

City of Tigard, Oregon

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021



13125 SW Hall Blvd.
Tigard, OR 97223
www.tigard-or.gov



TODOS SOMOS TIGARD.

chúng ta là tất cả Tigard.

МЫ ВСЕ Tigard.

WE ARE ALL TIGARD.

Español

Este documento contiene información sobre las finanzas y estrategia de la ciudad. Usted tiene el derecho de pedir que se le traduzca o interprete esta información. Puede pedir este servicio llamando al 503-718-2742.

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Tài liệu này chứa thông tin về tài chính và chiến lược của thành phố. Bạn có quyền yêu cầu thông tin này được dịch hoặc giải thích. Bạn có thể yêu cầu dịch vụ này bằng cách gọi 503-718-2742.

русский

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English

This document contains information about the city's finances and strategy. You have the right to request translation or interpretation of this information. Request these services by contacting 503-718-2742.

FACEBOOK

@CityofTigard

TWITTER

@TigardOR

WEBSITE

www.tigard-or.gov

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OUR VISION

A vision highlights where we want to go as a city and what we want to be. Our new vision emphasizes equity, walkability, health, and accessibility.

Tigard: An equitable community that is walkable, healthy, and accessible for everyone.

STRATEGIC PRIORITIES

These are the three priorities that support our vision:

1

Set the standard for excellence in public service and customer experience.

2

Create a well-connected, attractive, and accessible pedestrian network.

3

Ensure development and growth support the vision.

Strategic Plan Summary

The purpose of the strategic plan is to provide guidance and direction for the city's priorities for the next five years, through the end of 2025. Our vision highlights where we want to go and what we want to be, while our strategic priorities point to how we are going to achieve our vision.

Proactively planning provides an opportunity to grow the city in a new way that is thoughtful and unique. This plan accomplishes this by leveraging and building on Tigard's existing strengths and aiming to continue to grow Tigard as a thriving, desirable place to live, work, and play. This strategic plan also informs the allocation of limited city resources to both long- and short-term goals.

To stay informed on the progress of the strategic plan, visit:
www.tigard-or.gov/your-government/strategic-plan

City Council Goals

Operating under a council-manager form of government, the mayor and city council are the policy makers elected to represent the community. The city manager is appointed by council to carry out policy and ensure that the entire community is being served.

Our elected officials, city manager and employees are driven by our vision of becoming an equitable community that is walkable, healthy, and accessible for everyone.

We are also led by the 2021-23 City Council's four goals that address opportunities and challenges on the horizon as well as advance the City towards its vision.

- Implement an actionable, person-centric, and regional response to homelessness.
- Support the Tigard community through a coordinated COVID-19 response.
- Develop and implement a bold community resiliency plan.
- Adopt and implement the Parks and Recreation System Plan by developing a realistic funding plan and cost-effective service delivery model.

Along with these goals, the Council developed the Community Promise or the 'Five E's' which will guide us in achieving our vision and implementing goals.

Community Promise



EQUITY

WE will ensure just and fair inclusion where all can participate, prosper, and reach their full potential.



ENVIRONMENT

WE will embrace sustainability to improve our natural resources and the livability of our community.



ECONOMY

WE will be responsible stewards of the community's financial resources entrusted to us.



ENGAGEMENT

WE will involve all voices in our community while building trusting relationships.



EXCELLENCE

WE will set high standards and strive to exceed community expectations.

Message from the Mayor



“

In this document, you will learn that the City’s finances remain stable and well-managed, and we live within our means. ”

I am pleased to present the Fiscal Year 2021 Popular Annual Financial Report (PAFR) for the City of Tigard, Oregon. The purpose of the PAFR is to increase awareness throughout the community of the financial operations of the City. For last two years, this report (which is published in English and Spanish) has received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association.

In this document, you will learn that the City’s finances remain stable and well-managed, and we live within our means. This is accomplished through the hard work of many, including members of the City Council, Budget Committee, Audit Committee, and the city staff who work on your behalf every single day.

We continue to provide essential services and support community members and businesses dealing with the impacts of COVID-19. We have provided \$5.9 million dollars in COVID-19 support to businesses, non-profits, and utility customers.

