



BUDGET MESSAGE

June 18, 2024

Honorable Mayor, Councilors, Budget Committee Members, and the Tigard Community:

On behalf of the entire Tigard team, I am proud to present the Adopted Fiscal Year 2024-2025 (FY 2025) operating budget and FY 2025-FY 2030 Capital Improvement Plan (CIP).

The FY 2025 budget ensures that Tigard can make responsible investments to meet the needs of our growing community. Guided by community priorities, the City Council's goals, Community Promise (5 Es), and our commitment to fiscal responsibility, the Adopted FY 2025 Budget is \$412.7 million, with General Fund expenditures accounting for \$48.2 million. The six-year Capital Improvement Plan totals \$280.2 million, of which \$55.8 million is in FY 2025.

We continue to advance the many best practices we have implemented since FY 2023 to ensure long-term fiscal health – including reviewing our past assumptions, implementing Internal Service Funds (ISFs), and examining our investing strategy. For FY 2025, we implemented a zero-based budgeting philosophy because we historically have significant funds remaining at the conclusion of each fiscal year. The goal of our zero-based budgeting approach is to ensure we invest in community priorities, sustain service levels in a growing community, and estimate realistic fund balance forecasts.

The budget improves services in priority areas while fulfilling our responsibility to be responsible stewards of public funds. This is most apparent in the General Fund, where the forecast demonstrates positive fund growth through FY 2030. This is a direct result of the Budget Committee and teammates implementing sound financial principles, which continue in the FY 2025 budget and beyond.

We developed the FY 2025 budget recognizing that Tigard has one of the lowest permanent tax rates in the region at \$2.5131/\$1,000 of assessed property value. Our proactive investment strategy continues to pay dividends as we realize positive investment income in all funds.

The budget considered the Public Safety Renewal Levy on the May 2024 ballot and is mindful that the Washington County Cooperative Library System (WCCLS) is evaluating its funding model. WCCLS is projected to have a November 2025 ballot measure and future funding decisions are important for Tigard as approximately 50 percent of our library's funding comes through Washington County.

We are also closely monitoring our special revenue, enterprise, and capital funds to ensure they have the necessary funding to support the maintenance and capital needs of our growing community. The team will be evaluating the timing of future rate studies including those that support critical transportation infrastructure and understanding the long-term impacts to revenues we receive from the state. Like the General Fund, we must continue to address rising costs in a challenging fiscal environment.

The budget invests in the following community priority areas and Council goals:

Advance Diversity, Equity, Inclusion, and Belonging (DEIB)

We remain committed to fostering an organization and community where everyone believes they belong. For FY 2025, we are increasing our investment in DEIB by enhancing the City’s bilingual incentive program. Our improved program expands the languages recognized to match those of Washington County and other nearby cities and public agencies including Spanish, Vietnamese, Chinese, Korean, Ukrainian, Russian, Arabic, and Somali. Our three percent (3%) bilingual incentive includes qualifying represented, non-represented, and management teammates as we recognize the value all bilingual teammates bring to our team and community.

We are also advancing two important park projects prioritized in our equity-centered Parks and Recreation System Plan.

- Steve Street Park (name change pending) is currently in the design stage with the goal of being under construction in Summer 2025. This unimproved property is in one of our most diverse and underserved areas of the City and well outside of a 10-minute walk to a park or trail. Steve Street is primarily funded (approximately 70%) by Metro local share dollars.
- For Bagan Park, also in an underserved area, we will focus on our community engagement efforts this summer with design concluding in FY 2025. Community members in the area face more than a 10-minute walk to a park. Bagan Park is primarily funded (approximately 85%) with Metro share dollars.

Reduce Houselessness

The City will continue to actively address houselessness in Tigard. As stated in our Action Plan, we are committed to collaborative relationships at the local, state, and federal levels, increasing transitional housing, providing wrap around services through partnerships, supporting our entire community, and securing sustainable funding. The FY 2025 budget increases our investment by leveraging regional and federal funds to support our work.

- Hire a Social Services Coordinator at the Library to build relationships with library patrons and community partners, connect library users with community resources, and assist in de-escalating and resolving conflicts. The Coordinator, funded by Pandemic Relief Funds, is a two year limited term duration position which allows us to pilot the new position.
- Invest \$350,000 of Pandemic Relief funds to support encampment management, partnership support, safe lots, storage, and hygiene stations.
- Convert the City’s Strategic Initiatives Program Manager to a full-time, regular employee from a limited term duration position due to the ongoing need for leadership and capacity to advance this community priority.
- Manage a City-County Liaison position for city-level houselessness response. This position is entirely funded by Washington County and serves Tigard, Tualatin, and Sherwood.

2023 - 2025 CITY COUNCIL GOALS



In addition, the City was recently awarded a \$300,000 federal grant to fund a new Community Services Officer (CSO). This position will partner with our other teammates to support our entire community. Funding will be included in the FY 2025 budget as we better understand when the federal funds will be received.

Address Climate Change

The budget continues to support the City's work in climate mitigation and adaptation. Our work will center equity in determining program outcomes and planning investments to both lower carbon emissions and strengthen community resiliency. The Tigard Community Development team is serving as a convener for Climate Action Tigard; a group of community members interested in educating and modeling achievable changes the community can make to reduce their carbon footprint and contribute to reduced greenhouse gas and carbon-dependent energy pollution that impacts public health.

