
USER'S GUIDE TO THE BUDGET DOCUMENT

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

The city budget fulfills several functions:

Firstly, the budget is a communications tool. It is one means that the city uses to explain the various demands, needs, constraints, resources and opportunities it faces. It communicates the choices made and the direction in which the city is headed.

At the highest level, the budget is an important policy document. The annual budget process is the one time during the year when all of the 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.

The budget also serves as an operational guide. It identifies work programs and goals to be achieved for each department or unit in the coming fiscal year.

At its most basic level, the budget is an accounting document. It establishes the basic guidelines that the city uses to measure and control expenditures and to track its revenues.

The budget document has been organized to assist the reader in understanding how and why the city budgets as it does and to provide more summary level information at the beginning of the budget document with more detailed information at the end. Not only is the document arranged from a high level summary to more detailed, each section is also arranged in this manner.

As the reader reviews the information in this document, he or she will see this arrangement as well as the functions listed above that a budget should fulfill.

The City of Tigard's budget document is divided into thirteen primary sections as presented below:

Introduction

The preceding section contains the Budget Transmittal from the City Manager. This letter summarizes the major provisions that have been included in the FY 2011-12 Adopted Budget. It includes a discussion of the major policy issues that were considered and major changes from last year. This section also contains council goals which provide the foundation and direction for many of the choices made in constructing this budget.

A citywide organization chart orienting the reader as to the programs and services provided by the city is included in this section.

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Reader's Guide

This section provides an overview of the budget process, the basis of budgeting, the budget structure and general city information including a map. This section is designed to help familiarize the reader with the city and its budget.

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 major operational areas of the city over the next five years, based on current conditions. The city uses the forecast to identify future trends, needed corrective action, and to forecast the success of current financial efforts.

Revenue Analysis

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

Program Summaries

The city's operating budget is organized by major program areas: Community Services, Public Works, Community Development and Policy and Administration. Each program area contains one or more operating departments or budget units. The Program Summaries section provides detailed information for each program area by department and budget unit. The information in this section includes a program-level narrative and summary expenditures and authorized position counts.

The following subsections within the Program Summaries section include a narrative for each budget unit presenting the long term results the unit is working to achieve, a description of the unit's services and activities, FY 2011-12 goals and objectives, accomplishments for the prior fiscal year, and major highlights of the unit's budget. This section also includes workload indicators for each unit showing how much work it has accomplished in the past and how that workload is expected to change in FY 2011-12.

Effectiveness measures show the progress of each unit in achieving its long term results

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Community Services Program

This section includes budget appropriations and explanatory material for the Community Services Program. The Community Service Program includes Police, Library and Social Services and Community Events.

Public Works Program

This section includes budget appropriations and explanatory material for the Public Works Program. The Public Works Program includes Public Works Administration, Engineering, Parks and Grounds, Sanitary Sewer, Stormwater, Street Maintenance, Fleet Maintenance, Facilities, and Water.

Community Development Program

This section includes budget appropriations and explanatory material for the Community Development Program. The Community Development Program includes Community Development Administration, Building, Community Planning, Development Services and Downtown Redevelopment.

Policy and Administration Program

This section includes budget appropriations and explanatory material for the Mayor and Council, City Management, Administrative Services and Finance and Information Services.

Capital Improvements

The Capital Improvements section provides information about the city's five-year capital improvement program. It includes information about major construction and capital acquisition projects that are planned during FY 2011-12 as well as projections of capital needs over the following four years.

Debt Service

The Debt Service section presents information on the City of Tigard'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 commingled. This section shows current and historical information on the resources and requirements of each of the city's funds.

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Appendix

The Appendix section contains a variety of other budget-related information to assist the reader, such as salary schedules, staffing summary, the city's financial policies, and a glossary of terms used in the budget. This section also includes a listing of Advisory Board and Committee members.

BUDGET PROCESS

Budget Process

Staff begins preparing the annual budget several months prior to adoption. In November and December, staff 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 in December.

Budget parameters and guidelines for the coming fiscal year are set in relation to the finalized five year forecast. Guidelines can include the number of additional or reduced staffing allowed in the budget requests, changes in programs, equipment replacement, etc. In January, department staff prepares their requested budgets to fulfill City Council set for the coming year. These goals and the necessary resources to accomplish them are included in the budget requests and may require adjustments to the forecast and budget guidelines.

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

In April and into May, 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 citizen members. In Tigard's case, the Budget Committee is comprised of the Mayor, four council members, and five citizens. All budget meetings are open to the public and are required to be advertised as such. 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.

