

City of Tualatin

Budget in Brief

**Fiscal Year
2023/24**



www.tualatinoregon.gov



Message from the City Manager

Dear Tualatin Community Members,

Every year as I sit down to write the budget message, I am reminded of all the great services and important projects that have been accomplished this year, and am confident that the upcoming year will be even better, with many exciting projects and programs planned.

I am excited to present our Budget in Brief for the fiscal year 2023/2024 which provides a simplified overview of the City's 265 page budget and includes where our money comes from, how it is spent, budget highlights, approved capital projects, transportation updates and general information about the City. A full copy of the budget is available on our website at www.tualatinoregon.gov/finance.

As we enter into the fifth, and final, year of the Tualatin Moving Forward Program, the transportation bond program that was approved by voters in 2018, we celebrate all of the completed projects that meet the goals of congestion relief, neighborhood safety, and safe access to schools and parks. See the Transportation Bond Update on page 11 for completed and upcoming projects. With your support of this much needed program, we have been able to make Tualatin's transportation systems safer and more accessible. This coming year we will be updating our Transportation System Plan, which will be a valuable follow-up to Tualatin Moving Forward.

In April, we sold the first \$15 million of the \$25 million Parks Bond that was passed in November by Tualatin voters. Due to the City's strong Aa1 bond

rating, and good market timing, the bonds sold at a premium, netting the City a little over \$17.1 million for parks projects. We are now moving forward with design work on the Veterans Plaza, design of a new Tualatin River access point, and many other exciting projects.



The City is budgeting **\$153,629,340** for fiscal year 2023/2024. This includes the transportation and parks improvements mentioned above, the renovation of Stoneridge Park, utility projects which help provide water to the Basalt Creek area and a new affordable housing project, and many other capital improvement projects. The budget also includes funding for implementation of the Climate Action Plan, continuing our Diversity, Equity and Inclusion work (both of which are tied to City Council vision and priorities), continuing participation in the Mental Health Response Team, and beginning a website redesign project. This year, we have also added a new four-legged employee to our Police roster by the name of Onyx who was donated to us by Working Dogs Oregon. He is trained for use as a wellness, community outreach, victim support and crisis response therapy canine.

The City Council unanimously adopted the budget on June 26. I am proud of the work that has gone into the City's budget.

Thank you for being part of this great community and reading this report.

Sherilyn Lombos





Mayor and City Councilmembers

The Budget Committee

City Council Members

Frank Bubenik, Mayor
Valerie Pratt, Council President
Bridget Brooks
Octavio Gonzalez
Cyndy Hillier
Maria Reyes
Christen Sacco

Citizen Members

Chris Brune
Alyssa Colon
John Hannam
Kelly Horsford
Elizabeth Michels
Joseph Tanous
Brittany Valli
Ryan Wilson, Student

Executive Management Team

Sherilyn Lombos, City Manager
Megan George, Deputy City Manager
Ross Hoover, Parks & Recreation Director
Don Hudson, Assistant City Manager/Finance Director
Kim McMillan, Community Development Director
Greg Pickering, Police Chief
Bates Russell, Information Services Director
Stacy Ruthrauff, Human Resources/Volunteer Services Director
Rachel Sykes, Public Works Director
Jerianne Thompson, Library Director/Equity and Inclusion Officer
Kevin McConnell, City Attorney

2030 VISION



The Tualatin City Council holds a focused goal setting workshop in odd numbered years to create a long-term vision and provide staff with priorities for shorter-term goals. Executive staff take the vision statements and high-level goals to guide work plans and priorities when completing the annual budget. Many of the goals highlighted in the Expenditures section of the budget document are guided by the Council vision and goals.

