

CITY OF GRESHAM



Fiscal Year
2023/24

FINANCE PLAN MANUAL FOR UTILITIES AND TRANSPORTATION

Finance Plan Manual *for* *Utilities and Transportation*



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CITY OF
GRESHAM
OREGON

FINANCE PLAN - OVERVIEW

The City's Water, Stormwater and Wastewater Utilities and Transportation Program are managed as individual businesses with an emphasis on providing services in a sustainable manner. The goal is to provide reliable and affordable services to current customers, while at the same time ensuring that the infrastructure is passed on to future customers in similar condition. Unlike a typical business venture, these programs do not make a profit, nor do they have the option of discontinuing operation or going out of business.

Most infrastructure lasts 25 to 75 years depending on the type of facility and how it is maintained, so decisions must be made with a long-term view in mind. Finance plans are used to assist in planning for the future.

This manual provides an overview of the finance plans and the manner in which they are used. It should be noted that explanations are often provided from a management perspective, rather than in budgetary terms.

FINANCE PLAN - OVERVIEW

Finance Plan Components

There are three primary components to the finance plans:

- Revenues
- Expenses
- Reserves

These components are then evaluated over a time horizon, typically over 20 years, but with a particular focus on the first 5 to 10 years.

The primary components can be broken down as follows:

Utilities:

<u>Revenues</u>	<u>Expenses</u>	<u>Reserves</u>
- Rates - Fees and Charges - SDCs - Misc.	- Operating - Capital - Debt	- Minimum Fund Balance - Working Capital - Uncertainties - Future Needs

Transportation:

<u>Revenues</u>	<u>Expenses</u>	<u>Reserves</u>
- Gas Taxes - County Payments - Fees and Charges - TIF (SDCs) - Misc. - Utility License Fees	- Operating - Capital - Debt	- Minimum Fund Balance - Working Capital - Uncertainties - Future Needs

Further explanation of these components is shown below. Some items, where noted, are applicable to the Utilities but not Transportation or vice versa.

Revenues

- Rates (Utilities only)
Primary revenue source; typically, usage based in some way; may include a fixed component as well.
- Gas Taxes and Vehicle Registration Fees (Transportation only)
Primary revenue source for Transportation.

FINANCE PLAN - OVERVIEW

- **County Payments (Transportation only)**
Gas Taxes from Multnomah County related to the transfer of roads from the County.
- **Fees and Charges**
Payments received for specific services such as inspections or meter installs; typically set to recover only the cost of providing that particular service.
- **System Development Charges (SDCs)**
Payments made by development to cover the cost of growth; usage is restricted to growth-related Capital Improvement Program (CIP) projects only.
- **Miscellaneous**
Includes interest earnings, grants, bond proceeds and any minor or non-routine revenues.
- **Utility License Fees (Transportation only)**
A portion of the Utility License Fees collected from the City's three Water Utilities started showing as revenue in Transportation to be used on the Local Street Reconstruction Program.

Expenses

- **Operating**
Includes all personnel, materials and services, minor capital outlay as shown in the line-item budgets. Typically, this includes functions such as Operations and Maintenance, Engineering, Administration and Support, and Internal Service Charges. Also includes payments transferred to other funds for services received.
- **Capital**
Includes all projects budgeted within the Capital Improvement Program. Projects fall into the following categories:
 - **System Repairs and Replacements**
Projects needed to maintain existing infrastructure; typically needed to ensure service reliability.
 - **System Improvements**
Projects designed to increase the functionality, efficiency, and/or capability of the infrastructure.
 - **Capacity Increasing Projects**
Projects needed in order to provide services to meet increased demand and/or new customers.

FINANCE PLAN - OVERVIEW

- Debt

Repayment of bonds or other debt issued previously to build capital projects; typically, repayment is for 10 – 30 years depending on the issuance. May be paid by SDCs only if the project was for growth, otherwise it must be paid by rates.

Reserves

Having reserves is important in any program, but especially so in capital intensive programs such as the Utilities and Transportation. Any reserves must be accounted for in the budget, both on the resource (revenue) side and on the requirements (expense) side. Items to look for include Beginning Balance (on the resource side) and Contingency and Unappropriated (on the requirements side). From a management perspective, the following categorization may be more illustrative of some of the reasons for having reserves.

- Minimum Fund Balance

Typically based on outstanding cash receipts – money that is owed but hasn't yet been collected.

- Working Capital

Cash balance maintained in order to cover the differences in timing pattern of when expenditures need to be made during the year and when revenues are collected during the year.

- Uncertainties and Unexpected Events

Examples may include revenue collection being lower than anticipated; equipment failure, such as a pipe, reservoir or pump station; weather conditions; an unanticipated increased demand for services and so on.

- Planned Future Needs

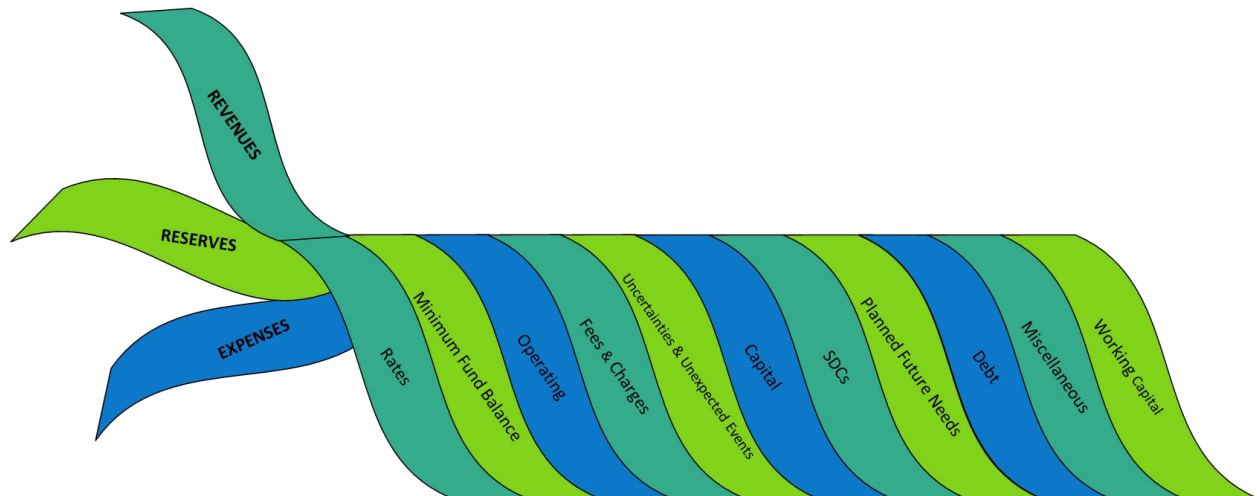
Funds are typically collected over a long period of time and set aside in order to address large capital projects without the need for large rate spikes. These include replacement of existing infrastructure as well as construction of new facilities needed to meet service requirements. Near-term projects are shown in the funded section of the Five-Year Capital Improvement Program. Funds also may be set aside for large projects that are anticipated to occur beyond the five-year CIP horizon.

FINANCE PLAN - OVERVIEW

Inter-Connections Between Components

Many of the items within the Finance Plans are inter-connected. That is, changes in one item will necessitate changes in other items as well.

The picture below is an illustration of how inter-connected the finance plan components can be – now and into the future.



Specific examples include:

Formula-Based Examples

Expenses and Revenues versus Reserves

All dollars must be accounted for. So, whenever expenses are larger than revenues, reserves are drawn down. Similarly, if revenues exceed expenses then reserves are increased.

Interest Earnings and Reserves

Because interest earnings are based on the amount of money being invested, they decrease if the reserves are drawn down and increase if the reserves are built up.

Operational Examples

Owning versus Renting

Purchasing a piece of equipment will result in additional costs for maintenance and insurance but may reduce rental costs.

Capital Investments and Operating Expenses

Investments in the upgrade to the cogeneration facility at the wastewater treatment plant have reduced electricity purchase costs now and in the future.

FINANCE PLAN - OVERVIEW

Influencing Factors

Questions often arise as to why utility rates do not closely match inflation trends or why service levels cannot be sustained without additional revenues. While cost increases can be an issue, the list of factors that influence a program's financial condition (positively or negatively) includes many items that do not correlate closely to inflationary trends.

The following list includes items that may not follow typical inflation trends, items that may increase the activities needed to maintain services and items that may impact the amount of revenue typically collected.

- Basic Costs
 - Personnel
 - Water Purchase
 - Fuel and Electricity
 - Steel, Asphalt, and Concrete
 - Construction Costs
- Utility Needs
 - Deferred Maintenance
 - Capital Projects
 - Contractual Requirements
- Customer Characteristics
 - Changes in Number/Type of Customers
 - Changes in Typical Customer Behavior
 - Changes in Usage by a Large Customer
- Economy
 - Growth and Demand for Services
 - Interest Rates
 - Collection of SDCs
- Regulatory Requirements
 - Environmental
 - Employment/Safety/Contractual
 - Development Related
- Uncertainties
 - Weather
 - Forecast versus Actuals
 - Equipment Breakage or Failure

FINANCE PLAN - OVERVIEW

Developing Recommendations

Several steps are involved when using the finance plans to assist in developing recommendations regarding operating budgets, capital projects and rate or other revenue proposals.

Key aspects are as outlined below:

Forecasting Revenues and Managing Expenses

Many considerations are taken into account when forecasting revenues and expenses including recent history and trends, economic conditions and growth projections. Other analyses include condition assessments of infrastructure, recent field experience regarding emergency repairs and tracking of operations activities. Investments intended to result in future cost savings are also evaluated.

Assessing Upcoming Issues and Uncertainties

Upcoming issues and uncertainties may include requirements related to environmental regulations, the pace and demand for new development, the amount of deferred maintenance and the need to renegotiate contracts such as the operation of the wastewater treatment plant or the water purchase agreement.

