



How to Make the Most of the Budget Document

This budget document serves two primary, but distinct, purposes. One purpose is to present the City Council and the public with a clear picture of the services the city provides and of the policy alternatives that are available. The other purpose is to provide city management with a financial and operating plan that adheres to the city's financial policies. It also communicates the vision of the City Council and Leadership Team for the City of Tualatin and presents the financial and organizational operations for each of the city's departments.

In an effort to assist users in navigating through this document, the following guide is provided.

Reader's Guide

The introductory section provides a variety of information about the city:

It details important facts and figures, including acres of parkland, miles of streets, and other information.

It presents the city organization chart.

It explains the Oregon budget process, including explanation of funds.

It explains Tualatin's unique history.

It provides an overview and explanation of property tax revenues.

Budget Message

The City Manager's budget message explains the budget document and outlines key components of the upcoming budget. Significant changes from the previous year's adopted budget are also explained.

Budget Summary

This section provides graphical representation of where our money comes from and where it is spent. We also provide a summary of the funds that are required.

Revenues

This section includes not only the revenue sources for the Departments/Categories, but also includes the Current Revenue by Source, an overview of Oregon's property tax system, and a property tax summary.

Expenditures

Departments have been grouped into categories which flow together and allows for a clearer understanding of what it takes to provide city services. The expenditures for these categories are included in this section while the revenue is included in the Revenues section.

Debt Service

This section includes information on our General Obligation Bond and Enterprise Bond Funds.

CIP (Capital Improvement Plan)

The Capital Improvement Plan (CIP) establishes, prioritizes, and ensures funding for projects to improve existing and develop new infrastructure and facilities. While the CIP serves as a long-range plan, it is reviewed and revised annually. Projects selected for funding this year are included in this section.

Tualatin Development Commission

The Tualatin Development Commission (TDC) operates as an independent commission and is the Urban Renewal Agency for the City of Tualatin. This section provides both revenue and expenditure summaries for the Commission.

Appendix

The Appendix includes the Closed Funds, a list of Acronyms, and will include the Budget Resolution in the Adopted Budget. The Salary Schedules for Police, Tualatin Employees Association (TEA) employees, Exempt and Non-Exempt employees are included, as well as the Definition of Terms.



TUALATIN IS NAMED A FINALIST IN THE AMERICA'S BEST COMMUNITIES \$10 MILLION PRIZE COMPETITION



Tualatin, Ore., April 28, 2016 -- The celebration in Tualatin continues after being named one of eight finalists in the America's Best Communities (ABC) competition yesterday. Tualatin ABC Team Members Mayor Lou Ogden, John Bartholomew from Mask & Mirror Community Theatre and Bethany Wurtz from the Tualatin Tomorrow Vision Advisory Committee presented Tualatin's pitch to the panel of judges in a "Shark Tank" environment. The pitch was based on Tualatin's Community Revitalization Plan which was developed as part of the quarter-finalist round of the competition.

Tualatin's Community Revitalization Plan focuses on increasing opportunity and the standard of living for everyone in the community through advancing STEAM (science, technology, engineering, arts and math) education. While Tualatin continues to seek solutions to all community-defined needs and priorities described in the Tualatin Tomorrow Vision, the ABC initiative is hyper-focused on one specific target: connecting youth and under served populations to STEAM education and CTE training that align with Tualatin's advanced manufacturing industry base. In addition to providing jobs and personal growth opportunities for residents, the plan will help the community begin to develop a workforce pipeline for a large cross-section of employers.

In the short-term Tualatin plans to build a mobile makerspace enabling students to create, build, and enjoy hands-on learning. Makerspaces are interdisciplinary innovation spaces dedicated to the art and science of manufacturing goods. The mobile makerspace will be scaled to serve students K-12 with special emphasis on elementary and middle school, girls, and minorities. Its unique attribute is mobility. It will literally roll to wherever the kids are; schools, neighborhoods, and community events, to maximize utilization. The team is working with employers to acquire equipment to outfit a trailer with computers for multimedia and CAD, 3D printers, various tools and equipment that will connect kids to the latest technology. Initial funding will be from the ABC award and local commitments.

Longer-term, Tualatin intends to supplement the mobile maker space with a permanent Community Career and Creative Center. The Center would provide space to add larger maker equipment, conduct classes and workshops and integrate performing arts.

More than 350 communities nationwide entered the competition after its launch in 2014, and 50 were selected as quarterfinalists in April 2015, and this was narrowed to 15 semi-finalists in January 2016.



AMERICA'S
BEST COMMUNITY
TUALATIN, OREGON

Tualatin's Team including the City, the Tualatin Chamber, Mask & Mirror Community Theatre, the Tigard-Tualatin School District, Tualatin Tomorrow Visioning Committee, South Metro-Salem STEM Partnership and other businesses and community members developed a community revitalization plan focusing on long-term and short-term goals.

"The feeling in the room was electric! You could just feel the passion each presenter felt when talking about their hometown," said team member Bethany Wurtz.

The America's Best Communities finalists are: Lake Havasu City, Arizona; Statesboro, Georgia; Valley County/Meadows Valley, Idaho; Chisago Lakes Area, Minnesota; Huntington, West Virginia; Darrington/Arlington, Washington; Tualatin, Oregon; and Madison, Indiana. Sponsored by Frontier Communications, DISH Network, CoBank and The Weather Channel, the America's Best Communities competition has dedicated \$10 million in prizes and other support to spark economic revitalization in small towns and rural communities across the country.

"We are so grateful to have stumbled upon this opportunity because it has helped us to discover an answer to a challenge we have faced for many years. This project is going to change people's lives," said Mayor Lou Ogden.

All eight finalists were awarded \$100,000 to begin implementation of their plans. In April 2017, the top three communities making the largest impact and showing the greatest potential for achieving sustainable revitalization will be selected as the grand prize winners. The first place community will receive \$3 million, the second place community \$2 million, and \$1 million for third.

To learn more about Tualatin's plans, visit www.tualatinabc.org.





Tualatin is Named a Semi-Finalist in the America's Best Communities \$10 Million Prize Competition

Tualatin, Ore., Jan. 13, 2016 – Celebrations are erupting in 15 communities across the country today as residents learn their hometowns are semi-finalists in the America's Best Communities (ABC) competition.

Tualatin's team was included among those semi-finalists with their Community Revitalization Plan focused on increasing opportunity and the standard of living for everyone in the community through advancing STEAM (science, technology, engineering, arts and math) education. While Tualatin continues to seek solutions to all community-defined needs and priorities described in the Tualatin Tomorrow Vision, the ABC initiative is hyper-focused on one specific target: connecting youth and underserved populations to STEAM education and CTE training that align with Tualatin's advanced manufacturing industry base. In addition to providing jobs and personal growth opportunities for residents, the plan will help the community begin to develop a workforce pipeline for a large cross-section of employers.

More than 350 communities nationwide entered the competition after its launch in 2014, and 50 were selected as quarterfinalists in April 2015. Each of the 50 was awarded \$50,000 in seed money to develop a Community Revitalization Plan and were paired with a major Corporation that served as a strategic advisor as part of the competition's Adopt-a-Community Program. From this class of 50 quarterfinalist communities, the fifteen with the best plans — those with the most innovative ideas being effectively executed — were named semi-finalists today.

