital Projects Fund resources consist of a transfer from the Parks Fund and investment earnings. These resources will be available to supplement a Parks SDC project when the time comes. Not all SDC projects are 100% SDC eligible so having dedicated funds set aside will help get a project off the ground smoothly.

Revenue

Transfers from the Parks Fund.

Expenditures

Capital expenditures for parks facilities. May include Community Center Park construction, Clackamas River and Veteran’s Memorial Park improvements.

Budget Summary:

Parks Capital Projects	Historical Information			Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25			Proposed	Approved	Adopted
Materials and Services	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
Capital Outlay	2,574,273	1,888,167		4,880,743	3,185,141	-	-
Total	\$ 2,574,273	\$ 1,888,167		\$ 4,880,743	\$ 4,185,141	\$ -	\$ -

Parks Capital Projects Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 7,161,928	\$ 4,780,743	\$ 4,780,743	\$ 3,058,380	\$ 2,995,141	\$ -	\$ -
Intergovernmental	-	-	-	436,761	290,000	-	-
Misc Revenue	193,088	165,804	100,000	100,000	100,000	-	-
Transfers In	-	-	-	-	800,000	-	-
Total Resources	<u>\$ 7,355,016</u>	<u>\$ 4,946,547</u>	<u>\$ 4,880,743</u>	<u>\$ 3,595,141</u>	<u>\$ 4,185,141</u>	<u>\$ -</u>	<u>\$ -</u>
Requirements							
Materials and Services							
Contract Services	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
Total Materials and Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Capital Outlay							
Projects	2,574,273	1,888,167	4,880,743	600,000	3,185,141	-	-
Total Capital Outlay	<u>2,574,273</u>	<u>1,888,167</u>	<u>4,880,743</u>	<u>600,000</u>	<u>3,185,141</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ 2,574,273</u>	<u>\$ 1,888,167</u>	<u>\$ 4,880,743</u>	<u>\$ 600,000</u>	<u>\$ 4,185,141</u>	<u>\$ -</u>	<u>\$ -</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	4,780,743	3,058,380	-	2,995,141	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks Capital Projects Fund

Resources

Transfer from Parks Fund: Amounts from the Parks Fund to supplement Parks SDC eligible projects. **Miscellaneous:** Earnings on investments.

Expenditures

Materials and Services:

Contract Services: Design costs related to Veteran's Memorial Park Phase 3 and the Clackamas River Trail.

Capital Outlay: Amount set aside for park improvements in 2026-27, as well as future land purchases or upgrades. The full balance of \$2.1 million is available to exercise opportunities as they arise.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Reserve for General Operations Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Reserve for General Operations Fund

Manager: Travis Warneke, CPA

This reserve fund will hold amounts to be accumulated and expended to offset the cyclical nature of general operation resources. The most recent economic downturn highlighted the cyclical nature of revenues in the General Fund and the impact that has on the ability to ensure service delivery in the event of an economic downturn. The amount to be accumulated in this fund along with the conditions for expenditures are set forth in Policy 13-04 - Budget Reserves & Contingency.

Revenue

Transfer from the General Fund for future general operations expenditures.

Expenditures

Will be used to offset the effects of the cyclical nature of revenue generation in the General Fund in future years based on Policy 13-04 – Budget Reserves & Contingency.

The fund will be reviewed to determine whether it will be continued or abolished each year. When it is determined it is no longer necessary to maintain this reserve fund any unexpended balance in the fund will be transferred to another fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

Budget Summary:

Reserve for General Operations	Historical Information		Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Reserve for Future Expenditures	\$ -	\$ -	\$ 838,974	\$ 838,974	\$ -	\$ -
Total	\$ -	\$ -	\$ 838,974	\$ 838,974	\$ -	\$ -

Reserve for General Operations Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 838,974	\$ 838,974	\$ 838,974	\$ 838,974	\$ 838,974	\$ -	\$ -
Total Resources	<u>\$ 838,974</u>	<u>\$ 838,974</u>	<u>\$ 838,974</u>	<u>\$ 838,974</u>	<u>\$ 838,974</u>	<u>\$ -</u>	<u>\$ -</u>
Requirements							
Materials and Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Requirements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reserved for Future Expenditures	-	-	838,974	-	838,974	-	-
Ending Fund Balance	<u>\$ 838,974</u>	<u>\$ 838,974</u>	<u>\$ -</u>	<u>\$ 838,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Reserve for General Operations Fund

Resources

Transfer from General Fund: Transfer from the General Fund.

Expenditures

Other:

Reserved for Future Expenditures: Amount set aside to meet unforeseen circumstances. Will be appropriated based on policy thresholds.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

General Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Reserve for Replacement Fund

Manager: Travis Warneke, CPA

Created to provide a long-term approach to funding the purchase and replacement of equipment and major facility maintenance expenditures. A schedule was established to calculate the amount required annually based on the expected useful life of equipment and facilities. The schedule is reviewed and updated annually based on an assessment of the condition of items along with any additions or deletions of equipment or facilities. The fund will be reviewed to determine whether it will be continued or abolished each year. When it is determined it is no longer necessary to maintain this reserve fund any unexpended balance in the fund will be transferred to another fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established. This fund allows the City to save for replacement of all major capital items without having dramatic swings in the General Fund and makes for clear and relevant analysis of operating trends.

Revenue

Transfers from the General Fund, PEG revenue, interest.

Expenditures

Repair and replacement of Items listed on the replacement schedules. The schedules are reviewed periodically throughout the year and annually for the budget process. The assumptions used to create the schedules are reviewed for validity and changed if required.

Budget Summary:

General Reserve for Replacement	Historical Information		Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Materials and Services	\$ 138,787	\$ 176,266	\$ 650,000	\$ 650,000	\$ -	\$ -
Capital Outlay	108,989	470,585	900,000	1,000,000	-	-
Total	\$ 247,776	\$ 646,851	\$ 1,550,000	\$ 1,650,000	\$ -	\$ -
Reserve for Future Expenditures	\$ -	\$ -	\$ 2,015,295	\$ 1,312,310	\$ -	\$ -

General Reserve for Replacement Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 2,243,536	\$ 2,580,295	\$ 2,905,295	\$ 2,582,310	\$ 2,317,310	\$ -	\$ -
PEG revenue	54,835	48,866	60,000	45,000	45,000	-	-
Misc Revenue	29,700	-	-	-	-	-	-
Transfers In	500,000	600,000	600,000	600,000	600,000	-	-
Total Resources	\$ 2,828,071	\$ 3,229,161	\$ 3,565,295	\$ 3,227,310	\$ 2,962,310	\$ -	\$ -
Requirements							
Materials and Services							
Equipment - under \$5,000	\$ 54,729	\$ 103,978	\$ 150,000	\$ 60,000	\$ 150,000	\$ -	\$ -
Repairs and Maintenance	84,058	72,288	500,000	80,000	500,000	-	-
Total Materials and Services	138,787	176,266	650,000	140,000	650,000	-	-
Capital Outlay							
Vehicles	-	-	300,000	200,000	300,000	-	-
Equipment - over \$5,000	51,664	357,511	400,000	400,000	300,000	-	-
Facility Improvements	1,050	58,800	100,000	120,000	300,000	-	-
PEG Grants	56,275	54,274	100,000	50,000	100,000	-	-
Total Capital Outlay	108,989	470,585	900,000	770,000	1,000,000	-	-
Total Requirements	\$ 247,776	\$ 646,851	\$ 1,550,000	\$ 910,000	\$ 1,650,000	\$ -	\$ -
Reserved for Future Expenditures	-	-	2,015,295	-	1,312,310	-	-
Ending Fund Balance	2,580,295	2,582,310	-	2,317,310	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

General Reserve for Replacement Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous year.

PEG Revenue: Cable PEG fees collected for Public, Educational and Governmental access.

Misc Revenue: Includes interest income from cash in the Local Government Investment Pool.

Transfers In: Amounts from the General Fund per replacement schedules.

Expenditures

Materials and Services:

Equipment – under \$5,000: Equipment per replacement schedules.

Repairs and Maintenance: Repairs and maintenance items per replacement schedules.

Education Benefits: Benefits provided to staff for education.