- Nearly 40 percent of Tigard's greenhouse gas emissions come from existing buildings, most of which rely on gas for space heating. Overall, space and water heating in Tigard's residential and commercial buildings account for more than half of all emissions city wide. The Heat Pump Cash In program incentivizes Tigard homeowners to install new energy efficient heat pumps with financial assistance of up to \$11,000 per home. This financial incentive program will focus on assisting low-income households. Funding for the Heat Pump Cash In incentives comes from the Oregon Department of Energy through the nonprofit Earth Advantage, which has more than \$1.5 million to reimburse homeowners across the metro region for residential heat pump purchase, installation, and related weatherization expenses.
- Continue and expand existing efforts to make progress towards carbon neutrality within the organization. These include replacing gas-powered vehicles in City Fleet with electric wherever possible; replacing gas-powered equipment with electric where possible; expanding and fortifying the city's tree canopy; continuing to invest in safe and accessible active mobility options.

Modernize and Improve City Services

In FY 2025, we will continue modernizing and improving services through hiring talented teammates and making significant investments in our Facilities Modernization Project and Tyler Enterprise Resources Planning (ERP) multi-year efforts. To ensure we have the necessary capacity to support all teammates, we evaluated the needs of our Human Resources Department. We learned that since 2014, the number of employees required to meet the needs of a growing community have increased by 37 percent. At the same time, the number of Human Resources teammates has remained the same. We are addressing this in the adopted budget to ensure we have the resources to support our vision as a high-performing organization.

- Hire a second Human Resources Business Partner to support departments, teammates, and support our Senior Business Partners with talent acquisition, professional development, and policy development work.
- Hire a Human Resources Management Analyst who will serve as a strategic partner for all departments with teammate retention, training, onboarding, and succession planning.
- Invest in a third-party service to assist in managing paid leave such as Paid Leave Oregon, Oregon Family Leave Act, and Family Medical Leave Act.
- Maintain our annual investment of approximately \$2.4 million in Tigard Tyler, including change management resources as was noted in our most recent financial audit.

-
- Invest \$1.15 million in our facilities modernization efforts to assemble a team focused on program management, to include early stages of facility design, evaluation of funding scenarios, and broad community engagement and education about the need for modern, resilient, and seismically safe Police and Public Works facilities.
 - Hire two Public Works teammates on our Surface Water Management Team to maintain our water quality facilities and ensure compliance with Clean Water Services, state, and federal mandates. Over the next two years, 110 additional water quality facilities are scheduled to become the City's responsibility, which is a 50 percent increase.
 - Convert the City's Technical Training Coordinator to a full-time, regular employee from a limited term duration position to ensure we have capacity for continuous Tigard Tyler training and other Information Technology Services systems.
 - Hire an Executive Assistant to support the Mayor and City Councilors.

It is important to note that the multi-year, Tigard Tyler project will see a \$1 million funding decrease in FY 2026 funding and nearly another \$1 million decrease in FY 2027. This level is then maintained to pay our software as a service (SaaS) licensing fee. Additionally, the adopted budget includes funding for two additional City Councilors as a result of the Charter ballot measure that passed in May 2024.

Enhance Community Safety and Accessibility

Community safety and accessibility is a community priority and a cornerstone of the City of Tigard's work. We strive to ensure Tigard remains a safe community, with well-trained Police Officers and a CIP that improves the lives of all community members.

- The Police Department has renewed its Mental Health Response Team agreement with Washington County, Tualatin, Sherwood, and King City. The program partners an officer with an experienced mental health clinician to respond to calls for service that may have a mental health component.
- Our Parks team is working with Police to develop a pilot seasonal ranger program (using existing seasonal appropriations) that is focused on enhancing community safety in parks and along trails. The pilot seasonal ranger program, once implemented, would operate April through September.
- Safe Streets and Roads for All (SS4A) Action Plan: The City of Tigard is committed to preventing roadway deaths and serious injuries. This plan will develop an action plan to guide future capital and programmatic investments focused on transportation safety. The plan will develop a prioritized project list using equity-based criteria and systemic risk factors.
- The CIP is also implementing the Complete Street Design Policy on various projects. We recently completed the Greenburg/Tiedeman 30% design, and will be starting the design efforts for McDonald Street (Hall Blvd to Pacific Hwy) and SW 72nd Avenue (Pacific Hwy to Hwy 217) in FY 2025.
- The Americans with Disabilities Act Right of Way program will continue to provide improvements to sidewalk curb ramps that will result in access to public facilities for all users of all abilities.
- Our annual Pavement Management Program, Pedestrian and Cyclist Connections Program, and Transportation Major Maintenance Programs also make significant improvements every year to promote safety for all users of the right-of-way.

-
- Traffic safety is critical to Tigard community members whether walking, riding, or driving. The City Council recently reaffirmed its commitment to traffic safety and photo traffic enforcement by authorizing continuation of the program. The Police Department is actively reviewing vendor proposals for the next contract cycle. We are also evaluating the program's resource needs going forward.

Our FY 2025 budget will enable Tigard to continue to meet the needs of our growing community and strengthen Tigard's long-term fiscal health. Developing the budget required the hard work, commitment, and collaboration of Team Tigard. Specifically, I want to thank Eric Kang, Kalena Plath, Rosie McGown, Lindsay Bartholomew, Emily Tritsch, Kathy Nyland, Nicole Hendrix, Danielle Couch, Lisa Shaw, Joe Barrett, Laura Barrie, Steve Toler, and Nick Long for their efforts. I also want to recognize our Public Works team for developing a responsible Capital Improvement Program budget that advances many priorities, and our Design and Communications teams for helping tell our story and making it accessible to the community.

We remain excited to partner with all of you as we move the Tigard community forward!

Sincerely,



Steve Rymer
City Manager