ADOPTED BUDGET HIGHLIGHTS

The 2023/24 adopted budget includes many new and continuing projects. Here are a few of the highlights:

- Continue completing projects financed from the 2018 **Transportation Bond Program, Tualatin Moving Forward**; finish the program this year with construction of pedestrian, cyclist, and traffic flow improvements along Boones Ferry Road from Martinazzi Avenue to the southern City limits, Tualatin-Sherwood Road from Martinazzi Avenue to I-5, Hwy 99W from 124th Avenue to the Pony Ridge neighborhood, on the Sagert Street Bridge over I-5, and on 67th/68th Avenues.
- Start planning and designing the exciting new **Tualatin River access facility**.



- Coordinate with Republic Services and Washington County to promote the rollout of **curbside composting** services for eligible residential households.
- Complete design of the next phase of the **Martinazzi sewer trunk upsizing** and stormwater projects in the **Siuslaw and Zidell pond** areas.
- Complete construction of **capital projects**, including Herman Road bike and pedestrian improvements, B-Level water main upsizing, and the 65th/Nyberg Sewer main repair.
- Construct the **18" waterline** in Boones Ferry Road.
- Implement a **sewer lining program** which will reline sewer pipe, prolonging the life of the pipe an estimated 50 years.

- Begin construction on the **Veterans Plaza** at the Tualatin Commons
- Continue design of the **Tualatin River Greenway Trail Extension**



- Begin **Unregulated Contaminate Monitoring Rule 5 (UCMR5)** testing of our water system, which is an Environmental Protection Agency (EPA) program.
- Continue to install **American with Disabilities Act (ADA) compliant curb ramps** to improve accessibility in coordination with road projects.
- Complete the **Herman Road Extension** Construction Project.
- Finish the **Atfalati Park picnic shelter addition**.



- Manage relocation of water and sewer utilities in coordination with Washington County on their project to widen Tualatin-Sherwood Road from Teton Avenue to Sherwood.

WHERE THE MONEY COMES FROM

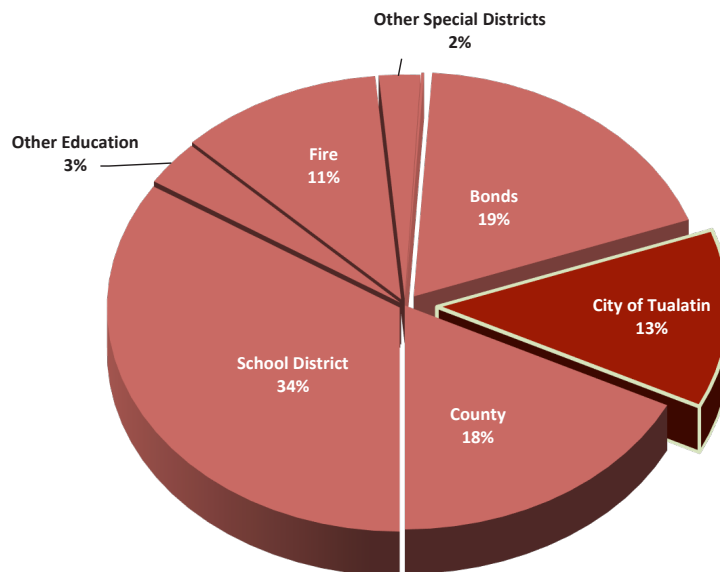
Adopted Revenues by Source

	FY 22/23	FY 23/24
<i>Beginning Fund Balance</i>	69,826,615	86,655,535
Property Taxes	14,665,205	16,957,110
Licenses, Permits & Fees	9,592,690	10,400,245
Intergovernmental Revenue	13,999,155	11,224,430
Fines & Forfeitures	1,331,000	976,000
Charges for Service	22,655,375	15,409,655
Transfers and Other	26,481,325	9,156,405
Investment Earnings	706,305	2,849,960
Total Resources	159,257,670	153,629,340

TAX COMPARISONS

City	Tax Rate
Lake Oswego	\$4.9703
Beaverton	\$4.6180
Sherwood	\$3.2975
Wilsonville	\$2.5206
Tigard	\$2.5131
Tualatin	\$2.2665
West Linn	\$2.1200

Annual property taxes are based on the assessed value, as opposed to the market value, of a property. The average Tualatin homeowner pays \$17.52 per \$1,000 of assessed value; homeowners with an assessed value of \$300,000 would pay property tax of \$5,256 annually. Of this amount, the City of Tualatin receives approximately 13% or \$683. The remaining is allocated to other entities, such as the County, school districts, and the fire district.



