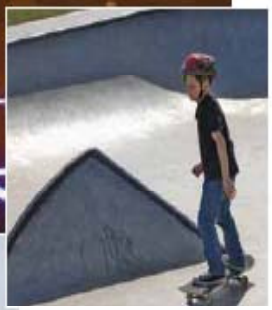
BUDGET IN BRIEF

FISCAL YEAR 2010/11



BUILDING COMMUNITY

PRACTICING SUSTAINABILITY

REALIZING OPPORTUNITY

CITY OF GRESHAM

Dear Fellow Citizens

One of the most important responsibilities we have as public officials is careful stewardship of the City of Gresham's financial resources. We take this duty seriously, and strive to make our budget process as transparent as possible, and provide information about the budget in user-friendly, easy to understand formats. To this end, we are proud to provide this "Budget in Brief" for the eighth consecutive year.

The budget document is the road map we use to provide public services in Gresham as cost-effectively and transparently as possible in these lean fiscal times. Each of us rely on public services every day, be it turning on the water faucet, enjoying a park, or trusting the safety of our community to our police and fire personnel.

Our 2010/11 budget represents input and vision from citizens, the Finance Committee, and the City Council. The end result of the collaborative budget process is a document that represents the service priorities of our community.

For a more detailed view of the budget, please visit the City's web page at GreshamOregon.gov or call us at (503) 618-2445 for a CD of the 2010/11 budget.

Sincerely,

Shane T. Bemis, Mayor

Erik Kvarsten, City Manager

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Budget Committee Members

Shane Bemis, Mayor
Josh Fuhrer, Councilor
Shirley Craddick, Councilor
Carol Nielsen-Hood, Councilor
Richard Strathern, Councilor
Paul Warr-King, Councilor
David Widmark, Council President

Richard Anderson
Mike Bennett
John Kilian
Gregg Marshall
Sue O'Halloran
Tony Palermini, Chair
Ron Ritter

This volunteer committee consists of the Mayor, six Council members, and seven citizens appointed by the City Council. The committee has the legal authority to change any portion of the proposed budget and is responsible for passing the City's approved budget.

Budget Process

Community Input and Priority Setting

Citizens are invited to provide input into the type of services the City provides. This input is solicited through surveys, public meetings and other avenues.

Capital Improvement Recommendations

The five-year Capital Plan is presented to and approved by the Gresham Planning Commission, addressing major capital projects such as street improvements.

Budget Development Process

For the past several years the City has employed a priority-based budgeting process for services and programs of the General Fund. The process focuses on retaining and funding the programs that best meet the City's desired service outcomes. In 2007, a detailed prioritization exercise was completed by members of the Budget Committee and 72 General Fund services were ranked using the City's established criteria. Essential and legally mandated services were identified as well as services that meet a community need and better position the City for future economic development opportunities. The outcome of this evaluation continues to be the basis for the budget proposal that was presented by the City Manager to the Budget Committee.

Budget Preparation

The City Manager evaluates the City's financial condition including revenue forecasts, and reviews prioritized services. The result is the production of the City Manager's Proposed Budget and recommendations on a five-year capital improvement plan.

Budget Meetings and Approval

The Budget Committee (Mayor, City Councilors and the seven member Finance Committee) meets to review in a public setting the City Manager's Proposed Budget. Citizens have opportunities to comment on the budget. The Budget Committee makes adjustments to the Proposed Budget and Capital Improvement Plan and approves the documents.

