



CITY OF MILWAUKIE

BUDGET COMMITTEE

May 12, 2025, at 5:30 p.m.

Budget Committee will hold this meeting in-person and through video conference. The public may attend the meeting by coming to City Hall or by joining the Zoom webinar. The public can view the meeting on the [city's YouTube channel](#), Comcast Cable channel 30 in city limits, or via Zoom webinar.

Public Comments: written comments may be submitted by email to finance@milwaukieoregon.gov. Budget Committee will take limited verbal comments. To speak during the meeting or to watch via Zoom visit the meeting webpage (<https://us02web.zoom.us/j/86013396532?pwd=Twl3rnC348Hq54WlYalHT4hBIUsdLk.1>) and follow the Zoom webinar login instructions.

1. Call to Order
2. Introductions (All)
3. Approval of Minutes
4. Follow up items
5. Community Comments
6. City Manager Update (Emma Sagor)
7. Quarterly Report Update (Michael Osborne)
8. FY25 Budget Adjustment (Michael Osborne)
9. Revenue Strategies Discussion (Michael Osborne)
10. Other Business (All)
11. Adjourn

Meeting Packet:

- a. Draft meeting minutes
- b. Quarterly Report

BUDGET COMMITTEE

In-person and Video Meeting
www.milwaukieoregon.gov

MINUTES

May 12, 2025

Present: Will Anderson, Lisa Batey, William Johnson, Adam Khosroabadi, Robert Massey, Mary Rowe, Leslie Schockner, Sofie Sherman-Burton, and Rebecca Stavenjord

Absent: vacancy

Guest(s): None

Staff: Assistant Finance Director Matt Deeds
Finance Director Michael Osborne
Public Works Director Peter Passarelli

City Manager Emma Sagor
Accountant Judy Serio

1. CALL TO ORDER

Chair Schockner called the committee meeting to order at 5:33 pm.

2. INTRODUCTIONS

Committee members and staff introduced themselves.

3. APPROVAL OF MINUTES

Member Johnson would like Member Anderson to be changed to Member Johnson, as Councilor Anderson did not attend the February 10, 2025, meeting.

It was moved by **Member Rowe** and seconded by **Member Johnson** to approve February 10, 2025, minutes with the requested edit.

Motion passed with the following vote: **Councilor Anderson, Member Johnson, Councilor Khosroabadi, Councilor Massey, Member Rowe, Chair Schockner, Member Sherman-Burton, and Councilor Stavenjord** voting “aye.” (8:0)

4. FOLLOW UP ITEMS

Osborne stated there were no follow-up items. There is a committee vacancy that should be filled by the end of June.

5. COMMUNITY COMMENTS

Elvis Clark, Ardenwald Neighborhood, opposes the proposed \$7 public safety fee. In favor of the proposed credit card processing fee. Neutral regarding the proposed photo radar. Advocates to see the urban renewal program downsized, limiting it to the downtown area. Believe the county should provide police funding associated with the increased population at the new Hillside Park complex. Believe climate change initiatives should be scaled back.

6. CITY MANAGER UPDATE

Sagor provided hiring and personnel updates which includes the city reorganization to be completed in July. Since February, the police added six staff to the department. Council goals have been adopted, and the next step is to create action plans for each goal. Police staff have received several awards. Downtown revitalization has been very busy including \$550K in urban renewal grants awarded to businesses. Summer will be busy with events.

7. QUARTERLY REPORT UPDATE

Osborne provided the FY25 quarterly report for the third quarter ending March 31, 2025. The staffing table was provided to the committee, and it reflects a few more police hires. Building Fund continues to be healthy while staff watches this fund as the state economy affects this fund. The Transportation Fund is ramping up summer projects. The Water Fund reflects projects that have been completed. The Stormwater Fund has completed the project on Main Street.

Chair Schockner asked if there is any concern about the gas tax.

Osborne responded that gas tax and other state tax revenue is close to budgeted amounts.

Osborne continued with the General Fund's revenues which are healthy. Staff are watching the franchise fee revenues. Business registrations, parking citations and court fines have increased. Interest income has exceeded the budget due to a very conservative budget projection. LGIP currently has 4.6% rate.

Chair Schockner asked if the LGIP is a stable long-term investment.

Osborne responded yes and provided a brief explanation of the benefit of the LGIP.

Councilor Stavenjord joined the meeting via Zoom.

Councilor Anderson asked about the 14% property tax increase.

Osborne responded that new developments are budgeted.

Councilor Anderson stated there is a decrease in Construction Excise Tax Fund.

Member Johnson asked why there is only 2% growth in property taxes when there is a limit of 3% growth.

Sagor responded staff will look into the numbers against the development data and get back to the committee.

Osborne continued with General Fund expenditures. The Public Works Admin is over budget due to the parks' expenses. Facilities' expenses reflect the PSB seismic upgrades and the solar array project at the JCB facility; electricity costs have increased, and there were painting and HVAC projects at the Library.

Chair Schockner and **Osborne** discussed having more exact Portland General Electric for the budget.

Member Sherman-Burton asked if the Library's HVAC system is fixed.

Sagor responded it is fixed.

Osborne continued with the Information Technology's expenses which include annual fees which are paid at the beginning of the fiscal year.

Mayor Batey joined the meeting.

Osborne finished the presentation with a summary of the expenditures by type.

Mayor Batey asked about the overspending of capital outlay.

Osborne responded that the budget adjustment agenda item will answer the question.

Member Rowe asked about the Engineering FTE count.

Sagor responded that the number reflects two engineering interns.

8. FY25 BUDGET ADJUSTMENT

Osborne presented a proposed FY25 budget adjustment which includes increasing the Public Works Admin budget to account for the parks' expenditures, closing the City Hall Fund.

Mayor Batey asked if the new City Hall budget came in under budget.

Sagor clarified that the amount is the 1.5% for artwork; the artwork was paid from the City Manager's budget given the artwork took longer than expected to be received.

Osborne continued that the third adjustment is administrative adjustment to clean up previous years' transactions.

Mayor Batey asked if the \$800K is the remaining of the ARPA money

Osborne responded that there has been ARPA funds obligated for police vehicle purchases and the Emergency Management Coordinator position.

Chair Schockner asked if the Emergency Management Coordinator position is paid with one-time funds, will there be an issue going forward on how to fund the position.

Sagor responded that in this biennium the position will be funded with utility funds and ARPA funds and then in the next biennium budget a proposal will be presented on how to fund the position long-term.

9. REVENUE STRATEGIES DISCUSSION

Osborne outlined the discussion of revenue strategies and how they relate to the past, present and future. The issue is expenses are rising faster than revenue and policy requirements are projected to be under policy minimums. The city's financial stability strategy includes stabilizing costs, identifying new revenue opportunities, and maximizing existing revenue streams. Steps already taken to maximize existing revenue include increasing the ROW utility license fee, budgeting conservatively for revenue and reviewing the current comprehensive fee schedule. To stabilize costs staff have settled union contracts, held the line on the materials and services expenses and prioritized initiatives to become more efficient.

Councilor Anderson asked about the status of the market study and what to expect at the next bargaining session.

Sagor responded that there will be a comprehensive salary study of all positions. The city is finishing a complete review of all job descriptions, and the next step is a market study. The next budget process will be in conjunction with the next bargaining session.

Osborne continued with the General Fund's beginning fund balance for FY25. The General Fund's budget versus projected actuals were summarized. An updated five-year forecast summary was presented. The five-year forecast is slightly better than last year.

Sagor presented the impact to service based on the numbers presented. Historically, the city has been conservative in spending; assisted the city maintain fiscal responsibility and avoid layoffs and deficits seen in other regional cities. There have been tradeoffs of not proactively investing in growing staff, service and infrastructure needs.

Sagor presented how the city spends General Fund dollars. The largest amount is spent on public safety which includes supporting the vulnerable members of the community. Numbers were provided on behavioral health contacts, overdoses, traffic safety incidents, library patron incidents, and calls for police service.

Chair Schockner asked if there are numbers of how the increased housing population has affected police.

Sagor responded police staffing has decreased. Good and bad coming to the city that will affect city police services. Tonight's presentation is mainly the General Fund proposals. Future meetings will address the capital improvement plan.

Chair Schockner asked if the stormwater impervious area affects only commercial businesses.

Passarelli explained how the impervious surface area is calculated.

Osborne presented the list of ideas that did not advance for further analysis. Ideas for discussion will be implementing a payment card transaction fee, implementing a photo red light / traffic speed camera program, adding a public safety fee on the utility bill and pursuing property tax levy or permanent cap raise.

Osborne presented the first proposal of implementing a 3% payment card processing fee along with implementation details, design considerations, anticipated revenue and an implementation timeline.

Osborne presented the second proposal of adding photo red light and speed-on-green cameras along with implementation details, design considerations, anticipated revenue and an implementation timeline.

Sagor needed to clarify the 22,000 vehicles is incorrect. Daily on Highway 224 there are 28,000 vehicles and on McLoughlin Blvd there are 29,000 vehicles.

Osborne presented the third proposal of implementing a public safety fee on the utility bill along with implementation details, design considerations, anticipated revenue and an implementation timeline.

Sagor added addition of any FTE would be brought to the committee during the budget process. The utility billing funding mechanism can be adjusted up or down based on service needs by a Council vote.

Osborne continued with a brief discussion of an increase in property taxes. Currently, the General Fund forecast has stabilized, there is uncertainty over the park's future, there is

also current economic volatility and a risk of a recession all factors that may affect a ballot measure outcome.

Member Johnson commented that the utility bill's payment date could be changed to alleviate customer's using a credit card to pay.

Osborne responded that the Utility Billing Technician works with customers to get them on a plan to avoid shutoff and fees. For court, it will impact people who have suspended licenses, expired vehicle registrations, will need to find ways for them to pay and offer flexibility.

Mayor Batey commented this also includes building permits and other fees.

Member Rowe supports all three options. The credit card fee offsets some of the fees, but the fees are only \$250K.

Osborne clarified that the amount is only the portion paid to Tyler Technologies for credit card payments, the city also pays Visa fees not included in the number.

Member Rowe asked if the photo red light cameras revenue considers additional court staffing.

Sagor responded that did not consider additional court staff.

Member Rowe asked if the public safety fee could be calculated so that businesses are paying a proportional amount.

Sagor responded staff has discussed creative ways to calculate the fee for commercial accounts. Assessing a flat fee is a quick way to implement.

Member Sherman-Burton agrees with the credit card fee and red-light camera. There are concerns / questions on the public safety utility fee. The fee would not eliminate overtime or address the ongoing hiring challenge as stated by staff.

Councilor Massey asked to quantify the impact on the average utility bill.

Osborne responded with examples of the average monthly bill for residential and commercial customers.

Councilor Massey asked when the fee would be assessed.

Sagor responded that if the fee is flat, it could be implemented in two-four months; if the fee would be scaled for commercial customers, it would take up to six months to implement.

Mayor Batey stated credit card fee and red-light cameras would be easy to implement. Regarding the public safety fee, it is good to know other cities' officer ratios.

Committee members were given police officer statistics.

Councilor Khosroabadi stated in favor of a credit card processing fee, photo red-light cameras and a public safety fee.

Member Johnson stated concern about how the public safety fee will be used.

Councilor Anderson stated in favor of credit card fee. The red-light cameras seem separate from a revenue strategy and more of a safety issue. The spot program funds could be earmarked to be used. On the safety fee, if police are fully staffed, would that alleviate overtime.

Sagor responded overtime is a piece of how the police department maintains minimum staffing standards.

Osborne offered there are officers getting ready to retire and others that are doing workbacks.

Councilor Anderson asked how low income is defined.

Committee members discussed the income levels used for metro area programs.

Councilor Khosroabadi wants to make sure the police is fully staffed.

Member Sherman-Burton requests that community members know the benefits of the public safety fee.

Councilor Stavenjord is in favor of all three proposals. There is an advantage of a public safety fee that has broader use, especially with the growth in the city. To quantify what the community would receive with the fee is important.

Mayor Batey stated a county task force is launching next month to look at the library district and the funding level. Affordable housing generates additional police calls, does not want to exempt this type of housing from the safety fee.

Member Johnson commented whether using officers per capita is an appropriate measure for police staffing, quoting a statement from International Association of Chiefs of Police.

Chair Schockner stated that not all the officers are patrolling. In favor of all three proposals.

Councilor Anderson how could exemptions be offered to those in multi-family dwellings.

Councilor Massey favors all three proposals.

Sagor summarized the three proposals' outcome. Staff will plan the outreach to the community as a next step.

10. OTHER BUSINESS

None

11. ADJOURN

It was moved by **Member Johnson** and seconded by **Mayor Batey** to adjourn the meeting.

Motion passed with the following vote: **Councilor Anderson, Mayor Batey, Member Johnson, Councilor Khosroabadi, Councilor Massey, Member Rowe, Chair Schockner, Member Sherman-Burton, and Councilor Stavenjord** voting “aye.” (9:0)

Chair Schockner adjourned the meeting at 8:07 pm.

Respectfully submitted,

Judy Serio, Secretary / Accountant



CITY OF MILWAUKIE

QUARTERLY FINANCIAL REPORT

Third Quarter of Fiscal Year 2025

March 31, 2025

Quarterly Highlights

- Over the last quarter, city-wide fund balances decreased from \$79.7 million at the end of Q2 for FY 2025 to \$74.5 million at the end of Q3 for FY 2025.
- Over the last year, the city-wide fund balance for Q3 of FY 2025 decreased \$9.0 million compared to Q3 of FY 2024.
- The average interest paid by the Local Government Investment Pool (LGIP) has decreased to 4.64% during the third quarter. The current budget reflects lower rates than are occurring, which has resulted in all "Investment Earnings" line items showing increases across all funds.

Audited Financial Statements

The city's finance department completed the fiscal year-end audit for June 30, 2024. The audit was completed by Moss Adams and concluded with an unmodified "clean" opinion for the city. The audit consisted of two parts: interim and final fieldwork. The interim audit, which included internal control work, took place in July with the final audit done in mid-November. The audit was issued December 20, 2024.

In addition to the audit, the city prepares the People's Annual Financial Report (PAFR). The PAFR is specifically designed to be readily accessible and easily understandable to the public and other interested parties without a background in public finance.

If you would like to see our most recent audited financial statements from FY 2024, they can be found on the City of Milwaukie Finance webpage: www.milwaukieoregon.gov/finance.



Triple Crown Award Winner in Financial Documents

Milwaukie has received the Triple Crown Award which is a testament to the commitment we have in producing annual reports that embodies the spirit of full disclosure and transparency. This special Triple Crown Award recognizes that the city received all three Government Finance Officers Association (GFOA) awards:

👑 **Award in Annual Comprehensive Financial Report (ACFR)**

To receive this award, a government unit must publish an easily readable and efficiently organized report whose contents conform to program standards and satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

👑 **Award in People's Annual Financial Reporting Award (PAFR)**

To receive this award, a government unit must publish a report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

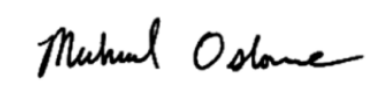
👑 **Distinguished Budget Presentation Award**

This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a governmental entity, its financial staff, and its management.

The city received the GFOA award for the FY 2024 ACFR. The FY 2023 PAFR is pending review status with the GFOA. The FY 2025-2026 adopted budget has been submitted to the GFOA. These are prestigious national awards that recognize conformance with the highest standards for preparation of state and local government financial reports.

During your review of this quarterly report, we welcome your questions, comments, and any suggestions you may have by sending an email to osbornem@milwaukieoregon.gov.

Respectfully,



Michael Osborne
Finance Director

Property Taxes

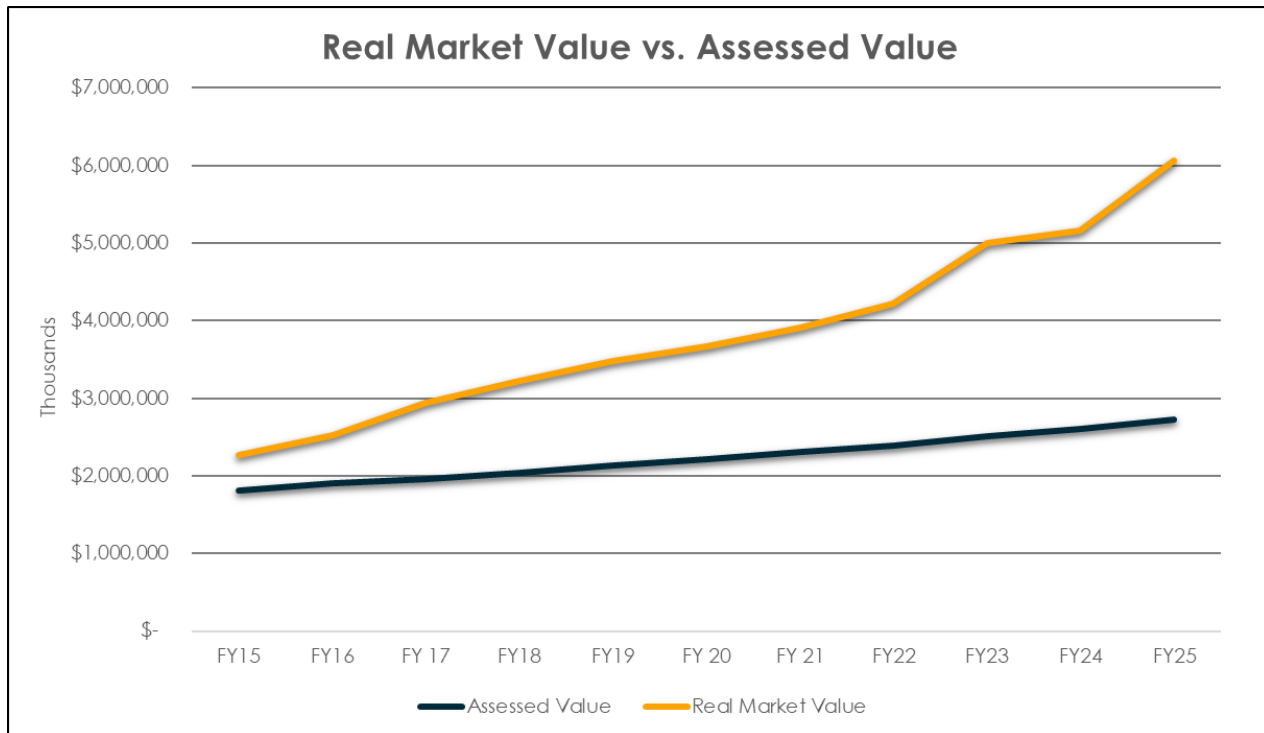
Property taxes, the largest source of revenue in the General Fund, are used to pay for services such as police, code enforcement, community development, library, and other services. The State constitution limits the increase in property taxes on existing properties to no more than 3% growth annually. As new construction is placed on the tax rolls, property tax revenue to Milwaukie increases due to those properties being taxed for the first time, although due to state law, properties come on the tax rolls at a fraction of their value. Additionally, the assessed value of the commercial and industrial sectors may grow at more than 3% depending upon the value of personal property and equipment.

Both Clackamas and Multnomah counties collect and distribute property taxes to Milwaukie, primarily in the second quarter of the fiscal year. Fiscal year 2025 assessed property values increased from \$2,603,866,955 to \$2,731,211,922 which is approximately \$127 million or a 5% increase over fiscal year 2024. Real market values increased from \$5,156,042,682 to \$6,065,801,331, which is approximately \$909 million or a 15% increase over fiscal year 2024. The real market value of property in Milwaukie is therefore 45% higher than the assessed value. The reasons for the disparity are detailed below. The counties collected \$12,081,296 in property taxes per the City's tax rate of 4.1367 per \$1,000 of assessed value for FY 2024. This was consistent with the budget projections in the General Fund.

Property tax revenue is influenced by cycles in the housing market, but the variances on the downside are moderated by the fact that real market values must decline substantially before they are lower than the assessed values. Because of Measures 5 and 50 of the State constitutions, there is not an equal or direct relationship of taxes collected to real market value due to the 3% assessed value cap; therefore, tax revenues are constrained to this level, even when real market values are increasing. Although property values have increased substantially over the past several years, the city's actual property tax revenues are unable to benefit from the 5% to 16% real market increases as shown by comparing the top orange line of the graph to the lower blue line. Any increases in revenue received above 3% are primarily related to new construction or due to increases in the commercial and industrial sectors.

Within the chart on the next page, the blue lower line of the graph is the assessed value of the total properties as calculated by the counties. As illustrated, the year-over-year increases in the assessed value have remained relatively flat over the past six years due to the 3% cap.

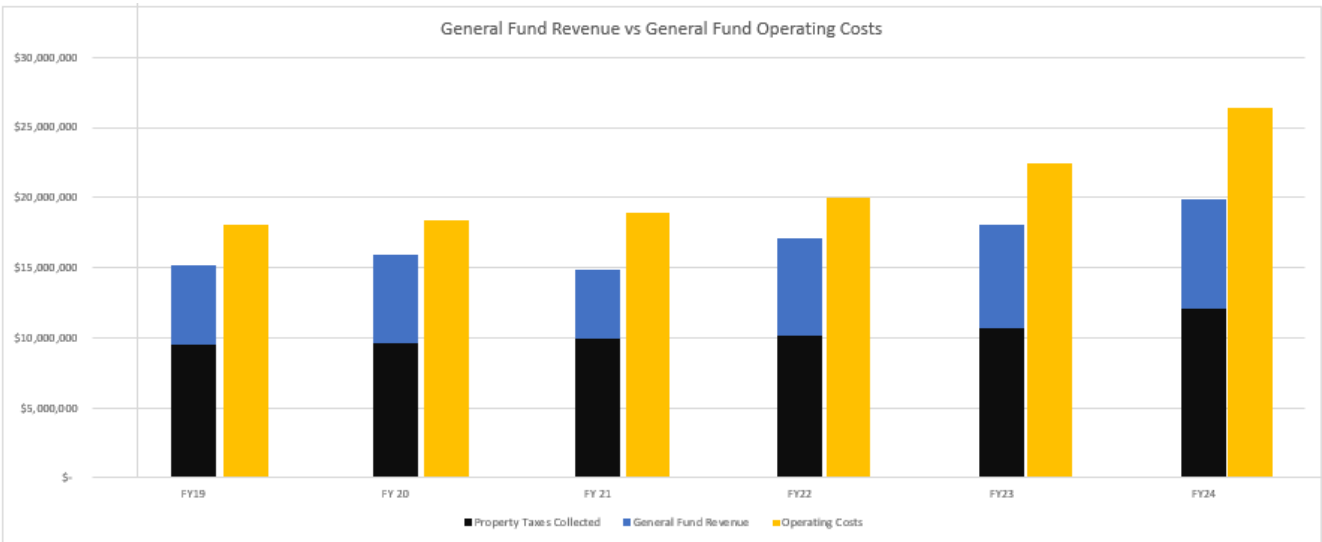
Property Taxes, continued



How do Measures 5 and 50 impact Milwaukie residents? The relationship between collected property tax revenue and the general operating costs of the city are increasingly imbalanced. As the General Fund expenditures are driven by routine inflationary pressures as well as the community's demand for services, there is a growing disconnect between property tax revenue and the city's increasing costs just to cover existing services. This occurs over time due to baseline cost pressures which include inflationary increases to supplies, fuel, utilities, etc., as well as the personnel costs associated with the people who perform the city's services. These personnel costs include adjustments related to cost-of-living, healthcare, and the Public Employees Retirement System (PERS), even before considering adding staff associated with increased demand for services over time. Measures 5 and 50's impact does not allow the city's property tax revenue to increase in relation to the built-in baseline general operating costs.

To further highlight this disparity, the following graph compares the difference in year-over-year increases in property taxes and all other General Fund revenue collected compared to operating costs. The lower blue bar demonstrates how much property tax revenue has been received; the upper light blue bar represents all the other revenue received while the taller yellow bars show the increases in operating costs in the General Fund. It is clear from this chart that the operating costs continue to increase compared to revenue received. Because of this disconnect, relying on property tax revenues as the primary source of income for city services is becoming more problematic.