Capital Outlay:

Vehicles: Vehicles per replacement schedules.

Equipment – over \$5,000: Equipment per replacement schedules.

Facility Improvements: Facility improvements per replacement schedules.

Park Improvements: Park improvements scheduled for the current budget year per Council direction.

PEG Grants: Grants awarded based on criteria.

Other:

Reserved for Future Expenditures: Amount set aside to meet unforeseen circumstances. Will be appropriated based on policy thresholds.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Library Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Library Reserve for Replacement Fund

Manager: Travis Warneke, CPA

Created to provide a long-term approach to funding the purchase and replacement of equipment and major facility maintenance expenditures associated with the Library. A schedule was established to calculate the amount required annually based on the expected useful life of equipment and facilities. The schedule is reviewed and updated annually based on an assessment of the condition of items along with any additions or deletions of equipment or facilities.

The fund will be reviewed to determine whether it will be continued or eliminated each year. When it is determined it is no longer necessary to maintain this reserve fund any unexpended balance in the fund will be transferred to the Library Fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

This fund allows the City to save for replacement of all major library capital items without having dramatic swings in the operating Library Fund and makes for clear and relevant analysis of operating trends.

Revenue

Transfers from the Library Fund and interest earned on amounts invested in the Local Government Investment Pool and other investments.

Expenditures

Repair and replacement of Items listed on the replacement schedules. The schedules are reviewed periodically throughout the year and annually for the budget process. The assumptions used to create the schedules are reviewed for validity and changed if required. The transfer out in the 2024-25 budget is repayment of an interfund loan from the Parks SDC fund related to the library expansion project.

Budget Summary:

Library Reserve for Replacement	Historical Information		Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Materials and Services	\$ 2,059	\$ 60,755	\$ 100,000	\$ 100,000	\$ -	\$ -
Capital Outlay	7,147,441	2,652,273	360,711	341,222	-	-
Transfers	-	482,143	465,000	446,430	-	-
Total	\$ 7,149,500	\$ 3,195,171	\$ 925,711	\$ 887,652	\$ -	\$ -

Library Reserve for Replacement Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 4,852,288	\$ 323,854	\$ 325,711	\$ 304,938	\$ 392,652	\$ -	\$ -
Intergovernmental Revenue	2,000,000	-	-	-	-	-	-
Misc Revenue	21,066	76,255	-	-	-	-	-
Transfers In (Library Fund)	600,000	600,000	600,000	600,000	495,000	-	-
Transfers In (Interfund Loan)	-	2,500,000	-	-	-	-	-
Total Resources	<u>\$ 7,473,354</u>	<u>\$ 3,500,109</u>	<u>\$ 925,711</u>	<u>\$ 904,938</u>	<u>\$ 887,652</u>	<u>\$ -</u>	<u>\$ -</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	\$ 2,059	\$ 27,610	\$ 50,000	\$ 1,000	\$ 50,000	\$ -	\$ -
Repairs and Maintenance	-	33,145	50,000	10,000	50,000	-	-
Total Materials and Services	<u>2,059</u>	<u>60,755</u>	<u>100,000</u>	<u>11,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Capital Outlay							
Equipment - over \$5,000	10,794	61,841	147,854	35,000	150,000	-	-
Facility Improvements	7,136,647	2,590,432	212,857	2,000	191,222	-	-
Total Capital Outlay	<u>7,147,441</u>	<u>2,652,273</u>	<u>360,711</u>	<u>37,000</u>	<u>341,222</u>	<u>-</u>	<u>-</u>
Transfers							
To Parks SDC (loan)	-	482,143	465,000	464,286	446,430	-	-
Total Transfers	<u>-</u>	<u>482,143</u>	<u>465,000</u>	<u>464,286</u>	<u>446,430</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ 7,149,500</u>	<u>\$ 3,195,171</u>	<u>\$ 925,711</u>	<u>\$ 512,286</u>	<u>\$ 887,652</u>	<u>\$ -</u>	<u>\$ -</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	323,854	304,938	-	392,652	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Library Reserve for Replacement Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous year.

Transfers In: Amounts from the Library Fund per the replacement schedule.

Expenditures

Materials and Services:

Equipment – under \$5,000: Equipment per replacement schedules.

Repairs and Maintenance: Repairs and maintenance items per replacement schedules.

Capital Outlay:

Equipment – over \$5,000: Equipment per replacement schedules.

Facility Improvements: Facility improvements per replacement schedules. In addition, to cover the remaining costs associated with the Happy Valley Library expansion project.

Transfers:

To Parks SDC Fund: Transfer to make payment on a seven-year interfund loan from the Parks SDC Fund to finance a portion of the Happy Valley Library expansion project. The \$2.5 million interfund loan commenced on June 1, 2024 with an interest rate of 5%. The principal balance as of 06/30/2026 is \$1,785,714. Future annual payments for the next 5 budget years will continue at \$357,143 plus interest. Final repayment is scheduled for June 2031.

Other:

Reserved for Future Expenditures: Amount set aside to meet unforeseen circumstances. Will be appropriated based on policy thresholds.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Street Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Street Reserve for Replacement Fund

Manager: Travis Warneke, CPA

Created to provide a long-term approach to funding the purchase and replacement of equipment and major facility maintenance expenditures associated with street maintenance. A schedule was established to calculate the amount required annually based on the expected useful life of equipment and facilities. The schedule is reviewed and updated annually based on an assessment of the condition of items along with any additions or deletions of equipment or facilities.

The fund will be reviewed to determine whether it will be continued or eliminated each year. When it is determined it is no longer necessary to maintain this reserve fund any unexpended balance in the fund will be transferred to the Street Fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

This fund allows the City to save for replacement of all major street capital equipment items without having dramatic swings in the Street Maintenance Fund and makes for clear and relevant analysis of operating trends.

Revenue

Transfers from the Street Fund and interest earned on amounts invested in the Local Government Investment Pool and other investments.

Expenditures

Repair and replacement of Items listed on the replacement schedules. The schedules are reviewed periodically throughout the year and annually for the budget process. The assumptions used to create the schedules are reviewed for validity and changed if required.

Budget Summary:

Street Reserve for Replacement	Historical Information		Adopted Budget	Budget For Fiscal Year 2026-27		
	2023-24	2024-25	2025-26	Proposed	Approved	Adopted
Materials and Services	\$ 250	\$ -	\$ 125,000	\$ 125,000	\$ -	\$ -
Capital Outlay	-	-	370,345	405,345	-	-
Transfers	3,000,000	500,000	-	-	-	-
Total	\$ 3,000,250	\$ 500,000	\$ 495,345	\$ 530,345	\$ -	\$ -

Street Reserve for Replacement Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 3,362,105	\$ 795,345	\$ 395,345	\$ 395,345	\$ 430,345	\$ -	\$ -
Misc Revenue	333,490	-	-	-	-	-	-
Transfers In	100,000	100,000	100,000	100,000	100,000	-	-
Total Resources	\$ 3,795,595	\$ 895,345	\$ 495,345	\$ 495,345	\$ 530,345	\$ -	\$ -
Requirements							
Materials and Services							
Equipment - under \$5,000	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ -
Repairs and Maintenance	250	-	100,000	-	100,000	-	-
Total Materials and Services	250	-	125,000	-	125,000	-	-
Capital Outlay							
Equipment - over \$5,000	-	-	370,345	65,000	405,345	-	-
Total Capital Outlay	-	-	370,345	65,000	405,345	-	-
Transfers							
To TSDC Fund	3,000,000	500,000	-	-	-	-	-
Total Transfers	3,000,000	500,000	-	-	-	-	-
Total Requirements	\$ 3,000,250	\$ 500,000	\$ 495,345	\$ 65,000	\$ 530,345	\$ -	\$ -
Reserved for Future Expenditures							
Fee in Lieu	-	-	-	-	-	-	-
Ending Fund Balance	795,345	395,345	-	430,345	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Street Reserve for Replacement Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous year.

Transfers In: Amounts from the Street Fund per the replacement schedule.

Expenditures

Materials and Services:

Equipment – under \$5,000: Equipment per replacement schedules.

Repairs and Maintenance: Repairs and maintenance items per replacement schedules.