Tualatin's Team including the City, the Tualatin Chamber, Mask & Mirror Community Theatre, the Tigard-Tualatin School District, Tualatin Tomorrow Visioning Committee, South Metro-Salem STEM Partnership and other businesses and community members developed a community revitalization plan focusing on long-term and short-term goals. In the short-term, Tualatin's plan is to develop a mobile maker space and associated programming. Makerspaces are interdisciplinary innovation spaces dedicated to the art and science of manufacturing goods. Tualatin's plans to create a makerspace on wheels that can go out to schools, festivals, neighborhoods, businesses and more to offer Tualatin's

youth opportunities for hands-on learning by combining manufacturing equipment, community, education and fun. Longer-term, Tualatin intends to supplement the mobile maker space with a permanent Community Career and Creative Center. The Center would provide space to add larger maker equipment, conduct classes and workshops and integrate performing arts.

The America's Best Communities semi-finalists are: Lake Havasu City, Arizona; Charleston, West Virginia; Statesboro, Georgia; Valley County/Meadows Valley, Idaho; Chisago Lakes Area, Minnesota; Huntington, West Virginia; Portsmouth, Ohio; DeKalb, Illinois; Fort Dodge, Iowa; Darrington/Arlington, Washington; Valparaiso, Indiana; Tualatin, Oregon; Wenatchee/East Wenatchee, Washington; Madison, Indiana; and Angola/Fremont, Indiana. Sponsored by Frontier Communications, DISH Network, CoBank and The Weather Channel, the America's Best Communities competition has dedicated \$10 million in prizes and other support to spark economic revitalization in small towns and rural communities across the country.

"America's Best Communities has inspired towns and cities to come together in ways we never thought possible. People from all walks of life were united by this challenge to reimagine their future and reinvigorate their community. Already it has stimulated positive change and economic progress," said Frontier Communications Executive Chairman Maggie Wilderotter. "Great communities don't just happen. They are the result of people working together for the common good."

All 15 semifinalist communities will attend the America's Best Communities Summit April 26-27 in Durham, North Carolina, where they will present their proposals to a panel of expert judges and executives from the sponsoring companies and compete for additional financial support. At the end of the summit, eight communities will be named finalists and awarded \$100,000 to bring their plans to life. In April 2017, the top three communities making the largest impact and showing the greatest potential for achieving sustainable revitalization will be selected as the grand prize winners. The first place community will receive \$3 million, the second place community \$2 million, and \$1 million for third.

To learn more about Tualatin's plans, visit www.tualatinabc.org.



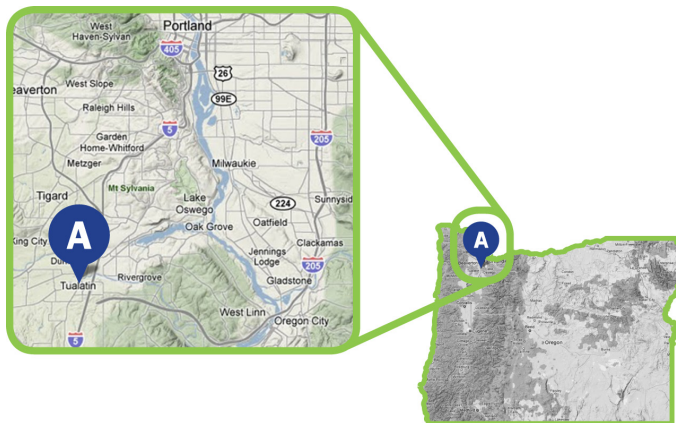


WELCOME TO TUALATIN!

The City of Tualatin takes pride in being known as a warm and welcoming community for new businesses, retail shoppers, and residents alike. The community values a high QUALITY OF LIFE and promotes LOCAL PRIDE and a sense of OWNERSHIP, INVOLVEMENT, and BELONGING.

LOCATION

Tualatin is a southern suburb of Portland, Oregon. It is located along Interstate-5 between Interstate-205, Highway 99W, and Highway 217. In addition, the Westside Express Service (WES) commuter rail provides Tualatin residents and visitors access to the greater Portland Metropolitan region. Collectively, these major transportation facilities provide accessible, affordable, and easy movement of goods and people to, from, and within the region.



DISTANCE FROM TUALATIN

Destination	Miles
Cities	
Portland, OR	13
Salem, OR	35
Eugene, OR	100
Seattle, WA	185
Boise, ID	440
San Francisco, CA	625
Airports, Rail Stations, Shipyards	
Portland International Airport	24
Aurora State Airport	10
Hillsboro Airport	21
Portland Union Station	14
Portland Shipyards	17
Recreational Areas	
Oregon Coast	85
Mt. Hood Ski Areas	65
Public Universities	
Oregon Institute of Technology (Metro)	8
Portland State	12
Oregon State University	75
University of Oregon	100

DEMOGRAPHICS

Throughout the last 10 years, the City of Tualatin has been one of the fastest growing cities in Oregon. Unlike many other sprawling regions, Tualatin continues to maintain a high standard of living, yet remains an affordable place to locate a family. Tualatin is also part of a large educated and skilled regional workforce.

LOCAL ATTRIBUTES

- Median Age: **35.1**
- Hispanic or Latino: **19.4%**
- Median Household Income: **\$61,250**
- High School Graduate or Higher: **91.4%**
- Bachelor's Degree or Higher: **41%**

REGIONAL WORKFORCE ATTRIBUTES

- Bachelor degree and higher: **34.1%**
- K-12 graduation rate: **90.5%**
- Regional workforce: **1.02 Million**
- Regional average wages: **\$49,131**
- Regional average manufacturing wages: **\$55,825**

POPULATION GROWTH

	2000 Population	2010 Population	% Growth
City of Tualatin	22,791	26,160	15%
Portland Region	1,927,881	2,226,009	15%
State of Oregon	3,421,399	3,831,074	12%

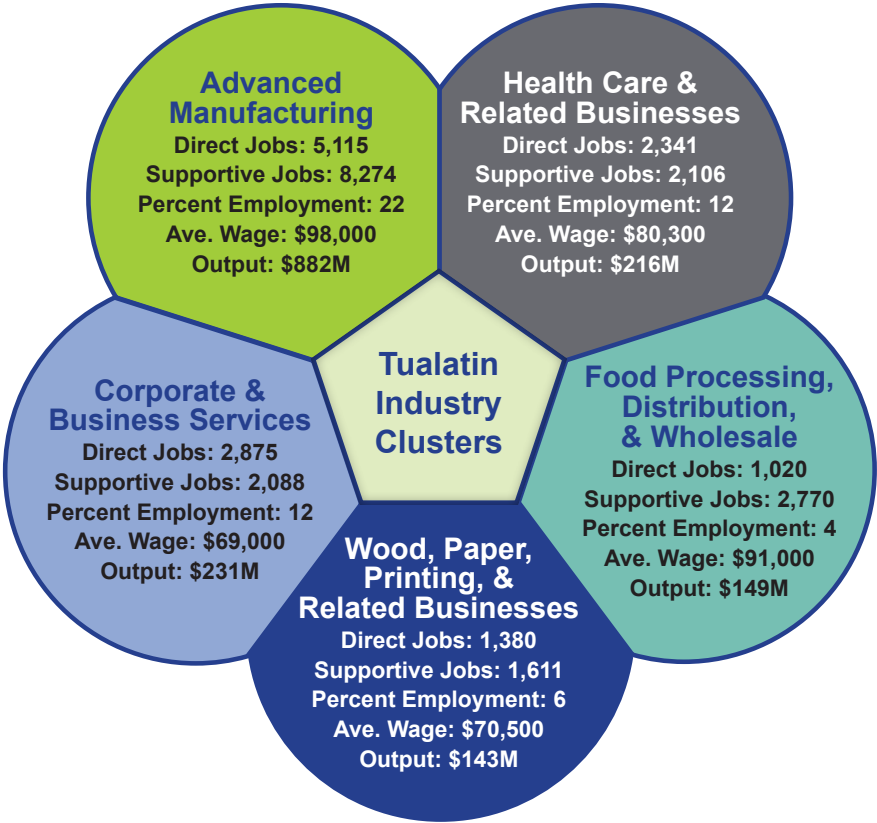


TUALATIN'S ECONOMY

The City of Tualatin recognizes that a fundamental element to the overall quality of life is the health of the local economy. Businesses provide jobs, a strong tax base to support high quality services, and inject wealth into the community. Furthermore, businesses contribute significantly to local charities and sponsor community events. As a result of long-range planning and thoughtful policy-making, Tualatin is evenly split between residential land and commercial/industrial land. Tualatin is home to a vibrant destination retail lifestyle center and state of the art manufacturing and wholesale trade companies.