Property Taxes, continued



The first issue of concern is that the current property tax revenue is covering a smaller proportion of Milwaukie's general operating costs year by year. The second issue is if the housing market were to decline substantially, similar to 2008, property tax revenue could decline. Therefore, it is prudent for the General Fund to maintain a healthy fund balance contingency for unforeseen circumstances that could arise in property tax declines. The more intractable, and growing, problem of systemically-limited revenues to cover baseline costs – for Milwaukie and all public entities - will continue under Oregon's current property tax provisions.

Franchise Fees

Franchise fees are charged to all utilities operating within the city and are reimbursements to the General Fund or Transportation Fund for the utility's use of city streets and rights-of-way.

This table reflects the franchise fees received by the city.

Franchise Fee 5-Year Comparison					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Portland General Electric ¹	\$ 772,463	\$ 784,003	\$ 824,380	\$ 860,760	\$ 935,627
% change		1.49%	5.15%	4.41%	8.70%
Northwest Natural Gas ²	244,749	255,022	286,042	383,687	347,405
% change		4.20%	12.16%	34.14%	-9.46%
Comcast ³	231,646	232,832	228,295	213,758	197,310
% change		0.51%	-1.95%	-6.37%	-7.69%
Solid Waste ⁴	278,323	254,090	270,773	290,134	314,871
% change		-8.71%	6.57%	7.15%	8.53%
Telecoms ⁵	716,199	759,293	420,423	297,554	242,018
% change		6.02%	-44.63%	-29.23%	-18.66%
Electric Service Supplier ⁶	106,852	132,409	192,342	367,681	329,302
% change		23.92%	45.26%	91.16%	-10.44%

Notes:

1 - Agreement grants non-exclusive franchise to construct, maintain, repair an electric light and power system.

General Fund reflects the franchise fee payment.

Transportation Fund reflects 1.5 % privilege tax assessed on citizens' PGE bill for the SSMP program.

2 - Agreement grants non-exclusive gas utility franchise. General Fund reflects funds received from the use of the gas utility system.

3 - Agreement grants non-exclusive franchise to construct, operate and maintain a cable system.

4 - Agreement grants non-exclusive franchises for solid waste management services.

5 - Agreement grants non-exclusive franchise to operate as a telecommunications provider.

Comcast revenue decreased significantly between FY21 & FY22 due to a lawsuit settlement where Oregon cities may not charge franchise fees on data transmission.

6 - Businesses can purchase their power from the open market. The city receives fees related to the transmission of this power.

Staffing Levels

The following table illustrates movements in the levels of staffing throughout the city in comparison to the budget. Notable items in this quarter include:

- Community Development's Economic Development Coordinator position was filled in April.
- Engineering has two intern positions, one full-time and one part-time.
- Police have three Officer vacancies. The Records Specialist position was filled in April.
- Stormwater Utility Technician's II position is vacant.

Department	FY 2025 Adopted Budgeted FTE	Adopted Budget Transfers	Current Budgeted FTE	Actual FTE	Quarter Variance with Actual FTE + / (-)
City Manager	8.0	-1.5	6.5	6.6	0.1
City Attorney	1.0	0.0	1.0	1.0	0.0
Community Development	5.5	-1.0	2.0	1.0	-1.0
Public Works Administration	8.0	0.0	8.0	7.8	-0.2
Engineering	10.5	-0.5	10.0	11.4	1.4
Facilities	3.0	0.0	3.0	2.2	-0.8
Finance	7.0	0.0	7.0	7.0	0.0
Fleet	3.0	0.0	3.0	3.0	0.0
Human Resources	2.0	0.0	2.0	2.0	0.0
Information Technology	3.0	0.0	3.0	3.0	0.0
Municipal Court	0.5	0.5	1.0	1.0	0.0
Planning	5.0	0.0	5.0	4.6	-0.4
Code Enforcement	3.0	0.0	3.0	3.0	0.0
City Recorder	3.5	2.0	5.5	5.5	0.0
Library	18.3	0.0	18.3	17.6	-0.7
Police Department	38.5	2.0	40.5	35.8	-4.7
Building	3.0	1.0	4.0	4.0	0.0
Streets	6.0	0.0	6.0	5.1	-0.9
Water	8.0	1.0	9.0	8.4	-0.6
Wastewater	4.5	0.0	4.5	3.6	-0.9
Stormwater	8.0	0.0	8.0	6.7	-1.4
Grand Total	149.3	3.5	150.3	140.1	-10.2

Annual Revenue Forecast Assumptions

The table below illustrates the timing of revenue by source and fund. The city uses this table to forecast cash flow and to gauge the expected revenue with actual revenues received. For example, the city expects the largest distribution of property taxes to be received in November, although subsequent distributions arrive in December, March, and June, while the Transportation Fund receives Local Gas Tax distributions from the State every month. This table and what the city receives on average in a quarter is reflected in the flexible budget column that is in the summary tables.

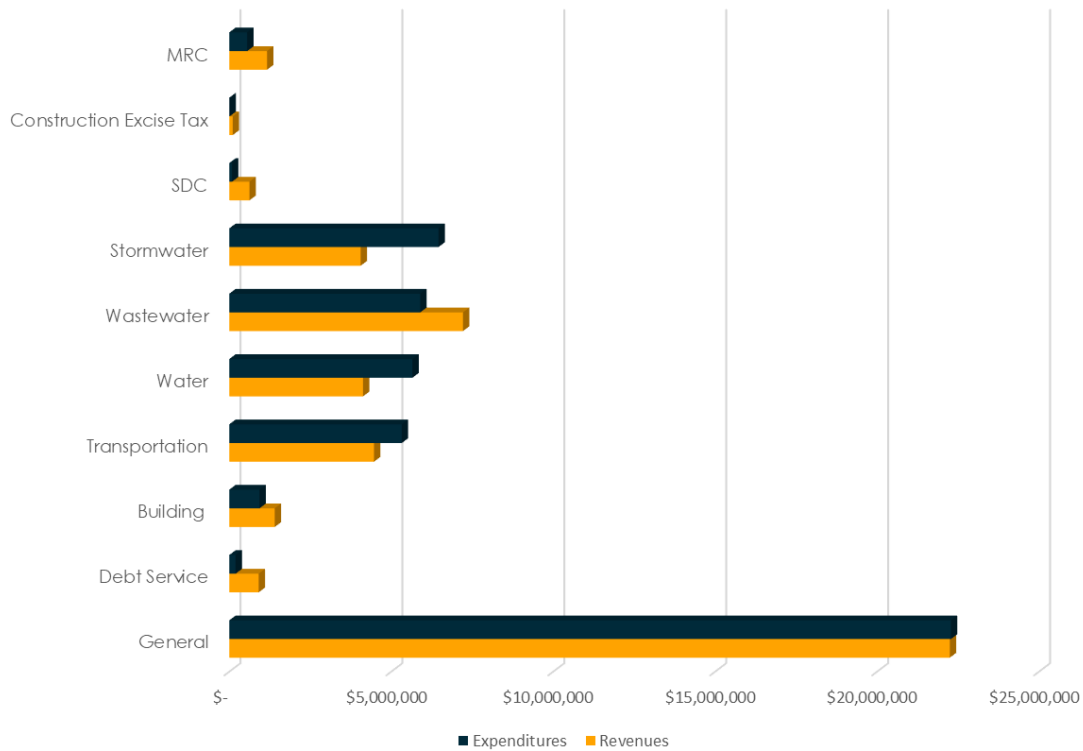
Revenue Forecasting Assumptions

Revenue	Fund	Month Received
Business Registration Renewals	General	December, January
Cigarette Tax	General	Monthly
Franchise Fee - Comcast	General	July, October, January, April
Franchise Fee - Electric Service Providers	General	July, October, January, April
Franchise Fee - NW Natural Gas	General	July, October, January, April
Franchise Fee - PEG	General	August, November, February, May
Franchise Fee - Portland General Electric	General	July, October, January, April
Franchise Fee - Solida Waste	General	July, October, January, April
Franchise Fee - Telecoms	General	July, October, January, April
Liquor Tax	General	Monthly
Property Taxes	General, Debt Service, MRC	1st distribution November, December, March, June
State Revenue Sharing	General	August, December, March, May
Library District Distribution	General	January, June
Ready to Read Grant	General	December
Construction Excise Tax	CET	Dependent on affordable housing & economic development
Street Maintenance Fee (SSMP)	Transportation	Monthly with utility bills
Privilege Franchise Fee - Portland General Electric	Transportation	March
SAFE Fee	Transportation	Monthly with utility bills
Local Gas Tax	Transportation	Monthly
State Gas Tax	Transportation	Monthly
Vehicle Registration Fee	Transportation	Monthly
System Development Fees	SDC	Dependent on new development
Water User Fees	Water	Monthly with utility bills
Wastewater User Fees	Wastewater	Monthly with utility bills
Stormwater User Fees	Stormwater	Monthly with utility bills

FIRST QUARTER – YTD COMPARISON ALL FUNDS

	Beginning Fund Balance as of July 1, 2024	Third Quarter of Fiscal Year 2025		Ending Fund Balance as of March 31, 2024	Change in Fund Balance
		Revenues	Expenditures		
General Fund	\$ 13,076,548	\$ 22,247,491	\$ 22,282,697	\$ 13,041,342	\$ (35,206)
Debt Service Fund	9,985	908,819	195,853	722,951	712,966
Building Fund	4,953,020	1,402,327	932,466	5,422,881	469,861
Transportation Fund	26,603,207	4,469,378	5,326,577	25,746,008	(857,199)
Water Fund	7,026,524	4,130,443	5,656,335	5,500,632	(1,525,892)
Wastewater Fund	6,008,145	7,217,731	5,895,926	7,329,950	1,321,805
Stormwater Fund	6,579,395	4,057,368	6,460,355	4,176,408	(2,402,987)
System Development Fund	2,668,658	622,358	85,285	3,205,731	537,073
Construction Excise Tax Fund	1,272,187	107,367	9,375	1,370,179	97,992
MRC - Urban Renewal Fund	7,467,246	1,165,476	554,358	8,078,364	611,118
Total ALL Funds	\$ 75,664,915	\$ 46,328,758	\$ 47,399,227	\$ 74,594,446	\$ (1,070,469)

Revenue & Expenditures - 3rd Quarter



GENERAL FUND

Through the 3rd Quarter Ended March 31, 2025							NOTE
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	% of Anticipated Actuals	
REVENUE							
Property taxes	\$ 20,576,000	10,288,000	\$ 10,011,998	\$ 10,011,998	\$ (276,002)	97% ¹	
Franchise fees	6,493,000	2,434,875	1,248,016	1,248,016	(1,186,859)	51%	
Intergovernmental	9,542,000	3,578,250	4,011,974	4,011,974	433,724	112% ²	
Fines and forfeitures	835,000	313,125	463,077	463,077	149,952	148%	
Licenses and permits	975,000	731,250	731,371	731,371	121	100% ³	
Investment earnings	500,000	187,500	528,063	528,063	340,563	282% ⁴	
Miscellaneous	40,000	15,000	148,492	148,492	133,492	990% ⁵	
Total Operating Revenues	38,961,000	17,548,000	17,142,991	17,142,991	(405,009)	98%	
Other Financing Sources							
Transfers in	13,614,000	5,105,250	5,104,500	5,104,500	(750)	100%	
Total Transfers	13,614,000	5,105,250	5,104,500	5,104,500	(750)	100%	
TOTAL REVENUES	52,575,000	22,653,250	22,247,491	22,247,491	(405,759)	98%	
EXPENDITURES							
City Council	294,000	110,250	88,440	88,440	(21,810)	80%	
City Manager	3,058,000	1,146,750	1,183,980	1,183,980	37,230	103% ⁶	
City Attorney	759,000	284,625	249,449	249,449	(35,176)	88%	
Community Development	1,224,000	459,000	236,698	236,698	(222,302)	52%	
Public Works Administration	3,999,000	1,499,625	2,763,584	2,763,584	1,263,959	184% ⁷	
Engineering Services	3,137,000	1,176,375	1,053,917	1,053,917	(122,458)	90%	
Facilities Management	4,497,000	1,686,375	1,962,119	1,962,119	275,744	116% ⁸	
Finance	3,161,000	1,185,375	1,190,843	1,190,843	5,468	100%	
Fleet Services	1,427,000	535,125	550,195	550,195	15,070	103% ⁹	
Human Resources	1,049,000	393,375	383,380	383,380	(9,995)	97%	
Information Technology	3,290,000	1,233,750	1,551,063	1,551,063	317,313	126% ¹⁰	
Municipal Court	407,000	152,625	132,843	132,843	(19,782)	87%	
Planning Services	1,899,000	712,125	707,267	707,267	(4,858)	99%	
Code Enforcement	852,000	319,500	287,655	287,655	(31,845)	90%	
City Recorder	1,484,000	556,500	558,163	558,163	1,663	100%	
Library	4,821,000	1,807,875	1,784,591	1,784,591	(23,284)	99%	
Police Department	18,216,000	6,831,000	6,875,252	6,875,252	44,252	101% ¹¹	
PEG (Public, Education, Gov't)	35,000	13,125	-	-	(13,125)	0%	
General Government	3,004,000	1,126,500	723,258	723,258	(403,242)	64%	
TOTAL EXPENDITURES	56,613,000	21,229,875	22,282,697	22,282,697	1,052,822	105%	
Contingency	2,747,000						
Revenue over (under) expenditures	(4,038,000)	1,423,375	(35,206)	(35,206)	(1,458,581)		
FUND BALANCE - Beginning	16,151,000	16,151,000	13,076,548	13,076,548	(3,074,452)		
FUND BALANCE - Ending	\$ 9,366,000	\$ 17,574,375	\$ 13,041,342	\$ 13,041,342	\$ (4,533,033)		

Through the 3rd Quarter Ended March 31, 2025							NOTE
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	% of Anticipated Actuals	
EXPENDITURES BY TYPE:							
Personnel services	38,454,000	14,420,250	13,943,243	13,943,243	(477,007)	97%	
Materials and services	12,959,000	4,859,625	4,969,221	4,969,221	109,596	102%	
Capital outlay	3,542,000	1,328,250	3,284,723	3,284,723	1,956,473	247%	
Debt service	1,030,000	386,250	85,510	85,510	(300,740)	0	
Transfers out	628,000	235,500	-	-	(235,500)	-	
TOTAL EXPENDITURES	\$ 56,613,000	\$ 21,229,875	\$ 22,282,697	\$ 22,282,697	\$ 1,052,822	105%	

Notes are located on the next page.

GENERAL FUND NOTES:

Revenue

1. Majority of the property tax revenue was received in November and December.
2. Intergovernmental revenue includes the library district distribution, and various grants, including two grants from Metro and one from the state.
3. Licenses and permits include business registration renewals, which a majority were paid by the end of February.
4. Investment earnings include interest from: LGIP Investments (4.64% rate), two Piper Sandler Treasury Bill investments (5.13% and 4.64% rates), and a money market with Umpqua bank (4.65% rate).
5. Miscellaneous revenue includes the sale of assets and reimbursement for Police body-worn cameras.

Expenditures

6. City Manager's personnel services reflect the Acting City Manager's wages that previously were paid from Community Development for the Director position.
7. Public Works Admin's capital outlay reflects all the parks' development.
8. Facilities Management's capital outlay is mostly the PSB seismic retrofit project expenses but also includes an increase in HVAC and painting services.
9. Fleet Services' materials and services reflect some equipment repairs.
10. Information Technology has annual subscriptions that are paid at the beginning of the fiscal year and capital outlay expenses related to the Governmental Accounting Standards Board (GASB) Statement 96, Subscription-based Information Technology Agreements.
11. Police overtime continues to be monitored. Capital outlay expenses for detectives' office remodel are reflected in this quarter.

GENERAL FUND

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY 22/FY 23	FY 23/FY 24	FY 24/FY 25
REVENUE							
Property taxes	\$ 8,205,765	\$ 9,352,761	\$ 9,844,586	\$ 10,011,998	14%	5%	2%
Franchise fees	1,570,685	1,572,862	721,182	1,248,016	0%	-54%	73%
Intergovernmental	5,192,702	2,595,454	3,126,067	4,011,974	-50%	20%	28%
Fines and forfeitures	276,923	314,458	393,626	463,077	14%	25%	18%
Licenses and permits	566,102	524,631	473,187	731,371	-7%	-10%	55%
Investment earnings	81,345	407,418	548,252	528,063	401%	35%	-4%
Miscellaneous	134,995	229,656	442,216	148,492	70%	93%	-66%
Total Operating Revenues	16,028,517	14,997,240	15,549,116	17,142,991	-6%	4%	10%
Other Financing Sources							
Transfers	5,452,500	5,151,000	5,151,000	5,104,500	-6%	0%	-1%
TOTAL REVENUES	21,481,017	20,148,240	20,700,116	22,247,491	-6%	3%	7%
EXPENDITURES							
City Council	23,911	94,441	81,562	88,440	295%	-14%	8%
City Manager	899,409	1,214,926	1,207,561	1,183,980	35%	-1%	-2%
City Attorney	166,401	186,671	218,586	249,449	12%	17%	14%
Community Development	395,768	560,884	461,114	236,698	42%	-18%	-49%
Public Works Administration	784,328	1,174,614	1,061,966	2,763,584	50%	-10%	160%
Engineering Services	1,010,261	1,360,255	1,102,433	1,053,917	35%	-19%	-4%
Facilities Management	1,021,134	1,324,972	1,598,207	1,962,119	30%	21%	23%
Finance	1,043,902	995,707	1,097,852	1,190,843	-5%	10%	8%
Fleet Services	471,629	449,741	562,265	550,195	-5%	25%	-2%
Human Resources	296,167	347,536	309,389	383,380	17%	-11%	24%
Information Technology	1,193,843	1,000,018	1,452,225	1,551,063	-16%	45%	7%
Municipal Court	81,839	88,958	98,746	132,843	9%	11%	35%
Planning Services	513,938	611,306	616,544	707,267	19%	1%	15%
Code Enforcement	179,728	249,946	266,768	287,655	39%	7%	8%
City Recorder	262,954	354,593	377,525	558,163	35%	6%	48%
Library	1,081,377	1,543,008	1,646,861	1,784,591	43%	7%	8%
Police Department	5,176,036	5,919,706	5,965,574	6,875,252	14%	1%	15%
Public, Educational, Government (PEG)	9,258	26,530	58,981	-	187%	122%	-100%
General Government	571,116	2,115,078	957,489	723,258	270%	-55%	-24%
TOTAL EXPENDITURES	15,182,999	19,618,890	19,141,648	22,282,697	29%	-2%	16%
Revenue over (under) expenditures	\$ 6,298,018	\$ 529,350	\$ 1,558,468	\$ (35,206)	-92%	194%	-102%

EXPENDITURES BY TYPE:	FY 2022	FY 2023	FY 2024	FY 2025	FY 22/FY 23	FY 23/FY 24	FY 24/FY 25
Personnel services	\$ 10,330,032	\$ 12,549,243	\$ 13,003,665	\$ 13,943,243	21%	4%	7%
Materials and services	4,494,899	4,403,820	4,758,440	4,969,221	-2%	8%	4%
Capital outlay	248,411	1,088,803	1,042,274	3,284,723	338%	-4%	215%
Debt service	109,657	106,024	96,269	85,510	-3%	-9%	-11%
Transfers out	-	1,471,000	241,000	-	0%	-84%	-100%
	\$ 15,182,999	\$ 19,618,890	\$ 19,141,648	\$ 22,282,697	29%	-2%	16%

DEBT SERVICE FUND

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals	NOTES
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		
REVENUE							
Property taxes	\$ 1,714,000	857,000	\$ 809,506	\$ 809,506	\$ (47,494)	94%	
Intergovernmental	172,000	63,640	-	-	(63,640)	0% ¹	
Investment earnings	10,000	3,700	9,313	9,313	5,613	252%	
Transfers In	865,000	648,750	90,000	90,000	(558,750)	14%	
Total Operating Revenues	2,761,000	1,573,090	908,819	908,819	(664,271)	58%	
TOTAL REVENUES	2,761,000	1,573,090	908,819	908,819	(664,271)	58%	
EXPENDITURES							
Debt Service	2,751,000	343,875	195,853	195,853	(148,022)	57%	
TOTAL EXPENDITURES	2,751,000	343,875	195,853	195,853	(148,022)	57%	
Revenue over (under) expenditures	10,000	1,229,215	712,966	712,966	(516,249)		
FUND BALANCE - Beginning	53,000	53,000	9,985	9,985	(43,015)		
FUND BALANCE - Ending	\$ 63,000	\$ 1,282,215	\$ 722,951	\$ 722,951	\$ (559,264)		

NOTES:

1. The city receives \$1 per EDU from Clackamas County to cover the debt service payment.

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY22/FY23	FY23/FY24	FY24/FY25
REVENUE							
Property taxes	\$ 802,936	\$ 860,000	\$ 749,381	\$ 809,506	7%	-13%	8%
Intergovernmental	11,400	168,200	-	-	1375%	-100%	0%
Investment earnings	1,774	14,518	8,400	9,313	718%	-42%	11%
Transfers in	-	420,000	154,000	90,000	0%	-63%	-42%
Total Operating Revenues	816,110	1,462,718	911,781	908,819	79%	-38%	0%
TOTAL REVENUES	816,110	1,462,718	911,781	908,819	79%	-38%	0%
EXPENDITURES							
Debt Service	233,220	221,483	209,009	195,853	-5%	-6%	-6%
TOTAL EXPENDITURES	233,220	221,483	209,009	195,853	-5%	-6%	-6%
Revenue over (under) expenditures	\$ 582,890	\$ 1,241,235	\$ 702,772	\$ 712,966	113%	-43%	1%

CONSTRUCTION EXCISE TAX FUND

	Through the 3rd Quarter Ended March 31, 2025					NOTE
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	
REVENUE						
Excise Tax						
50% Comm Affordable Housing Dev Incentives Tax	\$ 200,000	\$ 75,000	\$ 13,280	\$ 13,280	\$ (61,720)	18%
50% Residential Affordable Housing Development Tax	200,000	175,000	13,280	13,280	(161,720)	8%
50% Comm Improvements	40,000	-	26,493	26,493	26,493	0%
35% Residential Affordable Housing Activities Tax	28,000	24,500	18,545	18,545	(5,955)	76%
Investment earnings	20,000	7,500	32,454	32,454	24,954	433%
Miscellaneous	20,000	7,500	3,315	3,315	(4,185)	44%
TOTAL OPERATING REVENUES	508,000	289,500	107,367	107,367	(182,133)	37%
Other Financing Sources						
Transfers In	-	-	-	-	-	0%
TOTAL REVENUES	508,000	289,500	107,367	107,367	(182,133)	37%
EXPENDITURES						
Personnel services	-	-	-	-	-	0%
Materials and services	600,000	525,000	-	-	(525,000)	0%
Transfers	25,000	21,875	9,375	9,375	(12,500)	43%
Contingency	60,000					
TOTAL EXPENDITURES	685,000	546,875	9,375	9,375	(537,500)	2%
Revenue over (under) expenditures	(177,000)	(257,375)	97,992	97,992	355,367	
FUND BALANCE - Beginning	1,440,000	1,440,000	1,272,187	1,272,187	(167,813)	
FUND BALANCE - Ending	\$ 1,263,000	\$ 1,182,625	\$ 1,370,179	\$ 1,370,179	\$ 187,554	

NOTES:

Excise taxes are related to new developments.

