



City Council Agenda

City Hall
225 Fifth Street
Springfield, Oregon 97477
541-726-3700

Online at www.springfield-or.gov

Mayor
Sean VanGordon

City Council
Michelle Webber, Ward 1
Steve Moe, Ward 2
Kori Rodley, Ward 3
Jill Cuadros, Ward 4
Andrew Buck, Ward 5
Alan Stout, Ward 6

City Manager:
Nancy Newton
City Recorder:
Allyson Pulido
541-726-3700

These meetings will be available via phone, internet using Zoom and in person. Members of the public wishing to attend these meetings electronically can call in or attend virtually by following the directions below. This information can also be found on the City's website.

The meeting location is wheelchair-accessible. For the hearing-impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. For meetings in the Council Meeting Room, a "Personal PA Receiver" for the hearing impaired is available, as well as an Induction Loop for the benefit of hearing aid users.
To arrange for these services, call 541-726-3700.

Meetings will end prior to 10:00 p.m. unless extended by a vote of the Council.

All proceedings before the City Council are recorded.

October 26, 2026
Monday

5:30 p.m. Work Session
Council Meeting Room

or

Virtual Attendance

Registration Required:

Attend from your computer, tablet or smartphone:

Zoom

Meeting ID: 883 3530 5735

Copy the link below into an internet browser to register.

https://us06web.zoom.us/webinar/register/WN_pM8Ua8e3Sn6VYZLE-LD5Og

To dial in using your phone in Listen Only Mode:

Dial 1 (971) 247-1195

Toll Free 1 (877) 853-5247

Oregon Relay/TTY: 711 or 800-735-1232

(Council work sessions are reserved for discussion between Council, staff and consultants; therefore, Council will not receive public input during work sessions. Opportunities for public input are given during all regular Council meetings)

CALL TO ORDER

ROLL CALL – Mayor VanGordon____, Councilors Webber____, Moe____, Rodley____, Cuadros____, Buck____, and Stout____.

1. Business License Code Update
[Robin Holman] (20 mins)
2. Fiscal Year 2026 Annual Risk Management Report
[Jamie Iboa] (20 mins)
3. Street Operating Fund 5-Year Forecast
[Jeff Paschall] (30 mins)

ADJOURNMENT

AGENDA ITEM SUMMARY	Meeting Date:	10/26/2026
	Meeting Type:	Work Session
	Staff Contact/Dept:	Robin Holman/Community Development
	Staff Phone No:	541-726-3662
	Estimated Time:	20 Minutes
S P R I N G F I E L D C I T Y C O U N C I L	Council Goals:	Provide Financially Responsible and Innovative Government Services

ITEM TITLE:

Business License Code Update

ACTION REQUESTED:

Staff requests Council review and provide direction on the proposed modernization of Springfield Municipal Code Chapter 7 – Business prior to proceeding to a public hearing.

ISSUE STATEMENT:

Springfield Municipal Code Chapter 7 – Business requires revision to ensure consistency with the Springfield Development Code and to modernize the language for improved clarity and usability.

Staff is also requesting Council support for the continued discussion of a business registry not as a requirement, but upon request.

DISCUSSION/FINANCIAL IMPACT:

Staff is proposing updates to Municipal Code Chapter 7 to modernize business regulations, remove outdated requirements, streamline administrative processes, and create a clearer and more efficient structure for the business community. It is recommended that this be accomplished by repealing and rewriting Chapter 7.

Attachments

1. Council Briefing Memorandum
2. Proposed Licenses for Removal

MEMORANDUM

City of Springfield

Date: 10/26/2026
To: Nancy Newton **COUNCIL**
From: Robin Holman, Management Support Technician **BRIEFING**
Jeff Paschall, Community Development Director
Subject: Business License Code Update **MEMORANDUM**

ISSUE:

Springfield Municipal Code Chapter 7 – Business requires revision to ensure consistency with the Springfield Development Code and to modernize the language for improved clarity and usability.

Staff is also requesting Council support for the continued discussion of a business registry not as a requirement, but upon request from the business owner.

BACKGROUND:

Staff last presented this topic to Council on June 1, 2026. At that time, Council directed staff to proceed with updates to Springfield Municipal Code Chapter 7, Business, and continue researching the creation of a business registry.

Background

Springfield currently requires only certain types of businesses to obtain a business license. The license is required to operate their business, and a denial can be appealed to the City Manager. Many cities use business licensing as a way to protect the health, safety, and welfare of the general public by having an additional means to enforce general local ordinances such as land use and building regulations. For example, various city departments routinely check license applications and renewals for compliance with zoning, sanitation, fire code or other requirements. Licenses may also be utilized to raise revenue, to regulate business, or both. Cities have various methods of licensing and regulating businesses within the city limits. These methods include: requiring all businesses to have a general business license (unless preempted by the state); requiring certain types of businesses to have specialized licenses in addition to a general license; requiring only specific types of businesses to have a license; and requiring any business not otherwise licensed to obtain a general business license.

Modernize Process

Given the extent of the proposed changes to Chapter 7, staff recommends repealing and rewriting the entire chapter because it would make the code clearer and easier for both the public and staff to interpret and apply. Repealing and restructuring the chapter would also provide an opportunity to renumber and reorganize the sections for greater clarity and consistency. Additional updates would include changing the license term from the fiscal year to a 12-month period beginning on the date of issuance or renewal, standardizing terminology, and aligning the language with the Springfield Development Code. As discussed previously, staff is incorporating short-term rentals into the business licensing code update to improve tracking and recordkeeping and strengthen coordination with land use regulations to ensure compliance with applicable zoning requirements.

Repeal Outdated Licenses

As part of this work, staff reviewed the exiting business license types and identified several that are no longer applicable or necessary. Attachment 2 outlines the license types staff recommends removing. Additionally, staff recommends updating the marijuana licensing code to remove redundant city background checks when they are already required at the state level. Garage sale permits are another requirement staff recommends eliminating due to the administrative tracking demands and public dissatisfaction with the process. Any related violations could still be addressed through a nuisance complaint process.

Business Registry Upon Request

A business registry is distinct from a business license because it is only a method for keeping track of the businesses in the city and not a requirement to operate in the city or a type of tax. Some communities have a mandatory business registry that is intended to make communicating with businesses easier and more accurate, provide a way to look up businesses in the city and to provide economic development information.

Circling back to the business registry topic presented to Council on June 1, 2026, staff began tracking requests from the business community for local government acknowledgment. To date, 40 businesses have contacted the City seeking formal recognition. Additionally, four Springfield residents have contacted the city seeking information about specific businesses, demonstrating community interest in accessible and reliable local business information. When staff spoke with the Chamber, they expressed support for the business registry upon request. Based on this interest, staff proposes creating a business registry available to businesses upon request.

Staff has also begun exploring options to improve accessibility for non-English-speaking applicants by developing a more user-friendly process for translating and submitting applications through the city's website.

RECOMMENDED ACTION:

Provide input on updating the business license code and removing outdated business licenses and whether to implement a non-mandatory business registry.

Springfield Municipal Code - Chapter 7 Business

Proposed Licenses for Removal

~~Article III **AMBULANCE AND EMERGENCY MEDICAL SERVICES** (7.030 – 7.078)~~

~~Article V **AUCTIONEERS** (7.120 – 7.126)~~

~~Article VI **AUTO WRECKERS** (7.130 – 7.134)~~

~~Article VII **CARNIVAL/CIRCUS** (7.140 – 7.146)~~

~~Article IX **DANCE HALLS** (7.160 – 7.168)~~

~~Article X **DETECTIVES** (7.170 – 7.180)~~

~~Article XIII **FIRST AID** (7.240 – 7.258)~~

~~Article XIV **GARAGE SALES** (7.260 – 7.268)~~

~~Article XVII **POOL ROOMS AND BILLIARD ROOMS** (7.320 – 7.326)~~

~~Article XX **SHOOTING AREAS** (7.350 – 7.358)~~

~~Article XXI **SOUND TRUCKS OR CARS** (7.360 – 7.364)~~

~~Article XXVII **VENDING ON CITY STREETS** (7.800 – 7.810)~~

Proposed Licenses Remaining with Updates

Article I **LICENSES—GENERAL REQUIREMENTS** (7.000 – 7.006)

Article II **ALARM SYSTEM—BUSINESSES AND AGENTS** (7.010 – 7.026)

Article IV **ANTIQUE/SECONDHAND DEALERS** (7.100 – 7.112)

Article VIII **CHRISTMAS TREE SALES LOTS/FIREWORKS SALES LOTS** (7.150 – 7.156)

Article XI **DOOR-TO-DOOR SOLICITORS** (7.200 – 7.216)

Article XII **ELECTRICAL PRODUCTS** (7.220 – 7.226)

Article XV **LIQUOR LICENSE RECOMMENDATION** (7.300 – 7.304)

Article XVI **MANUFACTURED DWELLING PARKS** (7.310 – 7.314)

Article XVIII **PUBLIC PASSENGER VEHICLE SERVICES** (7.330 – 7.332)

Article XIX **RENTALS** (7.340 – 7.346)

Article XXII **SPECIAL EVENTS** (7.400 – 7.422)

Article XXIII **TRANSIENT MERCHANTS** (7.470 – 7.476)

Article XXIV **MOTOR VEHICLE FUEL DEALER'S BUSINESS LICENSES** (7.500 – 7.548)

Article XXV **MEDICAL MARIJUANA DISPENSARIES** (7.600 – 7.603)

Article XXVI **TRANSIENT ROOM TAX** (7.700 – 7.736)

Article XXVIII **DOWNTOWN DISTRICT SIDEWALK CAFÉ PERMIT** (7.900 – 7.908)

Article XXIX **OPEN AIR DINING LICENSE** (7.910 – 7.918)

Article XXX **GROSS RECEIPTS TAX ON THE SALE OF MARIJUANA** (7.1000 – 7.1014)

Article XXXI **RECREATIONAL MARIJUANA BUSINESSES** (7.1100 – 7.1104)

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	10/26/2026
	Meeting Type:	Work Session
	Staff Contact/Dept:	Jamie Iboa/Human Resources
	Staff Phone No:	
	Estimated Time:	20 Minutes
	Council Goals:	Provide Financially Responsible and Innovative Government Services

ITEM TITLE:

Fiscal Year 2026 Annual Risk Management Report

ACTION REQUESTED:

Review and discussion of the City's FY2026 Risk Management Report, summarizing five-year trends in liability claims, vehicle damage, workers' compensation, and insurance costs, along with key risk management outcomes.

ISSUE STATEMENT:

Presentation of the City's FY2026 Risk Management Report, providing a five-year overview of liability claims, vehicle damage, workers' compensation, and insurance premium trends to evaluate the City's risk exposure and loss prevention efforts.

DISCUSSION/FINANCIAL IMPACT:

Human Resources/Risk Management will present the City's FY2026 Risk Management Report, highlighting five-year trends in general liability, auto liability, vehicle damage, and workers' compensation claims, along with associated costs and insurance premiums. The presentation will highlight key findings, changes in claims experience, and the City's ongoing efforts to reduce risk exposure, prevent losses, and manage insurance costs.

Attachments

1. 2026 Risk Report
2. 2026 Risk Report Powerpoint



CITY OF SPRINGFIELD 2026 Risk Report

INTRODUCTION & OVERVIEW

The 2026 Risk Report summarizes the claims and insurance experience for the City of Springfield for the previous five fiscal years as of June 30, 2026. This report is intended to be a reference tool and resource to help the City understand and manage risk exposures and losses.

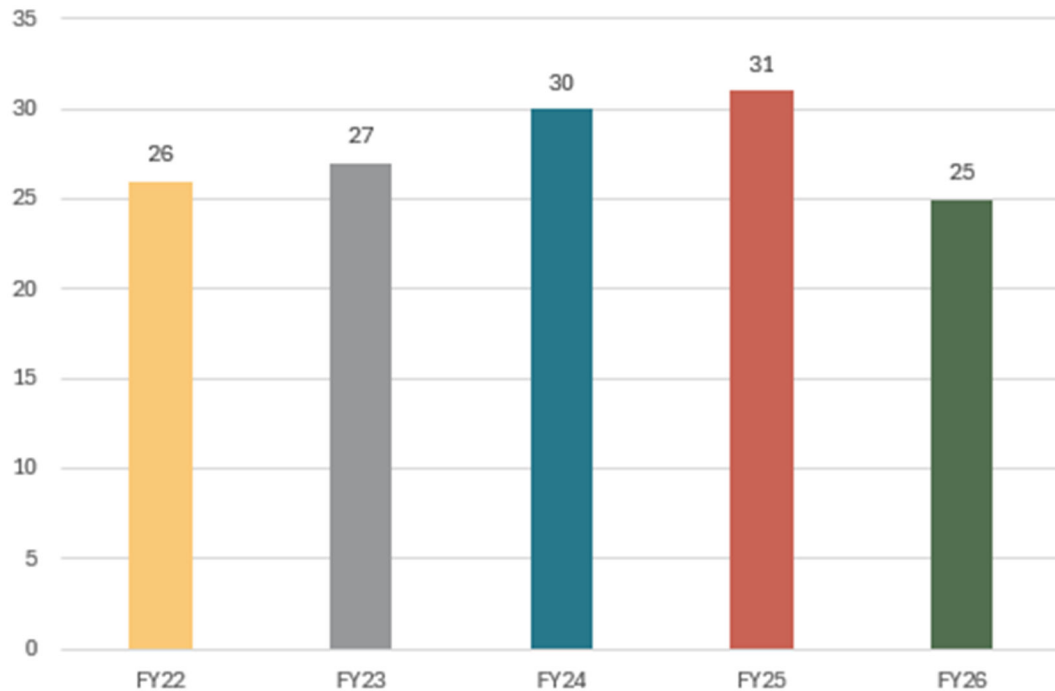
FY26 Key Findings

- The number of general liability claims filed in FY26 decreased by six from FY25.
- As of June 30, 2026 only 11 general liability claims remained open for the reporting period.
- The number of auto physical damage claims increased to 23 but 11 of those were not the fault of City employees.
- Workers' compensation claims continue to decrease and FY26 saw the lowest number of claims filed in the reporting period.
- The City's Experience Modifier used in the calculation of workers' compensation premiums is the lowest it has been in many years.



