

HILLSBORO FIRE & RESCUE

BIENNIAL  
**BUDGET  
IN BRIEF**  
CITY OF HILLSBORO, OR  
2025-2027



**PUBLIC SERVICE IN HILLSBORO**



# 2025–27 Mayor's Message



## Hello Hillsboro neighbors,

Thank you for reviewing the City of Hillsboro's 2025–27 biennial budget. In 2025, we continue the budgeting approach initiated in 2023 of planning ahead for the next two fiscal years to increase productivity and efficiency. During every budget cycle, the City of Hillsboro produces a budget that reflects City Council priorities and guiding principles, the City's Equity Statement, the goals of the Hillsboro 2035 Community Plan, and our City's core values. The City's long-term commitment to maintaining a fiscally responsible budget is more important than ever, as we continue to provide services and support for our residents and businesses.

This biennium's \$1.94 billion budget will provide essential City services, including public safety, water, and infrastructure for the more than 111,000 community members who call Hillsboro home. It also provides the services that make our quality of life so high, such as parks, libraries, community events, and so much more. The budget strives to maintain the long-term financial health of our General Fund and other critical City Funds. Assessed values (AV) in the City of Hillsboro, including Urban Renewal areas, increased by 8.3% in FY 2023-24 and by 6.2% in FY 2024-25. The City projects a 15% increase in AV in the first year and a 2% increase in the second year of the 2025–27 biennium. The large projected increase in 2025-26 is due to the 2005 Intel and Genentech Strategic Investment agreements coming out of abated status and on to the tax rolls.

This budget aligns with the Council's current priorities, which include:

- Racial Equity
- Strategic Planning
- Public Safety
- Housing & Homelessness
- Community Engagement & Outreach
- Economic Development
- Environmental Sustainability

Thank you to the community members who serve on the Hillsboro Budget Committee, to the City of Hillsboro staff, and to everyone in Hillsboro who helps us continue to budget with fiscal responsibility and meet our growing community's needs. The Hillsboro City Council is committed to fostering an equitable and diverse community where all residents feel supported and included. This budget helps ensure Hillsboro continues to be fiscally responsible and effective in preparing for the future.

In service,  
Mayor Beach Pace

## On the Cover...

### Hillsboro's Local Option Levy

The images on this cover highlight Hillsboro's first responders and parks professionals-- whose work is made possible by the community-supported Local Option Levy. Since 1998, voters have approved the levy six times, including with 82% support in 2022.

The levy helps fund police, fire & rescue, and parks maintenance services-- keeping Hillsboro safe, healthy,

and livable. It supports patrol officers, detectives, youth programs, emergency response, disaster preparedness, and maintenance of parks and recreation facilities.

With Oregon's property tax limits, the levy is the only tool cities have to maintain essential services. Hillsboro hasn't raised the levy rate since 2006, despite rising costs and growing demand.

# Growing Great Things



*Juneteenth Celebration Performance*

**Adopted Budget**  
**\$1,946,850,001**

*July 1, 2025 to June 30, 2027*

***Innovation, high-tech, and creative urban gathering places meet hometown values, green spaces, and family-friendly tradition.***

## **That's Hillsboro, Oregon.**

Hillsboro's 111,000 residents enjoy award-winning neighborhoods; exceptional educational, recreational, and cultural experiences; a strong economy; and, one of the state's most diverse populations. We celebrate our hometown values and agricultural roots, while growing our reputation as the "high-tech hub of Oregon" with some of the best land, power, and water resources in the country.

With the Pacific Ocean to the west and the beautiful Cascade Mountains and Columbia River Gorge to the east, Hillsboro residents are ideally located. Hillsboro is home to the state's fourth-largest school district, two higher-education campuses, and 35 parks with more than 1,500 acres of designated green spaces, including Jackson Bottom Wetlands Preserve.

Our thriving cultural arts scene includes a community arts center, art galleries, musical groups, and live theater. Hillsboro is also home to the Hillsboro Hops — the three-time Northwest League Champions and the Portland metro area's only professional baseball team. Annual community events include one of the Northwest's largest 4th of July parades, the Washington County Fair, and the new La Strada dei Pastelli Chalk Art Festival.



## **What's Inside...**

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# About the City

## Hillsboro, Oregon

While we greatly respect tradition, we are not your traditional City government here in Hillsboro.

We are a financially responsible, yet innovative and forward-thinking, full-service city. We self-identify as a progressive and visionary organization. We appreciate the richness that the diversity of our community offers, and we welcome and value each resident, business, and guest by providing exceptional and equitable public services.

Bold and optimistic, we are growing thoughtfully and with a purpose — to be the best City government in the universe. Together with community partners and residents, we work to carefully plan for and grow Hillsboro’s future.

We are home to Oregon’s largest employer, Intel Corporation, as well as other high technology leaders and hundreds of smaller companies. Continuing to be a leader in attracting new businesses and opportunities to Hillsboro is critical. We value our business partners because when businesses thrive they create jobs, economic opportunity, and a strong tax base.

We are guided by the Hillsboro 2035 Community Plan, which is modeled after Hillsboro’s original award-winning visioning effort, the Hillsboro 2020 Vision and Action Plan, and City Council priorities. For more information on the Hillsboro 2035 Community Plan visit [Hillsboro2035.org](http://Hillsboro2035.org).

As Hillsboro continues to grow and diversify, we will continue to partner and plan for success, so this great community grows by choice, not by chance.



*Thorns/Future WNBA Team Facility Groundbreaking*

## Growing Great Things

**Full-time budgeted positions: 1,074**

**Part-time/temporary positions: 409**

**City Departments: 11**

- Police
- Fire & Rescue
- Parks & Recreation
- Library
- City Manager's Office
- Human Resources
- Information Services
- Finance
- Public Works
- Water
- Economic & Community Development

## Form of Government

Hillsboro operates with a Councilor/City Manager form of government. Voters elect the City Council, including six Councilors and a Mayor: each serves a four-year term, subject to a charter-imposed limitation of two consecutive terms. The City Council provides community leadership, develops policies to guide the City in delivering services and achieving community goals, and encourages community awareness and involvement.

The City Council appoints the City Manager who, in turn, serves as the administrative head of the City government. The City Manager is responsible for ensuring Council policies are implemented using resources appropriated by the Council to achieve desired service results in the community.

## Doing Business in Hillsboro

As a result of availability of some of the best land, power, and water resources in the country, many high-tech and advanced manufacturing companies put down roots in Hillsboro. We continue to attract new investment from these and other industries around the world.

Hillsboro is particularly attractive for its manufacturing infrastructure; technologically skilled workforce; proximity to airports, major highways, and interstates; and business-friendly climate. We also offer incentives through urban renewal, enterprise zones, and strategic investment programs that help businesses looking to locate or expand in Hillsboro.



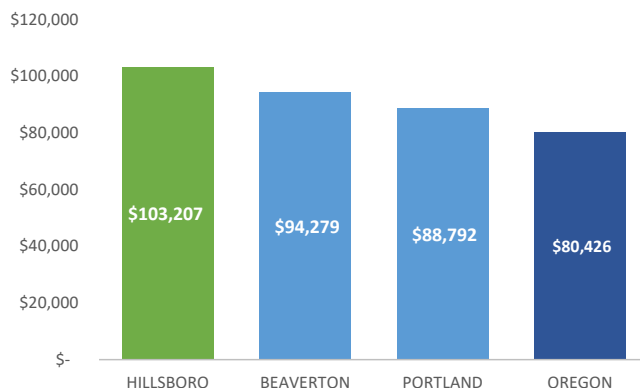
# HILLSBORO

## BY THE NUMBERS

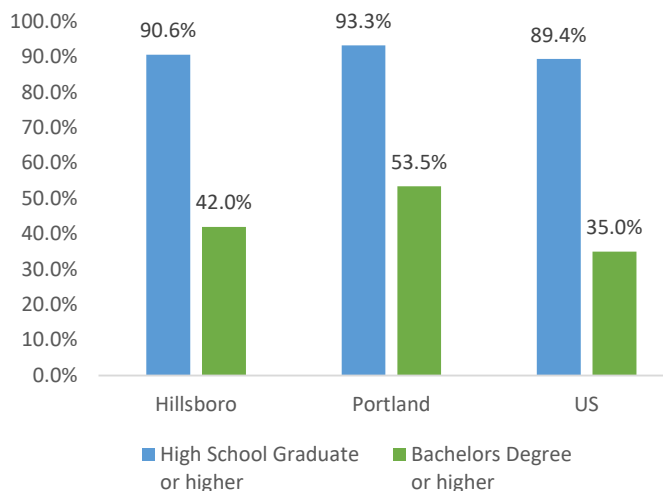
The City of Hillsboro is the fifth largest City in Oregon and is located within Washington County. Just 18 miles west of Portland, Hillsboro is considered the high-tech corridor of the State.

With a population of over 111,000 residents, Hillsboro is continuously working to accommodate our growing community.