REVENUES

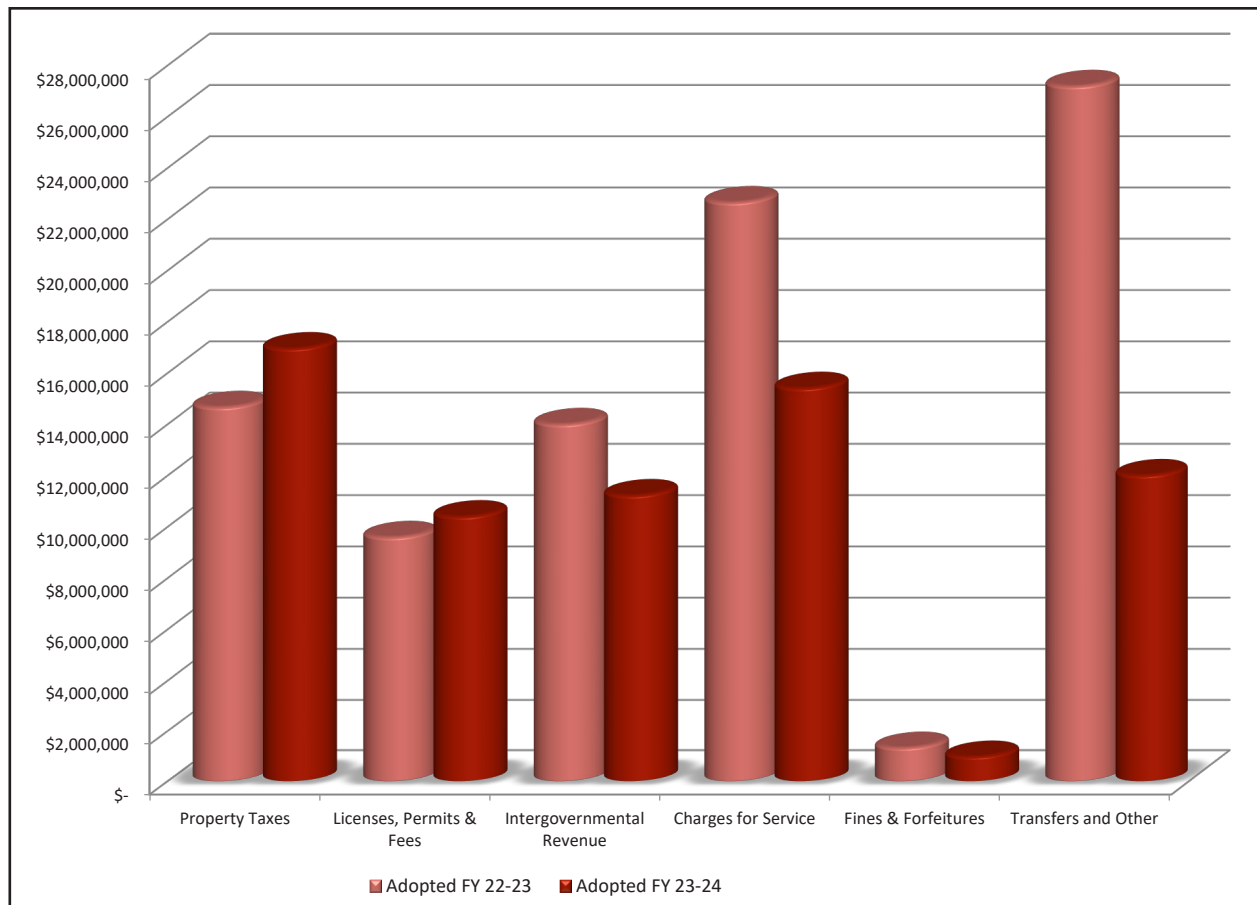
Revenues continue to have overall stability but due to one-time anomalies, some revenue categories have seen a decrease from FY 2022/23. One of these is revenues that are collected and then passed on to Clean Water Services; these are no longer being recorded as revenues, resulting in a 31.98% decrease in the Charges for Service category. The second anomaly is a 19.82% decrease in intergovernmental revenues which is mainly due to one-time grants and contributions for projects in the current year including American Rescue Plan Act funds, the Mental Health Response Team federal grant reimbursement, and funding for the acquisition of park property in Basalt Creek under Metro's Greenspace funds. The Fines and Forfeitures category is decreasing due to impacts of the Tualatin-Sherwood Road widening project on one of the City's red light camera enforcement intersection.