Capital Outlay:

Vehicles: Vehicles per replacement schedules.

Equipment – over \$5,000: Equipment per replacement schedules.

Transfers:

To Transportation Development Charges Fund: Transfer to the TSDC fund for Fee in Lieu payments utilized for TSDC eligible projects.



**City of Happy Valley
Fiscal Year 2026 - 2027 Budget**

Parks Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks Reserve for Replacement Fund

Manager: Travis Warneke, CPA

Created to provide a long-term approach to funding the purchase and replacement of equipment and major facility maintenance expenditures associated with park maintenance. A schedule was established to calculate the amount required annually based on the expected useful life of equipment and facilities. The schedule is reviewed and updated annually based on an assessment of the condition of items along with any additions or deletions of equipment or facilities.

The fund will be reviewed to determine whether it will be continued or eliminated each year. When it is determined it is no longer necessary to maintain this reserve fund any unexpended balance in the fund will be transferred to the Parks Fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

This fund allows the City to save for replacement of all major park capital equipment items without having dramatic swings in the Parks Fund and makes for clear and relevant analysis of operating trends.

Revenue

Transfers from the Parks Fund and interest earned on amounts invested in the Local Government Investment Pool and other investments.

Expenditures

Repair and replacement of items listed on the replacement schedules. The schedules are reviewed periodically throughout the year and annually for the budget process. The assumptions used to create the schedules are reviewed for validity and changed if required.

Budget Summary:

Parks Reserve for Replacement	Historical Information		Adopted Budget 2025-56	Budget For Fiscal Year 2026-27		
	2023-24	2024-25		Proposed	Approved	Adopted
Materials and Services	\$ -	\$ 45,848	\$ 70,000	\$ 70,000	\$ -	\$ -
Capital Outlay	28,641	109,741	1,000,000	700,000	-	-
Total	\$ 28,641	\$ 155,589	\$ 1,070,000	\$ 770,000	\$ -	\$ -
Reserve for Future Expenditures	\$ -	\$ -	\$ 2,398,833	\$ 3,184,244	\$ -	\$ -

Parks Reserve for Replacement Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Proposed Budget 2026-27	Approved Budget 2026-27	Adopted Budget 2026-27
Resources							
Beginning Fund Balance	\$ 1,565,974	\$ 2,088,833	\$ 2,768,833	\$ 2,633,244	\$ 3,254,244	\$ -	\$ -
Grants	26,500	-	-	41,000	-	-	-
Transfers In	525,000	700,000	700,000	700,000	700,000	-	-
Total Resources	<u>\$ 2,117,474</u>	<u>\$ 2,788,833</u>	<u>\$ 3,468,833</u>	<u>\$ 3,374,244</u>	<u>\$ 3,954,244</u>	<u>\$ -</u>	<u>\$ -</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	\$ -	\$ 6,796	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -
Repairs and Maintenance	-	39,052	50,000	20,000	50,000	-	-
Total Materials and Services	<u>-</u>	<u>45,848</u>	<u>70,000</u>	<u>20,000</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
Capital Outlay							
Equipment - over \$5,000	28,641	9,500	500,000	50,000	200,000	-	-
Facility Improvements	-	100,241	500,000	50,000	500,000	-	-
Total Capital Outlay	<u>28,641</u>	<u>109,741</u>	<u>1,000,000</u>	<u>100,000</u>	<u>700,000</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>\$ 28,641</u>	<u>\$ 155,589</u>	<u>\$ 1,070,000</u>	<u>\$ 120,000</u>	<u>\$ 770,000</u>	<u>\$ -</u>	<u>\$ -</u>
Reserved for Future Expenditures	-	-	2,398,833	-	3,184,244	-	-
Ending Fund Balance	2,088,833	2,633,244	-	3,254,244	-	-	-



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Parks Reserve for Replacement Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous year.

Transfers In: Amounts from the Parks Fund per the replacement schedule.

Expenditures

Materials and Services:

Equipment – under \$5,000: Equipment per replacement schedules.

Repairs and Maintenance: Repairs and maintenance items per replacement schedules.

Capital Outlay:

Equipment – over \$5,000: Equipment per replacement schedules.

Facility Improvements: Facility improvements per replacement schedules.



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Glossary



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Glossary

Accrual basis. Method of accounting recognizing transactions when they occur without regard toward cash flow timing [ORS 294.311(1)].

Activity. That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these [ORS 294.311(2)].

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body [ORS 294.456].

Ad valorem tax. A property tax computed as a percentage of the value of taxable property. See “Assessed Value.”

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

Approved budget. The budget that has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing [ORS 294.428].

Assessed value. The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property’s maximum assessed value or real market value. The growth is limited to 3% unless an exception applies (e.g., new or enlarged structure).

Assessment date. The date on which the real market value of property is set—January 1.

Audit. The annual review and appraisal of a municipal corporation’s accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State [ORS 297.425].

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government’s financial statements, and compliance with requirements, orders and regulations.

Balanced Budget. A budget is “balanced” when total resources (beginning fund balance plus current revenues plus transfers-in) equals total requirements (expenditures plus contingency plus transfers-out plus ending fund balance) for each fund. Per Oregon Administrative Rule 150-294.352(1)-(B), “The...total resources in a fund equal to the total of expenditures and requirements for that fund.”

Bequest. A gift by will of personal property; a legacy.

Biennial budget. A budget for a 24-month period.

Billing rate. A district’s tax rate used to compute ad valorem taxes for each property. The billing rate is expressed in dollars per \$1,000 of assessed property value.

Budget. Written document showing the local government’s comprehensive financial plan for one fiscal year or biennium. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of registered voters appointed from the district [ORS 294.414].

Budget message. Written explanation of a local government’s budget and financial policies, including any changes from the prior fiscal year. It is prepared and presented under the direction of the executive officer or chairperson of the governing body [ORS 294.403].

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget [ORS 294.331].



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Budget period. For local governments on a biennial budget, the 24-month period beginning July 1 and ending June 30 of the second following calendar year. See also “Fiscal year.”

Budget transfers. Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings.

Capital projects fund. A fund used to account for resources, such as bond sale proceeds, and expenditures to be used for major capital item purchase or construction [OAR 150- 294.352(1)].

Cash basis. System of accounting under which revenues are accounted for only when received in cash, and expenditures are accounted for only when paid [ORS 294.311(9)].

Category of limitation. The three categories of taxes on property for the purpose of the constitutional limits - education, general government, excluded from limitation [ORS 310.150].

Compression. A reduction in taxes required by Measure 5 (1990) property tax limits. Compression is computed on a property-by-property basis, and is first applied towards local option tax levies, then permanent rate levies.

Consolidated billing tax rate. The consolidated billing tax rate is the combined total of the billing rates for all taxing districts in a limitation category in the code area but does not include the billing rate for any urban renewal special levies or non-ad valorem taxes, fees, or other charges.

Constitutional limits. The maximum amount of tax on property that can be collected from an individual property for education and for other government activities (Art. XI, sect. 11b, Or Const.).

Contingency. An amount appropriated in anticipation that some operating expenditures will become necessary which cannot be foreseen and planned in the budget. A general operating fund may contain one line for operating contingency [ORS 294.388].

Debt service fund. A fund established to account for payment of general long-term debt principal and interest [OAR 150-294.352(1)].

Devise. A gift by will of the donor of real property.

District. See “Local government.” A local government entity that imposes property taxes (e.g. county, city, K-12 school district).

Division of tax. Division of tax refers to the process of, and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, a.k.a. tax increment revenue.

Double majority. A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question. (*Any March or September Election*)

Education category. The limitation category for taxes that will be used to support the public school system and that are not used to pay exempt bonded indebtedness [ORS 310.150(1)(b)].

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(13)].

Enterprise fund. A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. They are usually self- supporting. Examples of enterprise funds are those for water, gas, and electric utilities, swimming pools, airports, parking garages, transit systems, and ports [OAR 150-294.352(1)].

Excluded from limitation category. The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(1)(a)].