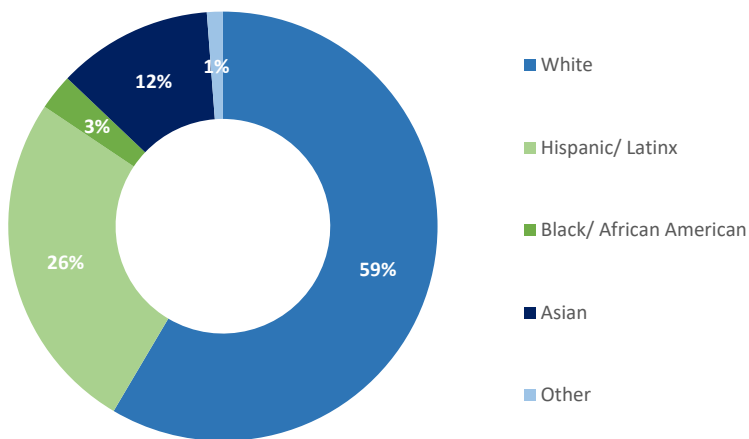
### Median Household Income<sup>1</sup>



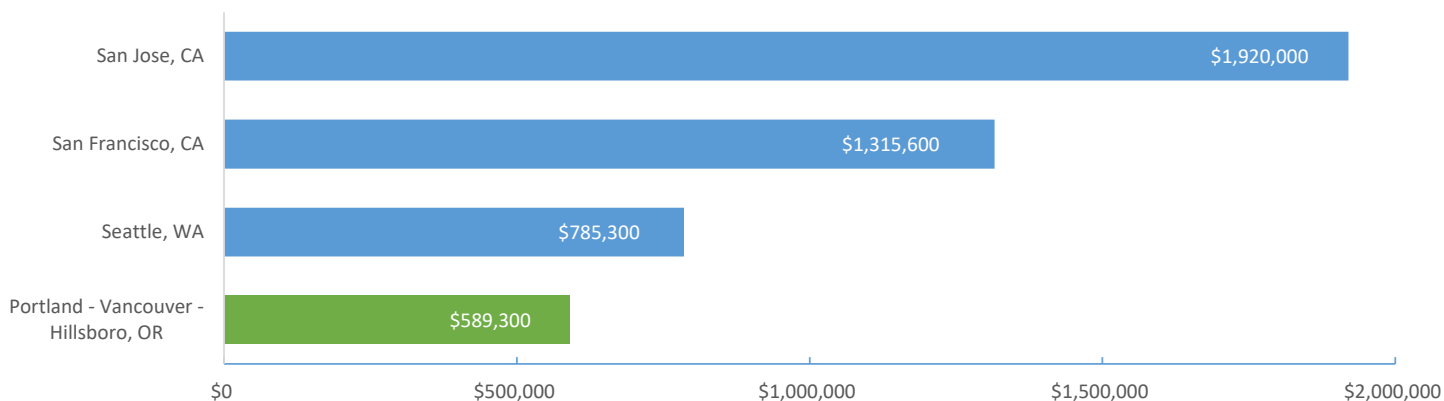
### Educated Population - 25 years and over<sup>1</sup>



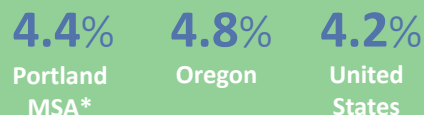
### Diversity<sup>1</sup>



### Average Cost to Buy a House<sup>3</sup>



### Unemployment Rate



(1) 2023 US Census Bureau, American Community Survey 5-year Estimates; (2) Bureau of Labor Statistics, May 2025  
 (3) National Association of Realtors Q4 2024 data - median, single-family homes; \*Portland MSA: Portland - Hillsboro - Vancouver Metropolitan Statistical Area



# Council Priorities & Goals

The Hillsboro City Council establishes an annual list of Priorities that are not ranked or ordered by importance and are not an exhaustive list of all City of Hillsboro priorities. The annual priorities are steered by the Council's guiding principles that are also reviewed annually and may be updated.

To read the Council's Guiding Principles, visit: [Hillsboro-Oregon.gov/Council](https://hillsboro-oregon.gov/Council)

Council priorities are ongoing. They can be created and completed within one or two years; they may have specific budget implications for the coming fiscal year, or they may be long-range projects and programs that benefit from strong City Council participation and support. The Council's annual list of priorities is developed from the Hillsboro 2035 Community Plan, City departments' Strategic Plans, and other major focus areas for the City, as identified by staff and supported by the Council.

## Racial Equity

### *Diversity, Equity, and Inclusion Competencies*

Build Diversity, Equity, and Inclusion (DEI) competencies in City leadership, including City Council and City boards and commissions, to utilize an equity lens and institutionalize equity in the delivery of City services and policymaking.

### *Recruitment Barriers*

Remove unintentional recruitment barriers with the goal of increasing the number of qualified applicants from historically underrepresented communities for City employment opportunities and the number ultimately hired by the City.

### *Strategic Plan Equity Goals*

Implement the initiatives in the City's Strategic Plan Equity Goal focus area and conduct a comprehensive assessment of the City's internal diversity, equity, inclusion, and belonging work.

## Transportation

### *Tualatin Valley Highway Safety and Transit Improvements*

Advocate for improvements to the Tualatin Valley Highway in alignment with the locally preferred alternative approved by City Council.

### *Develop a Sidewalk Maintenance Management Plan*

Evaluate the possibility of a funding mechanism to improve city sidewalks using an equity lens.

### *Develop a Bicycle and Pedestrian Management Plan*

Develop policies, projects and initiatives to promote safe bicycle and pedestrian accessibility across the City.

## Public Safety

### *Engagement*

Continue grassroots engagement to involve community perspectives on public safety.

### *Develop Strategies*

Develop data-informed strategies that identify and address disparities in public safety services.

### *Safety Initiatives*

Continue implementing internal and external public safety initiatives so that employees and the community feel safe.

### *Recruitment*

Enhance public safety recruitment initiatives to continue diversifying our workforce.

### *Support and Education*

Provide education, resources, and support to our impacted residents and businesses regarding the City's Sanctuary City policy and public safety.

### *Local Option Levy*

Evaluate the sustainability of the City's local option levy and provide Council with options.

## Strategic Plan

### *Strategic Plan*

Implement the new strategic plan that integrates the voice and needs of our employees, City Council priorities, community expectations, department-level programs and functions, and citywide strategic initiatives.

# Council Priorities & Goals

## Housing

### *Strategic Housing Development*

Implement the Housing Production Strategy and continue evaluating policies and opportunities to provide strategic housing needs.

### *Affordable Housing*

Continue implementing the Metro Affordable Housing Bond measure and Hillsboro Affordable Housing Implementation Plan and identify new opportunities to deliver affordable housing.

## Homelessness

### *Long-Term Support*

Make capital investments to provide long-term support to unhoused community members and explore new ways to support individuals and families experiencing homelessness.

### *Regional Collaboration*

Build upon connections and collaboration with service providers, community partners, and impacted stakeholders to address homelessness regionally.

### *Promote Coexistence*

Reduce conflict between our unhoused and housed community members, and impacted businesses, with empathy and compassion.

## Community Engagement and Outreach

### *Engagement*

Implement a Citywide framework with goals for equitable community engagement, including project-specific engagement.

### *Digital Literacy*

Identify barriers to digital literacy within the community and evaluate and implement solutions to overcome them.

### *Promoting Accurate Information*

Educate our community on City programs, projects, and initiatives, with a focus on promoting accurate information.

## Economic Development

### *Focusing Investment*

Continue focusing investment in the North Hillsboro Industrial Area and Technology Park, Downtown Hillsboro, Block 67, Tualatin Valley Highway and the 10th Avenue corridor.

### *Workforce Development*

Expand workforce training, apprenticeship, and internship opportunities.

### *Industrial Land Expansion*

Continue to pursue expansion of industrial land with a focus on the area in North Hillsboro identified in past Urban Reserves planning.

### *Small Businesses*

In partnership with other organizations, continue to develop programs and opportunities to support small businesses.

## Environment Sustainability

### *Environmental Stewardship*

Continue to support the Environmental Stewardship Committee to advance the actions identified in the Hillsboro 2035 Community Plan.

### *Environmental Assessment*

Implementing the recommendations from the organizational assessment of the City's management of environmental resources and services.

### *City-wide Food Systems Plan*

Develop a framework for implementing a City-wide food system plan.



'Dolores' - affordable housing development rendering



# The Budget Process

## Hillsboro's Budget Process

The process followed in the preparation of the budget complies with Oregon Local Budget Law established by Oregon Revised Statutes.

