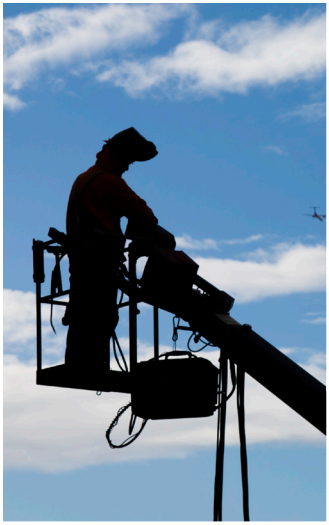

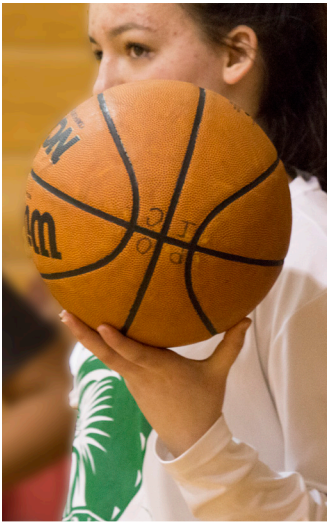

BUDGET IN BRIEF

FISCAL YEAR
2016/17

CITY OF GRESHAM

Dear Residents,

We take our responsibility as stewards of the public's financial resources very seriously at the City of Gresham, and work hard to communicate budget information as plainly and openly as possible. One important tool we use to do that is our annual "Budget in Brief" document.

Public budgeting should be as transparent as possible for the residents we serve, and this document is intended to make Gresham's budget information straightforward and easy to understand.

Gresham has a longstanding tradition of fiscal prudence and management and this year's budget is no exception. Our 2016/17 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 webpage at GreshamOregon.gov or call us at 503-618-2445 for a CD of the 2016/17 budget.

Sincerely,

Shane T. Bemis, Mayor

Erik Kvarsten, City Manager

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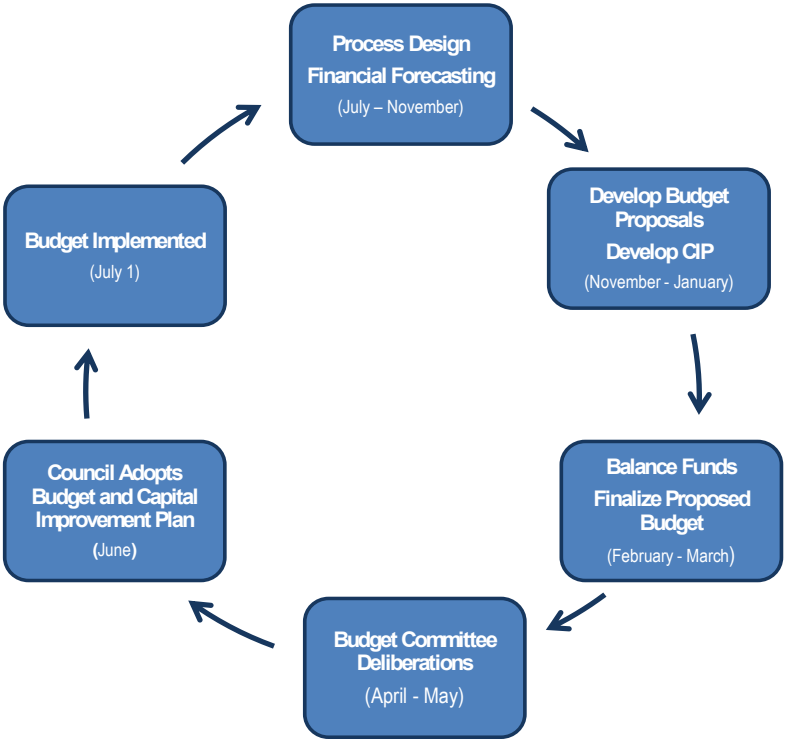
Budget Process

The process followed in the preparation of the budget complies with the Oregon Local Budget Law established by Oregon Revised Statutes. City management seeks and welcomes public input, participation and deliberation throughout the process. Budget Committee meetings are open to the public and are advertised on our website and in Gresham's local newspaper, The Outlook.

