

Exhibit A  
Recommended  
**SUPPLEMENTAL BUDGET #2**  
Fiscal Year 2024/25

City of Gresham, Oregon

Presented to Gresham Finance Committee on November 20, 2024  
Presented to Gresham City Council on December 10, 2024

## Table of Contents

<b>Supplemental Budget Overview</b> .....	<b>3</b>
<b>Recognize Revenue and Appropriate Expense</b> .....	<b>3</b>
A. Fire Conflagrations Reimbursement .....	3
B. Workers’ Compensation Claims .....	3
<b>Transfer Appropriations</b> .....	<b>4</b>
C. Public Information Officer.....	4
D. Fire Station Remodel.....	4
<b>Contingency Transfers</b> .....	<b>5</b>
E. Utility Billing Software Upgrade .....	5
F. PFAS Mitigation and Monitoring.....	5
<b>Grants</b> .....	<b>6</b>
G. Oregon All In Grant Carryover.....	6
H. Joint Office of Homeless Services Grant .....	6
<b>Interfund Loans</b> .....	<b>7</b>
I. Strategic Property Purchase.....	7
J. Fleet and Transportation Operations Facility .....	7
<b>Fund Worksheets</b> .....	<b>8</b>
General Fund .....	8
Designated Purpose Fund.....	9
City Facility Capital Fund.....	10
Administrative Services Fund .....	11
Enterprise System Replacement Fund.....	12
Equipment Replacement Fund .....	13
Workers’ Comp and Liability Management Fund.....	14

## Supplemental Budget Overview

The following is an explanation of the amounts and justifications for the recommended changes in appropriations for the fiscal year 2024/25 Budget which requires authorization of Gresham City Council. The supplemental budget overview is organized by adjustment category, budget adjustment and fund.

## Recognize Revenue and Appropriate Expense

### A. Fire Conflagrations Reimbursement

The 2024 wildfire season resulted in numerous declarations related to the State of Oregon Conflagrations Act. These declarations allow responding jurisdictions to be reimbursed for the firefighting resources provided. The City of Gresham Fire Department provided staffing and equipment in response to some of these wildfire declarations.

Supplemental Budget #1 approved in October 2024, appropriated a portion of the revenue the City will receive for participation in these conflagrations. This supplemental budget recognizes additional related revenue.

This item accepts and appropriates the revenue from the State of Oregon. Reimbursements will provide the appropriations needed to offset the additional overtime and reimburse the General Fund for other personnel costs incurred. Additional revenue will be received as reimbursement for equipment used but these funds will assist with future fire equipment purchases in the Equipment Replacement Fund therefore do not need to be recognized at this time.

#### Budgetary Effect

##### *General Fund Impact:*

##### Resources:

Intergovernmental Revenue – Fire Service Agreements	\$100,000
---	-----------

##### Requirements:

Fire – Emergency Operations	\$100,000
-----------------------------	-----------

### B. Workers' Compensation Claims

The Workers' Compensation program has been experiencing significant claims over the last year that are eligible for reimbursement from the stop loss insurance carrier. This adjustment will allow the claims to be paid by the city. Reimbursement by the insurance carrier will then occur per the city's insurance policy.

#### Budgetary Effect

##### *Workers' Comp & Liability Management Fund Impact:*

##### Resources

Miscellaneous Income – Insurance Reimbursements	\$2,500,000
---	-------------

##### Requirements:

City Attorney's Office – Liability Management	\$2,500,000
---	-------------

## Transfer Appropriations

### C. Public Information Officer

The City has determined the need for a Public Information Officer related to Public Safety and other city information. This position will be located in the City Manager’s Office. This adjustment will use existing funding from a vacant position to fund the Public Information officer position for the remainder of the fiscal year.

This item reduces the appropriation in the General Fund, transfers the funds to the Administrative Services Fund, and appropriates the funds in the City Manager’s Office to fund this position.

#### Budgetary Effect

##### *General Fund Impact:*

##### Requirements:

Economic Development – Economic Development Administration	(\$104,000)
Interfund Transfers – Administrative Services Fund	\$104,000

##### *Administrative Services Fund Impact:*

##### Resources:

Interfund Transfers – General Fund	\$104,000
------------------------------------	-----------

##### Requirements:

City Manager’s Office – City Management	\$104,000
---	-----------

### D. Fire Station Remodel

During the development of the 2024 Local Option Levy, additional space in Station 72 for staff was identified. This requirement, along with other ongoing fire station needs resulted in a comprehensive review of Station 72. Enlarging Station 72 was determined to be the most effective method of meeting the identified needs. ARPA funds have been identified to complete this work.