Along with COVID-19 support, we are working on newly established City Council goals that include developing a community resiliency plan, implementing an actionable response to homelessness, and implementing the parks and recreation system plan.

The Police Service Levy also remains a priority and important to our financial health. We remain ahead of schedule in hiring the 11 levy-funded staff positions. The additional officers will aid in responding to increased calls for service, multiple emergencies at the same time, and community patrols.

All our work will be completed through the lens of our Community Promise.

- 1. EQUITY:** WE will ensure just and fair inclusion where all can participate, prosper, and reach their full potential.
- 2. ENVIRONMENT:** WE will embrace sustainability to improve our natural resources and the livability of our community.
- 3. ECONOMY:** WE will be responsible stewards of the community’s financial resources entrusted to us.
- 4. ENGAGEMENT:** WE will involve all voices in our community while building trusting relationships.
- 5. EXCELLENCE:** WE will set high standards and strive to exceed community expectations.

I hope you find this report informative, and we welcome your comments and questions. I can be reached via email at jason@tigard-or.gov.

Thank you,

A handwritten signature in black ink, appearing to read 'J Snider'.

Mayor Jason Snider

City Leaders / GFOA Award

Mayor & Councilors at June 30, 2021



Jason Snider
Mayor

Term Expires:
12/31/2022



Heidi Lueb
Council President

Term Expires:
12/31/2024



John Goodhouse
Councilor

Term Expires:
12/31/2022



Liz Newton
Councilor

Term Expires:
12/31/2022



Jeanette Shaw
Councilor

Term Expires:
12/31/2024



Emilio Calderon
Youth Councilor

Term Expires:
06/30/2021

The city receives the Triple Crown award from the GFOA for its Annual Budget Document, Annual Comprehensive Financial Report, and Popular Annual Financial Report. This has been received by the city since fiscal year 2019.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Tigard
Oregon**

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Supporting Our Community

During the last year, we continued to navigate uncharted waters due to the significant impacts of COVID-19 on our community members, businesses, and community organizations.

Our specific actions to minimize the impact to the community, included:

- ▶ Supporting **396** Tigard businesses with **\$3.5 million** in Tigard CARES funding;
- ▶ Partnering with eight community organizations to provide **\$200,000 in aid** to Tigard residents through the Resident Aid Fund of Tigard; and
- ▶ Providing **\$45,000 in Tigard AID** funding to over **230** utility customers.

TIGARD AID



Assistance Programs | Immediate Relief | Delayed Increases

Our allocation of \$7.5 million from the American Rescue Plan Act presents an additional opportunity to support the community. We will invest these funds by adhering to four principles.

1. Pursue intentional, impactful, and immediate community projects.
2. Advance City priorities which includes Strategic Plan priorities and Council Goals.
3. Prioritize fiscal stability to sustain city services.
4. Avoid establishing programs where ongoing funding sources are not identified.

Within these principles, we will identify long-lasting and impactful projects.

A five-year Police Services Levy, which was approved by voters in 2020, is allowing us to add eight critically needed police officers, who make it possible to meet minimum staffing requirements around the clock on three daily patrol shifts. The levy also allows us to add a School Resource Officer, Property and Evidence Specialist, bilingual Records Specialist and provides for all sworn police officers to get advanced training in crisis intervention and de-escalation.

In alignment with our commitment to transparency, we published the first annual report on the Police Services Levy. The report is included on the next page.

Tigard Police Department Update on Police Services Levy



As of June 2021, Tigard Police hired 10 of the 11 levy-funded positions. Originally estimated to take two years, we expect full levy staffing by December 2021.

Year 1 Accomplishments

Hired! 8 Patrol Officers

All levy-funded patrol officer positions have been filled. A mix of experienced officers from other agencies, along with those new to law enforcement, were hired.



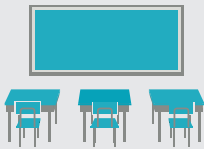
Hired! School Resource Officer (SRO)



The program was on hiatus for most of the school year. After conversations with stakeholders, the Tigard-Tualatin School District voted to continue with a newly structured program. All three SROs, including the newly funded position, will report to schools in September.