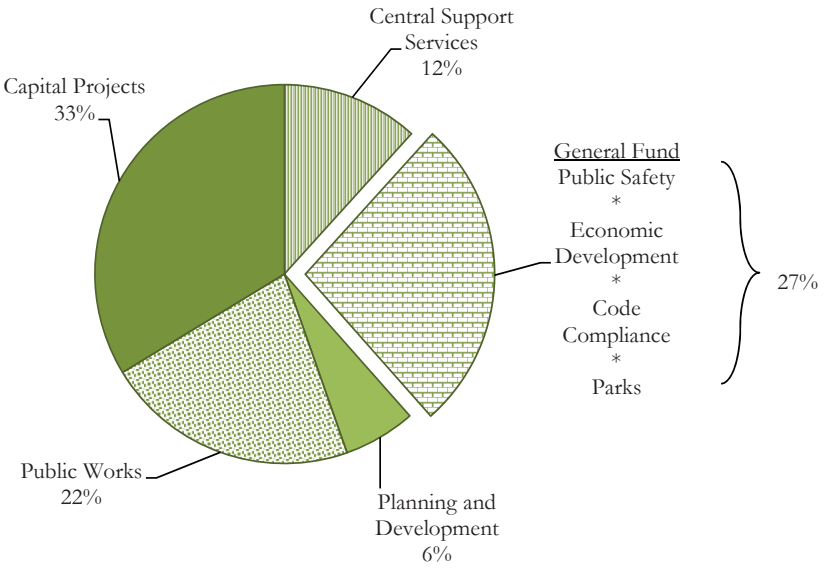
Budget Certification and Adoption

The City sends the approved budget to the Tax Supervising and Conservation Commission to review for compliance with Oregon budget law and reasonable revenue estimates. The Council adopts the budget which goes into effect on July 1.

Budget Summary

Gresham is a full service city that provides a wide range of services to its citizens. Some services, such as the water utility, generate enough revenue from billings to cover costs. Other services, such as Police and Fire, use property taxes, business taxes, and other fees to help pay for the public service. The chart below shows the proportionate amount of money the City spends on all services, with a breakout showing the General Fund. The General Fund is where property taxes and other revenues pay for public safety, planning, and parks.

Proportionate Amount Spent by Service Area



Capital Projects – Construction projects exceeding $5,000 in value and having a useful life of at least five years

Central Support Services – Such as human resources, financial, technology, legal & fleet services

Parks - Facilities and maintenance

Public Safety – Police and Fire services

Planning & Development - Land use and community planning

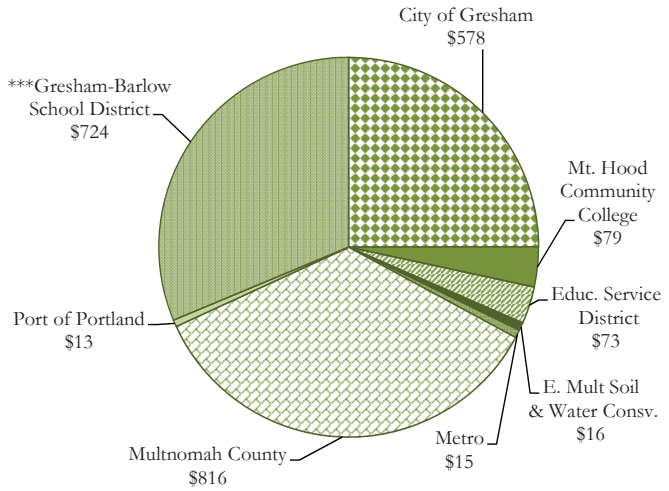
Public Works – Includes transportation, water, wastewater, and stormwater

Combined Taxes

Only 25% of the total property taxes Gresham residents pay goes to the City to provide services.

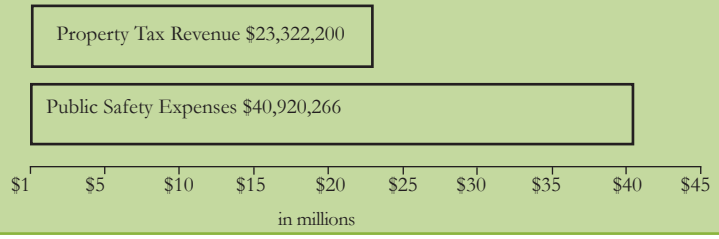
Example from 2009/10 Tax Rates*

$160,000 Taxable Assessed Value**



* Excludes bonded debt and impact of Urban Renewal
** Property taxes are based on tax assessed value which is lower than market value
*** Reynolds and Centennial School Districts also reside in the City of Gresham

Gresham's General Fund Property Tax revenue is less than the cost to provide Police and Fire Services