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Exempt bonded indebtedness. 1) Bonded indebtedness authorized by a specific provision of the Oregon Constitution, or 2) bonded indebtedness issued as a general obligation on or before November 6, 1990, incurred for capital construction or capital improvements, or 3) bonded indebtedness issued as a general obligation after November 6, 1990, incurred for capital construction or capital improvements with the approval of the electors of the local government. Bonded indebtedness issued to refund or refinance any bonded indebtedness described above is also included [ORS 310.140(7)(b)].

Existing plan. An existing urban renewal plan is defined as a plan that existed in December 1996, and, 1) chose an option and, 2) established a maximum amount of indebtedness by July 1998 and has not been amended to increase the land area or maximum indebtedness [ORS 457.435(4)(a)].

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis. Does not include amounts budgeted for interfund transfers, contingency, reserved for future expenditure or unappropriated ending fund balance. [ORS 294.311(16)].

Fiscal year. A 12-month period to which the annual operating budget applies. The fiscal year is July 1 through June 30 for local governments [ORS 294.311(17)].

Fund. A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

Fund balance. The excess of the assets of a fund over its liabilities and reserves. [ORS 294.311(18)].

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150- 294.352(1)].

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150-294.352(1)].

General government category. The limitation category for taxes used to support general government operations that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(1)(c)].

Governing body. County court or board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(20)].

Grant. A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purpose or function, or general purpose [ORS 294.311(21)].

Interfund loan. Loan made from one fund to another and authorized by resolution or ordinance [ORS 294.468].

Interfund Transfer. Transfer from an existing appropriation category in one fund to another existing appropriation category in another fund. [ORS 294.463].

Intrafund Transfer. Transfer from one existing appropriation category to another within the same fund. [ORS 294.463].

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one organizational unit to another on a cost-reimbursement basis [ORS 294.311(23) and 294.343].

Levy. Amount of ad valorem tax certified by a local government for the support of governmental activities.

Liability. Debt or other legal obligation arising from transactions in the past which must be liquidated, renewed, or refunded at a future date; does not include encumbrances [ORS 294.311(24)].



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Local government. Any city, county, port, school district, community college, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipal corporation or municipality [ORS 294.311(26)].

Local option tax. Taxing authority approved by voters that is in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose or capital projects. They are limited to five years unless they are for a capital project, then they are limited to the useful life of the project or 10 years, whichever is less.

Materials and Services. Expenses for operating costs and supplies and contracted services, such as utilities, rent, liability insurance, repair parts, fuel, accountant's fees, etc.

Maximum assessed value (MAV). The maximum taxable value limitation placed on real or personal property by the Article XI, section 11 of the Constitution. It can increase a maximum of 3 percent each year. The 3 percent limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

Maximum authority. The limitation on the amount of revenue that can be raised each year for an existing urban renewal plan area [ORS 457.435(3)(a)]. Plans that are not existing plans do not have a maximum authority amount. This amount is adjusted each year based on the growth of excess value in the plan area.

Maximum indebtedness. The amount of the principal of the indebtedness necessary to complete an urban renewal plan. This does not include indebtedness incurred to refund or refinance existing indebtedness [ORS 457.190(3)(a)]. It is specified in dollars and cents and based on good faith estimates of the scope and costs of the anticipated project or projects. All existing plans are required to have an ordinance which establishes a maximum indebtedness.

Measure 5. A constitutional tax rate limitation (Article XI, Section 11b) passed by the voters in 1990 which restricts the amount an individual property can be taxed. Measure 5 limits school taxes to \$5 per \$1,000 of 'real market value'. All other general government taxes are limited to \$10 per \$1,000 of 'real market value'.

Measure 50. Initially this measure was passed as Measure 47 in 1996 and was found to be unworkable, so was rewritten and submitted to the voters as Measure 50 in 1997 and passed. M50 reduced every property's 1995-96 assessed value by 10%, and also limited the amount of annual growth of the assessed value to 3%. M50 also established permanent rate limitations for each taxing district in the state based on the current year tax in 1997, and then reduced 13% for most districts. If a district did not have a tax levy in 1997 and had never levied a tax, they could later request a permanent rate limit by going to the voters through a ballot measure.

Municipal corporation. See "Local government."

Municipality. See "Local government."

Net working capital. The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances [ORS 294.311(27)].

Object classification. A grouping of expenditures, such as personnel services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(29)].

Operating rate. The rate determined by dividing the local government's tax amount by the estimated assessed value in district. This rate is calculated by the assessor when a local government imposes its operating tax as an amount, rather than a tax rate.

Ordinance. A formal enactment by the governing board of a municipality.

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions such as a department, office or division. [ORS 294.311(31)].



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Personnel Services. Expenses related to the compensation of salaried employees, such as health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

Permanent rate limit. The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government or its voters can increase or decrease a permanent rate limit. A district can levy any rate or amount up to their permanent rate authority each year.

Prior years' tax levies. Taxes levied for fiscal years preceding the current one.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311(33)].

Property taxes. An ad valorem tax, another other "tax on property", or fees, charges and assessments that are specifically authorized by statute to be certified to the county assessor by a local government unit.

Proposed budget. Financial and operating plan prepared by the budget officer. It is submitted to the public and the budget committee for review.

Publication. Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address, PO Box and Rural Route within the boundaries of the local government; or hand delivery to each street address, PO Box and Rural Route address within the boundaries of the local government.

Real Market Value (RMV). The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm's-length transaction as of the assessment date (Jan 1). [ORS 308.205].

Reserve for Future Expenditure. An amount budgeted, but not appropriated, that is not anticipated to be spent in the fiscal year, but rather carried forward into future fiscal years. The correct way to "save" money under Local Budget Law.

Reserve fund. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment [ORS 294.346; 280.050].

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resource. Estimated beginning funds on hand plus anticipated receipts [ORS 294.361].

Special levy. A special levy is an ad valorem tax imposed for an existing urban renewal plan. It is not a result of a division of tax but rather imposed directly for the plan.

Special revenue fund. A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes [OAR 150-294.352(1)].

Special payment. A budget expenditure category for distributions, pass-through payments, grants made to other organizations and other one-time or unusual expenditures where goods or services are not received in return, and that do not fall into the other categories of personal services, materials and services, capital outlay, etc.

Supplemental budget. A revised financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted. It cannot be used to authorize additional taxes. [ORS 294.471].

Tax increment financing. A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area. AKA urban renewal division of tax.

Tax on property. Any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property [ORS 310.140(18)].



City of Happy Valley Fiscal Year 2026 - 2027 Budget

Tax rate. The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

Tax roll. The official list showing the amount of taxes imposed against each taxable property.

Tax year. The fiscal year from July 1 through June 30.

Trust fund. A fund used to account for fiscal activities of assets held in trust by a local government.

Unappropriated ending fund balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget. It provides the local government with operating cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency [ORS 294.398].



**5 Year
Projection
FY2027 -
FY2031**



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Assumptions

Definitions

5 Year Plan Assumptions

Revenues
Assumptions
Revenue growth factor of 3%
Taxes - Permanent rate – growth factor of 4% which accounts for both population and assessed value growth
Taxes - Levy (not subject to Urban Renewal) – growth factor of 5% which accounts for both population and assessed value growth
Library District revenue growth factor of 3.5% because most of district assessed value not in Happy Valley
Building Fees – \$7M for 5 yr proj - Low levels in years 1-2, expecting to pick up in 3-5.
Planning and Eng Fees -\$3.M for 5 yr proj. Fees are not shown in the year they may occur but distributed across all years.

