

# READER'S GUIDE

## USER'S GUIDE TO THE BUDGET DOCUMENT

The budget document describes how the City of Tigard plans to meet the needs of the community through the investment of its financial resources. It is also a resource for community members interested in learning more about the operation of their city government.

The city budget fulfills several functions:

- **Policy Document:** Through the annual budget process, city operations and processes are reviewed in a comprehensive manner. The city reviews the needs of the community, priorities, and goals, and then matches resources against those needs, priorities, and goals. Resources are limited, so choices must be made. The annual budget reflects those choices.
- **Operations Guide:** It identifies work programs and goals to be achieved for each city department or division in the coming fiscal year.
- **Financial Plan:** It establishes guidelines that the city uses to measure and control expenditures and to track its revenues.
- **Communication Device:** It explains the various demands, needs, constraints, resources, and opportunities the City of Tigard faces. It communicates the choices made and the direction in which the city is headed.

The budget document has been organized to assist the reader in understanding how and why the city budgets its financial resources and to provide summary level information at the beginning of the budget document with more detailed information at the end. Each section of the document is also arranged in this manner.

The City of Tigard's budget document is divided into the following sections:

### Introduction

The Introduction contains the Budget Message from the City Manager. As the City's Budget Officer, this introductory letter summarizes the major provisions that have been included in the FY 2024-25 Adopted Budget. It provides a highlight of priorities examined and how decisions presented support the community priorities, the City Council's goals, Community Promise, and our commitment to fiscal responsibility. This section also contains the Budget in Brief, explains the budget process, community profile, and department overviews. This section provides what the council plans to focus on through 2024-25, providing the foundation and direction for many of the choices made in constructing this budget.

# USER'S GUIDE TO THE BUDGET DOCUMENT • READER'S GUIDE

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## Reader's Guide

The Reader's Guide provides an overview of the budget process, the basis of budgeting, and the budget structure. This section is designed to help familiarize the reader with the city and the budget. This section also includes an organization chart.

## Policy & Administration

This section is a grouping of the programs for the Mayor and Council, City Attorney, and City Recorder. It includes budget appropriations and descriptions of the departments, accomplishments, and goals for the upcoming year.

## Engagement & Innovation

This program includes a portfolio of departments which advance community engagement and service, while optimizing operational efficiency and innovation. Departments included are City Management, Communications, Human Resources & Risk Management, and Library. Information Technology was previously located in this section and can now be found within Investment & Infrastructure. The section includes budget appropriations and descriptions of the departments, their associated divisions, accomplishments, and initiatives.

## Investment & Infrastructure

This program includes a portfolio of departments whose focus is public services and financial management. This portfolio delivers excellence in livability and access to community members and businesses. Departments included are Community Development, Finance & Court, Fleet & Facilities, Information Technology and Public Works. The section includes budget appropriations and descriptions of the departments, their associated divisions, accomplishments and initiatives.

## Tigard Police

The Police organization is presented in this budget separately, as its own program. Police includes budget appropriations, descriptions of the divisions within the Police organization, their accomplishments, and initiatives for upcoming year.

## Capital Improvement Plan

This section provides information about the city's six-year (2025-2030) capital improvement program. It includes details about major construction and capital acquisition projects that are planned during FY 2024-25 as well as projections of capital needs.

## Budget Summary

The Budget Summary is designed to give the reader an overall view of the entire city budget. This section contains summary charts and information to provide a one-stop picture of the budget. These high-level summaries provide an easy reference for overall city trends and conditions. This section also presents the Comprehensive Long Term Financial Forecast. The Financial Forecast projects city revenues and expenses for all of the city's funds over the next five years, based on current conditions. The city uses the forecast to identify future trends, inform City Council policy direction regarding the provision of services and any needed corrective action to maintain the fiscal health of the organization, and to forecast the success of those corrective actions and current financial efforts.

### Revenue Analysis

The Revenue Analysis section contains information about the city's primary sources of revenue across all funds. This section explains Oregon's property tax system and summarizes the City of Tigard's property tax revenues and assessed valuation. This section also provides background and historical trend information for each of the city's major revenue categories.