The Transfers and Other category also includes a one-time anomaly in FY 2022/23 for the recording

of the proceeds from the sale of general obligation parks bond. If this one-time revenue is removed, Transfers and Other is actually increasing 22.01% due to the significant increase in investment earnings for the upcoming year, as interest rates on investments continue to rise.

The largest revenue source is property tax revenues and increases are expected from several sources including continued development throughout Tualatin generating higher than 3% growth in assessed value (AV), and property tax revenue from the levy of our outstanding general obligation bonds. With the sale of the Parks Bond, our bond levy is increasing by \$0.29 per \$1,000 of assessed value and is largely responsible for the 15.63% increase in budgeted property tax revenues.

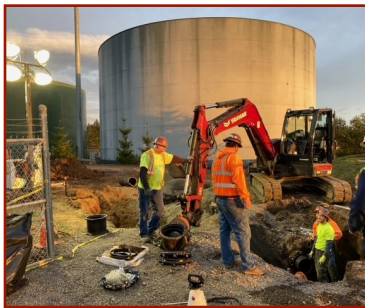
The Licenses, Permits & Fees category is increasing 8.42%, which is mainly due to the increase in development, particularly the Autumn Sunrise subdivision on the south end of the City.



WHERE THE MONEY GOES

Adopted Requirements by Object

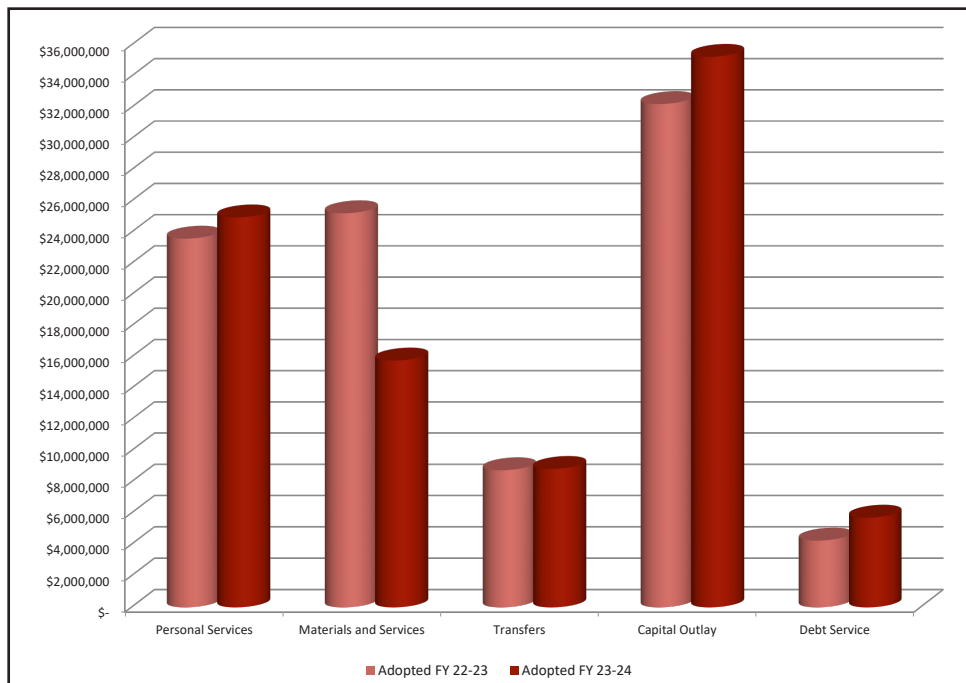
	FY 22/23	FY 23/24
Personal Services	23,595,045	24,956,185
Materials & Services	25,221,385	15,783,365
Transfers	8,749,875	8,837,140
Capital Outlay	32,221,005	35,249,055
Debt Service	4,243,820	5,713,305
Contingencies & Reserves	65,226,540	63,090,290
Total Requirements	159,257,670	153,629,340