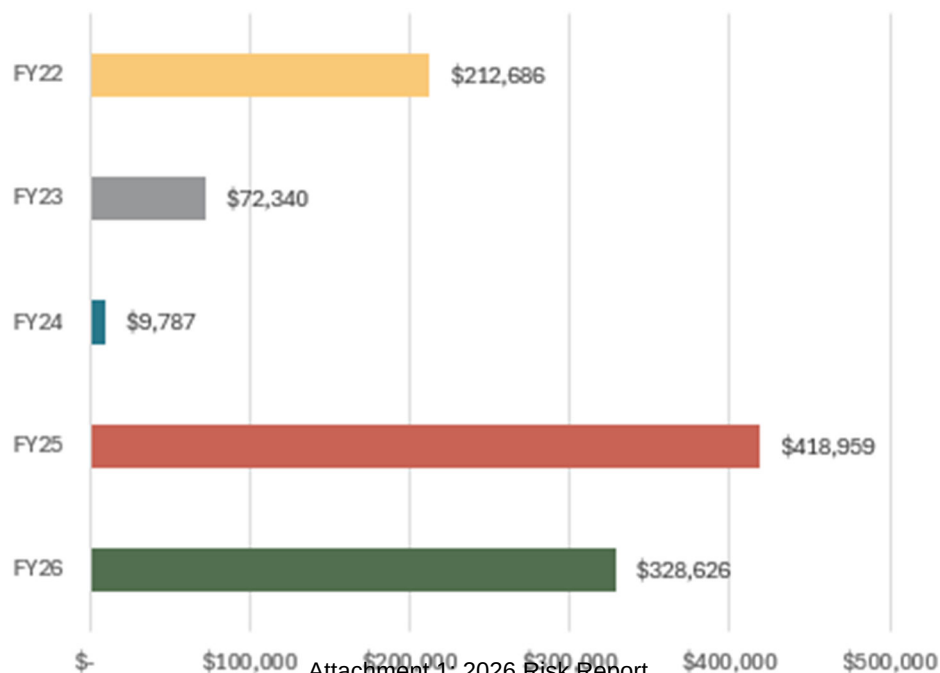
Number of General Liability Claims - City Wide

General liability claims are those involving bodily injuries and property damage resulting from City services or operations, as well as employment related claims.

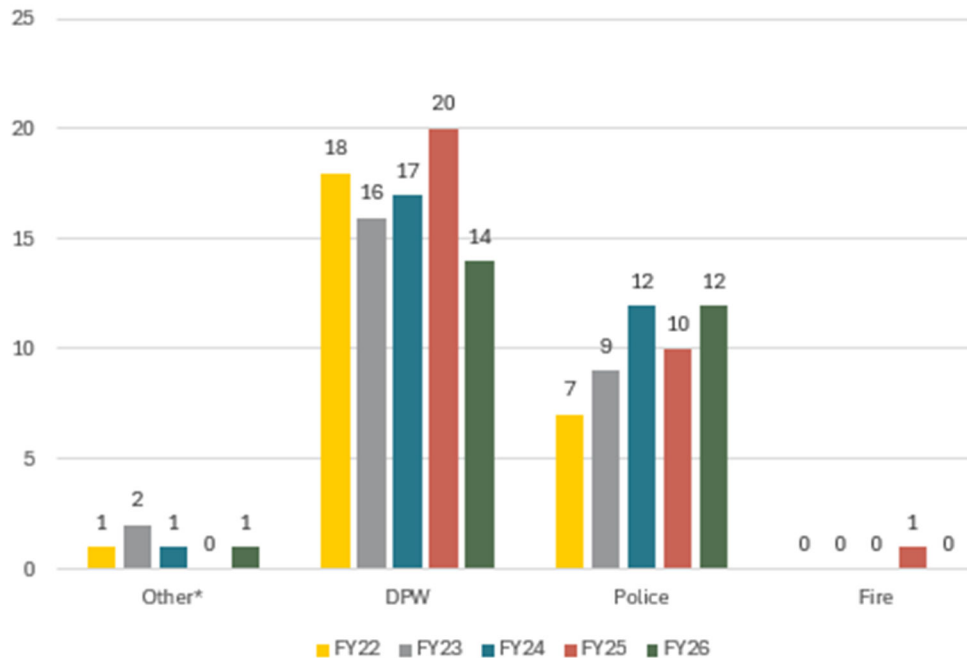


General Liability Claims Total Incurred

Total incurred is the sum of costs and losses paid plus the amount reserved to pay additional costs and losses.

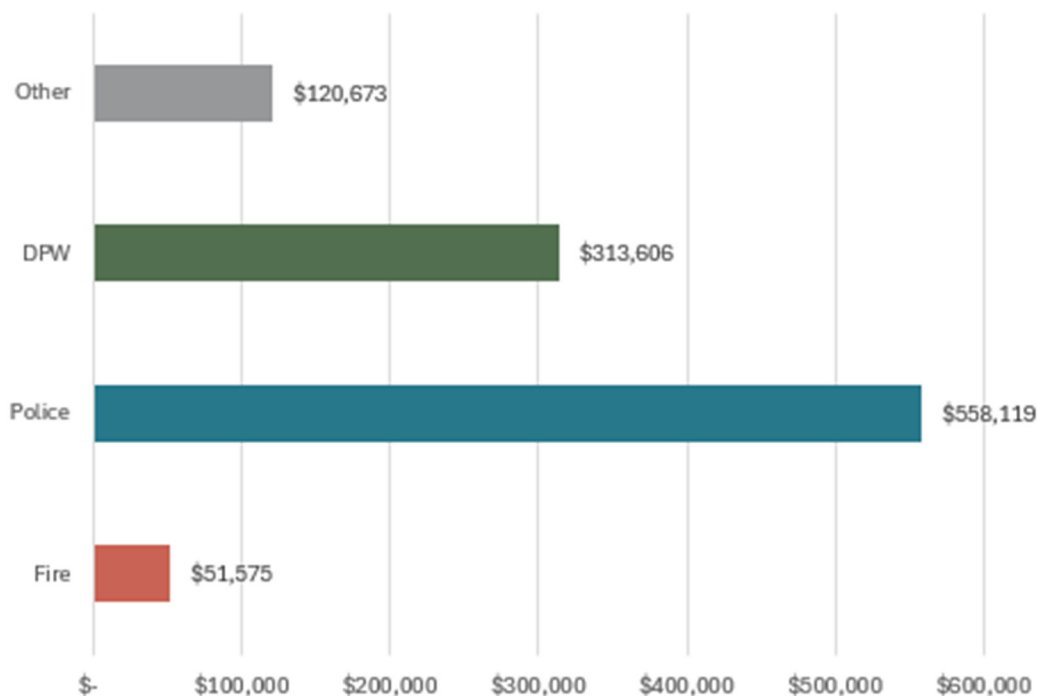


Number of General Liability Claims by Department FY22 through FY26

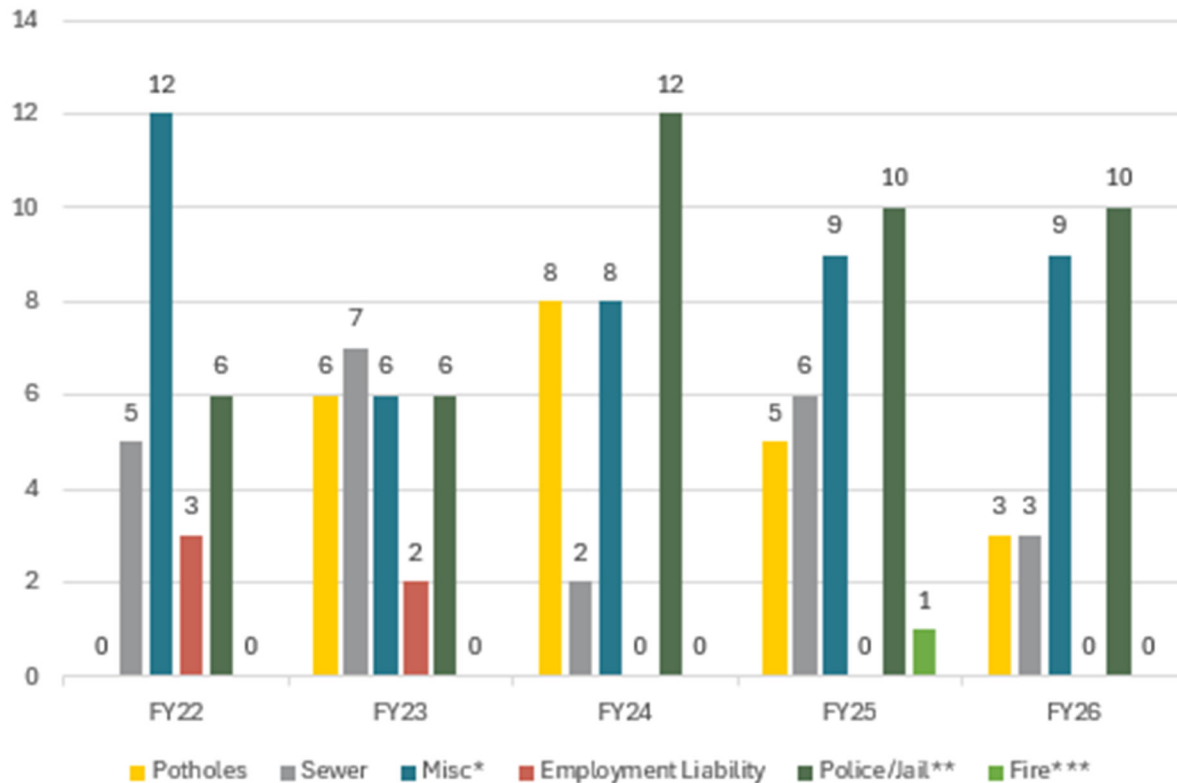


*Other: Finance, IT, HR, CMO, CAO, Library

General Liability Claims Total Amount Incurred by Department



General Liability Claims by Cause



*Misc: sidewalks, trees, manholes, plan inspections, roadwork, traffic lights, cyber breaches, curbs, items/paint in roadway, towing, judicial operations

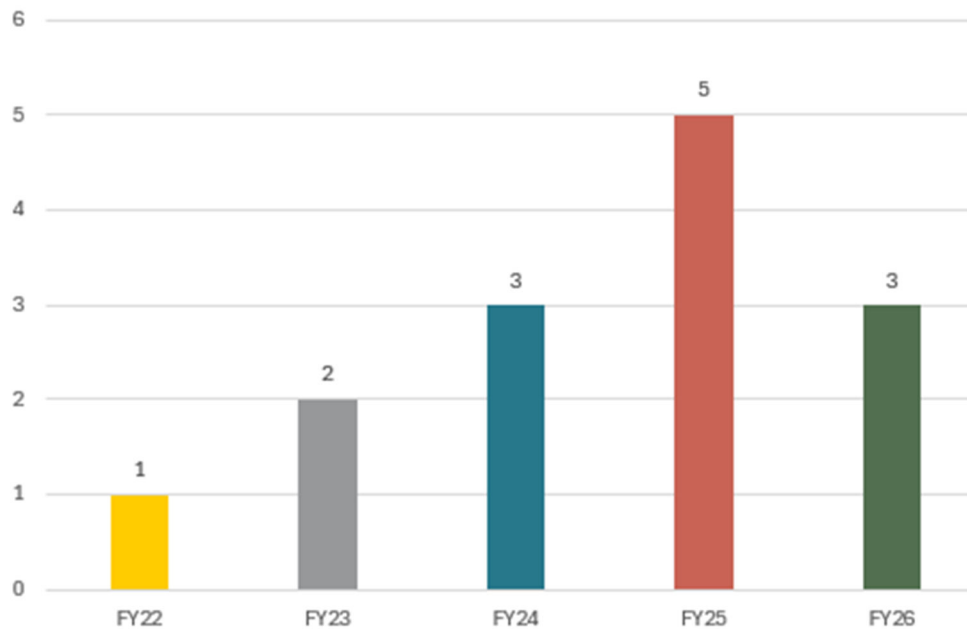
**Police/Jail Ops: lost/damaged property, use of force, civil rights violations, jail operations, wrongful death

***Fire: lost/damaged property, wrongful death, alleged refusal to transport

- For the purposes of this report, multiple claims resulting from the same incident are counted as a single claim.
- The total number of general liability claims for FY26 was 25 and is the lowest in the five-year reporting period. Of the 25 claims, 9 were closed without payment and only 8 remain open.
- The total incurred for general liability claims for FY26 was \$328,626 which is the second highest in the five year reporting period but 80% of the total incurred is attributable to two claims.
- During the reporting period, lawsuits were filed on four of the claims.

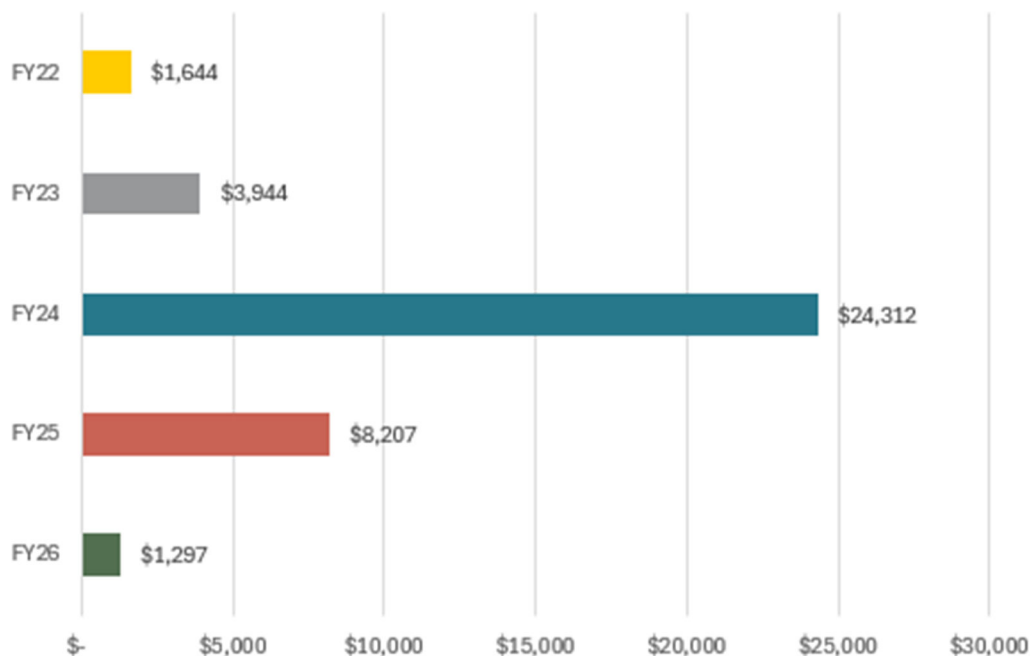
Number of Auto Liability Claims - City Wide

Auto liability claims are for damages to people or property that were caused by a City vehicle.



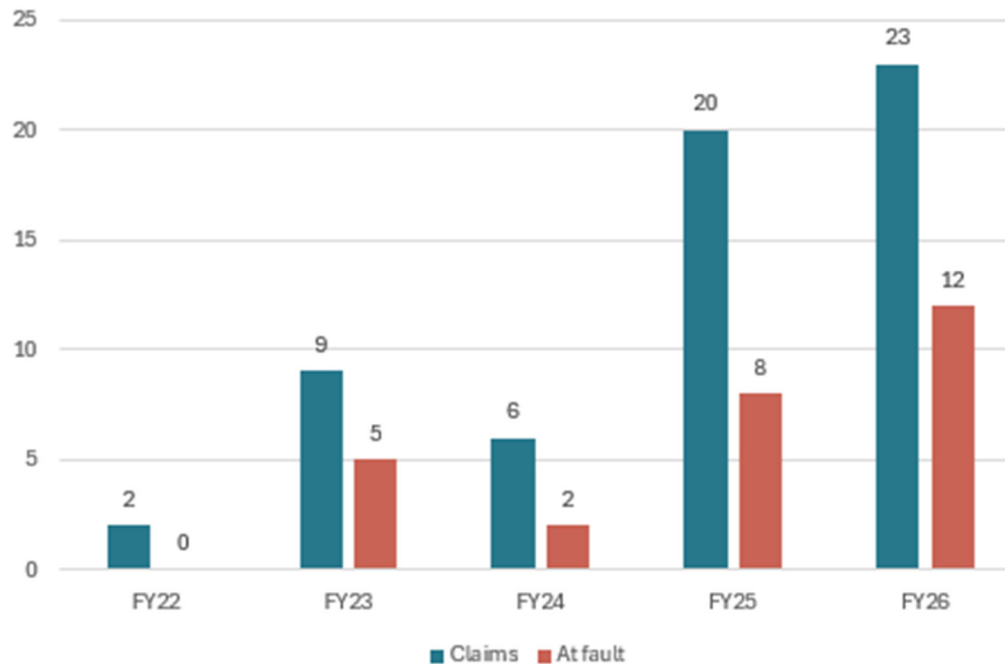
The total number of auto liability claims for the five year period was 14. Of those claims, three were from DPW, eight were from Police, and three were from Fire. All of the claims are closed.