City departments work with the Budget and Financial Planning Division to compile their budget requests and capital projects information between November and March of each year. During this same time frame, revenue and expenditure forecasts are reviewed. Then, all of this information is reviewed by the City management, compiled and presented to the Budget Committee as the Proposed Budget. After reviewing and deliberating over the Proposed Budget, the Budget Committee forwards their recommendation to the City Council as the Approved Budget. After the public hearing, the Council adopts the budget in late June. The Adopted Budget becomes effective on July 1. The final Adopted Budget is available on the City's website and in hard copy upon request.



Budget Overview

Fund Structure

The City's budget is organized into separate funds. A fund is a means to separately track and account for financial information and to demonstrate that revenues and expenditures are balanced. The fund records the receipt of specific revenues and tracks related expenditures. The use of separate funds allows for greater management, tracking and oversight of specific funding sources related to programs, projects, and activities. This in turn allows for timely access to information needed for decision-making, and helps ensure accountability and appropriate use of specific revenues.

Gresham is a full service city that provides a wide range of services to its citizens. Using separate funds to account for services such as water, transportation or building inspections helps to ensure that money is being spent for the authorized purpose for which it is collected.

Guiding Principles

Development of the City's budget is guided by the following principles:

- Protect and preserve essential services that impact daily lives and property values
- Enhance fiscal sustainability through multi-year financial planning and decision-making
- Support aggressive pursuit of investment and employment for community prosperity and fiscal health
- Position the organization for the future
- Support adopted Council Work Plan and governance process

Combined Taxes

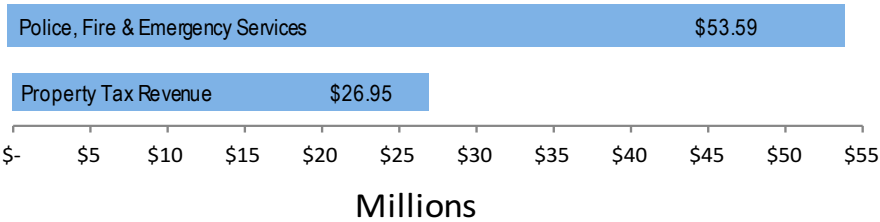
Where do your property taxes go?

The City receives only 24¢ out of each dollar of your property taxes

Does not include bonded debt or impact of Urban Renewal
Gresham encompasses Centennial, Gresham-Barlow and Reynolds School Districts
Figures are rounded to the nearest penny

Property Taxes

Gresham's General Fund Property Tax Revenue is less than the cost to provide basic public safety services. Other sources of income are needed to help cover the cost.



Property Tax Comparison

on a home with $184,000 taxable assessed value

City	Property Tax Rate per $1000 of TAV*	Additional Voter Approved Tax Rate*	Amt. of Taxes Rcvd by City*
Portland	7.08 **	0.66	$ 1,423
Albany	6.40	1.15	1,389
Eugene	6.88	0.19	1,301
Springfield	4.74	1.64	1,174
Corvallis	5.11	0.82	1,090
Salem	5.83	-	1,073
Hillsboro	3.67	1.72	991
Medford	5.30	-	974
Lake Oswego	4.97 ***	-	914
Oregon City	4.41	-	811
Beaverton	4.18	-	770
Milwaukie	4.14	-	761
Troutdale	3.77	-	693
Gresham	**3.61**	**-**	**665**
Fairview	3.49	-	642

