



City of Tualatin

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 24, 2024

SUBJECT:

Consideration of **Resolution No. 5786-24** Adopting the City of Tualatin Budget for the Fiscal Year Commencing July 1, 2024, 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 2024-2025 Budget.

EXECUTIVE SUMMARY:

Council will consider adoption of the Fiscal Year 2024-2025 Budget, after conducting a public hearing to consider public input on the Fiscal Year 2024-2025 Budget. The City of Tualatin Budget Advisory Committee approved the proposed budget on May 29, 2024. The total of the Fiscal Year 2024-2025 Budget is \$158,563,925 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 \$4,937,120 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, 2024.

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.

In the Road Operating Fund, due to staff changes, the Neighborhood Transportation Safety Program was delayed and the majority of the funds set aside in FY 2023-2024 were not spent. We are proposing carrying over \$140,000 to be used as part of the FY 2024-2025 program.

The other carry over is in the Vehicle Replacement Fund for a Police vehicle that has been ordered, but is not anticipated to be received until after July 1st. We are asking the Council to carry over \$55,000 to pay for the vehicle when it is received.

Both carryovers are offset by increases in the Beginning Fund Balance in each fund.

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 2024-2025.

ATTACHMENTS:

- Resolution No. 5786-24