BUDGET PROCESS

Budget Calendar

November-December	<p>Finance staff updates the five year revenue and expenditure forecasts and sets growth trends and baselines.</p> <p>City Manager reviews forecasts and sets guidelines and policy for next year's budget.</p> <p>City Council establishes goals for the year.</p> <p>Finance staff prepares budget instructions, provides training as required, and distributes budget guidelines to department staff.</p>
January	<p>Departments prepare budget requests for review by Finance staff.</p> <p>Finance staff reviews requests and prepares budget analysis.</p> <p>Departments and Finance staff review budget requests</p>
February	<p>The five year forecast is updated based on requested budget amounts and projections for the current fiscal year.</p> <p>Requested budgets and budget analyses are submitted to the City Manager. Budget discussions between the City Manager, department directors, and Finance staff take place.</p>
March/April	<p>Finance staff updates five year forecast based on proposed budget.</p> <p>The proposed budget document is produced by Finance staff.</p> <p>Budget Committee meetings are advertised.</p>
April/May	<p>The City Manager's proposed budget is submitted to the Budget Committee for deliberation. Several public meetings are held to present the proposed budget to the Budget Committee to discuss and to allow citizen comment. The Budget Committee makes changes as appropriate and then approves the budget before forwarding it to the City Council for adoption.</p>

BUDGET PROCESS

Finance staff updates five year forecast based on approved budget and revised projections for current fiscal year revenues and expenditures.

Public Hearing Notice for Budget Adoption is advertised.

June

A public hearing before City Council is held to allow citizens to comment on the approved budget. After the public hearing, the Approved Budget is adopted by City Council resolution.

Finance staff updates five year forecast based on adopted budget.

The adopted budget document is produced by Finance staff.

July

The adopted budget takes effect.

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 15% of fund appropriations without approval of a supplemental budget.

Supplemental Budgets

In accordance with Oregon Budget 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 15% of the existing appropriations. Supplemental budgets which include changes greater than 10% in any fund must be advertised and must be approved by the City Council. 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. 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 (i.e. Police, Library, Parks, Planning, and Mayor and Council) are budgeted in this fund. In FY 2011-12, the City will use the following funds:

General

General Fund

Enterprise

Sanitary Sewer Fund

Stormwater Fund

Water Fund

Water Debt Service Fund

Water CIP Fund

Water Quality/Quantity Fund

Water SDC Fund

Special Revenue

Building Fund

City Gas Tax Fund

Criminal Forfeiture Fund

Electrical Inspection Fund

Traffic Impact Fee Fund

Parks SDC Fund

Underground Utility Fund

Urban Forestry Fund

Library Donation and Bequest Fund

Gas Tax Fund

Parks Bond Fund

Street Maintenance Fee Fund

Transportation Development Tax Fund

Debt Service

Bancroft Debt Services Fund

General Obligation Debt Service Fund

Capital Funds

Facilities Capital

Projects Fund

Parks Capital Fund

Internal Service

Central Services Fund

Fleet/Property Management Fund

Insurance 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 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 2011-12 adopted budget is considered a balanced budget as total resources are equal to total requirements in each fund.

PROGRAM BUDGET STRUCTURE

Program Budget Structure

The city adopts and manages its budget by program. Each fund shows the budgeted amount for the programs within that fund. Each program is an aggregation of budget units that are similar in nature or function. The city has established the following program structure.

Program

Department/Function

Division/Budget Unit

Program

Department/Function

Division/Budget Unit

Community Services

Police

Administration

Operations

Support Services

Policy & Administration

City Management

City Manager's Office

Human Resources

Risk Management

Library

Administration

Readers' Services

Technical Services

Circulation

Administrative Services

Design & Communications

City Recorder/Records

Municipal Court

Social Services/ Community Events

Social Services

Community Events

Finance and Information Services

Administration

Financial Operations

Utility Billing

Information Technology

Contracts and Purchasing

Public Works

Administration

PW-Engineering

Property Management

Fleet Maintenance

Parks/Grounds

Sanitary Sewer

Streets

Stormwater

Water

Community Development

Administration

Building

Community Planning

Development Services

Downtown Redevelopment

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 four operating programs, Debt Service, Loans to the City Center Development Agency, Capital Improvement, Transfers, and Contingency provide 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 City Center Development Agency (CCDA), the City's urban renewal district, are for catalyst projects in the downtown plan. 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 CCDA, 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 is 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.