Property Tax Comparison

On a home with $160,000 taxable assessed value

City	Property Tax Rate Per $1,000 of TAV*	Additional Voter Approved Tax Rate*	Amount of Taxes Received by City*
Portland	7.20**		$1,152
Eugene	7.01	.23	1,158
Albany	6.40	.95	1,176
Salem	5.83	-	933
Medford	5.30	-	847
Corvallis	5.11	-	817
Lake Oswego	4.97***	-	795
Springfield	4.74	1.49	997
Oregon City	4.16	-	665
Milwaukie	4.07	-	651
Beaverton	3.96	-	633
Troutdale	3.77	-	602
Hillsboro	3.67	1.72	862
Gresham	**3.61**	**-**	**578**
Fairview	3.49	-	558

* Excludes bonded debt. TAV = Taxable Assessed Value
** Includes Special Levy for Firefighter & Police Disability and Retirement
*** Inside School District (Lake Oswego has a different rate outside the School District)

Not all cities provide the same essential services. For example, Gresham provides full service except for libraries. Beaverton provides a library but does not provide parks or fire service.

Where Money Comes From

All Funds

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget
Property Taxes*	21,826084	22,120,629	22,544,951	23,322,200
Other Taxes	5,897,877	4,142,280	4,825,000	3,980,000
Licenses & Permits	2,967,686	2,377,399	2,879,690	1,967,300
Intergov't Revenue**	20,367,291	28,131,251	45,956,032	49,492,874
Charges for Services	40,078,466	36,688,207	36,915,830	35,312,300
Utility License	7,982,996	8,309,305	8,668,950	8,333,674
Interest Income	7,500,362	6,027,064	2,462,895	2,372,420
Miscellaneous Income	1,369,442	1,831,879	1,110,334	984,445
Internal Service Charges	22,159,690	22,044,827	23,506,007	25,146,657
Interfund Transfers	29,319,826	29,341,857	65,989,369	54,731,565
Other Resources	4,533,369	18,449,084	41,508,000	10,908,490
Beginning Balance	128,035,409	138,025,395	118,643,894	131,706,723
Total	$292,038,498	$317,489,177	$375,010,952	$348,258,648

* Prior year actual includes tax assessment for bond payments in the General Obligation Bond Fund. The GO bond was paid off June 1, 2009.
** Includes contractual payment for providing fire services to Troutdale, Fairview, Wood Village and Fire District 10.

General

	2007/08 Actual	2008/09Actual	2009/10 Budget	2010/11 Budget
Property Taxes	21,330,266	21,790,088	22,544,951	23,322,200
Other Taxes	5,897,737	4,142,280	4,825,000	3,980,000
Licenses & Permits	743,821	397,897	401,990	322,700
Intergov't Revenue	7,906,511	7,965,033	8,008,534	7,897,575
Charges for Services	560,528	398,377	339,350	202,900
Utility License	6,671,079	7,066,646	7,288,750	7,035,500
Interest Income	445,760	208,046	50,000	35,000
Miscellaneous Income	142,724	227,167	81,450	47,000
Internal Service Charges	527,330	578,777	401,944	658,258
Interfund Transfers	266,909	732,224	467,826	702,957
Other Resources	408,353	-	4,640,000	-
Beginning Balance	9,241,850	8,541,193	5,101,582	7,117,873
Total	$54,142,868	$52,047,728	$54,151,377	$51,321,963

Where Money Goes

Combined

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget
Police	23,627,020	23,836,263	25,748,210	26,104,051
Fire & Emergency Svc.	15,788,255	16,208,523	16,364,006	16,957,893
Comm. & Econ. Devel.*	8,225,908	-	-	-
Comm. Devel. Services	-	4,653,004	5,683,873	5,786,008
Urban Design & Plan. Svc.	-	3,150,950	5,719,778	6,054,099
Economic Development Svc.	-	1,347,329	523,042	816,218
Environmental Services	34,744,949	34,933,143	38,381,434	40,641,165
Central Support Service	17,730,199	15,907,922	19,607,506	20,675,506
Capital Projects	14,629,307	20,621,644	57,499,601	59,464,127
Debt Service	9,764,855	16,145,399	25,989,972	9,934,492
Contingency	-	-	6,033,700	7,425,300
Interfund Transfers	29,319,826	29,341,854	65,989,369	54,731,565
Other Requirement	-	10,544,271	23,064,000	8,420,390
Unappropriated**	138,208,179	140,798,875	84,406,461	91,247,804
Total	$292,038,498	$317,489,177	$375,010,952	$348,258,648