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY 22/FY 23	FY 23/FY 24	FY 24/FY 25
REVENUE							
Excise Tax	\$ 573,156	\$ 772,849	\$ 91,854	\$ 71,598	35%	-88%	-22%
Intergovernmental	-	-	-	-			
Interest income	1,927	28,203	40,720	32,454	1364%	44%	-20%
Miscellaneous	15,422	1,256	1,902	3,315	-92%	51%	74%
Total Operating Revenues	590,505	802,308	134,476	107,367	36%	-83%	-20%
Other Financing Sources							
Transfers in	-	800,000	-	-	0%	-100%	0%
TOTAL REVENUES	590,505	1,602,308	134,476	107,367	171%	-92%	-20%
EXPENDITURES							
Materials and services	-	-	1,700,000	-	0%	0%	-100%
Transfers	-	11,250	11,250	9,375	0%	0%	-17%
TOTAL EXPENDITURES	-	11,250	1,711,250	9,375	0%	15111%	-99%
Revenue over (under) expenditures	\$ 590,505	\$ 1,591,058	\$ (1,576,774)	\$ 97,992	169%	-199%	-106%

BUILDING FUND

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals	NOTES
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		
REVENUE							
Fees and Charges	\$ 2,818,000	\$ 1,056,750	\$ 1,267,100	\$ 1,267,100	\$ 210,350	120%	1
Intergovernmental	-	-	885	885	885	0%	
Investment earnings	150,000	56,250	132,702	132,702	76,452	236%	
Miscellaneous	4,000	1,500	1,640	1,640	140	109%	
TOTAL REVENUES	2,972,000	1,114,500	1,402,327	1,402,327	287,827	126%	
EXPENDITURES							
Personnel services	1,212,000	454,500	447,943	447,943	(6,557)	99%	
Materials and services	1,306,000	489,750	250,281	250,281	(239,469)	51%	
Transfers	478,000	179,250	179,250	179,250	-	100%	
Capital outlay	134,000	50,250	54,992	54,992	4,742	109%	
Contingency	680,000	-	-	-	-	0%	
TOTAL EXPENDITURES	3,810,000	1,173,750	932,466	932,466	(241,284)	79%	
Revenue over (under) expenditures	(838,000)	(59,250)	469,861	469,861	529,111		
FUND BALANCE - Beginning	4,788,000	4,788,000	4,953,020	4,953,020	165,020		
FUND BALANCE - Ending	\$ 3,950,000	\$ 4,728,750	\$ 5,422,881	\$ 5,422,881	\$ 694,131		

NOTES:

1. Increased fees and charges are related to new residential and commercial developments.

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY22/FY23	FY23/FY24	FY24/FY25
REVENUE							
Fees and Charges	\$ 1,619,228	\$ 1,540,549	\$ 1,038,696	\$ 1,267,100	-5%	-33%	22%
Intergovernmental	7,842	3,007	913	885	-62%	-70%	-3%
Investment earnings	6,371	65,376	118,384	132,702	926%	81%	12%
Miscellaneous	2,249	1,588	4,443	1,640	-29%	180%	-63%
TOTAL REVENUES	1,635,690	1,610,520	1,162,436	1,402,327	-2%	-28%	21%
EXPENDITURES							
Personnel services	324,992	308,961	342,268	447,943	-5%	11%	31%
Materials and services	4,265	152,928	239,793	250,281	3486%	57%	4%
Capital outlay	-	-	-	54,992			
Transfers	217,500	157,500	157,500	179,250	-28%	0%	14%
TOTAL EXPENDITURES	546,757	619,389	739,561	932,466	13%	19%	26%
Revenue over (under) expenditures	\$ 1,088,933	\$ 991,131	\$ 422,875	\$ 469,861	-9%	-57%	11%

TRANSPORTATION FUND

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals	NOTE
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		
REVENUE							
Dedicated to SSMP Program:							
Street maintenance fee	\$ 2,540,000	\$ 952,500	\$ 869,206	\$ 869,206	\$ (83,294)	91%	
Franchise fee - Portland General Electric	798,000	299,250	-	-	(299,250)	0%	
Intergovernmental (local gas tax)	260,000	97,500	85,872	85,872	(11,628)	88% 1	
Investment earnings	100,000	37,500	121,088	121,088	83,588	323%	
Total SSMP Program	3,698,000	1,386,750	1,076,166	1,076,166	(310,584)	78%	
Dedicated SAFE program:							
SAFE access fee	2,930,000	1,098,750	1,029,094	1,029,094	(69,656)	94%	
Intergovernmental	5,500,000	2,062,500	-	-	(2,062,500)	0%	
Investment earnings	200,000	75,000	81,269	81,269	6,269	108%	
Total SAFE Program	8,630,000	3,236,250	1,110,363	1,110,363	(2,125,887)	34%	
Dedicated State Gas Tax program:							
Intergovernmental							
State gas tax	3,346,000	1,254,750	1,032,875	1,032,875	(221,875)	82% 1	
County vehicle registration fee	850,000	425,000	227,435	227,435	(197,565)	54% 1	
Other	-	-	-	-	-	0%	
Impact fees (from utility funds)	2,223,000	833,625	851,250	851,250	17,625	102%	
Investment earnings	175,000	65,625	143,345	143,345	77,720	218%	
FILOC revenue	20,000	-	-	-	-	0%	
Miscellaneous	42,000	15,750	27,944	27,944	12,194	177%	
Total State Gas Tax Program	6,656,000	2,594,750	2,282,849	2,282,849	(311,901)	88%	
Total Operating Revenues	18,984,000	7,217,750	4,469,378	4,469,378	(2,748,372)	62%	
TOTAL REVENUES	18,984,000	7,217,750	4,469,378	4,469,378	(2,748,372)	35%	
EXPENDITURES							
Personnel services	1,455,000	545,625	513,267	513,267	(32,358)	94%	
Materials and services	1,235,000	463,125	351,872	351,872	(111,253)	76%	
Debt service	3,974,000	1,490,250	652,783	652,783	(837,467)	44%	
Capital outlay	26,287,000	9,857,625	2,125,280	2,125,280	(7,732,345)	22%	
Transfers	4,490,000	1,683,750	1,683,375	1,683,375	(375)	100%	
Contingency	134,000	-	-	-	-	0%	
TOTAL EXPENDITURES	37,575,000	14,040,375	5,326,577	5,326,577	(8,713,798)	38%	
Revenue over (under) expenditures	(18,591,000)	(6,822,625)	(857,199)	(857,199)	5,965,426		
FUND BALANCE - Beginning	25,534,000	25,534,000	26,603,207	26,603,207	1,069,207		
FUND BALANCE - Ending	\$ 6,943,000	\$ 18,711,375	\$ 25,746,008	\$ 25,746,008	\$ 7,034,633		

Notes are located on the next page.

TRANSPORTATION FUND

OBLIGATED FUNDS	Remaining Contract Amount
SSMP - Washington St area improvements	\$ 901,445
SSMP -Ardenwald North	559,192
SSMP - King Rd improvements	46,452
SSMP - Harvey St improvements	28,022
SSMP - On-call public info & engagement	17,189
SAFE - Washington St area improvements	798,387
SAFE - Ardenwald North	547,722
SAFE - Harvey St improvements	84,779
SAFE - Monroe St greenway	45,434
SAFE - King Rd improvements	42,686
SAFE - On-call public info & engagement	14,262
SAFE - 37th & Oak railroad crossings survey	3,183
State Gas Tax - Washington Street area improve	319,426
State Gas Tax - Downtown curb & storm improv e	50,149
State Gas Tax - Monroe St greenway	41,629
State Gas Tax - Ardenwald North	25,402
State Gas Tax - On-call public info & engage	16,642
State Gas Tax - Harvey St improvements	16,535
State Gas Tax - Residential street surface repair	5,649
Total Obligated Funds	<u>\$ 3,564,185</u>
% of Obligated & Expenditures to Budget	
Anticipated Actual Expenditure	14,040,375
Total Obligated plus Total Expenditures	<u>8,890,762</u>
	<u>63%</u>

NOTES:

1. Local and state gas taxes are less than anticipated due to higher gas prices, reduced consumer consumption, and EV's. Current gas tax is \$0.02/gal in Milwaukie and \$0.38/gal statewide, of which the city receives about 20%. House Bill 2017 increased the state gas tax to \$0.40/gal on January 1, 2024

TRANSPORTATION FUND

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY22/FY23	FY23/FY24	FY24/FY25
REVENUE							
Dedicated to SSMP Program:							
Street maintenance fee	\$ 734,158	\$ 762,040	\$ 806,205	\$ 869,206	4%	6%	8%
Intergovernmental	73,719	72,225	67,220	85,872	-2%	-7%	28%
Investment earnings	48,547	78,922	189,614	121,088	63%	140%	-36%
Proceeds from debt	-	6,181,900	-	-	0%	-100%	0%
Miscellaneous	352,892	368,638	305	-	4%	-100%	-100%
Total SSMP Program	1,209,316	7,463,725	1,063,344	1,076,166	517%	-86%	1%
Dedicated SAFE program:							
Safe Access fee	878,290	925,213	978,587	1,029,094	5%	6%	5%
Intergovernmental	47,429	11,857	-	-	-75%	-100%	0%
Investment earnings	40,779	65,056	198,784	81,269	60%	206%	-59%
Proceeds from debt	-	9,088,920	-	-	0%	-100%	0%
Total SAFE Program	966,498	10,091,046	1,177,371	1,110,363	944%	-88%	-6%
Dedicated State Gas Tax program:							
Intergovernmental - State Gas Tax	1,008,309	988,828	1,013,899	1,032,875	-2%	3%	2%
County vehicle registration fee	259,050	258,000	263,879	227,435	0%	2%	-14%
Intergovernmental - other	-	-	-	-	0%	0%	0%
Impact fees (from utility funds)	699,000	820,500	826,500	851,250	17%	1%	3%
Investment earnings	34,355	53,497	183,052	143,345	56%	242%	-22%
FILOC revenue	-	7,761	4,947	-	0%	-36%	-100%
Proceeds from debt	-	3,536,450	-	-	0%	-100%	0%
Miscellaneous	34,705	11,591	4,980	27,944	-67%	-57%	461%
Total State Gas Tax Program	2,035,419	5,676,627	2,297,257	2,282,849	179%	-60%	-1%
Total Operating Revenues	4,211,233	23,231,398	4,537,972	4,469,378	452%	-80%	-2%
Other Financing Sources							
Transfers in	-	-	-	-	0%	0%	0%
TOTAL REVENUES	4,211,233	23,231,398	4,537,972	4,469,378	452%	-80%	-2%
EXPENDITURES							
Personnel services	491,788	503,433	527,782	513,267	2%	5%	-3%
Materials and services	293,166	324,142	289,301	351,872	11%	-11%	22%
Debt service	320,416	320,416	671,748	652,783	0%	110%	-3%
Capital outlay	4,045,265	2,494,203	939,691	2,125,280	-38%	-62%	126%
Transfers	1,567,500	1,676,250	1,676,250	1,683,375	7%	0%	0%
TOTAL EXPENDITURES	6,718,135	5,318,444	4,104,772	5,326,577	-21%	-23%	30%
Revenue over (under) expenditures	\$ (2,506,902)	\$ 17,912,954	\$ 433,200	\$ (857,199)	-815%	-98%	-298%

WATER FUND

	Through the 3rd Quarter Ended March 31, 2025					NOTE	
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		% of Anticipated Actuals
REVENUE							
Fees and charges	\$ 10,556,000	\$ 3,958,500	3,749,761	\$ 3,749,761	\$ (208,739)	95%	
Intergovernmental	3,695,000	3,695,000	-	-	(3,695,000)	0%	
Investment earnings	195,000	73,125	243,105	243,105	169,980	332%	
Miscellaneous	310,000	116,250	137,577	137,577	21,327	118%	
Total Operating Revenues	14,756,000	7,842,875	4,130,443	4,130,443	(3,712,432)	53%	
TOTAL REVENUES	14,756,000	7,842,875	4,130,443	4,130,443	(3,712,432)	53%	
EXPENDITURES							
Personnel services	2,294,000	860,250	817,843	817,843	(42,407)	95%	
Materials and services	2,422,000	908,250	869,368	869,368	(38,882)	96%	
Capital outlay	10,148,000	3,805,500	2,803,624	2,803,624	(1,001,876)	74%	
Transfers	3,108,000	1,165,500	1,165,500	1,165,500	-	100%	
Contingency	56,000	-	-	-	-	0%	
TOTAL EXPENDITURES	18,028,000	6,739,500	5,656,335	5,656,335	(1,083,165)	84%	
Revenue over (under) expenditures	(3,272,000)	1,103,375	(1,525,892)	(1,525,892)	(2,629,267)		
FUND BALANCE - Beginning	6,136,000	6,136,000	7,026,524	7,026,524	(890,524)		
FUND BALANCE - Ending	\$ 2,864,000	\$ 7,239,375	\$ 5,500,632	\$ 5,500,632	\$ (3,519,791)		
CASH FROM OPERATIONS							
Revenue*	\$ 14,756,000	\$ 7,842,875	\$ 4,130,443	\$ 4,130,443	\$ (3,712,432)		
Operating costs**	(7,824,000)	(2,934,000)	(2,852,711)	(2,852,711)	81,289		
Total cash from operations	\$ 6,932,000	\$ 4,908,875	\$ 1,277,732	\$ 1,277,732	\$ (3,631,143)		

* Includes interest and misc.

** Operating costs includes personnel services, materials and services, and transfers.

Notes are located on the next page.

WATER FUND

OBLIGATED FUNDS	Remaining Contract Amount
Stanley reservoir	\$ 1,222,576
Ardenwald North improvements	659,118
SCADA	262,157
On-call public info & engagement	112,338
Washington Street area improvements	93,695
King Road improvements	43,747
Harvey St improvements	29,559
Water program development & funding	20,441
224-Monroe waterline replacement (design)	9,242
Total Obligated Funds	\$ 2,452,873

% of Obligated & Expenditures to Budget

Anticipated Actual Expenditure	6,739,500
Total Obligated plus Total Expenditures	8,109,208
	120%

NOTES:

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY22/FY23	FY23/FY24	FY24/FY25
REVENUE							
Fees and charges	\$ 3,559,475	\$ 3,480,678	\$ 3,670,271	\$ 3,749,761	-2%	5%	2%
Intergovernmental	-	2,256,000	-	-	0%	-100%	0%
Investment earnings	10,021	123,433	236,484	243,105	1132%	92%	3%
Miscellaneous	38,728	29,079	34,800	137,577	-25%	20%	295%
Total Operating Revenues	3,608,224	5,889,190	3,941,555	4,130,443	63%	-33%	5%
Other Financing Sources							
Transfers in	-	-	-	-	0%	0%	0%
TOTAL REVENUES	3,608,224	5,889,190	3,941,555	4,130,443	63%	-33%	5%
EXPENDITURES							
Personnel services	680,513	709,461	696,984	817,843	4%	-2%	17%
Materials and services	640,779	677,869	799,952	869,368	6%	18%	9%
Capital outlay	278,783	91,082	490,646	2,803,624	-67%	439%	471%
Transfers	1,005,000	1,180,125	1,180,125	1,165,500	17%	0%	-1%
TOTAL EXPENDITURES	2,605,075	2,658,537	3,167,707	5,656,335	2%	19%	79%
Revenue over (under) expenditures	\$ 1,003,149	\$ 3,230,653	\$ 773,848	\$ (1,525,892)	222%	-76%	-297%

WASTEWATER FUND

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals	NOTE
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		
REVENUE							
Fees and charges	\$ 18,490,000	\$ 6,933,750	\$ 6,638,577	\$ 6,638,577	\$ (295,173)	96%	
Intergovernmental	2,479,000	981,750	173,142	173,142	(808,608)	18%	1
Proceeds from reimbursement district	86,000	32,250	188,827	188,827	156,577	586%	2
Investment earnings	175,000	65,625	214,009	214,009	148,384	326%	
Miscellaneous	28,000	10,500	3,176	3,176	(7,324)	30%	
Total Operating Revenues	21,258,000	8,023,875	7,217,731	7,217,731	(806,144)	90%	
TOTAL REVENUES	21,258,000	8,023,875	7,217,731	7,217,731	(806,144)	90%	
EXPENDITURES							
Personnel services	1,199,000	449,625	433,017	433,017	(16,608)	96%	
Materials and services	11,944,000	4,479,000	3,501,840	3,501,840	(977,160)	78%	
Capital outlay	6,586,000	2,469,750	773,226	773,226	(1,696,524)	31%	3
Debt service	384,000	144,000	99,593	99,593	(44,407)	69%	
Transfers	2,902,000	1,088,250	1,088,250	1,088,250	-	100%	
Contingency	34,000	-	-	-	-	0%	
TOTAL EXPENDITURES	23,049,000	8,630,625	5,895,926	5,895,926	(2,734,699)	68%	
Revenue over (under) expenditures	(1,791,000)	(606,750)	1,321,805	1,321,805	1,928,555		
FUND BALANCE - Beginning	4,654,000	6,294,000	6,008,145	6,008,145	(285,855)		
FUND BALANCE - Ending	\$ 2,863,000	\$ 5,687,250	\$ 7,329,950	\$ 7,329,950	\$ 1,642,700		
CASH FROM OPERATIONS							
Revenue*	\$ 21,258,000	\$ 8,023,875	\$ 7,217,731	\$ 7,217,731	\$ (806,144)		
Operating costs**	(16,045,000)	(6,016,875)	(5,023,107)	(5,023,107)	993,768		
Total cash from operations	\$ 5,213,000	\$ 2,007,000	\$ 2,194,624	\$ 2,194,624	\$ 187,624		

* Includes interest and misc.

** Operating costs includes personnel services, materials and services, and transfers.

Notes are located on the next page.

WASTEWATER FUND

OBLIGATED FUNDS	Remaining Contract Amount
Waverly Heights sewer reconfiguration	\$ 496,520
Ardenwald North improvements	467,671
SCADA	262,157
On-call public info & engagement	14,480
Washington Street area improvements	11,428
Harvey Street improvements	2,741
Total Obligated Funds	\$ 1,254,997
% of Obligated & Expenditures to Budget	
Anticipated Actual Expenditure	8,630,625
Total Obligated plus Total Expenditures	7,150,923
	83%

NOTES:

1. The city received funds from Clackamas County for the Kellogg Good Neighbor Fund; money was allocated to the Wastewater and Debt Service Funds.
2. Majority of the reimbursement district fees are related to the Hillside project.
3. Projects slated for FY 2025 are in the beginning stages of the construction process.

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY22/FY23	FY23/FY24	FY24/FY25
REVENUE							
Fees and charges	\$ 6,302,206	\$ 6,479,315	\$ 6,768,953	\$ 6,638,577	3%	4%	-2%
Intergovernmental	-	132,357	104,090	173,142	0%	0%	24%
Proceeds from reimbursement district	185,418	27,339	29,460	188,827	-85%	8%	541%
Investment earnings	13,518	119,101	169,653	214,009	781%	42%	26%
Miscellaneous	27,426	2,624	9,569	3,176	-90%	265%	-67%
Total Operating Revenues	6,528,568	6,760,736	7,081,725	7,217,731	4%	5%	2%
Other Financing Sources							
Transfers in	-	-	-	-	0%	0%	0%
TOTAL REVENUES	6,528,568	6,760,736	7,081,725	7,217,731	4%	5%	2%
EXPENDITURES							
Personnel services	368,715	398,895	411,055	433,017	8%	3%	5%
Materials and services	3,617,110	3,730,760	3,042,650	3,501,840	3%	-18%	15%
Capital outlay	501,673	712,399	501,785	773,226	42%	-30%	54%
Debt service	101,040	100,557	100,075	99,593	0%	0%	0%
Transfers	997,500	1,091,250	1,091,250	1,088,250	9%	0%	0%
TOTAL EXPENDITURES	5,586,038	6,033,861	5,146,815	5,895,926	8%	-15%	15%
Revenue over (under) expenditures	\$ 942,530	\$ 726,875	\$ 1,934,910	\$ 1,321,805	-23%	166%	-32%

STORMWATER FUND

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals	NOTE
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		
REVENUE							
Fees and charges	\$ 10,473,000	\$ 3,927,375	\$ 3,823,634	\$ 3,823,634	\$ (103,741)	97%	
Tree permits and fees	-	-	65,672	65,672	65,672	0%	
Investment earnings	120,000	45,000	150,934	150,934	105,934	335%	
Miscellaneous	34,000	12,750	17,128	17,128	4,378	134%	
Total Operating Revenues	10,627,000	3,985,125	4,057,368	4,057,368	72,243	102%	
TOTAL REVENUES	10,627,000	3,985,125	4,057,368	4,057,368	72,243	102%	
EXPENDITURES							
Personnel services	1,802,000	675,750	661,965	661,965	(13,785)	98%	
Materials and services	1,594,000	597,750	522,083	522,083	(75,667)	87%	
Capital outlay	10,159,000	3,809,625	4,226,307	4,226,307	416,682	111%	1
Transfers	2,800,000	1,050,000	1,050,000	1,050,000	-	100%	
Contingency	45,000	-	-	-	-	0%	
TOTAL EXPENDITURES	16,400,000	6,133,125	6,460,355	6,460,355	327,230	105%	
Revenue over (under) expenditures	(5,773,000)	(2,148,000)	(2,402,987)	(2,402,987)	(254,987)		
FUND BALANCE - Beginning	7,707,000	7,707,000	6,579,395	6,579,395	(1,127,605)		
FUND BALANCE - Ending	\$ 1,934,000	\$ 5,559,000	\$ 4,178,027	\$ 4,176,408	\$ (1,382,592)		
CASH FROM OPERATIONS							
Revenue*	\$ 10,627,000	\$ 3,985,125	\$ 4,057,368	\$ 4,057,368	\$ 72,243		
Operating costs**	(6,196,000)	(2,323,500)	(2,234,048)	(2,234,048)	89,452		
Total cash from operations	\$ 4,431,000	\$ 1,661,625	\$ 1,823,320	\$ 1,823,320	\$ 161,695		

* Includes interest and miscellaneous.

** Operating costs includes personnel services, materials and services, and transfers.

Notes are located on the next page.

STORMWATER FUND

OBLIGATED FUNDS	Remaining Contract Amount
Meek Street pipe installation	\$ 829,237
Downtown curb & storm improvements	451,345
Ardenwald North	417,952
Washington Street area improvements	213,067
OR 224-Monroe St waterline improvements	167,895
King Road improvements	48,938
Harvey St improvements	46,988
On-call public info & engagement	16,524
Total Obligated Funds	\$ 2,191,946

% of Obligated & Expenditures to Budget

Anticipated Actual Expenditure	\$ 6,133,125
Total Obligated plus Total Expenditures	8,652,301
	141%

NOTES:

- Projects slated for FY 2025 are in the beginning stages of the construction process.

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY 22/FY 23	FY 23/FY 24	FY 24/FY 25
REVENUE							
Fees and charges	\$ 3,894,881	\$ 3,800,007	\$ 3,842,638	\$ 3,823,634	-2%	1%	0%
Tree permits and fees	15,409	30,426	39,718	65,672	97%	31%	65%
Intergovernmental	-	-	288,453	-	0%	0%	-100%
Investment earnings	13,103	121,639	215,789	150,934	828%	77%	-30%
Miscellaneous	25,298	10,816	13,410	17,128	-57%	24%	28%
Total Operating Revenues	3,948,691	3,962,888	4,400,008	4,057,368	0%	11%	-8%
Other Financing Sources							
Transfers in	-	-	-	-	0%	0%	0%
TOTAL REVENUES	3,948,691	3,962,888	4,400,008	4,057,368	0%	11%	-8%
EXPENDITURES							
Personnel services	565,639	552,370	585,425	661,965	-2%	6%	13%
Materials and services	546,552	542,537	511,248	522,083	-1%	-6%	2%
Capital outlay	575,766	503,338	2,668,020	4,226,307	-13%	430%	58%
Transfers	1,065,000	1,068,375	1,068,375	1,050,000	0%	0%	-2%
TOTAL EXPENDITURES	2,752,957	2,666,620	4,833,068	6,460,355	-3%	81%	34%
Revenue over (under) expenditures	\$ 1,195,734	\$ 1,296,268	\$ (433,060)	\$ (2,402,987)	8%	-126%	455%

SYSTEM DEVELOPMENT CHARGE FUND - SUMMARY

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals	NOTE
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		
REVENUE							
System development charges	\$ 1,267,000	\$ 475,125	\$ 529,445	\$ 529,445	\$ 54,320	111%	
Intergovernmental	250,000	285,000	-	-	(285,000)	-	
Investment earnings	208,000	78,000	78,255	78,255	255	100%	
Miscellaneous	-	-	14,658	14,658	14,658	0%	
Total Operating Revenues	1,725,000	838,125	622,358	622,358	(215,767)	74%	
TOTAL REVENUES	1,725,000	838,125	622,358	622,358	(215,767)	74%	
EXPENDITURES							
Materials and services	85,000	63,125	-	-	(63,125)	-	
Capital outlay	1,130,000	473,750	85,285	85,285	(388,465)	18% ¹	
Contingency	130,000	-	-	-	-	0%	
TOTAL EXPENDITURES	1,345,000	473,750	85,285	85,285	(388,465)	18%	
Revenue over (under) expenditures	380,000	364,375	537,073	537,073	172,698		
FUND BALANCE - Beginning	2,299,000	2,299,000	2,668,658	2,668,658	2,144,389		
FUND BALANCE - Ending	\$ 2,679,000	\$ 2,663,375	\$ 3,205,731	\$ 3,205,731	\$ 2,317,087		

OBLIGATED FUNDS	Remaining Contract Amount
Stormwater system plan	\$ 217,593
Jackson Street improvements	\$ 15,132
Total Obligated Funds	\$ 232,725

% of Obligated & Expenditures to Budget	
Anticipated Actual Expenditure	473,750
Total Obligated plus Total Expenditures	318,010
	67%

NOTES:

- Projects slated for FY 2025 are in the beginning stages of the construction process.