FY 2023-2024 Budget



<https://www.tualatinoregon.gov/finance/>



EXPENDITURES

The budget for what the City will spend in this fiscal year (total requirements less contingency, reserves and unappropriated fund balances) equals **\$153,629,340** which is a 3.53% decrease from the previous year.

The **Personal Services** budget increased 5.77% over last year. This increase includes the Public Employees Retirement System (PERS) rate increase which the PERS Board sets every two years, and health and dental coverage increases, which came in lower than expected, allowing us to manage the increase in this category. The increase also includes the addition of a new project manager position to help manage the projects funded by the recently passed parks bond.

Materials and Services are decreasing 37.42% overall, due in large part to the change in accounting of Clean Water Services (CWS) revenues which in turn affects the expenditures related to CWS. Removing the impact of this change, we will see a nominal 0.44% increase for Fiscal Year 2023/2024. Even with a nominal increase in materials and services, we are able to fund the implementation of our Climate Action Plan, continue our

Diversity, Equity, and Inclusion work (both of which are tied to City Council vision and priorities), continue our participation in the Mental Health Response Team, and begin a website redesign project. We are also able to fund a contract lobbyist to help manage state and federal issues that affect us, and help identify potential funding sources through grants and other state and federal programs. A one-time analysis project for our pavement maintenance program and the appropriate pavement condition index is being funded as well as funds to help identify changes that may be needed in the coming years to our technology infrastructure.

The **Capital Outlay** budget increased by 9.40% due to many exciting projects including over \$8 million of transportation projects such as sidewalk infill on Boones Ferry Road, improvements on Herman Road between 124th Avenue and Cipole Road, sidewalks on Highway 99 by the Pony Ridge subdivision, and improvement on Tualatin-Sherwood Road between Martinazzi Avenue and Interstate 5 which will enhance traffic flow. It also includes the Stoneridge Park Renovation project and Parks Bond projects.

For a complete list of projects, check out the budget at <https://www.tualatinoregon.gov/finance>.

TRIPLE CROWN AWARD

The City of Tualatin has been awarded the Triple Crown Award by the Government Finance Officers Association (GFOA). GFOA's Triple Crown recognizes governments who have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award.



CAPITAL IMPROVEMENT PLAN

The City of Tualatin's Capital Improvement Plan (CIP) establishes, prioritizes, and plans funding for projects to improve existing, and develop new, infrastructure and facilities. The plan promotes efficient use of the City's limited financial resources, reduces costs, and assists in the coordination of public and private development.

The City's CIP is a five-year road map which identifies the major expenditures beyond routine annual operating expenses. While the CIP serves as a long-range plan, it is reviewed and revised annually. Priorities may be changed due to funding opportunities or circumstances that cause a more rapid deterioration of an asset.

Categories in the CIP include utilities, transportation, facilities and equipment, parks and recreation, and technology.