* Comm. & Econ. Devel. is now budgeted as 3 service areas.
** See Glossary on page 11 for more information.

Fund

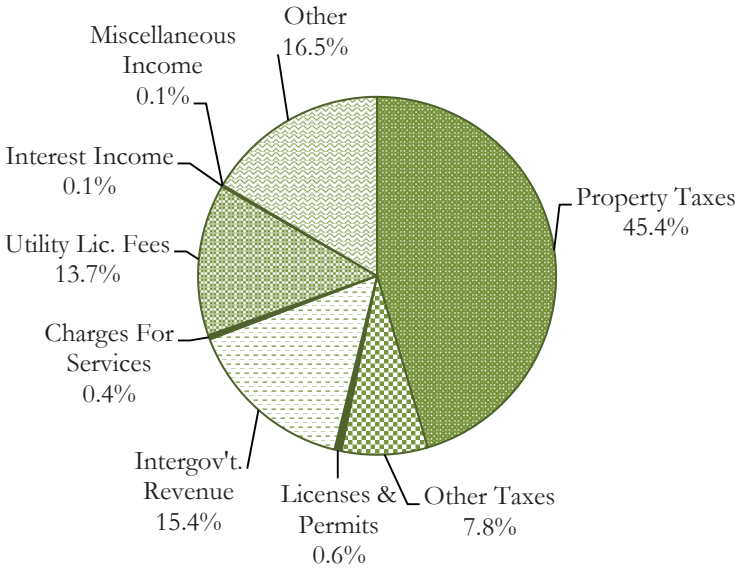
	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget
Police	22,920,707	23,159,099	23,275,482	24,081,073
Fire & Emerg. Services	15,786,455	16,207,023	16,053,549	16,839,193
Comm. & Econ. Devel.*	2,548,701	-	-	-
Comm. Devel. Services	-	849,763	879,803	1,017,287
Urban Design & Plan. Svc.	-	1,282,278	-	-
Economic Devel. Services	-	555,868	523,042	770,218
Environmental Services	2,733,169	2,808,663	2,538,476	2,382,313
Debt Service***	451	143,882	4,841,000	-
Contingency	-	-	461,015	657,907
Interfund Transfers	1,612,192	691,897	2,423,795	3,315,272
Unappropriated**	8,541,193	6,349,255	3,155,215	2,258,700
Total	$54,142,868	$52,047,728	$54,151,377	$51,321,963

* Comm. & Econ. Devel. is now budgeted as 3 service areas.
** See Glossary on page 11 for more information.
*** New debt fund created in FY 2010/11 for obligation of governmental funds.

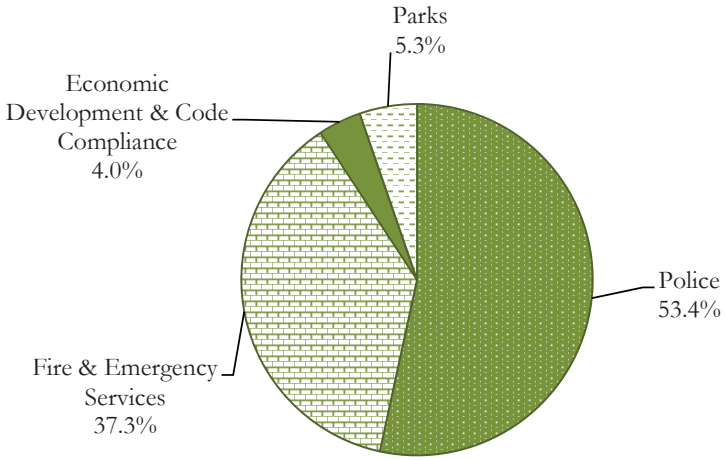
General Fund

Property taxes are 45.4% of the revenue in the 2010/11 General Fund.