KEY INDUSTRY CLUSTERS

There are five key industry clusters in Tualatin that provide the majority of employment opportunities and contribute significantly to the local economy. Combined, these clusters represent 57% of local employment and a direct impact of over \$1.6 billion in annual output. Indirect and induced impacts total an additional 16,600 jobs and \$1.5 billion in annual output. Taken together, the average income among jobs in these clusters is \$85,000 compared to a total average of \$50,000.



BY THE NUMBERS

BUSINESS & EMPLOYEES

- 1,480
Number of Business Licenses
- 25,879
Number of Employees in Tualatin
- \$1.26 BILLION
Total Payroll in Tualatin
- 5%
Local Unemployment Rate

AVAILABLE LAND

- 787 ACRES
Available Industrial Land
- 51 ACRES
Available Commercial Land

INDUSTRY CLUSTERS

- 57%
Of local jobs in key industry clusters
- \$1.6 BILLION
Annual value output from industry clusters
- \$85,000
Average wage among industry clusters
- \$50,000
Average wage in Tualatin among all industries



**84% OF TUALATIN
RESIDENTS RATED
THE QUALITY OF
LIFE IN TUALATIN AS
“EXCELLENT” OR “GOOD.”**



QUALITY OF LIFE

DOWNTOWN TUALATIN

Downtown Tualatin is not only the center for local commerce and businesses, it also functions as the central meeting place and the community living room. Thus, it is known locally as the Tualatin Commons. The central aspect of the Tualatin Commons is a lake and public plaza. Surrounding the public gathering space is a mix of high-quality residential dwellings, retail, and professional service employment opportunities.

SHOPPING

Tualatin is home to one of the premier destination shopping centers in Oregon. Bridgeport Village is an upscale lifestyle shopping center that includes over 90 retail stores and restaurants.

SCHOOLS

The public school system in Tualatin is part of the Tigard-Tualatin School District. District wide, student achievement in math, science, and reading consistently outpaces the rest of the State of Oregon. In 2011, the Center for American Progress concluded that the Tigard-Tualatin School District had one of the highest returns on educational investment statewide.

PARKS

There are over 200 acres of well-maintained community parks, trails, and natural areas within the City of Tualatin. Park amenities include sports complexes, shelters, boat docks along the Tualatin River, and vast areas of open space.

RECREATION

The City of Tualatin and other community groups organize regular recreational opportunities that range from canoe rentals and trips to world class festivals. In 2009, the Giant Pumpkin Regatta on the Lake at the Commons was named the best festival in Oregon. Tualatin is also the home of the nation's oldest Crawfish Festival west of the Mississippi River. In addition to these marquee festivals, numerous other events are held each year including weekly summer concerts and a local farmers market.



CITY OF TUALATIN

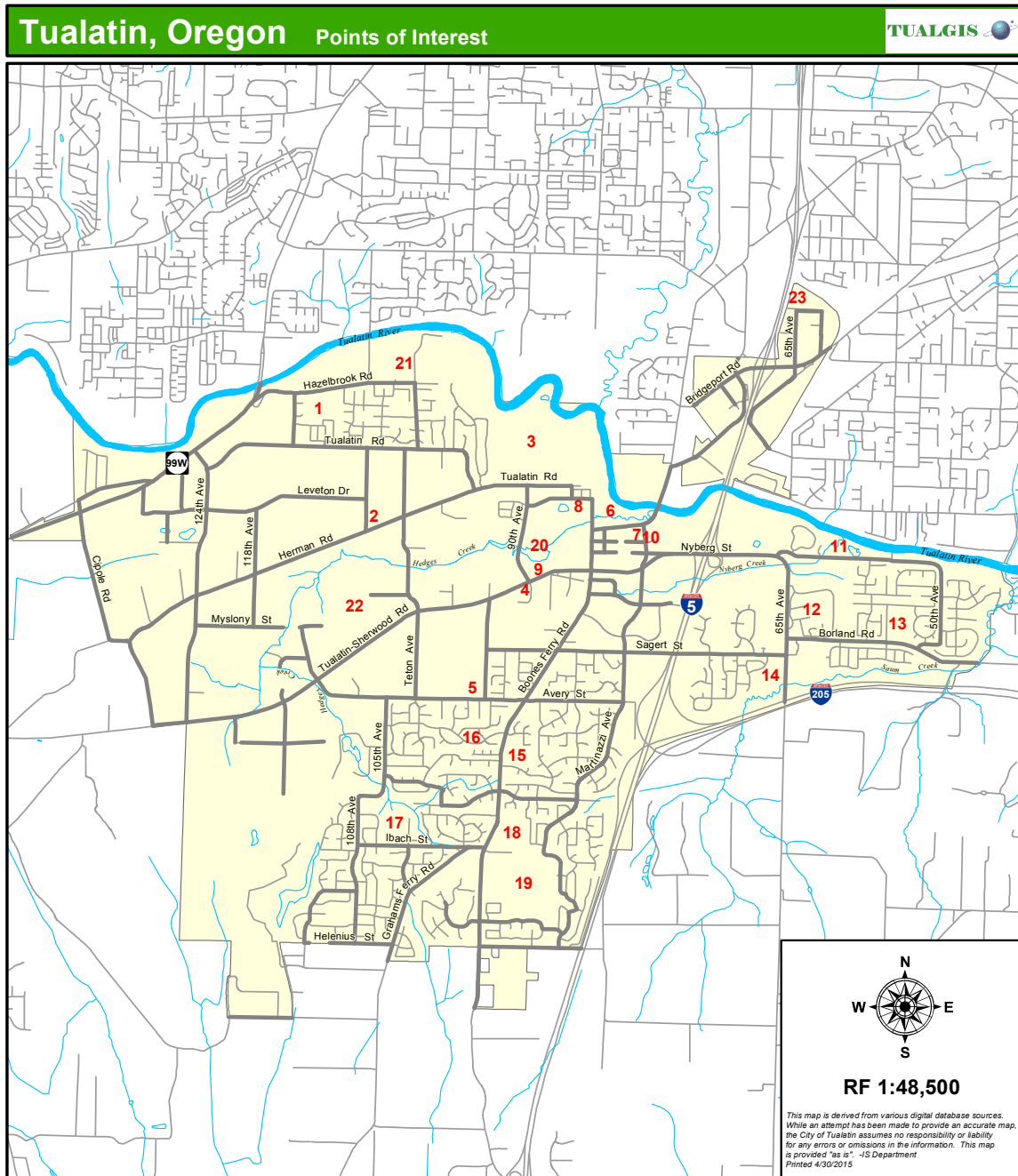
PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