Expenditures
Assumptions
Personnel – Wages growth factor of 6%
FTE additions - see notes at the bottom of each fund
Benefits growth factor of 7%
Materials and Services growth factor of 7%
Public Safety Fund - Clackamas County contract personnel portion use 6% growth factor, M&S portion use 6% growth factor
Each additional officer adds \$220,000 to the police contract

5 Year Plan Definitions

Explanations		
Term	Definition	Description
Transfers	Transfers are transaction-like activities between the various funds.	Transfers To and Transfer From are shown in the General, Street, Public Safety, and Reserve for Replacement Funds. Although transfers are shown as revenue in the receiving fund, technically they are not revenue to the City. They are simply the movement of dollars between fund within the City.
Resources	All amounts available for the fiscal year. This includes revenues as well as beginning fund balance.	
Property Tax escalation percentage	4-6% increase per year	Specific property annexation analysis was not included. This amount is still lower than the average growth percentage seen over the last 10 years.
Fund Balance	Difference between the Assets and Liabilities of a fund.	
Beginning Fund Balance - BFB	Fund Balance at July 1 of any given fiscal year	
Ending Fund Balance - EFB	Fund Balance at June 30 of any given fiscal year	
SDC	System Development Charge	
IGA	Intergovernmental Agreement	
M&S	Materials and Services	
CIP	Capital Improvement Plan	
ODOT	Oregon Department of Transportation	
PQI	Pavement Quality Index	The index is based on the current pavement quality of each individual roadway section. Once determined, the index is used to calculate the dollar amount required to attain an engineering pavement quality standard.
State Shared Revenues	Liquor, cigarette, marijuana, and gas taxes collected by the State	City receives revenue from State for cigarette tax, liquor tax, and gas tax based on ORS distribution calculation.
Trend Data	Historical data from the 1998 through the present whenever available.	Data used to determine historical trends over the last 10 - 15 years. This trend data was defined as the high end of the range. All percentages used for escalation are lower than the calculated historical trend percentages.



5 Year Projection

The five-year projection is created to be a high-level review of revenue and expenditures of the City's operating funds. It is based on a moderate set of assumptions applied for all funds. Any adjustments to those assumptions are noted. This projection is not an in depth look at any one area but rather an overall view to envision what could happen given one set of circumstances. The application of our assumptions may cause negative fund balances in this projection. The City cannot legally have negative fund balances so estimates will be adjusted during the budget process

The projection is updated annually to reflect the changing financial landscape and envision a future beyond the next budget cycle. It is based on specific assumptions and should not to be interpreted as a final plan but rather one possible view of the next five years. The projection along with relevant historical data are used to expose trends that could influence our financial future. The projection should be used as a catalyst for discussion about where the City could be in five years if we follow a certain path, how to address issues revealed by the projection, and what changes can be made today to ensure we remain on a path to our long-term goals.

Included in the projection are revenue and expenditures charts for each fund to compare past projections to actual results of operations. These charts show that our assumptions underestimate revenue and overestimate expenditures. This process helps to prepare us for the economic volatility we experience with much of our revenue. Again, this projection is not a forecast, it is a mechanism to create dialog about how to increase productivity and efficiency, so we can provide essential services in any economic climate.

This projection does not include reserve funds as their use is guided by policy. SDC funds are also not included as they are guided by the SDC methodology plans.

This projection does not address issues that could have a significant effect on the organization if they were to occur within the 5-year period.

It is important to note that not all city revenues are available for all city functions. We are bound by statutes that define the specific use of certain revenues, so any review of total revenues or total expenditures is not applicable. Funds and their respective revenues and expenditures need to be reviewed and analyzed separately.

Financial Projection – Citywide

Similar to last year’s projection, development revenues are set at a lower baseline level for the first several years. However, given the plethora of available residential lots and projects already underway, we do expect to see at least a steady baseline of development revenue. We would expect to see some strong growth at some point in the five years, however, it is difficult to pinpoint when this will happen, so we are showing moderate/low building fees relative to the recent prior years.

Development revenue is very difficult to predict for any specific fiscal year, so our goal is to create a projection with a realistic development revenue total. We then compare the development revenue total in this projection to revenue received during a prior similar moderate period. If the development revenue total in this projection is similar to the prior moderate period, we believe the projection to be realistic.

Financial Projection – Individual Funds

Below are further explanations for each of the funds in the projection. These funds are either directly affected by changes in population and assessed value of the City or impact the number of employees. Growth in assessed value is defined in this context as new construction, increased value of real property, and annexation of property into the City.

Following the individual fund explanations there is an overview of the remaining capital project and reserve funds. Detail and chart information are not included for these funds as their expenditures are project based and are at the discretion of the Council.

General Fund

In this projection, the General Fund has an operating deficit, difference between annual revenues and annual expenditures, for two out of the five years. The operating deficit is largest in year one of the projection because of a \$2 million transfer to the Facility Capital Projects Fund. Removing the reserve for replacement and facility capital project fund transfers, which are discretionary, shifts the fund to an operating surplus in all years of the projection.

This projection adds another \$1.5 million transfer to the Facility Cap Project Fund in year two and a total of \$5.5 million in years two through five. Under this scenario, there would be \$26 million available for a project in the Facility Capital Project Fund after year 1, including previous year transfers.

One primary long-term concern is the predicted increase of PERS rates. The City has taken a proactive approach to this by creating a PERS side account which will curb future PERS rate increases. Through State legislation that passed in 2019, the City took advantage available of matching funds to create a \$2 million PERS side account. The City’s portion of this (\$1.6 million) came from the General Operations Reserve Fund. We will see a slight increase for the biennium beginning July 2027.

The Urban Renewal Admin Fee which is 5% of Urban Renewal Tax revenue collected is a new revenue in the General Fund. This revenue source began in 2020-21 and will steadily increase as the Urban Renewal area grows in assessed value. The purpose of this fee is to cover the cost of running the Urban Renewal District programs including associated staff.

The chart on page 11 illustrates the reason for the operating deficits. The stacked bar represents ongoing expenditures in red and transfers out in green. Revenue is represented by a blue line. The revenue line is lower than the total stacked bar but higher than the expenditures represented by the red portion of the bar for each of the projection years besides that last. Transfers out of the General Fund are determined during the budget process and are based on Council Policy 13.04 Budget Reserves & Contingency. Given that the revenue line is higher than the expenditures portion of the bar adjustments could be made to create an operating surplus for all years of this projection if the amount of transfers was decreased.

Parks Fund

This projection includes the parks operating levy property tax at \$0.54 per \$1,000 of assessed value. The current voter approved Parks Levy runs through Year 2 of the projection.

The operations department (parks maintenance) has an FTE added in year two which would bring the total FTE for the department up to 6.0. The recreation department has 3 FTE with no additions shown in the projection.

Under this scenario, the Parks Fund is able to transfer \$5 million to the Parks Reserve for Replacement Fund which will bring the reserve fund to a very healthy level.

This projection does not take into account operations of a future new community park. A separate operations study is currently under way which can be incorporated into future projections.

Public Safety Fund

The Public Safety fund is funded using a local operating tax levy of \$1.38 per \$1,000 of assessed value. The last tax levy was passed by voters in November 2024. This projection increases the FTE level by 1.0 in the first year of the projection to bring the total to 20. Although the \$1.38 per \$1,000 of assessed value does not change, as property is improved and annexed into the City the amount of taxes collected increases.

This fund has a modest annual operating deficit in all five years.

Library Fund

The projection shows an operating deficit in all 5 years, but that deficit is partially due to the amount transferred from the Library Fund to the Reserve for Replacement Fund for the repayment of an interfund loan. This loan repayment drops off after year five.

The Library has 35 total employees, many of whom are used only on an 'on call' basis to fill in scheduling gaps. There is a reduction of 1FTE in year one of this projection.

The transfers in this projection to the Library Reserve for Replacement Fund are to pay back an interfund loan to the Parks SDC Fund. The loan funded the library expansion project.

Street Fund

With the passage of HB 2017, the City's share of gas tax state shared revenue increased from what it had historically been. Those increased have leveled off. Additional revenue from the gas station built in the fall of 2016 which collects and remits to the City the local gas tax of 2 cents per gallon help increase the amount we can allocate to the street reconstruction line. Additionally, half of the City's vehicle registration fee goes to the Street Fund.

With the increased funding, this projection shows \$1.3 million available for street reconstruction each year. This puts the City on target for maintaining its current average of 82 paving quality index.

Reserve Funds

Policy 13.04 Budget & Contingency defines conditions for the expenditure of reserve funds as well as the appropriate amount to accumulate in each fund.

The Reserve for General Operations Fund was established to offset the cyclical nature of the economy. The target level of this fund is discussed annually during the budget process and is guided by Council policy. In 2019-20 the City spent \$1.6 million from this fund to create a PERS side account which will help curb future PERS rate increases.