SYSTEM DEVELOPMENT CHARGE FUND

SDC – TRANSPORTATION

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	
REVENUE						
System development charges	\$ 757,000	\$ 283,875	\$ 406,914	\$ 406,914	\$ 123,039	143%
Intergovernmental	250,000	93,750	-	-	(93,750)	0%
Investment earnings	100,000	37,500	19,564	19,564	(17,936)	52%
Miscellaneous	-	14,000	3,665	3,665	(13,641)	26%
TOTAL REVENUES	1,107,000	429,125	430,142	430,142	(2,289)	100%
EXPENDITURES						
Material & Services	50,000	50,000	-	-	(50,000)	0%
Capital outlay	500,000	187,500	55,268	55,268	(132,232)	0%
TOTAL EXPENDITURES	550,000	237,500	55,268	55,268	(182,232)	23%
Revenue over (under) expenditures	557,000	191,625	374,874	374,874	179,943	
FUND BALANCE - Beginning	724,000	724,000	739,000	1,113,874	394,854	
FUND BALANCE - Ending	\$ 1,281,000	\$ 915,625	\$ 1,113,874	\$ 1,488,749	\$ 574,797	

SDC – WATER

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	
REVENUE						
System development charges	\$ 272,000	\$ 102,000	\$ 50,744	\$ 50,744	\$ (51,256)	50%
Investment earnings	38,000	14,250	19,564	19,564	5,314	137%
Miscellaneous	-	-	3,665	3,665	3,665	0%
Total Operating Revenues	310,000	116,250	73,972	73,972	(42,278)	64%
TOTAL REVENUES	310,000	116,250	73,972	73,972	(42,278)	64%
EXPENDITURES						
Materials and services	-	-	-	-	-	0%
Capital outlay	-	-	-	-	-	0%
TOTAL EXPENDITURES	-	-	-	-	-	
Revenue over (under) expenditures	310,000	116,250	73,972	73,972	(42,278)	
FUND BALANCE - Beginning	197,000	197,000	298,000	298,000	101,000	
FUND BALANCE - Ending	\$ 507,000	\$ 313,250	\$ 371,972	\$ 371,972	\$ 58,722	

SDC – WASTEWATER

	Through the 3rd Quarter Ended March 31, 2025					
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	% of Anticipated Actuals
REVENUE						
System development charges	\$ 48,000	\$ 18,000	\$ 27,336	\$ 27,336	\$ 9,336	152%
Investment earnings	70,000	26,250	19,564	19,564	(6,686)	75%
Miscellaneous	-	-	3,665	3,665	3,665	0%
Total Operating Revenues	118,000	44,250	50,564	50,564	6,314	114%
TOTAL REVENUES	118,000	44,250	50,564	50,564	6,314	114%
EXPENDITURES						
Capital outlay	320,000	120,000	-	-	(120,000)	0%
TOTAL EXPENDITURES	320,000	120,000	-	-	(120,000)	0%
Revenue over (under) expenditures	(202,000)	(75,750)	50,564	50,564	126,314	
FUND BALANCE - Beginning	889,000	889,000	1,205,000	775,256	316,000	
FUND BALANCE - Ending	\$ 687,000	\$ 813,250	\$ 1,255,564	\$ 825,820	\$ 442,314	

SDC – STORMWATER

	Through the 3rd Quarter Ended March 31, 2025					
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	% of Anticipated Actuals
REVENUE						
System development charges	\$ 190,000	\$ 71,250	\$ 34,125	\$ 34,125	\$ (37,125)	48%
Investment earnings	-	-	19,564	19,564	19,564	0%
Miscellaneous	-	-	3,665	3,665	3,665	0%
Total Operating Revenues	190,000	71,250	57,353	57,353	(13,897)	80%
TOTAL REVENUES	190,000	71,250	57,353	57,353	(13,897)	80%
EXPENDITURES						
Materials and services	35,000	13,125	-	-	(13,125)	0%
Capital outlay	310,000	116,250	30,017	30,017	(86,233)	26%
TOTAL EXPENDITURES	345,000	116,250	30,017	30,017	(86,233)	0%
Revenue over (under) expenditures	(155,000)	(45,000)	27,336	27,336	72,336	
FUND BALANCE - Beginning	489,000	489,000	702,000	199,572	213,000	
FUND BALANCE - Ending	\$ 334,000	\$ 444,000	\$ 729,336	\$ 226,908	\$ 285,336	

SYSTEM DEVELOPMENT CHARGE FUND

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY22/FY23	FY23/FY24	FY24/FY25
REVENUE							
System development charges	\$ 616,120	\$ 228,407	\$ 127,395	\$ 529,445	-63%	-44%	316%
Investment earnings	4,368	37,500	64,246	78,255	759%	71%	22%
Miscellaneous	11,097	3,605	1,141	14,658	-68%	-68%	1185%
Total Operating Revenues	631,585	269,512	192,782	622,358	-57%	-28%	223%
Other Financing Sources							
Transfers in	-	-	-	-	0%	0%	0%
TOTAL REVENUES	631,585	269,512	192,782	622,358	-57%	-28%	223%
EXPENDITURES							
Materials and services	-	849	4,163	-	0%	390%	-100%
Capital outlay	59,894	-	259,486	85,285	-100%	0%	-67%
TOTAL EXPENDITURES	59,894	849	263,649	85,285	-99%	30954%	-68%
Revenue over (under) expenditures	\$ 571,691	\$ 268,663	\$ (70,867)	\$ 537,073	-53%	-126%	-858%

MILWAUKIE REDEVELOPMENT COMMISSION (URA) FUND

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals	NOTE
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		
REVENUE							
Property taxes	\$ 1,753,000	\$ 1,725,310	\$ 1,058,272	\$ 1,058,272	\$ (667,038)	61%	
Investment earnings	10,000	3,750	105,059	105,059	101,309	2802%	
Miscellaneous	-	-	2,145	2,145	2,145	0%	
TOTAL REVENUES	1,763,000	1,729,060	1,165,476	1,165,476	(563,584)	67%	
EXPENDITURES							
Materials and services	600,000	225,000	350,271	350,271	125,271	156%	
Capital outlay	5,182,000	875,000	94,471	94,471	(780,529)	11%	
Transfers out	50,000	18,750	18,750	18,750	-	100%	
Debt service	674,000	252,750	90,866	90,866	(161,884)	36%	
Contingency	160,000	-	-	-	-	0%	
TOTAL EXPENDITURES	6,666,000	1,371,500	554,358	554,358	(817,142)	40%	
Revenue over (under) expenditures	(4,903,000)	357,560	611,118	611,118	253,558		
FUND BALANCE - Beginning	7,483,000	7,483,000	7,467,246	7,467,246	15,754		
FUND BALANCE - Ending	\$ 2,580,000	\$ 7,840,560	\$ 8,078,364	\$ 8,078,364	\$ 269,312		

NOTES:

	3rd Quarter Actuals				Prior Year Change		
	FY 2022	FY 2023	FY 2024	FY 2025	FY22/FY23	FY23/FY24	FY24/FY25
REVENUE							
Property taxes	\$ 492,425	\$ 570,759	\$ 742,981	\$ 1,058,272	16%	30%	42%
Investment earnings	2,780	32,160	78,230	105,059	1057%	143%	34%
Proceeds from debt	-	4,630,800	-	-			
Miscellaneous	504	995	42,878	2,145	97%	4209%	-95%
Total Operating Revenues	495,709	5,234,714	864,089	1,165,476	956%	-83%	35%
Other Financing Sources							
Proceeds from Issuance of Debt	-	-	-	-	0%	0%	0%
TOTAL REVENUES	495,709	5,234,714	864,089	1,165,476	956%	-83%	35%
EXPENDITURES							
Materials and services	1,400	-	5,000	350,271	-100%	0%	6905%
Construction in process	-	-	38,595	94,471	0%	0%	145%
Debt service	-	-	87,833	90,866	0%	0%	3%
Transfers	-	26,250	26,250	18,750	0%	0%	-29%
TOTAL EXPENDITURES	1,400	26,250	157,678	554,358	1775%	501%	252%
Revenue over (under) expenditures	\$ 494,309	\$ 5,208,464	\$ 706,411	\$ 611,118	954%	-86%	-13%

**ENGINEERING DEPARTMENT STATUS MEMO
TO CITY COUNCIL**

&

**CAPITAL IMPROVEMENT PROJECTS
STATUS REPORT**



CITY OF MILWAUKIE

Memorandum

To: City Council
From: Joseph Briglio, Assistant City Manager
CC: Emma Sagor, City Manager
Date: April 15, 2025
Re: Community Development Department Monthly Update

Community Development, Economic Development, & Housing	Planning	Building	Engineering
▪ Economic Development ▪ Affordable Housing	▪ Comprehensive Plan Implementation ▪ Planning Commission ▪ Land Use/ Development Review	▪ March Review	▪ CIP ▪ Traffic/Parking Projects ▪ Right-of-Way Permits ▪ PIP ▪ Document Administration

COMMUNITY DEVELOPMENT/ECONOMIC DEVELOPMENT/HOUSING

Economic Development

- Milwaukie was recently the cover story for the Portland Business Journal - <https://www.bizjournals.com/portland/news/2025/02/05/milwaukie-portland-housing-multifamily-pietros.html>
- [Bobs Red Mill](#) - On February 8, Bob's Red Mill announced that it would be [closing its Retail and Café](#) property on International Way on February 17. The company later [announced on social media](#) that it would be closing its doors on February 12. The closure only impacts its retail and café operations.
 - The property is listed for sale at \$5.95M – [See Flyer](#)
 - Staff have reached out to a few businesses and developers to help generate interest.
- [The Business of Milwaukie](#), a city-wide business association, launched on November 1 with its "Meet Milwaukie Event" and subsequent Holiday Shopping/Small Business Saturday campaign called "Sip Shop Support."

Downtown:

- The Downtown Alliance of Milwaukie (DAM) has started meeting regularly and taken the place of the now defunct Downtown Milwaukie Business Association (DMBA). Multiple city staff members have participated in their meetings and discussions and will continue to partner as much as resources allow. The group approved of its 2025 priorities, which are as follows:

- Hanging flower baskets sponsored by businesses
- Milwaukie food festival
- Wayfinding signs/poster adoption and downtown 99E signs.
- Utilize private parking lots for weekend events.
- Elk Rock Island Float (Summer)
- Milwaukie Bay Park Support
- Oktoberfest
- Main street holiday lights and decoration contest

DAM is also building out its website and submitted for 501C3 status.

- The sale of the Collectors Mall, along with the adjacent store fronts, closed in late summer 2024 and is actively soliciting for new tenants in the vacant spaces: [Updated Lease Flyer](#)
 - The property owner submitted an [Oregon Main Street](#) grant on March 13, which was supported by the city, to receive funding for restoring the building façade.
- [Good Measure](#), an artisanal grocer at the northwest corner of Main and Jefferson Street, had its grand opening on January 31 and is now open for business.
- [SaunaGlo](#), a Nordic-style spa along SE Jefferson Street, completed its improvements and held their grand opening on December 6.
- [Moving Forward Staying Present Yoga Studio](#) is going to be taking over 10560 SE Main Street, the former home of Elk Rock Yoga.
- Historic City Hall: [pFriem Beer](#) and [Keeper Coffee](#) are officially open as of April 7 and there has been a lot of press and social media buzz. Here are some of the latest stories:
 - [pFriem Family Brewers opens its first Portland-area taproom](#) - Oregonian
 - [‘A community hub’: pFriem opens new taphouse in Historic Milwaukie City Hall](#) - Clackamas Review
 - [First look inside pFriem Family Brewers Milwaukie taproom in Portland-metro](#) – New School Beer
 - [pFriem previews new taproom in Milwaukie](#) – KGW
 - [pFriem opens its tasting room in Milwaukie's old city hall](#) – Portland Business Journal
 - [Keeper Coffee Opens Its Second Location in Milwaukie](#) – Portland Mercury
 - [pFriem brewpub, Keeper Coffee moving into historic Milwaukie building](#) – Milwaukie Review
- The Libbie's property is still currently for sale: <https://www.loopnet.com/Listing/11056-11070-SE-Main-St-Milwaukie-OR/31458135/>

- The former Chase Bank property (10900 SE 21st Ave) was sold. The new owners' [land use application](#) for a 44-unit residential development has been approved.
- [Sewcial Studies](#), a retail fabric store that offers sewing classes and workshops, is now open for business. It took over the old Cloud Pine location on Main Street.
- The prominent corner of Jackson/Main, specifically 10801 SE Main Street (Formerly Sunshine Early Learning Center/Dary Care), will have a new tenant. A business registration has been approved for [B-Side Records & Vintage](#). They are planning a grand opening for April 11.
- [1847 Food Park](#) located at 1925 SE Scott St has begun site work, with an anticipated opening in the Summer.
- Staff were recently notified that [Ovation](#) will be closing its restaurant and is currently seeking interested parties to take over the space. Staff have been actively soliciting new tenants.
- [11138 SE Main Street \(Sapphire\)](#) and [11222 SE Main Street \(Broken Arrow Archery/USPS\)](#) have been for sale and recently under contract. A prospective buyer is doing their due diligence.
- *Milwaukie Station*: All cart spaces are currently occupied.

Milwaukie Marketplace:

- Kimco officially sold the marketplace to [Lincoln Property Company](#) (LPC), a Texas based commercial real estate company, in February. Staff is working with LPC on building new partnerships.
- Building permits have been issued to Pietro's Pizza for building renovation plans for the old McGrath's Fish House. It is currently under construction and no opening date is currently set.
- Shari's Café & Pies has closed. <https://www.oregonlive.com/business/2024/10/struggling-sharis-cafe-pies-closes-additional-locations.html>

Enterprise Zone:

- Portland Polymers, a plastics recycler, is relocating to Milwaukie's north innovation area and recently received approval to take advantage of the North Clackamas Enterprise Zone tax incentives.
- The Overland Van Project was also approved a few months ago. Alpine Foods is in their final application stages and should receive approval soon. Swagelock has withdrawn its interest for now.

Urban Renewal Area Economic Development Programs:

- The Milwaukie Redevelopment Commission Citizen Advisory Committee (MRCCAC) convened in February to discuss updates on the business improvement grant program. Since launching in August 2024, the program has served 10 businesses with a grand total of \$328,455.
- Grant program information can be found here: <https://www.milwaukieoregon.gov/economicdevelopment/economic-development-business-improvement-grants>

Affordable Housing

Sparrow Site:

- On January 7, the council adopted the following development goals:
 - Affordable Homeownership models that serve households earning up to 80% Area Median Income (AMI)
 - Unit Mix. Preference for family-size units.
 - Equity in contracting and workforce development.
 - Preservation of tree canopy.
 - Sustainable design.
 - Affirmative outreach.
 - Minimize need for city financing.
 - Project delivery that is as soon as practicable.
- The City Council to held a public hearing to designate the properties as surplus at its February 18th Regular Session Meeting. Staff are now working on replating the property in order to prepare it for a competitive Request for Proposals (RFP). The RFP will likely occur in June 2025.

Affordable Housing Code Incentive Package:

- Planning and Community Development staff are working on code amendments targeted toward affordable housing. Work sessions were held on January 7 and March 18 with the council that included extensive discussion. Staff will return for another work session with a final revised package reflecting those discussions.

Coho Point:

- The Developer presented an update to the city council during its February 21, 2023, work session and requested a 12-month extension of the Disposition and Development Agreement (DDA) due diligence period because of extenuating circumstances involving supply chain and subcontractor timing issues related to the COVID-19 pandemic. The due diligence period was officially extended to March 31, 2024.
- Staff were notified on May 10, 2023, that Black Rock had submitted the CLOMR to FEMA. The review process typically takes several months, and FEMA has requested additional information from the applicant in September 2023, January 2024, and March 2024. The applicant has 90 days to address FEMA's comments and resubmit. In order to allow for the completion of the CLOMR/FEMA process, the City agreed to a fifth due diligence extension of December 31, 2024.
- Given that FEMA has expanded the scope of the CLOMR, Black Rock and the city agreed to an additional extension through June 2025.
- Black Rock received CLOMR approval from FEMA earlier this month. They are now discussing the next steps with staff, which include a shared parking agreement and an income-restricted covenant for the affordable units, to name a few.

Construction Excise Tax (CET) Program:

- The CET Program was established by the city council in 2017 and codified within chapter 3.60 (Affordable Housing Construction Excise Tax) of the municipal code. The CET levy's a one percent tax on any development over \$100,000 in construction value. In example, a property owner who is building an addition that has an assessed construction value of

\$100,000 would have to pay \$1,000 in CET to the city. As development continues throughout the city, the CET fund increases in proportionality.

- The city released its inaugural competitive bid process for CET funds through a formal Request for Proposals (RFP). This resulted in Hillside Park Phase I being awarded \$1.7M (requested \$2M) and the Milwaukie Courtyard Housing Project (Now called Milwaukie Shortstack) with \$300K (requested \$600K).
- On March 7, 2023, the city council authorized the city manager to execute the necessary grant agreements in the amounts listed above. The grants agreements for both projects have been signed and executed, and initial funding disbursements have occurred. Staff will now work with the applicants to ensure that their projects meet the conditions for funding.
- In recent conversations with staff (February 18, 2025), the Council has directed staff to support the development of the Sparrow site with affordable housing related CET Funds.

PLANNING

Comprehensive Plan Implementation

- Neighborhood Hubs: Following a series of public workshops and an online survey, planning and community development staff moved forward with proposed code amendments and an economic development toolkit for the Neighborhood Hubs project. Council approved the Phase 2 code amendments on [August 6](#). Staff and Council had a discussion about Phase 3 in a work session on November 5. Council provided staff with direction for future work session topics for Phase 3. A work session to discuss Phase 3 was held on February 18. Staff will update council on the work plan as it is developed.

Transportation System Plan (TSP)

- The TSP kicked off in October 2023. To date, the Technical and Advisory Committees have each met seven times, most recently in February to review transportation system needs and gaps. The Technical and Advisory Committees are scheduled to meet in April to begin discussing transportation improvement projects. City Council and Planning Commission received updates on the project in February and March. City Council will receive a second update in April.

Planning Commission

- The Commission held its annual joint meeting with the NDA's on April 8. Six NDA officers attended. Staff discussed large development projects, middle housing unit production, and the land use process with both groups.
- MLP-2025-001: A Type III application to partition the OLCC property at 9201 SE McLoughlin Blvd into two parcels. The property would be divided using the centerline of Johnson Creek. No new development on either parcel is proposed. Natural resources review is required due to the presence of mapped natural resource areas on the property being divided. A variance is requested to allow a restricted development easement on a portion of the property rather than create a separate tract of resource area. Referrals were sent on February 4. A public hearing with the Planning Commission was held on March 11. The Planning Commission voted unanimously to approve the applications. The Notice of Decision was issued on March 12; the appeal period ended on March 27. No appeals were filed.
- DR-2025-001: A Type III Downtown Design Review application for the construction of a 4-story, 45-unit residential building on the site of the former Chase Bank at 10900 SE 21st Ave and 2120 SE Monroe St. The building will have private and shared amenity spaces, 17 vehicle spaces (9 EV spaces) in an adjacent parking lot, and 45 bike parking spaces. The applicant is requesting Type III Downtown Design Review related to Building Massing and Transitions – the design is proposed to meet the design guidelines rather than meeting the design standard that requires a 6-ft step back for the top 10 ft of the building. The public hearing with the Planning Commission has been tentatively scheduled for May 13.
- CU-2025-002: A Type III Conditional Use application for a vacation rental at 8525 SE 32nd Ave. The property has been operated as a single-unit residence and short-term rental for the past 7 years and the owner wishes to now convert it to a full-time vacation rental. The application has been deemed complete and referred for review and comment by other departments and agencies. A public hearing with the Planning Commission is scheduled for May 13.

Land Use/Development Review¹

- VR-2025-003: A Type II application for a sign height adjustment to relocate the Pietros's freestanding sign to the new restaurant location at 11050 SE Oak St. No comments were received. A Notice of Decision to approve the application was issued on March 5. The appeal period ended on March 20. No appeals were filed.
- VR-2025-004: A Type II application to allow a 7-ft tall fence in the rear and side yards at the property located at 11005 SE Linwood Ave. Referrals and notices were sent on March 6; comments are due on March 20. A Notice of Decision to approve the application was issued on March 21. The appeal period ended on April 7. No appeals were filed.
- MHLD-2025-001 & -002: Type II applications for middle housing land division of detached quadplexes being developed at 5026 & 5036 SE Harrison St, respectively. Referrals and a public notice mailing were sent on March 13. Notices of decision were issued on April 8, and the appeal period will run through April 23, 2025.
- CSU-2025-001 & VR-2025-005: A Type II application for a minor modification to an existing community service use (childcare) at 2992 SE Monroe St. The applicant has also applied for a variance to the maximum fence height standard in residential zones. The referral and public notice mailing were sent out on March 25.

Other Updates

- Natural Resources code update: Staff are working to finalize the package of proposed amendments to the natural resource code (Milwaukie Municipal Code (MMC) Section 19.402), with a public hearing for a recommendation for approval by the Planning Commission scheduled on April 22, followed by a hearing for adoption by Council on May 20, 2025.

¹ Only land use applications requiring public notice are listed.

BUILDING

Permit data for	March	FY to Date:
New single-family houses:	1	3
New ADU's	0	2
New Solar	5	60
Res. additions/alterations	3	42
Commercial new	0	4
Commercial Alterations	2	82
Demo's	2	12
Cottage Clusters	0	23
Total Number of Permits issued:		1215
(includes fire, electrical, mechanical, plumbing, and other structural)		
Total Number of Inspections:		3785
Total Number of active permits:		1065

ENGINEERING

Capital Improvement Projects (CIP):

CIP 2018-A13 Washington Street Area Improvements

Summary: This project combines elements of the SAFE, SSMP, Water, Stormwater, and Wastewater programs. SAFE improvements include upgrading and adding ADA compliant facilities along 27th Ave, Washington St, and Edison St. Street Surface Maintenance Program improvements are planned for Washington Street, 27th Avenue, and Edison Street. The Spring Creek culvert under Washington Street at 27th Avenue will be removed, and a new structure added. The water system along Washington Street will be upsized from a 6" mainline to an 8" mainline. The stormwater system along Washington Street will be upsized from 18" to 24" storm lines. The project is being designed by AKS Engineering and Forestry.

Update: The final waterline connections along Washington Street are being held up due to complications shutting down the main pipe to do the connection work. A new PRV has been installed on the main waterline at Washington and 29th Street. ADA ramps and sidewalk restorations are ongoing as well as curb restorations. Once concrete work is completed, grind & pave will start again to complete the remaining streets proposed to be completed.