* Excludes bonded debt. TAV = Taxable Assessed Value

** Includes Special Levy for Firefighter & Police Disability and Retirement

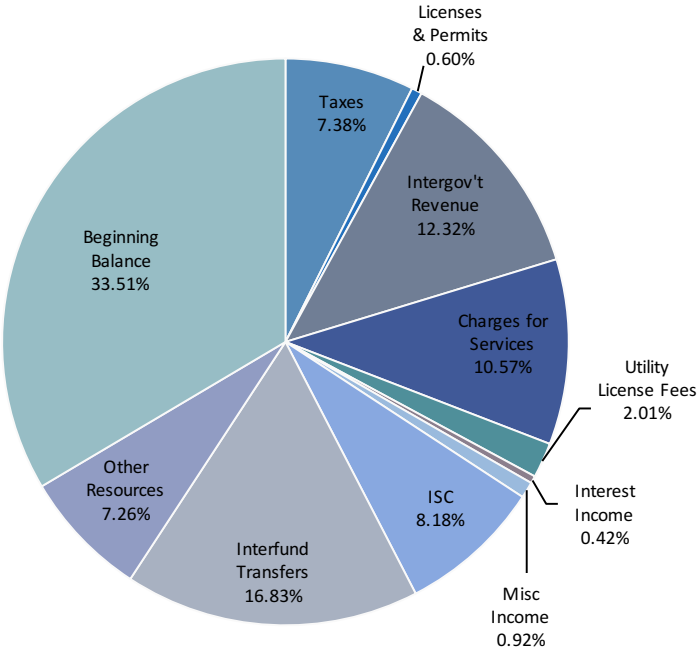
*** Inside School District (Lake Oswego has a different rate outside the School District)

Not all cities provide the same essential services. For example, Gresham provides a full range of services except for libraries. Beaverton provides a library but does not provide parks or fire services. In areas where services such as parks or fire are provided by a special district properties may pay a separate property tax rate in addition to the city rate shown above.

All Funds Combined: Where Money Comes From

Resources

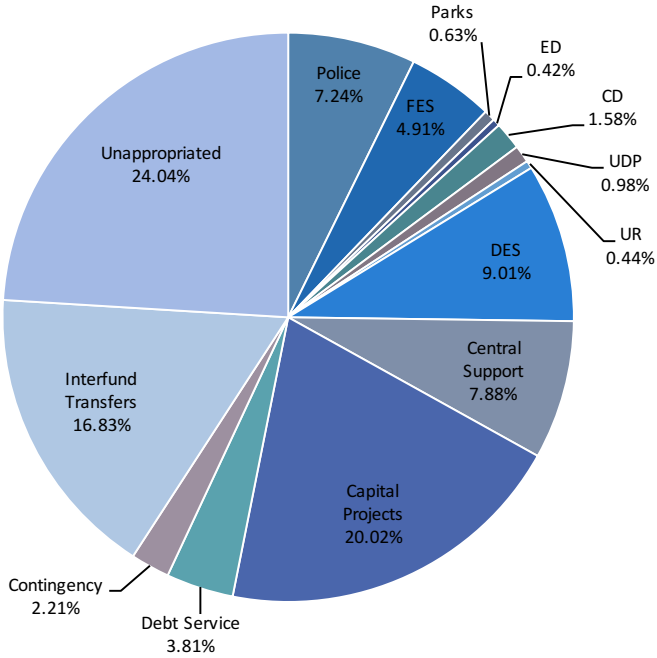
Taxes	$ 34,021,200
Licenses & Permits	2,747,100
Intergov't Revenue	56,824,277
Charges for Services	48,735,720
Utility License Fees	9,276,200
Interest Income	1,947,005
Miscellaneous Income	4,258,300
Internal Service Charges (ISC)	37,736,472
Interfund Transfers	77,623,280
Other Resources	33,494,007
Beginning Balance	154,554,978
Total	**$ 461,218,539**



All Funds Combined: Where Money Goes

Expenditures

Police	$ 33,414,749
Fire & Emergency Services (FES)	22,634,210
Parks	2,922,143
Economic Development (ED)	1,937,026
Community Development (CD)	7,267,742
Urban Design & Planning (UDP)	4,522,777
Urban Renewal (UR)	2,033,917
Environmental Services (DES)	41,574,571
Central Support	36,343,338
Capital Projects	92,343,000
Debt Service	17,589,340
Contingency	10,197,197
Interfund Transfers	77,623,280
Unappropriated	110,815,249
Total	$ 461,218,539