June 30, 2015

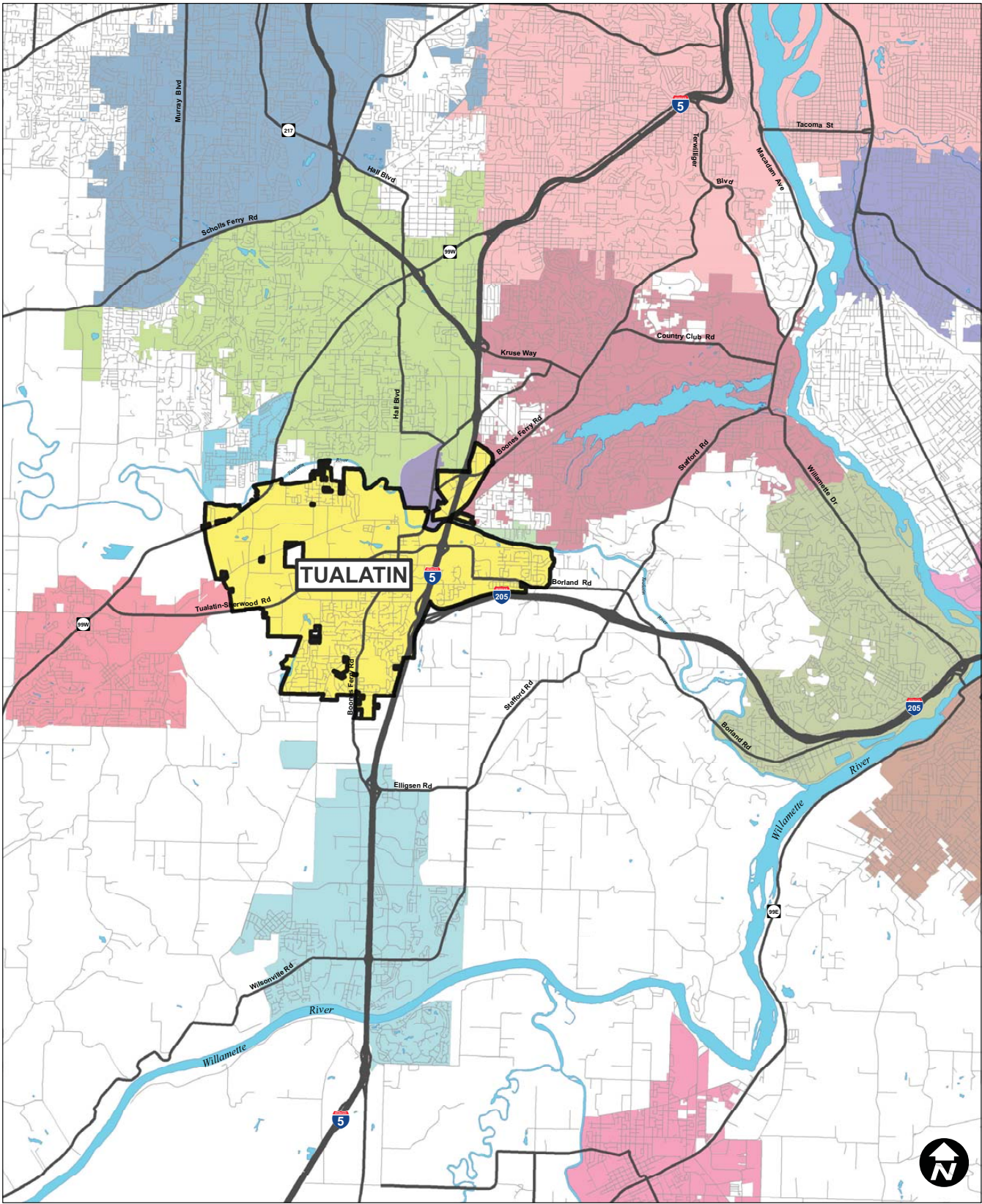
Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Legacy Meridian Park Hospital	905	1	3.72%	823	1	3.39%
Lam Research Corporation	669	2	2.75%	400	4	1.65%
United Parcel Service	512	3	2.11%	512	2	2.11%
Portland General Electric	478	4	1.97%	335	6	1.38%
CES Group LLC	460	5	1.89%	-	-	-
Precision Wire Components	457	6	1.88%	-	-	-
Columbia Corrugated	320	7	1.32%	-	-	-
DPI Specialty Foods Northwest	300	8	1.23%	300	7	1.23%
Cabela's	290	9	1.19%	-	-	-
Pacific Foods of Oregon, Inc	280	10	1.15%	-	-	-
GE Security	-	-	-	500	3	2.06%
Milgard Windows	-	-	-	275	8	1.13%
Fred Meyer	-	-	-	273	9	1.12%
Cyberrep	-	-	-	250	10	1.03%
	<u>4,671</u>			<u>3,333</u>		
Total City employment			<u>24,299</u>			

Information derived from 2015 Business License data provided to the City of Tualatin.



- | | |
|--|-----------------------------------|
| 1. Hazelbrook Middle School | 11. Brown's Ferry Park |
| 2. City Operations Center | 12. Legacy Meridian Park Hospital |
| 3. Tualatin Country Club | 13. Bridgeport Elementary School |
| 4. Tualatin Valley Fire & Rescue Station | 14. Atfalati Park |
| 5. Tualatin Elementary School | 15. Little Woodrose Nature Park |
| 6. Tualatin Community Park, Park Office,
Senior Center, Community Center, Lafky House | 16. Lafky Park |
| 7. Chamber of Commerce | 17. Ibach Park |
| 8. Police Department | 18. Byrom Elementary School |
| 9. Post Office | 19. Tualatin High School |
| 10. City Center/Library | 20. Hedges Creek Wetlands |
| | 21. Jurgens Park |

Tualatin and the South Metro Region



CITY COUNCIL 2020 VISION

In 2020 We Envision / Enjoy:

Connected, Informed & Engaged Citizenry



Enhanced / Expanded Transportation Options Including Public Transit & a Regional Connector



Protected & Expanded Natural Spaces



A Livable, Family-Oriented, Healthy, Active-Living, & Safe Community



Expanded, Strengthened Tax Base Through Smart, Balanced Growth



Accessible Opportunities for Lifelong Learning, Workforce Development and Training, and Educational Innovation & Partnerships



A Vibrant, Economically Viable, Thriving Downtown / Town Center



Expanded Opportunities for Vibrant Parks & Recreational Facilities, Including Greenway Trails & Bike/Pedestrian Trails



America's Best Community



Community Trends, Drivers of Change and Goals

A Changing Environment and a Responsive Organization

The City of Tualatin Council and staff has identified the following drivers of change in Tualatin. Change drivers are large scale forces which produce change throughout an organization and in various levels of the community. Typically, these change drivers consist of community or regional demographic, economic, technological, and other factors that create a changing environment to which organizations must adapt. Government organizations must continually reevaluate the way they do business and provide service, and seek to respond faster, use resources more efficiently, and produce high quality work and services.

- **Increasing Costs of Services**
- **Increased Traffic in the SW Corridor**
- **Lightening Fast Technology**
- **Changing Demographics**
- **Need for Educational Opportunities**

Based on these drivers, an organizational work plan was created. Here are some of the highlights.*

1. Connected, Informed and Engaged Citizenry

Nineteen goals were identified and departments assigned.

- Increase use of all forms of social media to inform, connect and engage.
Department: All Departments

- Extend use of geographic information systems (GIS) which facilitate self-help and public inquiries.
Department: Information Systems
- Assist the community in solving neighborhood traffic issues through the Neighborhood Traffic Solutions Program.
Department: Community Development

2. Protect and Expand Natural Spaces

Eight Goals were identified and departments assigned.

- Increase awareness, appreciation and use of natural resources.
Department: Community Services
- Promoting and celebrating storm water quality programs and projects.
Department: Community Development
- Maintaining appealing, accessible green and open spaces.
Department: Operations

3. Expanded, strengthened tax base through smart, balanced growth and by attracting businesses that improve the quality of life and provide employment opportunities in our community

Eight goals were identified and departments assigned.