For more information on the capital improvement projects or to view the complete Capital Improvement Plan, visit our website at: <https://www.tualatinoregon.gov/engineering/capital-improvement-plan-cip>



Capital outlay for FY 2023/2024 equals \$35,249,055. Here are a few of the projects that will be started or completed this year:

- ✔ Tualatin River Greenway Trail Extension
- ✔ Veterans Plaza
- ✔ Hwy 99 Boat Ramp
- ✔ Basalt Creek Park Land Acquisition and Site Planning
- ✔ B Level Water Transmission Upsizing
- ✔ Boones Ferry Sidewalk Infill
- ✔ Tualatin-Sherwood Road: Martinazzi Avenue to I-5
- ✔ Stoneridge Park Renovation
- ✔ Affordable Housing Waterline Project
- ✔ Martinazzi Sanitary Sewer Upsizing

TRANSPORTATION BOND UPDATE

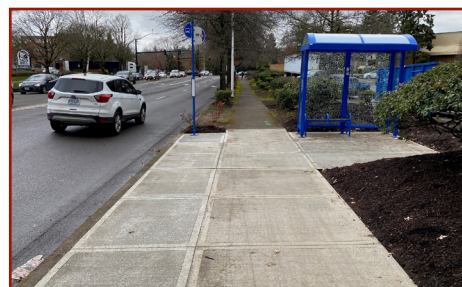
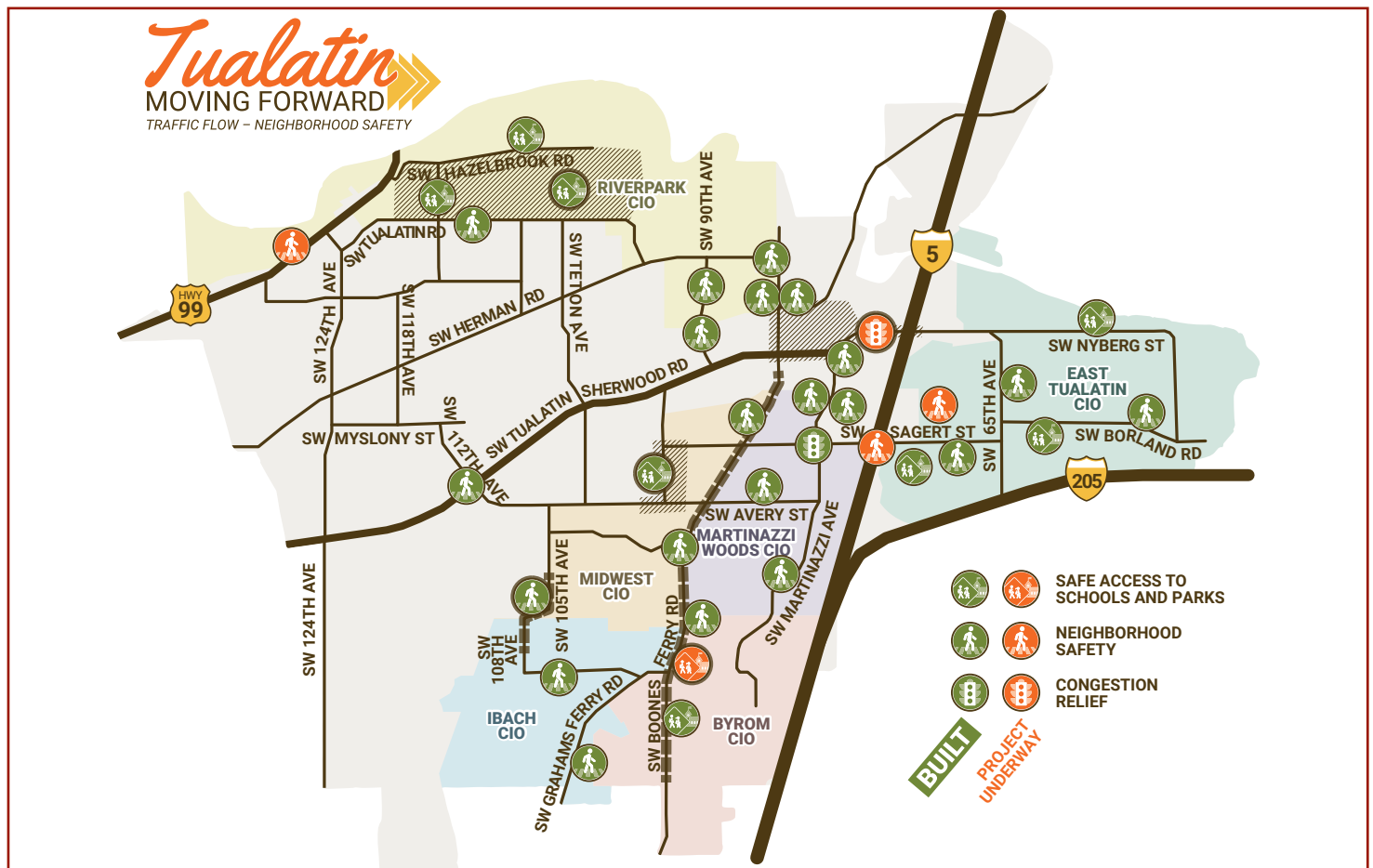
In May 2018, Tualatin voters approved a \$20 million General Obligation Bond Measure to support high priority transportation projects, distributed citywide. The bond measure enabled the City to move quickly to finance and build the priority projects within just a few years. The program is called Tualatin Moving Forward.