This item transfers funds from the Designated Purpose Fund to the City Facilities Capital Fund and appropriates the funds to be used to complete the work on Station 72.

#### Budgetary Effect

##### *Designated Purpose Fund Impact:*

##### Requirements:

Citywide Services – ARPA Projects	(\$1,750,000)
Interfund Transfers – City Facility Capital Fund	\$1,750,000

##### *City Facility Capital Fund Impact:*

##### Resources:

Interfund Transfers– Designated Purpose Fund	\$1,750,000
--	-------------

##### Requirements:

Capital Improvement Projects	\$1,750,000
------------------------------	-------------

## Contingency Transfers

### E. Utility Billing Software Upgrade

The customer interface to the city's utility billing software needs to be upgraded to meet current software protocols and standards. The current utility billing software provider, Cayenta, now offers an integrated solution, which will address the upgrade and eliminate the need for a separate software solution. This project will take place over the course of multiple months and will require additional staff support during the implementation and provide enhanced customer support after the upgrade. This adjustment allows for a contingency transfer to access funds set aside for project costs such as this as well adds a limited-term customer service representative to assist with the transition.

This item appropriates contingency and transfers the funds to the Enterprise System Replacement Fund where the project will be managed.

#### Budgetary Effect

##### *Administrative Services Fund Impact:*

##### Requirements:

Interfund Transfers – Enterprise System Replacement Fund	\$254,000
Contingency	(\$254,000)

##### *Enterprise System Replacement Fund impact:*

##### Resources:

Interfund Transfers – Administrative Services Fund	\$254,000
--	-----------

##### Requirements:

IT System Replacement	\$254,000
-----------------------	-----------

### F. PFAS Mitigation and Monitoring

A shallow well owned by the Portland Water Bureau within the Columbia South Shore Wellfield had some detections of Per- and polyfluoroalkyl substances (PFAS) compounds. Working with the Oregon Department of Environmental Quality (DEQ), Gresham Fire Training Center was identified as a potential source. The PFAS was found at the Fire Training Center in areas where firefighting foam was used during training activities. While the fire department is no longer using PFAS-containing foam for training, there was a period of at least 20 years where this material was used at the site. While DEQ is not requiring any immediate action, they did provide a letter recommending that the city do further investigation and, if necessary, any cleanup actions. This item will transfer contingency to allow the City to conduct the needed work for mitigation and monitoring.

This item transfers contingency to the Liability Management program to be used in conjunction with this mitigation work.

#### Budgetary Effect

##### *Workers' Comp & Liability Management Fund Impact:*

##### Requirements:

City Attorney's Office – Liability Management	\$125,000
Contingency	(\$125,000)

## Grants

### G. Oregon All In Grant Carryover

In fiscal year 2024 the city was awarded funds from “Oregon All In” for rent and client assistance. The city began this work in the spring of 2024 and the placement goal of 30 households was met. This item carries over the remaining funds to complete the remaining rent payments for these households.

This item recognizes the grant revenue carryover and appropriates the funds to complete this grant work.

#### Budgetary Effect

*Designated Purpose Fund Impact:*

Resources:

Intergovernmental Revenue – County Service Agreements	\$292,000
---	-----------

Requirements:

Community Livability – Homeless Services	\$292,000
--	-----------

### H. Joint Office of Homeless Services Grant

Gresham Homeless Services Rapid Rehousing Program was awarded a grant through the Joint Office of Homeless Services for \$600,000. This funding supports staff and provides rent and client assistance for 30 households.

This item recognizes and appropriates the grant revenue.

#### Budgetary Effect

*Designated Purpose Fund Impact:*

Resources:

Intergovernmental Revenue – County Service Agreements	\$600,000
---	-----------

Requirements:

Community Livability – Homeless Services	\$600,000
--	-----------

## Interfund Loans

### I. Strategic Property Purchase

The City is considering the strategic acquisition of property in Gresham. This adjustment provides the framework for purchases to proceed pending future Council approval of a purchase and completion of due diligence. These purchases would utilize community service fee funds in the Designated Purpose Fund to purchase property utilizing an interfund loan. The interfund loan also would need to be reviewed and approved by City Council prior to any purchase.