### Program Summaries

The city's operating budget is organized by major functional program areas: Engagement & Innovation, Investment & Infrastructure, Police, and Policy & Administration (Mayor & City Council, City Attorney and City Recorder). Each functional area contains several operating departments and their associated budget units. This section includes expenditures by program, historical budget summaries and details of staffing level changes.

### Debt Service

The Debt Service section presents information on the city's outstanding long term debt. This section shows current and future debt service requirements, calculations of debt ratios, the comparison to statutory debt limitations, and debt service schedules.

### Fund Summaries

The Fund Summaries section shows the city's fund structure and detailed fund reconciliations for each fund managed by the city. A fund is a self-balancing set of accounts and is used to track revenues and expenditures for specific operations. Under Oregon law and "accounting principles generally accepted in the United States of America," revenues and expenditures of individual funds may not be co-mingled. This section shows current and historical information on the resources and requirements of each of the city's funds. Beginning fund balances for FY 2025 have been estimated from current fund forecasts and may not match the previous estimated ending fund balances.

### Appendix

The Appendix section contains a variety of other budget-related information to assist the reader, such as schedule of appropriations, the city's financial policies, a glossary of terms used in the budget, staffing summary, salary schedules, and a schedule of interfund transfers. This section also includes a listing of advisory board and committee members.

### Town Center Development Agency (TCDA) Budget

The TCDA, which is the City's Urban Renewal Agency has a separate budget document that can be found on the City's website: [www.tigard-or.gov/your-government/council/town-center-development-agency](http://www.tigard-or.gov/your-government/council/town-center-development-agency).

### BUDGET PROCESS

The annual budget process begins several months prior to adoption. In November, the city's Budget team completes a five-year forecast of all revenues, expenditures, and fund balances. The forecast takes the budget and known future changes in fees, technology, laws, and impact of capital construction on operating costs. The forecast does not assume future decisions in staffing levels or proposed programs. By producing a forecast on known items, it allows the city to see the size of decisions that need to be made. As the city works through the budget process in the following months, the forecast is continually updated.

The City Manager reviews the forecasts for all funds and directs which future expenditures must be postponed or eliminated to ensure a stable financial future, but still provide the necessary resources to continue to provide current services at the same level of service in the future and accomplish city goals that are set by council.

Budget parameters and guidelines for the coming fiscal year are set in relation to the finalized five-year forecast. Guidelines can include additional or reduced staffing allowed in the budget requests, changes in programs, equipment replacement, etc. In January, department staff prepare their requested budgets for the coming fiscal year. The budget requests include the necessary resources to sustain service levels.

After departments submit their requested budgets, the Finance team and City Manager review the requests and meet with the departments to discuss the requests and obtain additional information to assist with their analysis. In March, the Finance team finalizes their budget analyses and meets with the City Manager to review the outcomes from the analyses. The City Manager, with Finance support, meets with department directors to review the requests. The City Manager then makes decisions on the requested budgets, which are then incorporated into the proposed budget.

In April, the City Manager presents the proposed budget to the Budget Committee. The Budget Committee, in accordance with Oregon Budget Law, is made up of the City Council and an equal number of community members. In Tigard's case, the Budget Committee comprises the Mayor, four council members, and five Tigard community members. All budget meetings are open to the public and are required to be advertised. At each budget meeting, time for public comment and input is provided. After all input has been received, the Budget Committee approves the budget with any changes and forwards it to the City Council for adoption.

In June, the City Council holds another public hearing to allow for additional public comment. After the public hearing, the approved budget is adopted by City Council resolution. The adopted budget takes effect on July 1. According to Oregon Budget Law, a budget must be adopted prior to July 1.

The following table summarizes the overall Budget Timeline.