Auto Liability Claims Total Incurred



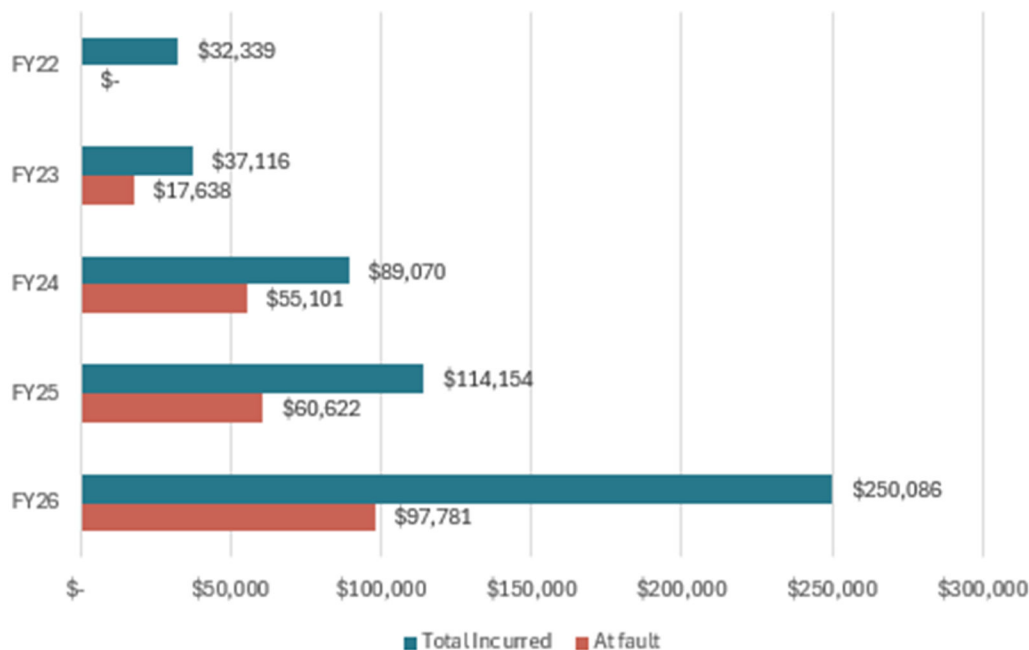
Number of Auto Physical Damage Claims - City Wide

Auto physical damage claims are for damages to City owned vehicles.



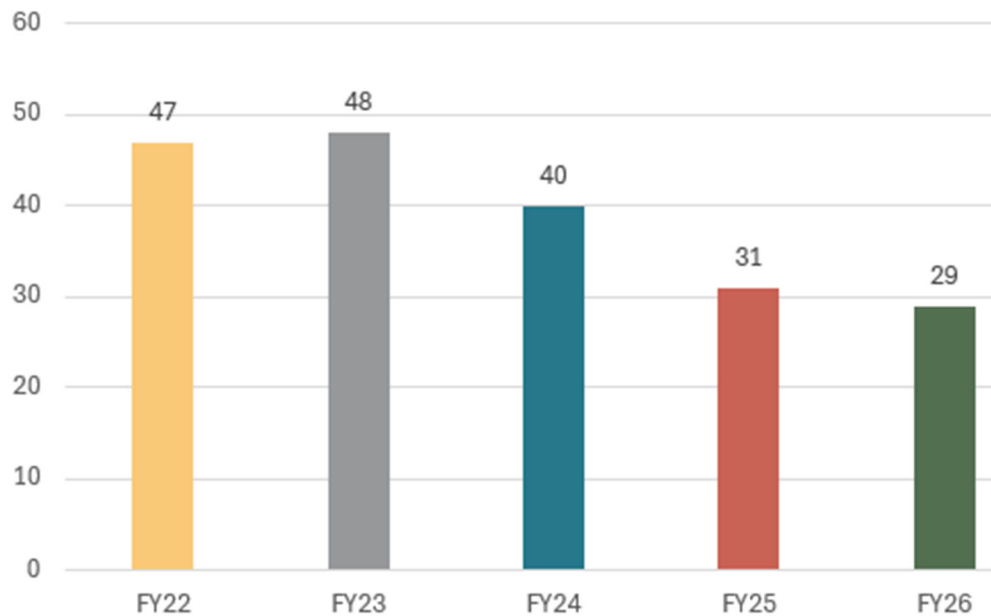
The total number of auto physical damage claims increased in FY26. 11 of the claims were the fault of others. The City's deductible for each claim is \$1,000 and CIS pays the remaining cost. CIS also pursues recovery or restitution against the at-fault party whenever possible.

Auto Physical Damage Claims Total Incurred



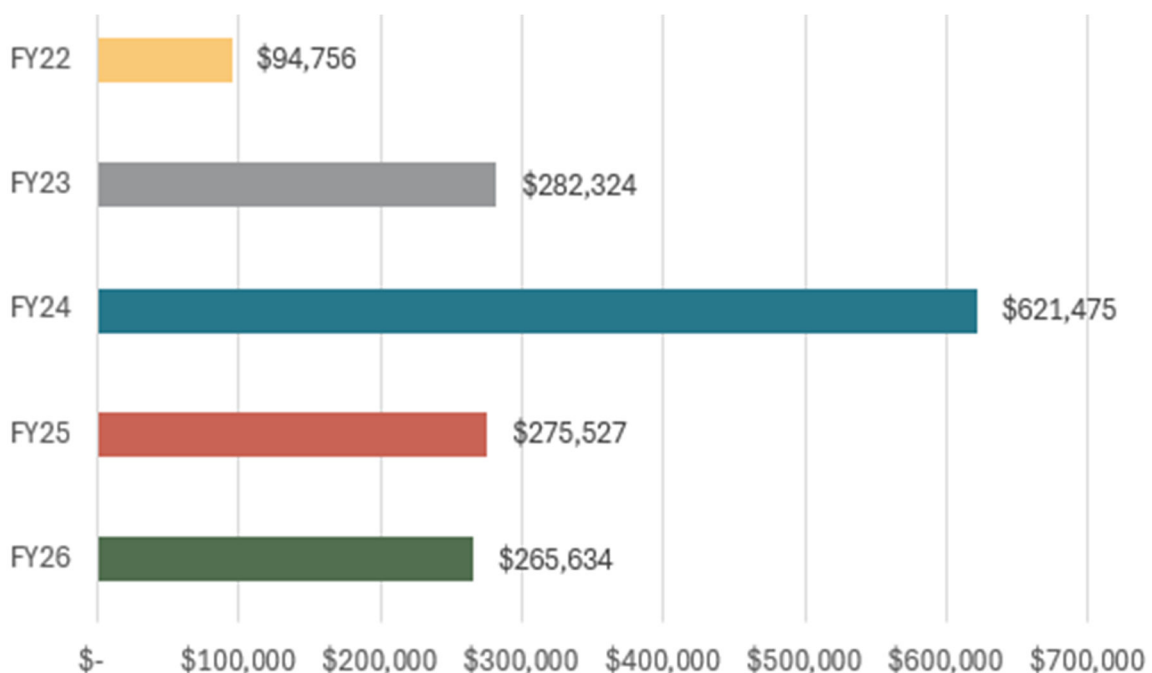
Number of Workers' Compensation Claims - City Wide

Claims for injuries incurred by City employees.



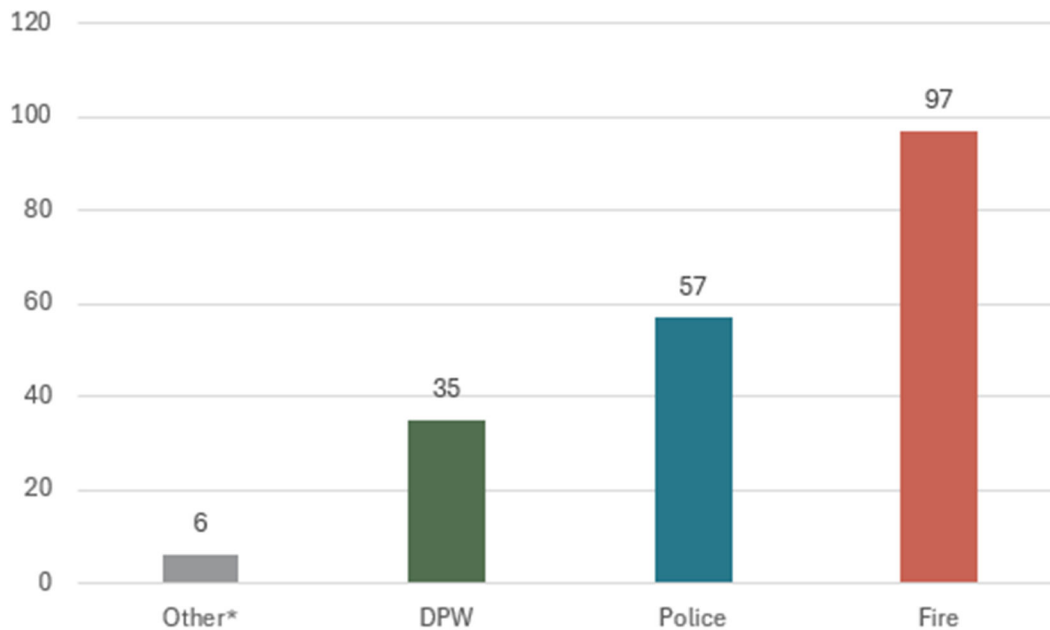
FY26 had the lowest number of claims filed in the reporting period and the second lowest total incurred. Two claims from FY24, two from FY25, and six from FY26 remain open.

Workers' Compensation Claims Total Incurred



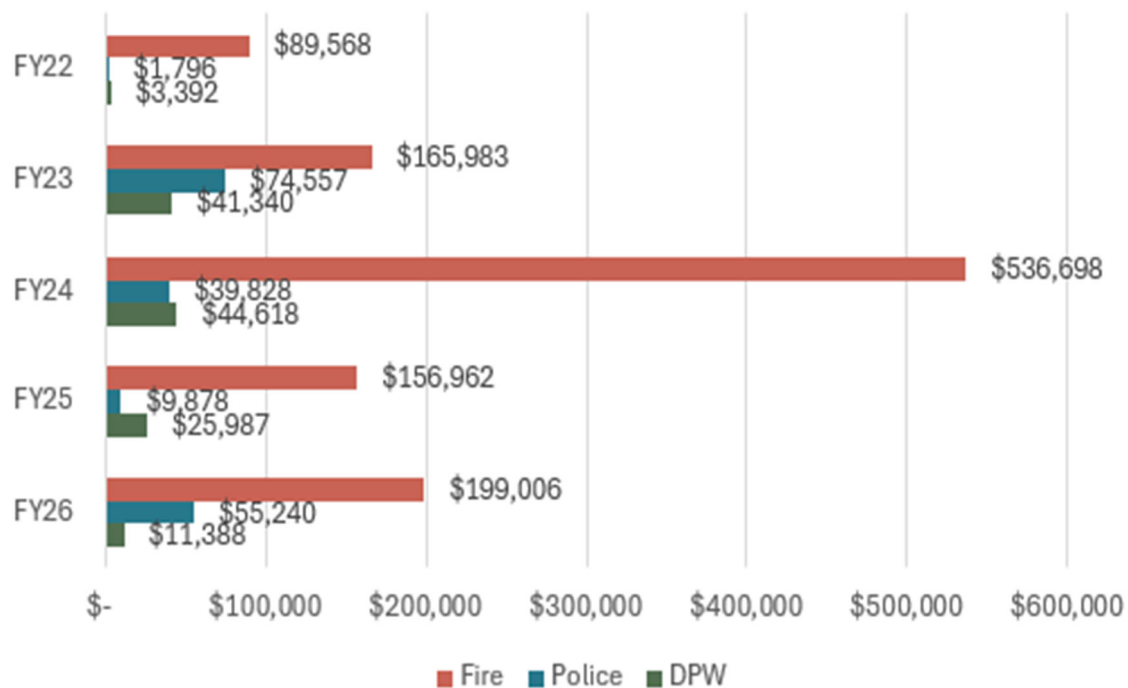
Three claims account for 81% of the total incurred for FY24.

Workers' Compensation Claims by Department (FY22 through FY26)



*Other: CAO, CMO, IT, Finance, HR, Library

Workers' Compensation Claims Total Incurred by Department



The total incurred for other Departments was \$1,552
Attachment 1: 2026 Risk Report
Page 8 of 17

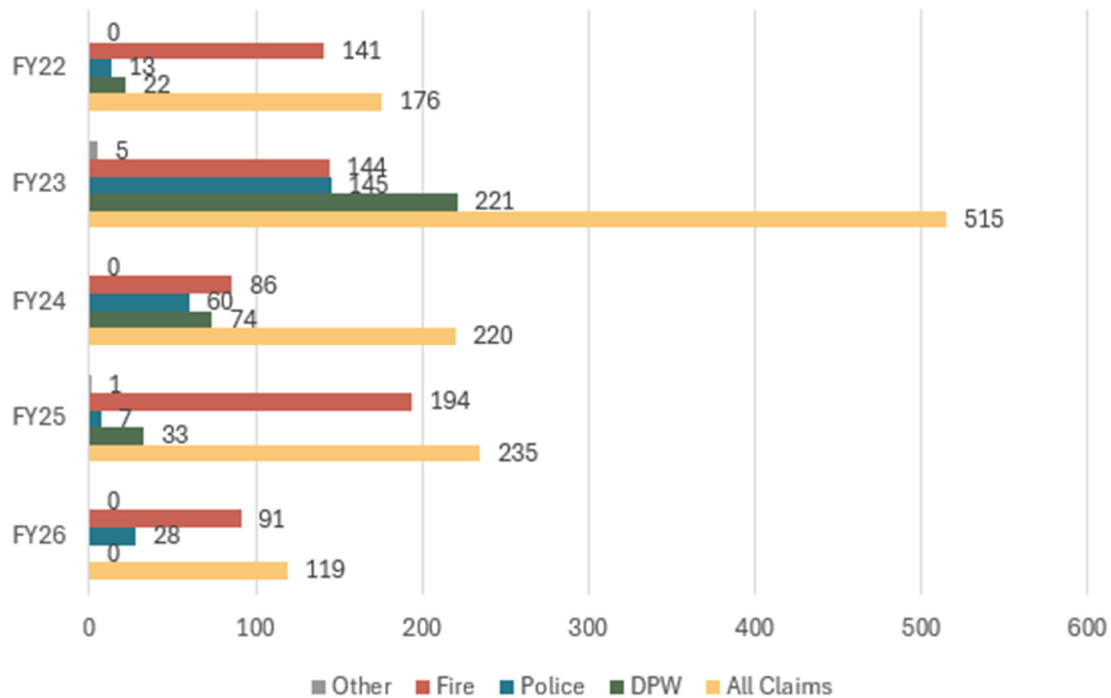
Disabling Claims

	Total Claims	Disabling Claims	Disabling as % of Total Claims	Total Incurred	Total Incurred for Disabling	Disabling as % of Total Incurred
FY22	47	24	51%	\$ 94,756	\$ 88,277	93%
FY23	48	20	42%	\$ 275,527	\$ 199,011	72%
FY24	40	12	30%	\$ 621,476	\$ 581,857	94%
FY25	31	14	45%	\$ 192,827	\$ 170,155	88%
FY26	29	7	24%	\$ 265,634	\$ 235,393	89%

Disabling claims are defined as claims that result in more than three days of lost work and/or for which there is a reasonable expectation that the injury will result in an award for permanent impairment.