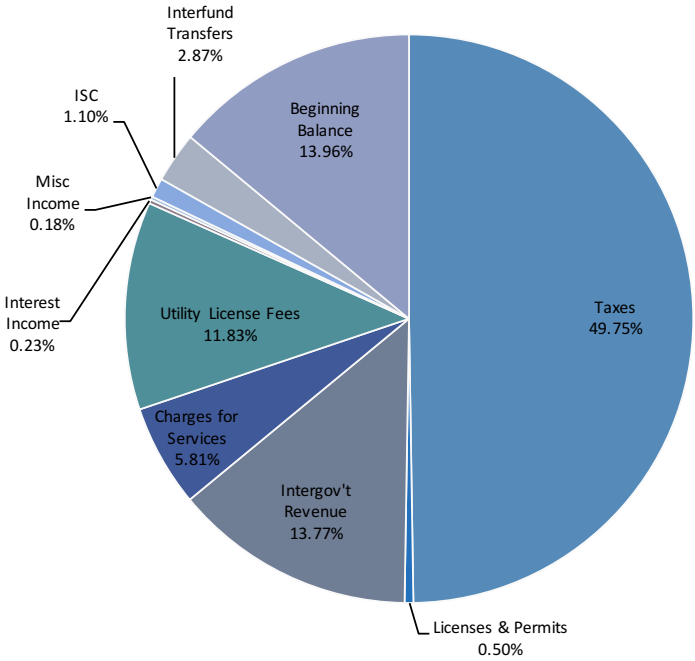


The General Fund and Police, Fire & Parks Fund: Where Money Comes From

The General Fund is the principal operating fund of the City. The Police, Fire & Parks Fund was established during fiscal year 2012/13 to clearly track and account for usage of the Police, Fire and Parks fee that was originally adopted in December 2012.

Resources

Taxes	$ 34,021,200
Licenses & Permits	338,500
Intergov't Revenue	9,416,000
Charges for Services	3,973,200
Utility License Fees	8,087,200
Interest Income	154,500
Miscellaneous Income	123,400
Internal Service Charges (ISCs)	754,923
Interfund Transfers	1,960,000
Beginning Balance	9,549,500
Total	**$ 68,378,423**