#### Budgetary Effect

##### *Designated Purpose Fund Impact:*

##### Requirements:

Economic Development – Enterprise Zone Projects	(\$2,200,000)
Other Requirements – Interfund Loan	\$2,200,000

##### *City Facility Capital Fund Impact:*

##### Resources:

Financing Proceeds	\$2,200,000
--------------------	-------------

##### Requirements:

Capital Improvement Projects	\$2,200,000
------------------------------	-------------

### J. Fleet and Transportation Operations Facility

After purchasing a property across from the City Operations Center, the City is working on the next phase, construction of a new Fleet and Transportation Facility on the property. An interfund loan from the Equipment Replacement Fund will be used to pay for the costs associated with the design, site development and construction of the new facility. The interfund loan would also need to be reviewed and approved by City Council prior to any draws. The first loan draw will be used to pay for costs anticipated in fiscal year 2024/25. Additional draws will be budgeted and completed in fiscal year 2025/26.

This item recognizes beginning balance in the Equipment Replacement Fund and appropriates the funds as an interfund loan. The City Facility Capital Fund recognizes the loan proceeds and appropriates the funds for the project.

#### Budgetary Effect

##### *Equipment Replacement Fund Impact:*

##### Resources:

Beginning Balance	\$3,700,000
-------------------	-------------

##### Requirements:

Other Requirements – Interfund Loan	\$3,700,000
-------------------------------------	-------------

##### *City Facility Capital Fund Impact:*

##### Resources:

Financing Proceeds	\$3,700,000
--------------------	-------------

##### Requirements:

Capital Improvement Projects	\$3,700,000
------------------------------	-------------

**General Fund  
Fiscal Year 2024/25**

	Adopted Budget 7/1/24	Transfers/ Resolutions 7/1/24-12/9/24	Recommended Supplemental Budget 12/10/24	Revised Budget 12/10/24
<b>RESOURCES</b>				
Beginning Balance	26,777,000	-	-	26,777,000
Operating Revenues				
Taxes	38,447,000	-	-	38,447,000
Licenses & Permits	536,000	-	-	536,000
Intergovernmental Revenue	22,052,000	250,000	100,000 <sup>1</sup>	22,402,000
Charges for Services	8,368,000	-	-	8,368,000
Utility License Fees	22,268,000	-	-	22,268,000
Miscellaneous Income	621,000	173,000	-	794,000
Internal Service Charges	1,159,126	-	-	1,159,126
Subtotal	93,451,126	423,000	100,000	93,974,126
Interfund Transfers	87,100	-	-	87,100
<b>TOTAL RESOURCES</b>	<b>120,315,226</b>	<b>423,000</b>	<b>100,000</b>	<b>120,838,226</b>
<b>REQUIREMENTS</b>				
Operating Expenditures				
Police	48,601,993	-	-	48,601,993
Fire	34,122,919	270,000	100,000 <sup>1</sup>	34,492,919
Economic Development	1,375,030	-	(104,000) <sup>2</sup>	1,271,030
Community Livability	1,751,013	-	-	1,751,013
Parks	5,425,085	-	-	5,425,085
Subtotal	91,276,040	270,000	(4,000)	91,542,040
Interfund Transfers	3,305,596	735,000	104,000 <sup>2</sup>	4,144,596
Contingency	1,410,000	(582,000)	-	828,000
Unappropriated	24,323,590	-	-	24,323,590
Subtotal	29,039,186	153,000	104,000	29,296,186
<b>TOTAL REQUIREMENTS</b>	<b>120,315,226</b>	<b>423,000</b>	<b>100,000</b>	<b>120,838,226</b>