1 of 2 Hired! Non-Sworn Positions

The new Property & Evidence Specialist position was filled to process an anticipated increase in evidence gathered by the additional patrol officers and the increase in digital evidence from the body worn camera program.



Underway! Advanced Crisis Intervention / De-escalation Training

Advanced level classes, which must be held in person, were delayed due to COVID. By the end of June, only two officers completed advanced training. However, most officers attended a two-hour virtual de-escalation training.

Now Hiring

Year 2 Plans

Hire Non-Sworn Records Specialist

The Records Specialist position should be filled by December 2021 and will help manage the increased level of officer support needed as a result of the new hires.

New Hires Complete Training

By July 2022, levy hires will have completed the police academy and coaching training, which takes 12–18 months. At that time, they should be off probation and taking calls in 'solo status.'



Decrease Emergency Response Times

For 2020, the average emergency response time was 6:01 – an improvement from the 2019 average of 6:11 and the 2018 average of 6:14. With new officers trained, emergency response times are expected to drop.

COVID-19 contributed to lower traffic levels and decreased response times.



Increase Coverage Across 5 Police Districts

The current level is three or four officers per shift depending on the day of the week. The new minimum coverage will be five officers on the afternoon shift. We expect this will contribute to a reduction in emergency response times.

Complete Crisis Intervention / De-escalation Training

As COVID restrictions lift, officers will complete advanced training. We are in the planning stages to host an advanced crisis intervention course in early 2022.



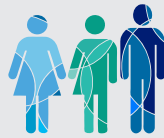
“ Our new levy-funded officers bring a wide range of diverse backgrounds and lived experiences. They represent people who were laid off during COVID, are adopted or have adopted children from different racial backgrounds, speak Spanish and French, have decades of police experience, were born overseas, have masters degrees and come from several states. Our community will be well-served by this new group of guardians! ”

~ Chief Kathy McAlpine

City Report Card – July 2020 to April 2021

Equitable

Staff Diversity



The city's community diversity is

26.9%

16.1% Jun. 2021

12.9% Jun. 2020

12.5% Oct. 2019

10.2% Oct. 2018

8 Graduates from Tigard GOLD



including immigrants, refugees, and US citizens with Iraq, Mexico, Somali & Turkish heritages

\$5.9M

 COVID Relief

TIGARD CARES



\$3.5M for businesses

TIGARD AID



\$2.2M for fees & charges

\$625K for unemployed

\$50K for low-income households

\$125K for businesses

\$1.4M for rate increase delays

RAFT



\$200K for non-profit organization grants

\$90K Community Resiliency for morale activities

Healthy

Grant Funding



\$737K COVID Relief

\$1.6M Small Business Assistance

\$37K Safe Routes to School

\$3.9M Library Cooperative

\$167K Community Policing



Recreation Scholarships Awarded: **17**

3,133 Recreation event participants



City Report Card – July 2020 to April 2021

Walkable



3

locations for the 2nd season of 'Streets for People' which encourages walking and biking. There was one location last year.



