RIDGEFIELD CITY COUNCIL
MEETING AGENDA

Thursday, August 21, 2025
RACC - Columbia Assembly Room
510 Pioneer Street, Ridgefield, WA 98642

I. STUDY SESSION - 4:00 P.M.

1. 2026 Operating Budget - Kirk Johnson, Finance Director

II. ADJOURN

CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION

MEETING DATE: August 21, 2025

AGENDA ITEM NAME: 2026 Operating Budget

GOVERNING LEGISLATION

RCW 35A.33; Budgets in Code Cities, City of Ridgefield Financial Policy #07: Budget

PREVIOUS COUNCIL ACTION TAKEN:

The council adopts a budget annually. The most recent action was to adopt Resolution No 1439, 2024 Proposed Budget, on December 5, 2024.

SUMMARY/BACKGROUND:

Introduction to the baseline operating budget and budget assumptions

BUDGET/FINANCIAL IMPACTS:

N/A – Presentation, discussion and Council direction.

RECOMMENDED ACTION OR MOTION:

No action is requested at this time

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. 2026 Baseline Operating Budget

2026 Baseline Operating Budget

August 21, 2025
Work Session

Agenda
2026 Baseline Operating Budget

- Budget Calendar
- Key Assumptions
- Baseline Operating Budget
  - Review Budget Adjustments
- Available Fund Balance
- Revenue Projection – Special Revenue and Capital Project Funds
- Next Steps

2026 Budget Calendar

2026 Budget Calendar

		July				Aug				Sept					Oct				Nov				Dec				
Week of	**May/June**	**7**	**14**	**21**	**28**	**4**	**11**	**18**	**25**	**1**	**8**	**15**	**22**	**29**	**6**	**13**	**20**	**27**	**3**	**10**	**17**	**24**	**1**	**8**	**15**	**22**	**29**
City Council Goals/Retreat	5/5/2025																										
Management Initiatives/Goals Retreat	TBD																										
Review Financial Sustainability Model (6 Year)																											
Review Budget and Financial Policies				24th																							
Review Economic Conditions/Budget to Actual						7th																					
Determine Baseline Assumptions																											
Develop Proposed Budget																											
Levels of Service																											
Baseline/Beginning Budget																											
New Programs or Initiatives																											
Update Indirect Cost Plan																											
Update Equipment Replacement Fund																											
Preliminary Budget																	23rd										
Operating								21st																			
Capital												18th															
Update Financial Forecast																											
Adopt Final Budget																											
Conduct Hearing on Revenue Sources																			6th								
Draft Final Budget																											
Adopt Property Tax Levy																			6th		20th						
Update Utility Rate Model																			6th		20th						
Final Budget and Conduct Hearings																					20th		4th				
Individual Department Budget Meetings																											
Executive Management Meetings (10am)						4th				2nd				30th													
Budget Advisory Committee Meetings							12th				9th				7th												
City Council Work Sessions								21st				18th				16th											

July 24 council meeting - Budget and Financial Policies - If needed
August 7 council meeting - Presentation economic forecast and budget to actual 2nd quarter 2025
August 21 work session - Present baseline operating budget
September 18 work session - Present personnel, initiatives and capital budget requests
October 16 work session - Review final revenue projections and changes to the 2026 proposed budget if needed
October 23 council meeting - Final revenue projections and 2026 proposed budget updates

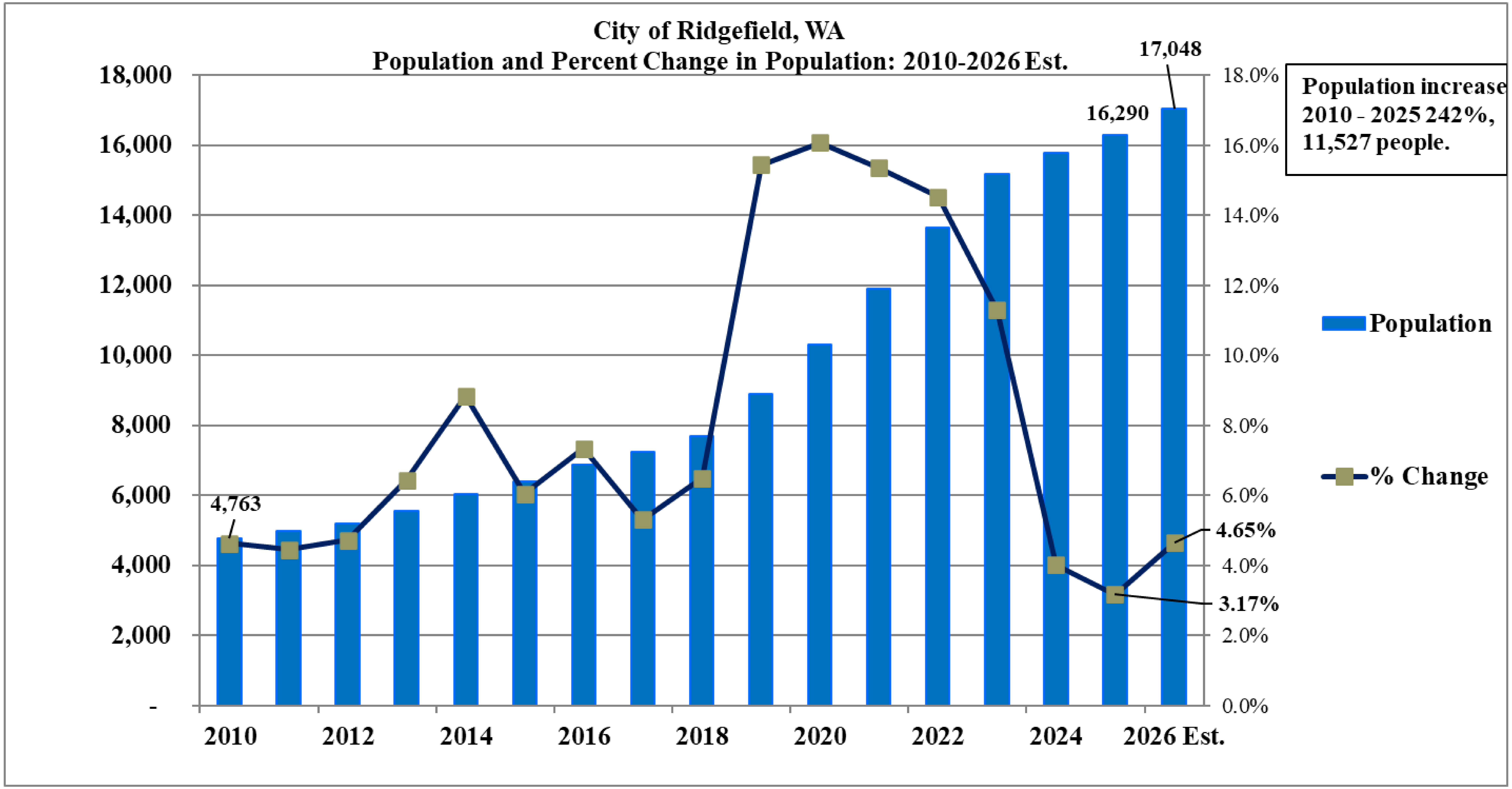
Key Assumptions
2026 Baseline Operating Budget

A baseline budget consists of the current years operating budget adjusted for inflation, contractual commitments, cost of living adjustments and population projections. The baseline assumes the City will maintain levels of service consistent with current operations.

Key Assumptions
2026 Baseline Operating Budget

General		
Assumption	**Source**	**Amount**
Population April 1, 2025	State of Washington OFM	16,290
Population Change	Change 2025 compared to 2024 (15,790 a 3.2% increase)	500
Population April 1, 2026	Estimated growth of 4.65% 758-person population increase	17,048
New Housing Units, 2026	Estimate using 2.98 persons per household (2025 avg. persons per household per OFM) – Includes multi family	352
Total Housing Units	2026 household units	6,631
Housing Unit Increase	New household compared to 2025 OFM numbers	5.61%
Inflationary Factor (indexing for traffic and park impact fees and SDC fees)	West Region CPI-U (June released July 2025) all items	2.7%
Inflationary Factor (indexing for school impact fees)	Ryder Levett Bucknall Construction Cost Index (2nd quarter 2025)	4.35%

Key Assumptions
Population Growth Trends



Source: Office of Financial Management

Key Assumptions
2026 Baseline Operating Budget

Facility Expense		
RACC Lease	Annual lease payment	$114,875
RACC	Shared operating expenses (estimated)	$50,000
Public Safety Lease	Annual Lease Payment (Includes prorated tenant improvements)	$384,600
Bluffs Community Space & Storage Lease	Annual Lease Payment	$92,000
RORC	Operating expenses (estimated)	$65,000

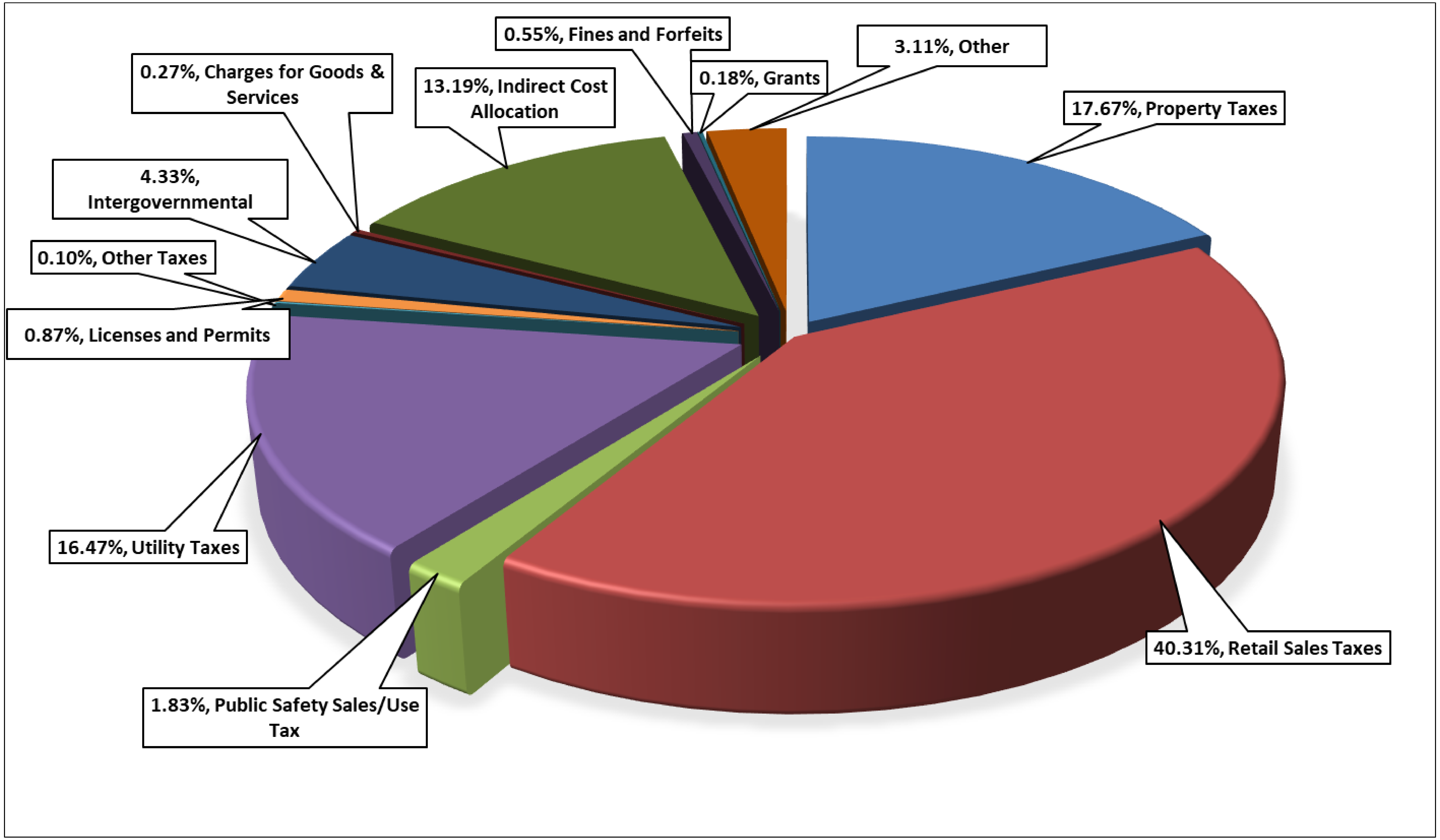
Key Assumptions
2026 Baseline Operating Budget

Debt Service		
2017 LTGO Bonds (REET)	RORC principal and interest payments (matures 2047)	$533,925
2018 LTGO Bonds (REET)	RORC principal and interest payments (matures 2038)	$527,800
2020 LTGO Bonds (REET)	PW operations center principal and interest payment (matures 2035)	$351,460
2024 LTGO Bonds (REET/TIA)	Pioneer Widening interest only payment (matures 2049)	$1,399,250
Equipment Loan (Gen Fund)	Vacuum Excavation Truck (matures 2028)	$75,230
Equipment Loan (Gen Fund)	Street Sweeper (matures 2029)	$65,885
Public Works Trust Fund Loan (Storm Fund)	Design of downtown stormwater projects (matures 2039)	$18,835
Public Works Trust Fund Loan (Storm Fund)	Construction of downtown stormwater projects ($2,414,000 payments estimated to begin in 2027 20-year loan)	NA
Public Works Trust Fund Loan (Gen Fund/REET/TIF)	Design of Royle Rd 19th to Hillhurst ($625,000 payments estimated to begin in 2027 20-year loan)	NA
Drinking Water State Revolving Fund Loan (Water SDC)	Design of the Eastside Elevated Reservoir	$51,000
Drinking Water State Revolving Fund Loan (Water SDC)	Construction of the Eastside Elevated Reservoir ($15,150,000 payments estimated to begin in 2028 20-year loan)	NA