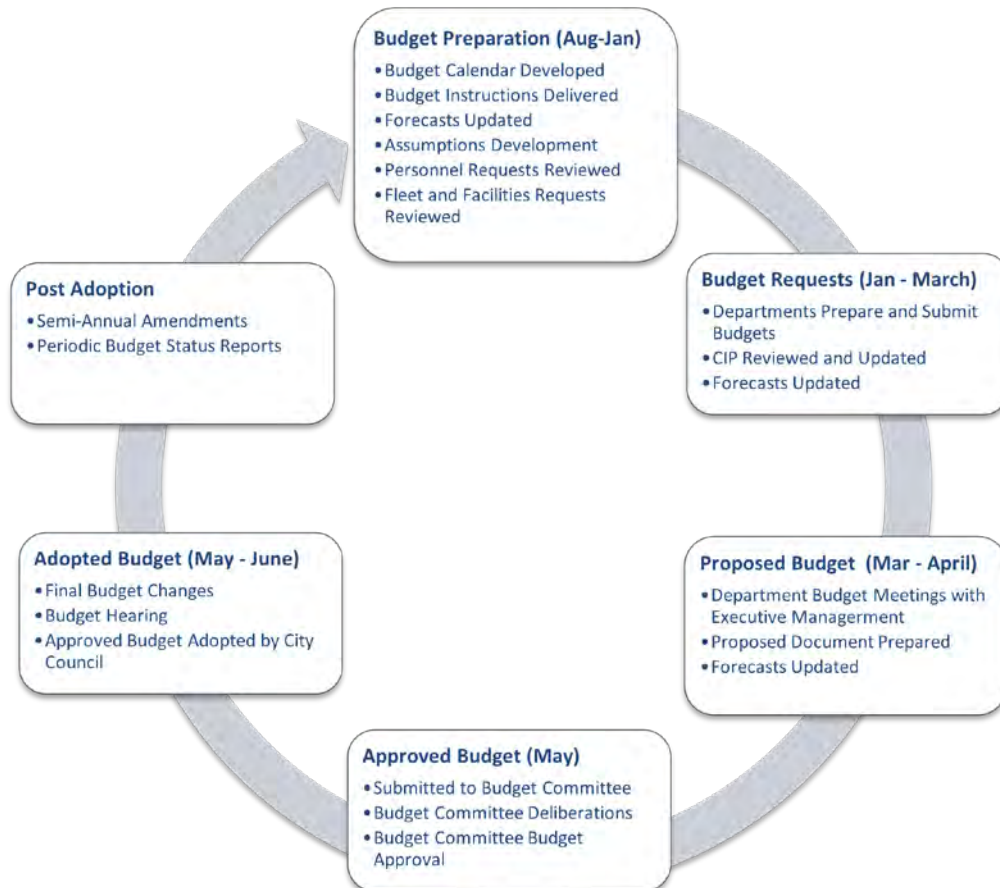
City management seeks and welcomes public input, participation and deliberation throughout the process. Budget Committee meetings are open to the public and are advertised on the City's website, social media channels, and in Hillsboro's local newspapers.

The City transitioned from an annual budget to a biennial budget in 2023. The Biennial Years (BY) 2025-27 is the second biennial budget produced by the City.

The proposed budget is submitted to the Budget Committee in May and the approved budget is submitted to the City Council in June for adoption. Both are available to the public prior to each meeting.

City departments work with the Finance Department to compile their budget and capital requests between November and March. This information is then reviewed by City management. During the same time frame, Finance and City management review revenue and expenditure forecasts, as well as financial trends. All of this information is compiled, prepared and presented to the Budget Committee as the proposed budget.

After the Budget Committee reviews and deliberates over the proposed budget and makes any appropriation changes, the Committee then approves and forwards the budget to the City Council. After a public hearing, the Council takes action on any final changes deemed appropriate, and adopts the budget in mid June. The adopted budget becomes effective July 1. The final adopted budget is available on the City's website.





# Budget Committee

The Budget Committee consists of the seven City Council members, and seven community members appointed by the City Council. Community members on the Budget Committee serve three-year terms for an annual budget and four-year terms for a biennial budget. The City will have a period of transition from annual to biennial budget with members already serving the budget committee serving out three-year terms. Newly appointed members will serve four-year terms.

Meetings occur approximately twice per year in the evening at the Civic Center. The Committee has the legal authority to change any portion of the proposed budget and is responsible for approving the budget. Where and how City Council ward boundaries are drawn affect who is likely to be elected as a City Councilor and how your neighborhood participates in city government. Visit the City’s website at [Hillsboro-Oregon.gov/Council](http://Hillsboro-Oregon.gov/Council) to see the map of Hillsboro’s three wards and to learn more about Hillsboro’s Mayor and City Councilors.

## Council Members



Beach Pace  
Mayor



Cristian Salgado  
Councilor  
Ward 1



Saba Anvery  
Councilor  
Ward 1



Kipperlyn Sinclair  
Councilor  
Ward 2



Elizabeth Case  
Councilor  
Ward 2



Olivia Alcaire  
Councilor  
Ward 3



Rob Harris  
Council President  
Ward 3

## Community Members

Olga Acuña - Term expires: December 31, 2026  
Salvatore Bianco - Term expires December 31, 2026  
Jerry Shamoon - Term expires: December 31, 2026  
Zuhair Gafur- Term expires: December 31, 2027

Kurt Williams- Term expires: December 31, 2027  
David Judah- Term expires: December 31, 2028  
Darrell Lumaco- Term expires: December 31 2028



# Capital Improvement Program

The Capital Improvement Program (CIP) section of the budget shows the City's investment in any project that adds, improves, and extends the life of the City's infrastructure. The City budgets major construction and acquisition activities in one of eight capital improvement project categories. Generally, projects with a total cost of \$25,000 or more are included in the CIP. In addition to capital projects, fleet vehicles are included in the CIP.

The total cost for the six-year CIP covering FY 2025-31 is \$689 million. This amount includes \$79 million of projects that have no funding source identified at this time.

The BY 2025-27 CIP amount of \$360.4 million is broken down as follows, with some projects highlighted for each CIP category.

## Parks Capital - \$34.4 M - 10%

- Crescent Park Greenway Projects: \$7.3 million
- Hidden Creek Community Center Aquatic Facility Study & Detailed Concept Plan: \$4.2 million
- School District Sports Field Improvements & Redevelopment Project: \$2.5 million
- Dairy Creek Park Futsal Courts: \$1.3 million

## Water - \$113.3 M - 31%

- Willamette Water Supply Program: \$76.2 million
- Joint Water Commission Disinfection Facility: \$2.7 million
- Barney Reservoir- Stairs at the Trask Weir Gauge: \$400,000

## Transportation - \$21.6 M - 6%

- Huffman East Capacity Improvements: \$3.8 million
- 2nd Ave Reconstruction: \$4.5 million
- TV Hwy Transit and Safety Project: \$3.4 million
- NE Gibbs Dr. Extension: \$1 million

## Facilities - \$127 M - 35%

- Police Headquarters: \$70 million
- Softball Fields Replacement: \$25 million
- South Hillsboro Fire Station: \$16 million
- Shelter at 17th Avenue: \$5.1 million

## Sanitary Sewer - \$18.2 M - 5%

- 1911/1936 Sanitary Sewer I&I Abatement Phase 6: \$6.3 million
- Manhole Sealed Frame & Cover: \$3.9 million
- Minter Bridge to Meadow Lark Trunk Replacement: \$2 million

## Fleet Replacement - \$16.1 M - 5%

- Fire & Rescue Department: \$7.4 million
- Police Department: \$2.4 million
- Public Works Department: \$1.8 million
- Parks & Recreation Department: \$880,000

## Surface Water Mgmt - \$17.5 M - 5%

- 2nd Ave Reconstruction: \$6 million
- Minter Bridge Rd Conveyance Improvement: \$4 million
- Glencoe Creek Storm Culvert Improvements: \$2.6 million

## HiLight - \$12.2 M - 3%

- Design and construction of HiLight fiber to the home distribution network will be accomplished in phases and organized around 5 fiber huts throughout the City of Hillsboro.

**To view the City of Hillsboro's complete Capital Improvement Program section of the BY 2025-27 Adopted Budget and for more detailed information regarding all projects included in the CIP, visit: [Hillsboro-Oregon.gov/Budget](https://Hillsboro-Oregon.gov/Budget)**

# CIP Project Spotlight



*Year-Round Shelter Construction in Progress*

## Year-Round Shelter at 17th Ave

- In partnership with Washington County, the City is building a future year-round shelter for adults experiencing homelessness.
- The 75-bed facility will provide life-saving shelter and support services while connecting guests with pathways to longer-term housing support.
- Visit [engage.hillsboro-oregon.gov/yearroundshelter](https://engage.hillsboro-oregon.gov/yearroundshelter) to follow this project.



*Rendering of the South Hillsboro Fire Station*

## South Hillsboro Fire Station

- Anticipated completion in FY 2025-26, this will be Hillsboro's 6th fire station, located to serve the rapidly growing South Hillsboro neighborhood.
- The three-bay station will open with a 15-person company and single fire engine, providing paramedic care and advanced life support.
- Environmentally focused design includes solar panels, recycled structural elements, sustainable landscaping, and EV charging stations.