Evaluating Fiscal Condition and Risks

Factors to be considered include size of reserves, bond coverage ratios, infrastructure replacement needs, upcoming capital projects and variability in revenues.

Putting it All Together – Finding a Sustainable Balance

There are many competing goals and interests – such as the goal to provide reliable services to keep rates low now and in the future, to meet environmental regulations, and to invest in preventive maintenance.



Drinking Water Utility

DRINKING WATER UTILITY

Purpose

The Drinking Water Program plans for and provides safe, reliable water to the community through construction, operation and maintenance of the public drinking water system. The program provides water services to over 70,000 Gresham residents and businesses. The distribution and storage system includes: eight water reservoirs (seven active) that store more than 27.2 million gallons of water, eight pump stations, over 230 miles of waterlines, 1,724 Gresham-owned fire hydrants, and 8,300 valves.

Overall Structure

The Drinking Water Program has three basic funds;

- Water Fund
- Water Capital Improvement Fund
- Water Debt Service Fund

The Water Fund is the primary operating fund in which all personnel as well as operating materials and services are budgeted. All capital improvement projects (CIP) are budgeted in the Capital Improvement Fund. Staff working on CIP projects charge their time to a specific project and the Water Fund is then reimbursed for that person's time (including salary, benefits and overheads). The Water Debt Service Fund is used to make payments on existing debt.

The finance plan for Water incorporates revenues and expenses in all three of these funds to ensure that operational needs, capital construction and debt requirements can all be supported by the rates and charges as proposed.

Guiding Policies

The Water Utility is guided by a variety of City goals and policies. Examples include:

Council Goals and Strategic Plan

Priorities include Financial Sustainability and Thriving Economy.

City Financial Policies

The City will maintain its infrastructure at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

Master Plans and Infrastructure Condition Assessments

Water System Master Plan (2020)	Seismic Resiliency Study (2016)
Capital Maintenance Plan	Groundwater Development Master Plan (2020)

Long-Term Goals

- Ensure high quality, reliable, low-cost services
- Comply with environmental regulations
- Support economic development
- Proactively accommodate growth within the region

DRINKING WATER UTILITY

Summary

In 2020, City Council approved an intergovernmental agreement between Rockwood Water PUD (RWPUD) and the City that commits to the development of an independent groundwater supply to support the entities' future customer demands: a collaborative project called the Cascade Groundwater Alliance. Historically, the City has purchased wholesale water from the City of Portland. However, surface water filtration requirements on the Bull Run water supply sharply increased projected wholesale costs that subjected City customers to severe and uncontrollable rate increases.

In order to mitigate the severity of customer rate effects while providing a reliable, resilient, and high quality water supply, RWPUD and the City jointly planned an independent groundwater supply that is detailed in the Groundwater Development Master Plan (GDMP). In addition to updating existing infrastructure, the plan anticipates the construction of eight high production wells, 25 million gallons of storage, four state-of-the-art treatment facilities, and seismically resilient transmission. The project is due for completion by the summer of 2025, prior to the conclusion of the current wholesale agreement with the City of Portland (in June 2026).

The operational focus for fiscal year 2023/24 is to continue safety improvements to all large water meter vaults, continue water valve and hydrant maintenance, and to utilize leak detection technology to proactively find and repair leaks in the water distribution system.

Water Utility staff are engaged in local and regional emergency preparedness and response activities, which includes practicing use of an emergency water distribution system that is housed at the Operations Center and can be quickly deployed to serve the community. Well Field Protection Program activities continue to move forward and expand to incorporate the areas within City limits in a proactive manner as Water Utility staff work with businesses to keep water supply aquifers safe. The Utility continues to provide technical assistance, spill control and containment equipment, response signage, and training to businesses located within protection areas. Coordination with local municipalities helps ensure consistent application of requirements for all businesses in East County affected by the Program.

The Water Capital Improvement Program (CIP) includes projects to repair and replace aging infrastructure, ensure system security and resiliency, and expand the City's groundwater supply.

- During fiscal year 2023/24, construction will continue for the pump house at well no. 7 (202nd) and the pump house at well no. 9 (Kirk Park) will start construction.
- The construction of a new storage tank at the RWPUD office site started in early 2022 and is now complete.
- The new seismically enhanced transmission main will begin construction in the Summer.
- Design for a new treatment plant for well no. 6 at 223rd and Stark has begun and construction will begin in late 2023.

In fiscal year 2021/22, the City issued long-term debt to pay off a line of credit and provide stable funding for ongoing capital projects. In fiscal year 2022/23, the City secured a Water Infrastructure Finance and Innovation Act (WIFIA) loan for the dedicated purpose of addressing groundwater system expansion projects while reducing near-term rate effects. In fiscal year 2023/24, the City assumes an additional debt instrument will be required to support groundwater expansion projects. As part of a five-year rate package adopted in September 2021, water rates will be increasing by 9.3% in January 2024. This phased increase helps support the debt obligations that have been incurred to complete the groundwater expansion project.

Resources and Requirements by Fund

Water Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Intergovernmental	164,477	130,353	95,000	125,000	-	-
Charges for Services	16,275,162	17,020,209	17,986,600	19,642,900	-	-
Miscellaneous Income	591,028	371,590	535,800	559,600	-	-
Internal Payments	952,871	841,169	1,153,000	2,567,800	-	-
Interfund Transfers	837,706	1,089,933	486,500	669,400	-	-
Beginning Balance	26,589,481	31,454,016	33,168,300	37,027,700	-	-
Total Resources	45,410,724	50,907,270	53,425,200	60,592,400	-	-
Requirements						
Environmental Services	11,694,721	11,945,067	13,834,876	15,637,229	-	-
<i>Operating Total</i>	<i>11,694,721</i>	<i>11,945,067</i>	<i>13,834,876</i>	<i>15,637,229</i>	-	-
Transfers	2,261,988	3,886,280	5,624,800	5,601,700	-	-
Contingency	-	-	2,075,000	2,346,000	-	-
Unappropriated	31,454,016	35,075,923	31,890,524	37,007,471	-	-
<i>Non-Operating Total</i>	<i>33,716,004</i>	<i>38,962,203</i>	<i>39,590,324</i>	<i>44,955,171</i>	-	-
Total Requirements	45,410,724	50,907,270	53,425,200	60,592,400	-	-

DRINKING WATER FUND

This fund serves as the operating fund for the Water Utility. The Water Fund is where personnel are budgeted and where all rate revenue is received.

Resources - \$60,592,400

Intergovernmental Revenue - \$125,000

This is revenue generated through agreements with Portland and Rockwood Water to cover the Well Field Protection Program.

Charges for Services - \$19,642,900

Revenue received from water utility customers pays for the City's water collection and distribution system. Also includes payments for installation of meters and lines needed for new service connections.

Miscellaneous Income - \$559,600

Includes interest income and fees or reimbursements for infrequent or unexpected services.

Internal Payments - \$2,567,800

Internal payments are reimbursements for engineering staff and overhead charges attributed to capital improvement projects.

Interfund Transfers - \$669,400

Money is transferred from the System Development Charges Fund to the Water Fund to cover the SDC portion of the existing debt. (These dollars are then transferred, along with the rate-funded portion of the debt payment, to the Water Debt Service Fund where the payment is actually made.)

Beginning Balance - \$37,027,700

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent. The beginning balance includes funds identified for future uses, such as infrastructure repair and replacement, construction of capital projects and other modifications needed for system reliability, regulatory compliance and long-term utility operations.

DRINKING WATER FUND

Requirements - \$60,592,400

Environmental Services - \$15,637,229

There are currently four divisions within the Water Fund. These divisions were created to correlate with specific work functions, organizational structures, and, in some cases, specific cost recovery goals.

Administration Division – \$774,686 – This division is responsible for the management and administration of the Water Program. Many functions are shared with other Department of Environmental Services (DES) programs, such as coordination of the Capital Improvement Program and general office operations.

Water Operations Division – \$10,778,945 – This division is responsible for operation and maintenance of the public drinking water system, including reservoirs and pump stations, routine and mandated water quality programs, water conservation programs, pump station and reservoir site security and landscape maintenance, telemetry system activities, water meter testing, wellfield protection and customer service. The purchase of water from Portland accounts for almost \$3.6 million of this division’s total budget.

Water Engineering Division – \$875,007 – This division is responsible for development and administration of Capital Improvement Program projects and planning and design of the water system in accordance with master plans and federal, state and local guidelines and mandates.

Water Support Services Division – \$3,208,591 – Also referred to as Internal Service Charges. This division is the Water Program’s share of City-wide support and administrative functions, such as Information and Technology Services, Fleet and Facilities, Legal Services, Liability Management, Accounting Services, Community Livability, Human Resources, Payroll and Budget. Also includes Utility Financial Services, which includes billing and collection related activities such as meter reading, billing preparation, mailing, collection and customer service for all City of Gresham utility customers. Utility Financial Services costs are shared among Stormwater, Water and Wastewater.

Interfund Transfers - \$5,601,700

In fiscal year 2023/24, the Water Fund will transfer money to seven other funds within the City. These transfers are described below.

General Fund – \$25,000 – Transfer to the General Fund related to confined space rescue services provided by the Fire Department.

Solid Waste & Recycling Fund – \$40,000 – Money is sent to the Recycling and Solid Waste Program to support the Green Business Program, which provides technical assistance to local businesses in the areas of waste reduction and recycling, sustainability, water conservation, stormwater and wastewater management best practices and energy conservation.

Designated Purpose Fund – \$5,000 – Transfers are related to the Small Business Incentive Program.

DRINKING WATER FUND

Infrastructure Development Fund – \$425,000 – This transfer represents Water’s share of the services they use in the Infrastructure Development Fund. Many of these functions are supported by developer fees and charges. Some costs and services are also shared by Stormwater, Wastewater and Transportation.