2010/11 General Fund Revenues (Revenue)



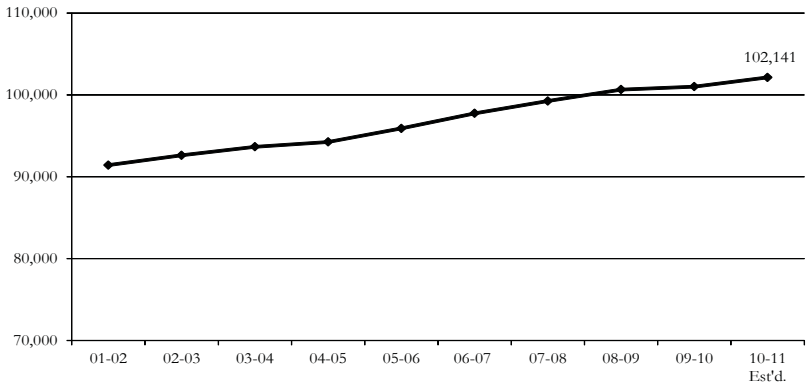
2010/11 General Fund Operating Budget (Expense)



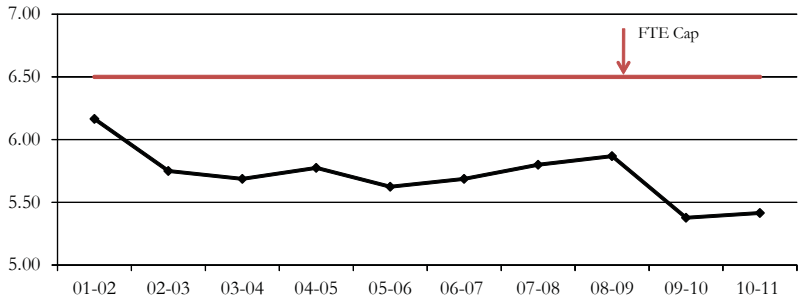
Staffing Trends

The City Charter limits the staffing to 6.5 Full-Time Equivalent (FTE) per 1,000 population. The fiscal year budget includes 553.10 FTE.

Gresham's Population Growth



Gresham's Staff Per 1,000 Population



Glossary

Beginning Fund Balance - As shown in the budget, an amount representing the balance remaining at the end of the previous fiscal year; the total of resources received less the amount spent.

Budget Committee – Gresham's budget reviewing board, consisting of the Mayor, six Council members, and the seven member Finance Committee who are citizens appointed by the City Council. The Budget Committee has the legal authority to change any portion of the proposed budget and is responsible to pass the City's approved budget after a series of budget deliberation meetings and public hearings.

Capital Improvement Program (CIP) – A plan for capital expenditures estimated for each year for a period of five or more years. It identifies each capital project, its expected beginning and ending date, the amount and type of expenditure in each year, and the method for financing those expenditures.

Central Support Services – Services, such as payroll, human resources, and fleet provided by central support departments to other City departments. These services are paid for by collection of an internal service charge.

Charges for Services – Fees collected for services provided to customers such as utility rates, site design review and fire inspections.

Contingency – An appropriation within an operating fund to cover unforeseen events which occur during the budget year. City Council must authorize requests for the use of contingency appropriations.

Debt Service – Annual payment of principal and interest on the City's debt.

Interfund Transfer - The movement of money between funds of the same government entity**.**

Intergovernmental Revenue – Fees collected from other jurisdictions such as state shared revenue from cigarette and liquor tax, gas tax and Multnomah County business income tax.

Internal Service Charge - A charge from support funds or the Administrative Services Fund to an operating fund to recover the cost of services or overhead.

Licenses and Permits – Fees collected from businesses for licenses to operate within the city limits.

Miscellaneous Income – Revenue received from picnic reservations, sports facility reservations, auction proceeds and other sources.