Key Assumptions
2026 Baseline Operating Budget

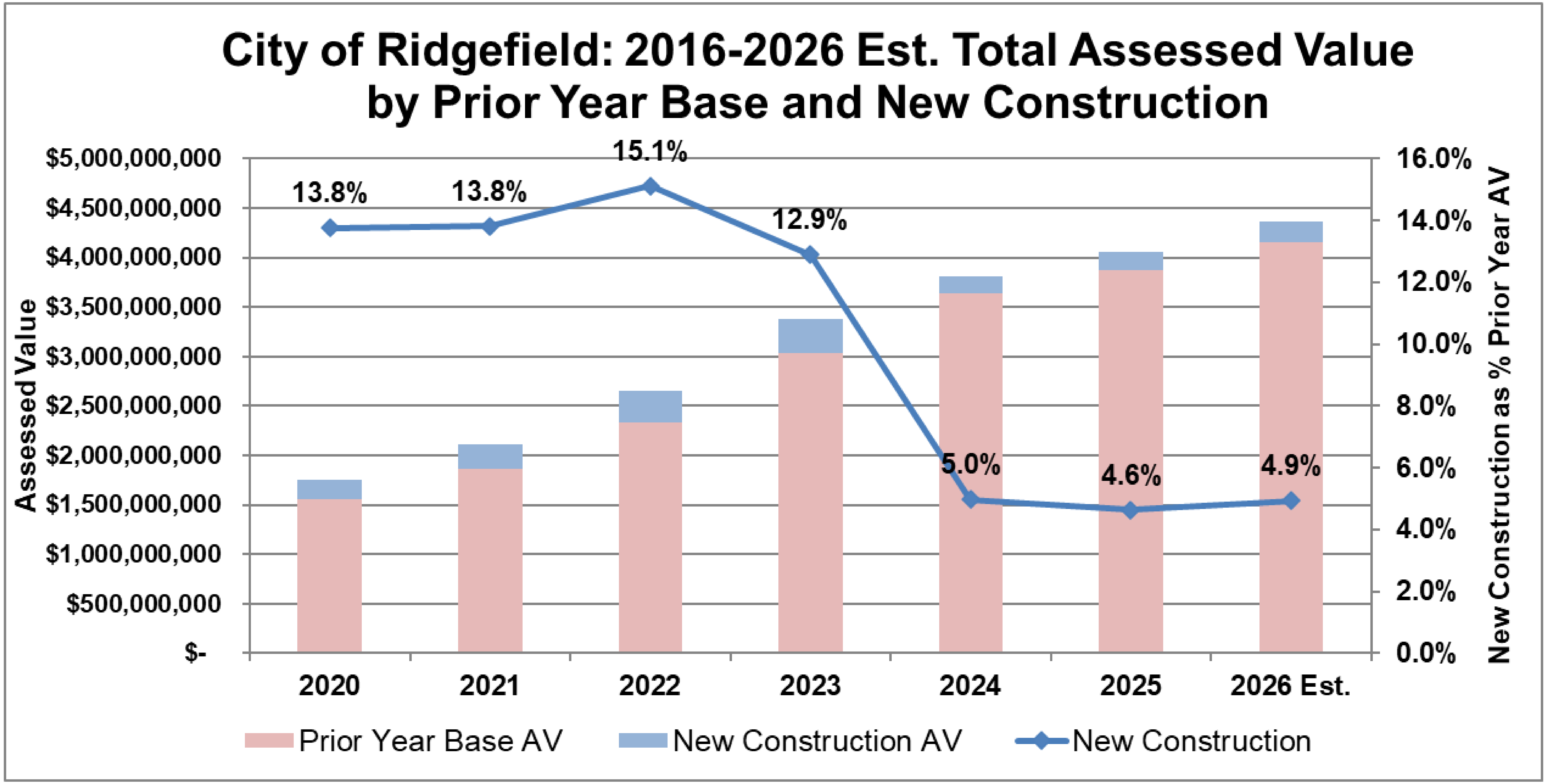
Revenue		
Revenue Source	**Description**	**Amount +/-**
Property Tax	Statutory increase 1%	$24,900
Property Tax	New Construction estimate $200 million assessed valuation	$122,915
Property Tax	Annexation	$1,000
Property Tax	2026 Levy Amount; Increase $160,000	$2,660,000
Property Tax (Tax Increment Area)	2026 Levy Amount; Increase $109,000	$250,000
Sales/Use Tax	63% retail 37% construction; $677.5 million in taxable sales, 7% increase over 2025 year-end	$5,700,000
Utility Tax	5.3% increase from 2024 estimated year-end due to household/EDU growth	$117,250
Utility Tax	General and Street Fund utility tax estimate	$2,479,000
Indirect Allocation	Building and Permitting (33% increase compared to 2025)	$724,779
Indirect Allocation	Water Fund (9% increase compared to 2025)	$619,310
Indirect Allocation	Storm Water Fund (24% increase compared to 2025)	$469,510
State Shared Revenue	Per capita revenue MRSC estimates 3% increase due to population (4% overall General/Street Fund Rev.)	$651,300

Key Assumptions General and Street Fund Revenue Structure 2026 Forecast



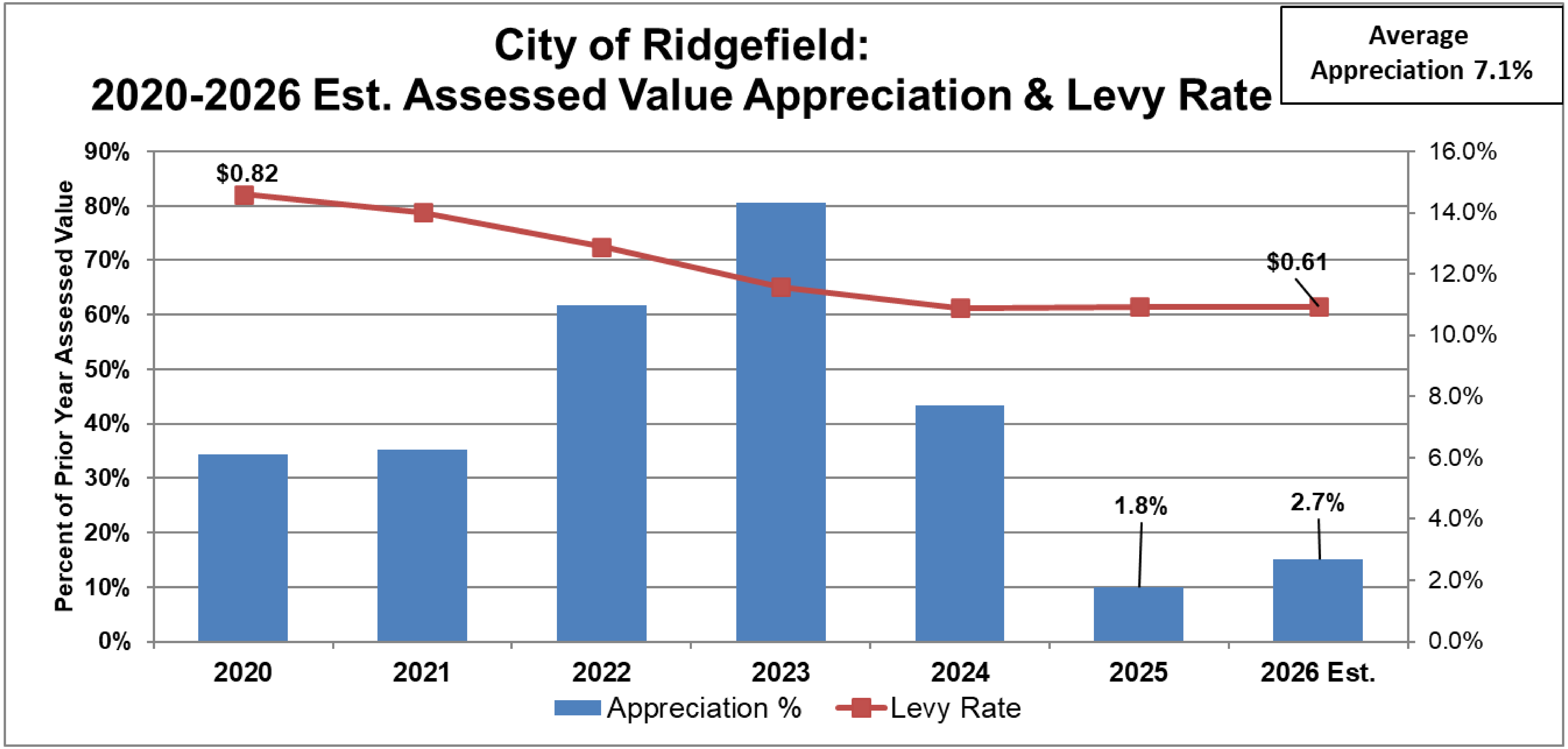
Source: City of Ridgefield Finance Department

Key Assumptions
Property Tax New Construction



Source: Clark County Assessors Office
City of Ridgefield Finance Department

Key Assumptions
Assessed Value Appreciation and Levy Rate

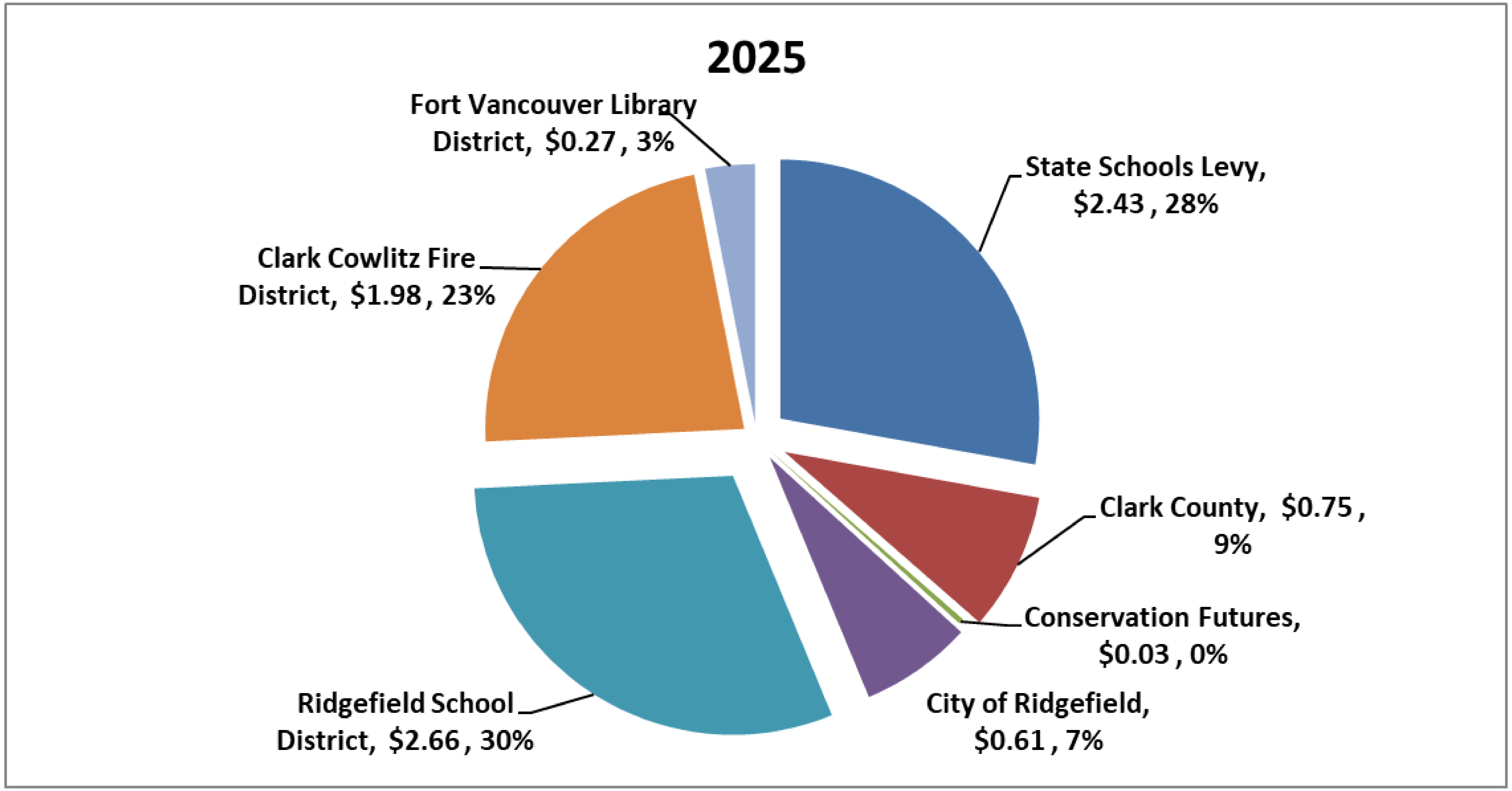


Source: Clark County Assessors Office
City of Ridgefield Finance Department

Key Assumptions
2025 City Property Tax Levy Rates

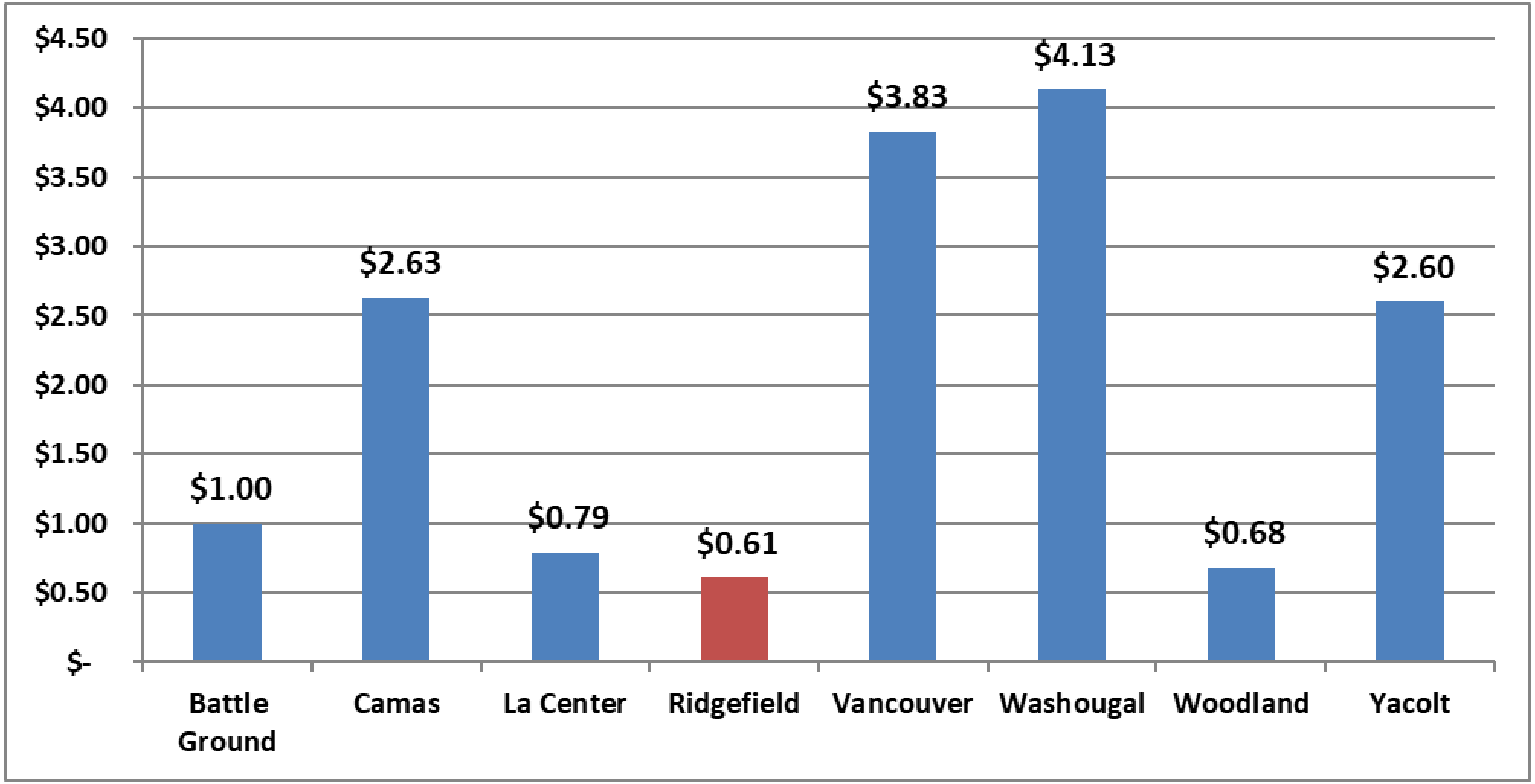
Total Property Tax Levy

• City	$0.61
• School District	$2.66
• Port of Ridgefield	$0.12
• State Schools	$2.43
• Clark County	$0.78
• Fire District	$1.98
• Library	$0.27
• Total Levy	$8.85