<b>Budget Timeline</b>	
<b>November</b>	<ul style="list-style-type: none"> <li>• Finance team updates the five-year revenue and expenditure forecasts and sets growth trends and baselines.</li> <li>• City Manager reviews forecasts and sets guidelines and policy.</li> <li>• City Council establishes goals every two years.</li> <li>• Finance team prepares budget instructions, provides training as required, and distributes budget guidelines to departments.</li> </ul>
<b>December - January</b>	<ul style="list-style-type: none"> <li>• Departments prepare budget requests for review by Finance team.</li> <li>• Finance team reviews requests and prepares budget analysis.</li> <li>• Departments and Finance review budget requests.</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>• The five-year forecast is updated based on requested budget amounts and projections for the current fiscal year.</li> <li>• Requested budgets and budget analyses are submitted to the City Manager. Budget discussions between the City Manager, department directors, and Finance team take place.</li> </ul>
<b>March - April</b>	<ul style="list-style-type: none"> <li>• Finance team updates five-year forecast based on proposed budget.</li> <li>• The proposed budget document is produced by Finance team.</li> <li>• Budget Committee meetings are advertised.</li> </ul>
<b>April - May</b>	<ul style="list-style-type: none"> <li>• The City Manager’s proposed budget is submitted to the Budget Committee. Public meetings are held to present the proposed budget to the Budget Committee to discuss and to allow community comment. The Budget Committee makes changes and then approves the budget before forwarding it to the City Council for adoption.</li> <li>• Finance team updates five-year forecast based on approved budget and revised projections for current fiscal year revenues and expenditures.</li> <li>• Public Hearing Notice for Budget Adoption is advertised.</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>• A public hearing before City Council is held to allow the community to comment on the approved budget. After the public hearing, the Approved Budget is adopted by City Council resolution.</li> <li>• Finance team updates the five-year forecast based on adopted budget.</li> </ul>
<b>July</b>	<ul style="list-style-type: none"> <li>• The adopted budget document is produced by the Finance team.</li> <li>• The adopted budget takes effect.</li> </ul>

## BUDGET PROCESS & BASIS OF BUDGETING • READER'S GUIDE

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### Budget Revision Procedures

Oregon Local Budget Law establishes procedures to revise the budget as events occur after budget adoption. The type of event determines the procedures to be followed.

### Budget Amendment

The adopted budget appropriates contingencies in several funds. As allowed by Oregon Local Budget Law, contingencies cannot be used unless transferred to a specific appropriation by Council Resolution amending the budget.

Budget amendments during a fiscal year cannot exceed 10% of fund appropriations without approval of a supplemental budget.

### Supplemental Budgets

In accordance with Oregon Local Budget Law, a supplemental budget is required to appropriate increased resources within a fund (except for gifts, grants, and donations), or if total budget amendments in a fund exceed 10% of the original adopted appropriations. If at least ten taxpayers make a written request within ten days of the notice, the council must refer the supplemental budget to the Budget Committee prior to consideration and action.

## BASIS OF BUDGETING

The basis of budgeting is largely the same as the basis of accounting with a few exceptions. Budgets are prepared in accordance with the modified accrual basis of accounting for Governmental Fund Types. Proprietary Fund Type budgets follow the accrual basis of accounting, with the exception that depreciation is not shown as a budgetary expense. Proprietary funds also accrue compensated absences when incurred and become a fund liability. In the governmental funds, compensated absences are paid from current resources and are reported as an expenditure in the year they are paid. And finally, both governmental and proprietary funds show debt service proceeds as a resource and debt service payments as an expense under the budgetary basis of accounting.

Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget. Annual appropriations lapse at the end of each fiscal year (June 30). The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount), is established at the program level within each individual fund. The city maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

## FUND STRUCTURE

The City of Tigard uses various funds to account for its revenues and expenditures. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. 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. City operations budgeted in the General Fund include Police, Library, Parks, Planning, and Mayor and Council. In FY 2024-25, the city will use the following fund types:

**General Fund** accounts for resources not accounted for in other funds. These resources support most central business services, public safety services, cultural/leisure services, and some public development services.

**Enterprise Funds** account for goods or services which are provided on a continuing basis to the general public and are financed primarily through user charges. Enterprise funds in Tigard include: Sanitary Sewer, Stormwater, Water, Water CIP, Water Debt Service, Water Quality/Quantity, and Water SDC.

**Special Revenue Funds** account for restricted resources designated for specific uses. In Tigard, these funds are Building, City Gas Tax, Construction Excise Tax, Criminal Forfeiture, Electrical Inspection, Gas Tax, Library Donations & Bequest, Pandemic Relief, Parks Bond, Parks SDC, Parks Utility, Police Levy, Street Maintenance Fee, Transient Lodging Tax, Transportation Development Tax, Transportation SDC, Transportation TNC, Underground Utility, and Urban Forestry.