CIP 2016-Y11 Meek Street Storm Improvements

Summary: Project was identified in the 2014 Stormwater Master Plan to reduce flooding within this water basin. The project was split into a South Phase and a North Phase due to complications in working with UPRR.

Update: Contractor has completed installation of the pipeline between the Murphy Site and the Balfour Pond. The forebay and southern cell of the Balfour Pond have been excavated, and rock buttress installed. The contractor is currently constructing the weir wall on the north side of Balfour Pond as well as the outlet structure. In December, the contractor performed a horizontal boring at Kelvin, for a waterline crossing beneath the railroad.

CIP 2021-T58 Milwaukie Downtown Streets and Curbs

Summary: The project includes SAFE improvements to downtown sidewalks by replacing existing sidewalk with pervious concrete sidewalk. Stormwater improvements include installing 5 storm inlets and 5 manholes. The project will use a specialized product, Silva Cells, to deter sidewalk uplift from tree roots. This project is out to bid and is expected to select a contractor by January 14th.

Update: The contractor is scheduled to pour the concrete for the sidewalks on April 11.

CIP 2022-W56 Harvey Street Improvements

Summary: The project includes water improvements and stormwater improvements on Harvey Street from 32nd Avenue to the east end, on 42nd Avenue from Harvey Street to Johnson Creek Boulevard, 33rd Avenue north of Harvey Street, 36th Avenue north of Harvey Street, Sherry Street west of 36th Avenue, 41st Street north of Wake Court, and Wake Court. Sanitary sewer work will be done on 40th Avenue between Harvey Street to Drake Street. The project also includes the installation of an ADA compliant sidewalk on Harvey Street from 32nd Avenue to 42nd Avenue and 42nd Avenue from Harvey Street to Howe Street. Roadway paving will be done throughout the project area.

Update: Century West Engineering was contracted for the design in July 2023. The project is currently at 90% design and is estimated to get 100% plans by the end of January. In process to get an easement at 8930 SE 42nd Avenue for a rapid flash beacon. Another open house will be scheduled after completion of design.

CIP 2021-W61 Ardenwald North Improvements

Summary: Project includes street repair on Van Water Street, Roswell Street, Sherrett Street, 28th Avenue, 28th Place, 29th Avenue, 30th Avenue, and 31st Avenue with a shared street design for bicycles, pedestrians, and vehicles. The sidewalk will be replaced on the north side of Roswell Street between 31st and 32nd Avenue. Stormwater catch basins in the project boundary will be upgraded, the water system will be upsized on 29th Avenue, 30th Avenue, 31st Avenue, and Roswell Street, and there will be wastewater improvements on 28th Avenue, 29th Avenue, and 31st Avenue to address multiple bellies and root intrusion to reduce debris buildup.

Update: Sanitary Sewer bursting is being finalized this week. Water services will be installed this week and hot tapping to connect the new water mains to the existing system will be starting Tuesday, April 15th.

CIP 2022-A15 King Road Improvements

Summary: King Road (43rd Avenue to city limits near Linwood Avenue) SAFE/SSMP Improvements will replace existing sidewalk and bike lane with a multi-use path, improve stormwater system, replace water pipe, and reconstruct roadway surface.

Update: City sent back to the consultant the 90% design plans with comments to be implemented towards the 100% design plan. The cost estimate and especial provisions will incorporate the changes as well. Once the 100% engineering design is finalized bidding documents will be prepared for Bonfire. The bidding process is expected to be completed in Q2 of 2025.

Interagency coordination is also in progress with Clackamas River Water and North West Natural which will complete infrastructure updates to their networks at the same time the City builds this project.

Property owners along King Road have been returning signed Permits of Entry (POEs) , City staff have been coordinating and holding in-person meetings to answer questions and explain the details of the improvements before the POEs get signed. As of April 2025 77%, of the permits have been returned, it is expected to have 100% of the POEs returned before construction starts.

CIP 2024-N04 Downtown Streetscape Improvements

Summary: SE Main Street from Washington Street to the north end of City Hall: URA project to update and bring up to Downtown standards sidewalks, ramps and parking spaces. The design will be in-house led by the engineering department.

Update: A project charter has been drafted and shared with the Public Works Department to add projects that could be completed at the same time along SE Main Street. The charter will soon be shared, refined and approved by department managers.

The Topographic survey was completed over the winter by Emerio Engineering; CAD baseline files are in City's possession to start the design process

CIP 2025-T61 2025 Grind & Pavement

Summary: Annual street project that identifies city roads that need to be repaved and marked. The identification process was coordinated by the Engineering department and the Street Division.

Update: As part of this year's project, the SPOT program recommended speed cushions along SE Wichita Avenue to help keep posted speeds consistent. Part of the speed cushion costs will be funded by the SPOT program.

Design plans, cost estimates, and special provisions are currently under review. The contract and bidding documents are being drafted. It is expected that the bid opens at the end of April in Bonfire.

CIP 2025- First Fish Herons

Summary: As part of the IGA with the Confederated Tribes of Grand Ronde and the third phase of the Milwaukie Bay Park design the Engineering department is working with the Cultural Resources Department of the Tribes to complete the design and construct three art plinths for seasonal art exhibitions.

Update: The Engineering department coordinated with NCPRD and Knot Studios to get access to the 50% design of the Milwaukie Bay Park which included the preliminary plinths. This plan will be used to refine the design and location of the plinths in coordination with the Cultural Resources Department.

There was a meeting in March to obtain more details about the design of the plinths and define the next steps and a timeline to complete the project before February 2026. The engineering department is currently preparing an RFQ to design and construct the plinths based on the information collected.

Line 33 – Better Bus Project (TriMet)

Summary: As part of the Better Bus Project TriMet and Clackamas county are working together to bring Transit Signal Priority (TSP) to the Line 33 bus. This will improve reliability and reduce the delays the route currently experiences.

As part of this project, TriMet is consolidating bus stops and retrofitting the infrastructure of the route. A consolidation of bus stops will take place on SE Harrison Street between 26th Avenue and OR 224. Two eastbound and two westbound stops will be consolidated into a one bus stop at 2816 SE Harrison Street by the Bridge City Community Church

The Engineering and Planning Departments are working closely with TriMet and Clackamas County evaluating the design and helping coordinating permits and utility relocation. It is expected that construction takes place in Fall 2025.

Waverly Heights Sewer Reconfiguration

Summary: Waverly Heights Wastewater project was identified in the 2010 Wastewater System Master Plan. The project may replace approximately 2,500 feet of existing clay and concrete pipes.

Update: Authorization for the design contract with Stantec was approved by the Council on August 1, 2023. An engineering services agreement was executed with Stantec on Sept. 19, and the design effort was kicked off in early October of 2023. A flow monitoring program was initiated in October, and will continue through the wet season, concurrent with design. A public engagement plan was prepared in Fall of 2023, and a first set of informational material was mailed out to neighbors in the area in November, along with permit of entry forms. Stantec commenced with early site investigations in December of 2023, and completed 30 percent design in January 2024. In March of 2024, the design team met with select residents on properties that may be more impacted from the project (i.e. properties that might require spot repairs or open trenching). A public open house was held on May 9th, 2024, at City Hall. The City reviewed Stantec's 60 percent design in July of 2024. The design team is currently working through the 90 percent design and preparing for the acquisition of Temporary Construction Easements.

Monroe Street Greenway

Summary: The Monroe Street Greenway will create a nearly four-mile, continuous, low-stress bikeway from downtown Milwaukie to the I-205 multi-use path. Once complete, it will serve as the spine of Milwaukie's active transportation network connecting users to the Max Orange Line, Max Green Line, Trolley Trail, 17th Avenue Bike Path, I-205 path, neighborhoods, schools, and parks. Funding grants through ODOT and Metro will allow the city to complete our 2.2-mile section of the Monroe Greenway from the Trolley Trail to Linwood Ave. The Clackamas County portion of the Greenway, from Linwood Avenue to Fuller Road, has moved to the construction phase.

Segment Update:

East Monroe Greenway (37th to Linwood): Staff have come to an agreement with ODOT and contracted CONSOR for the design. CONSOR has submitted the Design Approval Package to ODOT (approximately 60% design). The Plans, Specifications, and Estimate (PS&E) submittal will be provided to ODOT in May 2025. Final project design is expected in December 2025, and the project is expected to go to construction in Summer 2026. Open-Houses were hosted on February 29th for all of the Monroe Greenway, ODOT's Highway-224 project, the City's TSP, and Kellogg Creek Restoration and Community Enhancement Project, and on September 12 for the East segment of the Monroe Greenway. The City received mixed feedback for moving forward with the project. Feedback from the February and September open houses has been incorporated into the design and city staff prepared an engagement plan to share with the public. City staff presented the status of the East Segment of the Monroe Greenway to the City Council on December 3. Members of the public attended the presentation and participated in the public comments portion of the city council meeting. City staff applied for approximately \$1.7 million of additional funding through the Regional Flexible Funds Allocation (RFFA) grant program to mitigate scope reductions due to inflation. Metro has indicated approximately \$1.5 million will be awarded, but the award isn't expected to be finalized by the Federal Highway Administration until April 2025. Priorities for the additional funding include paving, a flashing beacon at the 37th Avenue/Washington Street Crossing, and sidewalks on Monroe west of Garrett to complete the Monroe sidewalks from the greenway to 37th Avenue.

Monroe Street & 37th Avenue (34th to 37th): This segment is complete. It was constructed as part of the private development of the 7 Acres Apartments.

Western Monroe Greenway (21st to 34th): The city and ODOT have signed an IGA that will transfer \$1.55 M in STIP funding to the city to construct this segment of the Monroe Street Greenway. City staff have contracted with 3J Consulting to negotiate work at the Oak Street and 37th Avenue

railroad crossings. A request for qualifications was posted to Bonfire and closes April 17, 2025 for the design of the western portion of the greenway.

Monroe Street & Highway-224 Intersection: This project has now been combined with a larger project which will mill and overlay Highway-224 from 17th Avenue to Rusk Road in Fiscal Year 2026. An Open-House was hosted on February 29th for all of the Monroe Greenway, ODOT's Highway-224 project, the City's TSP, and Kellogg Creek Restoration and Community Enhancement Project. The City received concerns regarding the development of Highway-224 and Monroe Greenway pushing traffic from Monroe Street onto Penzance Street. ODOT bid opening for the project was January 9, 2025. A Notice of Intent to Award to Wildish Standard Paving was posted January 30, 2025. Construction is anticipated in Summer/Fall 2025.

The water main in Monroe Street underlying Highway 224 was replaced by pipe bursting in December 2024.

Downtown Monroe Greenway (Trolley Trail to 21st Avenue): The city is investigating funding to enhance the Monroe Greenway through downtown Milwaukie.

Kellogg Creek Restoration and Community Enhancement Project

Summary: Project to remove the Kellogg Creek dam, replace the McLoughlin Blvd. bridge, improve fish passage, and restore the wetland and riparian area. City of Milwaukie staff are part of the project Leadership Team, Core Technical Team, and the Technical Advisory Committee. The Leadership Team and Core Technical Team both meet monthly. In addition to city staff, these groups include staff from North Clackamas Watershed Council (NCWC), Oregon Department of Transportation (ODOT), and American Rivers. The Technical Advisory Committee (TAC) for the Kellogg Creek Restoration & Community Enhancement Project involves all collaborative partners that include the Confederated Tribes of the Warm Springs Indian Reservation of Oregon, the Confederated Tribes of Grand Ronde, Clackamas Water Environment Services, Metro, North Clackamas Parks and Recreation District, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Division of State Lands, the Native Fish Society, and the Natural Resources Office of Governor.

Update: The Summer 2024 Geotechnical and Sediment Sampling/Evaluation Study is complete. On December 12, Metro announced that the project would receive \$10M in [large scale community visions grant funds](#). These funds will be utilized as the local match requirement called out in federal grant applications. Additional details and updates are available at the project website: <https://www.milwaukieoregon.gov/kellogg/project-status>

Traffic / Parking Projects, Issues

None.

Right-Of-Way (ROW) Permits (includes tree, use, construction, encroachment)

Downtown Trees and Sidewalks

Update: Staff have a contract with AKS; working on what type of design works best now and in the future with both the trees and sidewalks & curbs.

Private Development – Public Improvement Projects (PIPS)

1600 Lava

Update: This development on Lava drive will add a new 13-unit multi-family building. Public improvements for this project include a new sidewalk, an ADA ramp, and minor street widening.

Building permits have been issued and on-site construction has begun. A Right of Way permit has been issued, and the Contractor is gearing up for sidewalk and roadway improvements.

Hillside

Update: Hillside currently has issued permits for the first building and public improvements to be constructed under phase I. The remaining two buildings and public improvements to be constructed during this phase are still under review. City staff is meeting with the developer on a weekly basis to ensure the project moves smoothly. Public improvements for this development include new roadway alignment, new sidewalk, ADA ramps, and new asphalt paving. Work has started on the first building and associated public improvements.

Seven Acres Apartments (formerly Monroe Apartments) – 234 units

Update: Seven Acres has completed construction and is currently occupied. Public improvements for this development included a new bike path and sidewalk from Oak Street and Monroe Street to 37th Avenue and Washington Street. Public improvements are currently under warranty and will receive a final inspection after a one-year period before shifting over to the City for ownership.

Henley Place (Kellogg Bowl redevelopment)- 175 units

Update: Construction is complete, and the building is occupied.

Elk Rock Estates – 5 lot subdivision at 19th Ave & Sparrow St.

Update: All public improvements have been completed; the project is in the close out phase and the Engineering Department is currently waiting on as-builts from the developer. The land use entitlements have recently expired, so they will need to go back through the process to build units. The lots are currently for sale.

Shah & Tripp Estates – 8-lot subdivision at Harrison Street and Home Ave.

Update: The Right-of-Way improvements have been completed, and the new street has been opened. Currently the developer and contractor are addressing final punch list items. As-builts have been submitted to the City for review.

Walnut Estates

Update: Walnut estates have completed the majority of their construction and is currently in the final punch-list and cleanup phase. Public improvements for this development include a new sidewalk, storm water facilities, and a new asphalt roadway. Once the final work is completed, this development will enter the one-year warranty period.

Bonaventure Senior Living – 170-units

Update: ROW permits have been issued, and public improvements are currently under construction. Milwaukie staff have completed on-site storm water facility inspections and will inspect asphalt multi-use path up to HWY 224.

Document Administration

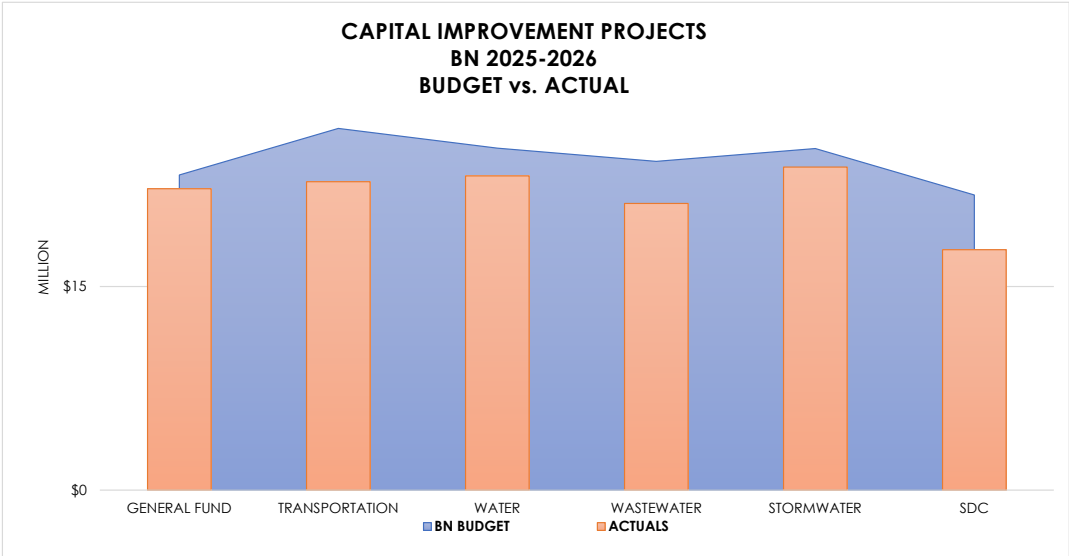
Plans

Summary: WSC is preparing the Stormwater System Plan.

City of Milwaukie
Capital Improvement Projects Update - TOTAL BY FUND
Third Quarter for Fiscal Year Ending 2025

(Amounts in Thousands \$100 = \$100,000)

FUND	BUDGET FY 2025	BUDGET FY 2026	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING
GENERAL FUND	\$ 2,505,000	\$ 412,000	\$ 2,917,000	\$ 1,519,583	\$ -	\$ 1,519,583	\$ 1,397,417	48%
BUILDING	50,000	50,000	100,000	178,723	-	178,723	45,008	45%
TRANSPORTATION	13,441,000	12,789,000	26,230,000	2,116,803	-	2,116,803	24,113,197	92%
WATER	7,714,000	2,573,000	10,287,000	5,572,122	-	2,786,061	7,500,939	73%
WASTEWATER	5,080,000	445,000	5,525,000	758,194	-	758,194	4,766,806	86%
STORMWATER	8,303,000	1,856,000	10,159,000	4,226,307	-	4,226,307	5,932,693	58%
SDC	945,000	185,000	1,130,000	85,285	-	85,285	1,044,715	92%
MRC	2,482,000	2,900,000	5,382,000	-	-	-	5,382,000	100%
TOTAL CITY-WIDE	\$40,520,000	\$21,210,000	\$61,730,000	\$ 14,457,017	\$ -	\$ 11,670,956	\$50,182,775	81%



City of Milwaukee
Capital Improvement Projects Update - GENERAL FUND
Third Quarter for Fiscal Year Ending 2025
(Amounts in Thousands \$100 = \$100,000)

GENERAL FUND PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
City Hall Badge Readers	Facilities		\$ 20,000	\$ -	\$ -		\$ 20,000	\$ 16,408	\$ -	\$ 16,408	\$ 3,592	18%	
City Hall Window Seal Replacement	Facilities		30,000	-			30,000	-	-	-	30,000	100%	Deferred
Citywide HVAC Controls	Facilities	-	100,000	-	-		100,000	-	-	-	100,000	100%	Deferred
Johnson Creek Campus Solar Array Installation	Facilities	F54	475,000	-	-		475,000	944	-	944	474,056	100%	Construction expected to begin February 2025
Ledding Library Ballard Installation	Facilities	-	20,000	-	-		20,000	-	-	-	20,000	100%	
Public Safety Building Boiler	Facilities	-	15,000	-	-		15,000	-	-	-	15,000	100%	Finalizing construction IGA
Public Works Admin Building Bathroom Renovation	Facilities	-	85,000	-			85,000	-	-	-	85,000	100%	
Gutter Installation	Facilities	-	-	45,000			45,000	-	-	-	45,000	100%	
Public Works Parking Lot Repair	Facilities	-	-	30,000			30,000	-	-	-	30,000	100%	
Public Safety Building Roof	Facilities	-	-	30,000			30,000	-	-	-	30,000	100%	
Public Safety Building Seismic Retrofit	Facilities	F51	500,000	-			500,000	744,805	-	744,805	(244,805)	-49%	Project complete, finishing project documentation
Vehicles & Equipment	Facilities	F33	-	65,000	-		65,000	61,713	-	61,713	3,287	5%	
Vehicles & Equipment	Fleet		-	12,000	-		12,000	-	-	-	12,000	100%	In progress
Public Safety Building Detectives Office	Police Department	Z14	15,000	15,000	-		30,000	41,191	-	41,191	(11,191)	-37%	In progress
Vehicles & Equipment	Police Department	Z09	240,000	180,000	-		420,000	290,871	-	290,871	129,129	31%	Complete
Vehicles & Equipment	Public Works Admin	G04	70,000	-	-		70,000	34,678	-	34,678	35,322	50%	Purchase complete
Balfour Park	Public Works Admin		364,000	-	-		364,000	-	-	-	364,000	100%	
Bowman-Brae Park	Public Works Admin		25,000	-	-		25,000	-	-	-	25,000	100%	Solicitation for contractors
Scott Park	Public Works Admin	G09	366,000	-	-		366,000	245,256	-	245,256	120,744	33%	In progress
Police MDC Refresh	Information Technology	I24	35,000	35,000	-		70,000	68,125	-	68,125	1,875	3%	Complete
Enterprise Firewall & Servers Refresh	Information Technology	I25	145,000	-	-		145,000	15,592	-	15,592	129,408	89%	Firewall replacement complete. Server refresh upcoming.
GENERAL FUND TOTAL			\$ 2,505,000	\$ 412,000	\$ -		\$ 2,917,000	\$ 1,519,583	\$ -	\$ 1,519,583	\$ 1,397,417	48%	

City of Milwaukee
Capital Improvement Projects Update - **INFRASTRUCTURE**
Third Quarter for Fiscal Year Ending 2025
(Amounts in Thousands \$100 = \$100,000)

INFRASTRUCTURE PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tekmark	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
26th Avenue Improvements	SAFE	-	\$ 74,000	\$ -	\$ -		\$ 74,000	\$ -	\$ -	\$ -	\$ 74,000	100%	In design
	SSMP	-	88,000	-	-		88,000	-	-	-	88,000	100%	
	26th Avenue Improvements		\$ 162,000	\$ -	\$ -		\$ 162,000	\$ -	\$ -	\$ -	\$ 162,000	100%	
40th & Harvey Concrete Reservior	WATER		100,000	750,000	-		850,000	-	-	-	850,000	100%	
	40th & Harvey Concrete Reservior		\$ 100,000	\$ 750,000	\$ -		\$ 850,000	\$ -	\$ -	\$ -	\$ 850,000	100%	
Ardenwald North Improvements	STATE GAS TAX		\$ 232,000	-	\$ -		232,000	-	-	-	232,000	100%	Under construction
	SAFE		\$ 765,000	-	-		765,000	2,978	-	2,978	762,022	100%	
	SSMP		\$ 592,000	-	-		592,000	821	-	821	591,179	100%	
	WATER		\$ 995,000	-	-		995,000	2,371	-	2,371	992,629	100%	
	WASTEWATER		\$ 745,000	-	-		745,000	1,248	-	1,248	743,752	100%	
	STORMWATER	W61	\$ 691,000	-	-		691,000	1,270	-	1,270	689,730	100%	
	Ardenwald North Improvements		\$ 4,020,000	\$ -	\$ -		\$ 4,020,000	\$ 8,688	\$ -	\$ 8,688	\$ 4,011,312	100%	

INFRASTRUCTURE PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
Balfour Park	Public Works Admin	-	\$ 364,000	\$ -	\$ -		\$ 364,000	\$ -	\$ -	\$ -	\$ 364,000	100%	In process
	Balfour Park		\$ 364,000	\$ -	\$ -		\$ 364,000	\$ -	\$ -	\$ -	\$ 364,000	100%	
Bowman-Brae & Where Else Lane	SAFE	-	\$ 25,000	\$ -	\$ -		\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	100%	In process
	Bowman-Brae & Where Else Lane		\$ 25,000	\$ -	\$ -		\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	100%	
Bowman-Brae Park	SAFE	-	\$ 25,000	\$ -	\$ -		\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	100%	In process
	Public Works Admin	-	\$ 340,000	-	-		340,000	-	-	-	340,000	100%	
	Bowman-Brae Park		\$ 365,000	\$ -	\$ -		\$ 365,000	\$ -	\$ -	\$ -	\$ 365,000	100%	
Brookside Pump Station Improvements	WASTEWATER		\$ 500,000	\$ -	\$ -		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	100%	
	Brookside Pump Station Improvements		\$ 500,000	\$ -	\$ -		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	100%	