OPERATION DIVISION FUNDING

Budget Unit (Division)	USE OF FUNDS BY OPERATING DIVISION																	
	FUND																	
	General	Gas Tax	Electrical Inspection	Building	Criminal Forfeiture	Urban Forestry	Bancroft Debt Service	Facilities Capital Projects	Traffic Impact Fee	Transportation Development Tax	Street Maintenance Fee	Parks Capital	Parks Bond	Parks SDC	Sanitary Sewer	Stormwater	Water	Water Capital Improvements
Police Administration	✓																	
Police Operations	✓																	
Police Support Services	✓				✓													
Library Administration	✓																	
Readers Services	✓																	
Technical Services	✓																	
Circulation	✓																	
Social Services & Community Events	✓																	
Public Works Administration	✓	✓							✓	✓				✓	✓	✓		
Public Works-Engineering									✓	✓	✓	✓	✓					
Parks & Grounds	✓																	
Sanitary Sewer														✓				
Stormwater															✓			
Street Maintenance		✓																
Fleet Maintenance	✓	✓		✓										✓	✓	✓		
Property Management	✓	✓		✓										✓	✓	✓		
Water																	✓	
Street Lights & Signals		✓																
Community Development Administration	✓		✓	✓														
Building			✓	✓														

OPERATION DIVISION FUNDING

	USE OF FUNDS BY OPERATING DIVISION																	
	FUND																	
Budget Unit (Division)	General	Gas Tax	Electrical Inspection	Building	Criminal Forfeiture	Tree Replacement	Bancroft Debt Service	Facilities Capital Projects	Traffic Impact Fee	Transportation Development Tax	Street Maintenance Fee	Parks Capital	Parks Bond	Parks SDC	Sanitary Sewer	Stormwater	Water	Water Capital Improvements
Development Services	✓																	
Community Planning	✓																	
Downtown Redevelopment	✓																	
Mayor & Council	✓																	
City Manager's Office	✓	✓		✓		✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
Human Resources	✓	✓		✓											✓	✓	✓	
Risk Management	✓	✓		✓											✓	✓	✓	
Design & Communications	✓	✓		✓											✓	✓	✓	
City Recorder/Records	✓	✓		✓											✓	✓	✓	
Municipal Court	✓																	
Finance Administration	✓	✓		✓		✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
Financial Operations	✓	✓		✓		✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
Utility Billing											✓				✓	✓	✓	
Information Technology	✓	✓		✓											✓	✓	✓	
Contracts/Purchasing	✓	✓		✓									✓	✓	✓	✓	✓	

CITY INFORMATION

Form of Government:

The City of Tigard was incorporated in 1961.

An elected Mayor and four Council members who comprise the City Council govern the City of Tigard. The city's charter establishes a Mayor/Council form of government.

Members of the City Council are elected at large to serve four-year terms. The Mayor presides at council meetings and is elected at-large for a four-year term. Together, the Mayor and council provide community leadership, develop policies to guide the city in delivering services and achieving community goals, and encourage citizen awareness and involvement.

The City Council appoints the City Manager, who acts as the administrative head of the city government. The City Manager is responsible for ensuring council policies are implemented using resources appropriated by the Council to achieve desired service results in the community. The Mayor and Council are responsible for establishing city policies.

Services Provided:

Community Services

Police
Library
Social Services &
Community Events

Community Development

CD Administration
Building Inspection
Community Planning
Development Services
Downtown Redevelopment

City Management

Mayor and Council
City Manager's Office
Human Resources
Risk Management
Design & Communication
City Recorder/Records
Municipal Court

Finance & Information Services

Finance Administration
Financial Operations
Utility Billing
Information Technology
Contracts/Purchasing

Public Works

PW Administration
PW Engineering
Facilities
Parks/Grounds
Sanitary Sewer
Streets
Storm Water
Water