## DID YOU KNOW...

You can watch real-time progress on the South Hillsboro Fire Station 9 construction, with live-cameras and time-lapse updates—available all the way through project completion in December 2025!

You can also check out live footage of the Hillsboro Hops Ballpark project, as it prepares for the team's future seasons.

Scan or click the QR code to view live feeds and track construction progress. Visit [Hillsboro-Oregon.gov/MajorProjects](https://Hillsboro-Oregon.gov/MajorProjects) to for details on other major City projects.





# Where the Money Comes From

## City Resources

Resources of All Funds Combined by Category	
Fund Balances* & Transfers	\$ 694,488,974
Property Taxes	270,877,525
Charges for Services	213,165,157
Utility Charges	198,211,068
Bond & Loan Proceeds	172,400,000
Miscellaneous, Interest & Fines	90,145,587
Other Governments & Taxes	65,411,930
Franchise Fees	61,392,870
Strategic Investment Program & Gain Share	59,790,000
Development Fees	57,967,655
Joint Ventures	45,997,521
Grants & Donations	17,001,714
<b>Total Resources</b>	<b>\$ 1,946,850,001</b>

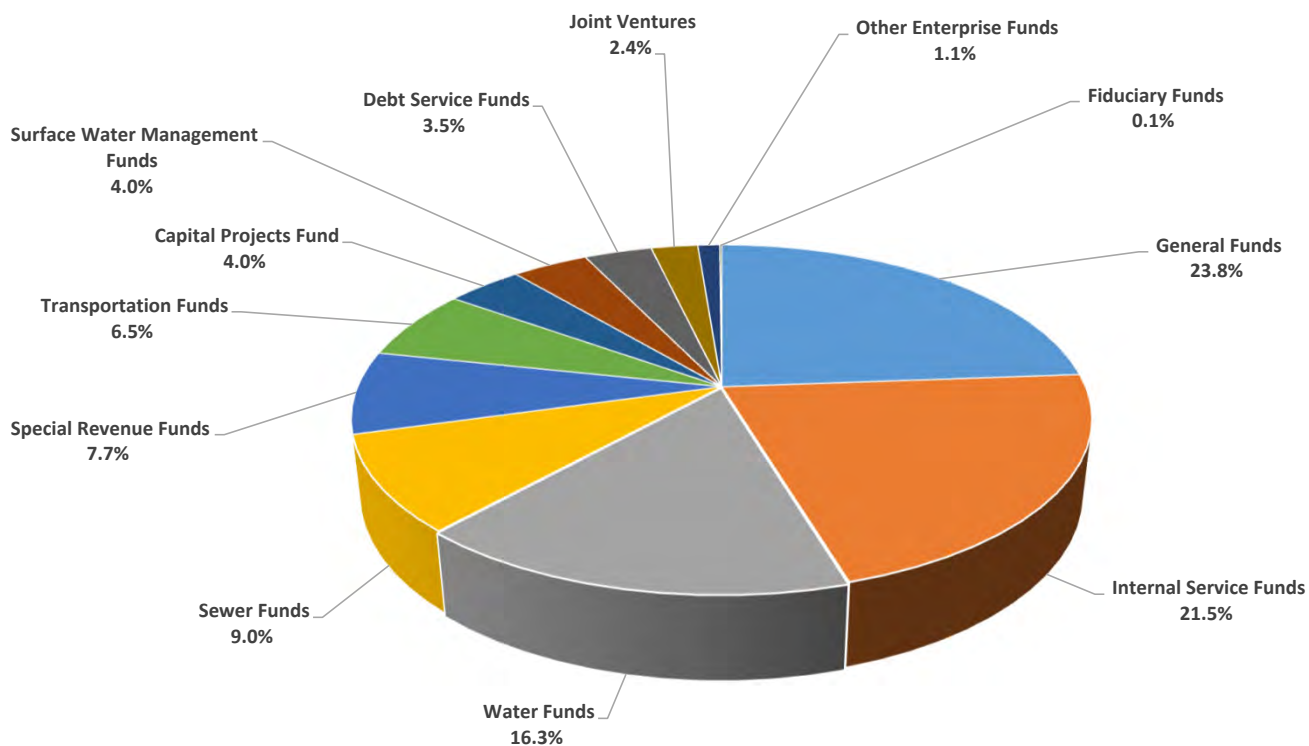
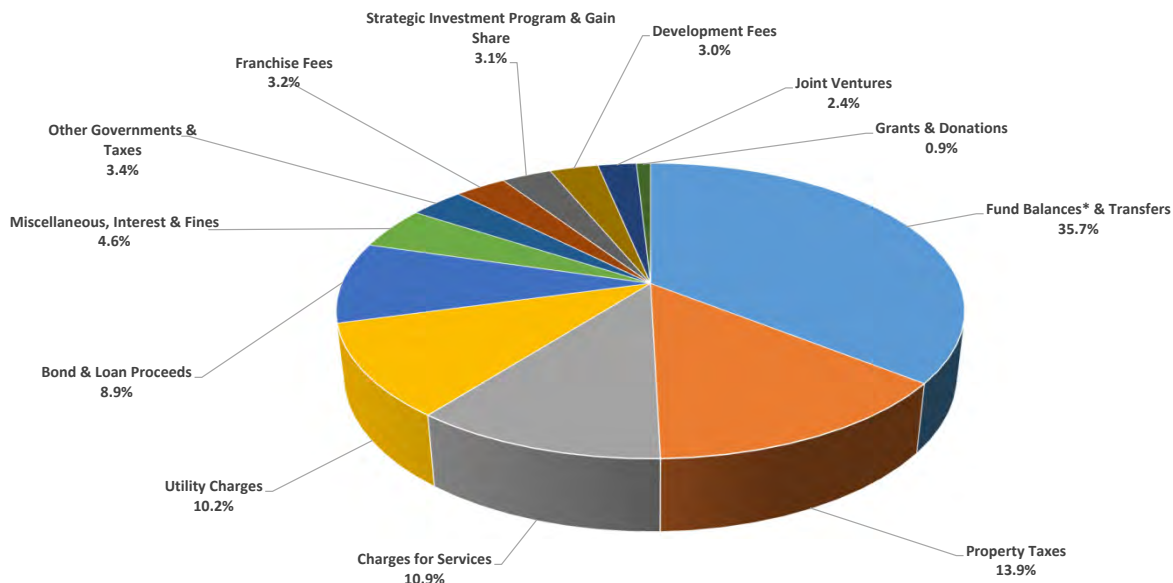
\*Many funds, like Transportation, Water, Sewer and Building have dedicated resources which can only be expended on these programs and services. Reserves may be higher in these programs due to saving for future large capital projects.

Resources by Fund Group	
General Funds	\$ 463,922,153
Internal Service Funds	418,985,595
Water Funds	318,249,226
Sewer Funds	174,244,200
Special Revenue Funds	149,665,938
Transportation Funds	126,884,180
Capital Projects Fund	77,653,881
Surface Water Management Funds	77,250,533
Debt Service Funds	68,487,556
Joint Ventures	47,239,717
Other Enterprise Funds	22,240,704
Fiduciary Funds	2,026,318
<b>Total Resources</b>	<b>\$ 1,946,850,001</b>

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities or balances. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.