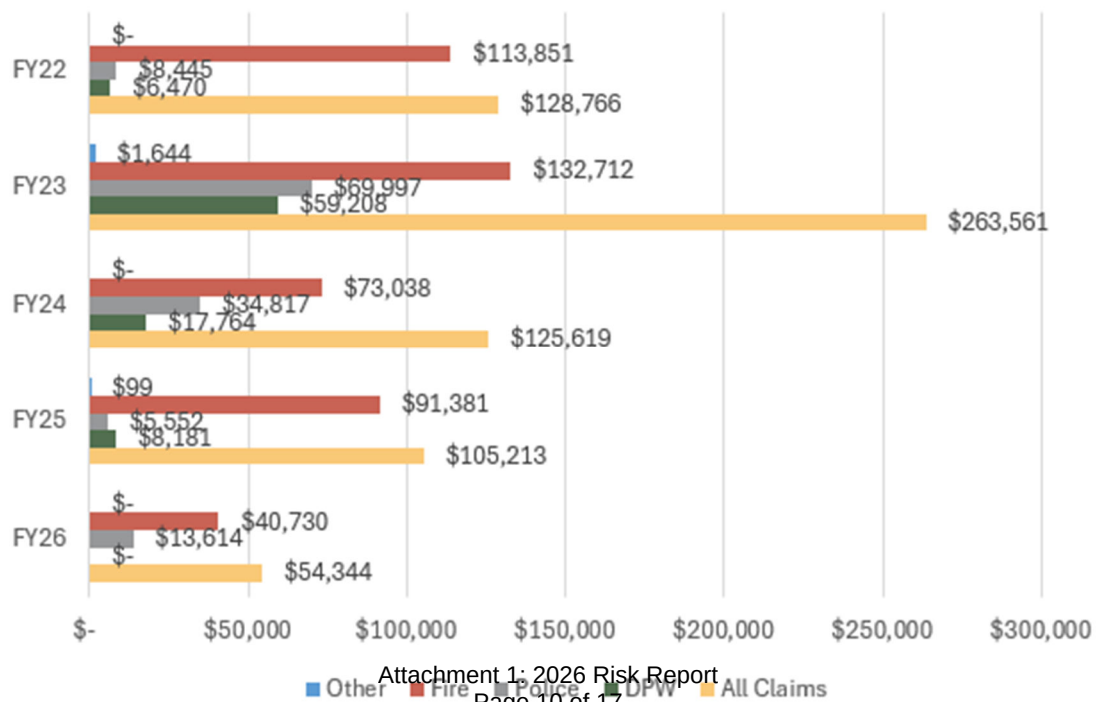
The purpose of this chart is to demonstrate that, while disabling claims represent a relatively small percentage of total claims, they account for a disproportionately large percentage of the total incurred costs. Although reducing the overall number of claims remains important, greater emphasis should be placed on preventing and reducing disabling claims due to their significantly greater financial impact.

Number of Days Lost Due to Injuries/Illnesses



The graph above shows the number of days missed by employees who have been injured at work. The days missed must be authorized by their treating medical provider but can also be days where the employee is released to modified duty and the City does not have appropriate modified work available.

Lost Productivity Due to Days Lost

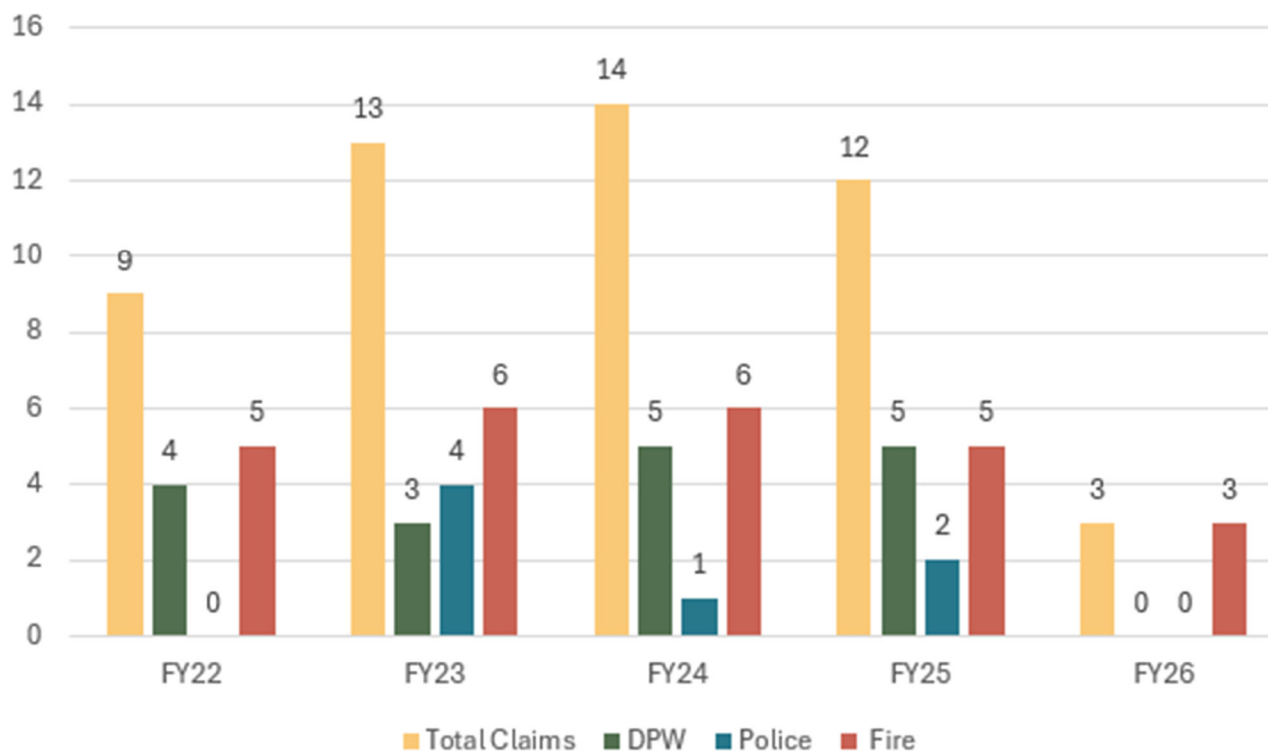


Modified Duty

When an employee sustains a work-related injury and their treating medical provider authorizes a return to modified duty, the City makes every reasonable effort to identify appropriate assignments that accommodate the employee's medical restrictions.

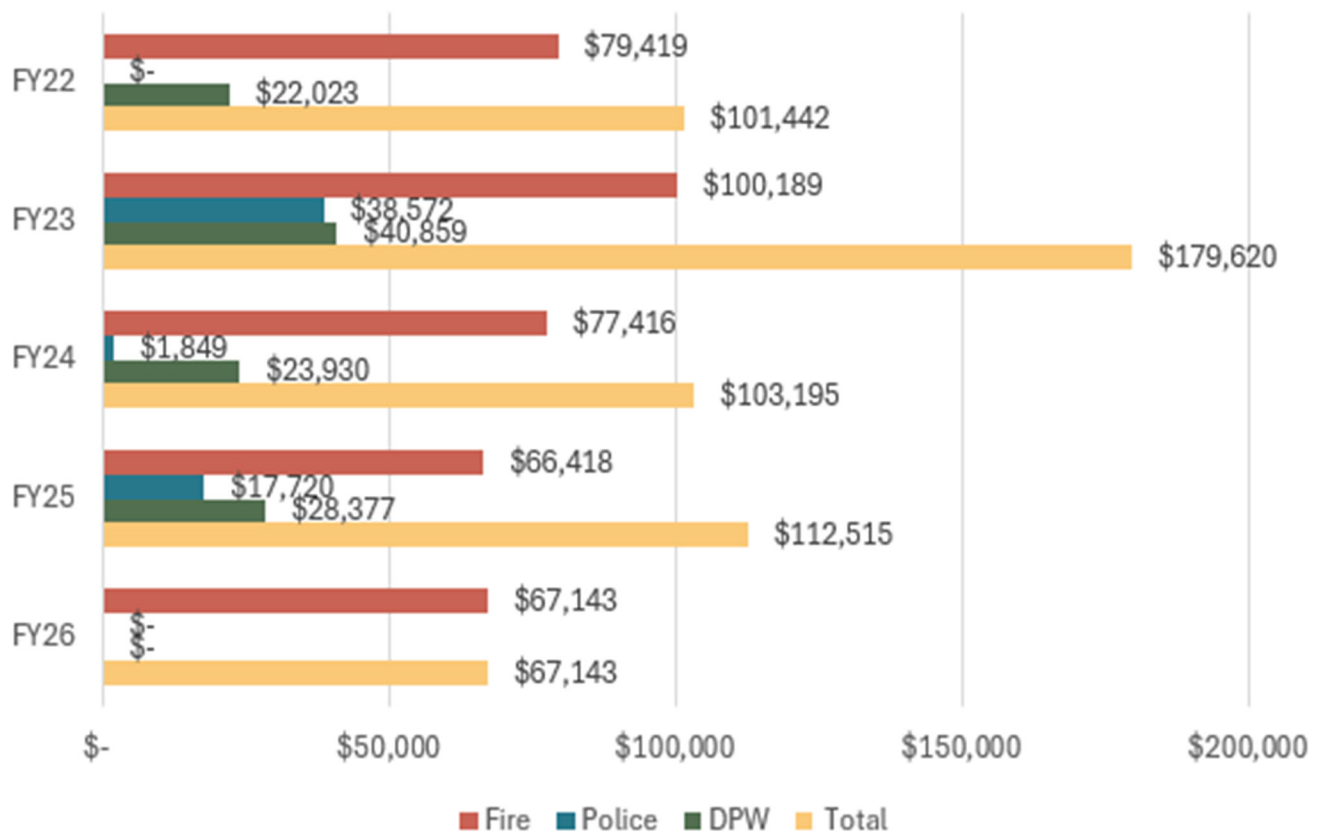
Providing modified-duty opportunities supports the employee's recovery by enabling them to remain engaged, productive, and connected to the workplace while they heal. An effective modified-duty program can also help reduce workers' compensation claim costs, which contributes to lower insurance premiums.

In addition, the State's Workers' Compensation Division offers incentives through the Employer at Injury Program (EAIP). The program provides wage subsidies and worksite modifications to eligible employers who offer modified-duty assignments to employees recovering from workplace injuries.



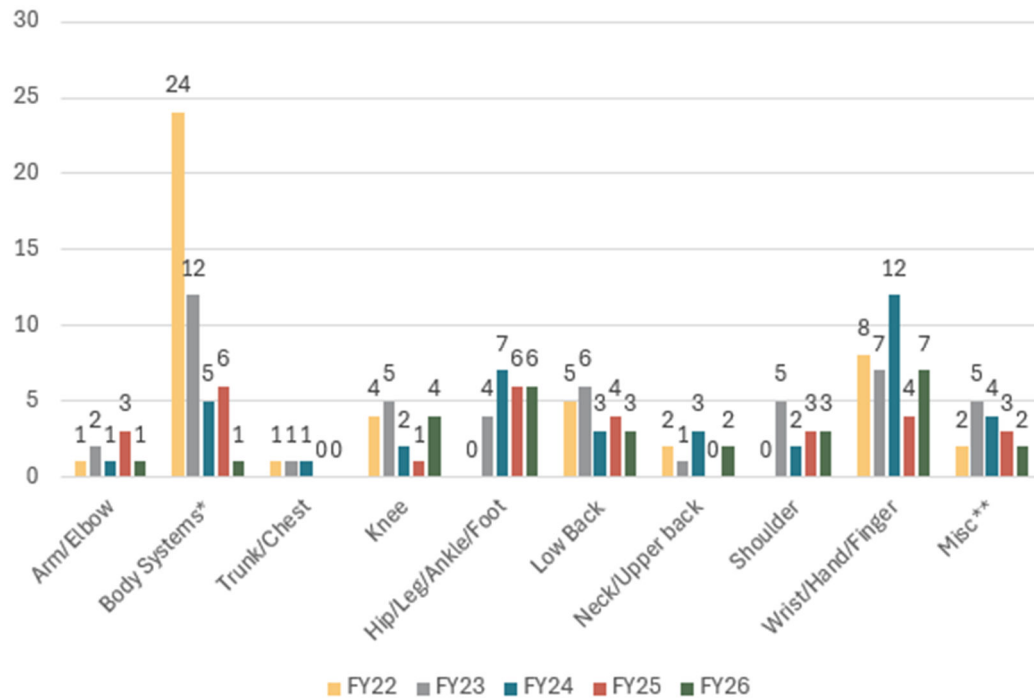
The above graph demonstrates how many claims during the fiscal year resulted in employees being restricted to modified duty.

Modified Duty, cont.



This graph demonstrates the total wages paid to employees while working modified duty. When an employee works modified duty they are paid their regular wage.