Water Capital Improvement Fund – \$1,667,500 – Money is issued for constructing water production, treatment, storage and transmission infrastructure, as shown in the CIP.

Water Debt Service Fund – \$3,296,200 – Money is sent to the Water Debt Service Fund to make the annual payment on debt that was previously issued for constructing water production, treatment, storage, and transmission infrastructure.

Administrative Services Fund – \$143,000 – This transfer represents Water’s support of the City’s GIS and asset-management services. Beginning in fiscal year 2023/24 this transfer also supports the IT Business System Analyst position dedicated to DES.

Contingency - \$2,346,000

A portion of existing reserves are appropriated to cover unforeseen events which may occur during the budget year. For utility funds, this is typically set at 15% of the operating budget. City Council must authorize the use of any contingency appropriations.

Unappropriated - \$37,007,471

Funds shown as unappropriated represent an ending fund balance or future reserve and cannot be accessed or utilized during the fiscal year. This amount includes funds identified for future uses, such as infrastructure repair and replacement, construction of capital projects and other modifications needed for system reliability, regulatory compliance and long-term utility operations beyond the budgeted fiscal year.

Resources and Requirements by Fund

Water Capital Improvement Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Intergovernmental	1,970,799	138,135	707,300	21,582,700	-	-
Charges for Services	-	-	6,842,700	-	-	-
Miscellaneous Income	140,457	250,796	321,300	56,900	-	-
Interfund Transfers	812,425	724,723	3,335,400	1,697,200	-	-
Financing Proceeds	4,865,900	31,104,315	17,482,000	38,804,700	-	-
Beginning Balance	10,217,007	9,434,161	40,981,000	31,614,200	-	-
Total Resources	18,006,588	41,652,131	69,669,700	93,755,700	-	-
Requirements						
Capital Improvement	8,572,427	8,407,717	46,495,100	88,300,200	-	-
Unappropriated	9,434,161	33,244,414	23,174,600	5,455,500	-	-
<i>Non-Operating Total</i>	<i>18,006,588</i>	<i>41,652,131</i>	<i>69,669,700</i>	<i>93,755,700</i>	-	-
Total Requirements	18,006,588	41,652,131	69,669,700	93,755,700	-	-

DRINKING WATER CAPITAL IMPROVEMENT FUND

This fund accounts for water related capital projects for maintenance and enhancements to the City's water system.

Resources - \$93,755,700

Intergovernmental Revenue - \$21,582,700

Intergovernmental grants are received as intergovernmental revenue. In fiscal year 2023/24 this includes payments from RWPUD related to the groundwater project.

Charges for Services - \$0

Primarily interest income accrued from the cash held by this fund. In fiscal year 2022/23 the budget includes payments from RWPUD that are now reflected as Intergovernmental Revenue.

Miscellaneous Income - \$56,900

Primarily interest income accrued from the cash held by this fund.

Interfund Transfers - \$1,697,200

Funds are transferred from the Water Fund to pay for rate funded capital projects and from the System Development Charges Fund to pay for capital projects funded by SDCs.

Financing Proceeds - \$38,804,700

Reflects anticipated draws on the Water Infrastructure Financing and Innovation Act (WIFIA) loan that was secured in fiscal year 2021/22. Repayment will be reflected in the Water Debt Service Fund. Fiscal year 2023/24 also assumes an additional revenue bond issuance as part of the funding package for the groundwater project.

Beginning Balance - \$31,614,200

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent. This amount includes the balance of the revenue bonds received in fiscal year 2021/22.

Requirements - \$93,755,700

Capital Improvement Projects - \$88,300,200

Represents the budgeted expenditures (including carryover) on water-related projects as identified in the Five-Year Capital Improvement Program for fiscal year 2023/24. Specific projects and funding sources are shown on the following page.

Unappropriated - \$5,455,500

Funds shown as unappropriated represent an ending fund balance or future reserve and cannot be accessed or utilized during the fiscal year. These funds are also needed to ensure a positive fund balance exists throughout the fiscal year.

Resources and Requirements by Fund

Water Construction Fund Water Projects - Funding Sources

Project	Project Name	Total Project Budget for FY23/24	Project Funding Consists of					
			Grant	IGA	Operating	Debt-SDC	Debt-Operating	R&R
CIPWT00001	Water System Improvements	245,983	0	0	245,983	0	0	0
CIPWT00002	Waterline Oversizing	320,185	0	0	0	320,185	0	0
CIPWT00003	Water System and Supply Studies	265,930	0	0	265,930	0	0	0
CIPWT00005	Minor Capital Maintenance Projects	1,613,455	0	0	0	0	0	1,613,455
CIPWT00015	Local Street Reconstruction Coordination	1,620,719	0	0	0	0	1,620,719	0
CIPWT00017	Water Main Condition Assessment	256,537	0	0	0	0	0	256,537
CIPWT00019	NW Waterline Replacement Package Phase II	732,245	0	0	0	0	0	732,245
CIPWT00020	Intermediate Pump Station Waterline	193,850	0	0	193,850	0	0	0
CIPWT00022	Gabbert Seismic Piping	617,280	0	0	0	0	0	617,280
CIPWT00023	Division Pump Station Seismic Upgrade	417,500	0	0	238,000	0	0	179,500
CIPWT00034	Regner Reservoir Seismic Upgrade	1,100,000	707,218	0	0	0	392,782	0
CIPWT00036	Groundwater System - Water Supply	27,948,568	0	9,273,770	0	3,905,856	14,768,942	0
CIPWT00037	Groundwater System - Central Facilities	23,921,535	0	0	0	4,701,106	19,220,429	0
CIPWT00038	Groundwater System - Distribution Pipelines	27,796,406	0	9,351,733	0	3,847,337	14,597,336	0
CIPWT00040	Water Meter Replacement Program	1,000,000	0	0	1,000,000	0	0	0
CIPWT00047	Groundwater System - Implementation	250,000	0	0	0	0	250,000	0
Grand Total		88,300,193	707,218	18,625,503	1,943,763	12,774,484	50,850,208	3,399,017

Note:

The numbers shown include carryover from FY22/23.

"Grant" = Funds awarded from federal, state or local sources.

"IGA" = Funding from intergovernmental agreement.

"Operating" = Water utility rates.

"Debt-SDC" = Loans to be repaid by SDC funds. Used when the project is SDC eligible, but SDC funds are not currently on hand.

"Debt-Oper" = Loans to be repaid by Operating funds. Used when the project is rate eligible.

"R&R" = Funds set aside for repair and/or replacement of infrastructure.



Resources and Requirements by Fund

Water Debt Service Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Miscellaneous Income	3,285	2,316	-	-	-	-
Interfund Transfers	697,905	2,488,555	1,755,000	3,296,200	-	-
Financing Proceeds	-	14,037,453	-	-	-	-
Beginning Balance	285,913	289,945	287,000	287,000	-	-
Total Resources	987,103	16,818,268	2,042,000	3,583,200	-	-
Requirements						
Debt Service	697,158	16,626,007	1,755,000	2,895,000	-	-
Unappropriated	289,945	192,261	287,000	688,200	-	-
<i>Non-Operating Total</i>	<i>987,103</i>	<i>16,818,268</i>	<i>2,042,000</i>	<i>3,583,200</i>	-	-
Total Requirements	987,103	16,818,268	2,042,000	3,583,200	-	-

DRINKING WATER DEBT SERVICE FUND

This fund accounts for the payment of principal and interest on existing Water Debt Services. These debt issuances were issued to expand the groundwater system and to construct reservoirs, meter replacement and pipe projects.

Resources - \$3,583,200

Interfund Transfers - \$3,296,200

Cash is transferred in from the Water Fund in order to make debt payments. These funds are comprised of rate and system development charges revenues based on the eligibility of the projects for which the debt was incurred.

Beginning Balance - \$287,000

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent. Addresses bond covenants, if any, that specify an amount of cash that must be maintained in reserve.

Requirements - \$3,583,200

Debt Service - \$2,895,000

Represents the payment due on outstanding debt. As of June 30, 2022, the Full Faith and Credit borrowing from 2015 has an outstanding principal of \$3,960,000 and has a maturity date of 2035. Revenue bonds were also issued during fiscal year 2021/22, and some proceeds were used to fully pay off Water's balance on the line of credit. The outstanding balance for the revenue bonds as of June 30, 2022 is \$41,455,000. A loan agreement through the Water Infrastructure Financing and Innovation Act is also in place, although no funds were drawn as of June 30, 2022.

Unappropriated - \$688,200

Funds shown as unappropriated represent an ending fund balance and cannot be accessed or utilized during the fiscal year. Addresses bond covenants that specify an amount of cash that must be maintained in reserve.



Stormwater Utility

STORMWATER UTILITY FUND

Purpose

The Watershed Program provides flood protection through continual improvement and maintenance of the City’s stormwater system and works to monitor and improve the water quality and habitat of nearly 60 miles of streams and 688 acres of associated riparian corridors, as well as numerous wetlands, to meet state and federal water quality, waterway protections, and Endangered Species Act regulations. Gresham’s stormwater system includes approximately 9,000 catch basins, 225 miles of drainage pipes, 1,100 drywells, 200 culverts, 715 street-side stormwater planters, and 65 publicly maintained regional and local stormwater treatment/flood-control facilities and handles an estimated 4.3 billion gallons of runoff each year.

Overall Structure

The Stormwater/Watershed Management Program has three basic funds:

- Stormwater Fund
- Stormwater Capital Improvement Fund
- Stormwater Debt Service Fund

The Stormwater Fund serves as the primary operating fund and is where personnel are budgeted. All CIP projects are budgeted in the Capital Improvement Fund. Staff who work on CIP projects charge their time to a specific project, and the Stormwater Fund is then reimbursed for that person’s time (including salary, benefits and overheads). The Stormwater Debt Service Fund is used to make payments on existing debt.