Project priorities are guided by community input demonstrating broad support for Tualatin's three most pressing transportation issues: congestion relief, neighborhood safety and safe access to schools and parks.

The following projects are under way:

- Boones Ferry Corridor Sidewalk and Bike Lane Project
- Hwy 99W: Pony Ridge Neighborhood to 124th Ave.
- Stormwater mitigation
- Tualatin-Sherwood Rd: Martinazzi Ave. to I-5
- 67th/68th Ave. loop and Sagert St Crosswalk
- Sagert St. Bridge/I-5 Walkway

To learn more about Tualatin Moving Forward, and to track progress, go to www.TualatinMovingForward.com.



FUN FOR EVERYONE



The city offers many programs for our community including the wildly popular Giant Pumpkin Regatta, Share the Love, Blender Dash, Holiday Lights, ¡VIVA Tualatin!, Juanita Pohl Center Programs, Summer Concerts, and the Library's Summer Reading Program, to name a few.

In the Library, children's reading programs, the Teen Room, and the MakerSpace are also favorites in the Community. Our Police Department offers a summer teen program and Drug Take Back Day, and our Public Works offers free bulky waste and yard debris disposal. These are just a few of the programs we offer.



TUALATIN AT A GLANCE

Incorporated in 1913



Police calls for service:
21,426

of Library items checked out: 577,587
of ebook checkouts: 155,409
new library cards: 2,239



Aa1
Moody's
Investors
Service
Bond
Rating



27,753* Population

12 parks

340 acres



Traffic Signals **52**

80 Miles of
Maintained Streets

180 acres of
greenway trails and
natural areas



* 2024 Estimated Population, Portland State University Population Research Center