# Where the Money Comes From





# Where the Money Goes

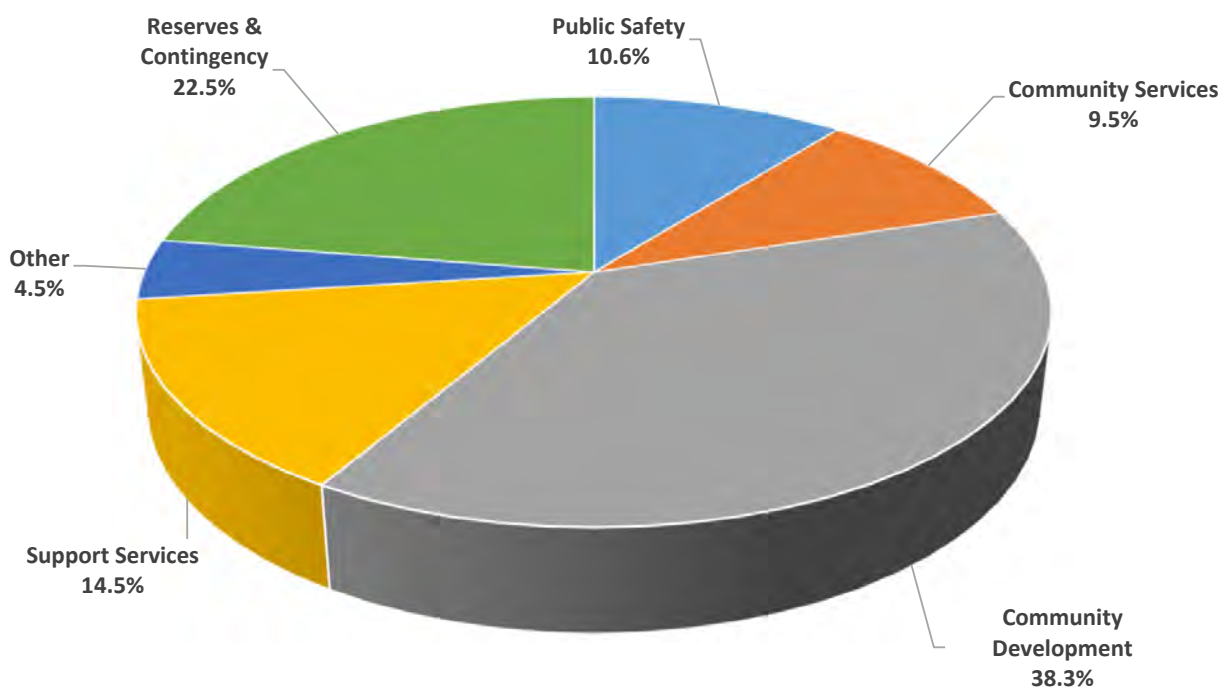
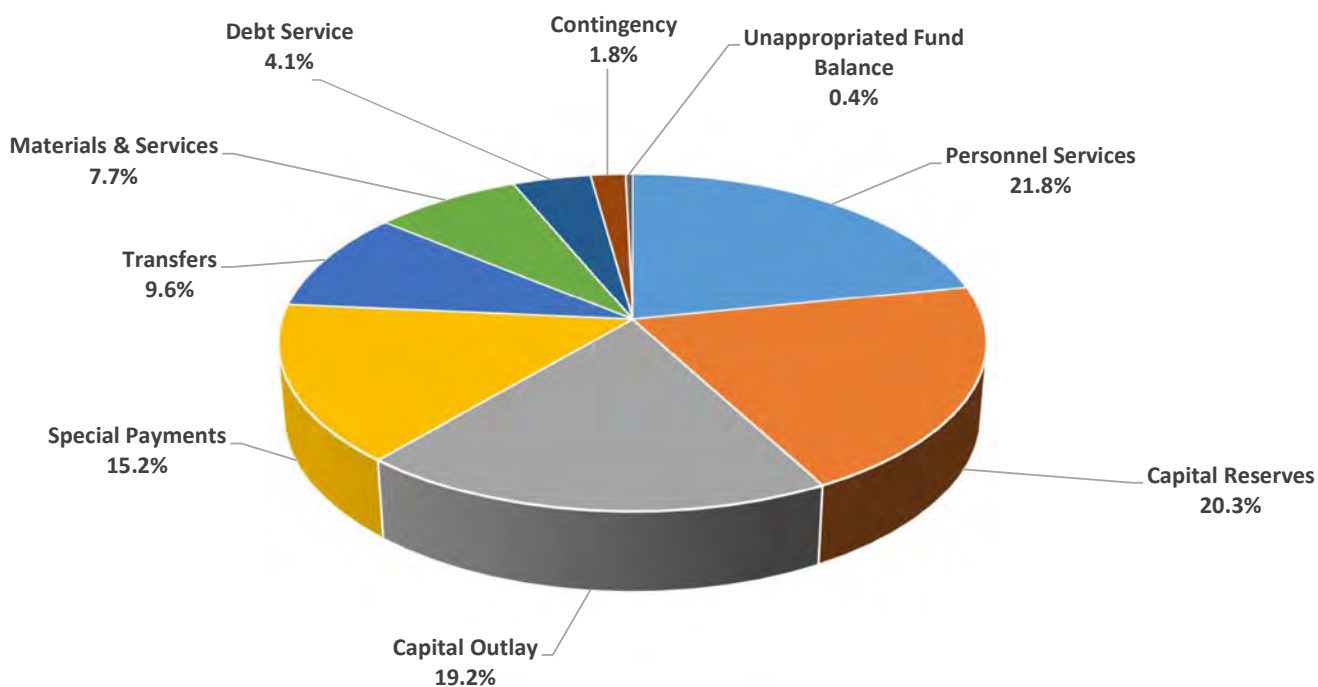
## City Expenditures

Expenditures of All Funds Combined by Category	
Personnel Services	424,405,059
Capital Reserves	395,235,858
Capital Outlay	372,825,880
Special Payments	295,624,078
Transfers	186,792,733
Materials & Services	150,086,477
Debt Service	78,986,551
Contingency	35,370,036
Unappropriated Fund Balance	7,523,329
<b>Total Expenditures</b>	<b>\$ 1,946,850,001</b>

Expenditures by Service Area	
Police	\$ 114,806,026
Municipal Court	1,540,799
Fire & Rescue	89,554,312
Emergency Management	1,003,563
<b>Public Safety</b>	<b>206,904,700</b>
Library	35,132,679
Parks and Recreation	150,165,281
<b>Community Services</b>	<b>185,297,960</b>
Economic and Community Dev.	176,376,054
HiLight	19,242,768
Water	284,267,024
Public Works	266,455,618
<b>Community Development</b>	<b>746,341,464</b>
City Manager's Office	17,203,320
Human Resources/Risk Management	23,677,887
Information Services	37,448,637
Finance	14,270,056
Facilities & Fleet	189,533,291
<b>Facility &amp; Support Services</b>	<b>282,133,191</b>
Other <sup>(1)</sup>	88,043,463
Reserves & Contingency <sup>(2)</sup>	438,129,223
<b>Total Expenditures</b>	<b>\$ 1,946,850,001</b>
(1) Non-Department Expenditures	
(2) Reserves for all Departments	



# Where the Money Goes





# Net Budget

The Net Budget as shown in the table below subtracts out transfers, Internal Service Fund Charges, water purchases and certain joint venture costs, inter-fund loan repayments, and payments between the City and the Hillsboro Economic Development Council (HEDC). These reductions from the total budget are considered to be double counted because they do not represent money being paid externally. Under Oregon Local Budget Law, reserves, contingencies, and unappropriated fund balances must be budgeted and are considered expenses within the budget.

- **Transfers:** Transactions between funds that represent payment for services provided by one fund to another.
- **Internal Service Charges:** Expenditures for internal service departments are recorded in the various internal service funds and then charged out monthly to direct service departments such as Police, Library, Water, and Public Works to fund those expenditures.
- **Water Purchases & Joint Venture (JV) Projects:** The City is the managing agency for two Joint Ventures, Joint Water Commission and Barney Reservoir Joint Ownership Commission. The expenses for the JVs are recorded in their respective funds; however, the City’s Water Funds are charged a portion of those costs as a partner in the JV.
- **Inter-fund Loan Debt Service:** Repayment of an inter-fund loan between two funds.
- **Payments to Other Governments:** The City and the City’s Urban Renewal Agency, HEDC, transfer money between funds. As HEDC is considered a separate entity, these transfers must be budgeted as Payments to Other Governments.

	Actual 2022-23	Biennial Adopted 2023-25	Biennial Budget		Biennial Adopted 2025-27	BY 2025-27 Change from BY 2023-25	
			1st Year 2025-26	2nd Year 2026-27		Dollar Change	Percent Change
<b>Total Actual/Budget</b>	\$ 1,022,282,343	\$ 1,923,414,095	\$ 815,193,892	\$ 1,131,656,109	\$ 1,946,850,001	\$ 23,435,906	1%
<b>Less Duplicate Expenditures:</b>							
Transfers	63,610,186	152,303,921	112,252,652	74,540,081	186,792,733	34,488,812	23%
Internal Service Charges							
Support Services Charges	29,003,921	76,541,942	46,370,449	48,671,703	95,042,152	18,500,210	24%
Facilities Charges	5,994,456	15,405,914	8,702,675	8,935,618	17,638,293	2,232,379	14%
Depreciation Charges	3,048,000	5,201,848	3,594,455	3,586,043	7,180,498	1,978,650	38%
Insurance/Risk Charges	3,759,046	10,648,180	6,015,707	6,505,634	12,521,341	1,873,161	18%
Fleet Charges	2,356,304	5,610,095	3,495,437	3,727,180	7,222,617	1,612,522	29%
Water Purchases & JV Projects	6,243,450	23,551,765	11,790,749	11,373,614	23,164,363	(387,402)	-2%
Inter-Fund Loan Debt Service	1,906,027	19,334,993	556,028	563,517	1,119,545	(18,215,448)	-94%
Payments to Other Govt's (HEDC/City)	883,600	1,467,657	130,800	33,600	164,400	(1,303,257)	-89%
<b>Total Duplicate Expenditures</b>	<b>116,804,990</b>	<b>310,066,315</b>	<b>192,908,952</b>	<b>157,936,990</b>	<b>350,845,942</b>	<b>40,779,627</b>	<b>13%</b>
<b>Total Budget Less Duplicates</b>	<b>905,477,353</b>	<b>1,613,347,780</b>	<b>622,284,940</b>	<b>973,719,119</b>	<b>1,596,004,059</b>	<b>(17,343,721)</b>	<b>-1%</b>
<b>Less Reserves:</b>							
Capital Reserve	-	186,338,223	-	395,235,858	395,235,858	208,897,635	112%
Contingency	-	35,787,670	-	35,370,036	35,370,036	(417,634)	-1%
Unappropriated Fund Balance	484,493,789	4,728,303	-	7,523,329	7,523,329	2,795,026	59%
<b>Total Reserves</b>	<b>484,493,789</b>	<b>226,854,196</b>	<b>-</b>	<b>438,129,223</b>	<b>438,129,223</b>	<b>211,275,027</b>	<b>93%</b>
<b>Net Budget</b>	<b>\$ 420,983,564</b>	<b>\$ 1,386,493,584</b>	<b>\$ 622,284,940</b>	<b>\$ 535,589,896</b>	<b>\$ 1,157,874,836</b>	<b>\$ (228,618,748)</b>	<b>-16%</b>

# Debt Service

## Debt Service Overview

The City issues debt to fund long-term capital improvements, ensuring repayment schedules do not exceed the useful life of each investment. Currently, no general obligation debt is outstanding, though the City manages other types of debt.