66%

of our community can walk to a developed park within 10 minutes

\$4,578

Cost per acre to maintain park land

Accessible



761

Units of regulated affordable housing in the pipeline

23 Accessory dwelling units approved

Increased Social Media Presence

New Followers | Increase Percentage



684 > 10%



703 > 29%



625 > 9%



301 > 22%

Podcast Activity



5,004

Talking Tigard Downloads

454

En Contacto Downloads

Library Programs: 240

6,914 Attendees

1,523

Average number of monthly communications from community

Most Common Topics

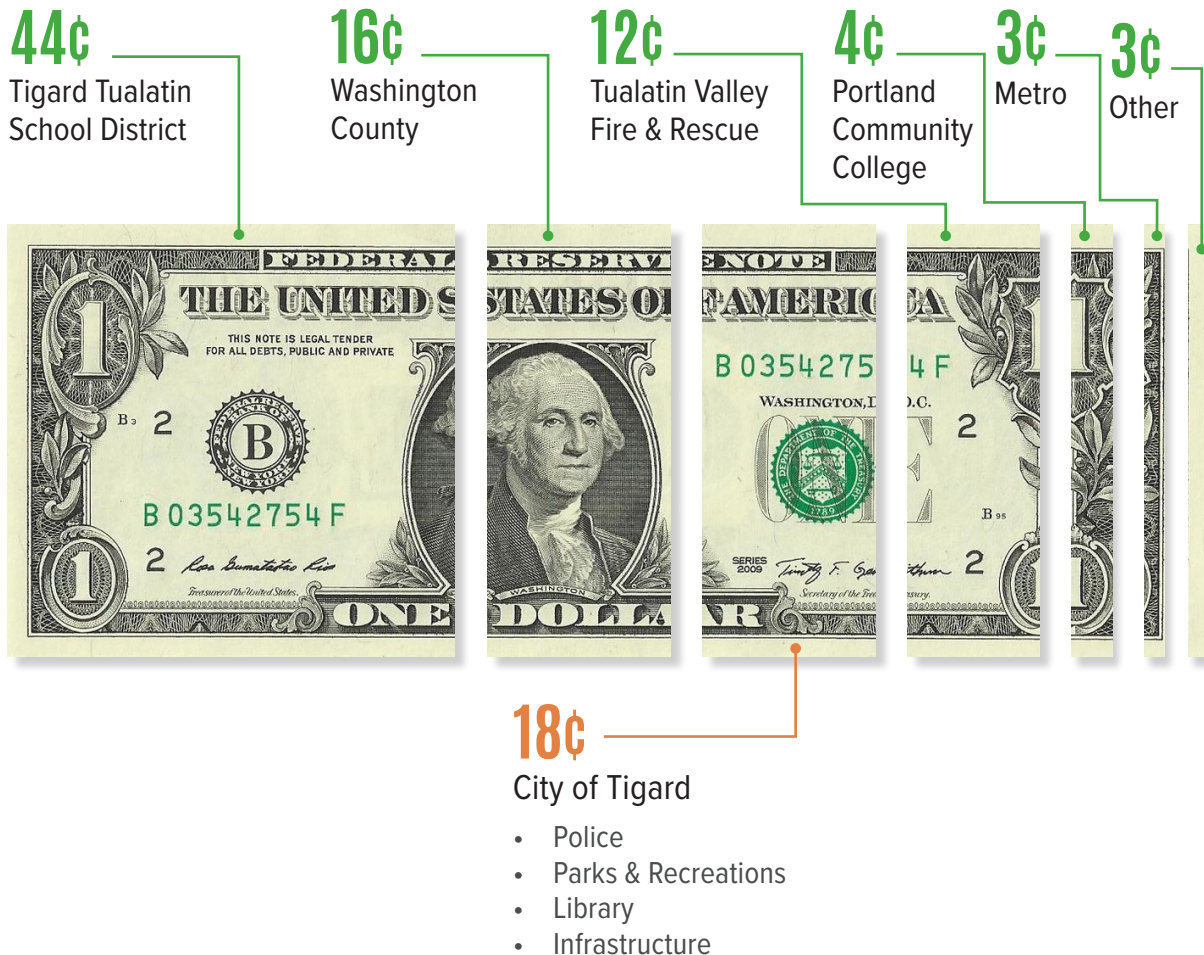


Tigard is Financially Stable

The City of Tigard is financially stable with clean financial audits, a strong credit rating from Moody's and Standard and Poor's, and a history of creating its budget in the most fiscally responsible manner.

During fiscal year 2021, the city continued to work on financial stability by adopting a responsible budget that focused on maintaining what we have, and advancing projects that aligned with our priorities and goals

Where do your tax dollars go?



Your property tax bill consists of various taxing agencies all with different permanent tax rates. The City of Tigard has a permanent tax rate of \$2.5131 per thousand. Compared to other municipalities in Washington County, Tigard has one of the lowest rates.

Financial Information

Financial Trend Summary

The financial data is intended to provide a big picture overview of key financial metrics over the past three years. The information represents the city as a whole. For ease of reading, this data is summarized in ways that are not in accordance with Generally Accepted Accounting Principles (GAAP) and the notes to the financial statements are not provided. The City of Tigard is audited annually and prepares a full GAAP based Annual Comprehensive Financial Report (ACFR).