We value a high quality of life for our community and will promote actions which increase community spirit and pride, and a sense of ownership, involvement and belonging in the community. We recognize the strengths which come from our heritage and background, our social and economic conditions, and our natural resources. We will manage growth in a manner that will build on these strengths, while fostering a sense of place and a unique identity for the City.



- Complete an infrastructure phasing project for the SW Concept Plan Area.
Department: Community Development
- Address public safety issues (enforcement, congestion, etc.) proactively.
Department: Police
- Maintain and support public infrastructure that supports business.
Department: Operations

4. Vibrant, economically viable, thriving downtown/town center

Seven goals were identified and departments assigned.

- Connect the town center area through trails.
Department: Community Services
- Update the downtown plan.
Department: Community Development
- Support events that take place in the downtown area.
Department: Operations

5. Enhanced/Expanded Transportation Options Including Public Transit and Regional Connections Around Tualatin

Twelve goals were identified and departments assigned.

- Communicate progress and engage in the process on the Oregon Passenger Rail Project.
Department: Community Development
- Promote the use of public transit to employees.
Department: Administration
- Finish the Linking Tualatin Project.
Department: Community Development

6. A Livable, Family-Oriented, Safe, Health and Active-Living Community

Twelve goals were identified and departments assigned.

- Expanding opportunities for families (children of all ages) to volunteer.
Department: Administration
- Participate in the Health Eating Active Living (HEAL) campaign.
Department: Community Services/Administration
- Ensure emergency preparedness for our public infrastructure (water, sewer, etc.)
Department: Operations

7. Accessible Opportunities for Lifelong Learning, Workforce Development, Training and Educational Innovation and Partnerships

Seven goals were identified and departments assigned.

- Facilitate job search skills and job training for the community.
Department: Community Services
- Lobby for better transit access to OIT and PCC.
Department: Community Development
- Put WiFi and/or fiber throughout the City.
Department: Information Services

8. Expand Opportunities for Vibrant Parks and Recreational Facilities Including Greenway trails and Bike/Pedestrian Trails

Six goals were identified and departments assigned.

- Educate and use the CIO's for crime prevention in the parks.
Department: Police/Community Services
- Work with developers to build the City's trail system.
Department: Community Services

*For the complete list of goals, visit our website.



Budget Process

The annual budget is one of the most important and informative documents city officials will use. In simple terms, the city's budget is a financial plan for one fiscal year. It shows the estimated costs of expenditures (items or services the city wishes to purchase in the coming fiscal year) and other budget requirements that must be planned for, but won't actually be spent. It also shows the resources that will be available to pay for those expenditures.

The budget authorizes the city to spend money and limits how much money can be spent. It also justifies the levy of property taxes. In order to levy taxes through a county assessor, cities must prepare a budget following a specific local budgeting process.

Phase 1: The Budget Officer Puts Together a Proposed Budget

Each city must designate a budget officer, who may be appointed by the governing body (the city council) or may be designated in the city's charter. The budget officer is responsible for preparing the budget or supervising its preparation. The first step in the budget process is the development of the budget calendar, which maps out all the steps that must be followed for the legal adoption of the city budget. The calendar must allow enough time for the budget to be adopted by June 30, before a new fiscal year begins. After the budget calendar is set, the budget officer begins to develop the estimates of resources and requirements for the coming year.

A city budget is comprised of several funds, each with a specific purpose. The city budget includes different funds that clearly show what the local government is doing and how it is paying for things.

There are seven types of funds used in most city budgets:

General Fund – records expenditures needed to run the daily operations of the local government and the money that is estimated to be available to pay for these general needs.

Special Revenue Fund – accounts for money that must be used for a specific purpose and the expenditures that are made for that purpose.

Capital Project Fund – records the money and expenses used to build or acquire capital facilities, such as land or buildings. This is a type of special revenue fund and is only used while a project is being done.

Debt Service Fund – records the repayment of general obligation bonds. The expenditures in the fund are the bond principal and interest payments. Money dedicated to repay bonds cannot be used for any other purpose.

Trust and Agency Fund – accounts for money for a specific purpose that you hold in trust for someone else. Example: investments or securities given to the city with provisions that the income be used to aid the library or park system.

Reserve Fund – accumulates money to pay for any service, project, property, or equipment that the city can legally perform or acquire. It functions as a savings account. A special resolution or ordinance of the governing body is needed to set up a reserve fund.

Enterprise Fund – records the resources and expenses of acquiring, operating, and maintaining a self-supporting facility of service, such as a city water or wastewater utility.

Oregon budget law requires that each year a city's budget provide a short history of each fund. To meet this requirement, the annual budget will include: the actual or audited resources and expenditures for the prior two years; the current year's budget; the next year's budget as proposed by the budget officer (must balance); and columns for the budget approved by the budget committee and the final budget adopted by the council.



Phase 2: The Budget Committee Approves the Budget

As defined by statute, a budget committee is an advisory group comprised of the city council and an equal number of appointed members. If the city council cannot identify enough citizens willing to serve on the budget committee, then the committee is made up of the citizens who have volunteered to serve along with the entire city council. The appointed members of the budget committee must be electors of the city, meaning they must be qualified voters who have the right to vote on the adoption of any measure. The members of the budget committee are appointed for staggered three-year terms, and cannot be employees, officers or agents of the city. No member of the budget committee can receive compensation for serving on the committee except reimbursement of expenses incurred while serving.

Among its functions, the budget committee conducts public meetings to hear the budget message and review the budget proposed by the budget officer. The Budget Committee listens to comments and questions from interested citizens and considers their input while deliberating on the budget. The budget committee can revise the proposed budget to reflect changes it wants to make in the local government's fiscal policy. When the committee is satisfied, it approves the budget. (Note: the budget committee does not have the authority to negotiate employee salaries.)

The Budget Message

The budget message is an explanation of information provided to the budget committee and the public to help them understand the proposed budget. The budget message is required by statute to contain a brief description of the financial policies reflected in a proposed budget and, in connection with the financial policies, explains the important features of the budget. The budget message must also explain proposed changes from the prior year's

budget and explain any major changes in financial policies.

The budget message should be in writing so it can become part of the budget committee's records. It is delivered at the first meeting of the budget committee by the budget officer, the chief executive officer or the governing body chair.

Budget Committee Meetings

A quorum, or more than half of the committee's membership, must be present in order for a budget committee to conduct an official meeting. Any action taken by the committee first requires the affirmative vote of the majority of the membership. In the event that only a quorum is present at a meeting, all members must vote in the affirmative for an action to be taken.

Local budget law requires that a budget committee hold at least one meeting for the purpose of receiving the budget message and the budget document; as well as to provide the public with an opportunity to ask questions about and comment on the budget. Prior public notice is required for the meeting(s) held for these two purposes. If the budget committee does not invite the public to comment during the first meeting, the committee must provide the opportunity in at least one subsequent meeting. The notice of the meeting(s) must tell the public at which meeting comments and questions will be taken.

When approving the budget, the budget committee must also approve a property tax rate or the tax amounts that will be submitted to the county assessor. The budget committee should make a motion to approve the property tax so that the action is documented in the minutes of the committee. Upon approval by the budget committee, the budget officer completes the budget column labeled "approved by budget committee," noting any changes from the original proposed budget. Upon completion, a summary of the approved budget is published with notice of a public hearing to adopt the budget no more than 30 days nor less than five days before the hearing.

