



Resolution 2026-06

A Resolution Adopting the Fiscal Year 2026-27 Capital Improvements Plan

Meeting Date	Staff Contact	Email
February 10, 2026	Adam Hanks, City Administrator Brian Harmon, Public Works Director	adam.hanks@coburgoregon.gov brian.harmon@coburgoregon.gov

SUMMARY AND REQUESTED COUNCIL ACTION

A Capital Improvements Plan (CIP) is developed, presented and adopted annually in advance of the annual budget process to guide financial planning for the City’s capital projects. This five-year planning horizon document has been updated to remove projects that have been completed, updated cost estimates for a number of projects and movement of projects between fiscal years for operational, financial and regulatory reasons.

Suggested Motion

I move to approve Resolution 2026-06, adopting the FY2026-27 Capital Improvements Plan as presented.

BACKGROUND

The annual CIP process and general methodology is provided in the narrative portion of the document and is followed by a listing of anticipated capital projects in the five major categories: Administration/General Government, Parks, Transportation, Water and Wastewater.

Significant changes from the prior year CIP include:

- Removal of the completed Pavilion Park Expansion and Improvements
- Removal of the completed Loop Path #4 extension & N Industrial Way paving project
- Update to the Coleman Collector Phase I project to remove engineering/design that occurred in FY26 (now shows construction costs only)
- Reorganizing of the Water Fund to filter between planned projects utilizing water rate revenues (cash funded) vs. projects with external funding needs (loans/grants) that will first require an update to the Water Master Plan.
- Consolidation of a number of Street projects that will be accomplished via targeted dig-out/overlay rather than full street reconstruction
- Updated prioritization of Transportation projects to improve alignment with external funding sources, i.e. ODOT Small Cities Allotment, MPO STIP application cycle, etc.

- Removal of a number of projects that are not forecasted to have adequate funding resources to accomplish within the five-year planning horizon.

RECOMMENDATION

Staff recommends Council approve the resolution to establish the capital project list that will be utilized to develop the FY27 Annual Budget as well as be used to pursue external funding sources to enable the completion of projects with no current identified and dedicated funding sources.

BUDGET / FINANCIAL IMPACT

Capital projects are often the largest component of the City's annual expenditures and have the greatest impact on the City's debt service. While a small number of projects are able to be "cash funded" with annual operating revenues (utility rate revenue), the high cost of infrastructure projects often drive utility rate increase requirements and also drive the need for significant external funding that also drive utility rate increases. City staff aggressively pursue low or no cost external funding, but the current financial and administrative uncertainty at the state and federal level makes reliance on external funding challenging to gauge.

Staff continues to expand efforts to break projects into phases for improved clarity of timing across fiscal years as well as to delineate between engineering/design and construction elements of the total project costs.

The CIP document provides a solid summary of the best estimates of the total capital costs facing the City over the upcoming five years but is not fully inclusive of all capital projects contained within the Master Plans that guide the investment needs of the City's existing and future capital assets.

PUBLIC INVOLVEMENT

The proposed FY27 CIP was presented to Council at its January 20, 2026 Council meeting as well as to the City's Finance/Audit Committee at its January 28, 2026 meeting. Both meetings were publicly noticed and available for public comment.

NEXT STEPS

Upon Council approval of the resolution, staff will integrate the CIP projects into the upcoming FY27 Annual Budget to be presented, reviewed and approved in the April-June timeframe.

ATTACHMENTS

1. Draft FY2026-27 CIP Document
2. Draft Resolution 2026-06