The latest report is available to readers on the City of Tigard website at <https://www.tigard-or.gov/your-government/departments/finance> Also available on this site is the city's budget document, which provides additional information on the state of the city's finances. For more information about the ACFR or other financial reporting questions, contact the City Hall at 503-639-4171.



What is the General Fund?

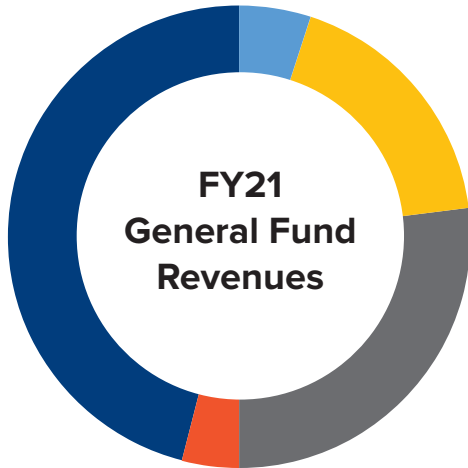
The General Fund is the city's primary operating fund, accounting for resources that have no specific restrictions and are therefore available for general operations. The major services provided by the General Fund resources are Police, library services, parks and recreation and community development.

Property taxes are a major revenue source for Tigard's General Fund, but they don't cover all the costs. For example, in 2020-21 it cost \$17.9 million to operate the Tigard Police Department, but Tigard only received \$17.8 million in property taxes to cover all the General Fund operations, which include police, parks and recreation, library services, and city administration services like finance and planning. The rest of the funding for these services came from fees, licenses, permits,

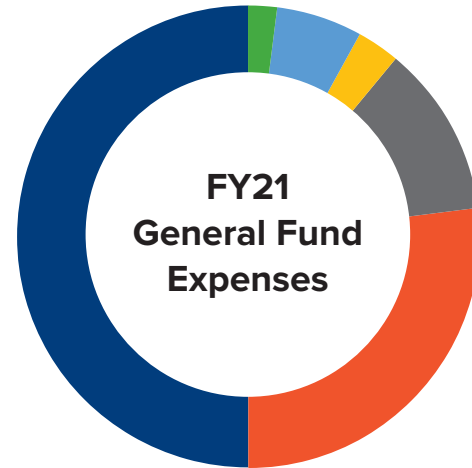
and a variety of federal, state and local sources and grants.

The pandemic continued to affect the General Fund throughout fiscal year 2021. Due to restrictions the court operations were delayed for much of the year. Which has resulted in a backlog of cases that are now being processed. The pandemic also caused a temporary shutdown of the library. Library operations had to slowly add back services to ensure they could keep the Library Team and Patrons safe. As the city was able to develop ways to ensure the safety of its employees and customers it was able to add back services that were discontinued due to the pandemic. The city is on its way to returning to full service levels.

General Fund Revenue & Expenses Charts



- Property Taxes: 46 %
- Intergovernmental Revenues: 27 %
- Franchise Fees: 18 %
- Other Revenues: 5 %
- Licenses & Permits: 4 %



- Police: 50 %
- Library: 27 %
- Community Development: 12 %
- Parks & Recreation: 6 %
- Policy & Administration: 3 %
- Other Expenses: 2 %

Changes in Revenue

- ▶ Property taxes increased with the passage of a public safety tax levy.
- ▶ Operating grants and contributions increased due to receipt of Federal CARES funds in response to the pandemic.
- ▶ Other revenues decreased due to a drop in interest rates and interest earnings.

Changes in Expenses

- ▶ Community Services increased police operations with the receipt of the public safety taxes.
- ▶ Public Works increased due to an increase in engineering and parks activities.

Income Statement

The government-wide Statement of Activities provides information on all of the city's revenues and expenses, with the difference between the two reported as the change in net position.