The finance plan for Stormwater incorporates revenues and expenses in all three of these funds to ensure that operational needs, capital construction, and debt requirements can all be supported by the rates and charges as proposed.

Guiding Policies

The Stormwater Utility is guided by a variety of City goals and policies. Examples include:

Council Goals and Strategic Plan

Priorities include Financial Sustainability and Thriving Economy.

City Financial Policies

The City will maintain its infrastructure at a level adequate to protect the City’s capital investment and to minimize future maintenance and replacement costs.

Master plans and infrastructure condition assessments

Fairview Creek Stormwater Master Plan (2003)	Kelly Creek Stormwater Master Plan (2006)
West Gresham Stormwater Master Plan (2005)	Natural Resource Master Plan (2010)
Johnson Creek Stormwater Master Plan (2005)	City-wide Stormwater Comprehensive Master Plan (2022)

Long-term goals, including:

- Ensure high quality, reliable services
- Comply with environmental regulations
- Preserve and protecting Gresham’s natural resources
- Enhance community livability
- Provide low cost services

STORMWATER UTILITY FUND

Summary

Priorities for Gresham's Stormwater Utility include protection and improvement of stormwater quality, enhancement of natural resources, pollution prevention, and reduction of flooding, erosion, and other issues related to stormwater runoff. Regulatory requirements from state and federal mandated programs are key drivers for the utility.

The Oregon Department of Environmental Quality (DEQ) regulates stormwater discharges to the ground through the Underground Injection Control (UIC) program and a Water Pollution Control Facilities (WPCF) permit, which regulates the use of stormwater infiltration drywells to protect groundwater. The City's stormwater system includes over 1,100 drywells located in the north and west portions of the city.

The five-year Capital Improvement Program (CIP) includes numerous projects that focus on construction of water quality and flood relief facilities, correction of drainage problems, installation of stormwater controls in areas without treatment, and replacement of deteriorating facilities such as pipes and drywells. Projects of note include the installation of pipe parallels to alleviate flooding in the Fairview Creek Basin, conventional repair and replacement of aging pipe, and continued implementation of low-impact development practices in development, which include rain gardens, swales, and porous pavement that more closely mimic natural hydrologic features to improve watershed quality and quantity.

The Oregon DEQ also regulates stormwater discharges to streams and wetlands through the National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit. Under the current NPDES MS4 permit, the city conducted an analysis of stormwater flow impacts to streams and prioritized strategies for improvement. The City has created a strategy that will improve water quality in areas without treatment and is developing an updated Stormwater Manual in conjunction with updated Public Works Standard details. Other programs required by the permit include: business inspection, erosion prevention and control, stormwater and stream monitoring, private water quality facility inspections and pollution prevention education.

The City's Natural Resources Program is supported through the Stormwater utility with contributions from Water, Wastewater, and Transportation funds. Through the implementation of the Natural Resources Master Plan, the NR Program guides City efforts to restore degraded stream and wetland systems, and associated habitat for protected species. The NR Program reviews alterations to protected resource areas stemming from private development proposals, public works improvements, operations & maintenance needs, or enforcement actions, and assists in identifying mitigation options for unavoidable impacts stemming from public activities. The NR Program leads the City's efforts to improve stream shade, stream function and water quality by implementing riparian forest restoration, bank stabilization and floodplain improvements, consistent with the City's Mercury and Temperature Total Maximum Daily Load (TMDL) requirements.

As part of a five-year rate package adopted in September 2021, stormwater rates will be increasing by 9.45% in January 2024 in order to meet the City's basic stormwater operating and CIP budget needs. With additional information from the video inspections, it is becoming more evident, however, that the capital funding is likely not sufficient to adequately address the asset management needs of the utility in the long-term. Additional resources will be necessary in the future to substantively increase the level of activity within the upcoming decade.

Resources and Requirements by Fund

Stormwater Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Intergovernmental	42,586	1,328	-	-	-	-
Charges for Services	10,631,460	11,498,365	12,458,000	13,646,800	-	-
Miscellaneous Income	245,857	167,560	214,740	195,100	-	-
Internal Payments	557,109	420,626	617,000	389,900	-	-
Interfund Transfers	213,592	198,185	242,800	230,000	-	-
Beginning Balance	14,494,733	14,478,163	14,461,000	13,012,400	-	-
Total Resources	26,185,337	26,764,226	27,993,540	27,474,200	-	-
Requirements						
Environmental Services	7,501,112	7,893,677	9,796,521	10,738,059	-	-
<i>Operating Total</i>	<i>7,501,112</i>	<i>7,893,677</i>	<i>9,796,521</i>	<i>10,738,059</i>	-	-
Transfers	4,206,062	4,218,489	5,590,995	5,128,100	-	-
Contingency	-	-	1,472,000	1,611,000	-	-
Unappropriated	14,478,163	14,652,060	11,134,024	9,997,041	-	-
<i>Non-Operating Total</i>	<i>18,684,225</i>	<i>18,870,549</i>	<i>18,197,019</i>	<i>16,736,141</i>	-	-
Total Requirements	26,185,337	26,764,226	27,993,540	27,474,200	-	-

STORMWATER FUND

This fund serves as the operating fund for the Stormwater Utility. The Stormwater Fund is where personnel are budgeted and where all rate revenue is received.

Resources - \$27,474,200

Charges for Services - \$13,646,800

Revenue received from stormwater customers pays for the City's storm drain system. Approximately 60% of stormwater rate revenues are received from residential customers, while 40% comes from commercial or industrial customers.

Miscellaneous Income - \$195,100

Includes interest income generated from the cash held by this fund.

Internal Payments - \$389,900

Internal payments are reimbursements for engineering staff and overhead charges for work on capital improvement projects.

Interfund Transfers - \$230,000

This includes a transfer from the System Development Charges Fund to the Stormwater Fund to cover eligible debt expenses.

Beginning Balance - \$13,012,400

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent. The beginning balance includes funds identified for future uses, such as infrastructure repair and replacement, construction of capital projects, and other modifications needed for system reliability, regulatory compliance, and long-term utility operations.

Requirements - \$27,474,200

Environmental Services - \$10,738,059

There are currently six divisions within the Stormwater Fund. These divisions were created to correlate with specific work functions, organizational structures, and, in some cases, specific cost recovery goals.

Administration Division – \$772,144 – This division is responsible for the management and administration of the Stormwater Program. Many functions are shared with other DES programs, such as coordination of the Capital Improvement Program and general office operations.

Stormwater Operations Division – \$4,492,025 – This division is responsible for the operation and maintenance of the public stormwater system, including storm lines, catch basins, ditches, sumps, swales, stormfilter vaults, detention pipes, and detention/water quality ponds cleaning and maintenance.

Stormwater Engineering Division – \$688,399 – This division is responsible for development and administration of Capital Improvement Program projects and planning and design of the stormwater system in accordance with master plans and federal, state and local guidelines and mandates.

STORMWATER FUND

Natural Resources Division – \$819,780 – This division is responsible for overseeing the City’s Natural Resource Program in accordance with federal, state and local guidelines and mandates.

Water Quality Division – \$1,222,481 – This division is responsible for providing water quality monitoring and improvement to water quality through public education, erosion controls, limitation on illicit discharges and illegal connection to the stormwater system. In addition, the division provides reporting and other activities needed to demonstrate regulatory compliance with NPDES and UIC permits.

Stormwater Support Services Division – \$2,743,230 – Also referred to as Internal Service Charges. This division is the Stormwater Program’s share of City-wide support and administrative functions, such as Information and Technology Services, Fleet and Facilities, Legal Services, Workers Compensation, Liability Management, Accounting Services, Community Livability, Human Resources, Payroll, and Budget. Also includes Utility Financial Services, which includes billing and collection related activities such as billing preparation, mailing, collection, and customer service for all City of Gresham utility customers. Utility Financial Services costs are shared among Stormwater, Water, and Wastewater.

Interfund Transfers - \$5,128,100

In fiscal year 2023/24, the Stormwater Fund will send money to nine other funds within the City. These transfers are described below.

General Fund – \$25,000 – Transfer to the General Fund related to confined space rescue services provided by the Fire Department.

Solid Waste & Recycling Fund – \$40,000 – Money is sent to the Recycling and Solid Waste Program to support the Green Business Program, which provides technical assistance to local businesses in the areas of waste reduction and recycling, sustainability, water conservation, stormwater and wastewater management best practices, and energy conservation.

Designated Purpose Fund – \$5,000 – Related to the Small Business Incentive Program.

Infrastructure Development Fund – \$425,000 – This transfer represents Stormwater’s share of the services they use in the Infrastructure Development Fund. Many of these functions are supported by developer fees and charges. Some costs and services are also shared by Water, Wastewater, and Transportation.

Transportation Fund – \$1,121,600– This transfer represents funding for street sweeping and vegetation management from Stormwater.

General Development Capital Improvement – \$45,000 – This transfer started in fiscal year 2022/23, allowing for wetland and waterway mitigation in Pleasant Valley if needed to support stormwater projects.

Stormwater Capital Improvement Fund – \$3,058,500 – Money is sent to the Stormwater Capital Improvement Fund to pay for rate-funded capital improvement projects, as shown in the CIP. The amount varies from year to year based on the size of the capital program.

Stormwater Debt Service Fund – \$265,000 – Money is sent to the Stormwater Debt Service Fund to make the annual payment on debt that was previously issued to construct stormwater facilities.

STORMWATER FUND

Administrative Services Fund – \$143,000 – This transfer represents Stormwater’s support of the City’s GIS and asset-management services. Beginning in fiscal year 2023/24 this transfer also supports the IT Business System Analyst position dedicated to DES.

Contingency - \$1,611,000

A portion of existing reserves are appropriated to cover unforeseen events which may occur during the budget year. For utility funds, this is typically set at 15% of the operating budget. City Council must authorize the use of any contingency appropriations.