INFRASTRUCTURE PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
Downtown Curbs & Storm	STATE GAS TAX	-	\$ 55,000	\$ -	\$ -		\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	100%	Preparing project for bid process
	STORMWATER	-	500,000	-	-		500,000	-	-	-	500,000	100%	
	Downtown Curbs & Storm		\$ 555,000	\$ -	\$ -		\$ 555,000	\$ -	\$ -	\$ -	\$ 555,000	100%	
Downtown Public Area Requirements	TRANSPORTATION - SDC	-	\$ 250,000	\$ -	\$ -		\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	100%	
	Downtown Public Area Requirements		\$ 250,000	\$ -	\$ -		\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	100%	
Flood Mitigation Grant Match	STORMWATER	-	\$ 50,000	\$ 50,000	\$ -		\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	100%	
	Flood Mitigation Grant Match		\$ 50,000	\$ 50,000	\$ -		\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	100%	
Harvey Street Improvements	SAFE		\$ 445,000	\$ 445,000	\$ -		\$ 890,000	\$ 46,686	\$ -	\$ 46,686	\$ 843,314	95%	Preparing project for bid process
	SSMP		\$ 479,000	\$ 479,000	\$ -		\$ 958,000	\$ 57,903	\$ -	\$ 57,903	\$ 900,097	94%	
	STATE GAS TAX		\$ 411,000	\$ 411,000	\$ -		\$ 822,000	\$ 18,201	\$ -	\$ 18,201	\$ 803,799	98%	
	WATER		\$ 1,600,000	\$ -	\$ -		\$ 1,600,000	\$ 46,573	\$ -	\$ 46,573	\$ 1,553,427	97%	
	WASTEWATER		\$ 87,000	\$ -	\$ -		\$ 87,000	\$ 4,310	\$ -	\$ 4,310	\$ 82,690	95%	
	STORMWATER		\$ 663,000	\$ -	\$ -		\$ 663,000	\$ 25,674	\$ -	\$ 25,674	\$ 637,326	96%	
	Harvey Street Improvements		\$ 3,685,000	\$ 1,335,000	\$ -		\$ 5,020,000	\$ 199,347	\$ -	\$ 199,347	\$ 4,820,653	96%	
International Way Improvements	WASTEWATER	-	\$ -	\$ 18,000	\$ -		\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	100%	Slated for FY2027-2028
	International Way Improvements		\$ -	\$ 18,000	\$ -		\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	100%	
King Road Improvements (43rd to Linwood)	SAFE	A15	\$ 4,026,000	\$ -	\$ -		\$ 4,026,000	\$ 161,766	\$ -	\$ 161,766	\$ 3,864,234	96%	Project approaching 90% design level
	SSMP		\$ -	\$ 1,571,000	\$ -		\$ 1,571,000	\$ 84,328	\$ -	\$ 84,328	\$ 1,486,672	95%	
	WATER		\$ 602,000	\$ -	\$ -		\$ 602,000	\$ 11,332	\$ -	\$ 11,332	\$ 590,668	98%	
	STORMWATER		\$ 2,000,000	\$ -	\$ -		\$ 2,000,000	\$ 7,249	\$ -	\$ 7,249	\$ 1,992,751	100%	
	King Road Improvements (43rd to Linwood)		\$ 6,628,000	\$ 1,571,000	\$ -		\$ 8,199,000	\$ 264,675	\$ -	\$ 264,675	\$ 7,934,325	97%	
Lava Drive Booster Pump Station	WATER	-	\$ 25,000	\$ 150,000	\$ -		\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000	100%	
	Lava Drive Booster Pump Station		\$ 25,000	\$ 150,000	\$ -		\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000	100%	
Lead Service Line Replacements	WATER	-	\$ 100,000	\$ 100,000	\$ -		\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000	100%	
	Lead Service Line Replacements		\$ 100,000	\$ 100,000	\$ -		\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000	100%	
Logus Road, 40th & 42nd Avenue	SAFE		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	0%	Design slated for FY 2026, Construction slated for FY 2028.
	SSMP		\$ -	\$ 152,000	\$ -		\$ 152,000	\$ -	\$ -	\$ -	\$ 152,000	100%	
	STATE GAS TAX		\$ -	\$ 300,000	\$ -		\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	100%	
	WATER		\$ -	\$ 80,000	\$ -		\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000	100%	
	WASTEWATER		\$ -	\$ 6,000	\$ -		\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	100%	
	STORMWATER		\$ -	\$ 35,000	\$ -		\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	100%	
	STORMWATER	-	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
	Logus Road, 40th & 42nd Avenue		\$ -	\$ 573,000	\$ -		\$ 573,000	\$ -	\$ -	\$ -	\$ 573,000	100%	

INFRASTRUCTURE PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
McLoughlin Boulevard Intersections	MRC	-	\$ 250,000	\$ -	\$ -		\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	100%	
McLoughlin Boulevard Intersections			\$ 250,000	\$ -	\$ -		\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	100%	
Meek Street Improvements	STORMWATER		\$ 3,381,000	\$ -	\$ -		\$ 3,381,000	\$ 3,477,453	\$ -	\$ 3,477,453	\$ (96,453)	-3%	Under construction
Meek Street Improvements			\$ 3,381,000	\$ -	\$ -		\$ 3,381,000	\$ 3,477,453	\$ -	\$ 3,477,453	\$ (96,453)	-3%	
Monroe Street Greenway	STATE GAS TAX	T38	\$ -	\$ 2,808,000	\$ -		\$ 2,808,000	\$ 34,445	\$ -	\$ 34,445	\$ 2,773,555	99%	In design
	WATER		\$ 250,000	\$ -	\$ -		\$ 250,000	\$ 200,583	\$ -	\$ 200,583	\$ 49,417	20%	
	STORMWATER		\$ -	\$ 636,000	\$ -		\$ 636,000	\$ -	\$ -	\$ -	\$ 636,000	100%	
Monroe Street Greenway			\$ 250,000	\$ 3,444,000	\$ -		\$ 3,694,000	\$ 235,028	\$ -	\$ 235,028	\$ 3,458,972	94%	
New Storage Reservoir	WATER	-	\$ -	\$ 150,000	\$ -		\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	100%	Design slated for FY 2026-2027, Construction slated for FY 2028.
New Storage Reservoir			\$ -	\$ 150,000	\$ -		\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	100%	
Pump Station Condition Assessments	WASTEWATER	-	\$ 30,000	\$ -	\$ -		\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	100%	
Pump Station Condition Assessments			\$ 30,000	\$ -	\$ -		\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	100%	

INFRASTRUCTURE PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
Pump Station Lift & SCADA Controls Replacement	WASTEWATER	-	\$ -	\$ 50,000	\$ -		\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	100%	
Pump Station Lift & SCADA Controls Replacement			\$ -	\$ 50,000	\$ -		\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	100%	
Residential Street Surface Repair	SSMP	-	\$ 500,000	\$ 500,000	\$ -		\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	100%	In design
Residential Street Surface Repair			\$ 500,000	\$ 500,000	\$ -		\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	100%	
SAFE Spot Program	SAFE	-	\$ 250,000	\$ 100,000	\$ -		\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000	100%	Program went live in December 2024
SAFE Spot Program			\$ 250,000	\$ 100,000	\$ -		\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000	100%	
Salt & Rock Cover	STATE GAS TAX	T63	\$ 75,000	\$ 50,000	\$ -		\$ 125,000	\$ 4,701	\$ -	\$ 4,701	\$ 120,299	96%	
Salt & Rock Cover			\$ 75,000	\$ 50,000	\$ -		\$ 125,000	\$ 4,701	\$ -	\$ 4,701	\$ 120,299	96%	
Scott Park	Public Works Admin	G09	\$ 366,000	\$ -	\$ -		\$ 366,000	\$ 245,256	\$ -	\$ 245,256	\$ 120,744	33%	Punch list items remain. Park open for use.
Scott Park			\$ 366,000	\$ -	\$ -		\$ 366,000	\$ 245,256	\$ -	\$ 245,256	\$ 120,744	33%	
Sewer Lining Projects	WASTEWATER	-	\$ 1,059,000	\$ -	\$ -		\$ 1,059,000	\$ -	\$ -	\$ -	\$ 1,059,000	100%	
Sewer Lining Projects	WASTEWATER		\$ 1,059,000	\$ -	\$ -		\$ 1,059,000	\$ -	\$ -	\$ -	\$ 1,059,000	100%	
Sewer Lining Projects			\$ 2,118,000	\$ -	\$ -		\$ 2,118,000	\$ -	\$ -	\$ -	\$ 2,118,000	100%	
Signal & Intersection Upgrades	STATE GAS TAX	T57, T58	\$ 100,000	\$ 100,000	\$ -		\$ 200,000	\$ 26,298	\$ -	\$ 26,298	\$ 173,702	87%	
Signal & Intersection Upgrades			\$ 100,000	\$ 100,000	\$ -		\$ 200,000	\$ 26,298	\$ -	\$ 26,298	\$ 173,702	87%	
Stanley Reservoir Improvements	WATER	ARPA, W2	\$ 2,600,000	\$ -	\$ -		\$ 2,600,000	\$ 1,666,860	\$ -	\$ 1,666,860	\$ 933,140	36%	Under construction
Stanley Reservoir Improvements			\$ 2,600,000	\$ -	\$ -		\$ 2,600,000	\$ 1,666,860	\$ -	\$ 1,666,860	\$ 933,140	36%	
Stanley SAFE Improvements	SAFE	-	\$ 500,000	\$ 5,000,000	\$ -		\$ 5,500,000	\$ -	\$ -	\$ -	\$ 5,500,000	100%	Received IGA and working on RFQ for design.
Stanley SAFE Improvements	STATE GAS TAX		\$ 500,000	\$ -	\$ -		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	100%	
Stanley SAFE Improvements			\$ 500,000	\$ 5,000,000	\$ -		\$ 5,500,000	\$ -	\$ -	\$ -	\$ 5,500,000	100%	
Stormwater Capital Maintenance Program	STORMWATER	-	\$ 250,000	\$ 250,000	\$ -		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	100%	
Stormwater Capital Maintenance Program			\$ 250,000	\$ 250,000	\$ -		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	100%	
Stormwater System Plan	STORMWATER - SDC	Y37	\$ 275,000	\$ 35,000	\$ -		\$ 310,000	\$ 30,017	\$ -	\$ 30,017	\$ 279,983	90%	In progress
Stormwater System Plan			\$ 275,000	\$ 35,000	\$ -		\$ 310,000	\$ 30,017	\$ -	\$ 30,017	\$ 279,983	90%	
Street Surface Slurry Seal	SSMP	S17	\$ 250,000	\$ 250,000	\$ -		\$ 500,000	\$ 27,270	\$ -	\$ 27,270	\$ 472,730	95%	In design
Street Surface Slurry Seal			\$ 250,000	\$ 250,000	\$ -		\$ 500,000	\$ 27,270	\$ -	\$ 27,270	\$ 472,730	95%	
Transportation Capital Maintenance Program	STATE GAS TAX	T61	\$ 500,000	\$ 500,000	\$ -		\$ 1,000,000	\$ 142,893	\$ -	\$ 142,893	\$ 857,107	86%	
Transportation Capital Maintenance Program			\$ 500,000	\$ 500,000	\$ -		\$ 1,000,000	\$ 142,893	\$ -	\$ 142,893	\$ 857,107	86%	

INFRASTRUCTURE PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
Transportation System Plan	TRANSPORTATION - SDC	T62	\$ 250,000	\$ -	\$ -		\$ 250,000	\$ 55,268	\$ -	\$ 55,268	\$ 194,732	78%	In process
	Transportation System Plan		\$ 250,000	\$ -	\$ -		\$ 250,000	\$ 55,268	\$ -	\$ 55,268	\$ 194,732	78%	
VFD Improvements	WATER	-	\$ 50,000	\$ 50,000	\$ -		\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	100%	
	VFD Improvements		\$ 50,000	\$ 50,000	\$ -		\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	100%	
Washington Street Area Improvements	SAFE	A13	\$ 1,000,000	\$ -	\$ -		\$ 1,000,000	\$ 817,143	\$ -	\$ 817,143	\$ 182,857	18%	Under construction
	SSMP		\$ 1,588,000	\$ -	\$ -		\$ 1,588,000	\$ 452,042	\$ -	\$ 452,042	\$ 1,135,958	72%	
	STATE GAS TAX		\$ 377,000	\$ -	\$ -		\$ 377,000	\$ 60,605	\$ -	\$ 60,605	\$ 316,395	84%	
	WATER		\$ 100,000	\$ -	\$ -		\$ 100,000	\$ 617,937	\$ -	\$ 617,937	\$ (517,937)	-518%	
	WASTEWATER		\$ 100,000	\$ -	\$ -		\$ 100,000	\$ 581,087	\$ -	\$ 581,087	\$ (481,087)	-481%	
	STORMWATER		\$ 500,000	\$ -	\$ -		\$ 500,000	\$ 647,766	\$ -	\$ 647,766	\$ (147,766)	-30%	
	Washington Street Area Improvements		\$ 3,665,000	\$ -	\$ -		\$ 3,665,000	\$ 3,176,580	\$ -	\$ 3,176,580	\$ 488,420	13%	

INFRASTRUCTURE PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
Wastewater Capital Maintenance Program	WASTEWATER	-	\$ 50,000	\$ 50,000	\$ -		\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	100%	
Wastewater Capital Maintenance Program			\$ 50,000	\$ 50,000	\$ -		\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	100%	
Water Automation & Control Upgrades	WATER	-	\$ 60,000	\$ 60,000	\$ -		\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	100%	
Water Automation & Control Upgrades			\$ 60,000	\$ 60,000	\$ -		\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	100%	
Water Capital Maintenance Program	WATER	W03, W63	\$ 100,000	\$ 100,000	\$ -		\$ 200,000	\$ 117,074	\$ -	\$ 117,074	\$ 82,926	41%	
Water Capital Maintenance Program			\$ 100,000	\$ 100,000	\$ -		\$ 200,000	\$ 117,074	\$ -	\$ 117,074	\$ 82,926	41%	
Water Pressure Zone Analysis	WATER	-	\$ 50,000	\$ -	\$ -		\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	100%	Kick-off meeting completed
Water Pressure Zone Analysis			\$ 50,000	\$ -	\$ -		\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	100%	
Water System Intertie Evaluation	WATER	-	\$ 75,000	\$ 50,000	\$ -		\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	100%	Kick-off meeting completed
Water System Intertie Evaluation			\$ 75,000	\$ 50,000	\$ -		\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	100%	
Water Treatment Plant	WATER	-	\$ 300,000	\$ 300,000	\$ -		\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000	100%	Kick-off meeting completed
Water Treatment Plant			\$ 300,000	\$ 300,000	\$ -		\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000	100%	
Waverly Heights Sewer System Reconfiguration	WASTEWATER	X41	\$ 1,521,000	\$ 1,521,000	\$ -		\$ 3,042,000	\$ 75,494	\$ -	\$ 75,494	\$ 2,966,506	98%	Project approaching 90% design level
	WASTEWATER - SDC		\$ 170,000	\$ 150,000	\$ -		\$ 320,000	\$ -	\$ -	\$ -	\$ 320,000	100%	
Waverly Heights Sewer System Reconfiguration			\$ 1,691,000	\$ 1,671,000	\$ -		\$ 3,362,000	\$ 75,494	\$ -	\$ 75,494	\$ 3,286,506	98%	
Waverly Heights Sewer System Reconfiguration	SAFE	-	\$ 84,000	\$ -	\$ -		\$ 84,000	\$ -	\$ -	\$ -	\$ 84,000	100%	In design
	SSMP	-	\$ 359,000	\$ -	\$ -		\$ 359,000	\$ -	\$ -	\$ -	\$ 359,000	100%	
	WATER	-	\$ 162,000	\$ -	\$ -		\$ 162,000	\$ -	\$ -	\$ -	\$ 162,000	100%	
	WASTEWATER	-	\$ 202,000	\$ -	\$ -		\$ 202,000	\$ -	\$ -	\$ -	\$ 202,000	100%	
	STORMWATER	-	\$ 12,000	\$ -	\$ -		\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	100%	
Waverly Heights Sewer System Reconfiguration			\$ 819,000	\$ -	\$ -		\$ 819,000	\$ -	\$ -	\$ -	\$ 819,000	100%	
Well 4 Reconditioning	WATER	-	\$ -	\$ 60,000	\$ -		\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	100%	
Well 4 Reconditioning			\$ -	\$ 60,000	\$ -		\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	100%	
Well 5 Improvements	WATER	-	\$ 50,000	\$ 600,000	\$ -		\$ 650,000	\$ -	\$ -	\$ -	\$ 650,000	100%	
Well 5 Improvements			\$ 50,000	\$ 600,000	\$ -		\$ 650,000	\$ -	\$ -	\$ -	\$ 650,000	100%	
Well 6 & 7 Reconditioning Project	WATER	-	\$ -	\$ 60,000	\$ -		\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	100%	
Well 6 & 7 Reconditioning Project			\$ -	\$ 60,000	\$ -		\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	100%	
Well 8	WATER	-	\$ 300,000	\$ -	\$ -		\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	100%	
	Well 8		\$ 300,000	\$ -	\$ -		\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	100%	
Well House HVAC Upgrades	WATER	W10	\$ 25,000	\$ 25,000	\$ -		\$ 50,000	\$ 12,037	\$ -	\$ 12,037	\$ 37,963	76%	

INFRASTRUCTURE PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Updated BN BUDGET	FY 2025 ACTUAL EXPENDITURE	FY 2026 ACTUAL EXPENDITURE	BN ACTUAL EXPENDITURES	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
	Well House HVAC Upgrades		\$ 25,000	\$ 25,000	\$ -	\$ 50,000	\$ 12,037	\$ -	\$ 12,037	\$ 37,963	76%	
	TOTAL CITY-WIDE INFRASTRUCTURE PROJECTS		\$ 36,009,000	\$ 18,002,000	\$ -	\$ 54,011,000	\$ 9,764,939	\$ -	\$ 9,764,939	\$ 44,246,061		

City of Milwaukee
Capital Improvement Projects Update - MRC FUND
Third Quarter for Fiscal Year Ending 2025
(Amounts in Thousands \$100 = \$100,000)

CITY HALL PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2026 ACTUAL EXPENDITURE	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
Dogwood Park	MRC		\$ -	\$ 400,000	\$ -		\$ 400,000	\$ -	\$ 400,000	100%	Downtown street enhancements and improvements are being incorporated into engineering projects specific to downtown. Project for downtown parking solutions.
Monroe Street Greenway	MRC		\$ 332,000	\$ 1,000,000	\$ -		\$ 1,332,000	\$ 20,907	\$ 1,311,093	98%	
Downtown Main Street Enhancements	MRC		\$ 650,000	\$ -	\$ -		\$ 650,000	\$ 35,430	\$ 614,570	95%	
Downtown Streetscape Improvements	MRC		\$ 500,000	\$ -	\$ -		\$ 500,000	\$ 38,135	\$ 461,865	92%	
McLoughlin Boulevard Intersections	MRC		\$ 250,000	\$ -	\$ -		\$ 250,000	\$ -	\$ 250,000	100%	
Milwaukee Bay Parking Reconfiguration	MRC		\$ 200,000	\$ 400,000	\$ -		\$ 600,000	\$ -	\$ 600,000	100%	
Parking Solutions	MRC		\$ 250,000	\$ 250,000	\$ -		\$ 500,000	\$ -	\$ 500,000	100%	
Transit Stop Improvements	MRC		\$ 300,000	\$ -	\$ -		\$ 300,000	\$ -	\$ 300,000	100%	
Opportunity Site Access	MRC		\$ -	\$ 250,000	\$ -		\$ 250,000	\$ -	\$ 250,000	100%	
Trolley Trail	MRC		\$ -	\$ 600,000	\$ -		\$ 600,000	\$ -	\$ 600,000	100%	
MRC FUND TOTAL			\$ 2,482,000	\$ 2,900,000	\$ -		\$ 5,382,000	\$ 94,472	\$ 5,287,528	98%	

City of Milwaukie
Capital Improvement Projects Update - Building Fund
Third Quarter for Fiscal Year Ending 2025
(Amounts in Thousands \$100 = \$100,000)

CITY HALL PROJECT NAME	DEPARTMENT	Project #	BUDGET FY 2025	BUDGET FY 2026	FY 2025 ACTUAL EXPENDITURE	Tickmark	UPDATED BN BUDGET	FY 2026 ACTUAL EXPENDITURE	BUDGET REMAINING	% OF BUDGET REMAINING	PROJECT SPECIFIC NOTE
Vehicles & Equipment	Building		50,000	50,000	\$ -		\$ 100,000	\$ 54,992	\$ 45,008	45%	
BUILDING FUND TOTAL			\$ 50,000	\$ 50,000	\$ -		\$ 100,000	\$ 54,992	\$ 45,008	45%	



CITY OF MILWAUKIE, OREGON
CITY HALL – FINANCE DEPARTMENT
10501 SE MAIN STREET
MILWAUKIE, OR 97222

MEMO

To: Budget Committee

Date Written: May 8, 2025

From: Emma Sagor, City Manager, and
Michael Osborne, Finance Director

Subject: **Financial Stability Strategy - Update**

REMINDER: STRATEGY OVERVIEW

During the development of the FY 25-26 biennial budget, staff identified the need to stabilize the city's five-year general fund forecast. General fund revenues are not increasing at pace with rising city costs. This is due to a variety of factors, including revenue constraints such as state measures 5 and 50, which limit property tax growth; cost pressures such as inflation, rising labor costs, and increased demands on city services; and the earmarking of some city revenues for specific purposes, including within the Urban Renewal Area.

At the time of budget adoption, staff committed to developing a "financial stability strategy" over the biennium to address this problem and rebalance the forecast over the five-year time horizon.

The strategy has three components:

1. **Stabilize costs** – finding further ways to hold or reduce general fund expenditures across city departments by deferring work or finding more economical ways to do things.
2. **Maximize existing revenue streams** – reviewing our current sources of general fund revenue and ensuring we are maximizing the revenue capture of these, including a comprehensive review of the city's fee schedule.
3. **Identify new revenue streams** – researching, selecting, and implementing new tools that generate general fund revenue.

While this strategy focuses on general fund stability, staff will also be similarly evaluating the health and stability of the city's other funds and making recommendations to budget committee as appropriate.

WORK COMPLETED SINCE LAST UPDATE

Forecast refinement

As we are now three quarters of the way through FY25, we are able to refine the general fund forecast with 9 months of actual data. The updated forecast shows an improvement in projected outlook, though expenditures still outpace demand.

The reason for the improved forecast is due to the following steps taken thus far through the financial stability strategy:

- *Stabilizing costs:*
 - The direction to “hold the line” in expenses began even prior to the end of the last fiscal year. While we projected we would start FY25 with a fund balance of \$12.275M, we actually started FY25 with a fund balance of \$13.075M due to lower than anticipated end of biennium expenses. This was a positive \$800,500 to start the fiscal year.
 - Throughout the first three quarters of FY25, the city has continued to “hold the line” in terms of expenses. In the FY25 budget, the city budgeted to spend \$30,252,000 on Labor, Materials and Services, and Capital Improvements. As of early May 2025, we are projecting expenses of closer to \$29,000,000. We also planned proactively for labor negotiations.
- *Maximizing existing revenue streams:*
 - City Council approved an increase in the right of way (ROW) license fee for electricity and natural gas from 5% to 8% starting July 1, 2024. While we are still collecting actuals (some revenue from this source comes in quarterly, and some annually), trends look strong to meet or exceed expectations for this existing revenue source.
 - We are also seeing other existing revenue sources such as business registration, parking permits, and interest income exceeding projections by modest amounts.
 - Overall, our revenues have grown by \$550,000.

The net result is our projected general fund ending balance in FY 2026 is \$10,153,465, and we now do not expect to see a deficit in the general fund until 2029. At our last update to the budget committee, we were projecting an annual deficit of \$800,000 to \$1.2 million per year to stabilize the general fund. With the positive trends we are seeing and the steps taken thus far through this strategy, that annual deficit has shrunk to be around \$500,000 annually. This is a positive trend from where we were last year during the budget process but does not fix the problem. With the 3% cap in property tax revenues due to measures 5 and 50, the city’s expenses continue to outpace revenue, and that is without making very overdue investments into certain core service areas that are lagging behind the resources they need to meet today’s demands, such as public safety.