Source: Clark County Assessors Office

Key Assumptions
2025 Property Tax Levy Rate County Comparison

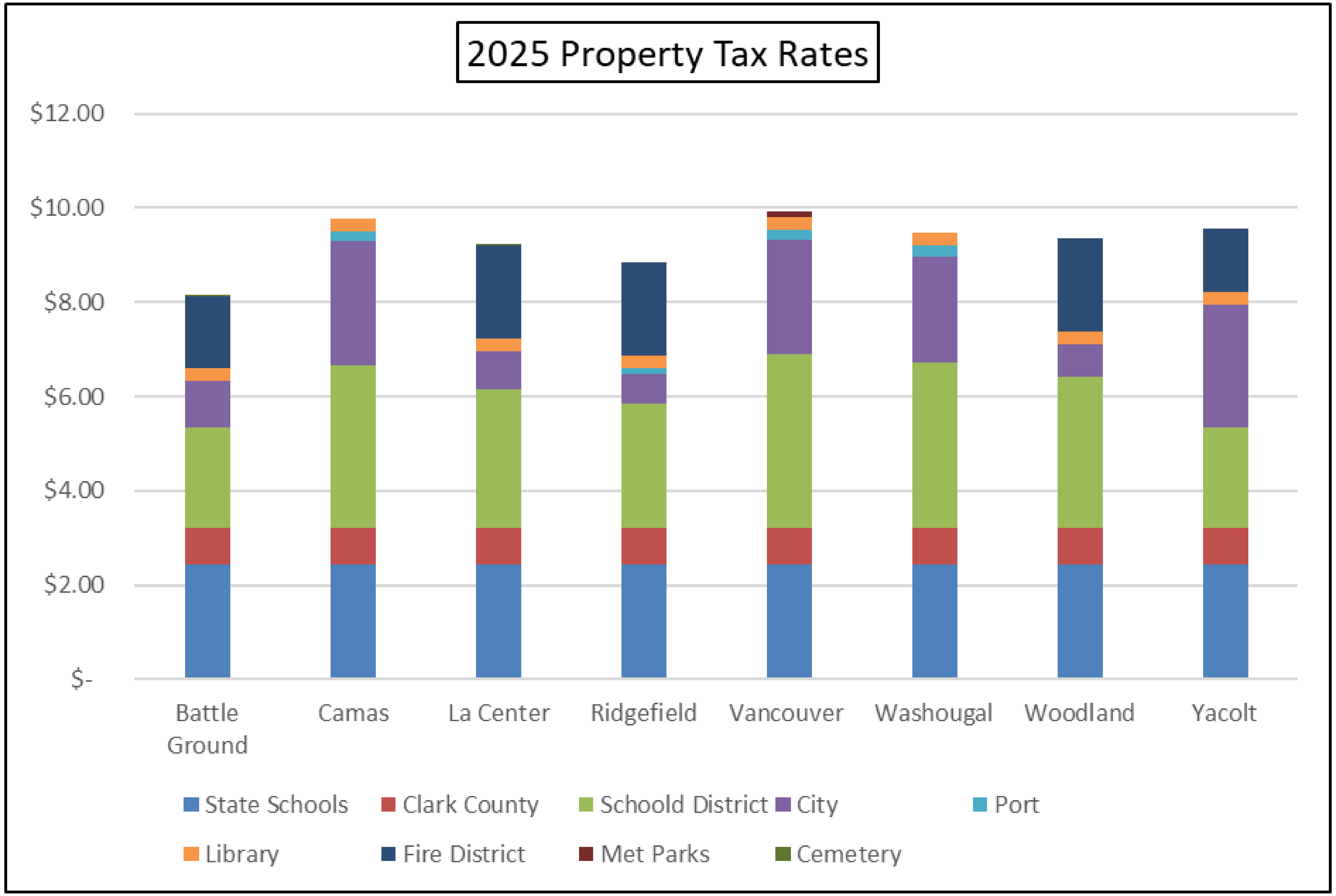


Source: Clark County Assessors Office

Key Assumptions
2025 City Property Tax Levy Rate Comparison

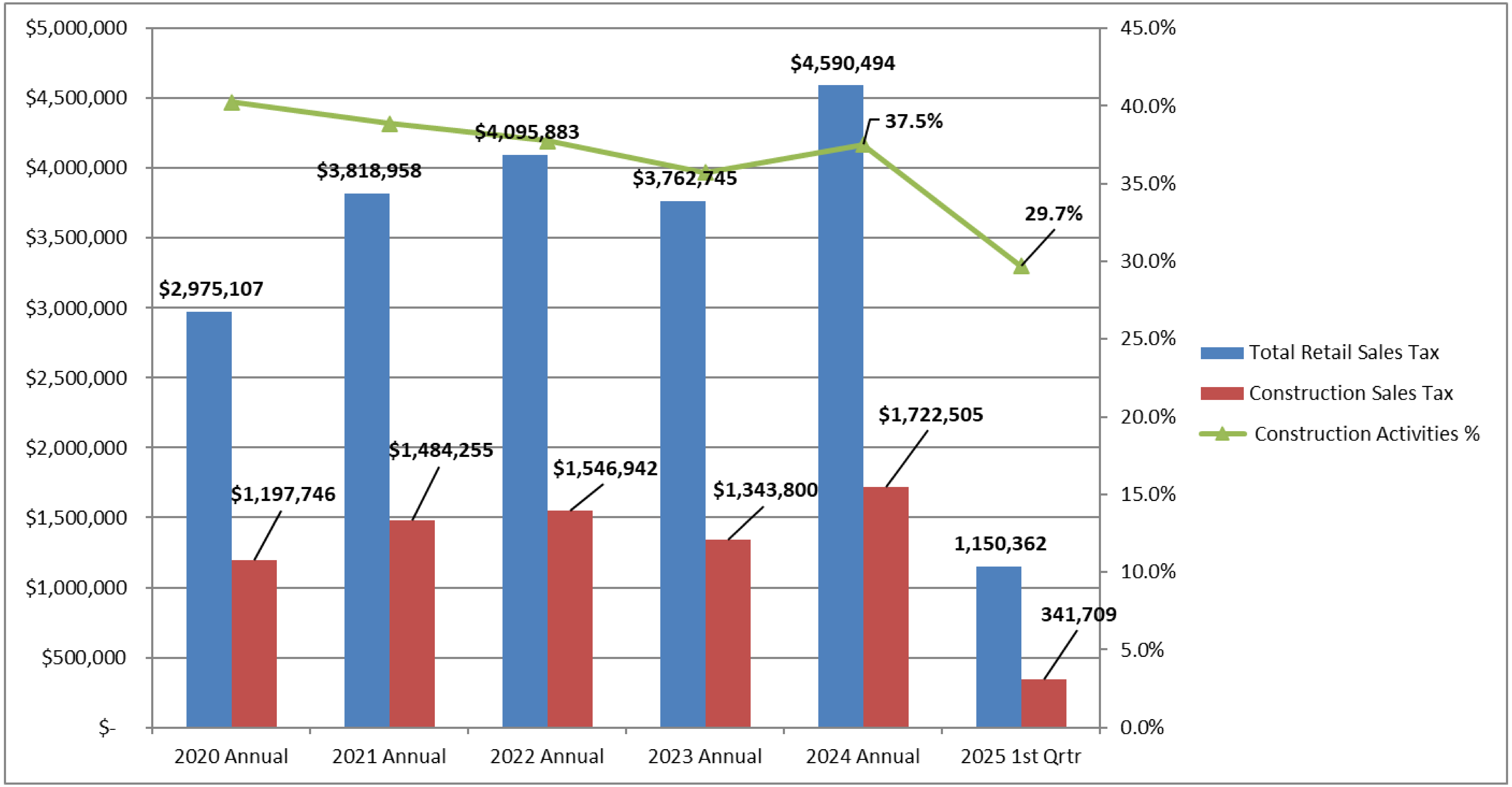
Total Property Tax Levy

• Battle Ground	$8.13
• Camas	$9.78
• La Center	$9.22
• Ridgefield	$8.84
• Vancouver	$9.92
• Washougal	$9.47
• Woodland	$9.36
• Yacolt	$9.56



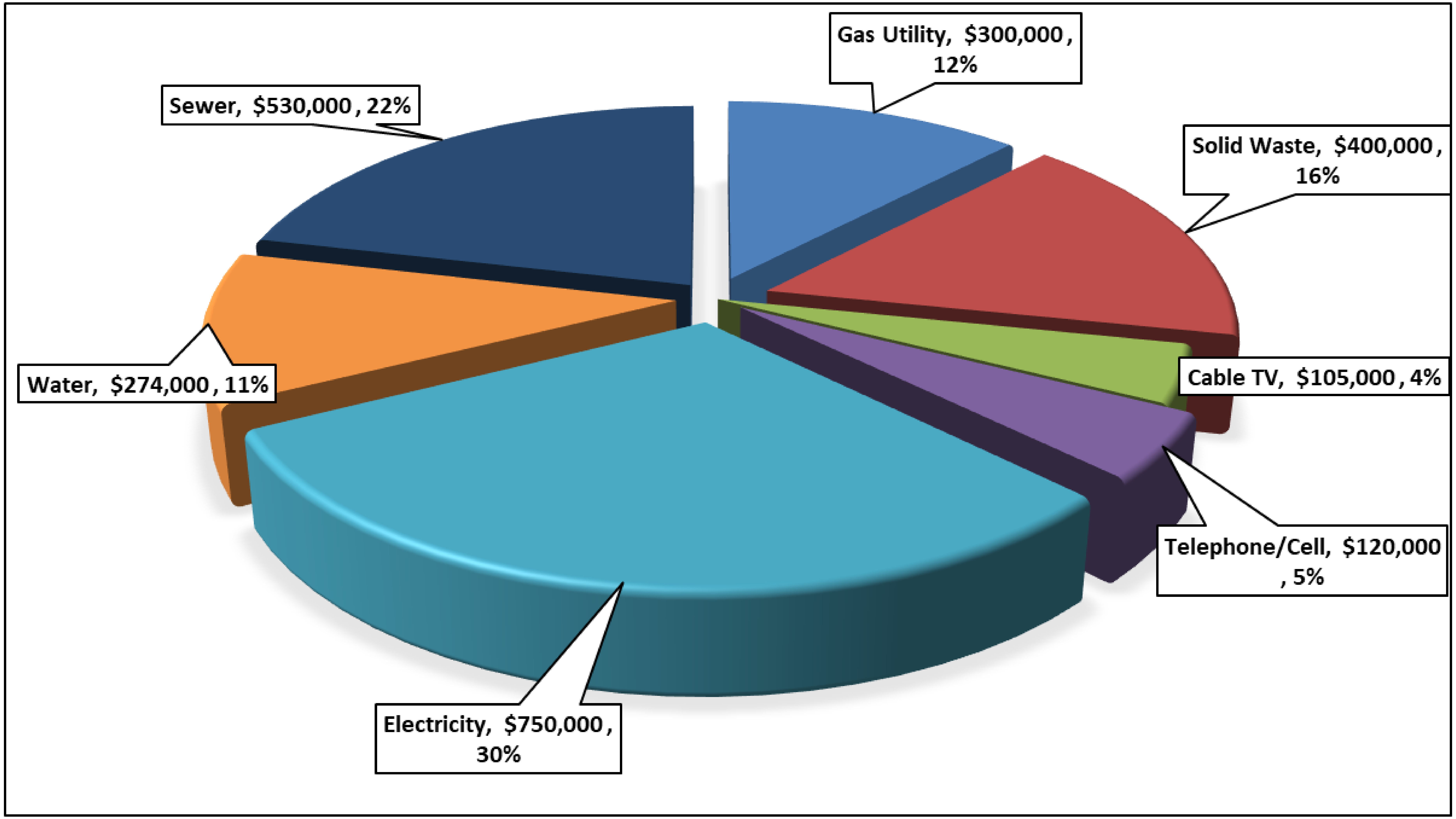
Source: Clark County Assessors Office

Key Assumptions
Retail Sales and Use Tax Trends



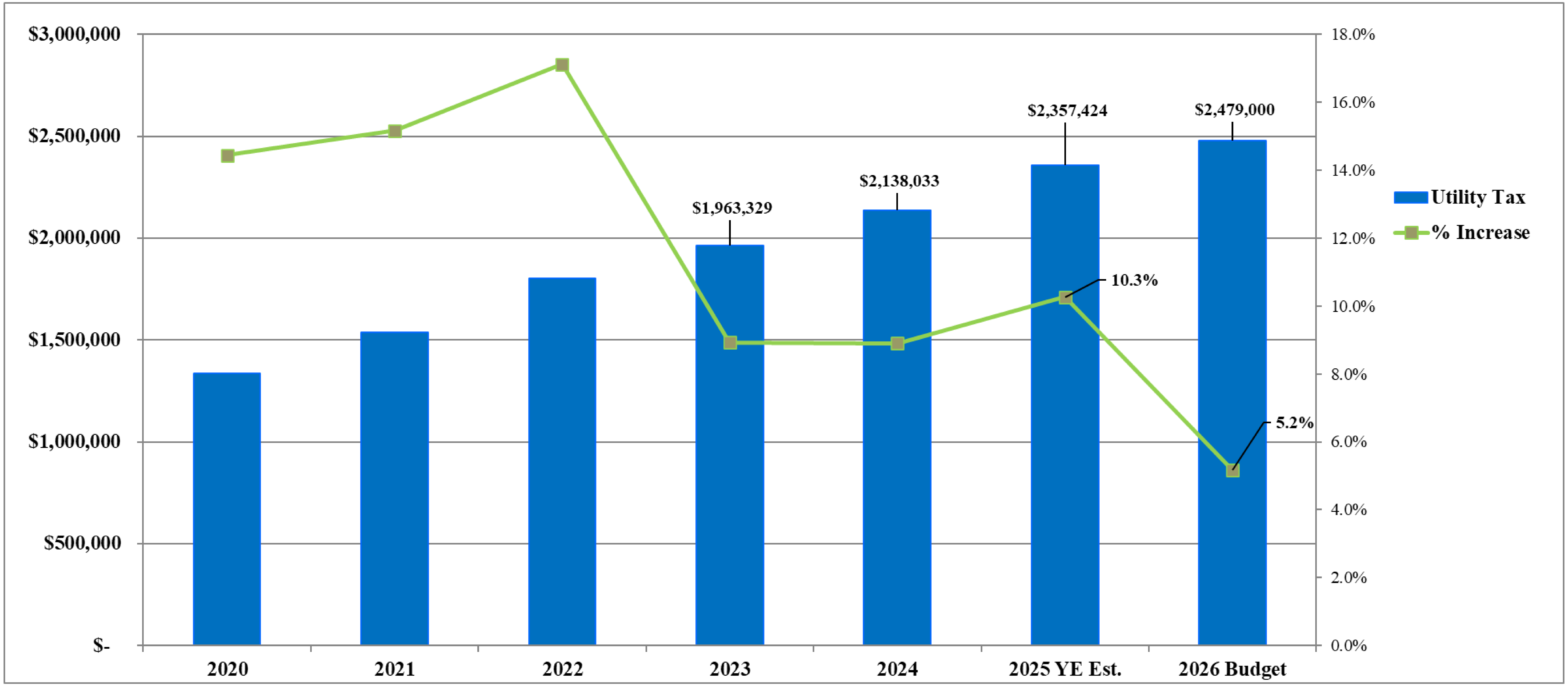
Source: Washington State Department of Revenue