Unappropriated - \$9,997,041

Funds shown as unappropriated represent an ending fund balance or future reserve, and cannot be accessed or utilized during the fiscal year. This amount includes funds identified for future uses, such as infrastructure repair and replacement, construction of capital projects and other modifications needed for system reliability, regulatory compliance, and long-term utility operations beyond the budgeted fiscal year.

Resources and Requirements by Fund

Stormwater Capital Improvement Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Miscellaneous Income	153,119	107,409	92,000	102,900	-	-
Interfund Transfers	2,137,610	2,257,328	5,031,495	4,680,900	-	-
Beginning Balance	10,128,640	10,168,120	11,882,400	12,665,200	-	-
Total Resources	12,419,368	12,532,857	17,005,895	17,449,000	-	-
Requirements						
Capital Improvement	2,251,248	1,382,183	9,471,700	10,495,900	-	-
Unappropriated	10,168,120	11,150,674	7,534,195	6,953,100	-	-
<i>Non-Operating Total</i>	<i>12,419,368</i>	<i>12,532,857</i>	<i>17,005,895</i>	<i>17,449,000</i>	-	-
Total Requirements	12,419,368	12,532,857	17,005,895	17,449,000	-	-

STORMWATER CAPITAL IMPROVEMENT FUND

This fund accounts for stormwater related capital projects for maintenance and enhancements to the City's stormwater system.

Resources - \$17,449,000

Miscellaneous Income - \$102,900

Includes interest income accrued from the cash held by this fund.

Interfund Transfers - \$4,680,900

Funds are transferred from the Stormwater Fund to pay for rate funded capital projects and from the System Development Charges Fund to pay for capital projects funded by SDCs.

Beginning Balance - \$12,665,200

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent.

Requirements - \$17,449,000

Capital Improvement Projects - \$10,495,900

Represents the budgeted expenditures (including carryover) on Stormwater-related projects as identified in the 5-Year Capital Improvement Program for fiscal year 2023/24. Specific projects and funding sources are shown on the following page.

Unappropriated - \$6,953,100

Funds shown as unappropriated represent an ending fund balance or future reserve and cannot be accessed or utilized during the fiscal year. These funds are also needed to ensure a positive fund balance exists throughout the fiscal year.

Stormwater Construction Fund
Stormwater Projects - Funding Sources

Project	Project Name	Total Project Budget for FY23/24	Project Funding Consists of					
			Grant	Operating	Other	SDC	Dev/SDC Credit	R&R
CIPSW00001	Localized Drainage Improvements	575,027	0	287,514	0	0	0	287,513
CIPSW00002	Low Impact Dev Practices Retrofit Program	1,374,459	35,000	1,339,459	0	0	0	0
CIPSW00003	Stream and Slope Improvements	763,266	0	0	0	0	0	763,266
CIPSW00004	Rehab & Repair of Pipe System	2,669,956	0	0	0	0	0	2,669,956
CIPSW00005	Stormwater Facility Improvements	617,111	0	233,556	150,000	0	0	233,555
CIPSW00006	Riparian & Wetland Improvement Projects	647,314	0	323,657	0	0	0	323,657
CIPSW00007	Fujitsu Ponds Restoration	248,000	0	248,000	0	0	0	0
CIPSW00008	Segment 2, Fairview Creek Basin Central Core Trunk	406,904	0	0	0	0	406,904	0
CIPSW00009	Infrastructure Capacity Improvements	272,439	0	163,464	0	108,975	0	0
CIPSW00015	West Gresham Water Quality and Infiltration Facilities	397,111	0	397,111	0	0	0	0
CIPSW00016	Segments 3B & 3C, Fairview Creek Basin Central Core	2,324,282	0	1,394,570	0	929,712	0	0
CIPSW00021	Environmental Risk Prevention	200,000	0	200,000	0	0	0	0
Grand Total		10,495,869	35,000	4,587,331	150,000	1,038,687	406,904	4,277,947

Note:

The numbers shown include carryover from FY22/23.

"Grant" = Funds awarded from federal, state or local sources.

"Operating" = Stormwater utility rates.

"Other" = Cash-in-lieu collections.

"SDC" = Stormwater system development charges.

"Dev/SDC Credit" = SDC credits issued to private developers when they construct qualifying public infrastructure.

"R&R" = Funds set aside for repair and/or replacement of infrastructure.



Resources and Requirements by Fund

Stormwater Debt Service Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Miscellaneous Income	3,226	2,268	-	-	-	-
Interfund Transfers	820,898	268,389	267,000	265,000	-	-
Beginning Balance	200,506	202,481	176,000	176,000	-	-
Total Resources	1,024,629	473,138	443,000	441,000	-	-
Requirements						
Debt Service	822,148	267,139	267,000	265,000	-	-
Unappropriated	202,481	205,999	176,000	176,000	-	-
<i>Non-Operating Total</i>	<i>1,024,629</i>	<i>473,138</i>	<i>443,000</i>	<i>441,000</i>	-	-
Total Requirements	1,024,629	473,138	443,000	441,000	-	-

STORMWATER DEBT SERVICE FUND

This fund accounts for the payment of principal and interest on existing Stormwater Debt Service bonds.

Resources - \$441,000

Interfund Transfers - \$265,000

Cash transfers in from the Stormwater Fund in order to make the debt payment.

Beginning Balance - \$176,000

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent. Addresses bond covenants that specify an amount of cash that must be maintained in reserve.

Requirements - \$441,000

Debt Service - \$265,000

Represents the payment due on outstanding debt. As of June 30, 2022, there was one outstanding issuance with an outstanding principal of \$3,825,098 that matures in 2037.

Unappropriated - \$176,000

Funds shown as unappropriated represent an ending fund balance and cannot be accessed or utilized during the fiscal year. Addresses bond covenants that specify an amount of cash that must be maintained in reserve.



Wastewater Utility

WASTEWATER UTILITY

Purpose

The Wastewater Collection and Treatment Program provides planning, design, operation, maintenance and capital improvement of the City’s wastewater collection and treatment facilities. The Gresham Wastewater Treatment Plant serves over 124,000 customers within the cities of Gresham, Wood Village, Fairview, portions of Portland and treats approximately 13 million gallons of wastewater daily. The collection portion of the program maintains over 310 miles of mains, trunks and interceptors, 128 miles of service laterals, seven lift stations, and more than 6,800 sewer manholes within Gresham.

Overall Structure

The Wastewater Program has three basic funds.

- Wastewater Fund
- Wastewater Capital Improvement Fund
- Wastewater Debt Service Fund

The Wastewater Fund serves as the primary operating fund and is where personnel are budgeted. All Capital Improvement Program (CIP) projects are budgeted in the Construction Fund. Staff who work on CIP projects charge their time to that specific project and the Wastewater Fund is then reimbursed for that person’s time (including salary, benefits and overheads). The Wastewater Debt Service Fund is used to make payments on existing debt.

The finance plan for Wastewater incorporates revenues and expenses in all three of these funds to ensure that operational needs, capital construction and debt requirements can all be supported by the rates and charges as proposed.

Guiding Policies

The Wastewater utility is guided by a variety of City goals and policies. Examples include:

Council Goals and Strategic Plan

Priorities include Financial Stability and Thriving Economy.

City Financial Policies

The City will maintain its infrastructure at a level adequate to protect the City’s capital investment and to minimize future maintenance and replacement costs.

Master Plans and Infrastructure Condition Assessments

Wastewater Treatment Plant Master Plan (2017)	Annual asset management plan for the Wastewater Division
Wastewater Collection and Conveyance System Master Plan (2020)	Nitrification Upgrade Study (2022)
TV assessment of pipes	

Long-Term Goals

- Ensure high quality, reliable services
 - Comply with environmental discharge permit regulations
 - Provide low cost services
 - Encourage economic development
 - Proactively accomodate growth within the region
 - Provide Biological ammonia removal to reduce plant effluent nutrient levels
-

WASTEWATER UTILITY

Summary

The City's Wastewater Treatment Plant expects to continue its "Net-Zero" status in fiscal year 2023/24: producing more electricity on site than its operations require. Priorities for the Wastewater Utility include coordinating wastewater infrastructure upgrades and replacement with Transportation's "Hitting the Streets" local street reconstruction program, along with replacement of existing pipes and other facilities that are reaching the end of their useful life. In November 2022 the City and Microchip Technology Incorporated finalized an agreement for a shared expense project that will allow the WWTP to reduce the amount of ammonia discharged to the Columbia River and meet Oregon DEQ permit requirements while enhancing the City's capacity to serve emerging industries. The Utility continues to place a high priority on implementing comprehensive asset management strategies to ensure sustainable, lowest life-cycle costs for services and minimize risk of failed assets. Pipes, lift stations and treatment plant assets are condition assessed in order to predict remaining useful service life and plan for refurbishment or replacement.

The City continues to work on the replacement of existing 1950's pipes as conditions indicate the pipe is near the end of its life. Further analysis and design continues for those constructed up until the 1970's, which constitute over 44% of the overall system. Significant replacement efforts on other wastewater infrastructure facilities are anticipated to be needed during the next five to fifteen-year horizon. The City typically funds repair and replacement of infrastructure with cash rather than debt, so funds are being reserved in anticipation of these upcoming needs. Because of the high construction costs involved, it is important to save well in advance in order to avoid the need for larger rate increases in the future.

Some of the near-term maintenance projects, such as the East Basin Trunk Upgrade project, have a growth component as well as maintenance of existing sewer capacity, which means the projects are eligible to be partially funded with System Development Charges (SDCs). The Utility will continue work on collection system projects for the Kelley Creek Interceptor and East Basin Trunk Upgrade Phase III which will provide for capacity and growth in the Pleasant Valley and Springwater areas.