Debt service appropriations cover principal and interest payments on:

- Revenue Bonds & Tax Increment Revenue Bonds
- Full Faith and Credit Obligations
- Private loans
- Inter-fund loans

Full Faith and Credit Obligations are backed by the City’s General Fund but may be repaid with other sources, such as Strategic Investment Program revenues.

Revenue bonds fund enterprise-related infrastructure and are repaid through user fees, which are reviewed annually to ensure they meet operating and debt obligations.

Tax Increment Revenue Bonds support land acquisition and infrastructure in Urban Renewal Areas. They are repaid with tax increment revenues—property tax growth above a frozen base within the renewal area.

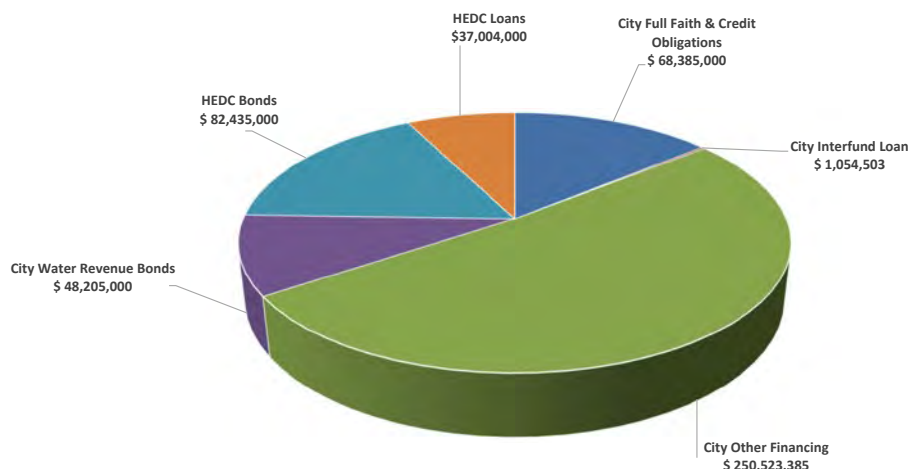
Inter-fund loans are transfers between City funds, authorized by resolution or ordinance. Operating loans must be repaid within one year; capital loans, within ten.

### Credit Ratings (Moody’s Investors Service)

- Full Faith and Credit Obligations: Aa1
- Water Revenue Bonds: Aa2
- HEDC Tax Increment Revenue Bonds: Baa1
- HEDC 2024 Tax Increment Bonds (with AGM insurance): A1

### Disclosure Compliance

The City complies with SEC Rule 15c2-12, by filing audited financials and other required disclosures with the EMMA database: [emma.msrb.org](http://emma.msrb.org)



## Future Debt Plans

The BY 2025-27 budget includes a \$120 million bond issuance to fund three major projects:

- Construction of a new police station (land purchased; design underway; completion expected in 2027)
- A new South Hillsboro Fire Station (now under construction; completion expected late in 2025)
- Replacement sports fields at Gordon Faber, related to the new Hops Baseball Stadium (planning in progress).

This debt was authorized by City Council Ordinance No. 6472 in June 2024 and was readopted in June 2025.

Additionally, the budget includes:

- A \$50 million water revenue bond to cover rising costs of the Willamette Water Supply Project
- A \$1 million inter-fund loan from the Transportation Depreciation Fund to the Transportation SDC Fund to support capital project cash flow amid slower revenue, largely due to SDC credits in South Hillsboro.

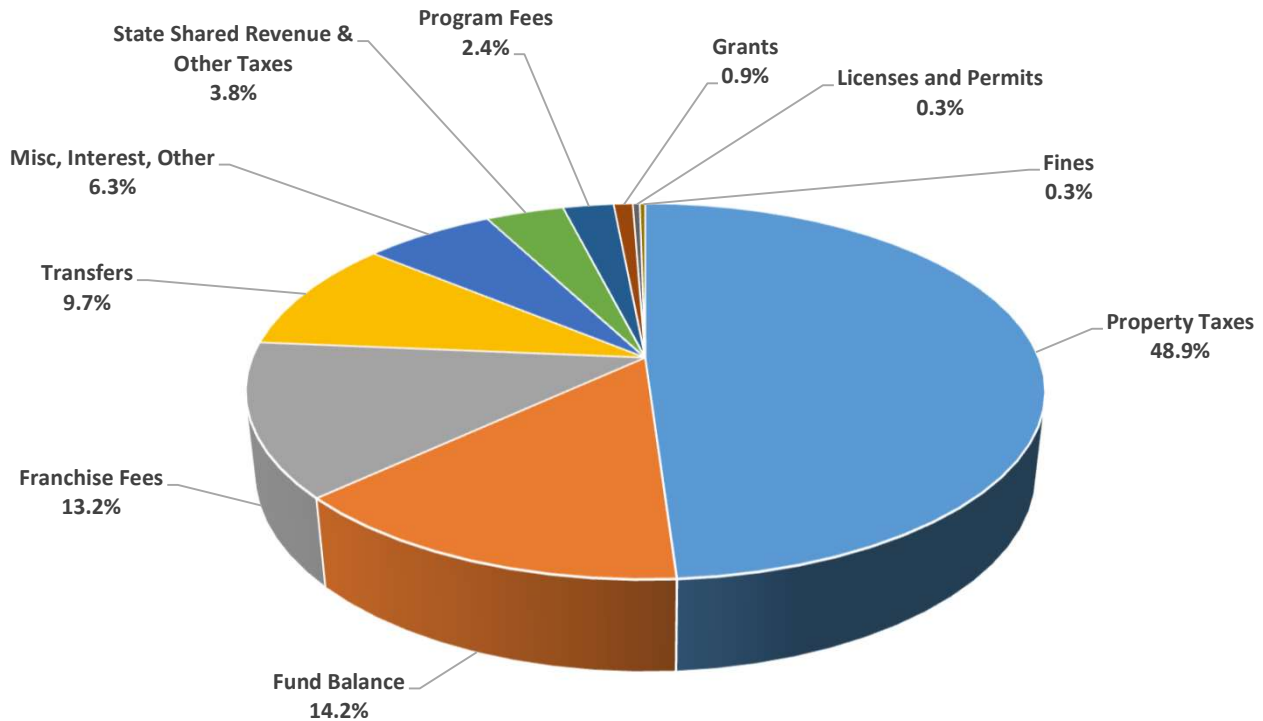


# The City's General Funds

## General Funds Resources & Expenses

The General Fund is a major fund type that is comprised of eight funds that are rolled up to the General Fund for financial reporting purposes. The funds are the General Fund, General Depreciation Fund, Public Art Fund, Affordable Housing Fund, Economic Development Fund, Enterprise Zone Fund, PERS Stabilization Fund and American Rescue Plan Act (ARPA) Fund. The purpose of these funds is to provide police, fire and rescue, parks and recreation, library, planning, municipal court, affordable housing, and economic development services.

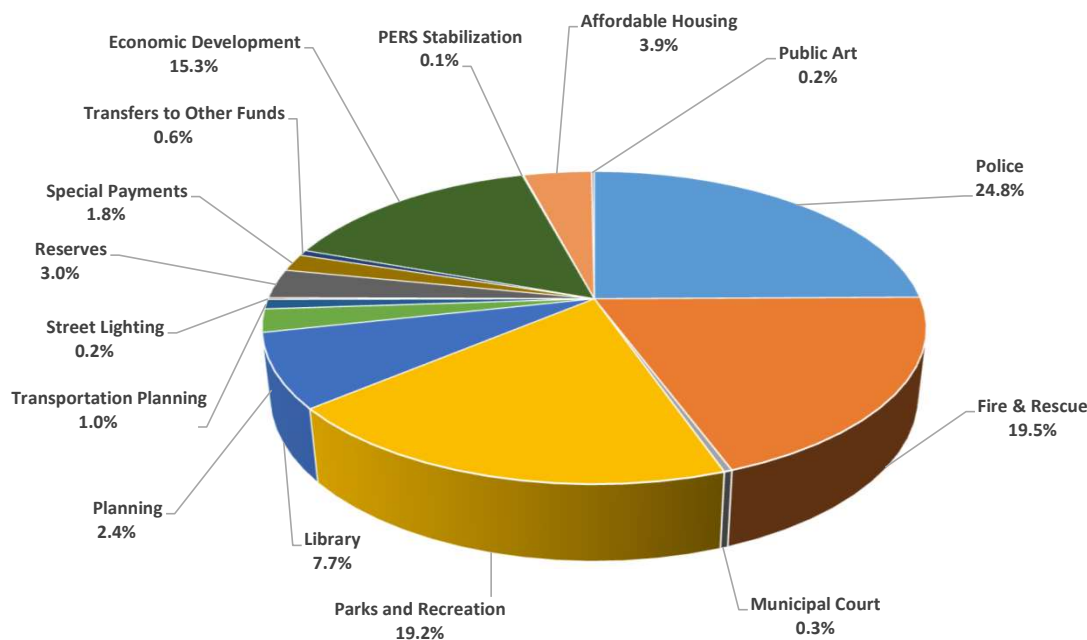
General Funds Resources by Category	
Property Taxes	\$ 227,068,525
Fund Balance	65,748,829
Franchise Fees	61,392,870
Transfers	44,813,340
Misc, Interest, Other	29,144,010
State Shared Revenue & Other Taxes	17,414,735
Program Fees	11,312,640
Grants	4,254,714
Licenses and Permits	1,548,490
Fines	1,224,000
<b>Total</b>	<b>\$ 463,922,153</b>





# The City's General Funds

General Funds Expenses by Department & Fund		
Police	\$	114,486,437
Fire & Rescue		89,554,312
Municipal Court		1,540,799
<b>Public Safety</b>	<b>\$</b>	<b>205,581,548</b>
Parks & Recreation		88,309,988
Library		35,132,679
<b>Community Services</b>	<b>\$</b>	<b>123,442,667</b>
Planning		10,994,910
Transportation Systems		4,647,087
Street Lighting		800,000
Reserves		12,321,127
Special Payments/Expenditures		8,303,867
Transfers to Other Funds		2,650,000
<b>Total General Fund</b>	<b>\$</b>	<b>368,741,206</b>
General Depreciation		5,140,990
Economic Development		70,670,379
PERS Stabilization		349,500
Affordable Housing		18,243,078
Public Art		777,000
<b>Total</b>	<b>\$</b>	<b>463,922,153</b>





# Property Taxes

## Property Taxes

The City’s General Fund operating budget relies on property taxes for approximately 45% of its total budget. Measure 50 created a state property tax system which moved local governments from a dollar-based tax system to a rate-based tax system. The City currently has a permanent tax rate of \$3.6665 per \$1,000 of assessed property value. The City tax rate funds City services. Other agencies, including the County and schools, also have tax rates for their services. All of these rates combine to represent a full property tax assessment that is reflected in the annual property tax statements prepared and sent to homeowners and other landowners by Washington County Assessment and Taxation.

## Local Option Levy

The City has a voter approved five-year Local Option Tax Levy of \$1.72 per \$1,000 of assessed property value specifically for Police, Fire & Rescue, and Parks & Recreation maintenance services. The total tax rate, including the Local Option Levy for City services, is \$5.3865

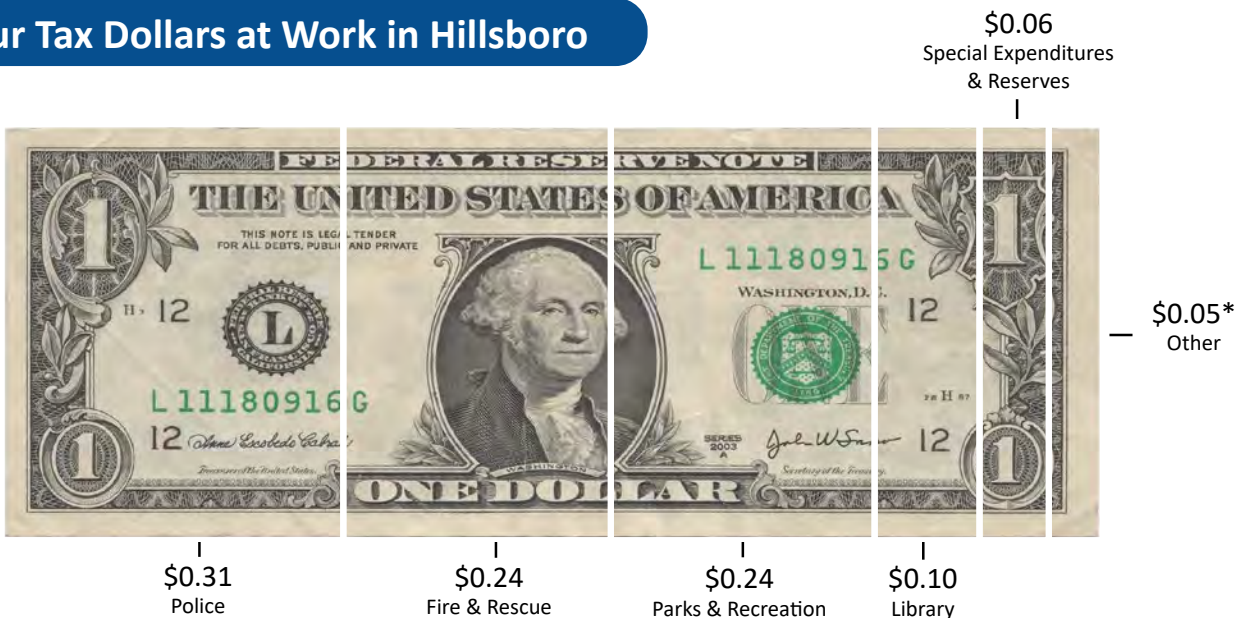
per \$1,000 of assessed value. Local option operating levies are five-year levies. The levy was first approved by voters in 1998 and was last renewed in the May 2022 election by 82.4% of voters. The renewed levy goes through FY 2027-28.

## Washington County Cooperative Library Services Levy

The Washington County Cooperative Library Services (WCCLS) was established in 1976 with the passage of the first countywide tax measure to fund library services. At that time, over half of the county population did not have access to a public library. Currently, the County, nine cities and two non-profit organizations are part of this cooperative structure which includes a total of 16 libraries. In May 2020, the levy was renewed for another five years at the current rate of \$0.22 per \$1,000 of assessed value. The levy went into effect on July 1, 2021. The City receives a share of these funds annually to help maintain Library services.

For more information visit: [wccls.org](http://wccls.org).

## Your Tax Dollars at Work in Hillsboro



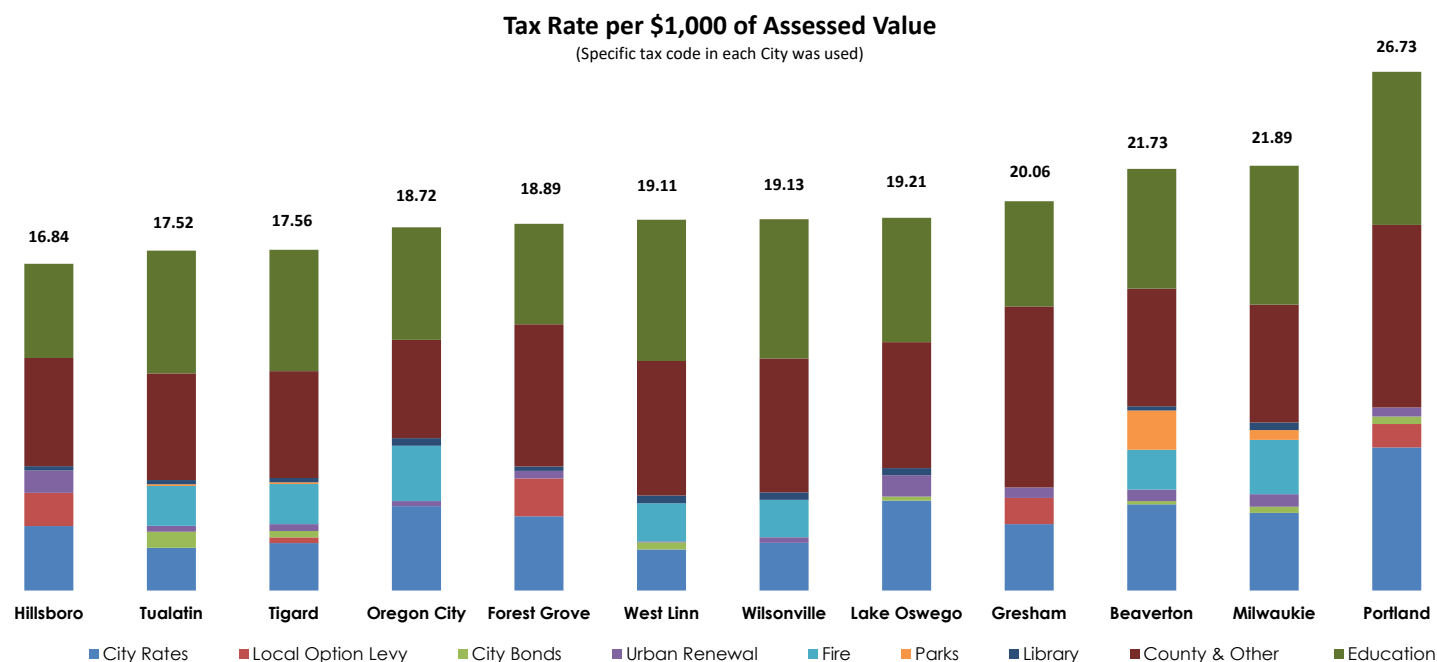
\*Other includes Municipal Court, Planning, Transportation Systems, and Street Lights.