Key Assumptions
Utility Tax Revenue Structure 2026 Budget



Source: City of Ridgefield Finance Department

Key Assumptions
Utility Tax Trends General and Street Funds



Source: City of Ridgefield Finance Department

Key Assumptions
2026 Baseline Operating Budget

Revenue		
Revenue Source	**Description**	**Amount +/-**
Water Rate	3% inflationary rate increase per rate model	$3,166,500
Storm Water Rate	10% increase per rate model	$1,828,750
Building Permits	250 permits avg 2,400 sq. ft. home w/1,000 sq. ft. garage/patio.	$1,500,000
Commercial Permits	Permit Fees – Estimate 300,000 + sq. ft.	$150,000
SFR Permits	Planning & Development	$1,452,500
Multi Family Permits	Potential increase in 194 units in 2026	$150,000
Cost Recovery Billing	Building and Permitting	$285,000
Development Revenue	Permits, Land Use and Engineering	$3,555,500

Key Assumptions
Sewer Utility Rates

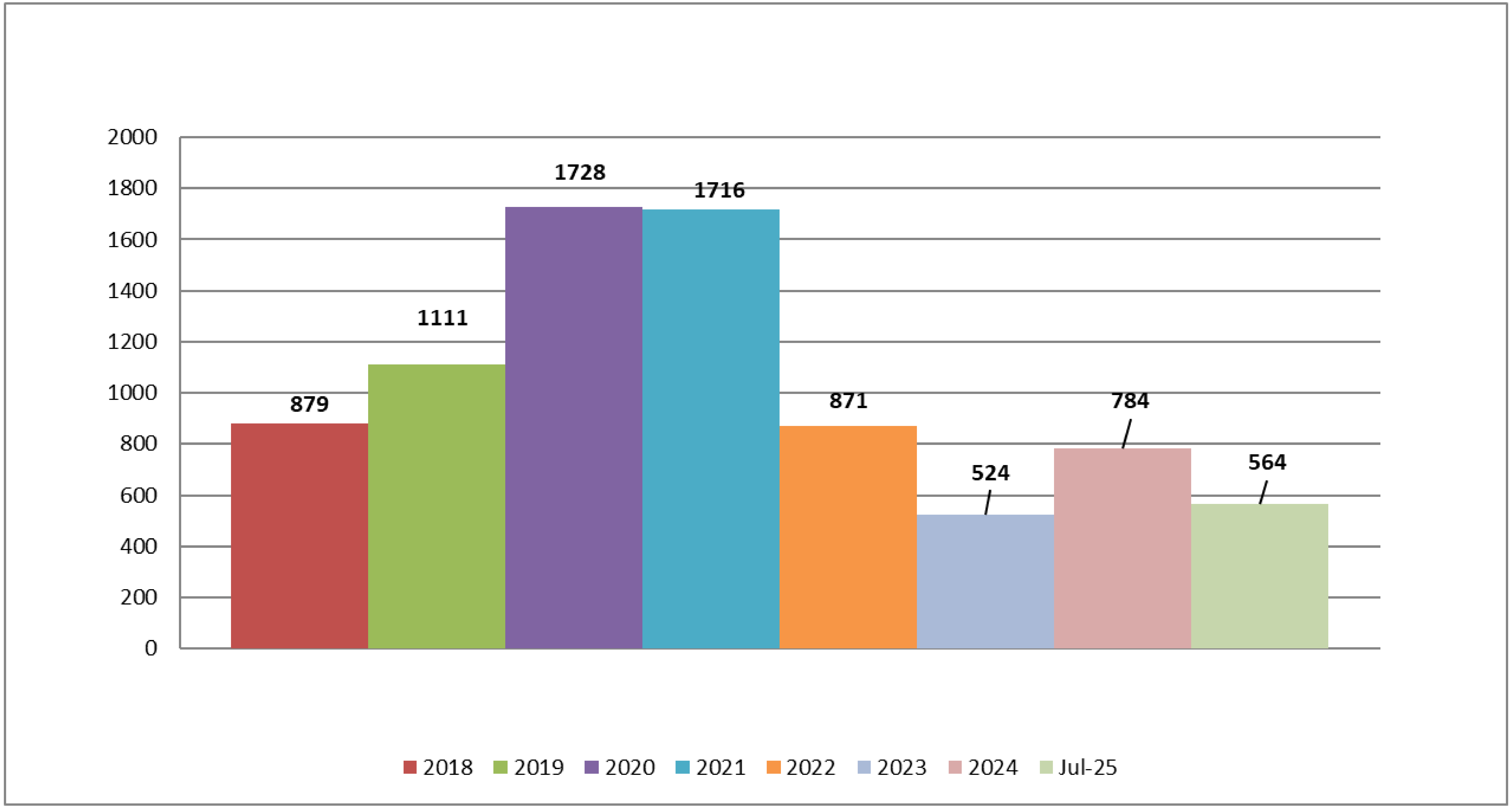
- Sewer utility rate trend
  - Sewer rate for 2026 – 1.63% increase for monthly sewer service

MONTHLY SEWER SERVICE	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Base Rate (Central Service Area)	$ 36.00	$ 37.00	$ 38.00	$ 38.00	$ 38.00	$ 39.00	$ 40.00	$ 41.00	$ 42.00	$ 43.50	$ 45.00	$ 46.50	$ 48.00
System Integration Charge	19.00	18.80	18.50	17.70	17.00	16.60	15.60	13.80	11.60	10.00	9.40	8.60	8.00
Total Sewer Service Charge	55.00	55.80	56.50	55.70	55.00	55.60	55.60	54.80	53.60	53.50	54.40	55.10	56.00
City Operating Fee (10%)	5.50	5.58	5.65	5.57	5.50	5.56	5.56	5.48	5.36	5.35	5.44	5.51	5.60
TOTAL BILL PER ERU/MONTH	**$ 60.50**	**$ 61.38**	**$ 62.15**	**$ 61.27**	**$ 60.50**	**$ 61.16**	**$ 61.16**	**$ 60.28**	**$ 58.96**	**$ 58.85**	**$ 59.84**	**$ 60.61**	**$ 61.60**

SYSTEM DEVELOPMENT CHARGES	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
SDC per ERU	**$7,550.00**	**$7,550.00**	**$7,550.00**	**$7,550.00**	**$7,550.00**	**$7,950.00**	**$8,350.00**	**$8,750.00**	**$8,750.00**	**$9,450.00**	**$10,112.00**	**$10,819.00**	**$11,468.00**

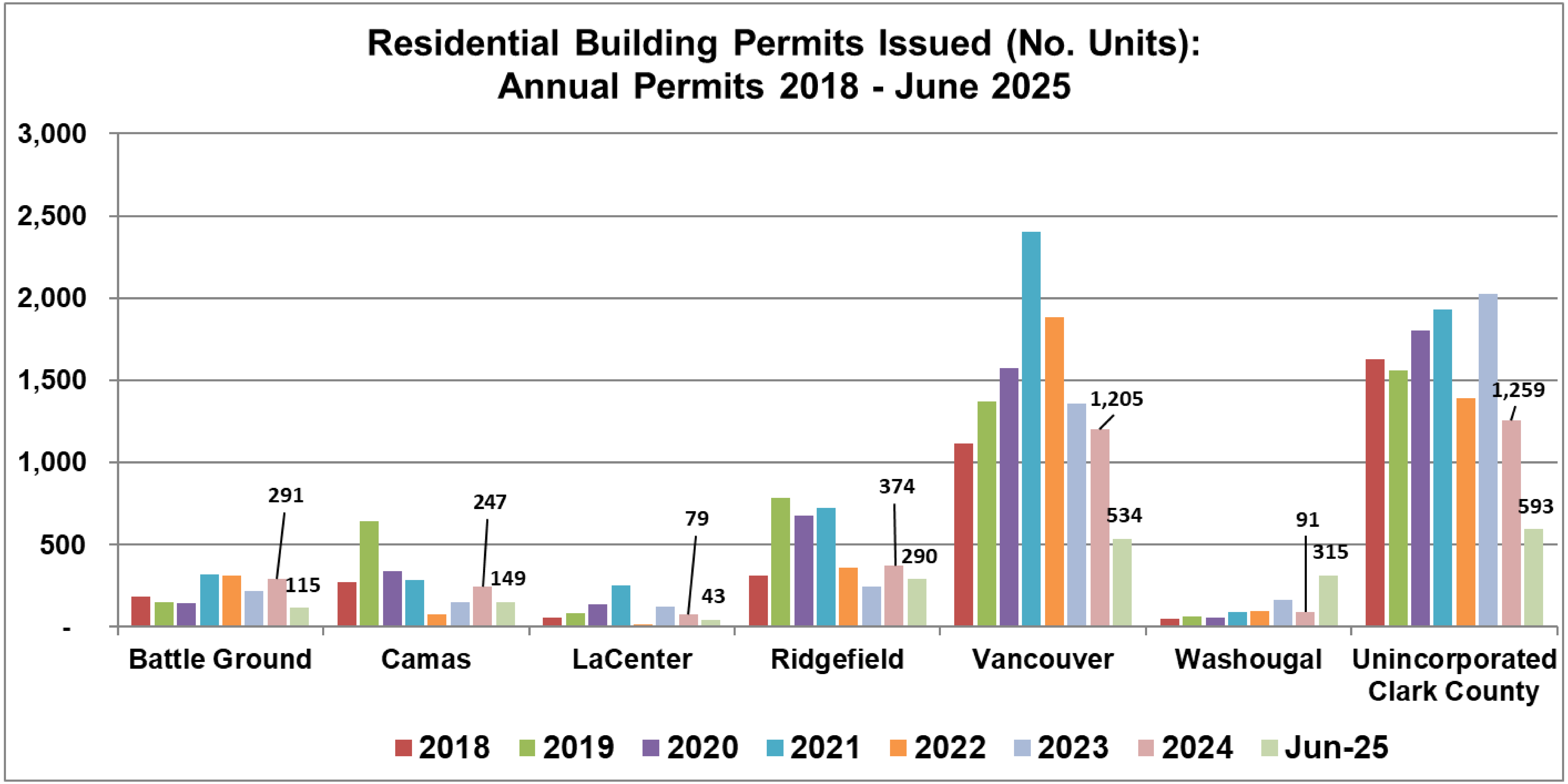
Source: Clark Regional Wastewater District

Key Assumptions
Permits and Development Trends



Source: City of Ridgefield Community Development Department

Key Assumptions
Permits and Development Trends



Source: US Department of Housing and Urban Development

Key Assumptions
Wages and Benefits

Expense		
Expense Appropriation	**Description**	**Amount +/-**
Personnel Expense	FTE analysis completed for PW allocations (Jan 2024 – June 2025 actual)	N/A
Personnel Expense	Wage adjustments (Cola/ step increases, taxes/ benefits/ health care) per labor agreement or policy (54.8% of operating budget)	+5.7%
Personnel Expense	Health care increase estimate	5%
PERS Contribution	Pension contribution (City share)	5.58%
Leoff Contribution	Pension contribution police officers (City share)	5.32%
Wellness	$540 per regular employee 88 Employees;	$47,500
Employee Relations	$345 per regular employee 88 Employees;	$30,400
Staff Retirements	Potential for retirements (PW, Admin, CDD and PD)	$207,000

Key Assumptions
Wages and Benefits

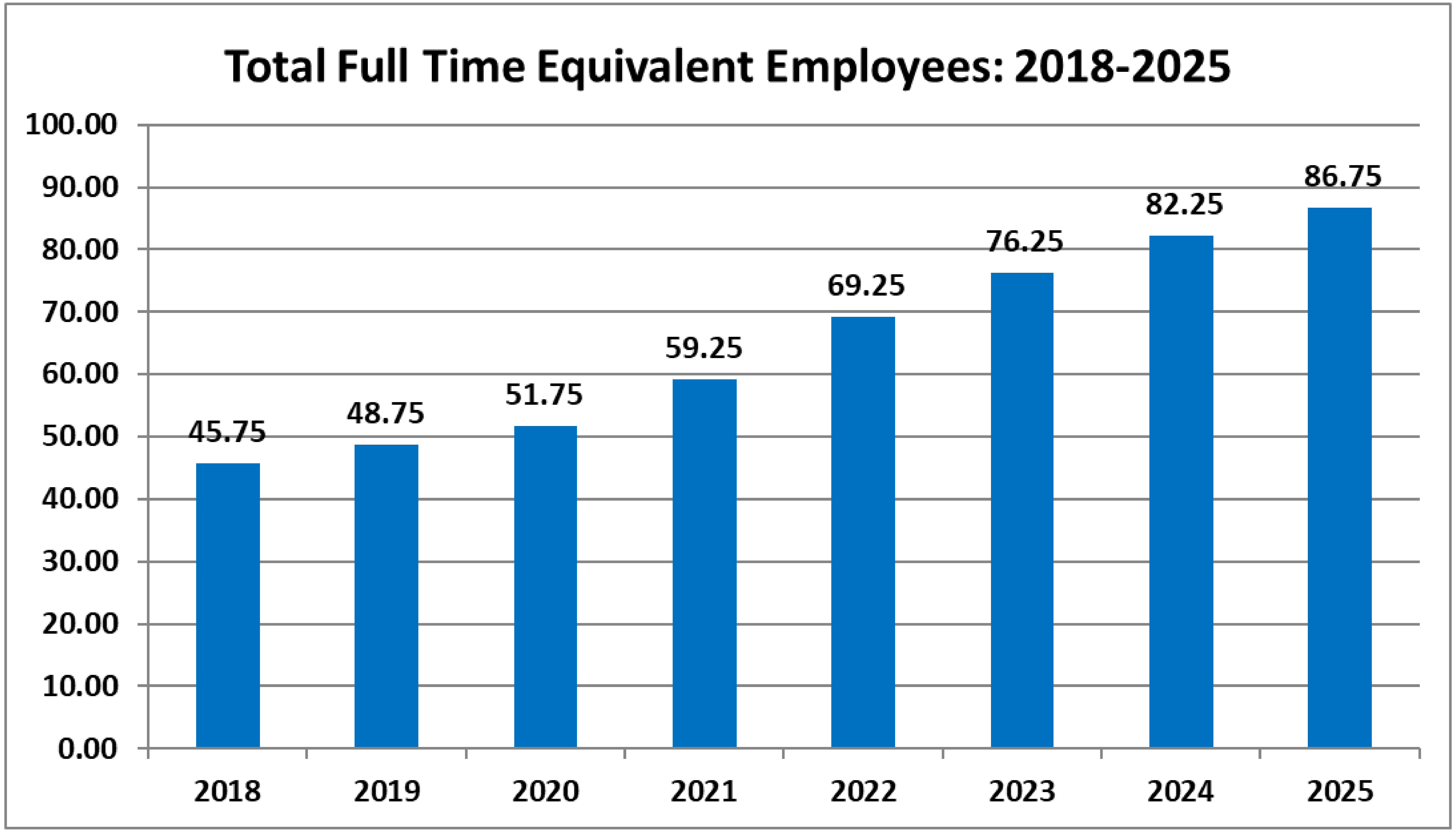
Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline
Personnel Expense					
General Fund					
General Fund Personnel Expense	5,780,785	6,732,928	7,934,850	7,502,438	8,404,250
Gen Fund Personnel % Change	*17.9%*	*16.5%*	*17.9%*	*11.4%*	***5.9%***
Street Fund Personnel Expense	679,516	899,195	943,350	949,264	1,009,850
Street Fund Personnel % Change	*35.1%*	*32.3%*	*4.9%*	*5.6%*	***7.0%***
Building/Permitting Personnel Expense	1,712,580	1,706,956	2,075,850	2,053,196	2,256,300
Building/Permitting Personnel % Change	*8.8%*	*-0.3%*	*21.6%*	*20.3%*	***8.7%***
Water Fund Personnel Expense	910,593	941,583	1,374,750	1,203,635	1,384,350
Water Fund Personnel % Change	*17.9%*	*3.4%*	*46.0%*	*27.8%*	***0.7%***
Storm Fund Personnel Expense	576,573	612,955	1,033,000	747,174	1,071,650
Storm Fund Personnel % Change	*42.2%*	*6.3%*	*68.5%*	*21.9%*	***3.7%***
Total Personnel Expense	9,660,047	10,893,617	13,361,800	12,455,707	14,126,400
% Change YoY	*18.40%*	*12.77%*	*22.66%*	*14.34%*	***5.72%***
$ Change YoY	1,501,405	1,233,570	2,468,183	1,562,090	**764,600**

Personnel expense is 56.6% of the baseline operating budget.