INCOME STATEMENT - Fiscal Year

	2019	2020	2021
Revenues			
Property Taxes	\$ 19,101,543	\$ 20,325,728	\$ 23,620,200
Charges for Services	\$ 44,156,310	\$ 41,395,994	\$ 43,960,582
Operating Grants and Contributions	\$ 9,594,291	\$ 9,625,070	\$ 13,346,482
Capital Grants and Contributions	\$ 15,553,647	\$ 11,682,010	\$ 11,798,074
Franchise Fees	\$ 6,211,736	\$ 6,360,563	\$ 6,978,783
Other	\$ 7,651,945	\$ 7,398,323	\$ 4,355,009
Total Revenues	\$ 102,269,472	\$ 96,787,688	\$ 104,059,130
Expenses			
Community Services	\$ 23,370,174	\$ 25,961,675	\$ 30,378,435
Public Works	\$ 12,129,476	\$ 9,578,442	\$ 14,035,986
Community Development	\$ 5,146,891	\$ 5,817,188	\$ 6,719,376
Policy and Administration	\$ 3,688,137	\$ 3,383,319	\$ 4,092,081
Interest on long-term debt	\$ 771,834	\$ 760,211	\$ 543,661
Utilities	\$ 23,613,128	\$ 25,895,834	\$ 26,750,633
Total Expenses	\$ 68,719,640	\$ 71,396,669	\$ 82,520,172
Increase (Decrease) in Net Position	\$ 33,549,832	\$ 25,391,019	\$ 21,538,958
Net Position (beginning of year)	\$ 440,549,378	\$ 474,099,210	\$ 499,490,229
Net Position (end of year)	\$ 474,099,210	\$ 499,490,229	\$ 521,029,187

GENERAL FUND COMPARED TO INCOME STATEMENT - Fiscal Year

	2019	2020	2021
Fund Balance	\$ 23,347,315	\$ 27,981,597	\$ 30,919,724
General Fund Balance as a % of Net Position	4.9%	5.6%	5.9%

Balance Sheet as of June 30

The government-wide Statement of Net Position presents information on all the city's **assets**, **deferred outflows** of resources, **liabilities**, and **deferred inflows** of resources with the difference between the four reported as net position.

Net position is divided up into Net investment in capital assets, Restricted (by third parties or by law), and Unrestricted (available to meet the city's ongoing obligations). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. The net position of the city increased by **\$21.5** million for the year ended June 30, 2021.

Assets	2019	2020	2021
Current Asset & Other Assets	\$ 171,103,220	\$ 202,338,469	\$ 222,214,570
Capital Assets	\$ 474,290,112	\$ 472,749,458	\$ 470,389,970
Total Assets	\$ 645,393,332	\$ 675,087,927	\$ 692,604,540

Deferred Outflows of Resources			
Pension & Post Employment Benefits	\$ 4,236,882	\$ 4,120,286	\$ 8,403,748

Liabilities			
Current Liabilities	\$ 18,333,436	\$ 19,660,562	\$ 23,976,030
Long-Term Liabilities	\$ 155,956,261	\$ 158,954,619	\$ 154,225,380
Total Liabilities	\$ 174,289,697	\$ 178,615,181	\$ 178,201,410

Deferred Inflows of Resources			
Pension & Post Employment Benefits	\$ 1,241,306	\$ 1,102,803	\$ 1,777,688

Net Position			
Net Investment in Capital Assets	\$ 326,622,589	\$ 325,063,233	\$ 331,229,676
Restricted	\$ 60,952,396	\$ 84,669,459	\$ 87,507,801
Unrestricted	\$ 86,524,226	\$ 89,757,537	\$ 102,291,713
Total Net Position	\$ 474,099,211	\$ 499,490,229	\$ 521,029,190

Our Net Position



What Does the Net Position Mean for Tigard?