Phase 3: The Budget is Adopted and Property Taxes Are Certified (When Appropriate)

Conducted by the city council, the budget hearing includes a final review of the budget before adoption by the council. The hearing also includes deliberations on the budget approved by the budget committee and consideration of any additional public comments. The city council can make any adjustments that it deems necessary (with some restrictions) to the approved budget before it is adopted prior to July 1. The types of changes the governing body may make are:

- Increasing expenditures in any fund up to \$5,000 or 10 percent, whichever is greater. If the increase needs to be greater than these limits, the council must republish the budget summary and hold a second public hearing (before July 1).
- Reducing expenditures of any fund—does not require republishing.
- Increasing the amount or rate of taxes to be imposed above what the budget committee approved—this can only be done if the budget is republished and a second budget hearing is held. However, the council cannot increase taxes above the permanent rate limit or legal, voter-approved local option tax rate/dollar amount.
- Reducing the tax rate or amount approved by the budget committee—does not require republishing.
- Adjusting the other resources in each fund—does not require republishing.

Adoption of the Budget

It is not a requirement that the budget be adopted at the hearing. The council has the option to wait until closer to the end of the fiscal year to formally adopt the budget. By waiting, the budget can include a better estimate of resources. However, the budget must be adopted before July 1.

To adopt the budget, the city council enacts a resolution or ordinance. The resolution (or ordinance) formally adopts the budget for the coming fiscal year; makes appropriations and gives the city the authority to spend money and incur obligations (the schedule of appropriations also sets limits on the amount of money that can be spent in each category within the fund); and sets the amount of taxes to be imposed—up to the permanent rate limit or dollar amount. To accomplish this, cities do not have to pass multiple resolutions (or ordinances). All the resolution statements can be combined into one resolution, which must be signed by the mayor before they are submitted to the county assessor's office.

By July 15 of each year, cities must submit two copies of the resolution (or ordinance) adopting the budget, making appropriations, and imposing and categorizing the tax to the county tax assessor. In addition, the notice of property tax certification (form LB-50) and successful ballot measures for local option taxes or permanent rate limits must be submitted.

In addition to the county tax assessor's copies, a copy of the resolutions required by ORS 221.770 must be submitted to the Oregon Department of Administrative Services by July 31. Finally, a copy of the completed budget document, including the publication and tax certification forms, must be submitted to the county clerk's office by September 30.

Phase 4: Operating Under the Adopted Budget

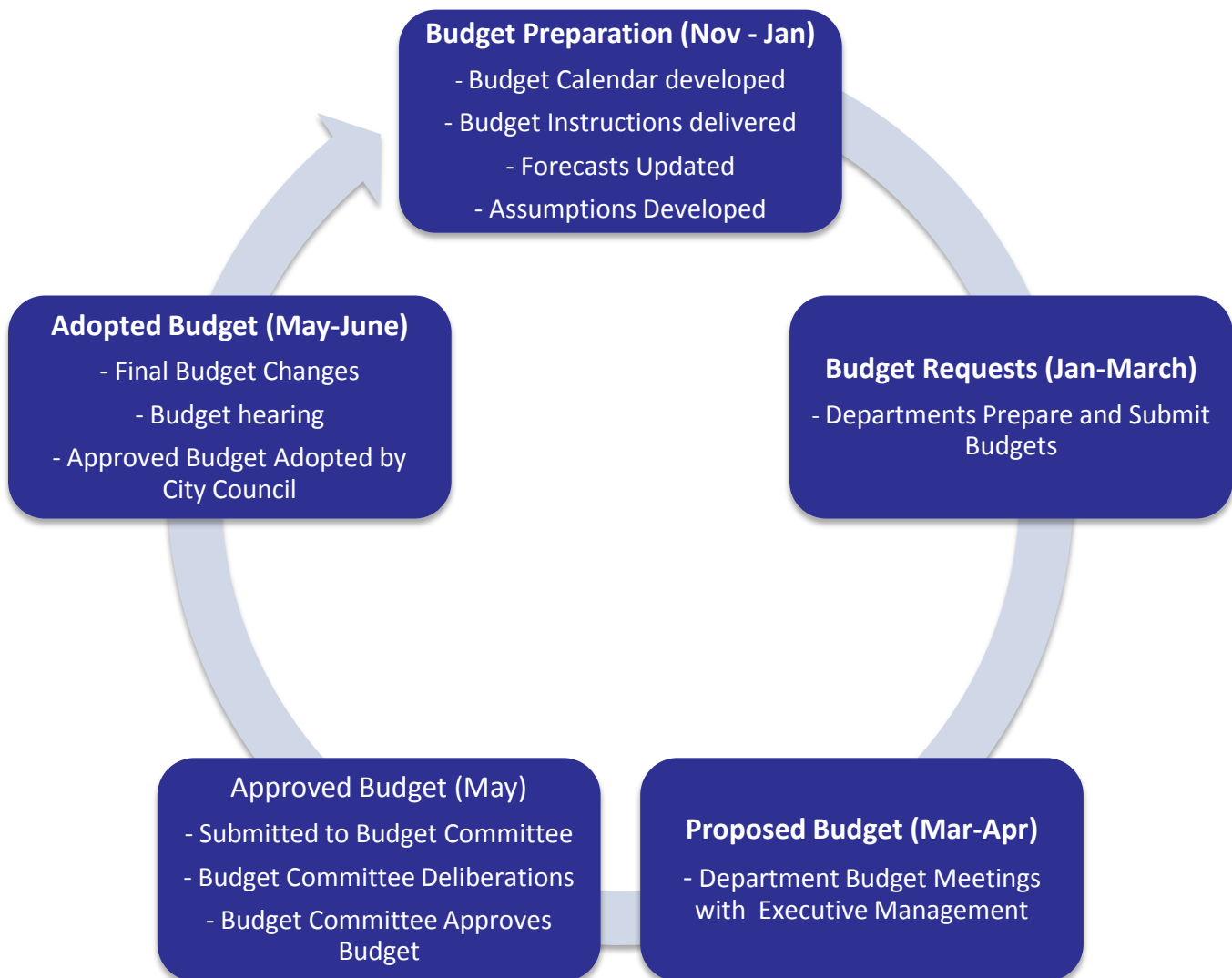
Once it is adopted, cities begin operating within that specific budget. While it is possible for changes to be made to an adopted budget once the fiscal year begins, this can only happen under certain circumstances. Two such examples are resolution transfers and supplemental budgets. These are actions that must be taken before more money is spent beyond what is appropriated in the adopted budget, or before money is spent for different purposes than what is appropriated in the adopted budget.



It is unlawful to spend public money in excess of the amounts budgeted or for a different purpose than budgeted. Public officials can be sued for such actions if the expenditure is found to be malfeasance in office or willful or wanton neglect of duty. Creating a supplemental budget or a resolution transfer after the expenditure is

made does not protect the governing body members from a lawsuit.

**Budget process article provided by the "League of Oregon Cities"*





Basis of Budgeting

All of the funds are budgeted using the modified accrual basis of accounting in accordance with budgetary accounting practices. In modified accrual, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due.

Budgetary Basis of Accounting

There is no appreciable difference in the basis of accounting used for financial statements and the accounting method used for budgeting. The budgetary basis of accounting for budgeting purposes is also modified accrual.

Basis of Auditing

The audit, as reported in the Comprehensive Annual Financial Report (CAFR), accounts for the City's finances on the basis of generally accepted accounting principles. Generally accepted accounting principles, or GAAP, is defined as conventions, rules, and procedures necessary to describe accepted accounting practice at a particular time. The modified accrual basis of accounting, a GAAP-approved method, is also used in the audit for all funds except for the Proprietary Fund Types. The audit uses the full-accrual method of accounting for the Proprietary Funds. The CAFR shows all of the City's funds on both a budgetary and GAAP basis for comparison. For more information about the City's basis of accounting and measurement focus, see the notes to the financial statements in the City's Comprehensive Annual Financial Report.