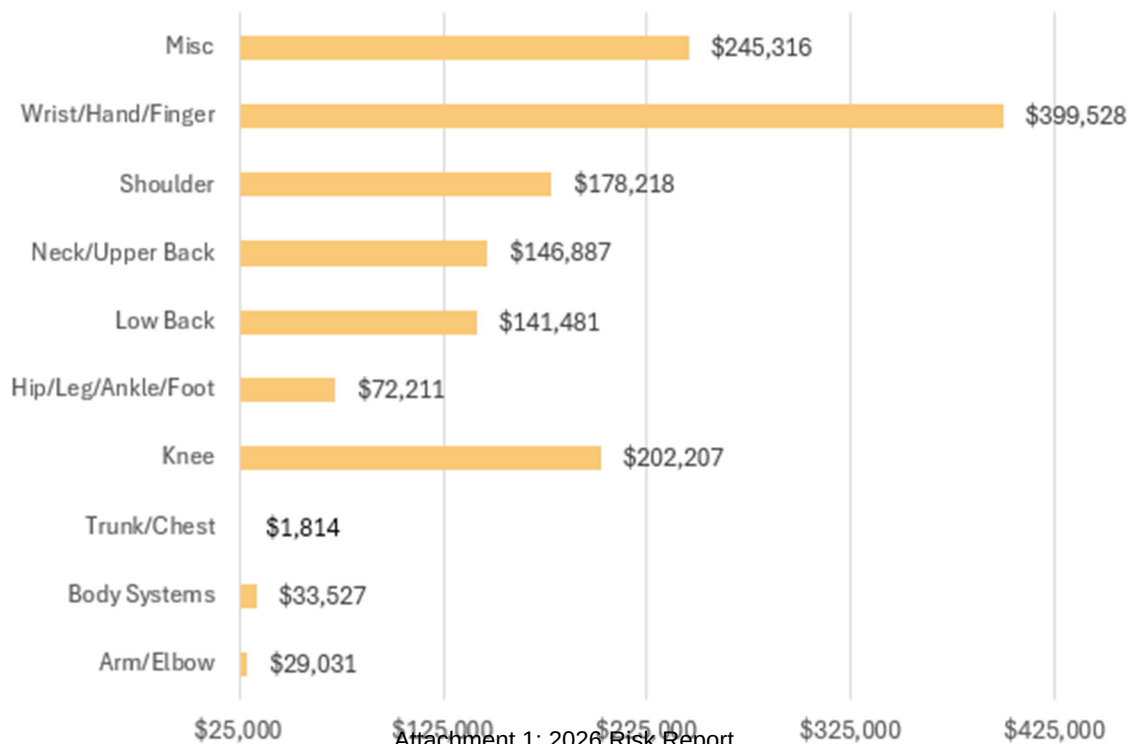
Injuries by Body Part



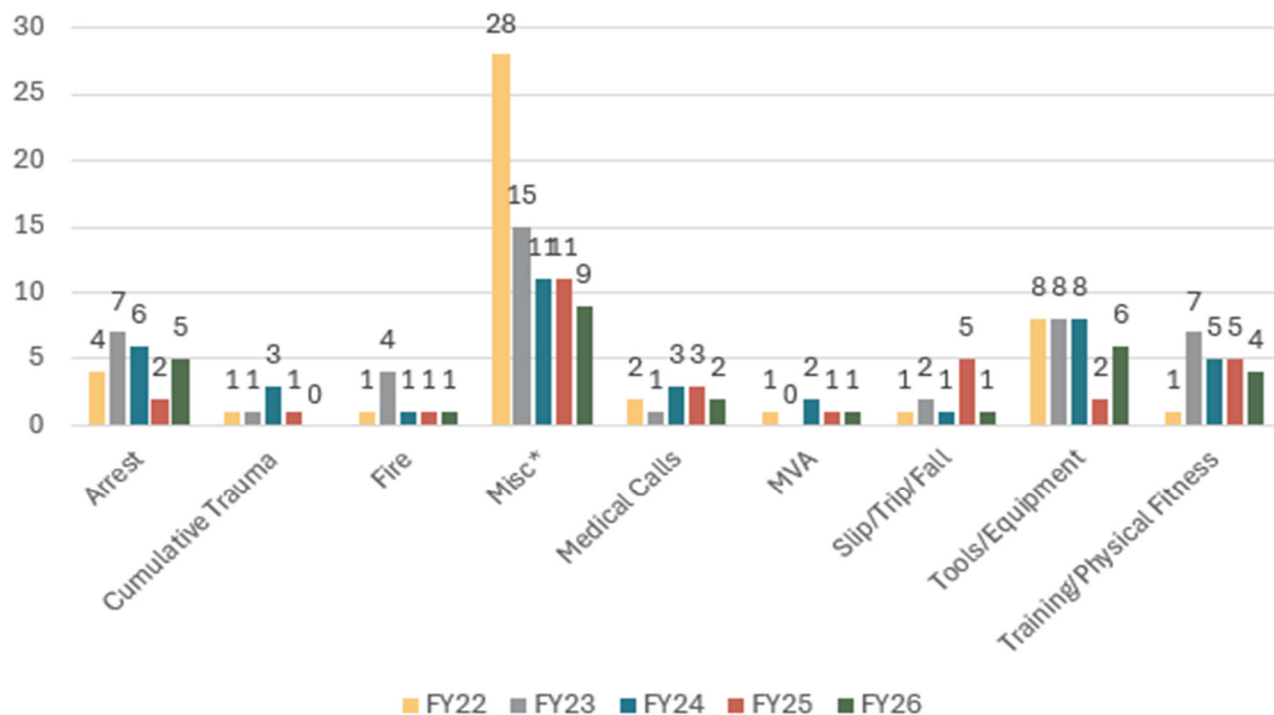
*Body system: respiratory system, cardiovascular system, etc.

**Misc: abdomen, groin, ear(s), eye(s), head, throat, psychological, trachea

Cost Incurred by Body Part

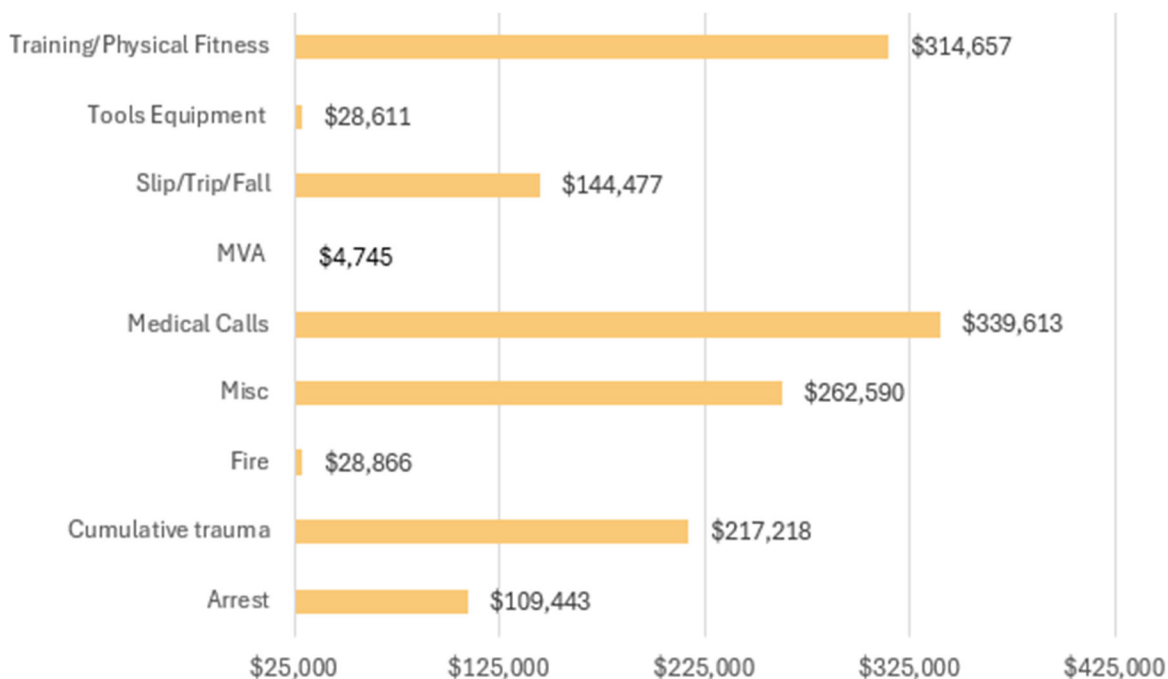


Injuries by Cause

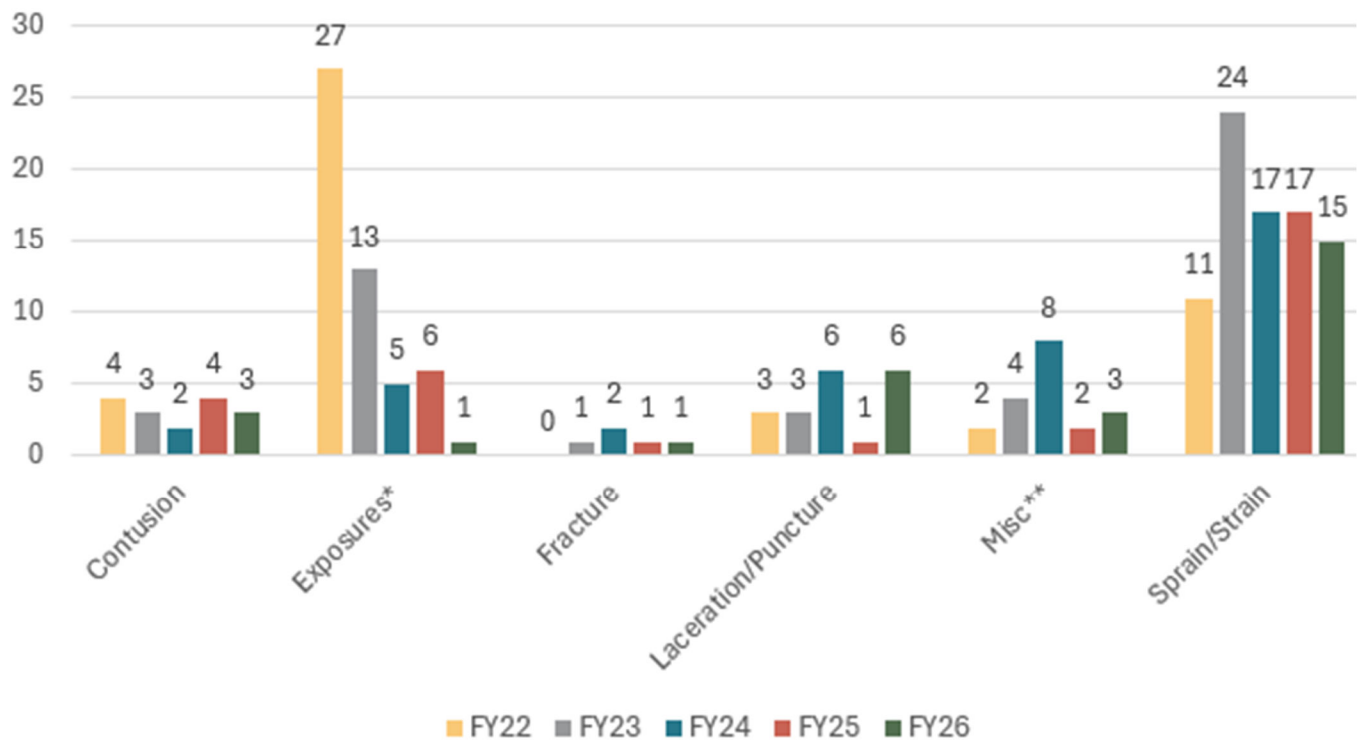


*Misc: exposures (including pandemic) chase, search, walking, kneeling, animals, crowd control, water rescue, in station, and apparatus.

Cost Incurred by Injury Cause



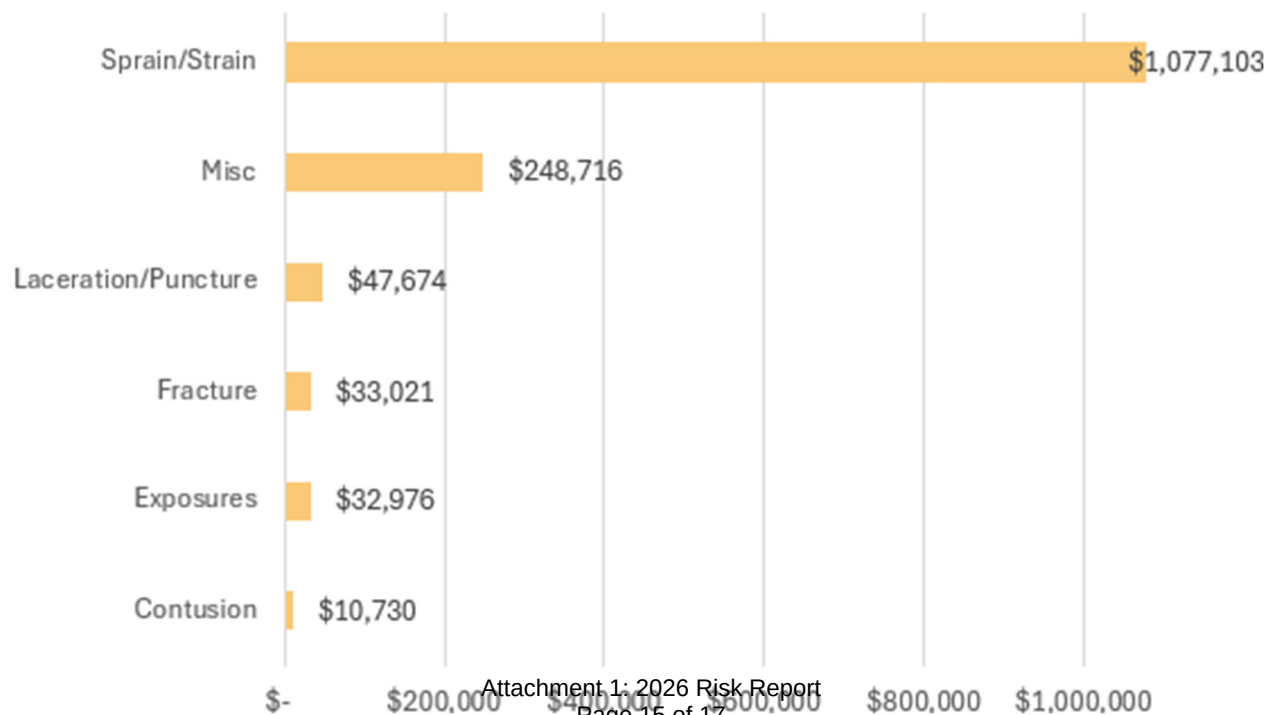
Injuries by Type



*Exposure: bodily fluids, poison oak, infectious diseases

**Misc: bite/sting, concussion, exhaustion, hearing loss, stress, infection, hernia, burn, cancer, foreign body in eye

Cost Incurred by Injury Type

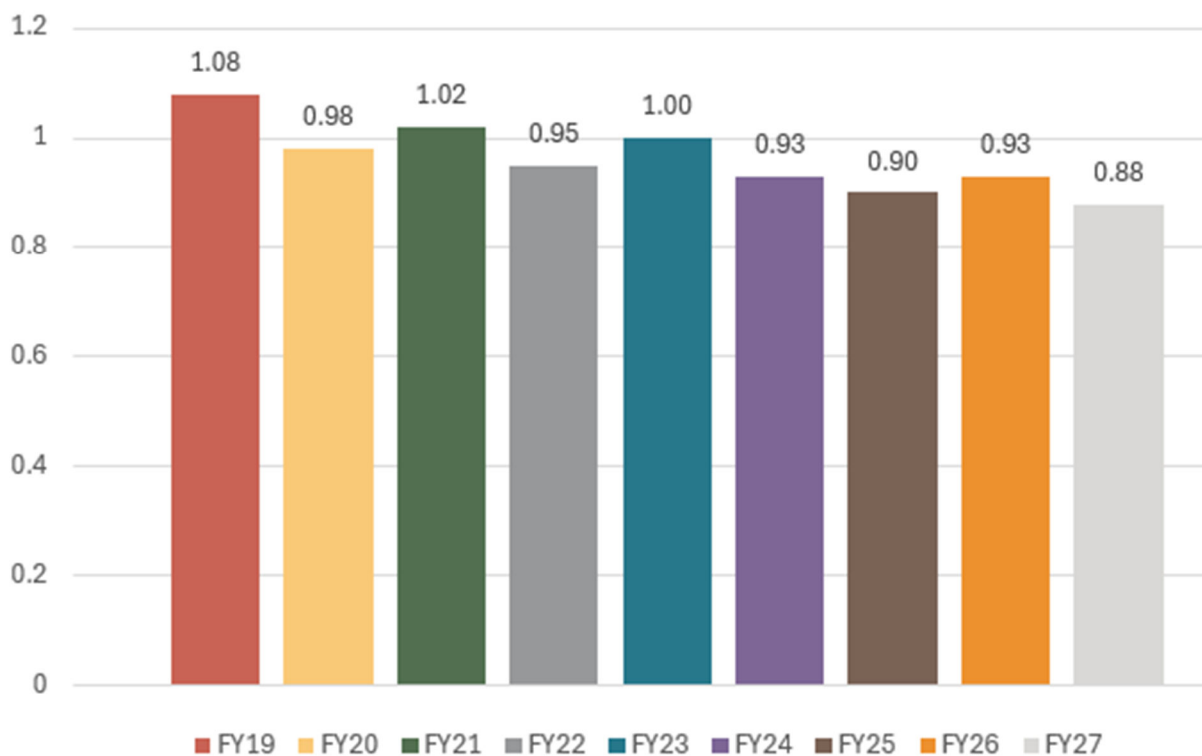


EXPERIENCE MODIFIER

The experience rating modifier is a risk rating that compares the City's historical experience—including payroll and loss data—with the expected or average experience of other Oregon cities of similar size. An experience modifier of 1.00 represents average performance, while a modifier greater than 1.00 indicates worse-than-average experience.