Key Assumptions
FTE Allocations

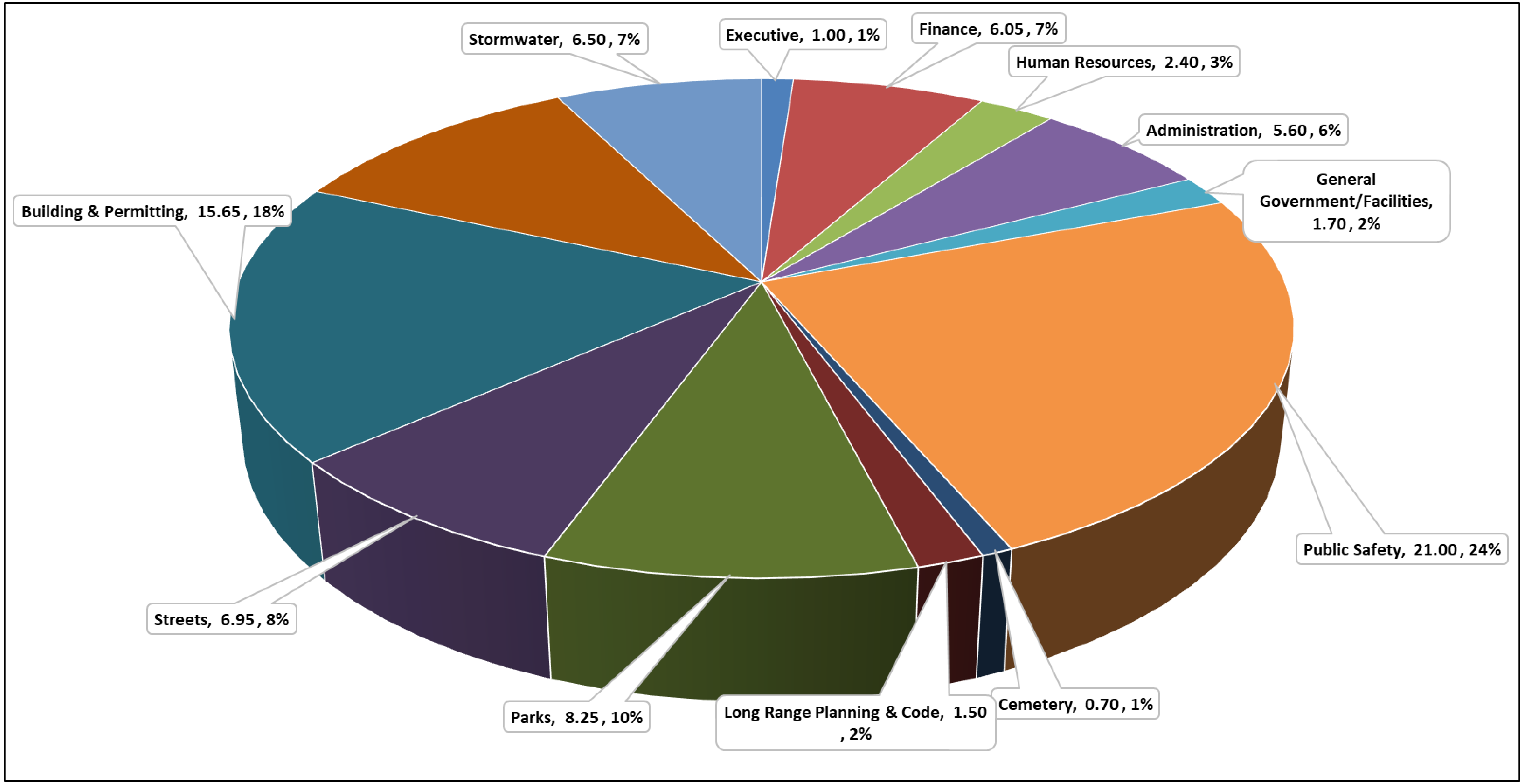
Personnel Schedule (Full-Time Equivalents)					
Job Title	2023 FTE Allocation	2024 FTE Allocation	2025 FTE Allocation	2026 FTE Allocation	2025 FTE Percentage
Executive	1.00	1.00	1.00	1.00	1.15%
Total Finance	6.30	6.30	6.05	6.05	6.97%
Total Human Resources	2.40	2.40	2.40	2.40	2.77%
Total Administration	5.60	5.60	5.60	5.60	6.46%
Total General Government/Facilities	1.40	1.55	1.70	2.20	2.54%
Total Public Safety	19.00	21.00	21.00	21.00	24.21%
Total Cemetery	0.30	0.35	0.70	0.50	0.58%
Total Long Range Planning & Code Enforcement	1.50	1.50	1.50	1.30	1.50%
Total Parks	5.65	6.65	8.25	7.65	8.82%
Total Streets	6.10	6.90	6.95	7.50	8.65%
Total Building and Permitting	15.70	15.70	15.65	15.55	17.93%
Total Water Utility	7.00	7.00	9.45	9.50	10.95%
Total Stormwater Utility	4.30	6.30	6.50	6.50	7.49%
Total Full Time Equivalents	76.25	82.25	86.75	86.75	100.00%
Full-Time Staff					
Full-Time Employees	75.00	81.00	85.00	85.00	97.98%
Part-Time Staff					
Part-Time Employees	1.25	1.25	1.75	1.75	2.02%

Key Assumptions
Staffing Levels: Citywide Trend



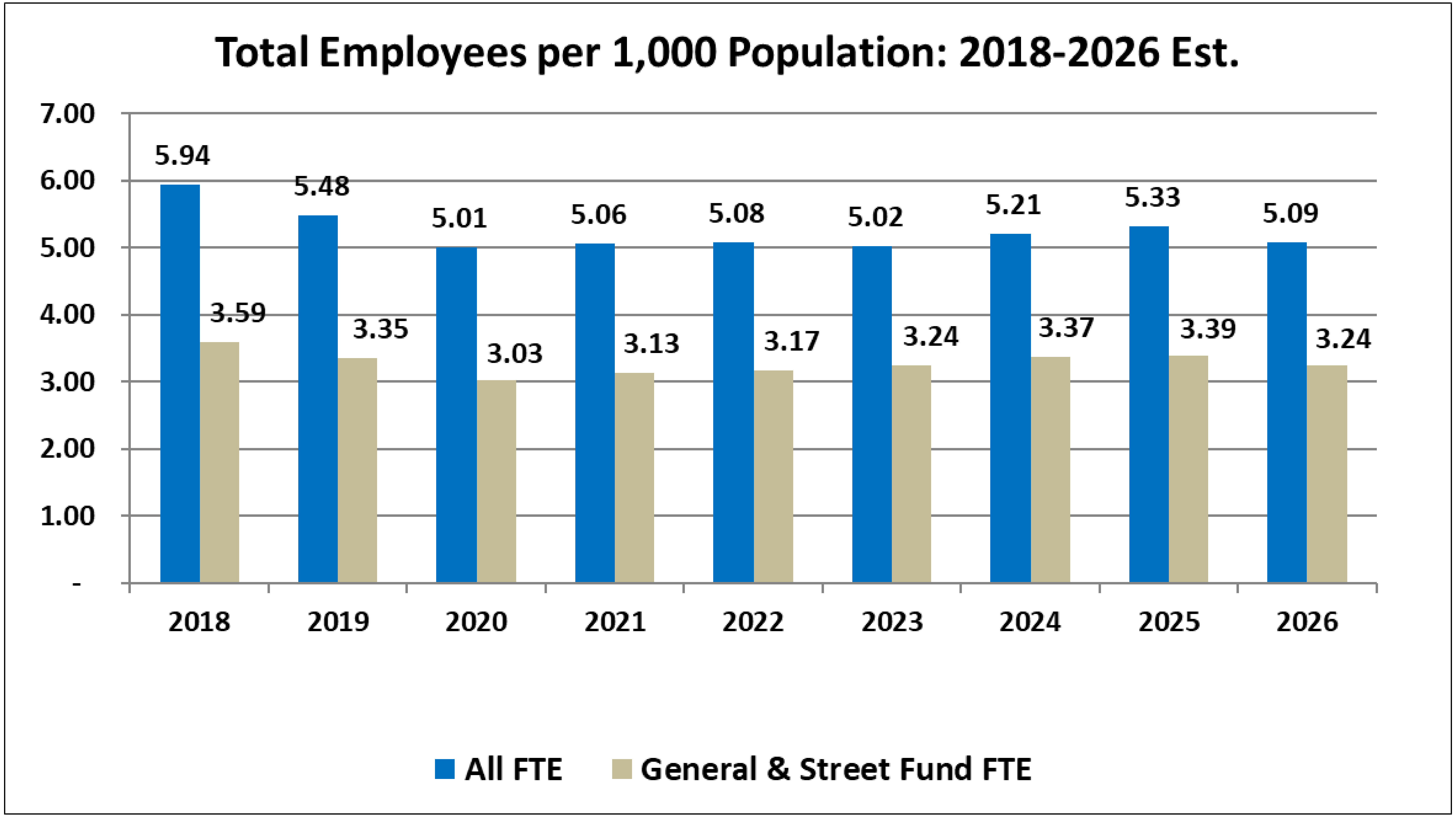
Source: City of Ridgefield Finance Department

Key Assumptions
Staffing Levels: 2025 FTE Allocation



Source: City of Ridgefield Finance Department

Key Assumptions
Staffing Levels: Per 1,000 Population



Source: City of Ridgefield Finance Department

Key Assumptions
Non-Personnel

Expense		
Expense Appropriation	**Description**	**Amount +/-**
Supply/Service Expense	3-year trend completed all line items	N/A
General Fund Transfer for Street Operations	General Fund contribution to street operations increases by 14.2%	$1,027,500
Pavement and Sidewalk Preservation Program	Per preservation model. Funding from the Transportation Benefit District	$620,000
Equipment Replacement Fund	Model updated in 2025. No General Fund, Street Fund or Storm Fund transfers in 2026	$0
Equipment Replacement Fund	Model updated in 2025. Water Fund contribution included in baseline	$46,500
Equipment Replacement Fund	Replacement expense. Will bring forward with initiatives and capital requests. Potential to use debt for large replacement for specialty equipment to reduce $130,000.	$486,800

2026 Operating Budget Summary

Operating Fund Summary									
				Comparison	2026 YE	2026	Excess Reserves		Comments
	Revenue	Expense	Net	2025 Expense	Fund Balance	Policy Reserves	Ongoing	One-Time	
General Fund	$ 14,550,409	$ 14,037,650	$ 512,759	6.0%	$ 5,748,636	$ 4,154,667	$ 512,759	$ 1,081,210	
Street Fund	$ 1,530,600	$ 1,520,600	$ 10,000	8.8%	$ 101,556	Gen Fund	Gen Fund	Gen Fund	
Building & Permitting Fund	$ 3,555,500	$ 3,669,829	$ (114,329)	11.5%	$ 128,734	$ 579,766	$ -	$ -	Currently using policy reserves
Water Fund	$ 3,907,700	$ 3,663,810	$ 243,890	5.9%	$ 4,239,188	$ 1,909,763	$ 243,890	$ 2,085,535	
Stormwater Fund	$ 1,855,250	$ 2,078,760	$ (223,510)	12.4%	$ 691,383	$ 1,008,545	$ -	$ -	Currently using policy reserves

2026 Baseline Operating Budget
General Fund Expenditure Adjustments
Above & Below the Line

2026 Operating Fund - Budget Revisions		(854,660)	2026 Operating Budget v1 net total
General Fund/Street Fund Revenue Increases			
Revenue Line Item	Revenue	Expense	Comments
Indirect Cost Allocation - Building	180,079		
Indirect Cost Allocation - Water	52,810		
Indirect Cost Allocation - Stormwater	89,930		
Transfer from REET - PD Lease	170,000		
Net revenue increase	**492,819**		
General Fund/Street Fund Expenditure Reallocations			
Expense Line Item	Revenue	Expense	Comments
PD Lease Expense Reduction	-	(20,400)	Reduced contractual expense
Separation Expense HR/Admin	-	(65,000)	Moved to a one-time expense (paid from separation reserve)
Separation Expense PD	-	(70,000)	Moved to a one-time expense (paid from separation reserve)
Separation Expense Streets	-	(1,250)	Moved to a one-time expense (paid from separation reserve)
Net expenditure reallocation		**(156,650)**	