New revenue generating ideas

Last November, we shared with you a list of 21 revenue ideas for strategies that could help further close the general fund gap. Over the past few months, we have been working on reviewing and analyzing these ideas for feasibility, revenue potential, and community appetite. We have narrowed our recommendation to three proposals we plan to share with you at our May 12th meeting.

The three new proposals, which will be presented in greater details on Monday, include:

1. Implementing a 3% payment card processing fee. This would be a 3% surcharge fee added to all credit/debit card transactions via the city's payment portals. This would offset the increase in fees charged by our payment card system (Tyler Technologies) and payment card companies to the city. This could be implemented as soon as this fall and would be expected to generate approximately \$280,000 a year.
2. Implement a Public Safety Fee on the Utility Bill. Demand for public safety services has increased significantly over the past 20 years while staffing related to public safety and behavior health services has shrunk. We are far behind the industry standard target of officers per thousand and we see growing needs for behavioral health support across the city, especially at the library. The city continues to spend considerable amount in police overtime costs due to understaffing and are facing staff burnout. Staff is proposing implementing a flat \$7 fee per customer (exempting low-income customers) on the utility bill to begin funding public safety like the core "utility"-like service that it is. This would help generate enough revenue to support proactive investments across public safety supporting departments. Designed in this way, this fee could be implemented as soon as this fall and would be expected to generate approximately \$850,000 a year.
 - a. Staff recognize a flat fee for commercial customers may not be the ideal long-term model. We could consider methods to scale the commercial rate by water meter size or trip generation, though these methods are also imperfect and add 3-6 months of implementation time. Given the acute needs the city has to support our public safety infrastructure, we recommend beginning with a flat structure to begin generating revenue. The fee could be modified or decreased/increased in the future by updates to the city's consolidated fee schedule by vote of Council.
3. Develop a photo red light and speed on green camera program for high traffic highways in Milwaukie. More than 22,000 vehicles travel through Milwaukie every day. OR-224 and 99E corridors are where we see the greatest incidents of traffic safety issues, speeding, and dangerous driving. Implementing technology-based tools to enforce traffic laws takes pressure off our law enforcement staff while improving safety outcomes and generating some funds that be reinvested into public safety in the city. Implementation will take approximately 12 months in order to find a vendor to partner with the city, develop agreements with ODOT, and to set up a billing system. This program would be expected to generate approximately \$250,000-\$400,000 a year once operational, though the goal would be for this to decrease overtime as safety outcomes improve.

Staff is also considering the possibility of a property tax increase but does not currently recommend pursuing an increase in the next two years. Factors influencing this consideration include the improved general fund forecast, the uncertainty surrounding parks funding, current economic volatility and the risk of an economic recession.

CONCLUSION

With other cities in the region facing layoffs and budget cuts, Milwaukie is in much better shape than our neighbors. The recent improvements in the general fund forecast provide a window of opportunity to address long-standing fiscal challenges and invest in the city's future. By carefully considering and implementing a mix of revenue strategies and prioritizing strategic investments, the city can ensure long-term fiscal sustainability.

From: [David Chitsazan](#)
To: [Scott Stauffer](#)
Cc: [johnson.william7136@gmail.com](#); [mary.rowe101@gmail.com](#); [leslieschockner@gmail.com](#); [sofie.sherburt@gmail.com](#); [Robert Massey](#); [Adam Khosroabadi](#); [Lisa Batey](#); [William Anderson](#); [Rebecca Stavenjord](#); [Michael Osborne](#); [Emma Sagor](#); [Matthew Deeds](#); [Judith Serio](#); [Nicole Madigan](#)
Subject: Re: FW: [City Council Meeting Packets] 2/10 Budget Committee Packet
Date: Saturday, March 8, 2025 10:37:30 AM

This Message originated outside your organization.

Hi Everyone,

Given City Manager Sagor mentioned it's city policy not to talk about investigations, I figured it would be relevant to mention to y'all the press release from Clackamas County on the Child Porn investigation for the Milwaukie Police Sargent:

[Former police sergeant indicted on charges of possessing child sexual abuse material | Clackamas County](#)

This is budget related as this is one more vacancy in the police staffing (or at least I'd hope so, pending he's terminated). I also want to state I think it's freaking disgusting that a person possess child sexual abuse materials. Hopefully that's not a controversial opinion.

Scott feel free to include this in the public comments section of the next budget meeting since I CC-ed everyone. Thank you.

Sincerely,
David

On Fri, Feb 7, 2025 at 12:52 PM Scott Stauffer <StaufferS@milwaukieoregon.gov> wrote:

INFORMATIONAL – DO NOT REPLY ALL.

The packet materials for the 2/10 Budget Committee meeting are now available; see link below. They are in OneDrive for Council members.

SCOTT STAUFFER, CMC

City Recorder & Administrative Services Director

he • him • his

City of Milwaukie

p: 503.786.7502

From: City of Milwaukie Oregon Official Website <milwaukie-or@municodeweb.com>

Sent: Friday, February 7, 2025 12:50 PM

To: Scott Stauffer <StaufferS@milwaukieoregon.gov>

Subject: [City Council Meeting Packets] 2/10 Budget Committee Packet

2/10 Budget Committee Packet

The packet materials for the February 10, 2025, Budget Committee meeting are now available, see link below.

Budget Committee Meeting: <https://www.milwaukieoregon.gov/bc-bc/budget-committee-46>

Note: All five City Council members serve on the Budget Committee and a majority of Council will be present at this meeting.

[Unsubscribe](#)

|

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From: [OCR](#)
To: [Michael Osborne](#); [Matthew Deeds](#); [Judith Serio](#); [Emma Sagor](#)
Cc: [OCR](#)
Subject: FW: Budget Committee Meetings
Date: Monday, April 28, 2025 11:50:04 AM

FYI.

SCOTT STAUFFER, CMC

Administrative Services Director
& City Recorder (he • him • his)

City of Milwaukie
p: 503.786.7502

From: Randy Kugler <rkinor@gmail.com>
Sent: Monday, April 28, 2025 11:45 AM
To: OCR <OCR@milwaukieoregon.gov>
Subject: Re: Budget Committee Meetings

This Message originated outside your organization.

Thank you for answering my questions.

On Mon, Apr 28, 2025, 8:58 AM OCR <OCR@milwaukieoregon.gov> wrote:

Good morning, Randy.

All Budget Committee meetings include a community comment agenda item when the public is welcome to ask the committee any questions related to the city budget. In addition, the public is welcome to submit written questions or comments to the committee and city staff related to the budget.

For information about upcoming Budget Committee meetings – watch for agendas and packet materials to be posted online at www.milwaukieoregon.gov/meetings. The next scheduled Budget Committee is meeting is for May 12, 2025.

If you have any further questions, let us know.

SCOTT STAUFFER, CMC

Administrative Services Director
& City Recorder (he • him • his)

City of Milwaukie
p: 503.786.7502

From: Randy Kugler <rkinor@gmail.com>
Sent: Saturday, April 26, 2025 10:36 AM
To: OCR <OCR@milwaukieoregon.gov>

Subject: Budget Committee Meetings

This Message originated outside your organization.

Are citizens permitted to ask questions about the budget at all Milwaukee Budget Committee meetings or only certain meetings can questions be asked?

Thank you

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Revenue Strategy comment

E-Packet does not provide the five-year budget forecast, only says that city is not in budget deficit until fiscal year 2029.

At this point, I would not impose the proposed \$7 public safety fee.

There are other ways to help balance the City budget.

Urban Renewal

I still believe the City should downsize its urban renewal program, limiting it to the Downtown area where most of its planned spending is set to occur anyways. This would give a significant boost to the general fund revenue over time, by reducing the diversion of property tax proceeds from the general fund. If the McMurphy property is developed, this could be especially so.

The urban renewal program is supposed to be reviewed for the Fire District's satisfaction in the next five years, anyways.

County should provide more police funding

County should help with the funding of safety associated with the Increased population at the County's Hillside Park complex, especially since this improvement is not subject to property taxes.

Code Enforcement

I wonder, also, if code enforcement could be reduced by 1 position.

There is a movement afoot at the state level to limit the ability of Cities to impose tree codes like those of Milwaukie – as part of a drive to lower barriers to building more housing.

Moreover, the City Council of Portland is considering reducing its tree code enforcement staff, considering its budget woes.

The need for enforcing the Home Energy score ordinance seems to be much less valuable since the local real estate market has slowed sharply since the time of Home Energy score enactment – the Milwaukie home market is probably no longer under priced and so sales are likely to remain relatively subdued going forward. Turnover of existing homes is probably less than 4% per year now days, making the environmental benefit more drawn out in terms of decades rather than years.

3% card processing fee

I would favor implementing the card processing fee, because many businesses already compensate themselves by including a card processing fee.

Photo Radar

Photo radar should improve safety by making drivers slow down.

The downside is that photo radar is bound to anger some your constituents, when they get a photo radar ticket within the City limits.

Another reason to act more slowly on a new water bill fee:

Water Bills become even more fixed in nature with the proposed \$7 fee

Right now, if you don't use any water but are connected, you pay a minimum of about \$86 per month, and another \$7 fixed fee would mean that even for those not consuming any water, the monthly water bill would become \$93 per month.

Even if you are a water miser, say consuming only 1 CCF per month; you now pay a water bill of \$94 or so; and with the \$7 fee you would go to having to pay \$101 or so per month even as a water miser.

Sincerely,
Elvis Clark
Ardenwald



BUDGET COMMITTEE MEETING

MAY 12TH, 2025

3rd Quarter 2025

Ending March 31, 2025

FOLLOW UP ITEMS

- No items from February meeting
- Budget Committee Vacancy
 - Just completed committee recruitment.
 - Interviews scheduled for later in May.
 - Hope to fill the role in June ahead of next meeting.



COMMUNITY COMMENTS



Updates from Q3



- Hiring and personnel updates:
 - Reviewing applications for Emergency Management and Resilience Coordinator
 - Making progress on police hiring
 - City re-org to be completed in July
- Progress on Council goals
 - Economic Development
 - Parks and Greenspace
 - Affordability
- Milwaukie staff work being recognized!
 - CCSO Medal of Valor
 - FBI Exemplary Service Award
- Downtown revitalization in full swing
- Looking ahead to a busy summer!

FY 2025, Q3 QUARTERLY REPORT

- Period ending 3/31/2025
- Three quarters into biennium (9 of 24 months)
 - Fiscal year ends 6/30/2025
 - Accruals & Journal Entries occur in Q4



FULL TIME EMPLOYEE COUNT

Department	FY 2025 Adopted Budgeted FTE	Adopted Budget Transfers	Current Budgeted FTE	Actual FTE	Quarter Variance with Actual FTE + / (-)
City Manager	8.0	-1.5	6.5	6.6	0.1
City Attorney	1.0	0.0	1.0	1.0	0.0
Community Development	5.5	-1.0	2.0	1.0	-1.0
Public Works Administration	8.0	0.0	8.0	7.8	-0.2
Engineering	10.5	-0.5	10.0	11.4	1.4
Facilities	3.0	0.0	3.0	2.2	-0.8
Finance	7.0	0.0	7.0	7.0	0.0
Fleet	3.0	0.0	3.0	3.0	0.0
Human Resources	2.0	0.0	2.0	2.0	0.0
Information Technology	3.0	0.0	3.0	3.0	0.0
Municipal Court	0.5	0.5	1.0	1.0	0.0
Planning	5.0	0.0	5.0	4.6	-0.4
Code Enforcement	3.0	0.0	3.0	3.0	0.0
City Recorder	3.5	2.0	5.5	5.5	0.0
Library	18.3	0.0	18.3	17.6	-0.7
Police Department	38.5	2.0	40.5	35.8	-4.7
Building	3.0	1.0	4.0	4.0	0.0
Streets	6.0	0.0	6.0	5.1	-0.9
Water	8.0	1.0	9.0	8.4	-0.6
Wastewater	4.5	0.0	4.5	3.6	-0.9
Stormwater	8.0	0.0	8.0	6.7	-1.4
Grand Total	149.3	3.5	150.3	140.1	-10.2



3RD QTR, 2025 FUND SUMMARY

	Beginning Fund Balance as of July 1, 2024	Third Quarter of Fiscal Year 2025		Ending Fund Balance as of March 31, 2024	Change in Fund Balance
		Revenues	Expenditures		
General Fund	\$ 13,076,548	\$ 22,247,491	\$ 22,282,697	\$ 13,041,342	\$ (35,206)
Debt Service Fund	9,985	908,819	195,853	722,951	712,966
Building Fund	4,953,020	1,402,327	932,466	5,422,881	469,861
Transportation Fund	26,603,207	4,469,378	5,326,577	25,746,008	(857,199)
Water Fund	7,026,524	4,130,443	5,656,335	5,500,632	(1,525,892)
Wastewater Fund	6,008,145	7,217,731	5,895,926	7,329,950	1,321,805
Stormwater Fund	6,579,395	4,057,368	6,460,355	4,176,408	(2,402,987)
System Development Fund	2,668,658	622,358	85,285	3,205,731	537,073
Construction Excise Tax Fund	1,272,187	107,367	9,375	1,370,179	97,992
MRC - Urban Renewal Fund	7,467,246	1,165,476	554,358	8,078,364	611,118
Total ALL Funds	\$ 75,664,915	\$ 46,328,758	\$ 47,399,227	\$ 74,594,446	\$ (1,070,469)



GENERAL FUND REVENUES

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals	%
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals		
REVENUE							
Property taxes	\$ 20,576,000	10,288,000	\$ 10,011,998	\$ 10,011,998	\$ (276,002)	97%	¹
Franchise fees	6,493,000	2,434,875	1,248,016	1,248,016	(1,186,859)	51%	
Intergovernmental	9,542,000	3,578,250	4,011,974	4,011,974	433,724	112%	²
Fines and forfeitures	835,000	313,125	463,077	463,077	149,952	148%	
Licenses and permits	975,000	731,250	731,371	731,371	121	100%	³
Investment earnings	500,000	187,500	528,063	528,063	340,563	282%	⁴
Miscellaneous	40,000	15,000	148,492	148,492	133,492	990%	⁵
Total Operating Revenues	38,961,000	17,548,000	17,142,991	17,142,991	(405,009)	98%	
Other Financing Sources							
Transfers in	13,614,000	5,105,250	5,104,500	5,104,500	(750)	100%	
Total Transfers	13,614,000	5,105,250	5,104,500	5,104,500	(750)	100%	
TOTAL REVENUES	52,575,000	22,653,250	22,247,491	22,247,491	(405,759)	98%	



GENERAL FUND EXPENDITURES

	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	
EXPENDITURES						
City Council	294,000	110,250	88,440	88,440	(21,810)	80%
City Manager	3,124,000	1,171,500	1,183,980	1,183,980	12,480	101% ⁶
City Attorney	771,000	289,125	249,449	249,449	(39,676)	86%
Community Development	1,099,000	412,125	236,698	236,698	(175,427)	57%
Public Works Administration	4,099,000	1,537,125	2,763,584	2,763,584	1,226,459	180% ⁷
Engineering Services	3,137,000	1,176,375	1,053,917	1,053,917	(122,458)	90%
Facilities Management	4,497,000	1,686,375	1,962,119	1,962,119	275,744	116% ⁸
Finance	3,192,000	1,197,000	1,190,843	1,190,843	(6,157)	99%
Fleet Services	1,468,000	550,500	550,195	550,195	(305)	100% ⁹
Human Resources	1,074,000	402,750	383,380	383,380	(19,370)	95%
Information Technology	3,305,000	1,239,375	1,551,063	1,551,063	311,688	125% ¹⁰
Municipal Court	407,000	152,625	132,843	132,843	(19,782)	87%
Planning Services	1,911,000	716,625	707,267	707,267	(9,358)	99%
Code Enforcement	862,000	323,250	287,655	287,655	(35,595)	89%
City Recorder	1,487,000	557,625	558,163	558,163	538	100%
Library	4,924,000	1,846,500	1,784,591	1,784,591	(61,909)	97%
Police Department	18,307,000	6,865,125	6,875,252	6,875,252	10,127	100% ¹¹
PEG (Public, Education, Govt)	35,000	13,125	-	-	(13,125)	0%
General Government	3,004,000	1,126,500	723,258	723,258	(403,242)	64%
TOTAL EXPENDITURES	56,997,000	21,373,875	22,282,697	22,282,697	908,822	104%



GENERAL FUND EXPENDITURES BY TYPE

EXPENDITURES BY TYPE:	Through the 3rd Quarter Ended March 31, 2025					% of Anticipated Actuals
	Adopted BN Budget	Anticipated Actuals	FY 2025 Actual	Total Biennium To-Date Actual	Over (Under) Anticipated Actuals	
Personnel services	38,454,000	14,420,250	13,943,243	13,943,243	(477,007)	97%
Materials and services	12,959,000	4,859,625	4,969,221	4,969,221	109,596	102%
Capital outlay	3,542,000	1,328,250	3,284,723	3,284,723	1,956,473	247%
Debt service	1,030,000	386,250	85,510	85,510	(300,740)	0
Transfers out	628,000	235,500	-	-	(235,500)	-
TOTAL EXPENDITURES	\$ 56,613,000	\$ 21,229,875	\$ 22,282,697	\$ 22,282,697	\$ 1,052,822	105%



**QUESTIONS OR
COMMENTS?**

FY 2025 PROPOSED BUDGET ADJUSTMENT

Proposed Resolution - Budget Adjustment (Biennium FY2025-FY2026)

	Adopted	Revised	Increase / (Decrease)
<u>General Fund</u>			
Resources:			
Transfers from Other Funds	\$ 13,612,000	\$ 13,758,847	\$ 146,847
Beginning Fund Balance	12,275,000	13,075,000	800,000
			<u>\$ 946,847</u>
Requirements:			
City Manager	\$ 3,124,000	3,270,847	\$ 146,847
Public Works Admin	4,099,000	4,899,000	800,000
Library	4,924,000	4,926,500	2,500
City Council	294,000	291,500	(2,500)
			<u>\$ 946,847</u>
<u>City Hall Fund</u>			
Requirements:			
Transfers to Other Funds	\$ -	\$ 146,847	\$ 146,847
			<u>\$ 146,847</u>





CITY OF MILWAUKIE FINANCIAL STABILITY STRATEGY UPDATE

Q3, 2025 – March 31, 2025

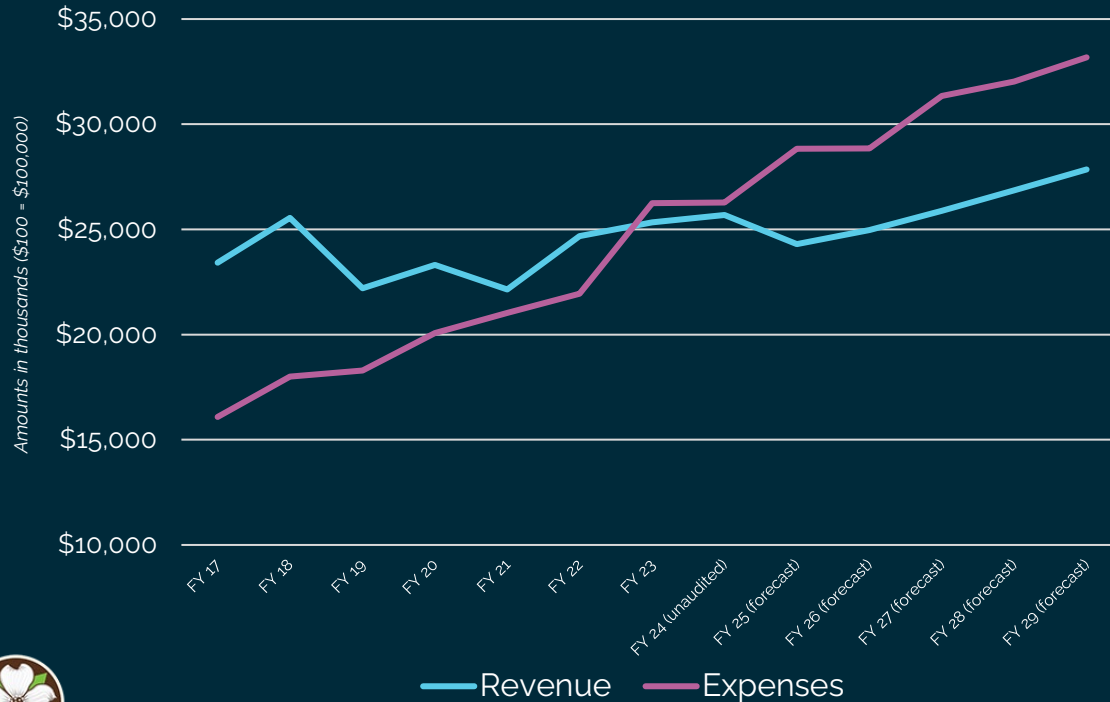
MILWAUKIE FINANCE: PAST, PRESENT, & FUTURE

- Past:
 - Where were we one year ago?
 - What did we forecast?
 - What steps did we take?
- Present:
 - Where are we now (as of 3/31/25)
 - How has our forecast changed
- Future:
 - How do we further stabilize the General Fund and meet the growing needs of our city?



FINANCIAL STABILITY STRATEGY: WHAT'S THE PROBLEM?

General Fund Revenue/Expenditure Trend



Why?

- Limits to property tax increase (Measures 5 and 50, URA)
- Rising costs:
 - Inflation
 - Outdated infrastructure and systems in need of replacement
 - More demands on city services
 - Cost of living/labor increases



WHERE WERE WE ONE YEAR AGO

General Fund Projected Ending Fund Balance

- \$12.275M at end of biennium —
 - Source: FY 25-26 Budget

(Amounts in Thousands: \$100 = \$100,000)

RESOURCES
BEGINNING FUND BALANCE

BN 2025-2026		
Adopted Biennial Budget		
FY 2025	FY 2026	Total
\$ 12,275	\$ 10,168	\$ 12,275

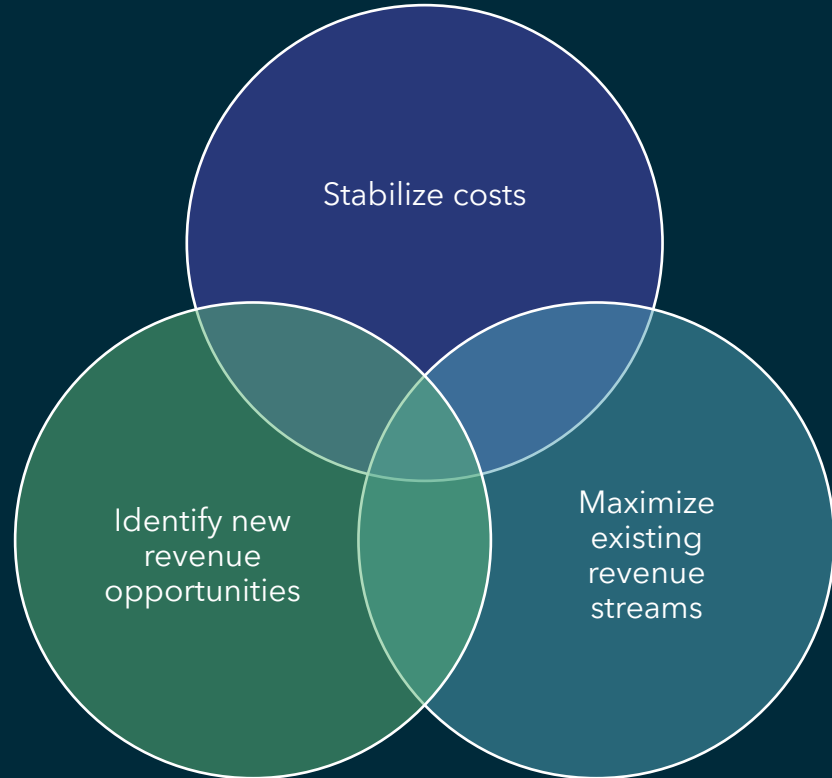
- Five-year Forecast as of Spring 2024:

	Current Budget		Forecast		
	+1	+2	+3	+4	+5
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OVER (UNDER) POLICY	3,791	2,739	(4,378)	(9,777)	(15,338)
TOTAL ENDING FUND BALANCE	7,743	6,289	839	(4,328)	(9,649)
TOTAL REQUIREMENTS	\$ 36,575	\$ 35,136	\$ 32,175	\$ 27,685	\$ 23,522



WHAT DID WE COMMIT TO?