The Reserve for Replacement Funds (General, Parks, Library, Street) are the long-term capital replacement plan for assets. A schedule for replacement of assets is used to determine the fund balance. The schedule considers replacement cost and service life of assets to determine the amount of revenue necessary to allow for replacement in the year required. Expenditures are based on the replacement schedule which is reviewed on an ongoing basis and revised when required.



General Fund

General Fund

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue	11,932,840	12,515,805	13,897,383	14,835,675	15,286,082
Expenditures	10,340,164	10,990,775	11,804,008	12,550,269	13,555,437
Transfers Out	2,500,000	2,000,000	2,000,000	2,000,000	1,500,000
Annual Operating Surplus/(Shortfall)	(907,324)	(474,970)	93,375	285,407	230,645
Beginning Fund Balance - BFB	4,304,448	3,397,124	2,922,154	3,015,529	3,300,936
Ending Fund Balance - EFB	3,397,124	2,922,154	3,015,529	3,300,936	3,531,581



General Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Projection Year 1 2026-27	Projection Year 2 2027-28	Projection Year 3 2028-29	Projection Year 4 2029-30	Projection Year 5 2030-31
Revenues									
User Related Fees	3,023,962	3,217,515	3,380,000	3,365,000	3,450,500	3,554,015	3,660,635	3,770,455	3,883,568
Development Fees	2,162,694	2,527,847	1,750,000	1,430,000	1,150,000	1,350,000	2,350,000	2,900,000	2,950,000
Urban Renewal Admin Fee	247,042	289,480	320,000	350,000	370,000	420,000	450,000	475,000	500,000
Municipal Court	733,211	796,134	720,000	800,000	770,000	793,100	816,893	841,400	866,642
Intergovernmental	3,662,985	3,746,075	3,805,000	3,715,000	3,858,000	3,994,320	4,143,353	4,298,025	4,458,552
Misc Revenue	2,092,134	2,240,370	2,278,000	2,278,000	2,334,340	2,404,370	2,476,501	2,550,796	2,627,320
Total Revenues	11,922,028	12,817,421	12,253,000	11,938,000	11,932,840	12,515,805	13,897,383	14,835,675	15,286,082
Requirements									
Personnel Services	2,088,066	2,374,182	2,615,100	2,400,000	2,576,615	2,740,230	2,914,294	3,099,476	3,296,492
Materials and Services	1,470,484	1,734,833	2,100,000	1,710,000	1,925,000	2,059,750	2,203,933	2,358,208	2,523,282
Total Administration	3,558,550	4,109,015	4,715,100	4,110,000	4,501,615	4,799,980	5,118,226	5,457,684	5,819,775
Personnel Services	1,280,680	1,280,986	1,391,700	1,385,000	1,391,613	1,480,398	1,574,880	1,675,427	1,782,431
Materials and Services	55,799	78,852	95,000	68,000	80,000	85,600	91,592	98,003	104,864
Total Com Svcs / Public Sfty	1,336,479	1,359,838	1,486,700	1,453,000	1,471,613	1,565,998	1,666,472	1,773,431	1,887,295
Personnel Services	2,823,988	2,930,660	3,465,400	3,080,000	3,039,516	3,233,437	3,559,802	3,787,014	4,138,812
Materials and Services	270,519	392,526	395,000	360,000	390,000	392,800	395,796	399,002	402,432
Total Eco & Com Dev	3,094,507	3,323,186	3,860,400	3,440,000	3,429,516	3,626,237	3,955,598	4,186,016	4,541,244
Personnel Services	565,623	605,374	666,700	645,000	722,419	768,510	817,558	869,754	1,025,302
Materials and Services	164,311	210,612	227,000	210,000	215,000	230,050	246,154	263,384	281,821
Total Public Works	729,934	815,986	893,700	855,000	937,419	998,560	1,063,711	1,133,138	1,307,123
Transfers									
To Reserve for Replacement Fund	500,000	600,000	600,000	600,000	500,000	500,000	500,000	500,000	500,000
To Facility Cap Project Fund	2,500,000	3,200,000	2,750,000	2,750,000	2,000,000	1,500,000	1,500,000	1,500,000	1,000,000
Total Transfers	3,000,000	3,800,000	3,350,000	3,350,000	2,500,000	2,000,000	2,000,000	2,000,000	1,500,000
Total Requirements	11,719,470	13,408,025	14,305,900	13,208,000	12,840,164	12,990,775	13,804,008	14,550,269	15,055,437
Annual operating surplus/(deficit)	202,558	(590,604)	(2,052,900)	(1,270,000)	(907,324)	(474,970)	93,375	285,407	230,645
Beginning Fund Balance	5,962,493	6,165,052	5,195,493	5,574,448	4,304,448	3,397,124	2,922,154	3,015,529	3,300,936
Ending Fund Balance	6,165,051	5,574,448	3,142,593	4,304,448	3,397,124	2,922,154	3,015,529	3,300,936	3,531,581
Contingency % (incl transfers out)	34%	29%	18%	25%	21%	18%	18%	18%	19%

Assumptions

6% Wages
7% Benefits
7% M&S

Personnel additions

Administration
No additions.

Public Works
1.0 FTE in Y5

Revenue

User Related Fees - Right of Way Fees, and User Related Fees
Development Fees - Planning, Engineering, and Building Fees, SDC Compliance, UR Admin
Municipal Court - Court Fines and Court Related Revenue
Intergovernmental - Property Taxes, State Shared Revenue, and Intergovernmental Revenue
Misc Revenue - Transfers In and Miscellaneous Revenue

Community Services and Public Safety
No additions.

Economic & Community Development

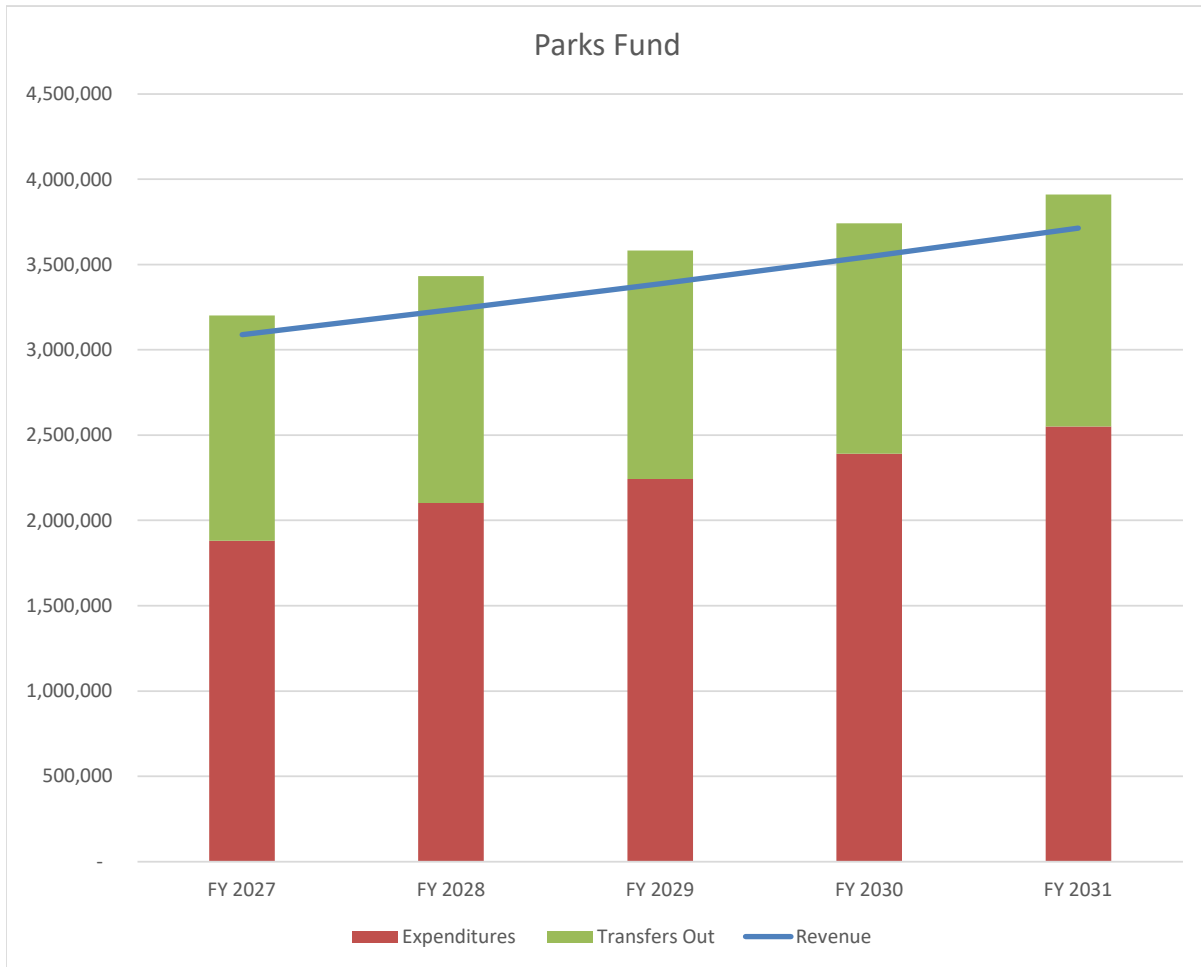
3.0 FTE reduction in Y1, 1.0 addition in Y3 and