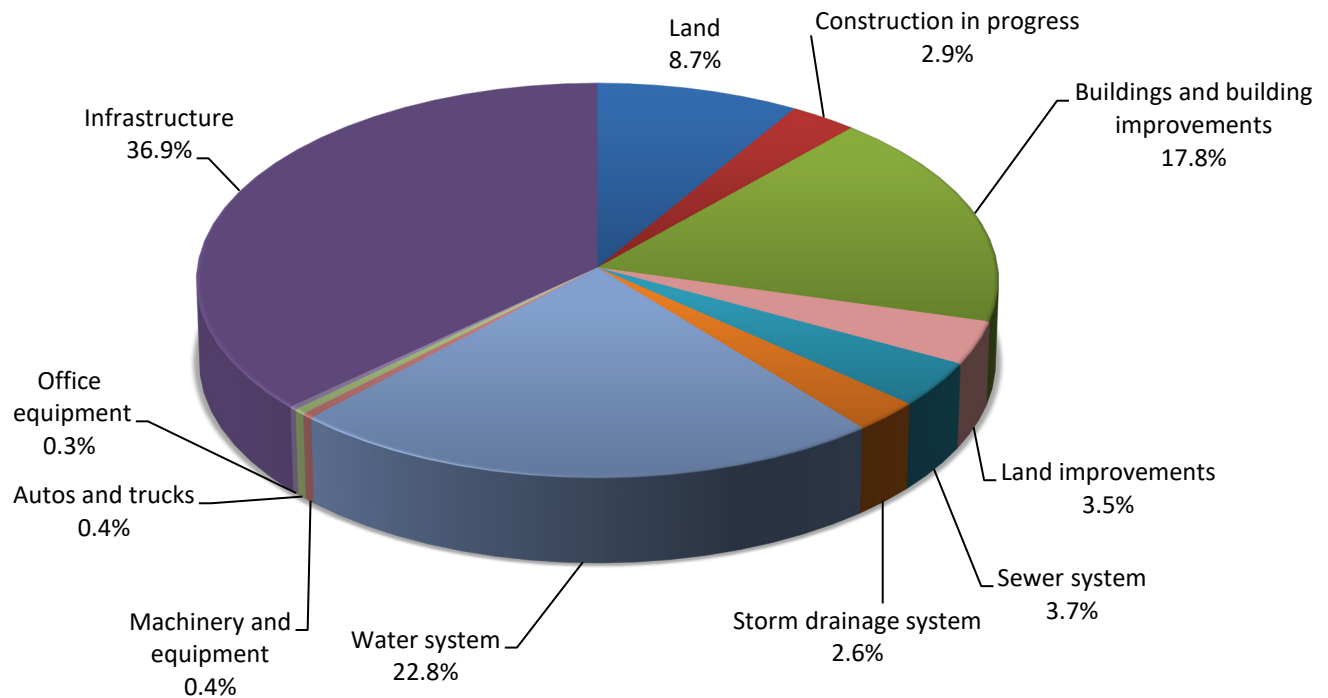
It is important to emphasize that our finances cover a wide range of activities and our General Fund is a small proportion of the total. When looking at Tigard's Net Position, the General Fund, which supports services like Police, Library, and Parks, is only 6.3% of the total. Further, the unrestricted assets in the Net Position are one-time in nature; when they are spent, they are gone. Accordingly, Tigard has a fiscally responsible history of matching ongoing service expenditures with ongoing revenues and use of one-time assets with one-time project expenditures.

Over the last two years the city's net position has increased largely due to increased collections of system development charges (SDCs) and building permit fees. The increased development activity is mainly related to the River Terrace area. In the coming years these restricted funds will be used to offset the expense of capital projects within the city. When these projects occur, it is likely that the city will experience a decrease in net position.

Capital Assets

Capital Assets - Fiscal Year	2019	2020	2021
Land	\$ 38,355,999	\$ 38,355,999	\$ 40,903,642
Construction in progress	\$ 7,829,908	\$ 11,432,606	\$ 13,651,277
Buildings and building improvements	\$ 88,059,108	\$ 85,525,398	\$ 83,559,330
Land improvements	\$ 15,109,802	\$ 17,121,214	\$ 16,556,832
Sewer system	\$ 18,651,593	\$ 17,905,816	\$ 17,352,721
Stormwater system	\$ 12,374,258	\$ 12,481,961	\$ 12,150,930
Water system	\$ 113,087,699	\$ 110,349,547	\$ 107,268,183
Machinery and equipment	\$ 2,325,559	\$ 2,099,398	\$ 2,080,715
Autos and trucks	\$ 1,800,289	\$ 1,913,916	\$ 2,059,481
Office equipment	\$ 2,092,324	\$ 1,748,428	\$ 1,377,364
Infrastructure (Streets, Sidewalks, Trails)	\$ 174,603,573	\$ 173,815,175	\$ 173,429,485
Total Capital Assets	\$ 474,290,112	\$ 472,749,458	\$ 470,389,960