**Debt Service Funds** account for the accumulation of resources for the payment of debt principal and interest. Bancroft debt service and general obligation debt service fall into this category.

**Capital Project Funds** account for financial resources for the acquisition, construction and maintenance of capital facilities. These funds include Facilities Capital Projects, Parks Capital, and Transportation CIP.

**Internal Service Funds** account for goods or services provided internally from one department to another. The Central Service, Facilities Replacement, Fleet/Facilities, Fleet/Vehicle Replacement, Insurance, Information Technology Replacement, Public Works Administration, and Public Works Engineering are the eight internal service funds in Tigard.

A Summary of All Funds is provided in the Budget Summary section to present each of the funds' resources and requirements as budgeted and a more detailed breakdown is shown in the Fund Summaries section. Resources include beginning fund balances, current revenues and transfers in from other funds. Requirements include operating expenditures, debt service, loans, capital improvements, transfers out to other funds, contingencies, and ending fund balances or reserves. The FY 2024-25 budget is a balanced budget where total resources equal total requirements in each fund.

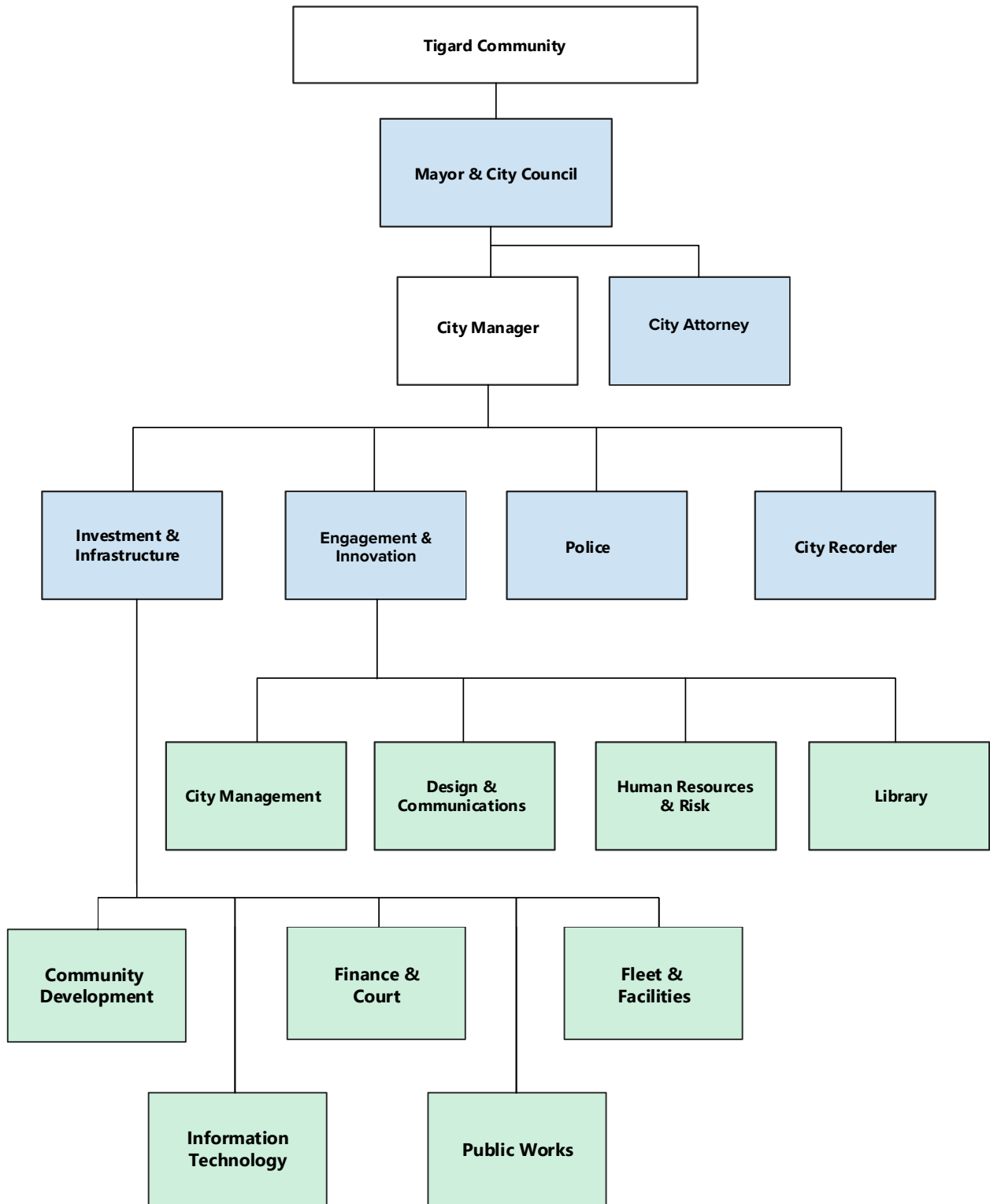
## PROGRAM STRUCTURE

The city adopts and manages its budget by program. Each program is an aggregation of departments and their divisions that are similar in nature or function.

Program	Department	Division																						
<b>Mayor &amp; City Council</b>	Mayor & City Council	Mayor & City Council																						
<b>City Attorney</b>	City Attorney	City Attorney																						
<b>City Recorder</b>	City Recorder	City Recorder																						
<b>Police</b>	Police	Administration Operations Services																						
<b>Engagement &amp; Innovation</b>	City Management Design & Communications Human Resources & Risk Management Library	City Management Design & Communications Human Resources Risk Management Library Administration Library Readers Services Library Technical Services Library Circulation Social Services & Community Event Grants																						
<b>Investment &amp; Infrastructure</b>	Community Development Finance & Court Fleet & Facilities Information Technology Public Works	<table border="0"> <tr> <td>Planning</td> <td>PW Administration</td> </tr> <tr> <td>Building</td> <td>Parks Maintenance</td> </tr> <tr> <td>Economic Development</td> <td>Recreation</td> </tr> <tr> <td>Finance Administration</td> <td>Street Maintenance</td> </tr> <tr> <td>Financial Operations</td> <td>Street Lights &amp; Signals</td> </tr> <tr> <td>Utility Billing</td> <td>Engineering</td> </tr> <tr> <td>Contracts &amp; Purchasing</td> <td>Water</td> </tr> <tr> <td>Tigard Municipal Court</td> <td>Sanitary Sewer</td> </tr> <tr> <td>Fleet</td> <td>Stormwater</td> </tr> <tr> <td>Facilities</td> <td>Surface Water Management</td> </tr> <tr> <td>Information Technology</td> <td></td> </tr> </table>	Planning	PW Administration	Building	Parks Maintenance	Economic Development	Recreation	Finance Administration	Street Maintenance	Financial Operations	Street Lights & Signals	Utility Billing	Engineering	Contracts & Purchasing	Water	Tigard Municipal Court	Sanitary Sewer	Fleet	Stormwater	Facilities	Surface Water Management	Information Technology	
Planning	PW Administration																							
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Financial Operations	Street Lights & Signals																							
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Tigard Municipal Court	Sanitary Sewer																							
Fleet	Stormwater																							
Facilities	Surface Water Management																							
Information Technology																								



# PROGRAM ORGANIZATIONAL CHART



# PROGRAM BUDGET STRUCTURE

A breakdown of each of these programs, departments, and budget units' expenditures can be found in the individual program sections.

In addition to the operating programs, the budget includes the following functions:

- Debt Service includes appropriations for interest and principal on all types for debt, i.e. general obligation, local improvement districts, loans, and both short term and long-term debt for construction projects.
- Loans to the Town Center Development Agency (TCDA), the city's urban renewal district, are for catalyst projects in the downtown and Tigard Triangle plans. As the Urban Renewal District generates more tax increment financing revenues in the future, it will be able to finance its own projects. Until then, the city may loan monies to the TCDA, which will be repaid as outlined in the intergovernmental agreement between the two entities.
- Capital Improvement includes appropriations for all major construction project expenditures. Capital improvement projects are included in the long-range plan for city facilities and infrastructure.
- Transfers will be made between funds when the revenue received in one fund for an expense that occurs in another fund or when city functions have more than one funding source. Another primary reason for transfers is for a fund to pay for services provided by another fund.
- Contingency includes allowance for unforeseen needs that have not been planned for in the current budget and some reserves. Contingency can only be accessed by City Council resolution.