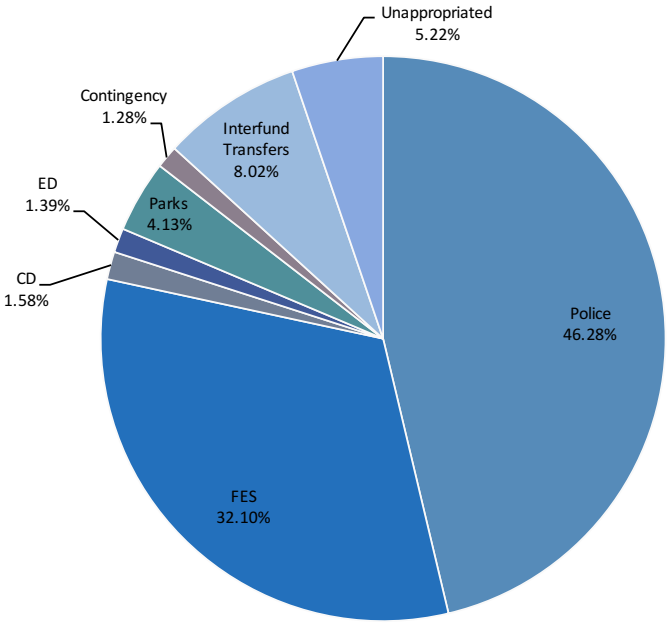


The General Fund and Police, Fire & Parks Fund: Where Money Goes

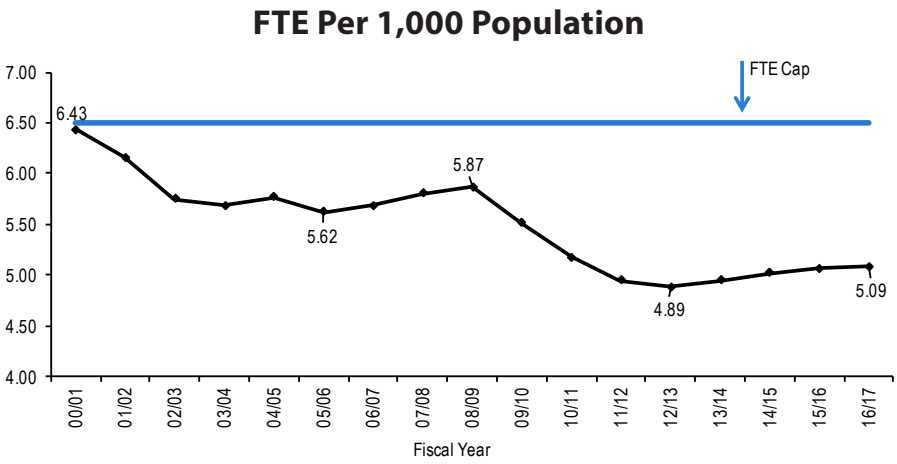
The money received by the General Fund is used for public services such as police and fire protection, emergency response, parks maintenance, economic development, code compliance, and community planning. The money received by the Police, Fire & Parks Fund is used to maintain critical public safety and parks services for fiscal year 2016/17. The fee supports the operation of Gresham's fire stations, emergency response from the Police Department, and the maintenance of Gresham's parks.

Expenditures

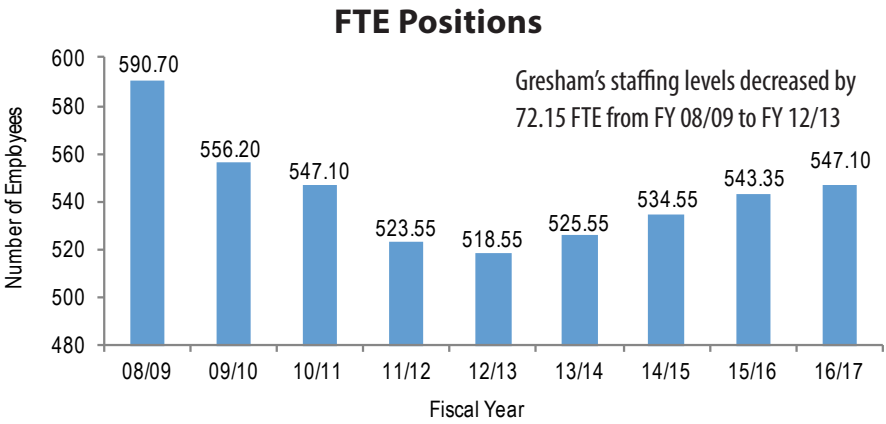
Police	$ 31,645,397
Fire & Emergency Services (FES)	21,952,431
Community Development (CD)	1,081,885
Economic Development (ED)	949,026
Parks	2,822,143
Contingency	877,000
Interfund Transfers	5,484,500
Unappropriated	3,566,041
Total	$ 68,378,423