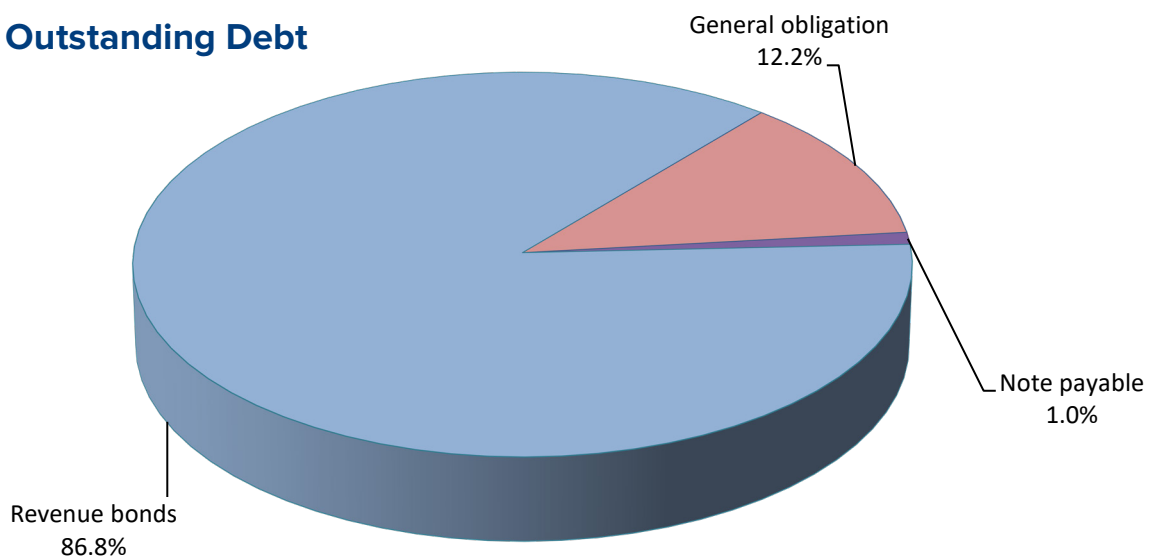
FY 2021 Capital Assets



Debt / Glossary

Type of Debt - Fiscal Year	2019	2020	2021
General obligation	\$ 16,094,594	\$ 19,870,531	\$ 17,657,088
Local improvement	\$ 28,419	\$ -	\$ -
Bank loan payable	\$ 780,000	\$ -	\$ -
Note payable	\$ 1,695,942	\$ 1,585,637	\$ 1,472,023
Revenue bonds	\$ 131,055,590	\$ 128,254,644	\$ 125,917,499
Total Outstanding Debt	\$ 149,654,545	\$ 149,710,812	\$ 145,046,610

FY 2021 Outstanding Debt



Glossary

Assets

Items owned by the city.

Capital Assets

Assets with a life extending beyond the current year that are intended to continue to be used over time, such as land, buildings, vehicles, machinery, infrastructure, and other equipment.

Deferred Inflows of Resources / Deferred Outflows of Resources

Deferrals are not assets or liabilities and are not revenues or expenses. Deferrals represent flows of resources into and out of a government during the current fiscal year but are related to future periods; such as pensions.

Expenditures

City purchases using revenue and/or borrowed funds.

Liabilities

Planned future spending that results from past transactions and/or events such as obtaining an item without yet paying for it.

Net Investment in Capital Assets

Consists of capital assets (roads, water pipes, land), net of costs to acquire, construct, or improve those assets.

Net Position

Net Position is the difference between what the City owns and what the City owes. Positive net position balances indicate a measure of financial stability.