The City successfully transitioned wastewater treatment plant operations and maintenance to a new operator in fiscal year 2018/19. The new contract will expire at the end of fiscal year 2028/29. Consistent with the NPDES permit with the State, Wastewater will continue to proactively work with businesses to reduce Fats, Oils and Grease (FOG) from going into the wastewater pipe system to prevent clogs and hazardous sewerage overflows, and to ensure compliance with the federal Clean Water Act and City Code.

As part of a five-year rate package adopted in September 2021, wastewater rates will be increasing by 6.8% in January 2024 in order to meet the City's basic wastewater operating and CIP budget needs. Permit requirements have expanded capital project demands, and the utility is drawing down reserves to support the current activity level of capital projects. In addition to private capital contributions and public-private financing agreements, the City is considering a number of financing instruments to support the increased capital program activity.

Resources and Requirements by Fund

Wastewater Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Licenses & Permits	6,132	37,054	4,000	14,300	-	-
Intergovernmental	463,746	426,366	438,300	180,300	-	-
Charges for Services	19,966,140	20,856,611	22,109,500	23,709,000	-	-
Miscellaneous Income	533,907	369,693	342,400	385,500	-	-
Internal Payments	557,601	741,745	838,000	1,066,700	-	-
Interfund Transfers	453,444	910,272	232,800	425,000	-	-
Beginning Balance	31,485,647	27,857,991	22,420,000	25,703,000	-	-
Total Resources	53,466,615	51,199,732	46,385,000	51,483,800	-	-
Requirements						
Environmental Services	13,725,295	14,109,639	17,293,510	18,576,497	-	-
<i>Operating Total</i>	<i>13,725,295</i>	<i>14,109,639</i>	<i>17,293,510</i>	<i>18,576,497</i>	-	-
Debt Service	125,236	-	-	-	-	-
Transfers	11,758,094	12,437,060	5,664,806	14,922,100	-	-
Contingency	-	-	2,595,000	2,786,000	-	-
Unappropriated	27,857,991	24,653,033	20,831,684	15,199,203	-	-
<i>Non-Operating Total</i>	<i>39,741,321</i>	<i>37,090,093</i>	<i>29,091,490</i>	<i>32,907,303</i>	-	-
Total Requirements	53,466,615	51,199,732	46,385,000	51,483,800	-	-

WASTEWATER FUND

This fund serves as the operating fund for the Wastewater utility. The Wastewater Fund is where personnel are budgeted and where all rate revenue is received.

Resources - \$51,483,800

Licenses and Permits - \$14,300

Discharge permit fees received from industrial customers.

Intergovernmental Revenue - \$180,300

Reimbursement for on-call services provided to Fairview.

Charges for Services - \$23,709,000

Revenue received from wastewater utility customers pays for the City's wastewater collection and treatment system. Includes rate revenues received from Wood Village and Fairview.

Miscellaneous Income - \$385,500

Typically, interest income from the cash held by this fund or fees or reimbursements for infrequent, unexpected services.

Internal Payments - \$1,066,700

Internal payments are reimbursements for engineering staff and overhead charges for work on capital improvement projects.

Interfund Transfers - \$425,000

Money is transferred from the System Development Charges Fund to the Wastewater Fund to cover the system development charge portion of the existing debt. (These dollars are then transferred to the Wastewater Debt Service Fund where the payment is made.) Fiscal year 2021/22 allowed for any needed payoff of Wastewater's share of the City's line of credit.

Beginning Balance - \$25,703,000

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent. The beginning balance includes funds identified for future uses, such as infrastructure repair and replacement, construction of capital projects and other modifications needed for system reliability, regulatory compliance and long-term utility operations.

WASTEWATER FUND

Requirements - \$51,483,800

Environmental Services - \$18,576,497

There are currently five divisions within the Wastewater Fund. These divisions were created to correlate with specific work functions, organizational structures and, in some cases, specific cost recovery goals.

Administration Division – \$732,797 – This division is responsible for the management and administration of the Wastewater Program. Many functions are shared with other department programs, such as coordination of the Capital Improvement Program and general office operations.

Wastewater Operations Division – \$5,266,972 – This division is responsible for the operation and maintenance of the public wastewater collection system, including repairs, locates, cleaning and TV inspection of sanitary sewer lines.

Wastewater Engineering Division – \$857,566 – This division is responsible for development and administration of Capital Improvement Program projects and planning and design of the Wastewater system in accordance with master plans and federal, state and local guidelines and mandates.

Wastewater Treatment Plant Division – \$6,970,179 – This division is responsible for operation of the Wastewater Treatment Plant and pretreatment services. Additionally, the City provides wastewater treatment services, via intergovernmental agreements, to the Cities of Fairview and Wood Village. The contract to operate the treatment plant accounts for approximately \$4.6 million of this division's total budget.

Wastewater Support Services Division – \$4,748,983 – Also referred to as Internal Service Charges. Represents the Wastewater Program's share of City-wide support and administrative functions, such as Information Technology Services, Fleet and Facilities, Legal Services, Workers Compensation, Liability Management, Accounting Services, Community Livability, Human Resources, Payroll and Budget. Also includes Utility Financial Services, which includes billing and collection related activities such as billing preparation, mailing, collection and customer service for all City of Gresham utility customers. Utility Financial Services costs are shared among Water, Stormwater and Wastewater.

Debt Service - \$0

Repayment of a \$1,225,000 loan from the Water Fund was completed in fiscal year 2020/21.

Interfund Transfers - \$14,922,100

In fiscal year 2023/24, the Wastewater Fund will send money to seven other funds within the City. These transfers are described below.

General Fund – \$25,000 – This includes a transfer to the General Fund related to confined space rescue services provided by the Fire Department.

WASTEWATER FUND

Solid Waste & Recycling Fund – \$40,000 – Money is sent to the Recycling and Solid Waste Program to support the Green Business Program, which provides technical assistance to local businesses in the areas of waste reduction and recycling, sustainability, water conservation, stormwater and wastewater management best practices and energy conservation.

Designated Purpose Fund – \$55,000 – Related to Small Business Incentive Program. In fiscal year 2023/24, this includes a one-time transfer of \$50,000 for East County Project Fees.

Infrastructure Development Fund – \$425,000 – This transfer represents Wastewater’s share of the services they use in the Infrastructure Development Fund. Many of these functions are supported by developer fees and charges. Some costs and services are also shared by Water, Stormwater and Transportation.

Wastewater Capital Improvement Fund – \$13,717,100 – Money is sent to the Wastewater Capital Improvement Fund to pay for rate-funded capital improvement projects, as shown in the CIP.

Wastewater Debt Service Fund – \$517,000 – Money is sent to the Wastewater Debt Service Fund to make the annual payment on debt that was previously issued to construct wastewater facilities.

Administrative Services Fund – \$143,000 – This transfer represents Stormwater’s support of the City’s GIS and asset-management services. Beginning in fiscal year 2023/24 this transfer also supports the IT Business System Analyst position dedicated to DES.

Contingency - \$2,786,000

A portion of existing reserves are appropriated to cover unforeseen events which may occur during the budget year. For utility funds, this is typically set at 15% of the operating budget. City Council must authorize the use of any contingency appropriations.

Unappropriated - \$15,199,203

Funds shown as unappropriated represent an ending fund balance or future reserve and cannot be accessed or utilized during the fiscal year. This amount includes funds identified for future uses, such as infrastructure repair and replacement, construction of capital projects and other modifications needed for system reliability, regulatory compliance and long-term utility operations beyond the budgeted fiscal year.

Resources and Requirements by Fund

Wastewater Capital Improvement Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Intergovernmental	-	21,785	756,700	682,100	-	-
Charges for Services	-	-	250,000	-	-	-
Miscellaneous Income	266,573	245,725	248,900	6,336,200	-	-
Interfund Transfers	8,435,081	10,860,000	5,431,906	14,657,400	-	-
Financing Proceeds	92,600	1,700	-	-	-	-
Beginning Balance	17,134,496	23,194,505	32,925,194	39,813,000	-	-
Total Resources	25,928,750	34,323,715	39,612,700	61,488,700	-	-
Requirements						
Capital Improvement	2,734,244	5,125,768	28,517,000	37,557,000	-	-
Unappropriated	23,194,505	29,197,947	11,095,700	23,931,700	-	-
<i>Non-Operating Total</i>	<i>25,928,750</i>	<i>34,323,715</i>	<i>39,612,700</i>	<i>61,488,700</i>	-	-
Total Requirements	25,928,750	34,323,715	39,612,700	61,488,700	-	-

WASTEWATER CAPITAL IMPROVEMENT FUND

This fund accounts for wastewater related capital projects for maintenance and enhancements to the City's wastewater system.

Resources - \$61,488,700

Intergovernmental Revenue - \$682,100

Reflects intergovernmental grants for projects.

Charges for Services - \$0

In FY 2022/23, this includes a contract reimbursement related to the Wastewater Treatment Plant.

Miscellaneous Income - \$6,336,200

Earnings accrued from the cash held by this fund. In fiscal year 2022/23 the City and Microchip Technology Incorporated entered into a Public Works Improvement Agreement to construct ammonia treatment facilities at the WWTP. Under this Agreement Microchip agreed to pay the City \$16 million. Of this amount, the City received \$10 million in fiscal year 2022/23 and will receive the remaining \$6 million in fiscal year 2023/24. In 2025 if certain criteria is met, the City is required to start refunding a portion of the \$8 million received.

Interfund Transfers - \$14,657,400

Money is transferred from the Wastewater Fund to pay for rate funded capital projects and from the System Development Charges Fund to pay for capital projects funded by SDCs.

Financing Proceeds - \$0

Money received from the sale of debt is recorded as financing proceeds. There is no debt issuance anticipated in FY 2023/24.

Beginning Balance - \$39,813,000

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent.

Requirements - \$61,488,700

Capital Improvement Projects - \$37,557,000

Represents the budgeted expenditures (including carryover) on Wastewater-related projects as identified in the Five-Year Capital Improvement Program for fiscal year 2023/24. Specific projects and funding sources are shown on the following page.