2026 Baseline Operating Budget
General Fund Expenditure Adjustments
Above & Below the Line

General Fund/Street Fund Expenditure Reductions			
Revenue	Revenue	Expense	Comments
Public Safety - Overtime		(114,900)	Reduce OT by 50%, includes taxes and benefits
Public Safety - Training & Travel		(15,000)	Reduce external training and travel by 43% (Does not include mandatory training)
Public Safety - Supplies		(21,000)	Reduce supplies for one year. Currently have supplies to cover 2026
Public Safety - Equipment		(20,000)	Reduce equipment to essential needs
Public Safety - Uniforms		(10,000)	Reduce uniform cost to essential needs
Public Safety - Maintenance		(5,000)	Reduce vehicle maintenance 20%
Public Safety - Communications		(5,000)	Reduce communications 17%
Public Safety - SWAT share		(20,000)	Contractual decrease
Public Safety - Children's Justice Ctr		(2,500)	Reduce unused budget. Avg past 3 years under $1,000
General/Street Fund - ERF Transfer		(230,500)	Eliminate 2026 ERF transfer. Would require to delay replacements 1 year beg. 2027
Gen Gov/Facilities - Newsletter		(8,000)	Reduce from 3 to 2 newsletters per year
Gen Gov/Facilities - City partners		(24,000)	Reduce $24k funding to RSD. No request has been made from RSD for 2025 funding
Gen Gov/Facilities - Maint/Supplies		(27,000)	Reduce maintenance budget $25,000 and supplies $2,000
Gen Gov/Facilities - Watershed		(20,000)	Reallocate contract to work supporting water and stormwater funds
Street Fund - Supplies		(30,000)	Reduce supply expense $5k and unused street signs budget $20k, unused tree budget $5k
Street Fund - Training/Prof Service		(7,000)	Reduce unused training expense $2,500, and unused prof service budget $5k
Street Fund - Roundabout Committee		(40,000)	Eliminate committee prof services for 2026
Street Fund - Maintenance		(15,000)	Reduce maintenance expense $15k

2026 Baseline Operating Budget
General Fund Expenditure Adjustments
Above & Below the Line

General Fund/Street Fund Expenditure Reductions			
Revenue	Revenue	Expense	Comments
Long Range Planning - OT		(1,150)	Eliminate OT expense, includes taxes and benefits
Planning Commission - Prof Services		(3,500)	Reduce travel budget $500, dues, $500 and prof service $2,500
Parks/Streets - Seasonal position		(34,850)	Reduce seasonal position from 3 - 2 for 2026. 50/50 split between parks/streets
Parks - OT		(10,000)	Reduce overtime budget by $10,000
Parks - Supplies/Maintenance		(53,000)	Reduce supply and maintenance budget
Council - Operating expense		(3,000)	Mayor expense and miscellaneous expense
Council - State of the city		(25,000)	Reduce budget 50%
Executive - travel/meal and prof serv.		(5,500)	Reduce travel/meal and professional service expense
HR/Admin - Intern		(30,800)	Eliminate intern position for 2026
HR/Admin - OT		(6,700)	Reduce unused OT budget, includes taxes and benefits
HR/Admin - Wellness/Relations, Tuition		(14,100)	Reduce wellness and employee relations 5%, Eliminate unused tuition reimbursement
Finance - Intern		(30,800)	Eliminate intern position for 2026
Finance - OT		(1,050)	Reduce OT by 50%, includes taxes and benefits
Info Technology - Professional Services		(12,500)	Reduce professional service and consultant expense for website updates
General/Street Fund - Water		(10,000)	Reduce water usage for irrigation and facility usage
Net expense reductions	**-**	**(856,850)**	
Additional revenue	**492,819**		
Reallocate to one-time expense		**(156,650)**	
Expenditure reductions		**(856,850)**	
2026 operating budget v2 net total		**651,659**	

2026 Baseline Operating Budget
Building & Permitting Fund Expenditure Adjustments
Above & Below the Line

2026 Operating Fund - Budget Revisions		32,350	2026 Operating Budget v1 net total
Building & Permitting Fund Expenditure Revisions			
Revenue	Revenue	Expense	Comments
Indirect cost allocation to Gen Fund		180,079	Increase in indirect cost allocation compared to 2025
Separation expense		(48,250)	Reallocate retirement accrual payout to one-time expense
Net amount expenditure revisions	**-**	**131,829**	
Building & Permitting Fund Expenditure Reductions			
Revenue	Revenue	Expense	Comments
Building & Permitting - Intern		(33,400)	
Net expense reductions	**-**	**(33,400)**	
Increased allocation expense	**-**	**180,079**	
Reallocate to one-time expense		**(48,250)**	
Expenditure reductions		**(33,400)**	
2026 operating budget v2 net total		**(66,079)**	

2026 Baseline Operating Budget
Water Fund Expenditure Adjustments
Above & Below the Line

2026 Operating Fund - Budget Revisions		172,350	2026 Operating Budget v1 net total
Water Fund Expenditure Revisions			
Revenue	Revenue	Expense	Comments
Indirect cost allocation to Gen Fund		52,810	Increase in indirect cost allocation compared to 2025
Net amount above the line	**-**	**52,810**	
Water Fund Expenditure Reductions			
Revenue	Revenue	Expense	Comments
Water Fund - OT		(17,350)	Reduce overtime expense, includes taxes and benefits
Water Fund - Supplies		(30,000)	Reduce supplies expense to reduce unused budgets
Water Fund - Maintenance		(77,000)	Reduce maintenance expense to reduce unused budgets
Net expense reductions	**-**	**(124,350)**	
Increased allocation expense	**-**	**52,810**	
Reallocate to one-time expense		**-**	
Expenditure reductions		**(124,350)**	
2026 operating budget v2 net total		**243,890**	

2026 Baseline Operating Budget
Stormwater Fund Expenditure Adjustments
Above & Below the Line

2026 Operating Fund - Budget Revisions		(263,330)	2026 Operating Budget v1 net total
Stormwater Fund Revisions			
Revenue	Revenue	Expense	Comments
Indirect cost allocation to Gen Fund		89,930	Increase in indirect cost allocation compared to 2025
Separation expense		(22,500)	Reallocate retirement accrual payout to one-time expense
Net amount expenditure revisions	**-**	**67,430**	
Stormwater Fund Expenditure Reductions			
Revenue	Revenue	Expense	Comments
Stormwater Fund - OT		(17,250)	Reduce overtime expense, includes taxes and benefits
Water Fund - Supplies/Equipment		(30,000)	Reduce supplies expense to reduce unused budgets
Stormwater Fund - Maintenance		(42,500)	Reduce supplies expense to reduce unused budgets
Stormwater Fund - ERF transfer		(40,000)	Eliminate 2026 transfer to ERF fund
Net expense reductions	**-**	**(129,750)**	
Increased allocation expense	**-**	**89,930**	
Reallocate to one-time expense		**(22,500)**	
Expenditure reductions		**(129,750)**	
2026 operating budget v2 net total		**(201,010)**	

2026 Baseline Operating Budget
Industry Standard Reserve Balances

General and Street Fund Reserves

Government Finance Officers Association (GFOA): The recommendation is to maintain reserve levels of a minimum of 2 months (60 days) of regular general fund operating revenues or regular general fund operating expenditures or a total of **16.7%** of the operating budget. The City does a combination of 60 days of operating expenses from the prior year plus 10% of operating revenues from the prior year. The current operating reserve balance is **19.2%** of the 2026 draft operating budget. Total General Fund reserves including debt service and capital is **30.2%** of the 2026 draft operating budget.

Building & Permitting and Utility Fund Reserves

Government Finance Officers Association (GFOA): The recommendation is to maintain reserve levels of a minimum of 45 days of regular operating fund revenues or regular operating fund expenditures or a total of **12.3%** of the operating budget. The City reserves 60 days of operating expenses from the prior for building & permitting and stormwater. The City reserves 90 days of operating expenses from the prior year for water.

Building & Permitting: 14.1% reserve balance for operations and **14.2%** including capital.

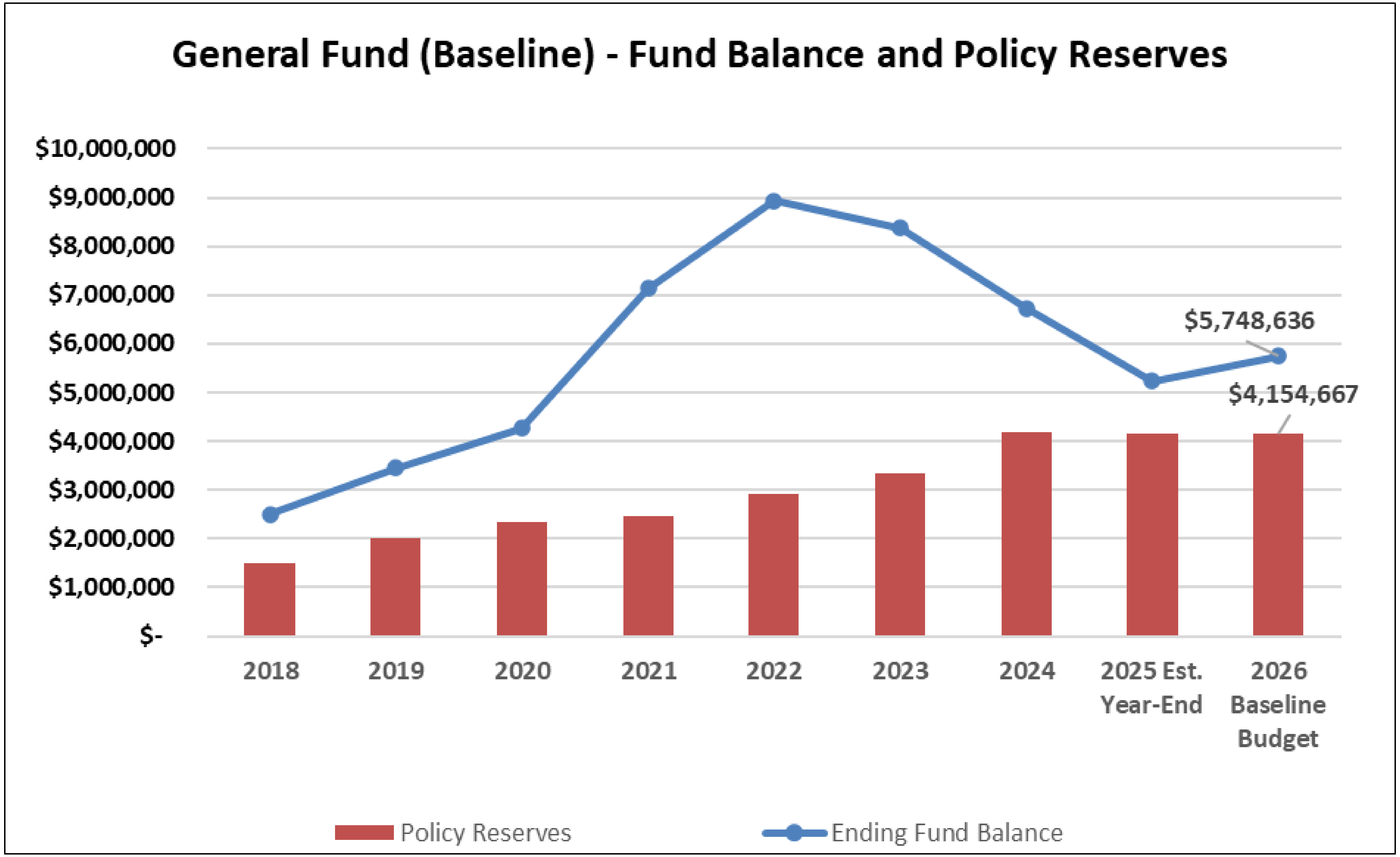
Water Fund: 15.5% reserve balance for operations and **49.6%** including separation and capital repair & replacement.

Stormwater Fund: 12.2% reserve balance for operations and **47.4%** including separation and capital repair & replacement.

2026 Baseline Operating Budget
2026 Estimated Policy Reserve Balances

Fund	2026 Est. Policy Reserves	2025 Policy Reserves	% Change
General Fund	$ 4,154,667	$ 4,165,939	-0.3%
Building & Permitting Fund	$ 579,766	$ 552,158	5.0%
Water Fund	$ 1,909,763	$ 1,818,822	5.0%
Stormwater Fund	$ 1,008,545	$ 975,492	3.4%
Total Policy Reserves	$ 7,652,741	$ 7,512,411	1.9%

2026 Baseline Operating Budget
Fund Balance and Policy Reserve Balances



Source: City of Ridgefield Finance Department

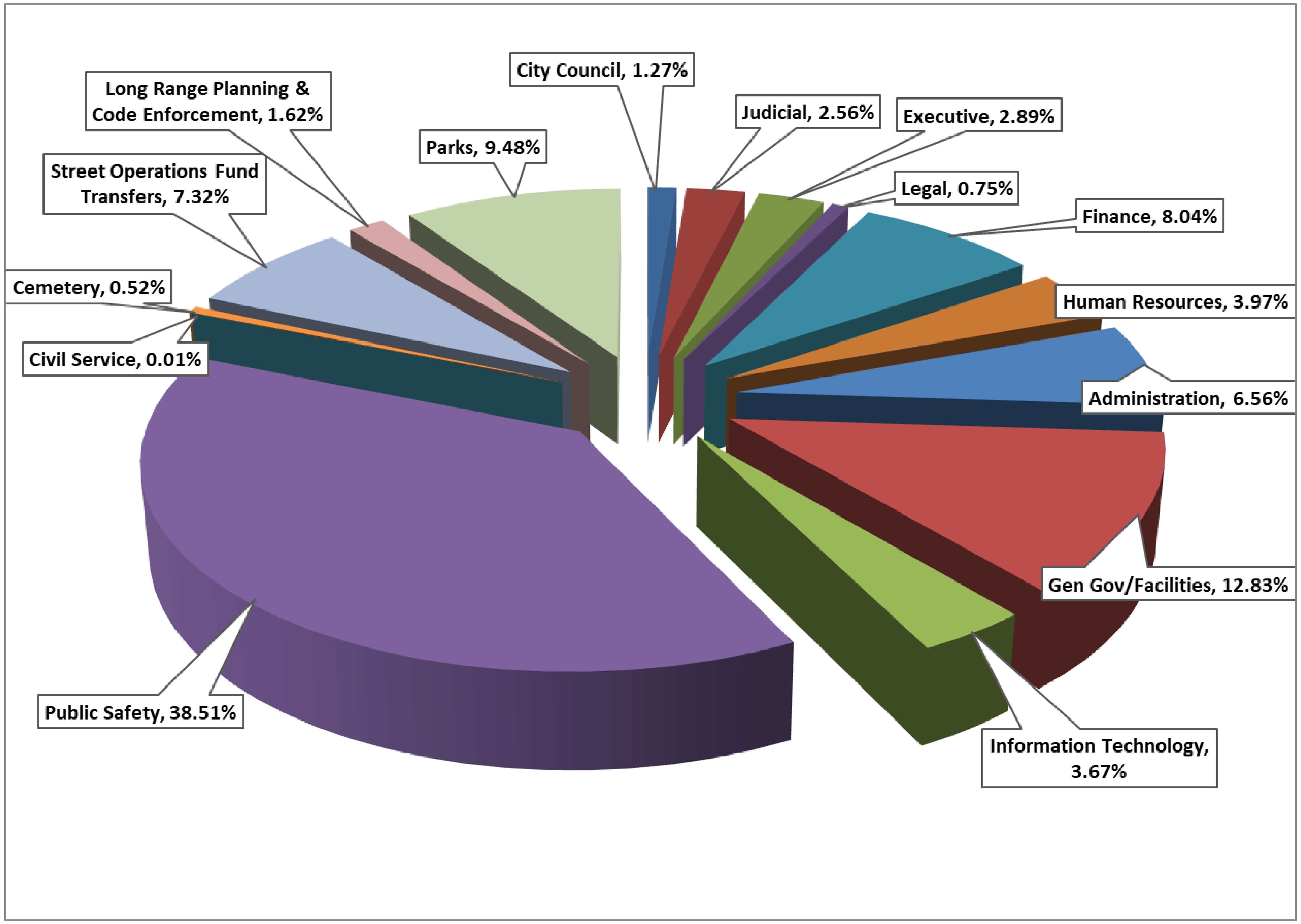
2026 Baseline Operating Budget
General Fund Revenues