The City of Tualatin uses a modified accrual basis of accounting for budgeting purposes. This means revenues are recognized when they become measurable and available.



Fund Structure

The City of Tualatin uses various funds to account for its revenue and expenditures. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Also, funds are categorized by fund type as defined by generally accepted accounting principles (GAAP) and Oregon Budget Law.

The revenues in each fund may be spent only for the purpose specified by the fund. For example, the revenues in the Water Fund may be used only for purposes related to water operations. However, the General Fund is the primary exception to this rule. The General Fund is used to account for general-purpose revenues and operations of the city. Most of the traditional core operations of the city such as Police, Library, Parks, Planning and Administration are budgeted in this fund.

General

General Fund

Enterprise

Water Operating Fund

Sewer Operating Fund

Storm Drain Operating Fund

Enterprise Bond Fund

Water Development Fund

Sewer Development Fund

Storm Drain Development Fund

Special Revenue

Building Fund

Road Utility Fee Fund

Road Operating Fund

Core Area Parking District Fund

Tualatin Scholarship Fund

Road Development Fund

Transportation Development Tax Fund

Debt Service

General Obligation Bond Fund

Capital Projects Funds

Park Development Fund

Tualatin Development Commission

TDC Administration Fund

Central Urban Renewal District Project Fund

Leveton Projects Fund

A summary of all funds is provided in the Budget Summary section to show a summary of each of the funds resources and requirements as budgeted and more detailed breakdown is shown in the Funds section. Resources include beginning fund balances, current revenues and transfers in from other funds. Requirements include operating expenditures, debt payments, capital improvements, transfers out to other funds, contingencies and ending fund balances or reserves. The FY 2016-2017 budget is considered a balanced budget as total resources are equal to total requirements in each fund.

Funding Sources

Program/Section	Departments	Fund
Policy & Administration	Administration	General Fund
	City Council	General Fund
	Finance	General Fund
	Municipal Court	General Fund
	Legal	General Fund
	Information Services	General Fund
	Non-Departmental	General Fund
Community Development	Planning	General Fund
	Engineering	General Fund
	Building	Building Fund
Community Services	Administration & Recreation	General Fund
	Library	General Fund
	Park Development	Park Development Fund
	Tualatin Scholarship	Tualatin Scholarship Fund
Public Safety	Police	General Fund
Public Works	Public Works Administration	General Fund
	Maintenance Services	
	- Fleet Maintenance	General Fund
	- Building Maintenance	General Fund
	- Parks Maintenance	General Fund
	Utilities - Water	
	- Operating	Water Operating Fund
	- Development	Water Development Fund
	Utilities - Sewer	
	- Operating	Sewer Operating Fund
	- Development	Sewer Development Fund

**Funding Sources (continued)**

Program/Section	Departments	Fund
Public Works (continued)	Utilities - Storm Drain	
	- Operating	Storm Drain Operating Fund
	- Development	Storm Drain Development Fund
	Utilities - Street	
	- Road Utility	Road Utility Fee Fund
	- Road Operating	Road Operating Fund
	- Development	Road Development Fund
Tualatin Development Commission (TDC)	- Transportation Dev. Tax	Transportation Dev. Tax Fund
	Core Area Parking District	Core Area Parking District Fund
	TDC Administration	TDC Administration Fund
	CURD Projects	CURD Projects Fund
	Leveton Projects	Leveton Projects Fund

A fund is a grouping of relating accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. The City of Tualatin's funds can be divided into two primary categories: governmental funds and proprietary funds. Governmental funds are used to account for most of the city's functions and include, general, special revenue, debt service and capital project funds. Proprietary Funds are enterprise funds used to account for city activities that are similar to those often found in the private sector. The City's Internal Service Fund accounts for administrative and maintenance functions for the water, sewer, storm and street systems on a cost reimbursement basis.

Major Governmental Funds

General Fund - Accounts for the financial operations of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and state and county shared revenue. Primary expenditures are for culture and recreation, general government and public safety.

Building Fund - The Building Fund accounts for revenues from various fees collected from development for construction of buildings and expended for services rendered primarily in the City's Building Division.

Park Development Fund - Accounts for capital improvements to parks funded by system development charges and other contributions.

Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations - Water, Sewer, and Storm Drain.

Water Operations

Water Operating Fund - Accounts for the operation and maintenance of water facilities and services. The primary source of revenues consists of water sales and related charges.

Water Development Fund - Accounts for system development fees charged on new construction. The proceeds are used to finance major expansions of the water system.

Enterprise Bond Fund - Accounts for debt service financing for the water reservoir construction and other improvements to the water system.

Sewer Operations

Sewer Operating Fund - Accounts for the operation of the City's sewer system. The primary source of revenue consists of charges for sewer services.

Sewer Development Fund - Accounts for the system development fee charges on new construction. The proceeds are used to finance major expansion of the sewer system.

Storm Drain Operations

Storm Drain Operating Fund - Accounts for storm drain services for residents of the City. The principal revenue source is from user fees.

Storm Drain Development - Accounts for system development charges assessed to finance expansion of the storm water system.

For Generally Accepted Accounting Principles purposes, these funds are consolidated and included as three separate Enterprise funds.

Nonmajor Governmental Funds

Special Revenue Funds - These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:



Road Utility Fee Fund - Accounts for road utility fees from the property located within the City and business owners to maintain pavement maintenance and street lighting, as well as the city's sidewalk/street tree program.

Road Operating Fund - Accounts for gas taxes received from the State of Oregon and Washington County for the operation and maintenance of the street system, traffic signals, bike paths and landscaping of roadside areas.

Core Area Parking District Fund - Accounts for parking fees from the property located within the core area parking district, and business owners to develop additional downtown parking areas and maintain existing parking areas.

Tualatin Scholarship Fund - Accounts for funds from a scholarship trust that is used for scholarships that promote higher education in scientific fields for Tualatin students.

Road Development Fund - Accounts for funds received from system development charges and restricted for system improvements.

TDC Administration Fund - The Urban Redevelopment Administration Fund accounts for the general operations of the City's Urban Renewal Agency, a component unit of the City of Tualatin.

Transportation Development Tax Fund - Accounts for the collection and use of the transportation development tax.

Debt Service Funds

These funds are used to account for revenues and expenditures related to the servicing of general long-term debt.

General Obligation Bond Fund - Accounts for the payment of principal and interest on general obligation bonds. Resources are provided by property taxes.

Capital Projects Funds

These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities. Funds included in this category are:

Central Urban Renewal District Project Fund - Accounts for the proceeds of tax increment which is used for the acquisition and construction of capital assets within the Central Urban Renewal District.

Leveton Projects Fund - Accounts for the proceeds of tax increment which is used for the acquisition and construction of capital assets within the Leveton Tax Increment District.