Unappropriated - \$23,931,700

Funds shown as unappropriated represent an ending fund balance or future reserve and cannot be accessed or utilized during the fiscal year. These funds are also needed to ensure a positive fund balance exists throughout the fiscal year.

Wastewater Construction Fund
Wastewater Projects - Funding Sources

Project	Project Name	Total Project Budget for FY23/24	Project Funding Consists of				
			Grant	Operating	Other	SDC	R&R
CIPWW00001	I & I Control Program	881,293	0	881,293	0	0	0
CIPWW00002	WWTP Maintenance Project	1,173,697	0	0	0	0	1,173,697
CIPWW00005	WWTP Asset Replacement and Refurbishment (R&R)	2,752,550	0	0	0	0	2,752,550
CIPWW00006	Collection System Asset Refurbishment and Replacement	2,105,135	0	0	0	0	2,105,135
CIPWW00007	1950's Failing Pipe Rehabilitation/Maint. Program	1,970,531	0	0	0	0	1,970,531
CIPWW00008	East Basin Trunk Upgrade Phase III	1,904,226	0	963,939	0	940,287	0
CIPWW00013	Wastewater Mainline Extension	397,172	0	397,172	0	0	0
CIPWW00018	WWTP Upper Plant Nitrification Improvements	3,284,386	0	0	3,284,386	0	0
CIPWW00020	WWTP FOG Screening Improvements	156,553	0	156,553	0	0	0
CIPWW00022	WWTP Control System Improvements	3,930,636	0	0	0	0	3,930,636
CIPWW00023	Overhead Johnson Creek Crossing Seismic	2,468,643	562,133	1,906,510	0	0	0
CIPWW00024	WWTP Organics Digestion Capacity Evaluation	555,053	120,000	435,053	0	0	0
CIPWW00025	WWTP Outfall Diffuser Improvements	990,835	0	990,835	0	0	0
CIPWW00028	WWTP Gravity Belt Thickener Refurbishment	2,470,975	0	0	0	0	2,470,975
CIPWW00030	WWTP Earthquake Resiliency Projects	333,960	0	333,960	0	0	0
CIPWW00031	WWTP Secondary Digester Improvements	103,764	0	103,764	0	0	0
CIPWW00035	CCTV Inspection of Collection System Large Diameter	214,000	0	214,000	0	0	0
CIPWW00046	WWTP Disinfection Improvements	1,738,500	0	1,738,500	0	0	0
CIPWW00047	WWTP Belt Press Replacement	5,962,200	0	5,962,200	0	0	0
CIPWW00049	WWTP Upper Plant Secondary Clarifier No. 5	2,943,000	0	0	2,943,000	0	0
CIPWW00050	Nechacokee Creek Bank Stabilization	638,400	0	638,400	0	0	0
CIPWW00051	185th St. Pump Station Improvements	581,400	0	581,400	0	0	0
Grand Total		37,556,909	682,133	15,303,579	6,227,386	940,287	14,403,524

Note:

The numbers shown include carryover from FY22/23.

"Grant" = Funds awarded from federal, state or local sources.

"Operating" = Wastewater utility rates.

"Other" = Microchip Technology, Inc. contribution.

"SDC" = Wastewater system development charges.

"R&R" = Funds set aside for repair and/or replacement of infrastructure.



Resources and Requirements by Fund

Wastewater Debt Service Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Intergovernmental	222,766	-	-	-	-	-
Miscellaneous Income	20,991	12,175	-	-	-	-
Interfund Transfers	2,477,609	869,360	519,000	517,000	-	-
Beginning Balance	842,724	1,086,481	596,000	596,000	-	-
Total Resources	3,564,090	1,968,016	1,115,000	1,113,000	-	-
Requirements						
Debt Service	2,477,609	869,360	519,000	517,000	-	-
Unappropriated	1,086,481	1,098,656	596,000	596,000	-	-
<i>Non-Operating Total</i>	<i>3,564,090</i>	<i>1,968,016</i>	<i>1,115,000</i>	<i>1,113,000</i>	-	-
Total Requirements	3,564,090	1,968,016	1,115,000	1,113,000	-	-

WASTEWATER DEBT SERVICE FUND

This fund accounts for the payment of principal and interest on existing Wastewater loans.

Resources - \$1,113,000

Intergovernmental Revenue - \$0

Previously reflected payments from Fairview related to capacity purchased at the wastewater treatment plant, which were completed in FY 2020/21.

Miscellaneous Income - \$0

Earnings accrued from any cash balance in this fund. In previous years, principal payments from Fairview related to capacity purchased at the wastewater treatment plant were shown above in intergovernmental revenue, and the interest portion of the payment was recorded here.

Interfund Transfers - \$517,000

Cash transfers in from the Wastewater Fund in order to make the debt payment. Money is comprised of system development charges and rate revenues based on the eligibility of the projects for which the debt was incurred and the availability of system development charge revenues.

Beginning Balance - \$596,000

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent.

Requirements - \$1,113,000

Debt Service - \$517,000

Represents the payment due on outstanding debt. As of June 30, 2022, there were two issuances outstanding. One that had an outstanding principal of \$184,790 and matures in 2029. In fiscal year 2014/15, there was a refinance of three outstanding loans (Jenne Road Interceptor, South Gresham Interceptor and Linneman Pump Station). This Full Faith and Credit outstanding principal is \$3,650,000 with a maturity date of 2031.

Unappropriated - \$596,000

Funds shown as unappropriated represent an ending fund balance and cannot be accessed or utilized during the fiscal year. The unappropriated balance consists primarily of a receivable due in the future from the City of Fairview and is not cash at this time.



Transportation

TRANSPORTATION DIVISION

Purpose

The Transportation Program plans, constructs, operates, and maintains Gresham’s transportation system which includes: over 900 lane miles of streets, 160 electronic traffic control devices, median landscaping, 21,000 street signs and 8,800 streetlights.

Overall Structure

The Transportation Program has two basic funds.

- Transportation Fund
- Transportation Construction Fund

The Transportation Fund serves as the primary operating fund and is where personnel are budgeted. All Transportation CIP projects are budgeted in the Construction Fund. CIP projects specific to pedestrian and/or bicycles infrastructure are in the Footpaths and Bikeways CIP Fund. Staff working on CIP projects charge their time to a specific project and the Transportation Fund is then reimbursed for that person’s time (including salary, benefits and overheads).

The finance plan for Transportation incorporates revenues and expenses in these two funds to ensure that operational needs and capital construction can all be supported by the anticipated revenues.

Guiding Policies

The Transportation Program is guided by a variety of City goals and policies. Examples include:

Council Goals and Strategic Plan

Priorities include Financial Sustainability and Thriving Economy.

City Financial Policies

The City will maintain its infrastructure at a level adequate to protect the City’s capital investment and to minimize future maintenance and replacement costs.

Master Plans and Infrastructure Condition Assessments

Transportation System Plan (2014)	Pavement Management System (adopted standard of 75 PCI)
Active Transportation Plan (2018)	

Long-Term Goals

- Ensuring high quality, reliable services.
- Complying with environmental regulations.
- Providing low cost services.
- Encouraging economic development.
- Being prepared to accommodate growth within the region.

TRANSPORTATION DIVISION

Summary

Priorities for the Transportation Program include providing a safe and efficient transportation system, maintaining streets, enhancing livability through management of traffic congestion and supporting travel options for all transportation modes.

Street maintenance continues to be a top priority for the Transportation Program. The “Hitting the Streets” local street reconstruction program was launched in 2017 to help address the growing backlog of local streets in poor or failed condition. This program will conclude in the 2023 calendar year, with the result of having re-paved approximately one quarter of local streets in the City. With this program winding down, this fiscal year will see a renewed emphasis on lower cost pavement preservation methods on the City’s arterials and collectors. Reconstruction will be accompanied by upgrades to adjacent curb ramps in order to meet current Americans with Disabilities Act (ADA) standards. This work is supported by a city funded concrete crew to ensure cost-effective and timely projects.

Funding levels for the reconstruction program are the result of the Street Maintenance 2016 Council Workplan project and subsequent utility rate and utility license fee adjustments adopted by Council in January 2017. The program borrowed against this future revenue stream to accelerate project completion. After relying on a line of credit for several years, the City is now paying the balance using a six year fixed debt instrument, with the final year of payment scheduled for fiscal year 2028.

In addition to the annual street maintenance program, significant capital projects currently planned for fiscal year 2023/24 include construction work on Hogan Drive between Powell Boulevard and Burnside Road, on Division Street between Birdsdale Avenue and Wallula Avenue, on Cleveland Avenue between Stark Street and Burnside Road, on Couch Street to support improved pedestrian access to Davis Elementary School, and on some low-cost safety improvements at several high crash locations.

The capital program requires long-term balancing among the various revenue sources. Gresham continues to be successful in securing grant funds for Transportation projects, including the grant award for the 162nd Avenue complete street project between Glisan and Halsey Streets, Phase IV of the Gresham-Fairview Trail, and a congressionally designated safety project on 181st Avenue between Stark and Burnside Streets. Debt funding for growth projects will allow high-priority Transportation projects to advance, while closely managing the annual use of SDC resources. Many of the capital projects currently underway have been funded with a line of credit that was converted into a fixed debt instrument that matures in fiscal year 2027/28. System Development Charge revenue, has not been able to keep pace with the numerous demands for capacity increasing projects. Use of financing to fund growth projects is not possible at this time, so close monitoring of project timing is warranted.

The operating budget continues to emphasize core operational maintenance needs related to system functionality and safety, including signal and sign repairs, crack seals, striping, sweeping, patching, pothole repair, median maintenance and preparation work for summer pavement preservation efforts. Gas tax revenues have improved in recent years in part with the state’s enactment of HB 2017. In the long term, the effectiveness of gas tax revenue is expected to diminish due to increases in vehicle fuel efficiency and the escalating cost of project construction.