*Three-part
financial
stability
strategy*



WHAT STEPS HAVE WE TAKEN?

- **Maximized existing revenue streams:**
 - Increased ROW utility license fee from 5% to 8%
 - On Electricity (PGE) and Natural Gas (NW Natural)
 - Trend is encouraging; exact projections still TBD due to annual payment schedule from PGE
 - Budgeted conservatively for revenue; several streams over performing
 - Interest income, business registration, parking fees, and court citation revenues all overperforming
 - Full review of Comprehensive Fee Schedule
- **Stabilized costs:**
 - Settled union labor negotiations and planned proactively
 - Y1 - 6%, Y2 - 2%, Mid Y2 - 2%
 - “Held the line” wherever possible in Materials and Services
 - Prioritized initiatives to become a more efficient organization



WHERE ARE WE TODAY

General Fund Actual Balance at start of FY25

- \$13,076,548 —

FUND BALANCES - ending

\$ 13,076,548

– Source: FY 2024 ACFR

- RESULT: Positive difference of \$800,500
 - We did not spend as much as we planned
 - “Hold the line”/belt tightening occurred even before new budget was passed



GENERAL FUND BUDGET V. PROJECTED ACTUALS

Best Estimates as of Spring 2024

- Beg Balance: \$12.275M
- Budgeted Revenues: \$27.085M
- Budgeted Expenses: \$30.252M
- Budgeted FY 25 End Balance: **\$7.743M**
- Budgeted FY 26 End Balance: **\$6.289M**

Today's Forecast (based on 9mo Actual, 3 Mo Est.)

- Beg Balance: \$13.077M
- Projected Revenues: \$27.655M
- Projected Expenses: \$28.864M
- Projected FY 25 End Balance: **\$8.981M**
- Projected FY 26 End Balance **\$7.362M**

RESULT: We are projecting a more stable General Fund forecast thru FY28.



UPDATED FIVE-YEAR FORECAST

- Slightly better then last year
- Fund balance in the black through FY28
- Out of policy requirements beginning in FY27

	Current Budget		Forecast		
	+1	+2	+3	+4	+5
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OVER (UNDER) POLICY	1,765	381	(2,336)	(5,873)	(10,288)
TOTAL ENDING FUND BALANCE	8,981	7,362	4,994	1,823	(2,207)
TOTAL REQUIREMENTS	\$ 37,845	\$ 35,284	\$ 34,312	\$ 32,607	\$ 30,116

ANNUAL GF REVENUE NEEDED TO BALANCE THROUGH 5-YEAR FORECAST:

\$500,000

(more if we want to move beyond "hold the line" services)

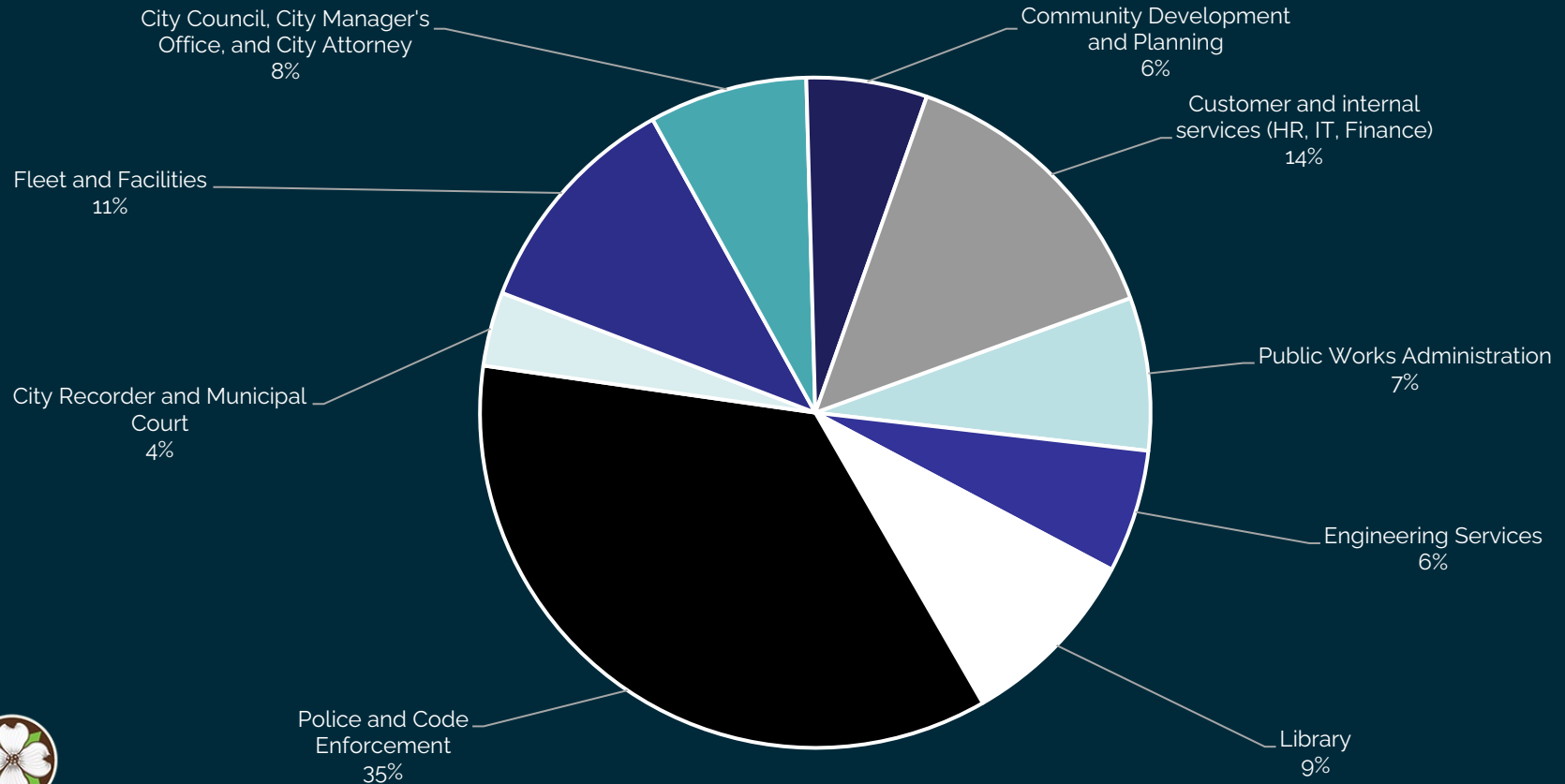


LOOKING TO THE FUTURE

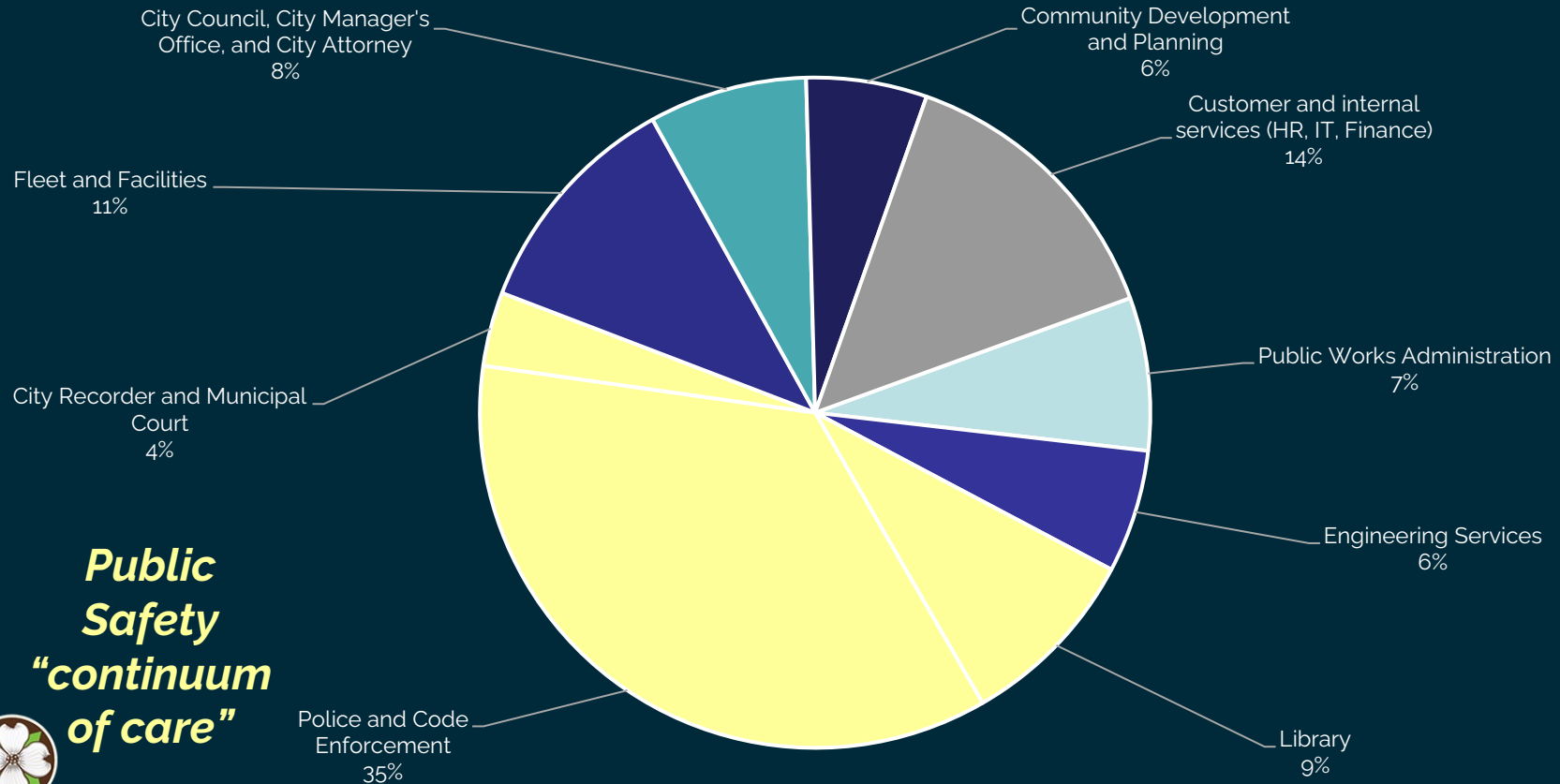
- The good:
 - The city historically has been conservative in spending
 - This helped the city maintain fiscal responsibility and avoid layoffs and deficits seen in other cities across the region
- The tradeoff:
 - City has not been proactive in investing in growing staffing, service, and infrastructure needs across General Funded departments:
 - Public Safety
 - Public Works
 - Customer Service
 - Community Development
 - Library



WHAT DO WE SPEND GENERAL FUND ON?



WHAT DO WE SPEND GENERAL FUND ON?



**Public
Safety
"continuum
of care"**



WHAT ABOUT THE OTHER FUNDS?

- Transportation and water fund
 - Will need to increase SAFE/SSMP and water rates in next biennium
 - Magnitude of increase based on Council direction re: transportation and water CIP
 - Focus of conversation at next Budget Committee meeting (Aug.)
- Stormwater fund
 - Staff working to fully incorporate updated impervious surface data
- Wastewater, Building, SDC funds
 - Funds are generally stable



REVENUE STABILIZATION IDEAS EXPLORED

Revenue Ideas	Potential Revenue	Is This Feasible?	Is Legality Violated?	Political opportunity	Implementation path	Alignment with priorities and values	Could be Structured Equitably	Administrative Complexity	Ability to Enforce	Variability	Proven/Track record
Gas	\$100,000+	Continue to place to end of term	No risk of legal challenge, proven practice	Generally popular with public	Council compromise	Fully supports Council's priorities	Activity reduces a disparity	Requires to use PTE to implement and into new overhead/maintenance	Easy to monitor and collect on non-payment	Easy to predict revenue amount	At least 3 other nations around Oregon only does this
Telco	\$100,000-\$500,000	Could be implemented in next 2-5 years	Potential legal risk, but high likelihood of success	Most popular	Unsett	Successful supports council's priorities	Hard impact on all	Some additional overhead costs, may require up to 3 new PTE to implement	Some ability to monitor and collect on non-payment	Some variability in revenue projections	Some other cities do this, but not in our area
Hot	\$100,000	Would take 5+ years to high-revenue level	Unsett	High likelihood of legal challenge	Requires a public and legislative compromise	Doesn't support or back in conflict with Council's priorities	Unpredictable impacts across long-term residents	Significant new overhead costs, hard to use for other people	Very difficult to monitor or enforce	Extremely volatile, difficult to predict	No other cities do this
Near-Term Revenue Options											
Update parking permit rates	\$200	1-2 years	Proven						Easy to monitor and collect on non-payment	Some variability in revenue projections	Many do this
Further decrease to ROW utility license fee on electric/natural gas providers	\$1000	<2 years	Unsett						Easy to monitor and collect on non-payment	Easy to predict revenue amount	1 does this
Charge ROW license fee to other water/wastewater utilities using city ROW (ORCA, WEI, Oak Lodge Water District)	\$1000	<2 years	Unsett						Easy to monitor and collect on non-payment	Easy to predict revenue amount	Unsett/Proven and doing this
Implement credit card transaction fee on use of payment card for paying city fees	\$1000	<2 years	Proven						Easy to monitor and collect on non-payment	Some variability in revenue projections	Several do this
Medium-Term Revenue Options											
Implement paid public parking	\$1000	2-5 years	Proven						Easy to monitor and collect on non-payment	Some variability in revenue projections	Yes
Five-year property tax levy	\$100+	2-5 years	Proven						County would enforce	Easy to predict revenue amount	Yes
Property tax permanent cap raise	\$100+	2-5 years	Unsett					County would enforce	County would enforce	Easy to predict revenue amount	Yes
Restaurant tax - add a local tax to all food prepared in the city	\$1000	2-5 years	Unsett					Some ability to monitor and collect on non-payment	Unsett	Unsett	Large Cities
Update business license fee structure	\$100,000	2-5 years	Unsett						Easy to monitor and collect on non-payment	Some variability in revenue projections	Yes
Implement public red light program	\$1000+	2-5 years	Unsett						Easy to monitor and collect on non-payment	Unsett	Yes
Implement traffic speed cameras	\$1000+	2-5 years	Unsett						Easy to monitor and collect on non-payment	Unsett	Yes
Add public safety fee on utility bill	\$1000+	2-5 years	Unsett						Easy to monitor and collect on non-payment	Unsett	Yes
Big box store tax	\$1000	2-5 years	Unsett						Some ability to monitor and collect on non-payment	Unsett	Large Cities
Short-term rental tax/holiday tax (Transient Occupancy Tax)	\$100	2-5 years	Proven						Some ability to monitor and collect on non-payment	Unsett	Large Cities
Leasing city-owned infrastructure	\$1000	2-5 years	Unsett						Easy to monitor and collect on non-payment	Some variability in revenue projections	Yes
Implement fee on food/package deliveries	\$100,000	2-5 years	High Risk	Unsett	Unsett	Unsett	Equal impact on all	Up to 3 new PTE to implement depending on	Some ability to monitor and collect on non-payment	Unsett	Yes
Implement tax on vacant properties	\$1000+	2-5 years	High Risk	Unsett	Unsett	Unsett	Equal impact on all	Unsett/Proven (some cities have done this and it's worked, but not in our area)	Some ability to monitor and collect on non-payment	Unsett	Several cities have done this
Long-Term Revenue Options											
City-owned broadband	\$1000+	>5 years	Unsett	Unsett	Unsett	Unsett	Equal impact on all	Unsett/Proven (some cities have done this and it's worked, but not in our area)	Some ability to monitor and collect on non-payment	Unsett	Unsett
Luxury Development Tax	Yes	>5 years	High Risk	Unsett	Unsett	Unsett	Activity reduces a disparity	Unsett/Proven (some cities have done this and it's worked, but not in our area)	Some ability to monitor and collect on non-payment	Unsett	Yes
Land-use charge/land value tax	Yes	>5 years	High Risk	Unsett	Unsett	Unsett	Unsett	Unsett/Proven (some cities have done this and it's worked, but not in our area)	Some ability to monitor and collect on non-payment	Unsett	Yes
Fee on big corporations (> \$500M) fee	\$100,000+	>5 years	High Risk	Unsett	Unsett	Unsett	Activity reduces a disparity	Unsett/Proven (some cities have done this and it's worked, but not in our area)	Some ability to monitor and collect on non-payment	Unsett	Yes



IDEAS NOT ADVANCED FOR FURTHER ANALYSIS

- **Luxury development tax** – Prohibited by Oregon law
- **Land use charge/land value tax** – Requires overhaul of County Tax Structure
- **Fee on big corporations** – Costly to implement and audit
- **Tax on vacant properties** – Legal challenges
- **Fee on food/package deliveries** - Costly to implement and audit
- **Restaurant tax** – Costly to audit and conflicts with economic development goal
- **City owned broadband** – High upfront cost, would not generate net positive revenue



SHORT LIST GENERATED AT NOV.'24 BUDGET COMMITTEE

- **Ideas for discussion tonight:**

- Implementing a payment card transaction fee
- Implementing a photo red light/traffic speed camera program
- Adding a public safety fee on utility bill
- Pursuing a property tax levy or permanent cap raise

- **Other short-listed ideas:**

- Updating parking permit rates - Initial steps taken; monitoring and further adjustments expected next biennium
- Updating the business license tax structure - This work slated for next year as part of Economic Development goal
- Charging ROW license fees on non-city utilities using ROW - No longer recommended



Proposal: **Implement a 3% Payment Card Processing Fee**

Why this idea?	<i>The city spends considerable funds annually (>\$250K) in fees charged by our payment software providers and card companies. This fee would help recoup some of these costs.</i>
How we would implement?	<i>The city would add a 3% Credit/Debit Card transaction fee for all payments made via Credit/Debit Card via the city's payment portals. This would offset fees charged by our payment system (Tyler) and payment card companies to the city, helping recoup costs. The fee would not apply for Cash, Check, or ACH transactions (auto draft).</i>
Other nearby jurisdictions that have implemented	<i>Wilsonville, but many others are exploring</i>
Design considerations	• <i>3% is proposed as this will offset the transaction fee charged by Tyler Technologies</i> • <i>Different payment card companies charge different fees; staff are proposing a flat 3% fee for administrative simplicity</i> • <i>Fee would apply to credit and debit card transactions</i> • <i>While we do not have solid data to support this, we suspect a significant portion of payment card transactions may be made by people living on lower-incomes who do not have access to liquid funds for payment. Staff would work to support customers in moving to other payment options.</i>
Anticipated revenue generation potential	<i>Approximately \$280,000 annually</i> <i>(based on 3% of \$9,364,544 payment card transactions made in 2024)</i>
Implementation process a timeline	• <i>Fee would be adopted as part of consolidated fee schedule</i> • <i>1-3 months needed for implementation into payment card systems</i> • <i>Could be operational by late 2025</i>



Proposal: **Add photo red light and speed-on-green cameras**

Why this idea?	<i>More than 22,000 vehicles travel through Milwaukie every day, predominantly on state owned highways. These corridors are also where we see the greatest incidents of traffic safety issues, speeding, and dangerous driving. Implementing technology-based tools to enforce traffic laws takes pressure off our law enforcement staff while improving safety outcomes and generating some funds that can be reinvested into public safety in the city.</i>
How we would implement?	<i>Add 2 – 4 cameras on McLoughlin and HWY 224. City would partner with outside vendor to setup and maintain.</i>
Other nearby jurisdictions that have implemented	<i>Portland, Salem, Beaverton, Tigard, and Sherwood</i>
Design considerations	• <i>Infrastructure and contract costs can be high, but other cities still find these are net-revenue generators.</i> • <i>Overtime, hope is revenue declines as enforcement brings more drivers into compliance.</i> • <i>Allows officers to work on other duties and higher-level offenses.</i> • <i>Would generate increased Court workload and costs</i>
Anticipated revenue generation potential	<i>Revenue would be volatile to start. Initial upfront costs of adding the camera and tower and setup of software. Revenue would also be split between outside vendor and possibly ODOT.</i> <i>Approx revenue \$250,000 - \$400,000 based on a city our size.</i>
Implementation process a timeline	<i>Anticipate needing one year to research, procure a vendor, collaborate with partner agencies, setup, and implement.</i>



Proposal: **Implement a Public Safety Fee on the utility bill**

Why this idea?	<i>Demands for public safety services have increased significantly in the past 10+ years while staffing related to public safety and behavioral health have shrunk. We are far behind our target officers per thousand benchmark (current 1.43/thousand; target 2.4/thousand); we spend considerable amounts in overtime costs due to understaffing; and we continue to see increased demands on our public safety continuum of care as behavioral health and houselessness crises worsen and more development occurs.</i>
How we would implement?	<i>The city would add a fee on the utility bill for residential, multi-family, and commercial customers. Revenue would be collected monthly and deposited into the General Fund for programming on public safety priorities via the budget process.</i>
Other nearby jurisdictions that have implemented	<i>Gresham: \$15 McMinnville: \$13 St Helens: \$10 Oregon City: \$6.50 Sandy: \$4.50</i>
Design considerations	<i>Propose a flat rate of \$7 per customer (exempting low-income customers) to start. Rate determined based on target revenue amount (see next row)</i> <i>Staff recognize a flat fee is not the most equitable structure; recommend transitioning commercial fee to the Business Registration system when updated.</i> <i>Utility fees can be increased/decreased by a vote of Council through fee schedule</i>
Anticipated revenue generation potential	<i>Approximately \$850,000 annually. This would help stabilize costs by reducing police overtime and offsetting other General Fund costs while also allowing for strategic investments in FTE and services across public safety continuum of care.</i>
Implementation process a timeline	<i>Fee would be adopted as part of consolidated fee schedule</i> <i>Recommend an NDA roadshow and additional community outreach</i> <i>2-4 months needed for implementation into utility billing systems</i> <i>Could be operational by late 2025 if flat structure</i>



PROPERTY TAXES?



PROPERTY TAX INCREASE

- Is now the right time to ask for a property tax increase?
 - General fund forecast has stabilized somewhat
 - Uncertainty over parks future
 - Current economic volatility and risk of recession
 - Few other ballot measures are on 2025 ballot

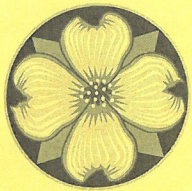


QUESTIONS AND COMMENTS

- Do you support moving forward with the 3 proposals presented tonight?
 - Payment card and public safety fees could go on June fee schedule update if direction given tonight
- What are your thoughts and concerns?



**QUESTIONS OR
COMMENTS?**



CITY OF MILWAUKIE
BUDGET COMMITTEE

10501 SE Main Street
P) 503-786-7555
F) 503-786-7528
finance@milwaukieoregon.gov

Speaker Card

The City of Milwaukie encourages all citizens to express their views to their city leaders in a **respectful** and **appropriate** manner. If you wish to speak before the Budget Committee, fill out this card and hand it to city staff. Note that this speaker card, once submitted to the city, becomes part of the public record.

Name: Elvis Clark

Organization: _____

Address: 3536 se Sherry Ln

Phone: _____

Email: EClarkMilwOr@yahoo.com

Meeting Date: 5/12/25

Topic: Revenue strategies

Agenda Item You Wish to Speak to:

☒ #4 Public Comments

Note: The Committee generally does not respond to comments during this meeting. City staff will respond to comments at the next meeting.

☐ # _____ Topic: _____

You are Speaking...

☐ in Support

☒ in Opposition

☒ from a Neutral Position

☐ to ask a Question

Comments: