



CITY OF TUALATIN

Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Don Hudson, Assistant City Manager/Finance Director

DATE: June 23, 2025

SUBJECT:

Consideration of **Resolution No. 5888-25** Adopting the City of Tualatin Budget for the Fiscal Year Commencing July 1, 2025, Making Appropriations, Levying Ad-Valorem Taxes, and Categorizing the Levies.

RECOMMENDATION:

Staff recommends adoption of the attached resolution, which includes the Budget Committee Approved Fiscal Year 2025-2026 Budget.

EXECUTIVE SUMMARY:

Council will consider adoption of the Fiscal Year 2025-2026 Budget, after conducting a public hearing to consider public input on the Fiscal Year 2025-2026 Budget. The City of Tualatin Budget Advisory Committee approved the proposed budget on May 28, 2025. The total of the Fiscal Year 2025-2026 Budget is \$165,489,430 as approved by the Budget Advisory Committee and amended by the City Council.

The tax rate for general government would be approved at \$2.2665 per \$1,000 taxable assessed value, with \$5,263,160 to be levied for bonded debt. The bond levy is excluded from limitation for local government operations.

Oregon State Budget Law requires the City Council adopt a budget prior to July 1, 2025.

The City of Tualatin budget is made up of 20 funds, divided among five different categories: General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Enterprise Funds. Urban Renewal Funds are presented in the Tualatin Development Commission budget, which will be heard in a separate public hearing later this evening.

The General Fund is the primary operating fund of the City and supports general government services. Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes, including the Building Fund, street funds, Parks Utility Fee Fund, American Rescue Plan Fund, Core Area Parking Fund and the Tualatin Science and Technology Scholarship Fund. Debt Service Funds record revenues and expenditures for our general obligation bond and other city debt obligations. Capital Project Funds record capital projects that are funded from restricted funds. The Enterprise Funds include all funds related to the following systems: Water, Sewer and Stormwater. These funds account for the infrastructure systems covering water, sewer and stormwater and their revenues are derived from sources

that are specifically earmarked, or restricted for these specific purposes.

In addition to the budget approved by the budget committee, the City Council has the ability to change the approved budget in each fund by no more than 10% of the total budget. Staff is proposing the following two changes to the Budget Committee approved budget, both in the General Fund.

In the Library budget, promotional items for the new Library mastodon mascot and rebranding will not be received and expended by June 30th, so we asking Council to carry \$6,000 over into the 2025-2026 budget.

The other amendment to the Approved Budget is for the meal program at the Juanita Pohl Center (JPC). On June 9th, Parks and Recreation staff presented a proposal to the City Council for a program to replace the current Meals on Wheels lunch program that is being discontinued by Meals on Wheels, effective in July. The City Council directed staff to add \$40,000 to the Parks and Recreation budget for this program.

The Library carryover is offset by increasing the General Fund Beginning Fund Balance. The JPC lunch program is offset by a reduction in the General Fund Reserves and an increase to donations and sponsorships.

OUTCOMES OF DECISION:

By adopting the budget before July 1st, the City will be able to operate, expend money and incur liabilities for fiscal year 2025-2065.

ATTACHMENTS:

- Resolution No. 5888-25