Staffing Trends

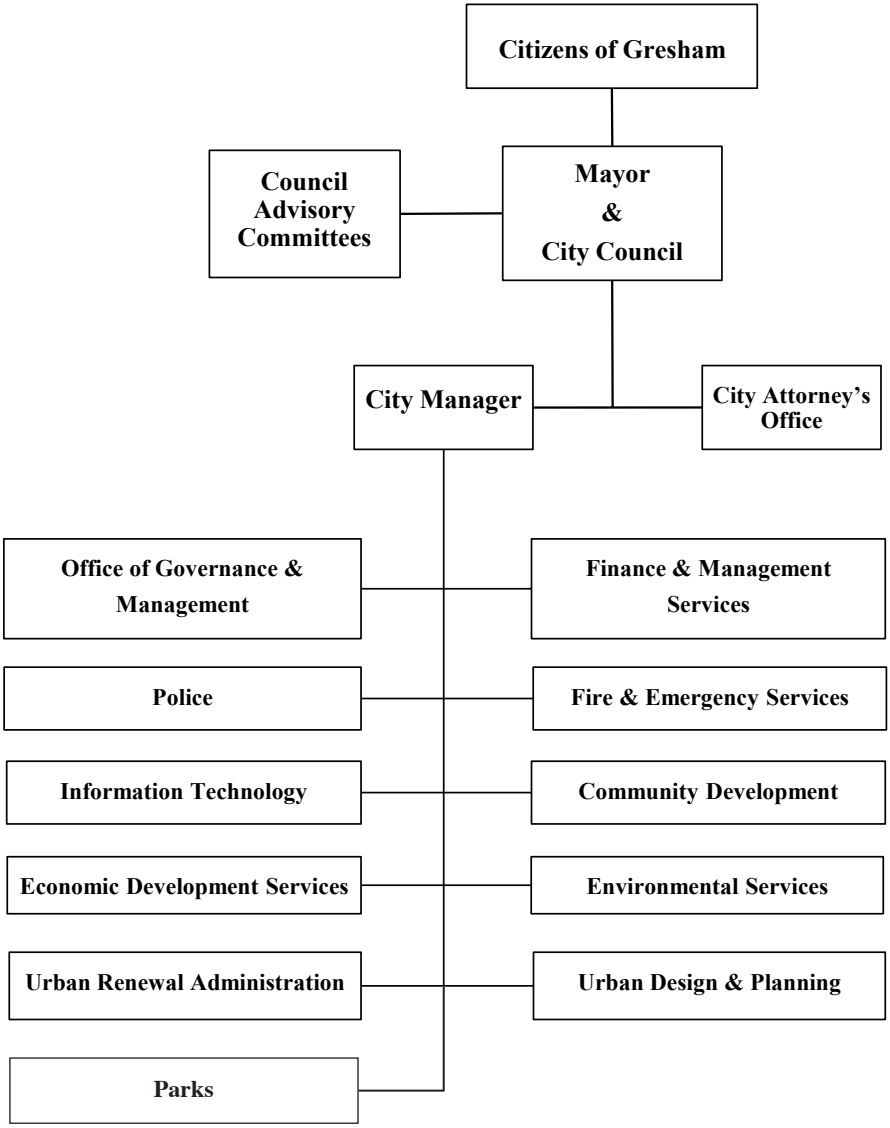


The City Charter limits staffing to 6.5 Full-Time Equivalent (FTE) per 1,000 population. Positions funded by grants or contracted through other jurisdictions are excluded from this cap. For the 2016/17 fiscal year budget the staffing ratio is 5.09 full-time employees per 1,000 population.



Recent increases include positions funded through grants and development activity and positions transferred from Multnomah County.

Organizational Chart



City Directory

Mayor

Shane T. Bemis 503-618-2584
Jessica.Harper@GreshamOregon.gov

City Council 503-618-2871

Mario Palmero,
Council President Mario.Palmero@GreshamOregon.gov

Karylinn Echols Karylinn.Echols@GreshamOregon.gov
Kirk French Kirk.French@GreshamOregon.gov
Jerry Hinton Jerry.Hinton@GreshamOregon.gov
Lori Stegmann Lori.Stegmann@GreshamOregon.gov
David Widmark David.Widmark@GreshamOregon.gov

City of Gresham 503-661-3000

City Manager

Erik Kvarsten 503-618-2871
Teresa.Hall@GreshamOregon.gov

City Attorney

David Ris 503-618-2429
David.Ris@GreshamOregon.gov

Volunteer Opportunities

In addition to the budgeted resources shown elsewhere in this document, every year hundreds of residents contribute their expertise and time to a wide variety of volunteer opportunities. Some examples of how our dedicated citizens work together to help build a stronger community include:

Arts and Culture

- Arts Advisory Committee

Council Citizen Advisory Committees

- Citizen Involvement Committee
- Finance Committee
- Natural Resource and Sustainability Committee
- Planning Commission
- Public Safety Committee

Community Building

- East Metro Mediation
- Neighborhood Associations

Environment and Sustainability

- Watershed Management
- Parks and Trails
- Japanese Garden
- Nadaka Park

Giving Opportunities

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

Public Safety

- Citizen Volunteers in Policing
- Neighborhood Ready/Watch
- Fire Corps
- Adopt-a-Road Program

For more information about these and other volunteer opportunities, call 503-618-2482

Glossary

Beginning Fund Balance – An amount representing the balance remaining at the end of the previous fiscal year; the total of resources received less the amount spent.