Non-Operating Budget – Includes interfund transfers, reserves, and debt payments.

Operating Budget – Accounts for the revenues and expenditures used to provide direct service to citizens or to support direct services.

Service Prioritization – A process used for ranking General Fund services in order of importance to the community. The results are used to allocate available revenue for payment of those services.

System Development Charges (SDCs) – A one-time fee that all new residential and commercial development pays for the growth impact on City infrastructure. SDCs are a source of funding for new infrastructure such as streets, sanitary sewers, water systems, stormwater drainage, and parks.

Unappropriated – An amount that is not available for spending in the current year. It is set aside in the budget to be used as a cash carryover to the following year to provide needed cash flow until other money is received.

Utility License Fees – Utility license fees are paid to use the public right-of-way to operate a utility within Gresham. The majority of these fees go into the General Fund and help pay for Police, Fire, Parks, and Code Enforcement.

Frequently Asked Questions

What do my property taxes pay for?
Property taxes pay for services such as public safety, planning, and parks. The services are not fully paid for by property taxes; the balance comes from other money the City receives, such as fees and charges for services.

When I pay my utility bill, what is the money used for?
The utility bill covers three services: water, wastewater and stormwater. The money collected from these bills pays for delivering safe water to homes, taking away and treating the waste from drains and toilets, and managing the impact of rainwater runoff to mitigate flooding.

Why can't money be moved to where it is most needed?
Dedicated funds are legally restricted to specific expenditures. Each fund is used to account for specific transactions that act as control mechanisms to ensure money is being spent for the authorized purpose for which it is collected.

How successful has the City been in receiving federal stimulus dollars?
The City has secured more than $10 million in stimulus funding from the American Recovery and Reinvestment Act of 2009. The funding will help address challenges in public safety, transportation, and energy efficiency. Specific grants include:

~ **Community Development Block Grant** - $236,604 will help address neighborhood degradation. Funds will be used to retain one Code Compliance Officer to address code violations and vandalism and support CDBG projects and determine feasibility of affordable housing development.

~ **Community Oriented Policing Services Hiring Recovery Program** - A $1,565,874 grant from the Community Oriented Policing Services (COPS) Hiring Recovery Program (CHRP) will equate to six new police officers, allowing a partial recovery from losses to the Investigations and Operations divisions through budget cuts. The grant will fund the officers for three years, with the City responsible for retaining these positions beginning year four.

~ **Energy Efficiency Conservation Block Grant** - $901,500 will be used to support energy efficiency initiatives at Gresham businesses and multi-family properties and to implement a revolving loan fund for the single-family residential sector.

~ **Hogan Road Improvements and Safety Enhancements** - The City has secured $2,375,900 for improvements to Hogan Road between Stark and Glisan to assist efforts to attract a major user to some of the only available large-parcel industrial land within the Urban Growth Boundary.

~ **Justice Assistance Grant** - A $441,149 Justice Assistance Grant will be used for equipment and training for the six police officers obtained through the COPS/CHRP grant. The grant will also be used to equip other police department staff.