The modifier is calculated by the National Council on Compensation Insurance (NCCI) using three years of claims history, excluding the most recent policy year. For example, the FY26 experience modifier was calculated using claims data from FY22, FY23, and FY24.

The experience modifier is one of the factors used to determine the City's workers' compensation premium.



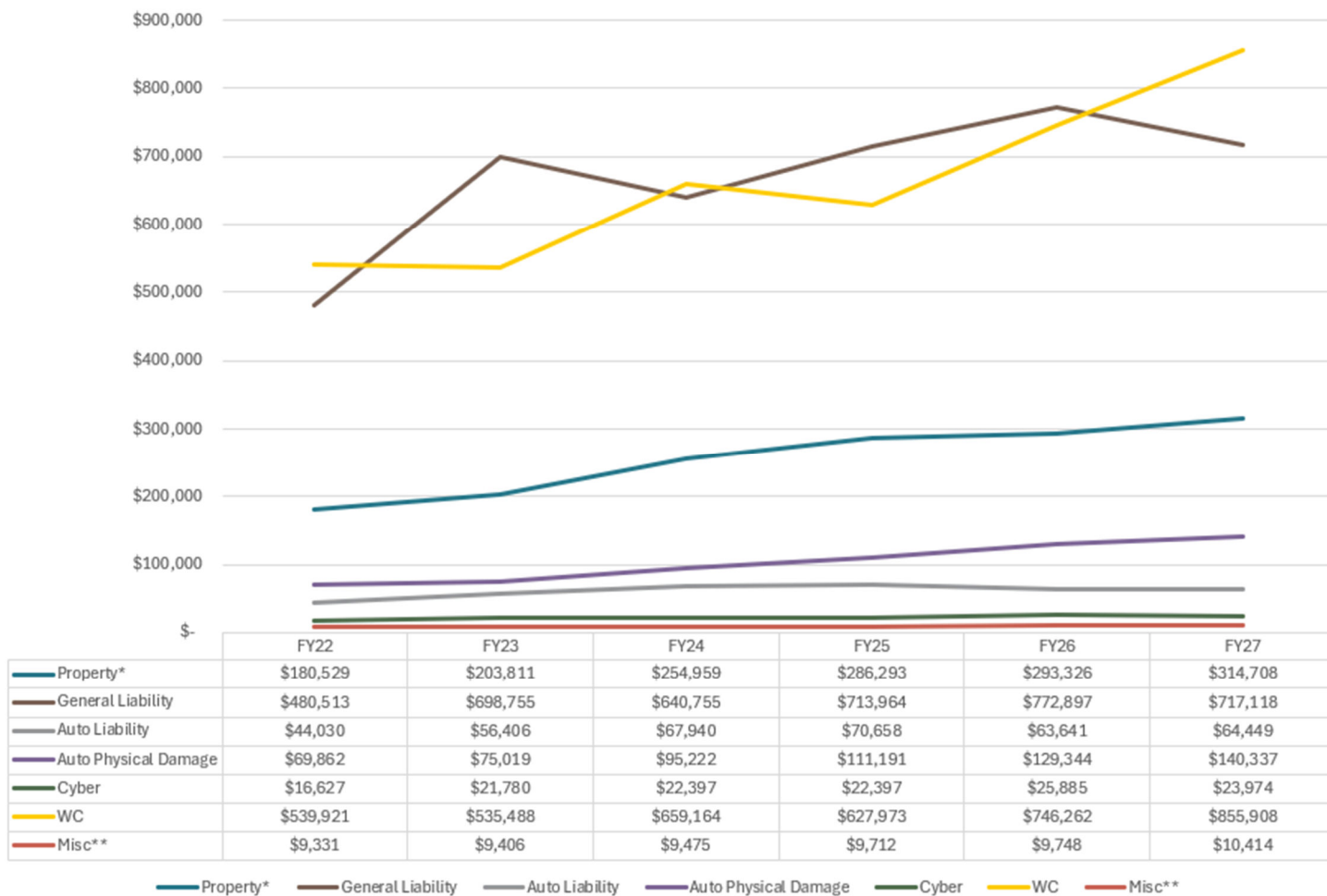
EMPLOYER AT INJURY PROGRAM

The Employer at Injury Program (EAIP) is a program funded through a payroll assessment and designed to encourage employers to provide modified duty work opportunities for employees who have been injured on the job. The EAIP provides reimbursement for training and equipment purchases or workplace modifications, as well as a wage subsidy.

Over the five-year reporting period, the City received a total of \$182,500 through the EAIP. These funds are used to support the City's Injury & Loss Prevention Grant Program (ILPG), which provides funding for projects and equipment that promote early return to work or prevent or mitigate the impact of workplace injuries and accidents.

Human Resources staff work closely with injured employees and their supervisors to identify appropriate modified duty assignments, as well as projects and equipment that meet the eligibility requirements of the City's ILPG. Examples of purchases funded through the ILPG include fitness equipment for City workout rooms, a hoist for the Fleet Shop, an air-quality monitoring device, defensive tactics mats, helmets and protective garments for officers involved in crowd-control activities, and motorcycle windshields designed to reduce noise exposure and help prevent hearing loss.

Insurance Premiums by Line of Coverage



*Includes difference in conditions coverage as well as excess quake and excess flood.

**Misc: City Manager and Finance Director bonds, fiduciary crime bond, excess crimes bonds, pension trust coverage, and volunteer medical coverage.

The premium for property coverage increased by 7% but that increase was due to increases in property values from an appraisal that was performed in early 2026 and the trending of the values of the remaining properties.

The premium for general liability decreased by 8% due to favorable claims experience.

The premium for workers' compensation coverage increased by 13% which is primarily attributable to payroll growth and increases in the class codes for firefighters (13%), medics (8%), and police officers (10%).