CITY INFORMATION

Population Facts

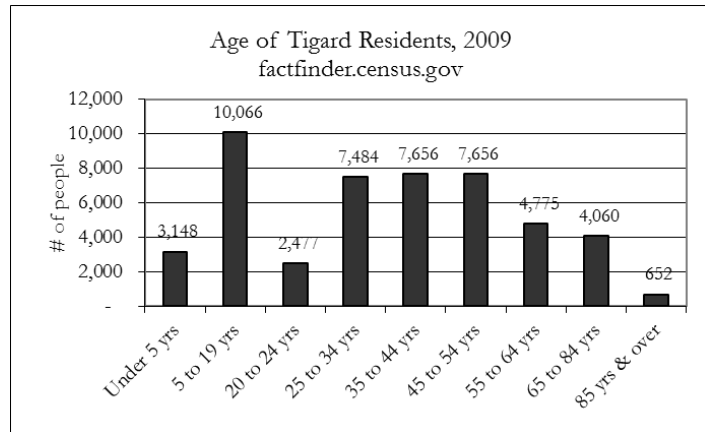
Population-Factfinder.census.gov	
Estimated Population (2011)*	48,035
Median Age (2008)	35.9 years old
Average Household Size (2009)	2.51 persons per unit
Median Household Income (2009)	\$63,554
Number of Housing Units (2009)	19,376
Number of Occupied Units	18,667
Owner Occupancy Rate (2009)	61.5%

*Population data received from Community Development

Population Facts:

Population by year:

2011	48,035
2010	47,700
2009	47,470
2008	46,715
2007	46,400
2006	46,300
2005	45,500
2004	44,650
2003	44,070
1990	27,050
1980	14,286



Quickfacts.census.gov		
Hispanic or Latino (of any race)	5,848	13%
White	34,459	72%
Black or African American	550	2%
American Indian/Alaskan Indian	127	0.3%
Asian	3,150	7%
Native Hawaiian + Other Pacific Islander	350	0.7%
Some other race	1,907	4%
Two or more races	1,644	4%

CITY INFORMATION

Physical/Geographic Facts:

The incorporated area of the City is 11.82 square miles or 7,565 acres. The City maintains more than 14 parks totaling over 233 acres and an additional 202.4 acres of areas considered greenways where development cannot occur. As a result from the Parks bond passing in November, 2010, the city will purchase additional park land in 2011-2012.

Tigard Land Uses - 2011		
Land Use	Acres	Percentage
Commercial	523	6.9%
Industrial	726	9.6%
Mixed-Use	794	10.5%
Residential	5,522	73.0%
Total	7,565	
Land use area is based on current zoning districts.		
Source: Tigard Urban Planning, April		

Tigard Facts	
Square Miles	11.82
County	Washington
School District	Tigard-Tualatin *
Annual Average Rainfall	37.4 inches
Average Daily Temperature - Jan	41.1
Average Daily Temperature - July	68.1
Highest Elevation - Bull Mountain Summit	713 ft.
Lowest Elevation - Cook Park River-front	104 ft.
*Scholls Ferry area served by Beaverton District	

Economic Facts:

Tigard's location in the Portland metropolitan area provides citizens with many diverse employment opportunities. The unemployment rate in the Portland metropolitan area is approximately 9.6%, down 1.2% from the same time last year. Tigard is also located in Washington County; its unemployment rate is currently 8.4%, down 1.2% from last year.

Seventy-three percent of land within the City is planned to accommodate residential use, ranging from low density single family homes to high density multi-family dwellings. The City tracks buildable lands through a yearly inventory process. At the end of 2010, less than 10 percent of land within the City was considered buildable. Single family home construction, which includes free standing and attached, hit a high of 335 units in 1995 and dipped to a low of 49 permits issued in 2009. Single family construction permits increased slightly in 2010 to a total of 103 issued.

CITY INFORMATION

Top Ten Taxpayers in 2011-12:

<u>Type of Business</u>	<u>Percent of Total Assessed Valuation</u>
Pacific Realty Associates	3.7%
Washington Square LLC	2.4%
Lincoln Center LLC.	1.6%
Frontier Communications	1.2%
Walton CWOR Park LLC	0.8%
Portland General Electric	0.6%
Comcast Corporation	0.6%
Northwest Natural Gas	0.5%
Robinson, Constance	0.5%
Macy's Department Stores Inc.	0.4%

Top Ten Employers in 2011:

<u>Employer</u>	<u># of Employees</u>
Tigard-Tualatin School District	724
Macy's Department Stores, Inc.	704
Nordstrom	579
Oregon Public Employees Retirement	396
Providence Health System	377
HSBC Card Services Inc.	301
Costco Wholesale Corporation	300
City of Tigard	267
University of Phoenix	256
Veris Industries LLC	248

Economic Data	
Number of Businesses, 2011	2,745 408 home-based
Primary Economic Sector (receipts/sales)	Wholesale Trade
Permanent Tax Rate	\$2.51310 per \$1,000 of assessed value
Total Assessed Value (2010-11)	\$5,028,671,727

CITY OF TIGARD MAP