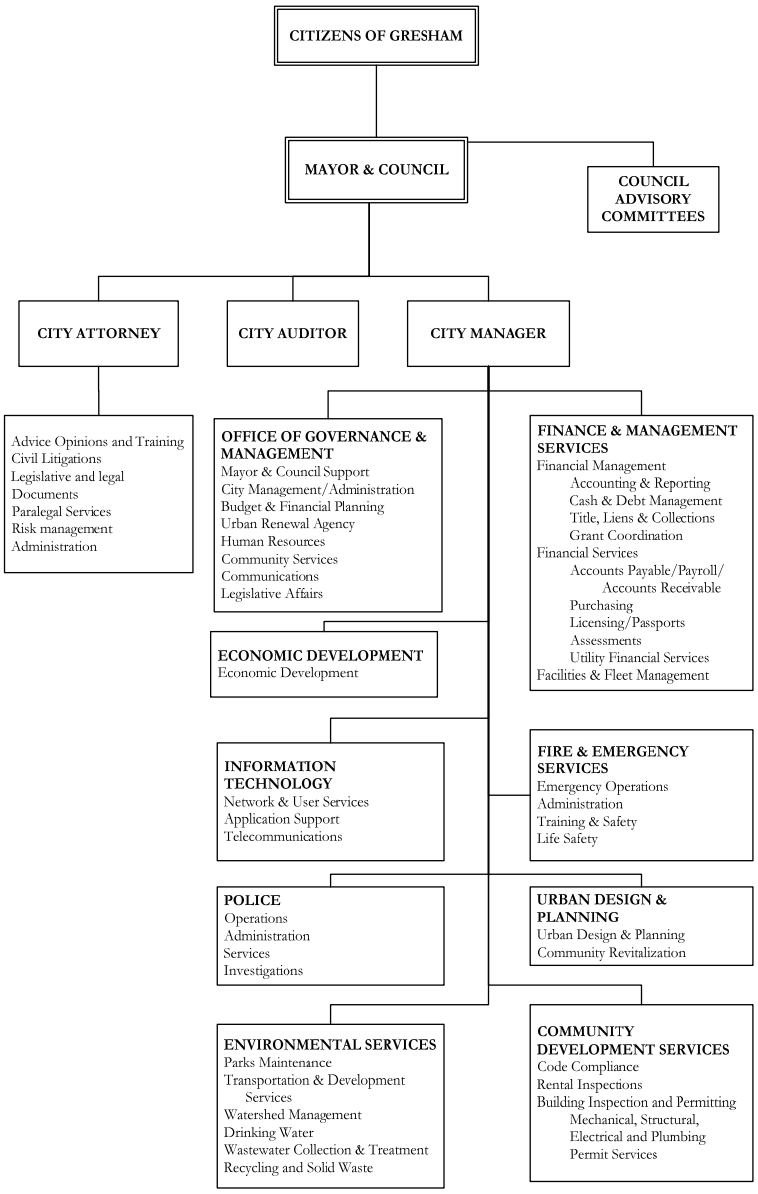
~ **Smart Water Meters: Automated Meter Infrastructure Project** - $4,001,400 will replace 17,000 residential meters with automated meters that relay data directly to the City. The project will save fuel, reduce pollution, enable water use analysis and leak identification, reduce meter-reading and troubleshooting expenses, and enhance customer service by making more water use information available to residents.

~ **STOP Violence Against Women Grant** - $85,000 will be used for training and overtime hours in the investigation and enforcement of protection orders and service of arrest warrants on individuals responsible for domestic violence and sexual assault.

To obtain further information visit
GreshamOregon.gov

- 2010/11 Adopted Budget
- Long-Term Financial Plan
- Capital Improvement Plan
- Comprehensive Annual Financial Report

Organizational Chart



City Directory

City of Gresham 503-661-3000
Mayor 503-618-2584
Shane T. Bemis .....Eric.Chambers@GreshamOregon.gov
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Urban Design & Planning Services, Mike Abbaté.....503-618-2378
Mike.Abbaté@GreshamOregon.gov

Volunteer Opportunities

Arts and Culture

~ Arts Advisory Committee

Council Citizen Advisory Committees

~ Citizen Involvement Committee
~ Finance Committee
~ Natural Resource & Sustainability Committee
~ Planning Commission
~ Public Safety Committee

Community Building

~ East Metro Mediation
~ Neighborhood Associations

Environment and Sustainability

~ Watershed Management
~ Parks & Trails
~ Recycling & Solid Waste

Giving Opportunities

~ Center for the Arts
~ Gresham Youth Sports Alliance
~ Heroes Memorial
~ Neighbor's Helping Neighbors

Public Safety

~ Citizen Volunteers in Policing (CVIP)
~ Community Emergency Response Training (CERT)
~ Fire Corps
~ Graffiti Removal Team (GRT)
~ Neighborhood Watch
~ Adopt-A-Road Program

For more information on any of these volunteer opportunities, contact Cathy Harrington at 503-618-2482 or Cathy.Harrington@GreshamOregon.gov.