



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: August 14, 2023

SUBJECT:

Consideration of Resolution No. 5719-23 to Adopt the City of Tualatin Contingency and Reserve Policy.

RECOMMENDATION:

Staff Recommends that the City Council adopt the attached Contingency and Reserve Policy.

EXECUTIVE SUMMARY:

In December 2009, the City Council adopted the City of Tualatin Contingency and Reserve Policy. This policy is part of the City's Financial Policies and sets the recommended levels of contingencies and reserves in the General Fund, Building Fund, Utility Funds and Capital Projects Funds.

The attached resolution adopts minor changes to the policy. These changes clarify the basis for the 15% calculation for contingency in the General Fund, Building Fund and all Utility Funds to total expenditures. Previous language used both total appropriations and total operating expenditures for different types of funds. The current policy included Capital Development Funds in the contingency appropriation section, which is only allowed under Local Budget Law for those development funds that have operating funds (materials and services or capital outlay appropriations) budgeted in that fiscal year. This update to the policy removes capital development funds from this section and also adds requirements for capital projects funds, i.e. the bond projects funds.

Under Section 3(b), the Building Fund target of 18 months of total contingencies and reserves is incorporated into the policy.

OUTCOMES OF DECISION:

Adoption of the attached resolution updates the City of Tualatin Contingency and Reserve Policy

ALTERNATIVES TO RECOMMENDATION:

Choose not to adopt the resolution and leave the current policy language in place.

ATTACHMENTS:

- Resolution No. 5719-23
- Exhibit A, City of Tualatin Contingency and Reserve Policy