City of Springfield

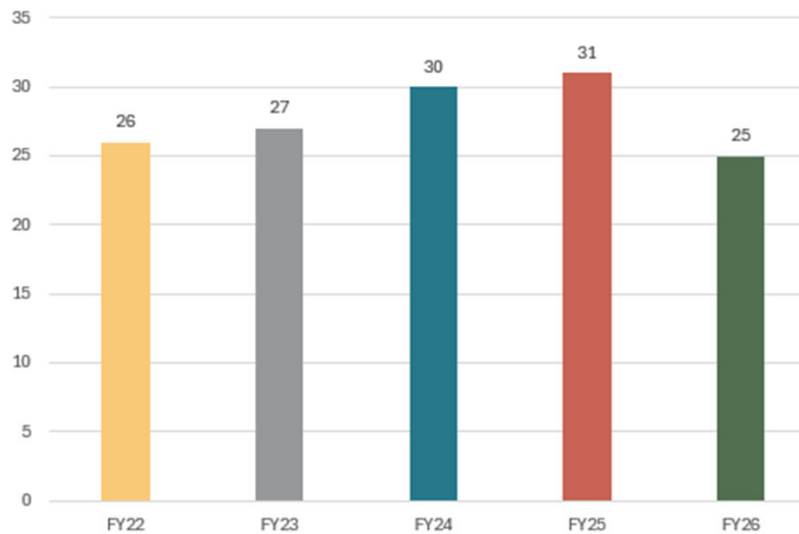
FY26 Risk Report

Jamie Iboa, Risk Manager

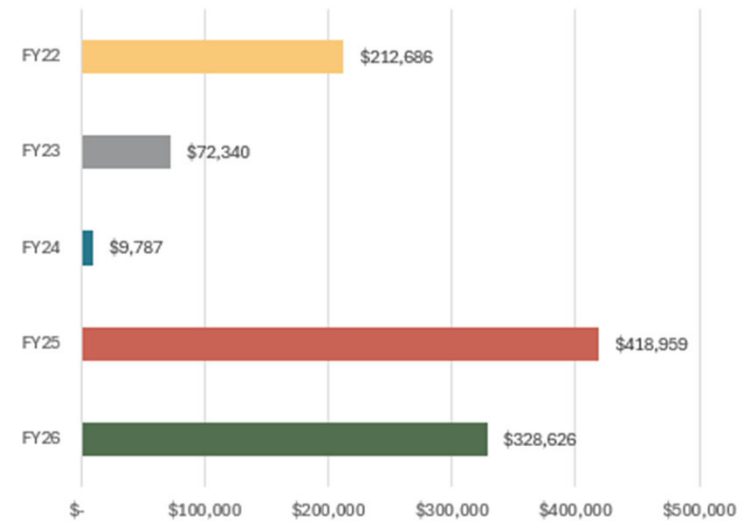


General Liability Claims

Number of General Liability Claims - City Wide

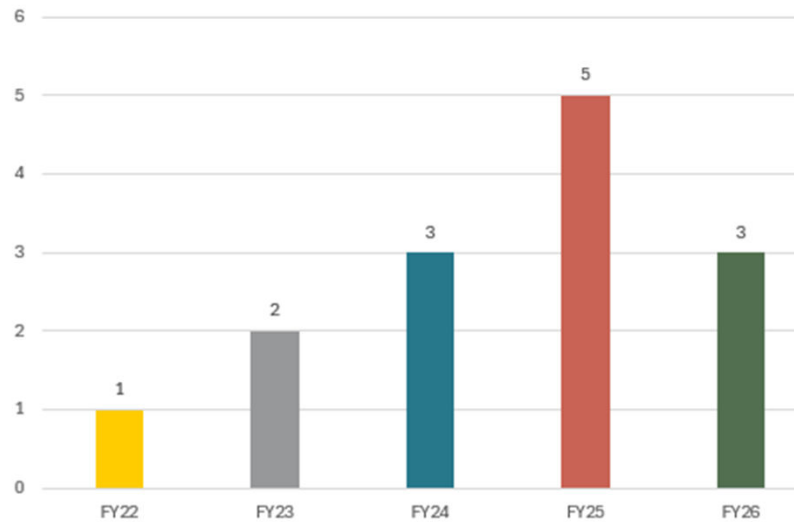


General Liability Claims Total Incurred

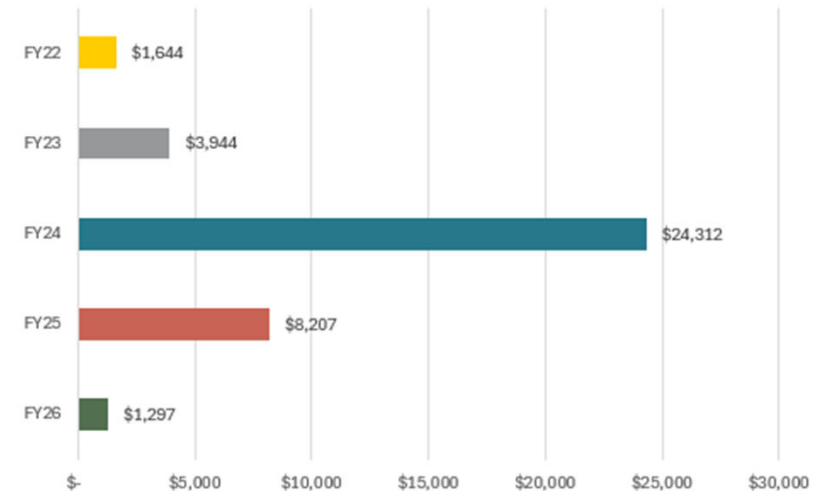


Auto Liability Claims

Number of Auto Liability Claims - City Wide

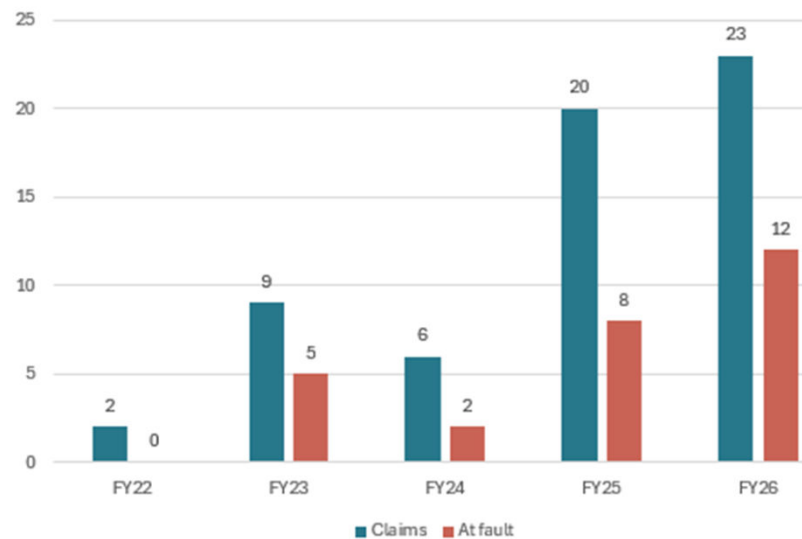


Total Amount Incurred - City Wide

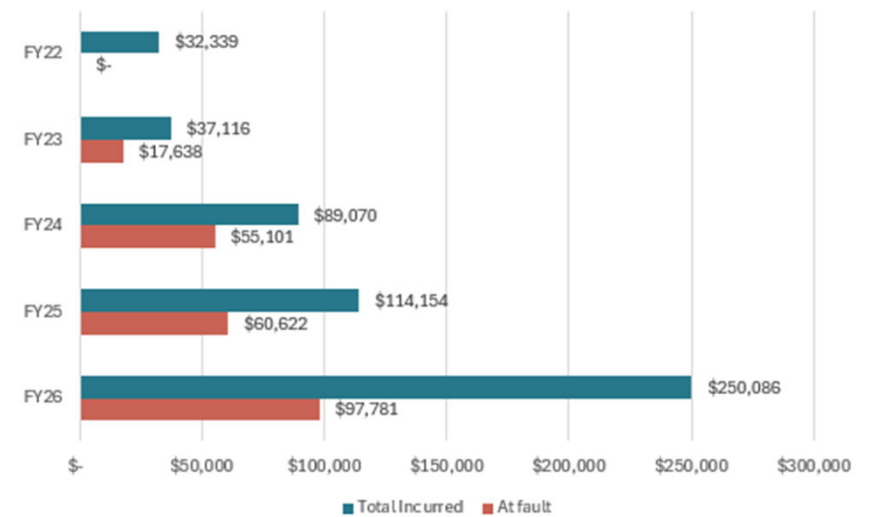


Auto Physical Damage Claims

Number of Auto Physical Damage Claims - City Wide

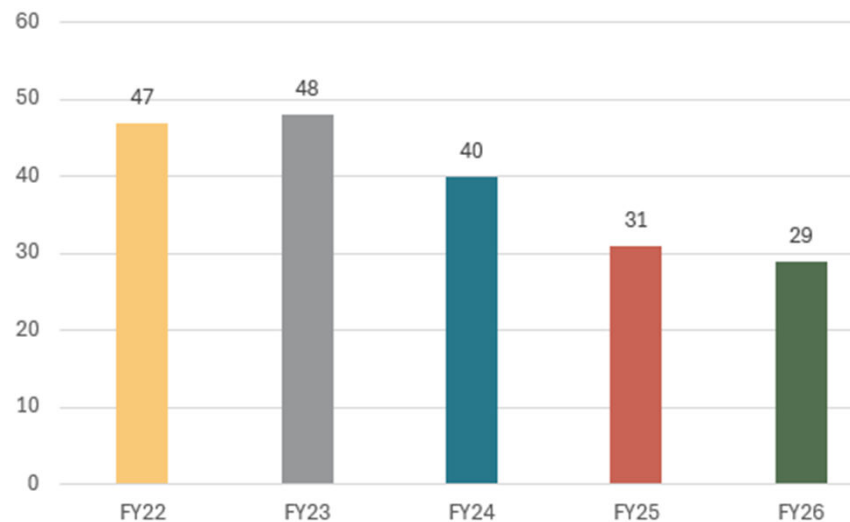


Total Amount Incurred - City Wide

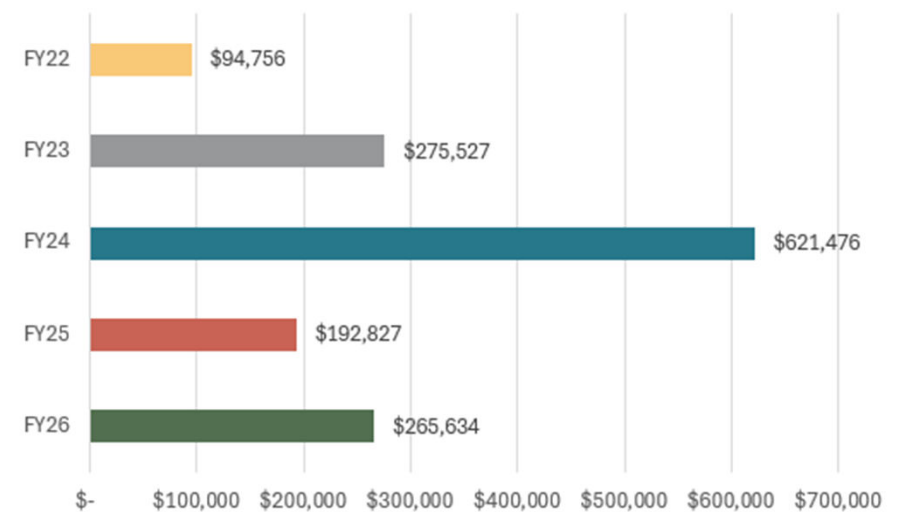


Workers' Compensation Claims

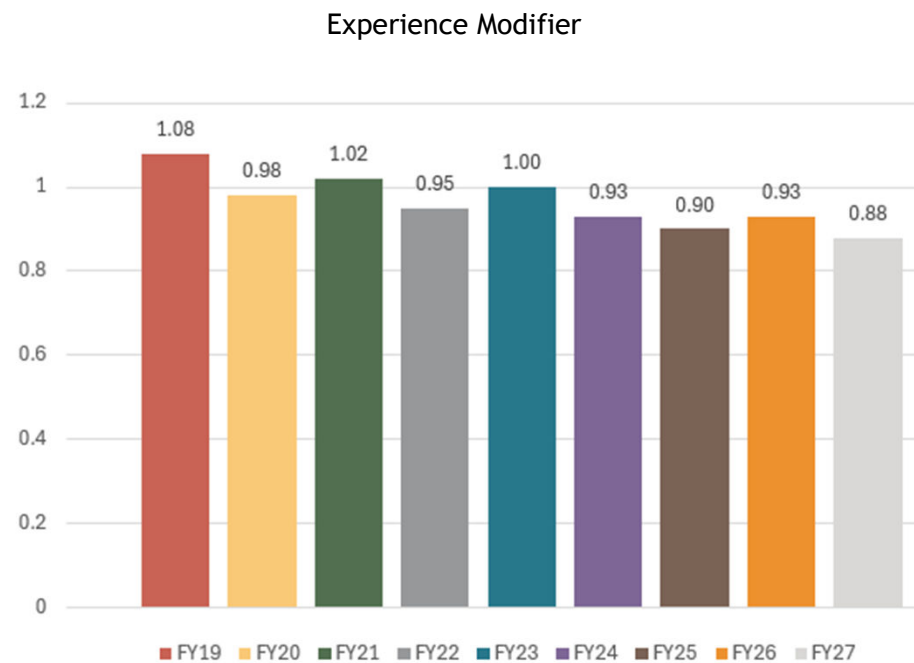
Number of Workers' Compensation Claims - City Wide



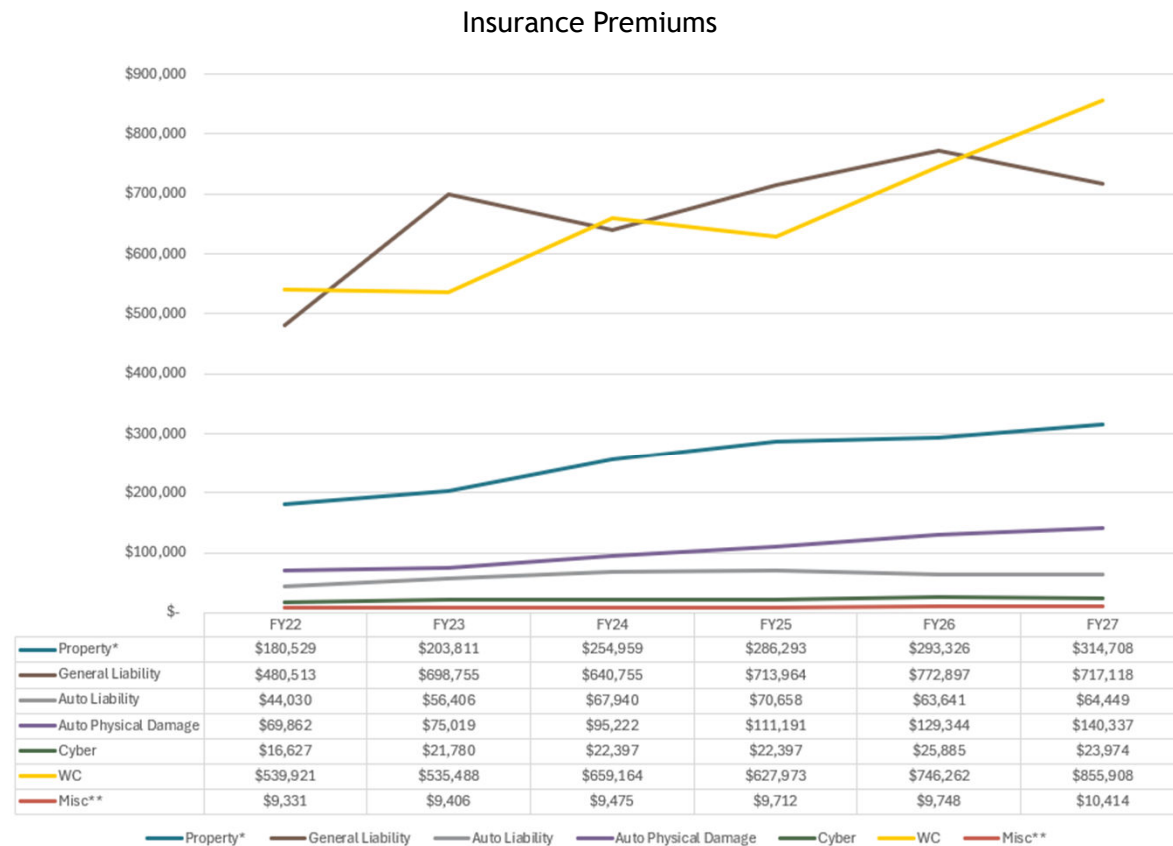
Total Amount Incurred - City Wide



Workers' Compensation Claims



Workers' Compensation Claims



AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	10/26/2026
	Meeting Type:	Work Session
	Staff Contact/Dept:	Jeff Paschall/Community Development
	Staff Phone No:	
	Estimated Time:	30 Minutes
	Council Goals:	Provide Financially Responsible and Innovative Government Services

ITEM TITLE:

Street Operating Fund 5-Year Forecast

ACTION REQUESTED:

Review the Street Operating Fund's five-year financial forecast and provide staff guidance on FY28 budget priorities, including potential service reductions, and direction on exploring longer-term opportunities to diversify revenue sources.

ISSUE STATEMENT:

The Street Operating Fund continues to face financial challenges as operating and maintenance costs outpace available revenues. The five-year Street Fund forecast projects that, under a status quo budget, the Fund will enter FY30 with a negative cash balance, with the projected deficit growing to \$1.4 million at the beginning of FY31. These challenges are not new, as the City has faced similar funding pressures over the past two decades. Street Fund revenues are generally not indexed to inflation, and significant revenue increases have historically depended on State legislative action. Despite expenditure reductions implemented in FY26 and FY27, additional measures will be necessary to maintain the Fund's financial sustainability. Staff will seek Council direction on service priorities and potential additional reductions for FY28, as well as guidance on longer-term funding strategies to explore over the coming year.

DISCUSSION/FINANCIAL IMPACT:

Development and Public Works (DPW) has implemented expenditure reductions in FY26 and FY27, including maintaining vacancies, reducing materials and services spending, and reallocating program and staff costs to other utility funds. These actions have reduced Street Operating Fund expenditures but also limit the resources available for street-related services.

The FY28 forecast assumes no transfer of operating revenues to the Street Capital Fund, leaving pavement preservation and rehabilitation projects largely dependent on voter-approved bond proceeds and other dedicated funding sources. While this approach allows the City to maintain current operations in the near term, continued reliance on declining reserves is not sustainable.

The accompanying briefing memorandum provides historical funding context, the five-year financial outlook, and supporting information on program expenditures. Staff is seeking Council guidance on which services should be prioritized as the FY28 budget is developed, where reduced service levels may be acceptable, and whether staff should further evaluate opportunities to diversify ongoing Street Fund revenues.

Attachments

1. Council Briefing Memorandum
2. Charts and Tables



Council Briefing Memorandum

TO:	Nancy Newton
FROM:	Jeff Paschall. Community Development Director
DATE:	10/26/2026
RE:	Street Operating Fund 5-Year Forecast

ISSUE:

The Street Operating Fund continues to face financial challenges as operating and maintenance costs outpace available revenues. The 5-year Street Fund forecast projects that, under a status quo budget, the Fund will enter FY30 with a negative cash balance, with the projected deficit growing to \$1.4 million at the beginning of FY31. These challenges are not new, as the City has faced similar funding pressures over the past two decades. Street Fund revenues are generally not indexed to inflation, and significant revenue increases have historically depended on State legislative action. Despite expenditure reductions implemented in FY26 and FY27, additional measures will be necessary to maintain the Fund's financial sustainability. Staff will seek Council direction on service priorities and potential additional reductions for FY28, as well as guidance on longer-term funding strategies to explore over the coming year.

COUNCIL GOALS / MANDATE:

Provide Financially Responsible and Innovative Government Services



BACKGROUND:

Financial instability in the Street Operating Fund has been a recurring challenge since 2001, when federal Secure Rural Schools funding distributed through Lane County began declining. The elimination of County road-fund pass-through revenues in 2007 further reduced the City's ability to maintain its street system. Over the past two decades, the City has responded through expenditure reductions and efforts to secure additional revenues at both the local and state levels. The following timeline highlights significant actions affecting Street Fund funding and services:

- **1993–2001 | State and County revenues** — Oregon's state fuel tax remains at 24¢/gallon beginning in 1993; Lane County/Secure Rural Schools revenues begin declining in 2001.
 - **2003–2004 | Local revenue measures** — City adopts a 3¢/gallon local fuel tax and a Transportation System Maintenance Fee. The fee is subsequently withdrawn/repealed amid opposition and potential voter referral.
 - **2007 | Preservation program ends** — Approximately \$1 million in annual County road-fund pass-through revenue ends, effectively eliminating the City's ongoing pavement preservation program.
 - **2008–2009 | Local funding alternatives** — Mayor's task force recommends a preservation fee, which is not implemented. Council refers a 2¢ local fuel-tax increase in 2009; voters reject it.
 - **2009–2011 | State transportation legislation** — Legislature adopts HB 2001, increasing the state fuel tax from 24¢ to 30¢/gallon effective 2011 and providing additional State Highway Fund apportionment.
 - **2013–2015 | Continued funding efforts** — Council considers but does not implement a Transportation Utility Fee. City supports an unsuccessful Lane County vehicle-registration fee proposal. In 2014, staff estimates a \$4.5 million annual funding gap and \$25 million rehabilitation backlog.
 - **2016 | Local fuel-tax measure** — More than half of City streets are rated poor; repair backlog reaches approximately \$30 million. Council refers a 3¢ local fuel-tax increase; voters reject it.
-



-
- **2017–2024 | HB 2017 revenue increase** — Legislature adopts HB 2017, increasing fuel taxes and vehicle-related fees. State fuel tax phases from 30¢ to 40¢/gallon through 2024, increasing recurring apportionment to cities.
 - **2018 | Street repair bond consideration** — City estimates a \$35–\$40 million repair backlog and approximately \$5 million in annual unmet needs. Voters approve \$10 million street-repair bond.
 - **2024–2026 | Current funding challenge** — Voters approve a \$20 million street-repair bond in 2024; however, the Street Operating Fund continues to face financial pressures from inflation and stagnant or declining revenues. A state transportation funding package intended to provide additional revenue was rejected by voters in May 2026.

DISCUSSION:

In response to continued financial pressures, Development and Public Works (DPW) has implemented expenditure reductions in both FY26 and FY27 to help stabilize the Street Operating Fund.

- **FY26 | Approximately \$300,000 in Reductions:** DPW reduced expenditures by maintaining vacant positions and reducing materials and services spending.
- **FY27 | Additional \$250,000 in Reductions:** Most the Street Fund's portion of the Street Sweeping Program was transferred to the Stormwater Fund. Additional savings were achieved by shifting funding for two Engineering and two Operations positions from the Street Fund to the Wastewater and Stormwater Funds.

While these actions have reduced expenditures, the reassignment of staff resources will affect the City's capacity to deliver street-related services, including longer timelines for project initiation and completion and reduced capacity for street tree maintenance.

