



**RIDGEFIELD CITY COUNCIL
MEETING AGENDA**

**Thursday, October 16, 2025
RACC - Columbia Assembly Room
510 Pioneer Street, Ridgefield, WA 98642**

- I. STUDY SESSION - 4:00 P.M.**
 - 1. 2026 Proposed Operating and Capital Budget - Kirk Johnson, Finance Director**
- II. ADJOURN**

**CITY OF RIDGEFIELD
REQUEST FOR COUNCIL ACTION**

MEETING DATE: October 16, 2025

AGENDA ITEM NAME: 2026 Proposed Operating and Capital Budget

GOVERNING LEGISLATION

RCW 35A.33, City of Ridgefield Financial Policy #07: Budget

PREVIOUS COUNCIL ACTION TAKEN:

The council adopts an annual operating and capital budget. The 2025 annual budget was adopted on December 5, 2024, by Ordinance No. 1439. The City Council has held multiple meetings and study sessions on the 2026 proposed budget.

SUMMARY/BACKGROUND:

Discussion on the 2026 proposed budget and changes since the last presentation and discussion.

BUDGET/FINANCIAL IMPACTS:

Refer to the attached presentation.

RECOMMENDED ACTION OR MOTION:

Presentation and discussion/direction.

STAFF CONTACT: Kirk Johnson, Finance Director

ATTACHMENTS:

1. 2026 Operating & Capital Budget



2026 Proposed Budget Operating and Capital

October 16, 2025
4:00 PM



2026 Proposed Budget Agenda

- Budget Calendar
- Revenue Assumptions. Limited changes to the 2026 revenue forecast.
- Budget Summary
- FTE Allocation Summary
- Budget Advisory Committee Recommendation
- Council Direction
- Next Steps



2026 Budget Calendar

2026 Budget Calendar

Week of	May/June	July				Aug				Sept					Oct				Nov				Dec				
		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							2nd		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

October 2 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



2026 Proposed Budget

2026 Estimated Reserves

	O&M	Revenue Stab.	Debt Service	Separation	Capital	Capital Repair & Replacement	2026 Est Reserves	2025 Reserves	% Change
General Fund	1,545,164	1,199,701	141,113	-	1,268,689	-	4,154,667	4,165,939	-0.27%
Community Development	538,626	-	-	-	1,644	-	540,270	552,158	-2.15%
Water Fund	608,300	-	-	21,699	309,352	970,412	1,909,763	1,818,822	5.00%
Storm Fund	264,093	-	19,323	-	295,458	413,949	992,823	975,492	1.78%
REET	-	-	2,350,435	-	-	-	2,810,070	2,350,435	19.56%
Total	2,956,183	1,199,701	2,510,871	21,699	1,875,144	1,384,361	10,407,594	9,862,846	5.52%

Separation reserve used for retirement payout estimates in General Fund, Community Development and Stormwater Fund



2026 Proposed Budget Revenue Assumptions

2026 Revenue Assumptions Included in the 2025 Preliminary Budget

- 1% Statutory increase (pending council action)
- 3% inflationary water rate increase per 2023 adopted rate model
- \$2.76 per EDU bi-monthly storm water rate increase per 2023 adopted rate model
- 2.7% inflationary increase to impact fees and Water SDC per Ridgefield Municipal Code indexing
- New construction \$173,998,051
- Taxable assessed value estimate \$4,558,777,684



2026 Proposed Budget Goals

As the city transitions from a dependence on residential construction to a more sustainable ongoing retail sales tax structure the following goals were identified by the Budget Advisory Committee and direction provided by the City Council.

- **Maintain the current level of service for all public services provided to the Ridgefield community.**
- **Provide the necessary staffing to support the service level for the Ridgefield community.**
- **Provide the necessary resources for the 2024 – 2028 transition period in the General Fund.**
- **Protect policy reserve levels in the General Fund through the transition.**
- **Maintain sufficient fund balance to pay debt service on current GO bonds and potential future issuance of debt service.**
- **Focus on high priority capital projects that are in process.**



2026 Proposed Budget

2026 Operating and Capital Adjustments

Operating Budget

- Property tax estimate reduced \$10,000
- Watershed Alliance is closing at the end of 2025. Reviewing options for 2026 budget in water and storm funds
- Added \$175,000 for grant funding and expense related to police officer recruitment videos and program

Capital Budget

- Hayden Park improvements budget estimate increased \$38,000. Total estimate \$488,000 with a 50/50 grant contingency with the match from the General Fund
 - Receive notification from Clark County that the CDBG grant application was denied for this round.
- Added \$100,000 for low-cost Brownfield loan for Park Laundry cleanup monitoring. Total grant over 5 years \$400,000, \$200,000 is potentially forgivable