**NOTES:**

<sup>1</sup> A - Fire Conflagration

<sup>2</sup> C - PIO FTE



**Designated Purpose Fund  
Fiscal Year 2024/25**

	Adopted Budget 7/1/24	Transfers/ Resolutions 7/1/24-12/9/24	Recommended Supplemental Budget 12/10/24	Revised Budget 12/10/24
<b>RESOURCES</b>				
Beginning Balance	28,299,400	-	-	28,299,400
Operating Revenues				
Taxes	278,400	-	-	278,400
Intergovernmental Revenue	21,129,900	60,000	892,000 <sup>1,2</sup>	22,081,900
Charges for Services	515,700	-	-	515,700
Miscellaneous Income	1,959,200	-	-	1,959,200
Subtotal	<u>23,883,200</u>	<u>60,000</u>	<u>892,000</u>	<u>24,835,200</u>
Interfund Transfers	1,662,196	-	-	1,662,196
<b>TOTAL RESOURCES</b>	<u><u>53,844,796</u></u>	<u><u>60,000</u></u>	<u><u>892,000</u></u>	<u><u>54,796,796</u></u>
<b>REQUIREMENTS</b>				
Operating Expenditures				
Citywide Services	12,696,805	(3,500,000)	(1,750,000) <sup>3</sup>	7,446,805
Police	1,809,700	-	-	1,809,700
Fire	1,287,122	-	-	1,287,122
Urban Design & Planning	8,868,444	-	-	8,868,444
Economic Development	9,844,000	(1,500,000)	(2,200,000) <sup>4</sup>	6,144,000
Community Livability	2,275,805	-	892,000 <sup>1,2</sup>	3,167,805
Youth Services	4,391,297	-	-	4,391,297
Parks	426,000	-	-	426,000
Environmental Services	5,700,000	60,000	-	5,760,000
Subtotal	<u>47,299,173</u>	<u>(4,940,000)</u>	<u>(3,058,000)</u>	<u>39,301,173</u>
Interfund Transfers	4,641,200	5,000,000	1,750,000 <sup>3</sup>	11,391,200
Other Requirements	-	-	2,200,000 <sup>4</sup>	2,200,000
Unappropriated	1,904,423	-	-	1,904,423
Subtotal	<u>6,545,623</u>	<u>5,000,000</u>	<u>3,950,000</u>	<u>15,495,623</u>
<b>TOTAL REQUIREMENTS</b>	<u><u>53,844,796</u></u>	<u><u>60,000</u></u>	<u><u>892,000</u></u>	<u><u>54,796,796</u></u>

**NOTES:**

<sup>1</sup> G - Oregon All In Grant Carryover

<sup>2</sup> H - Additional JOHS Grant

<sup>3</sup> D - Fire Station 2nd Story

<sup>4</sup> I - Property Purchase

**City Facility Capital Fund  
Fiscal Year 2024/25**

	Adopted Budget 7/1/24	Transfers/ Resolutions 7/1/24-12/9/24	Recommended Supplemental Budget 12/10/24	Revised Budget 12/10/24
<b>RESOURCES</b>				
Beginning Balance	640,000	-	-	640,000
Operating Revenues				
Intergovernmental Revenue	780,000	-	-	780,000
Financing Proceeds	-	-	5,900,000 <sup>1, 2</sup>	5,900,000
Subtotal	780,000	-	5,900,000	6,680,000
Interfund Transfers	1,013,000	5,500,000	1,750,000 <sup>3</sup>	8,263,000
<b>TOTAL RESOURCES</b>	<b>2,433,000</b>	<b>5,500,000</b>	<b>7,650,000</b>	<b>15,583,000</b>
<b>REQUIREMENTS</b>				
Capital Improvement Projects	2,433,000	5,500,000	7,650,000 <sup>1, 2, 3</sup>	15,583,000
Subtotal	2,433,000	5,500,000	7,650,000	15,583,000
<b>TOTAL REQUIREMENTS</b>	<b>2,433,000</b>	<b>5,500,000</b>	<b>7,650,000</b>	<b>15,583,000</b>

**NOTES:**

<sup>1</sup> I - Property Purchase

<sup>2</sup> J - Ops Center Development

<sup>3</sup> D - Fire Station 2nd Story

**Administrative Services Fund  
Fiscal Year 2024/25**

	Adopted Budget 7/1/24	Transfers/ Resolutions 7/1/24-12/9/24	Recommended Supplemental Budget 12/10/24	Revised Budget 12/10/24
<b>RESOURCES</b>				
Beginning Balance	2,692,000	-	-	2,692,000
Operating Revenues				
Charges for Services	65,000	-	-	65,000
Miscellaneous Income	125,000	-	-	125,000
Internal Payments	1,700,000	-	-	1,700,000
Internal Service Charges	21,457,212	-	-	21,457,212
Subtotal	23,347,212	-	-	23,347,212
Interfund Transfers	1,129,500	-	104,000 <sup>1</sup>	1,233,500
<b>TOTAL RESOURCES</b>	27,168,712	-	104,000	27,272,712
<b>REQUIREMENTS</b>				
Operating Expenditures				
City Manager's Office	3,450,051	-	104,000 <sup>1</sup>	3,554,051
Budget & Finance	8,351,023	-	-	8,351,023
Information Technology	8,588,371	-	-	8,588,371
Citywide Services	5,162,767	-	-	5,162,767
Subtotal	25,552,212	-	104,000	25,656,212
Interfund Transfers	326,500	-	254,000 <sup>2</sup>	580,500
Contingency	790,000	-	(254,000) <sup>2</sup>	536,000
Unappropriated	500,000	-	-	500,000
Subtotal	1,616,500	-	-	1,616,500
<b>TOTAL REQUIREMENTS</b>	27,168,712	-	104,000	27,272,712