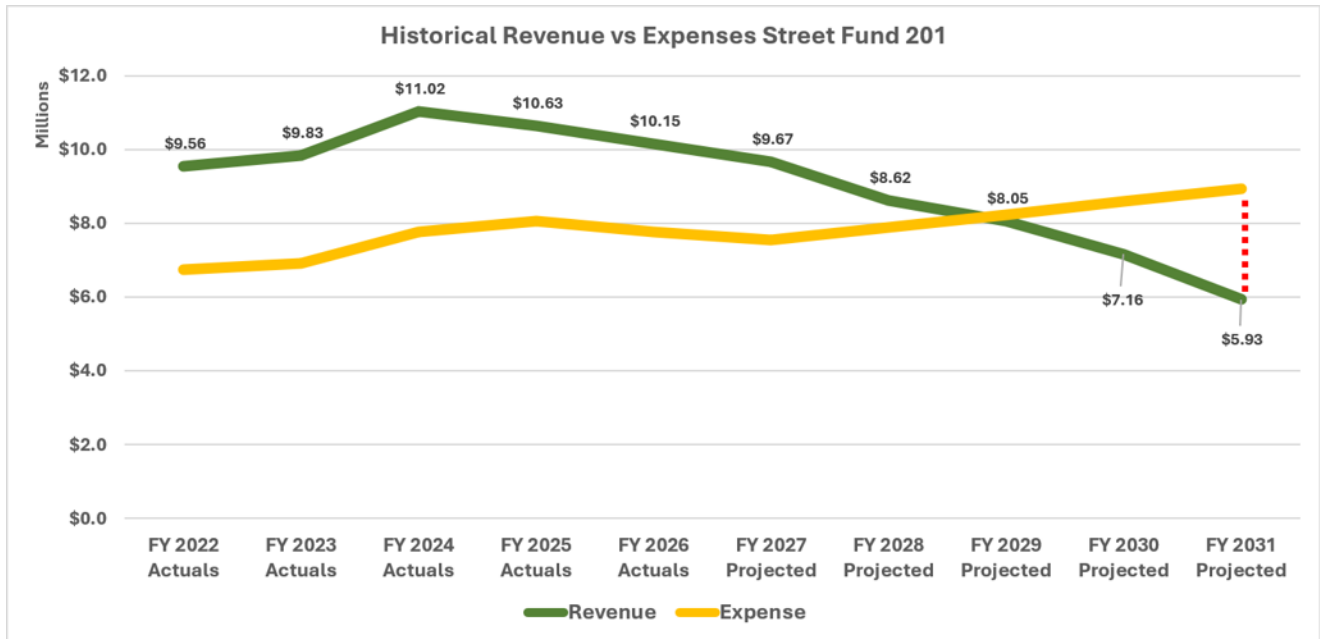
PLANNING:

As staff begins planning for FY28, the Street Operating Fund is projected to maintain current service levels by drawing upon existing fund reserves. However, these reserves continue to decline without sufficient revenues to replenish them. Additionally, the forecast assumes no transfer of operating revenues to the Street Capital Fund, limiting capital improvements to projects funded through the voter-approved street-repair bond or other dedicated funding sources, such as grants and System



Development Charges. This significantly limits the City's ability to undertake pavement preservation, rehabilitation, and other street system improvements outside of the current bond program.

The following chart illustrates historical and projected Street Operating Fund revenues and expenditures, highlighting the growing disparity between available revenues and the cost of maintaining current services.



Under a status quo scenario, the five-year financial forecast projects that the Fund will enter FY30 with a negative beginning cash balance, with the deficit growing to approximately \$1.4 million at the beginning of FY31. Without near-term action to reduce expenditures, increase revenues, or both, the Street Operating Fund will be unable to sustain current service levels. Additional financial information, including the five-year forecast and expenditures by major program, is provided in Attachment 2 to support Council's discussion of service priorities and potential budget reductions.

RECOMMENDED ACTION:

Review the Street Operating Fund's five-year financial forecast and provide staff guidance on FY28 budget priorities, including potential service reductions, and direction on exploring longer-term opportunities to diversify revenue sources.

Attachment 2 – Street Fund Financial and Program Information

Introduction

The following financial tables and charts are provided to support Council's discussion of the Street Operating Fund's financial outlook, current service levels, and future budget priorities. The information illustrates projected financial conditions, the distribution of operating expenditures, and available capital resources to help inform Council guidance on FY28 budget development and longer-term funding strategies.

Street Operating Fund 5-Year Forecast

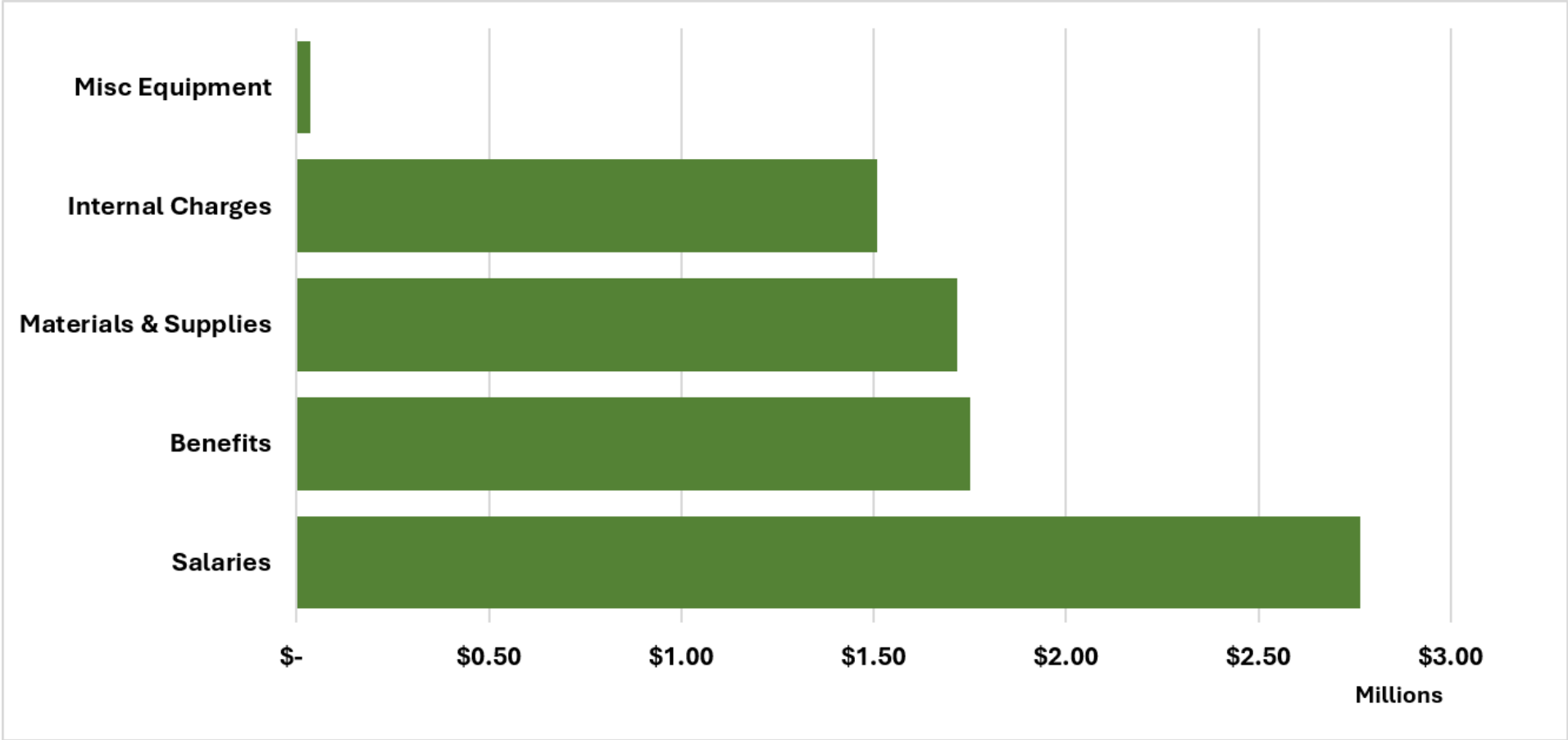
The table provides some recent historical information and a forecast that illustrates projected revenues, expenditures, and fund balances through FY31 under a status quo budget scenario. It highlights the continued depletion of operating reserves and the projected negative beginning fund balance in FY30, with the shortfall increasing in subsequent years.

201 Operating Street Fund 5 Year Forecast

Type	Actuals			Projected				
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Beginning fund balance	\$ 2,917,626	\$ 3,249,792	\$ 2,574,096	\$ 2,371,136	\$ 1,297,118	\$ 731,385	\$ (172,294)	\$ (1,428,058)
Taxes	875,454	840,497	902,814	830,000	830,000	830,000	830,000	830,000
Licenses, Permits & Fees	223,231	241,470	222,372	210,000	215,670	221,493	227,473	233,615
Intergovernmental	5,861,827	5,337,952	5,378,855	5,338,500	5,338,500	5,338,500	5,338,500	5,338,500
Charges for services	385,210	329,458	448,317	310,000	325,500	341,775	358,864	376,807
Use of money & property	223,030	70,288	76,780	50,000	51,885	29,255	-	-
Miscellaneous	10,761	36,029	5,259	3,000	3,081	3,164	3,250	3,337
Other fees and charges	522,492	525,000	538,131	559,290	559,290	559,290	574,391	574,391
Total Revenue	\$ 11,019,631	\$ 10,630,485	\$ 10,146,624	\$ 9,671,926	\$ 8,621,044	\$ 8,054,863	\$ 7,160,184	\$ 5,928,593
Operations	\$ 6,194,589	\$ 6,377,296	\$ 5,636,691	\$ 5,695,229	\$ 5,963,613	\$ 6,213,134	\$ 6,474,944	\$ 6,738,875
Community	1,478,599	1,626,942	2,085,989	1,778,914	1,860,845	1,946,890	2,037,259	2,127,661
City Manager	\$ 40,311	\$ 37,402	\$ 37,863	\$ 63,349	\$ 65,201	\$ 67,132	\$ 69,147	\$ 71,142
041 - Finance	56,312	14,748	14,945	-	-	-	-	-
Total Expense By Division	\$ 7,769,811	\$ 8,056,388	\$ 7,775,488	\$ 7,537,492	\$ 7,889,659	\$ 8,227,156	\$ 8,581,350	\$ 8,937,677
Net Balance	\$ 3,249,820	\$ 2,574,097	\$ 2,371,136	\$ 2,134,434	\$ 731,385	\$ (172,294)	\$ (1,421,166)	\$ (3,009,085)

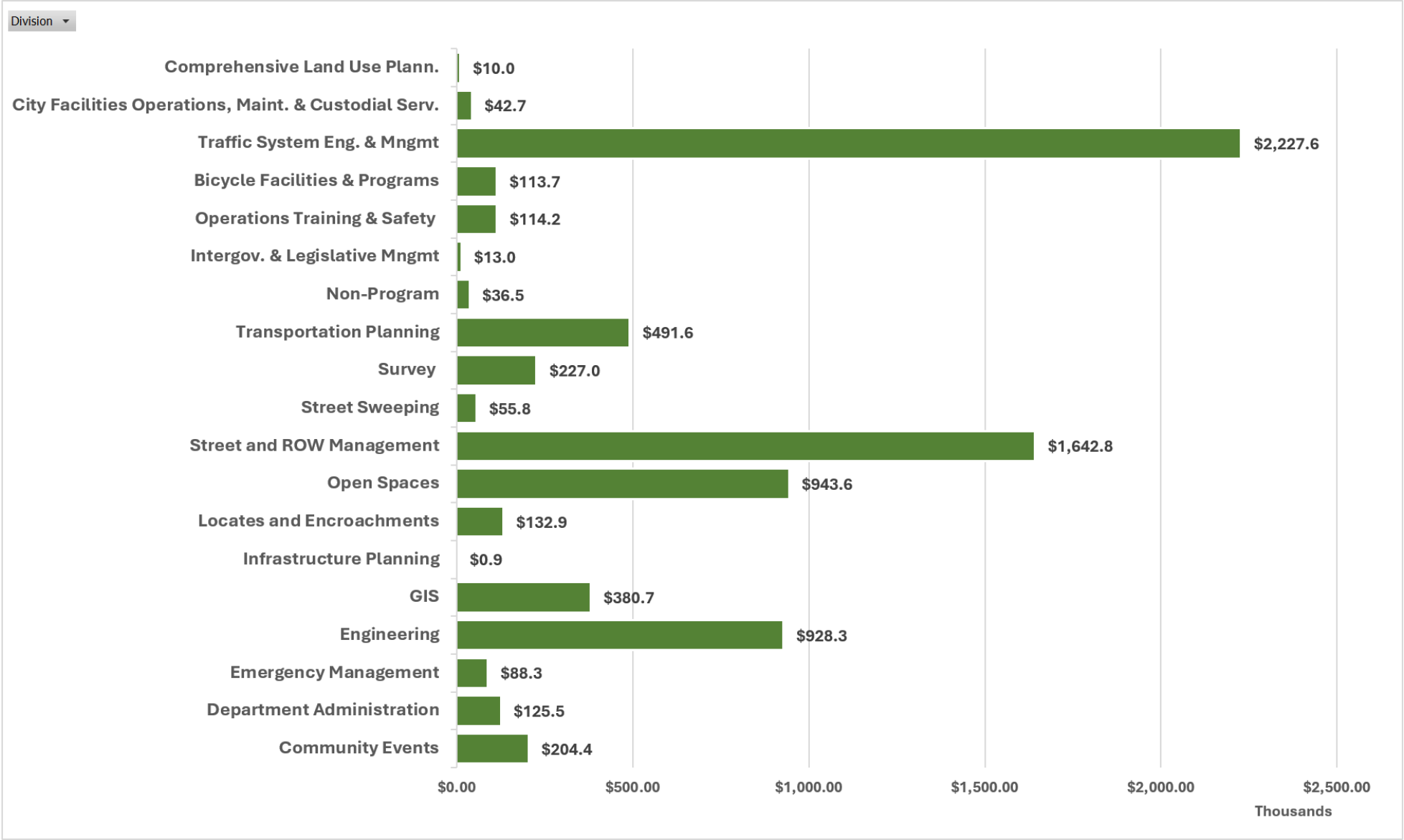
Street Operating Fund Expenditures by Category

This chart illustrates the distribution of Street Operating Fund expenditures among salaries, benefits, materials and supplies, internal charges, and equipment. It provides context for the types of expenditures that make up the operating budget and the areas potentially affected by future reductions.



Street Operating Fund Expenditures by Program

This chart illustrates how Street Operating Fund resources are allocated across individual programs and service areas, including traffic system management, street and right-of-way management, open spaces, and other supporting services. It is intended to help Council evaluate service priorities and understand where operating resources are currently directed.



Street Capital Fund – Projected FY26/27 Ending Balances

This chart illustrates the projected Street Capital Fund balance by funding source, including bond proceeds, System Development Charges, ODOT jurisdictional transfer funds, and general capital reserves. Although the combined balance represents significant capital resources, much of the funding is dedicated or restricted to specific purposes and is not available to support general Street Operating Fund expenditures.