VOLUNTEERS IN 2022/2023

14,130

donated volunteer hours

756

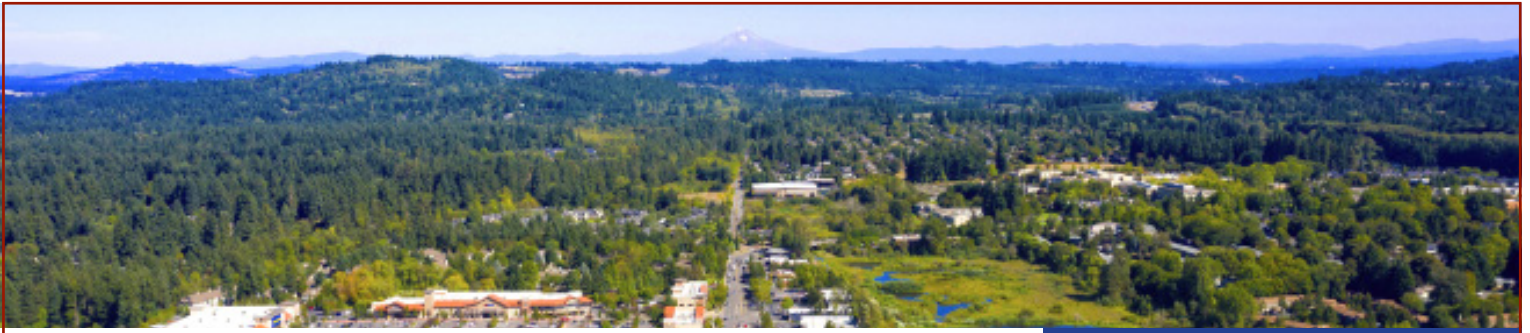
Total volunteers

Event Volunteers – Over 200 volunteers gave their time to add fun and games to Blender Dash, ¡VIVA Tualatin! and Pumpkin Regatta.

T.E.A.M. Tualatin/Summer Library Teens - 100 youth volunteers spent 1900 hours over the summer contributing to community literacy and the maintenance of City assets.

Corporate and Group Volunteers – 24 groups came out to make a difference in our community out in the parks, greenspaces, and trails, as well as in the library.





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 47% of local employment and a direct impact of over \$1.8 billion in annual output. Taken together, the average income among jobs in these clusters is \$75,000 compared to a total average of \$58,000.

TUALATIN CLUSTERS



Transportation & Logistics

Employment: 3,486
Percent Employment: 11%
Ave. Wage: \$63,000



Advanced Manufacturing

Employment: 3,940
Percent Employment: 13%
Ave. Wage: \$60,000



Corporate & Financial

Direct Jobs: 1,502
Percent Employment: 5%
Ave. Wage: \$84,000



Software & Technology

Direct Jobs: 3,991
Percent Employment: 13%
Ave. Wage: \$111,000



Health & Wellness

Direct Jobs: 3,676
Percent Employment: 12%
Ave. Wage: \$66,000

BY THE NUMBERS

BUSINESS & EMPLOYEES

1,799

Number of OED Businesses

30,491

Number of Employees in Tualatin

\$2 BILLION

Total Payroll in Tualatin

2.6%

Local Unemployment Rate

Lam Research

Largest Employer

BUILDING INVENTORY

12.2 MILLION

Total sq.ft Industrial Space

1.3 MILLION

Total sq.ft office space

INDUSTRY CLUSTERS

54%

Local jobs in key industry clusters

\$76,000

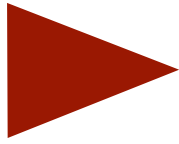
Average wage among industry clusters

\$66,000

Average wage in Tualatin among all industries

US CENSUS 2021

STAY CONNECTED, INFORMED & INVOLVED



The City of Tualatin strives to keep you updated and informed of things happening in and around Tualatin that are important to our residents and businesses. Our website is updated regularly to provide the most up-to-date information. Here are other ways to stay connected, keep informed and get involved.

The City Council meets the second and fourth Monday of every month. Attend in person at Tualatin City Services (10699 SW Herman Road), watch on Cable Channel 28, or stream the meeting on our website.



Stay up-to-date with City news by subscribing to **Tualatin Today**, our monthly e-newsletter. **Tualatin Today** covers events, programs, construction, and much more.



Explore Tualatin Now! is the City's activity guide and is available on the City's website. It includes activities for kids, teens, adults and over 50's put on by the Library, Juanita Pohl Center, Heritage Center and Recreation.



Community involvement is highly valued in the City of Tualatin. The City strives to involve and inform everyone in decisions that affect our community's quality of life. The CIO (Community Involvement Organization) Program is a grass roots effort started and implemented by Tualatin residents to

improve communication with one another and with City government. To learn more about this program, or to get involved, please visit tualatincio.org.

Stay Connected by following us on social media.



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Are you an X user? Follow us to stay informed



Check out our YouTube Channel for the latest City videos



Join us on Instagram for the latest information on events and news



Are you a Nextdoor user? Follow us on Nextdoor to stay informed



¿Hablas Español? Check out our Spanish-language Facebook Group, Somos Tualatin.



Scan this QR code to access our website.

For more information on our budget, this document, or serving on the Budget Committee, visit our website or contact the Finance Department at 503-691-3054.