**NOTES:**

<sup>1</sup> C - PIO FTE

<sup>2</sup> E - Cayenta Upgrade

**Enterprise System Replacement Fund  
Fiscal Year 2024/25**

	Adopted Budget 7/1/24	Transfers/ Resolutions 7/1/24-12/9/24	Recommended Supplemental Budget 12/10/24	Revised Budget 12/10/24
<b>RESOURCES</b>				
Beginning Balance	530,000	-	-	530,000
Operating Revenues				
Financing Proceeds	-	-	-	-
Subtotal	-	-	-	-
Interfund Transfers	100,000	-	254,000 <sup>1</sup>	354,000
<b>TOTAL RESOURCES</b>	<b>630,000</b>	<b>-</b>	<b>254,000</b>	<b>884,000</b>
<b>REQUIREMENTS</b>				
Capital Improvement Projects	630,000	-	254,000 <sup>1</sup>	884,000
Subtotal	630,000	-	254,000	884,000
<b>TOTAL REQUIREMENTS</b>	<b>630,000</b>	<b>-</b>	<b>254,000</b>	<b>884,000</b>

**NOTES:**

<sup>1</sup> E - Cayenta Upgrade

**Equipment Replacement Fund  
Fiscal Year 2024/25**

	Adopted Budget 7/1/24	Transfers/ Resolutions 7/1/24-12/9/24	Recommended Supplemental Budget 12/10/24	Revised Budget 12/10/24
<b>RESOURCES</b>				
Beginning Balance	22,413,900	-	3,700,000 <sup>1</sup>	26,113,900
Operating Revenues				
Charges for Services	2,158,700	-	-	2,158,700
Miscellaneous Income	9,463,500	-	-	9,463,500
Subtotal	11,622,200	-	-	11,622,200
Interfund Transfers	137,300	153,000	-	290,300
<b>TOTAL RESOURCES</b>	<b>34,173,400</b>	<b>153,000</b>	<b>3,700,000</b>	<b>38,026,400</b>
<b>REQUIREMENTS</b>				
Operating Expenditures				
Citywide Services	10,610,900	153,000	-	10,763,900
Subtotal	10,610,900	153,000	-	10,763,900
Other Requirements	9,127,200	-	3,700,000 <sup>1</sup>	12,827,200
Unappropriated	14,435,300	-	-	14,435,300
Subtotal	23,562,500	-	3,700,000	27,262,500
<b>TOTAL REQUIREMENTS</b>	<b>34,173,400</b>	<b>153,000</b>	<b>3,700,000</b>	<b>38,026,400</b>

**NOTES:**

<sup>1</sup> J - Ops Center Development

**Workers' Comp and Liability Management Fund  
Fiscal Year 2024/25**

	Adopted Budget 7/1/24	Transfers/ Resolutions 7/1/24-12/9/24	Recommended Supplemental Budget 12/10/24	Revised Budget 12/10/24
<b>RESOURCES</b>				
Beginning Balance	5,211,400	-	-	5,211,400
Operating Revenues				
Miscellaneous Income	279,000	-	2,500,000 <sup>1</sup>	2,779,000
Internal Payments	2,170,000	-	-	2,170,000
Internal Service Charges	3,348,204	-	-	3,348,204
Subtotal	5,797,204	-	2,500,000	8,297,204
<b>TOTAL RESOURCES</b>	11,008,604	-	2,500,000	13,508,604
<b>REQUIREMENTS</b>				
Operating Expenditures				
City Attorney's Office	8,307,182	-	2,500,000 <sup>1</sup>	10,807,182
Subtotal	8,307,182	-	2,500,000	10,807,182
Interfund Transfers		-	125,000 <sup>2</sup>	125,000
Contingency	1,272,400	-	(125,000) <sup>2</sup>	1,147,400
Unappropriated	1,429,022	-	-	1,429,022
Subtotal	2,701,422	-	-	2,701,422
<b>TOTAL REQUIREMENTS</b>	11,008,604	-	2,500,000	13,508,604

**NOTES:**

<sup>1</sup> B - Workers' Comp

<sup>2</sup> F - PFAS Mitigation and Monitoring