Parks Fund

Parks Fund

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue	3,090,000	3,235,200	3,387,381	3,546,884	3,714,066
Expenditures	1,881,535	2,102,798	2,242,412	2,391,344	2,550,220
Transfers Out	1,320,000	1,330,000	1,340,000	1,350,000	1,360,000
Annual Operating Surplus/(Shortfall)	(111,535)	(197,598)	(195,031)	(194,461)	(196,154)
Beginning Fund Balance - BFB	1,635,615	1,524,080	1,326,482	1,131,450	936,990
Ending Fund Balance - EFB	1,524,080	1,326,482	1,131,450	936,990	740,836



Parks Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Projection Year 1 2026-27	Projection Year 2 2027-28	Projection Year 3 2028-29	Projection Year 4 2029-30	Projection Year 5 2030-31
Property Taxes	2,212,022	2,327,050	2,500,000	2,500,000	2,625,000	2,756,250	2,894,063	3,038,766	3,190,704
User Related Fees	128,527	215,165	165,000	225,000	225,000	231,750	238,703	245,864	253,239
Misc Revenue	174,029	215,696	150,000	240,000	240,000	247,200	254,616	262,254	270,122
Grant Revenue	91,978	-	670,000	-	-	-	-	-	-
Total Revenue	2,606,556	2,757,911	3,485,000	2,965,000	3,090,000	3,235,200	3,387,381	3,546,884	3,714,066
Requirements									
Personnel Services	394,519	463,932	549,400	550,000	636,935	787,572	837,766	891,178	948,014
Materials and Services	424,258	449,577	1,130,000	520,000	530,000	553,100	591,817	633,244	677,571
Total Operations	818,777	913,509	1,679,400	1,070,000	1,166,935	1,340,672	1,429,583	1,524,422	1,625,585
Personnel Services	300,678	314,654	403,300	345,000	389,600	414,376	440,737	468,784	498,626
Materials and Services	224,556	257,792	295,000	301,000	325,000	347,750	372,093	398,139	426,009
Total Programming	525,234	572,446	698,300	646,000	714,600	762,126	812,829	866,923	924,634
Non Departmental	-	-	10,000	-	-	-	-	-	-
Transfers									
To General Fund	270,000	300,000	310,000	310,000	320,000	330,000	340,000	350,000	360,000
To Parks Res for Replacement	525,000	700,000	700,000	700,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
To Park Capital Fund	-	-	-	-	-	-	-	-	-
Total Transfers	795,000	1,000,000	1,010,000	1,010,000	1,320,000	1,330,000	1,340,000	1,350,000	1,360,000
Total Requirements	2,139,011	2,485,955	3,397,700	2,726,000	3,201,535	3,432,798	3,582,412	3,741,344	3,910,220
Operating surplus/(deficit)	467,545	271,956	87,300	239,000	(111,535)	(197,598)	(195,031)	(194,461)	(196,154)
Beginning Fund Balance	657,114	1,124,659	1,152,659	1,396,615	1,635,615	1,524,080	1,326,482	1,131,450	936,990
Ending Fund Balance	1,124,659	1,396,615	1,239,959	1,635,615	1,524,080	1,326,482	1,131,450	936,990	740,836
Contingency % (incl transfers out)	40%	39%	27%	40%	32%	28%	24%	20%	16%

Assumptions

6% Wages	<u>Personnel additions</u>
7% Benefits	Operations - 1.0 FTE in Y2
7% M&S	Recreation - No additions
3% Revenue	<u>Revenue</u>
5% Taxes	User Related Fees - User Related, Program Fees, Events Revenue
	Misc Revenue - Misc, Grant Revenue, Transfers



Library Fund

Library Fund

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue	3,901,000	4,029,100	4,169,804	4,315,432	4,466,157
Expenditures	2,837,000	3,021,720	3,218,538	3,428,252	3,651,710
Transfers Out	1,185,000	1,180,000	1,170,000	1,160,000	1,155,000
Annual Operating Surplus/(Shortfall)	(121,000)	(172,620)	(218,735)	(272,820)	(340,553)
Beginning Fund Balance - BFB	1,091,142	970,142	797,522	578,787	305,967
Ending Fund Balance - EFB	970,142	797,522	578,787	305,967	(34,586)



Library Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Projection Year 1 2026-27	Projection Year 2 2027-28	Projection Year 3 2028-29	Projection Year 4 2029-30	Projection Year 5 2030-31
Total Revenue	3,689,562	3,844,299	3,840,000	3,841,000	3,901,000	4,029,100	4,169,804	4,315,432	4,466,157
Requirements									
Personnel Services	1,782,461	2,054,029	2,198,850	2,170,000	2,152,000	2,288,770	2,434,282	2,589,097	2,753,814
Materials and Services	556,012	638,116	725,000	635,000	685,000	732,950	784,257	839,154	897,895
Total Operations	2,338,473	2,692,145	2,923,850	2,805,000	2,837,000	3,021,720	3,218,538	3,428,252	3,651,710
Transfers									
To General Fund	570,000	627,000	690,000	690,000	690,000	700,000	710,000	720,000	730,000
To Reserve for Replacement Fund	600,000	600,000	600,000	600,000	495,000	480,000	460,000	440,000	425,000
Total Transfers	1,170,000	1,227,000	1,290,000	1,290,000	1,185,000	1,180,000	1,170,000	1,160,000	1,155,000
Total Requirements	3,508,473	3,919,145	4,213,850	4,095,000	4,022,000	4,201,720	4,388,538	4,588,252	4,806,710
Operating surplus/(deficit)	181,089	(74,846)	(373,850)	(254,000)	(121,000)	(172,620)	(218,735)	(272,820)	(340,553)
Beginning Fund Balance	1,238,899	1,419,988	1,232,988	1,345,142	1,091,142	970,142	797,522	578,787	305,967
Ending Fund Balance	1,419,988	1,345,142	859,138	1,091,142	970,142	797,522	578,787	305,967	(34,586)
Contingency % (incl transfers out)	29%	26%	17%	21%	19%	16%	12%	6%	-1%

Assumptions

- 3% Revenue
- 3.5% District Rev
- 6% Wages
- 7% Benefits
- 7% M&S

Personnel additions

1.0 FTE reduction in Y1

Revenue

Intergovernmental Revenue from Library District, User Related Fees, Grants, Interest, and Miscellaneous Revenue



Street Fund

Street Fund

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue	2,737,500	2,818,125	2,901,169	2,986,704	3,074,805
Expenditures	2,397,300	2,481,249	2,660,903	2,752,300	2,849,863
Transfers Out	350,000	350,000	360,000	360,000	360,000
Annual Operating Surplus/(Shortfall)	(9,800)	(13,124)	(119,734)	(125,596)	(135,059)
Beginning Fund Balance - BFB	1,016,627	1,006,827	993,703	873,969	748,373
Ending Fund Balance - EFB	1,006,827	993,703	873,969	748,373	613,314