Internal Service Funds

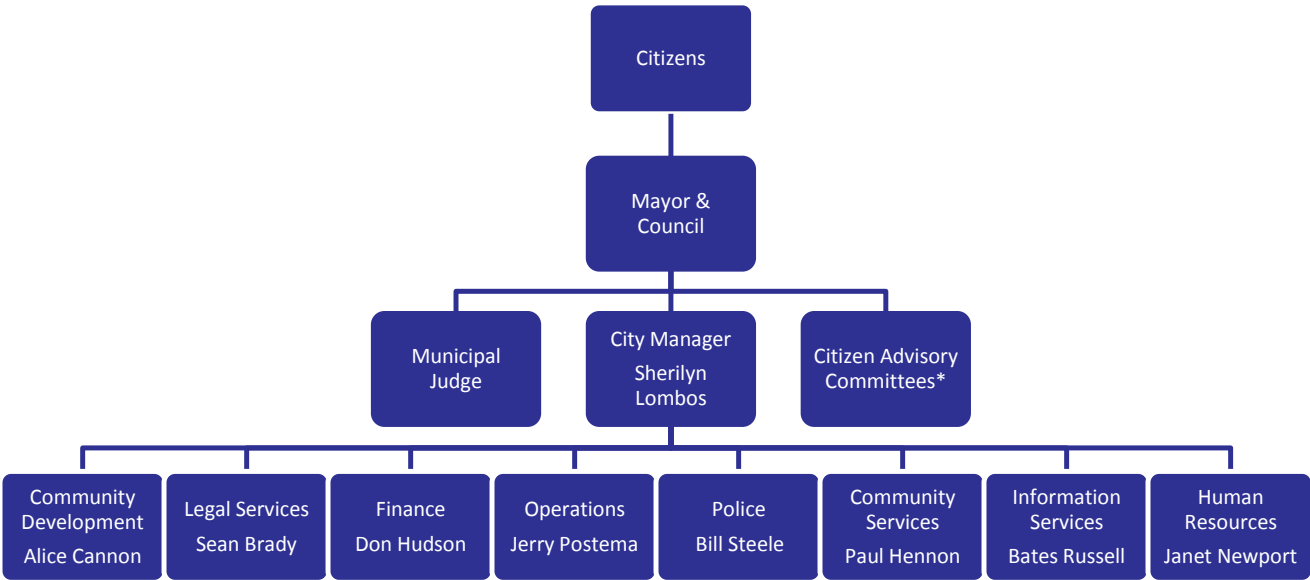
These funds are used to account for the financing of good or services provided by one department or agency to other departments or agencies of the government and other government units, on a cost reimbursement basis.

Operations Fund

The Operations Fund accounts for the administrative and maintenance functions for the water, sewer, storm and street systems on a cost reimbursement basis.



City of Tualatin Organization



* The Citizen Advisory Committees include the Tualatin Library Advisory Committee, the Tualatin Park Advisory Committee, the Tualatin Urban Renewal Advisory Committee, the Tualatin Arts Advisory Committee, the Tualatin Planning Commission, the Core Area Parking District Board, the Architectural Review Board, the Budget Advisory Committee, the Tualatin Tomorrow Advisory Committee and the Transportation Task Force.



Architectural Review Board

Architectural Review Board conducts public hearings, reviews plans and determines compliance with the Development Code (TDC) for the site development, architecture, and landscaping proposed in larger multi-family residential, commercial, semi-public/institutional and industrial development projects.

Meets on Wednesdays at 7:00 pm as needed or not less than 7 days, nor more than 21 days following an appeal of a staff Architectural Features Decision. Please see our Events Calendar to see a schedule of upcoming public meetings.

Members	Jurisdiction
Councilor Ed Truax	Chair/Council
Skip Stanaway	Citizen
John Howorth	Citizen
Patrick Gaynor	Citizen
Chris Goodell	Citizen
Carol Bellows	Citizen
John Medvec	Alternate
Joelle Davis	Alt. Chair/councilmember

Arts Advisory Committee

The Tualatin Arts Advisory Committee was created to encourage greater opportunities for recognition of arts in Tualatin, to stimulate private and public support for programs and activities in the arts, and to strive to ensure excellence in the public arts collection.

Monthly - 3rd Tuesday of each month, 6:30 pm. These meetings are open to the public.

Members	Jurisdiction
Buck Braden	Chair/Citizen
Mason Hall	Citizen
Gary Thompson	Citizen
Kristin Erickson	Citizen
Arthur Barry	Citizen
Dawn Upton	Citizen
Brett Hamilton	Citizen
Frank Bubenik	Council

Budget Committee

The Budget Advisory Committee is charged with the responsibility of review the City budget, holding public budget hearings, and recommending its adoption by City Council. The City Council and seven citizen appointees make up the committee.

One to three meetings are held annually in May, and others may be held as needed. See our Public Meetings Calendar to see a schedule of upcoming public meetings.

Members	Jurisdiction
Candice Kelly	Citizen
Roger Mason	Citizen
Paul Morrison	Citizen
Robert Kellogg	Citizen
Dan Gaur	Citizen
Brett Rohde	Citizen
Terri Ward	Citizen

Core Area Parking District

The Tualatin Core Area Parking District Board serves in an advisory capacity to the City Council on policy matters affecting the Core Area Parking District. These include location and design of new lots, existing lot improvements, regulations and maintenance, and capital outlays.

Member	Jurisdiction
Monique Beikman	Council
Dr. William Jordan	Chair, Citizen
Diana Emami	Citizen
Gary Haberman	Citizen
John Howorth	Citizen
Ryan Miller	Citizen
Aaron Welk	Citizen



Library Advisory Committee

The Library Advisory Committee reviews, advises, and makes recommendations to the staff and City Council on matters affecting the Tualatin Public Library.

Meets Monday - 1st Tuesday of each month, 6:30pm.
 These meetings are open to the public.

Member	Jurisdiction
Sonya Ambuehl	Chair, Citizen
Ryan Wroblewski	Citizen
Donald Swygard	Citizen
Alan Feinstein	Citizen
Marcus Young	Citizen
Thea Wood	Citizen
Guille Diaz-Boyas	Student

Parks Advisory Committee

The Tualatin Parks Advisory Committee review, advises and makes recommendations to the staff and city Council on matters affecting public parks and recreational activities. These include immediate and long range planning, land acquisition, development, and recreational programming. It also advises Council on Urban Forestry policy.

Monthly - 2nd Tuesday of each month, 6:00 pm.
 These meetings are open to the public.

Member	Jurisdiction
Steve Ricker	Citizen
Dana Paulino	Citizen
Anthony Warren	Citizen
Krista Nanton	Citizen
Kay Dix	Citizen
Valerie Pratt	Citizen
Dennis Wells	Chair, Citizen

Tualatin Planning Commission

Serves as the committee for citizen involvement in the Land Conservation and Development Commission planning process, fulfilling Statewide Planning Goal.

Reviews, advises and makes recommendations to City Council on matters affecting land use planning and the City's Comprehensive Plan, the Tualatin Community Plan, such as (comprehensive) plan amendments. Makes decisions on five specific land use application types:

- Industrial Master Plan (IMP)
- Reinstatement of use
- Sign Variance (SVAR)

Members	Jurisdiction
Cameron Grile	Citizen
Angela Demeo	Citizen
Alan Aplin	Chair/Citizen
William Beers	Vice Chair/Citizen
Janelle Thompson	Citizen
Jeff DeHaan	Citizen
Mona St. Clair	Citizen

Tualatin Tomorrow Advisory Committee

The purpose of the Committee is to promote community involvement in implementing the Tualatin Tomorrow Vision through engaging and educating citizen and other community partners; monitoring and assessing the progress made in the defined vision area; promoting implementation of the vision, collaborating as community partners and providing forums to exchange information and create community connections; maintaining and growing partner involvement, conducting meetings, events and other communication activities; participating in regional visioning activities which impact Tualatin, and overseeing the process of updating the vision as needed.

Member	Jurisdiction
Candice Kelly	Citizen
Larry McClure	Citizen
Bethany Wurtz	Citizen
Ed Casey	Citizen
Terry Powell	Citizen
Diane Emami	Citizen
John Bartholomew	Citizen
Frank Bubenik	Council
Linda Moholt	Chamber Representative
Dana Terhune	Partnering Organization Representative (TTSD)



AMERICA'S
BEST COMMUNITY
TUALATIN, OREGON

