



*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 28, 2021

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**SUBJECT:**

Consideration of **Resolution No. 5559-21** Adopting the City of Tualatin Budget for the Fiscal Year Commencing July 1, 2021, 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 2021-2022 Budget.

**EXECUTIVE SUMMARY:**

Council will consider adoption of the Fiscal Year 2021-2022 Budget, after conducting a public hearing to consider public input on the Fiscal Year 2021-2022 Budget. The City of Tualatin Budget Advisory Committee approved the proposed budget on May 25, 2021. The total of the Fiscal Year 2021-2022 Budget is \$135,205,650 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 \$3,096,850 to be levied for bonded debt. The bond levy is excluded from limitation for local government operations.

Oregon State law requires the City Council adopt a budget prior to July 1, 2021.

The City of Tualatin budget is made up of 21 funds, divided among five different categories: General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Enterprise Funds. Two new funds are included in 2021-2022 budget; the Parks Utility Fund to record the activity for the recently approved Parks Utility Fee, and the American Rescue Plan Fund, that will record activity of the funds to be received from the American Rescue Plan Act, signed by President Biden in March 2021. 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 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.

City staff prides itself in providing quality services to our citizens and customers, in a fiscally prudent manner. The Fiscal Year 2021-2022 budget continues to meet these expectations. Utilizing the City's Fiscal Health model of matching on-going expenditures with on-going revenues, the City is maintaining a positive fiscal health position for this fiscal year.

Preparation of the Fiscal Year 2021-2022 budget continued to take into consideration the impacts of the COVID-19 pandemic. Staff reviewed which revenues would be impacted by business closures, program and event cancellations and services that were limited or temporarily unavailable, while also planning for the hopeful return to a "new normal", even as risk levels were continually changing and guidance related to mask mandates and social distancing were revised often.

Even with the impacts of the pandemic, we feel that the Fiscal Year 2021-2022 budget is a fiscally prudent budget.

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 changes to the Budget Committee approved budget in the General Fund.

When the budget for Fiscal Year 2021-2022 budget was prepared, staff anticipated that purchases and services planned for in the 2020-2021 budget would be completed and received before June 30, 2021. There are a few instances where this has not occurred and we are asking Council to carry the funds for these items into the 2021-2022 budget to pay for them when received. The first is in the Administration budget for legal services related to collective bargaining. Bargaining with AFSCME was delayed and the majority of it will be completed after July 1<sup>st</sup>. We are therefore asking for \$10,000 to be carried over from fiscal year 2020-2021 into fiscal year 2021-2022. In the Police Department, delays in shipping of ammunition and of an amplifier for the radio system requires a carryover of \$7,650. The Library is working on spending a grant for equipment in the new Makerspace classroom, but won't be able to secure all of it before June 30<sup>th</sup>, so we are asking for \$2,800 to be carried over.

The last change this evening is for an addition to the budget. The roof for the Juanita Pohl Center will need to be replaced sooner than originally anticipated and we feel it will need to be completed during fiscal year 2021-2022. Therefore, we are asking for Council to add \$350,000 to the Maintenance Services budget for this project.

Carryovers are funded by an addition to the Beginning Fund Balance in the General Fund and funds for the Pohl Center roof project are available from previously unappropriated fund balances in the General 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 2021-2022.

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**ATTACHMENTS:**

- Resolution No. 5559-21