



RESOLUTION 2025-13 ADOPTING THE FY26 BUDGET, IMPOSING THE TAX RATE AND SETTING APPROPRIATION LEVELS

Meeting Date	Staff Contact	Email
June 10, 2025	Adam Hanks, City Administrator	Adam.Hanks@coburgoregon.gov

SUMMARY AND REQUESTED COUNCIL ACTION

The City of Coburg Budget Committee has approved the FY26 Annual Budget a recommended Council adoption of the budget. Adoption of the FY26 Budget also includes the establishment of maximum appropriation levels with the approved FY26 Budget. Both items are addressed within the attached Resolution 2025-13

Suggested Motion

I move to approve Resolution 2025-13 adopting the FY26 Annual Budget, setting, imposing and categorizing the property tax rate and creating appropriations.

BACKGROUND

The Proposed FY26 Budget was presented to the Budget Committee at its meeting of April 15, 2025 which included a review of all revenues across all funds. The Budget Committee meeting of April 29, 2025 included a review of expenses across all funds, including specific review of capital expenses and related existing and upcoming debt service. The second Budget Committee also included a required public hearing to take public input on the potential uses of the state revenue sharing funds allocated to the City annually.

The Budget Message provides an overview of the current financial status of the City on a fund-by-fund basis, with a focus on the General Fund, as it contains a number individual departments, programs and activities and also is challenged with expenses exceeding revenues over the past several fiscal years causing a decline in fund balance over that time period.

The Budget itself contains financial statements in citywide, fund and department formats, and also includes department operational overviews and highlights, operational and governance organizational charts, the Council's adopted Framework document that guides multi-year workplans and priorities, the adopted Capital Improvements Plan as well as line-item budget detail and the City's salary schedule.

The Budget Committee unanimously voted to approve the budget as presented, approved the property tax rate and recommended Council adoption of the FY25 Budget.

Proposed Adjustment to Budget Committee Approved Budget

CITY COUNCIL STAFF REPORT

Due to a number of factors, most significantly a loan funded completion due date, an adjustment of \$500,000 to the Budget Committee approved budget is included the “adopted” column of the final draft FY26 Budget within the Water Fund.

This adjustment accounts for the additional project costs for the Stallings Lane Water Treatment Building and Equipment project that was presented, discussed and the bid award approved at the May 13, 2025 Council meeting (see attachments for 5/13/25 packet materials). Because the adjustment exceeds ten percent (10%) of the overall fund balance in the Water Fund, state law requires an additional public notice and an additional public hearing to ensure that an opportunity is available for public input on the modification to the Budget Committee’s review and recommendation for the FY26 Budget approval.

The bids received were higher than anticipated for the project, but the primary drivers of the higher-than-expected costs included a number of non-bid items that were not adequately understood and addressed when preliminary project cost estimates were developed for the FY26 budget. This included significant electrical and equipment automation/monitoring control costs, power/service delivery requirements (primary and back-up), unanticipated regulatory requirements and engineering/design specialty sub-contracting.

Council approved the bid award with the understanding that the newly estimated project costs would exceed the remaining existing water projects loan and require this budget adjustment to utilize existing fund balance in the FY26 Water Fund to complete the project.

RECOMMENDATION

Staff recommends Council approval of the FY26 Annual Budget with the above noted \$500,000 additional capital expenditure included in the Water Fund.

BUDGET / FINANCIAL IMPACT

The FY26 Annual Budget represents the City’s operational resources for the upcoming fiscal year and is the basis for decision making relative to maintaining regulatory compliance and community expectations for existing service levels across the organization.

As noted in the Budget Message, additional revenues beyond the Parks and Open Space Maintenance Support Fee being deliberated (and included in the revenue projections) will need to be pursued within this upcoming fiscal year to enable the City to maintain existing service levels, regulatory compliance and infrastructure replacement/improvement in future years while also attempting to improve the financial sustainability of the organization over time. The Council’s Revenue Options Sub-Committee will resume meeting in July to research, assess and provide a recommendation on additional revenues for Council to consider in FY26, which is the third phase of the sub-committee three phase charge/assignment.

PUBLIC INVOLVEMENT

CITY COUNCIL

STAFF REPORT

Formal public involvement is focused with the Budget Committee, which is comprised of the Council and an equal number (six) of Coburg residents. Budget Committee meetings were communicated with formal public notices as well as news items on the City website and social media with links to a dedicated Budget page on the City's website.

NEXT STEPS

With Council approval, staff will complete the necessary regulatory filings to the State of Oregon and Lane County as required and will upload the budget to the City's financial software to begin operating within the newly approved appropriations.

ATTACHMENTS

1. Resolution 2025-13 – Adoption of FY26 Budget, setting, imposing and categorizing the property tax rate and creating appropriations
2. FY25 Annual Budget Book (adopted as exhibit to Resolution 2025-13)