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
001 General Fund							
Revenue							
Property Tax	2,213,832	2,333,788	2,500,000	2,495,000	2,660,000	-	2,660,000
Retail Sales & Other Tax	4,098,461	4,954,279	5,758,000	5,656,301	6,082,500	-	6,082,500
Public Safety Sales/Use	230,760	255,585	250,000	247,460	275,000	-	275,000
Utility Taxes	1,838,309	1,994,656	2,110,000	2,192,750	2,310,000	-	2,310,000
License & Permits	88,782	101,305	102,240	102,995	110,240	-	110,240
Fines & Forfeits	61,009	82,959	73,000	75,640	83,200	-	83,200
Charge for Goods & Srvc	1,491,886	1,563,526	1,635,880	1,701,082	2,027,149	-	2,027,149
Intergovernmental/Grant	403,937	551,021	640,945	559,364	375,700	-	375,700
Other Rev/Donations	870,722	637,817	558,000	397,615	456,620	-	456,620
Transfers In	-	-	-	-	170,000	-	170,000
Total Revenue	***11,297,698***	***12,474,936***	***13,628,065***	***13,428,207***	***14,550,409***	***-***	***14,550,409***

2026 Baseline Operating Budget
General Fund Expenditures by Department

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
001 General Fund							
Expense							
City Council	122,602	126,824	178,950	198,184	177,750	-	177,750
Judicial	293,785	356,122	350,000	345,136	360,000	-	360,000
Executive	310,372	342,440	390,400	366,814	405,550	-	405,550
Legal	82,596	86,100	105,000	83,503	105,000	-	105,000
Finance	895,909	960,099	1,033,250	1,029,314	1,128,350	-	1,128,350
Human Resources	431,921	488,052	510,050	507,685	531,700	26,000	557,700
Administration	685,793	737,878	819,150	754,782	882,500	39,000	921,500
Gen Govt/Facilities	2,350,531	2,507,951	2,149,820	2,201,351	1,800,450	-	1,800,450
Information Tech	460,564	371,068	522,500	434,888	515,000	-	515,000
Public Safety	4,031,695	4,439,669	5,085,325	4,785,331	5,336,500	70,000	5,406,500
Civil Service	166	170	1,000	188	850	-	850
Cemetery	51,996	83,799	90,100	68,426	73,350	-	73,350
Transfers	978,169	1,599,236	1,371,230	1,371,230	1,026,250	1,250	1,027,500
Long Range Planning &	118,816	318,774	551,450	463,938	226,900	-	226,900
Parks	1,041,644	1,689,677	3,504,100	2,316,338	1,331,250	-	1,331,250
Total Expense	***11,856,559***	***14,107,859***	***16,662,325***	***14,927,108***	***13,901,400***	***136,250***	***14,037,650***
Net Total	***(558,861)***	***(1,632,923)***	***(3,034,260)***	***(1,498,901)***	***649,009***	***(136,250)***	***512,759***

2026 Baseline Operating Budget
General Fund Expenditures by Department

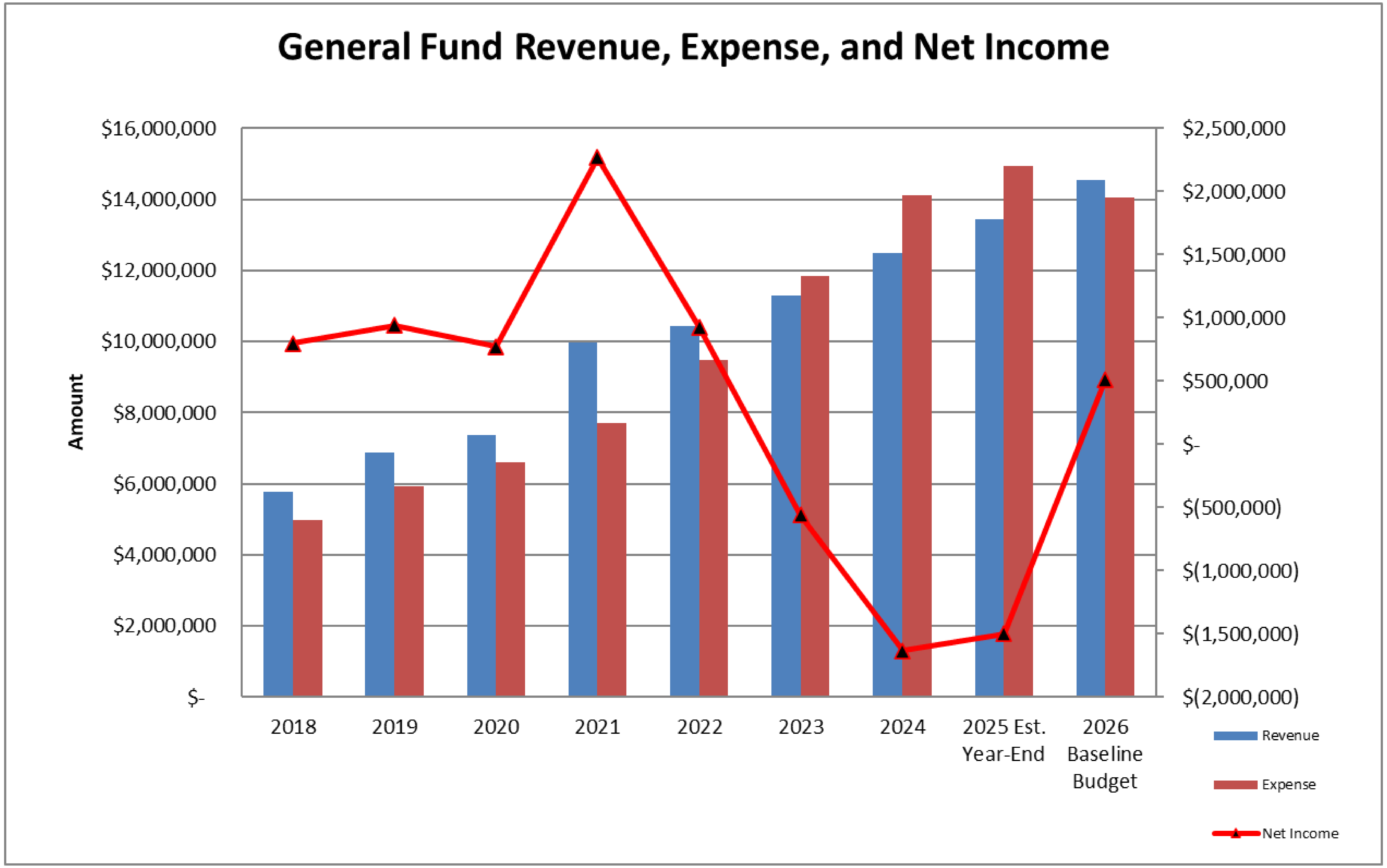


Source: City of Ridgefield Finance Department

2026 Baseline Operating Budget
General Fund - Fund Balance

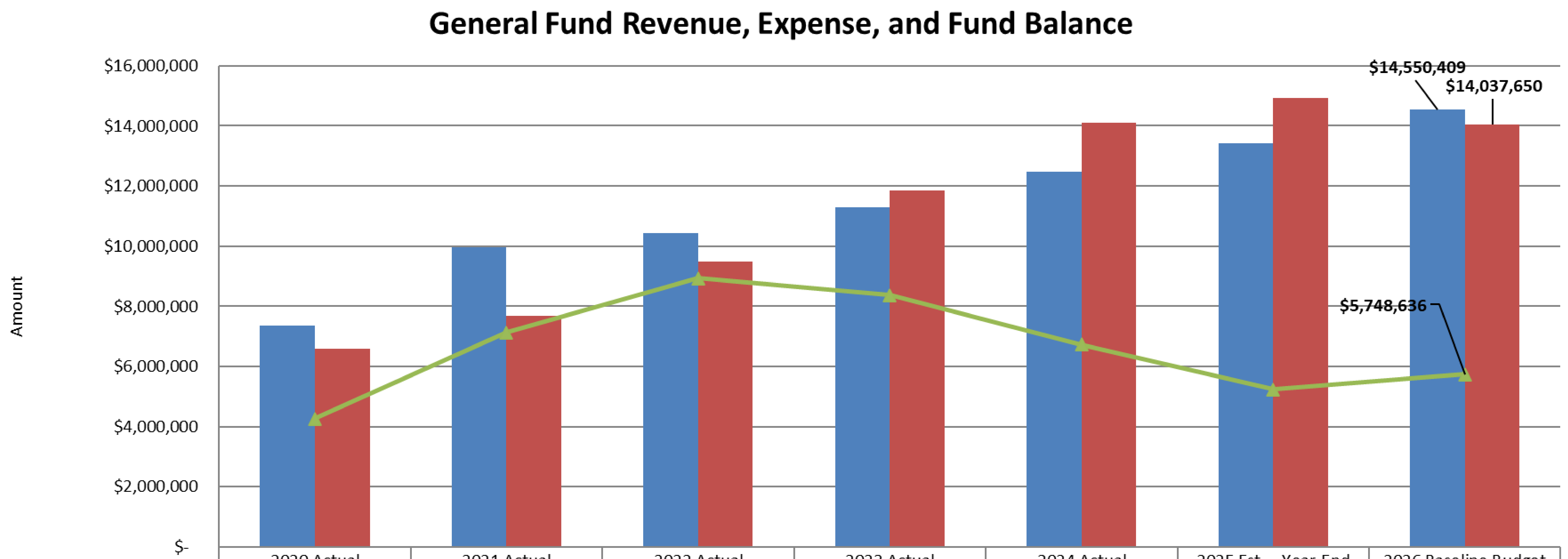
Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
001 General Fund							
Fund Balance							
Beginning Fund Balance	8,926,561	8,367,701	6,734,778	6,734,778	5,235,877	5,884,886	5,235,877
Ending Fund Balance	8,367,700	6,734,778	3,700,518	5,235,877	5,884,886	5,748,636	5,748,636
GF Policy Reserve Balance	3,327,969	4,177,825	4,165,939	4,165,939	4,154,667	4,154,667	4,154,667
Fund Balance Available	5,039,731	2,556,953	(465,421)	1,069,938	1,730,219	1,593,969	1,593,969

2026 Baseline Operating Budget
General Fund Net Revenue



Source: City of Ridgefield Finance Department

2026 Baseline Operating Budget
General Fund Revenue, Expense and Fund Balance



	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Est. Year-End	2026 Baseline Budget
Revenue	$7,371,332	$9,962,551	$10,423,289	$11,297,698	$12,474,936	$13,428,207	$14,550,409
Expense	$6,600,327	$7,694,982	$9,495,331	$11,856,919	$14,107,859	$14,927,108	$14,037,650
Ending Fund Balance	$4,263,045	$7,135,486	$8,934,243	$8,367,700	$6,734,777	$5,235,876	$5,748,636

Source: City of Ridgefield Finance Department

2026 Baseline Operating Budget
Street Fund Revenues, Expenditures and Fund Balance

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
101 Street Fund							
Revenue							
Utility Tax/Franchise Fee	125,020	143,377	158,500	164,674	169,000	-	169,000
Permits	17,187	20,606	20,000	21,773	20,000	-	20,000
Grants	-	-	56,000	56,000	-	-	-
Intergovernmental	274,279	289,926	307,165	280,496	303,100	-	303,100
Other Revenue	13,261	6,504	25,525	13,858	11,000	-	11,000
Transfers In	733,333	1,052,935	1,009,000	1,009,000	1,026,250	1,250	1,027,500
Total Revenue	***1,163,080***	***1,513,348***	***1,576,190***	***1,545,801***	***1,529,350***	***1,250***	***1,530,600***
Expense							
Streets	1,261,237	1,468,834	1,571,950	1,560,811	1,519,350	1,250	1,520,600
Total Expense	***1,261,237***	***1,468,834***	***1,571,950***	***1,560,811***	***1,519,350***	***1,250***	***1,520,600***
Net Total	***(98,157)***	***44,514***	***4,240***	***(15,010)***	***10,000***	***-***	***10,000***
Fund Balance							
Beg Fund Balance	160,209	62,052	106,566	106,566	91,556	101,556	91,556
Ending Fund Balance	62,052	106,566	110,806	91,556	101,556	101,556	101,556
Reserves Maintain in GF	-	-	-	-	-	-	-
Fund Balance Available	62,052	106,566	110,806	91,556	101,556	101,556	101,556

2026 Baseline Operating Budget
Community Development (Building & Permitting Activities)
Revenues, Expenditures and Fund Balance

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
402 Building/Permitting							
Revenue							
Permits	1,085,069	1,239,614	1,302,000	1,511,680	1,803,000	-	1,803,000
Planning and Development	926,769	925,368	1,195,000	1,034,076	1,737,500	-	1,737,500
Other Revenue	10,410	10,580	15,000	17,616	15,000	-	15,000
Total Revenue	***2,022,248***	***2,175,562***	***2,512,000***	***2,563,372***	***3,555,500***	***-***	***3,555,500***
Expense							
Building/Permitting	3,210,213	3,222,028	3,309,800	3,097,295	3,621,579	48,250	3,669,829
Total Expense	***3,210,213***	***3,222,028***	***3,309,800***	***3,097,295***	***3,621,579***	***48,250***	***3,669,829***
Net Total	***(1,187,965)***	***(1,046,466)***	***(797,800)***	***(533,923)***	***(66,079)***	***(48,250)***	***(114,329)***
Fund Balance							
Beg Fund Balance	3,011,417	1,823,452	776,986	776,986	243,063	176,984	243,063
Ending Fund Balance	1,823,452	776,986	(20,814)	243,063	176,984	128,734	128,734
Policy Reserves	665,967	749,600	552,158	552,158	579,766	579,766	579,766
Fund Balance Available	1,157,485	27,386	(572,972)	(309,095)	(402,782)	(451,032)	(451,032)

2026 Baseline Operating Budget
Water Fund Revenues, Expenditures and Fund Balance

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
406 Water Utility Fund							
Revenue							
Charge for Goods & Srvc	2,955,429	3,145,852	3,827,000	3,502,041	3,750,700	-	3,750,700
Grants	-	-	30,000	30,000	30,000	-	30,000
Other Revenue	116,213	123,803	76,000	90,086	76,000	-	76,000
Transfers In	-	-	-	-	51,000	-	51,000
Total Revenue	***3,071,642***	***3,269,655***	***3,933,000***	***3,622,127***	***3,907,700***	***-***	***3,907,700***
Expense							
Water Utility	2,488,677	2,801,052	3,933,400	3,268,036	3,663,810	-	3,663,810
Total Expense	***2,488,677***	***2,801,052***	***3,933,400***	***3,268,036***	***3,663,810***	***-***	***3,663,810***
Net Total	***582,965***	***468,603***	***(400)***	***354,091***	***243,890***	***-***	***243,890***
Fund Balance							
Beginning Fund Balance	2,589,639	3,172,604	3,641,207	3,641,207	3,995,298	4,239,188	3,995,298
Ending Fund Balance	3,172,604	3,641,207	3,640,807	3,995,298	4,239,188	4,239,188	4,239,188
Policy Reserve Balance	1,381,176	1,631,738	1,818,822	1,818,822	1,909,763	1,909,763	1,909,763
Fund Balance Available	1,791,428	2,009,469	1,821,985	2,176,476	2,329,425	2,329,425	2,329,425