Street Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Projection Year 1 2026-27	Projection Year 2 2027-28	Projection Year 3 2028-29	Projection Year 4 2029-30	Projection Year 5 2030-31
Revenue									
Intergovernmental Revenue	2,165,953	2,215,089	2,250,000	2,250,000	2,317,500	2,387,025	2,458,636	2,532,395	2,608,367
Vehicle Registration Fee	246,771	246,438	240,000	250,000	250,000	257,500	265,225	273,182	281,377
Local Revenues	123,078	117,013	124,000	120,000	120,000	123,600	127,308	131,127	135,061
Misc Revenue	134,753	62,024	80,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Revenue	2,670,555	2,640,564	2,694,000	2,670,000	2,737,500	2,818,125	2,901,169	2,986,704	3,074,805
Requirements									
Personnel Services	418,788	466,031	563,300	500,000	542,300	587,399	725,483	772,401	822,372
Materials and Services	1,730,277	1,285,481	2,267,000	1,892,000	1,855,000	1,893,850	1,935,420	1,979,899	2,027,492
Transfers	320,000	340,000	340,000	340,000	350,000	350,000	360,000	360,000	360,000
Total Requirements	2,469,065	2,091,512	3,170,300	2,732,000	2,747,300	2,831,249	3,020,903	3,112,300	3,209,863
Operating surplus/(deficit)	201,490	549,052	(476,300)	(62,000)	(9,800)	(13,124)	(119,734)	(125,596)	(135,059)
Beginning Fund Balance	328,085	529,575	896,575	1,078,627	1,016,627	1,006,827	993,703	873,969	748,373
Ending Fund Balance	529,575	1,078,627	420,275	1,016,627	1,006,827	993,703	873,969	748,373	613,314
Contingency % (incl transfers out)	18%	34%	12%	27%	27%	26%	22%	19%	16%

Assumptions

Revenue	3%
Wages	6%
Benefits	7%
M&S	7%

Revenue

Intergovernmental Revenue - IGA Revenue and State Shared Revenues
 Local Revenues - Local Fuel Tax
 Misc Revenue - Interest and any reimbursements for street projects

Personnel additions

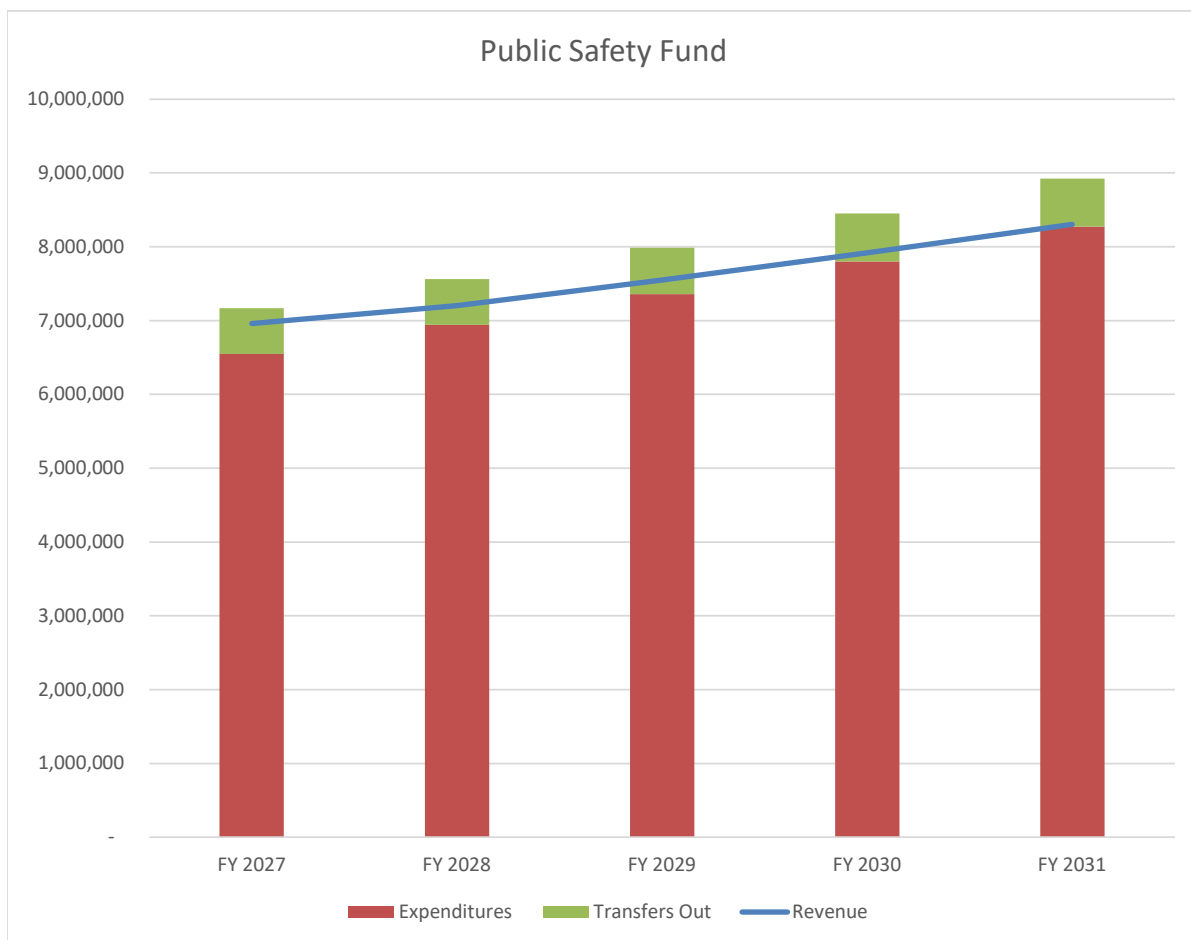
1.0 FTE addition in Y3



Public Safety Fund

Public Safety Fund

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue	6,957,500	7,200,875	7,550,919	7,918,465	8,304,388
Expenditures	6,546,750	6,940,786	7,358,549	7,801,471	8,271,067
Transfers Out	620,000	620,000	630,000	650,000	650,000
Annual Operating Surplus/(Shortfall)	(209,250)	(359,911)	(437,631)	(533,006)	(616,679)
Beginning Fund Balance - BFB	2,384,061	2,174,811	1,814,901	1,377,270	844,264
Ending Fund Balance - EFB	2,174,811	1,814,901	1,377,270	844,264	227,585



Public Safety Fund

	Preceding 2023-24	Preceding 2024-25	Adopted Budget 2025-26	Estimate 2025-26	Projection Year 1 2026-27	Projection Year 2 2027-28	Projection Year 3 2028-29	Projection Year 4 2029-30	Projection Year 5 2030-31
Total Revenue	5,826,849	6,295,424	6,640,000	6,690,000	6,957,500	7,200,875	7,550,919	7,918,465	8,304,388
Requirements									
Personel Services	127,698	281,351	303,100	295,000	313,850	333,912	355,263	377,987	402,174
Materials and Services	4,943,865	5,212,671	5,815,000	5,517,000	6,079,200	6,443,952	6,830,589	7,240,424	7,674,850
Capital Outlay	-	-	10,000	-	-	-	-	-	-
Transfers	550,000	605,000	605,000	605,000	620,000	620,000	630,000	650,000	650,000
Total Requirements	5,621,563	6,099,022	6,733,100	6,417,000	7,013,050	7,397,864	7,815,852	8,268,412	8,727,024
Operating surplus/(deficit)	205,286	196,402	(93,100)	273,000	(55,550)	(196,989)	(264,933)	(349,947)	(422,636)
Beginning Fund Balance	1,854,373	2,059,659	2,464,659	2,256,061	2,529,061	2,473,511	2,276,523	2,011,589	1,661,642
Ending Fund Balance	2,059,659	2,256,061	2,371,559	2,529,061	2,473,511	2,276,523	2,011,589	1,661,642	1,239,006
Contingency % (incl transfers out)	27%	27%	26%	28%	26%	24%	20%	17%	12%

Assumptions

M&S	5.0%
Police Personnel	6.0%
Taxes	6.0%

Personnel additions

Added one officer in Y1

Each additional officer increases Police Contract by \$220,000

Revenue

Property Taxes, Contract Reconciliation Amounts, and Interest