# Tax Comparisons

## Tax Comparisons

The City of Hillsboro is a full-service city providing police, fire & rescue, parks & recreation, library, and other general services. The chart below compares the City of Hillsboro tax rates to other cities in the metro region. In order to make this table comparable from one agency to another, it is necessary to add services provided by special service districts like Tualatin Valley Fire & Rescue and Tualatin Hills Park & Recreation District.



## City's Assessed Value

Annual property taxes are calculated using the assessed value (AV), as opposed to the market value of the property. Taxes are calculated by taking a property's AV divided by 1,000 and multiplied by the rate for the tax code where the property resides (subject to Measure 5 limitations).

The City represents approximately 22% of Washington County's total AV but has disproportionately more of the total industrial property and machinery & equipment value in the County. A reliance on the industrial sector brings more risk of significant shifts in AV, which can equate to

more volatility in annual property tax assessments. Due to how quickly this type of property depreciates, continued reinvestment is important in maintaining AV. The City's AV annual growth has been healthy.

The budget projects a 15% increase in AV in the first year of the 2025-27 biennium and a 2% increase in the second year. The significant annual growth in AV in FY 2025-26 is attributed to two SIP agreements coming out of abated status and on the tax roll. Tax rolls are certified by the County on or before the end of October of each fiscal year.



# Top Budget Questions

## What is the total budget for the City?

The adopted biennial (BY) budget for 2025-27 is \$1,946,850,001.

## What is the Biennial Budget?

A biennial budget is a budget that covers a two-year period. Compared to an annual budget, a biennial budget provides a longer planning horizon, which can be helpful in developing more comprehensive and strategic plans for use of the City's resources.

## Why is the total budget so much higher than revenues?

Under Oregon Local Budget Law, reserves, contingencies, and unappropriated fund balances must be budgeted and are considered expenditures within the budget. Additionally, the budget includes transfers between funds, charges for internal service departments such as Finance, Facilities, and Fleet, and money that moves from Water Funds to the City's two joint venture funds, JWC and Barney. These internal service charges and payments to the joint ventures from the Water Funds are considered "duplicate" expenses. Once the duplicate expenses are subtracted out of the total budget as well as contingency, capital reserves and unappropriated fund balance, we get the City's net budget. The City's net budget amount for BY 2025-27 is approximately \$1.16 billion. For more details, please refer to the Net Budget summary on page 16.

## What is the City's Property Tax Rate?

The City's permanent tax rate per \$1,000 of Assessed Value is \$3.6665. The City also has a Local Option Levy of \$1.72 per \$1,000 of Assessed Value primarily for public safety with some funding going to parks maintenance services.

## What is a Local Option Levy?

Oregon Property Tax Law allows any agency that has the authority to levy ad valorem property taxes to levy a local option tax if approved by the voters. Operating local option levies are valid for 5 years and capital local option levies are valid for 10 years. Voters passed, with over 80% voter approval, the current local option tax levy of \$1.72 per \$1,000 of assessed value in 2022. Hillsboro's local option levy was first authorized by voters in 1998. The approved levy will continue the current rate of \$1.72 per \$1,000 of assessed value for five years, starting in July 2023. Most of the approved levy funding goes to police and fire and rescue, and a small portion is used for parks maintenance services.

## How much of the City's revenue comes from property taxes?

The City received \$87,677,385 in property taxes from both the permanent tax rate and Local Option Levy in FY 2023-24 and has budgeted \$106,233,030 for FY 2025-26 and \$108,338,685 for FY 2026-27 for a total of \$214,571,715 budgeted for in BY 2025-27. The City also indirectly receives property taxes from Washington County to support our two libraries. In addition, there are two active Urban Renewal Districts that receive tax increment to complete the area plan objectives. All property taxes total \$227,068,525, which includes WCCLS.



# Top Budget Questions

## Does all of my property tax bill go to the City of Hillsboro?

No, the City of Hillsboro is only one taxing district of many that levy property taxes and are shown on your property tax bill. For a complete list of the taxing districts for your property please visit Washington County's Assessment and Taxation Website at [washingtoncountyor.gov/at](http://washingtoncountyor.gov/at). You can also see all the detail of where your property taxes go on your bill.

## What are the other sources of revenue the City receives?

The City receives revenue from charges for services such as Water, Sewer, Surface Water Management, Transportation fees, gas taxes, transient lodging taxes, Park program fees, franchise fees, system developments charges, and Strategic Investment Program fees to name a few.

## Can the City spend revenue it receives on anything?

The City's General Fund receives the property taxes levied as well as other revenues considered discretionary in nature and these funds are used to provide Police, Fire & Rescue, Parks & Recreation, Library, Planning, Transportation Systems, and Municipal Court services. It is the general operating fund for the City. Other revenues such as the water service charges, gas taxes, and system development charges have restricted uses. These revenues are accounted for in separate funds to ensure they are used according to their restricted use. For example, water revenues can only be spent on water operations and capital related projects and transportation revenues can only be spent on transportation operations and capital related projects.

## How much debt does the City have?

As of July 1, 2025, the City has approximately \$368.2 million principal debt outstanding. The Hillsboro Economic Development Council, the City's urban renewal district, has \$119.4 million in principal debt outstanding.

## What are some current projects that will impact livability within our community?

1. The Willamette Water Supply program will provide a new, redundant, and seismically resilient water supply for the next 50 years.
2. HiLight, the City's broadband utility, is expanding its network to bring reliable and affordable high-speed internet to Hillsboro residents, businesses, and schools.
3. The Willow Creek affordable housing project planned for in the biennium is estimated to add 110 affordable housing apartment units.
4. Continuing to leverage federal grants and American Rescue Plan Act enabled funds for projects like Hillsboro's first year-round homeless shelter on 17th Avenue.
5. A new police headquarters is planned to begin construction in the biennium that will consolidate both east and west precincts.
6. A new fire station in south Hillsboro is scheduled to begin operations during the biennium, supporting the growing communities of South Hillsboro and Witch Hazel Village South as development continues in these areas.

# Connect & Get Involved

Join us in working to enhance this great place we all share!

Whether you want to learn about or weigh in on a current public project, help restore a local park, share your skills with us on a committee or board, or participate in one of many other opportunities to make Hillsboro an even better place, **we want to hear from you!**

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## Engage Hillsboro

Shape Hillsboro's future by sharing your thoughts, ideas, and feedback on projects and issues that matter to you. You've got feedback. We want to hear it. Join a conversation and share your feedback at [Engage.Hillsboro-Oregon.gov](https://Engage.Hillsboro-Oregon.gov)

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## Volunteer with us

Volunteers provide a positive and meaningful impact on our community and play an important role in the success of the City's many programs. Individual contributions of time, energy, and talents help make our hometown a great place to live, work, and play.

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## Apply to join a board or commission

The City of Hillsboro seeks volunteers to serve on our various standing boards, commissions, and committees. These appointed positions are filled by Hillsboro citizens who are interested in public decision-making and civic commitment. Check out our Commission, Committees & Boards webpage for more information and application forms.

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## Subscribe to our "Happening in Hillsboro" email updates

Sign up at [Hillsboro-Oregon.gov/Happening](https://Hillsboro-Oregon.gov/Happening) to receive our free, twice per month email newsletter to keep up on what's happening in Hillsboro, including events, activities, and news.

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## Attend a City Council meeting

Community members have the opportunity to speak to the City Council at every Council meeting during public comment time. Check our website calendar for current Council meeting information.

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## We're here to help: Contact us!

Ideas or questions can be sent directly to City staff or City Council. Contact information and easy-to-use feedback forms are on the City website. And, of course, you're welcome to call us!

Visit [Hillsboro-Oregon.gov](https://Hillsboro-Oregon.gov) or call 503-681-6100