2026 Baseline Operating Budget
Storm Water Fund Revenues, Expenditures and Fund Balance

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
408 Stormwater Utility Fund							
Revenue							
Charge for Goods & Srvc	1,224,811	1,520,633	2,265,000	1,744,285	1,843,750	-	1,843,750
Grants	-	130,000	-	-	-	-	-
Other Revenue	(11,898)	7,138	11,500	13,745	11,500	-	11,500
Transfer In	200,000	-	-	-	-	-	-
Total Revenue	***1,412,913***	***1,657,771***	***2,276,500***	***1,758,030***	***1,855,250***	***-***	***1,855,250***
Expense							
Stormwater Utility	1,409,017	1,479,659	2,067,280	1,638,346	2,056,260	22,500	2,078,760
Total Expense	***1,409,017***	***1,479,659***	***2,067,280***	***1,638,346***	***2,056,260***	***22,500***	***2,078,760***
Net Total	***3,896***	***178,112***	***209,220***	***119,684***	***(201,010)***	***(22,500)***	***(223,510)***
Fund Balance							
Beginning Fund Balance	613,201	617,097	795,209	795,209	914,893	713,883	914,893
Ending Fund Balance	617,097	795,209	1,004,429	914,893	713,883	691,383	691,383
Policy Reserve Balance	646,251	766,956	975,492	975,492	1,008,545	1,008,545	1,008,545
Fund Balance Available	(29,154)	28,253	28,937	(60,599)	(294,662)	(317,162)	(317,162)

2026 Baseline Operating Budget
Special Revenue & Debt Service Fund Revenues and Expenditures

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
111 Drug Fund							
Total Revenue	491	211	1,510	107	1,510	-	1,510
Total Expense	2	-	500	-	500	-	500
Net Total	489	211	1,010	107	1,010	-	1,010
Ending Fund Balance	**9,678**	**9,889**	**10,899**	**9,996**	**11,006**	**11,006**	**11,006**
130 Tax Increment Area							
Total Revenue	-	-	30,000	141,000	250,000	-	250,000
Total Expense	-	-	30,000	27,000	306,000	-	306,000
Net Total	-	-	-	114,000	(56,000)	-	(56,000)
Ending Fund Balance	**-**	**-**	**-**	**114,000**	**58,000**	**58,000**	**58,000**
140 Affordable Housing							
Total Revenue	23,294	24,270	25,000	24,000	24,000	-	24,000
Total Expense	-	-	-	-	-	-	-
Net Total	23,294	24,270	25,000	24,000	24,000	-	24,000
Ending Fund Balance	**90,470**	**114,740**	**139,740**	**138,740**	**162,740**	**162,740**	**162,740**
150 Transportation Benefit District							
Total Revenue	885,436	1,073,132	1,168,000	1,089,375	1,168,000	-	1,168,000
Total Expense	1,082,663	735,686	1,102,500	994,529	168,700	620,000	788,700
Net Total	(197,227)	337,446	65,500	94,846	999,300	(620,000)	379,300
Ending Fund Balance	**389,688**	**727,134**	**792,634**	**821,980**	**1,821,280**	**1,201,280**	**1,201,280**
200 Debt Service Fund							
Total Revenue	1,408,994	2,459,027	2,949,765	2,949,765	2,955,450	-	2,955,450
Total Expense	1,408,994	2,459,027	2,949,765	2,949,765	2,955,450	-	2,955,450
Net Total	-	-	-	-	-	-	-
Ending Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2026 Baseline Operating Budget
Capital Project Fund Revenues Forecast

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
105 Real Estate Excise Tax (REET) Fund							
Revenue							
Real Estate Excise Taxes	1,490,525	1,872,677	1,900,000	1,762,759	1,600,000	-	1,600,000
Other Revenue	304,885	212,635	140,000	146,722	140,000	-	140,000
Total Revenue	***1,795,410***	***2,085,312***	***2,040,000***	***1,909,481***	***1,740,000***	***-***	***1,740,000***
Expense							
Utility	65,000	-	-	-	-	-	-
General	-	-	-	-	170,000	-	170,000
Streets	537,358	-	-	-	-	-	-
Parks	-	-	1,730,710	1,730,710	-	-	-
Debt Service (GO Bonds)	1,408,994	1,992,686	2,808,645	2,808,645	2,514,250	-	2,514,250
Total Expense	***2,011,352***	***1,992,686***	***4,539,355***	***4,539,355***	***2,684,250***	***-***	***2,684,250***
Net Total	***(215,942)***	***92,626***	***(2,499,355)***	***(2,629,874)***	***(944,250)***	***-***	***(944,250)***
Fund Balance							
Beg Fund Balance	4,501,079	4,285,137	4,377,763	4,377,763	1,747,889	803,639	1,747,889
Ending Fund Balance	4,285,137	4,377,763	1,878,408	1,747,889	803,639	803,639	803,639
Debt Service Reserves	1,408,996	2,808,645	2,350,435	2,350,435	2,810,070	2,810,070	2,810,070
Fund Balance Available	2,876,141	1,569,118	(472,027)	(602,546)	(2,006,431)	(2,006,431)	(2,006,431)

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
416 Water Utility SDC Fund							
Revenue							
Contributed Capital	832,398	1,112,553	1,550,000	1,463,717	1,650,000	-	1,650,000
Other Revenue	421,270	406,611	200,000	216,590	200,000	-	200,000
Total Revenue	***1,253,668***	***1,519,164***	***1,750,000***	***1,680,307***	***1,850,000***	***-***	***1,850,000***
Expense							
Intergovernmental	17,519	61,387	40,000	22,993	40,000	-	40,000
Capital Outlay	-	-	-	-	-	-	-
Transfers Out	2,444,522	1,954,601	8,425,000	3,374,385	51,000	-	51,000
Total Expense	***2,462,041***	***2,015,988***	***8,465,000***	***3,397,378***	***91,000***	***-***	***91,000***
Net Total	***(1,208,373)***	***(496,824)***	***(6,715,000)***	***(1,717,071)***	***1,759,000***	***-***	***1,759,000***
Fund Balance							
Beg Fund Balance	9,218,798	8,010,425	7,513,601	7,513,601	5,796,530	7,555,530	5,796,530
Ending Fund Balance	8,010,425	7,513,601	798,601	5,796,530	7,555,530	7,555,530	7,555,530
Fund Balance Available	8,010,425	7,513,601	798,601	5,796,530	7,555,530	7,555,530	7,555,530

2026 Baseline Operating Budget
Capital Project Fund Revenues Forecast

Description	2023 Actual	2024 Actual	2025 Amended Budget	2025 Est. Year End	2026 Baseline	2026 Additions	2026 Budget
114 Park Impact Fee (PIF) Fund							
Revenue							
Planning & Development	320,790	209,447	215,000	255,790	480,000	-	480,000
Grants	-	-	-	-	-	-	-
Other Revenue	91,918	41,959	250	5,124	500	-	500
Total Revenue	***412,708***	***251,406***	***215,250***	***260,914***	***480,500***	***-***	***480,500***
Expense							
Park Impact Fee	1,729,852	335,358	1,017,000	1,017,000	-	-	-
Total Expense	***1,729,852***	***335,358***	***1,017,000***	***1,017,000***	***-***	***-***	***-***
Net Total	***(1,317,144)***	***(83,952)***	***(801,750)***	***(756,086)***	***480,500***	***-***	***480,500***
Fund Balance							
Beg Fund Balance	2,649,061	1,331,917	1,247,965	1,247,965	491,879	972,379	491,879
Ending Fund Balance	1,331,917	1,247,965	446,215	491,879	972,379	972,379	972,379
Fund Balance Available	1,331,917	1,247,965	446,215	491,879	972,379	972,379	972,379

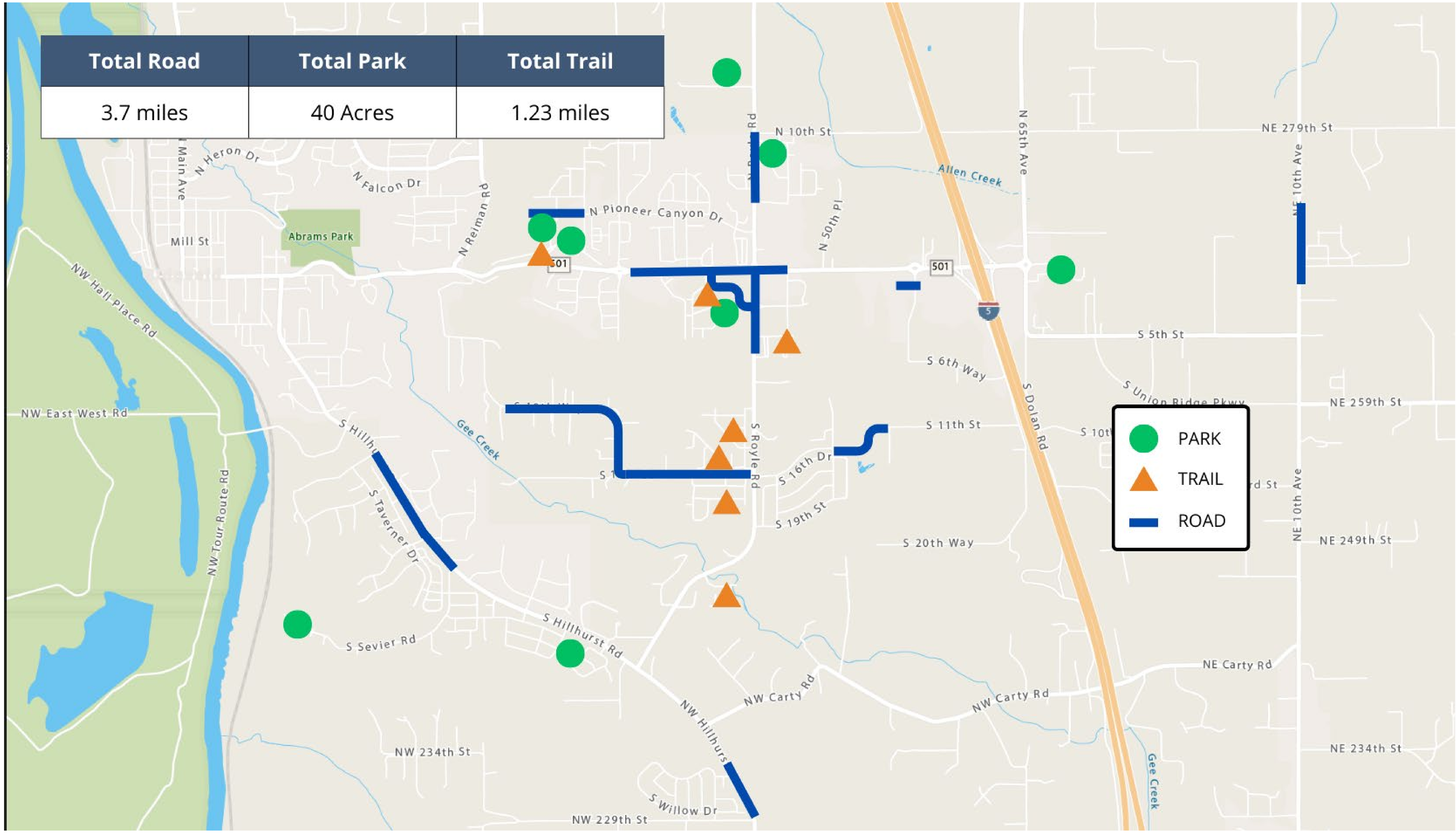
115 Traffic Impact Fee (TIF) Fund							
Revenue							
Planning & Development	593,928	699,997	465,000	1,374,963	750,000	-	750,000
Other Revenue	62,418	26,997	250	-	1,000	-	1,000
Total Revenue	***656,346***	***726,994***	***465,250***	***1,374,963***	***751,000***	***-***	***751,000***
Expense							
Transp Impact Fee	2,079,008	1,612,330	-	-	-	-	-
Total Expense	***2,079,008***	***1,612,330***	***-***	***-***	***-***	***-***	***-***
Net Total	***(1,422,662)***	***(885,336)***	***465,250***	***1,374,963***	***751,000***	***-***	***751,000***
Fund Balance							
Beginning Fund Balance	2,308,003	885,341	5	5	1,374,968	2,125,968	1,374,968
Ending Fund Balance	885,341	5	465,255	1,374,968	2,125,968	2,125,968	2,125,968
Fund Balance Available	885,341	5	465,255	1,374,968	2,125,968	2,125,968	2,125,968

2026 Baseline Operating Budget
Impact Fee Credits

Impact Fee and System Development Charge Balances 8/15/2025			
	PIF	**TIF**	**WSDC**
Current Balance	$ 5,041,514	$ 9,875,879	$ 172,853
Outstanding Issuance	$ -	$ -	$ -
Total Credits	$ 5,041,514	$ 9,875,879	$ 172,853

2026 Baseline Operating Budget
Impact Fee Credit Example of Projects

Total Road	Total Park	Total Trail
3.7 miles	40 Acres	1.23 miles



Examples:
Horns Corner Park
Paradise Point Park and Road
Greely Farms Park
Pioneer Street
Settler Drive
Seven Wells Drive
Royle Road
S Hillhurst Road
Ridgefield Crossing
Teal Crest
DiMelo Park
Trail T-4 Cloverhill
Trail T-11 Cloverhill
Trail T-14 Legacy Trails
Trail T-24 Kemper Grove
Hillhurst Heights

2026 Baseline Operating Budget
Next Steps

- September
  - Budget Advisory Committee Meeting 9/9 4:00 PM
  - Updated revenue forecast
  - Review 2026 personnel, initiatives and capital project requests
  - Present proposed budget with initiatives
  - Council work session 9/18 4:00 PM
- October
  - Budget Advisory Committee Meeting 10/7 4:00 PM
  - Final revenue forecast
  - Preliminary budget and budget message
  - Council work session 10/16 4:00 PM

2026 Baseline Operating Budget
Next Steps

- November
  - Draft of proposed budget available to public
  - Public hearings on 2026 revenue sources 11/6 6:30 PM
  - Present 2026 property tax levy 11/6 and 11/20 6:30 PM
  - Present 2026 utility rates 11/6 and 11/20 6:30 PM
  - Conduct first public hearing on 2026 proposed budget 11/20 6:30 PM
- December
  - Conduct final public hearing on 2026 proposed budget 12/4 6:30 PM
  - Adopt 2026 proposed operating and capital budget 12/4 6:30 PM
  - Transmit 2026 adopted budget to MRSC and State Auditor by 12/31


THANK YOU