2026 Proposed Budget Budget Summary

Fund	Beginning Fund Balance	2026 Revenue	2026 Operating Budget	2026 New Requests	2026 Expense	Net Total	Ending Fund Balance
Operating Funds							
General Fund	4,584,159	15,605,160	13,894,200	2,165,455	16,059,655	(454,495)	4,129,664
Street Fund	137,202	1,608,840	1,519,350	152,490	1,671,840	(63,000)	74,202
Building & Permitting	286,927	3,555,500	3,621,580	89,800	3,711,380	(155,880)	131,047
Water Fund	4,067,407	3,907,700	3,622,810	655,495	4,278,305	(370,605)	3,696,802
Storm Fund	864,099	2,158,125	2,056,260	179,075	2,235,335	(77,210)	786,889
Capital Service Funds							
REET	1,875,639	2,540,000	2,684,250	800,000	3,484,250	(944,250)	931,389
PIF	564,244	480,500	-	311,309	311,309	169,191	733,435
TIF	1,641,368	751,000	-	-	-	751,000	2,392,368
Water SDC	7,688,823	1,850,000	91,000	993,000	1,084,000	766,000	8,454,823
Special Revenue Funds							
Drug Fund	9,994	1,510	500	-	500	1,010	11,004
Tax Increment Area	161,915	250,000	306,000	-	306,000	(56,000)	105,915
Affordable Housing	139,240	24,000	-	-	-	24,000	163,240
TBD	1,480,542	1,228,000	168,700	1,159,530	1,328,230	(100,230)	1,380,312
Debt Service							
Debt Service	-	3,444,450	2,955,450	489,000	3,444,450	-	-
Capital Funds							
General Capital	3,813,304	21,327,645	-	21,809,645	21,809,645	(482,000)	3,331,304
ERF	649,807	46,500	-	264,000	264,000	(217,500)	432,307
Water Utility Capital	16,536	19,429,500	-	19,429,500	19,429,500	-	16,536
Storm Utility Capital	-	1,881,000	-	1,881,000	1,881,000	-	-
2026 Proposed Budget	27,981,206	80,089,430	30,920,100	50,379,299	81,299,399	(1,209,969)	26,771,237



2026 Preliminary Budget

Impact Fee/SDC Credits

Impact Fee and System Development Charge Balances 10/6/2025					
	PIF		TIF		WSDC
Current Balance	\$	4,955,898	\$	9,706,716	\$ 172,853
Outstanding Issuance	\$	3,750,062	\$	2,018,001	\$ 42,025
Total Credits	\$	8,705,960	\$	11,724,717	\$ 214,878

Through 10/9/2025

Infrastructure built using credits

- 5.5 miles of new roads
- 1 new roundabout
- 1.75 miles of trail
- 75 acres of parkland

Under construction

- 2.5 acre park in Sanderling Park subdivision
- New bridge and trails in Paradise Pointe subdivision



2026 Proposed Budget

2026 Estimated FTE Allocations

Personnel Schedule (Full-Time Equivalents)					
Job Title	2023 FTE Allocation	2024 FTE Allocation	2025 FTE Allocation	2026 FTE Allocation	2026 FTE Percentage
Executive	1.00	1.00	1.00	1.00	1.10%
Total Finance	6.30	6.30	6.05	6.05	6.67%
Total Human Resources	2.40	2.40	2.40	2.40	2.64%
Total Administration	5.60	5.60	5.60	5.60	6.17%
Total Legal	-	-	-	1.00	1.10%
Total General Government/Facilities	1.40	1.55	1.70	2.20	2.42%
Total Public Safety	19.00	21.00	21.00	23.00	25.34%
Total Cemetery	0.30	0.35	0.70	0.50	0.55%
Total Long Range Planning & Code Enforcement	1.50	1.50	1.50	1.30	1.43%
Total Parks	5.65	6.65	8.25	7.85	8.65%
Total Streets	6.10	6.90	6.95	7.70	8.48%
Total Building and Permitting	15.70	15.70	15.65	15.55	17.13%
Total Water Utility	7.00	7.00	9.45	9.90	10.91%
Total Stormwater Utility	4.30	6.30	6.50	6.70	7.38%
Total Full Time Equivalents	76.25	82.25	86.75	90.75	100.00%
Full-Time Staff					
Full-Time Employees	75.00	81.00	85.00	89.00	98.07%
Part-Time Staff					
Part-Time Employees	1.25	1.25	1.75	1.75	1.93%



2026 Proposed Budget Next Steps

- November
 - Final draft of proposed budget available to public
 - Conduct public hearing on revenue sources 11/6 6:30 PM
 - Property tax levy and utility rates 1st reading 11/6 6:30 PM
 - Property tax levy and utility rates 2nd reading 11/20 6:30 PM
 - Conduct public hearing and 1st reading on 2026 proposed budget 11/20 6:30 PM
- December
 - Conduct public hearing and 2nd reading on 2026 proposed budget 12/4 6:30 PM
 - Adopt 2026 Proposed Budget 12/4 6:30 PM
 - Transmit 2026 adopted budget to MRSC and State Auditor





THANK YOU