Budget – The City's financial plan for a period of one year. By statute, the budget must be balanced.

Budget Committee – Consists of the Mayor, six Council members, and the seven member Finance Committee who are citizens appointed by the City Council. The 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 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 departments to other City departments. 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.

City Council – The legislative branch of the City composed of seven elected officials each of whom serves a four-year term.

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.

Fiscal Year – A 12-month period to which the annual operating budget applies. The fiscal year for local governments in Oregon is July 1 through June 30.

Fund – An independent accounting entity whose revenues and expenditures are balanced and segregated to record a specific set of activities.

General Fund – This fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenue are property taxes, utility license fees, state shared revenues, licenses, permits, and charges for services.

Primary expenditures are for police and fire protection, community planning, and parks.

Interfund Transfer – The movement of money between funds.

Intergovernmental Revenue – Fees collected from other jurisdictions such as state shared revenue from cigarette 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 city limits.

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

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

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

Police, Fire and Park Fee – In the fall of 2012, the Gresham City Council approved a Police, Fire and Parks Fee as a temporary measure to prevent immediate service reductions and maintain service levels. In June of 2014 the fee was reestablished on an ongoing basis.

Property Tax – A tax that uses property value as the tool by which the cost burden of local services is allocated. Property taxes are limited by each local jurisdiction's permanent operating tax rate. Gresham's permanent tax rate is $3.6129 per thousand dollars of assessed valuation.

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 – Amount that is not available for spending in the current year. It is set aside 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 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 in Gresham are used to pay for public safety services. 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 bill typically covers three separate utility 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.

The utility bill also includes the Police, Fire & Parks Fee. The City is able to avoid administrative costs related to processing and printing invoices by using this established system rather than generating a separate bill.

What is the Police, Fire & Parks Fee?

The current Police, Fire & Parks Fee, established in June 2014, helps to maintain essential police positions and keep our fire stations open. The per-unit fee was shaped by a public input process in 2012. As designed, 95% of the fee proceeds will be used to support Public Safety services. The remaining 5% will go toward Parks. All Gresham utility customers, including residences, businesses and industry will pay the fee. The benefit and burden is shared by the entire community.

How has the City reduced costs or increased efficiencies?

Over the last several years, the City has maintained core public services by increasing our efficiency, conserving resources, cutting costs and leveraging grant opportunities. An example of cost cutting in recent years included the reduction of the City's overall workforce from fiscal year 2008/09 to fiscal year 2012/13 by more than 70 full-time positions. Efficiency improvements include the replacement of all City streetlight fixtures with LED technology that has reduced electricity usage for lighting by more than 65% and numerous energy efficiency upgrades at the wastewater treatment plant that all combined save rate payers approximately $750,000 per year in electricity costs. The City continues to be very successful at securing grant funding for public safety staffing and equipment, transportation improvements, and other key public services. The City is currently piloting new service delivery models, especially related to public safety, in order to cost effectively address the changing demands in our community.

Why can't money be moved to where it is most needed?

Dedicated funds are legally restricted to specific programs or 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.

Budget Committee

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 Committee Members

Mayor and City Council

Janine Ross, Chair
Jared Koga, Vice-chair
Jan Baker
Curt Hugo
Sue O'Halloran
Paul Warr-King
Don West

For more information about this document or the City's budget, contact Sharron Monohon, Budget and Financial Planning Director at 503-618-2890 or Sharron.Monohon@GreshamOregon.gov.

City of Gresham

GreshamOregon.Gov