Resources and Requirements by Fund

Transportation Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Intergovernmental	12,769,370	13,781,327	13,997,000	13,860,800	-	-
Charges for Services	350,807	70,649	101,500	61,600	-	-
Utility License Fees	1,609,188	1,487,781	1,557,800	1,711,200	-	-
Miscellaneous Income	443,318	366,131	339,000	297,600	-	-
Internal Payments	2,196,867	1,865,099	1,274,000	996,600	-	-
Interfund Transfers	1,192,886	1,342,819	1,457,600	1,483,800	-	-
Beginning Balance	24,625,750	27,842,556	32,826,800	28,581,600	-	-
Total Resources	43,188,186	46,756,361	51,553,700	46,993,200	-	-
Requirements						
Environmental Services	9,189,803	9,506,036	11,379,138	12,082,864	-	-
<i>Operating Total</i>	<i>9,189,803</i>	<i>9,506,036</i>	<i>11,379,138</i>	<i>12,082,864</i>	-	-
Transfers	6,155,827	4,604,185	26,352,800	19,353,100	-	-
Contingency	-	-	1,707,000	1,812,000	-	-
Unappropriated	27,842,556	32,646,140	12,114,762	13,745,236	-	-
<i>Non-Operating Total</i>	<i>33,998,383</i>	<i>37,250,325</i>	<i>40,174,562</i>	<i>34,910,336</i>	-	-
Total Requirements	43,188,186	46,756,361	51,553,700	46,993,200	-	-

TRANSPORTATION FUND

This fund serves as the operating fund for the Transportation Program. The Transportation Fund is where personnel are budgeted and where all gas tax revenue is received except for a 1% set aside for pedestrian/bikeways. The 1% set aside is directly received to the Footpaths and Bike Routes Fund.

Resources - \$46,993,200

Intergovernmental Revenue - \$13,860,800

The principal source of intergovernmental revenue is the gasoline tax apportionment from the State of Oregon. The gasoline tax may be used only for road operations and maintenance. For fiscal year 2023/24, Gresham's share of the gasoline tax is budgeted to be approximately \$9.1 million. Gresham anticipates receiving about \$4.8 million from Multnomah County as part of the county roads transfer agreement.

Charges for Services - \$61,600

Reimbursements for specific services such as installation of street signs, street opening permits and other capital reimbursements.

Utility License Fees - \$1,711,200

A portion of the Utility License Fees collected from the three water utilities is paid to Transportation to support the Local Street Reconstruction Program.

Miscellaneous Income - \$297,600

Includes interest income accrued from the cash held by this fund and fees or reimbursements for insurance claims or infrequent, unexpected services.

Internal Payments - \$996,600

Internal payments are reimbursements for engineering staff and overhead charges for work on capital improvement projects.

Interfund Transfers - \$1,483,800

Consists of a transfer from the Stormwater Fund to pay for street sweeping and vegetation management related to stormwater management and a transfer from the Streetlight Fund to cover the operation and administration of the program. Also, this includes a transfer from the System Development Charges Fund to pay eligible debt expenses related to construction projects.

Beginning Balance - \$28,581,600

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent. The beginning balance includes funds identified for future uses, such as infrastructure repair and replacement, construction of capital projects and other modifications needed for system reliability, regulatory compliance and long-term utility operations.

TRANSPORTATION FUND

Requirements - \$46,993,200

Environmental Services - \$12,082,864

There are currently five divisions within the Transportation Fund. These divisions were created to correlate with specific work functions, organizational structures and, in some cases, specific cost recovery goals.

Administration Division – \$706,644 – This division is responsible for the management and administration of the Transportation Program. Many functions are shared with other DES programs, such as coordination of the Capital Improvement Program and general office operations.

Transportation Operations Division – \$5,371,044 – This division is responsible for the operation and maintenance of City-owned roadways, including pavement maintenance, street sweeping, sign and barricade maintenance, pavement marking and striping, and vegetation maintenance. In fiscal year 2023/24 the concrete crew was converted from limited term to full time positions. The conversion of these positions will most cost-effectively allow ADA curb ramp and other flatwork (sidewalks) to proceed.

Transportation Engineering Division – \$2,110,535 – This division is responsible for development and administration of Capital Improvement Program projects and planning and design of the Transportation system in accordance with master plans and federal, state and local guidelines and mandates.

Traffic Signals Division – \$1,165,355 – This division includes coordination, operations and maintenance of the traffic signal system.

Transportation Support Services Division – \$2,729,286 – Also referred to as Internal Service Charges. Represents the Transportation Program’s share of City-wide support and administrative functions, such as Information and Technology Services, Fleet and Facilities, Legal Services, Liability Management, Accounting Services, Community Livability, Human Resources, Payroll and Budget.

Interfund Transfers - \$19,353,100

In fiscal year 2023/24, the Transportation Fund will send money to nine other funds within the City. These transfers are described below.

Urban Design and Planning Fund – \$165,000 – This transfer provides resources to support transportation planning efforts in the City.

Infrastructure Development Fund – \$425,000 – This transfer represents Transportation’s share of the services they use in the Infrastructure Development Fund. Many of these functions are supported by developer fees and charges. Some costs and services are also shared by Water, Stormwater and Wastewater.

General Development Capital Improvement – \$200,000 – This transfer started in fiscal year 2022/23, allowing for wetland and waterway mitigation in Pleasant Valley if needed to support transportation projects.

Transportation Construction Fund – \$10,472,600 – Money is sent to the Transportation Capital Improvement Fund to pay for gas tax-funded capital improvement projects, as shown in the CIP.

TRANSPORTATION FUND

Footpaths and Bikeways Capital Improvement Subfund – \$2,262,500 – Money is sent to the Footpaths and Bikeways Capital Improvement Fund to improve sidewalks, provide bicycle lanes, support additional projects related to pedestrian and bike safety, and increase pedestrian mobility.

General Government Debt Fund – \$5,685,000 – This transfer is used to make payments on debt that was issued for construction of capital projects. One issuance, from 2015, had an outstanding balance of \$1,890,000 as of June 30, 2022, and payments are funded using System development charges, consistent with project eligibility. In fiscal year 2022/23 we issued new debt for Full Faith and Credit borrowing related to the Local Street Reconstruction Program. The outstanding balance as of June 30, 2022 is \$30,000,000. Prior to this conversion most expenses were incurred on the City's line of credit. This line of credit was closed in fiscal year 2021/22

Administrative Services Fund – \$143,000 – This transfer represents Transportation's support of the City's GIS and asset-management services. Beginning in fiscal year 2023/24 this transfer supports the IT Business System Analyst position dedicated to DES.

Contingency - \$1,812,000

A portion of existing reserves are appropriated to cover unforeseen events which may occur during the budget year. For the utility and transportation funds, this is typically set at 15% of the operating budget. City Council must authorize the use of any contingency appropriations.

Unappropriated - \$13,745,236

Funds shown as unappropriated represent an ending fund balance or future reserve, and cannot be accessed or utilized during the fiscal year. This amount includes funds identified for future uses, such as infrastructure repair and replacement, operations and maintenance expenses, and other modifications needed for system reliability, regulatory compliance and long-term utility operations beyond the budgeted fiscal year.

Resources and Requirements by Fund

Transportation Capital Impr Fund

	2020/21 Actual	2021/22 Actual	2022/23 Revised Budget	2023/24 City Manager Proposed	2023/24 Budget Committee Approved	2023/24 City Council Approved
Resources						
Intergovernmental	637,924	1,131,186	12,695,100	13,658,600	-	-
Charges for Services	2,600	444,845	-	-	-	-
Miscellaneous Income	29,396	44,571	5,300	5,900	-	-
Interfund Transfers	7,964,172	5,405,120	27,192,900	22,955,468	-	-
Financing Proceeds	3,386,000	9,554,705	-	-	-	-
Beginning Balance	3,187,847	4,043,231	11,091,200	16,156,289	-	-
Total Resources	15,207,938	20,623,658	50,984,500	52,776,257	-	-
Requirements						
Capital Improvement	11,164,707	10,243,140	44,475,600	42,384,100	-	-
Unappropriated	4,043,231	10,380,518	6,508,900	10,392,157	-	-
<i>Non-Operating Total</i>	<i>15,207,938</i>	<i>20,623,658</i>	<i>50,984,500</i>	<i>52,776,257</i>	-	-
Total Requirements	15,207,938	20,623,658	50,984,500	52,776,257	-	-

TRANSPORTATION CAPITAL IMPROVEMENT FUND

This fund accounts for transportation related capital projects for maintenance and enhancements to the City's transportation system. Projects specific to Footpaths and Bikeways are tracked in a subfund within the Transportation Capital Improvement Fund.

Resources - \$52,776,257

Intergovernmental Revenue - \$13,658,600

These resources come from gas tax revenue from the state and county as well as grants from the state.

Charges for Services - \$0

Typically consists of capital reimbursement from specific development-related construction projects.

Miscellaneous Income - \$5,900

Includes Interest income accrued from the cash held by this fund.

Interfund Transfers - \$22,955,468

Funds are transferred from the Transportation Fund to pay for gas tax funded capital projects and from the System Development Charges Fund to pay for capital projects funded by SDCs.

Financing Proceeds - \$0

Money received from the sale of debt is recorded as financing proceeds. There is no anticipated new debt in FY 2023/24. Proceeds in fiscal years 2020/21 and 2021/22 were related to the Local Street Reconstruction Program.

Beginning Balance - \$16,156,289

Balance remaining at the end of the previous fiscal year. Represents the total of previous resources received less the amount spent.

Requirements - \$52,776,257

Capital Improvement Projects - \$42,384,100

Represents the budgeted expenditures (including carryover) on Transportation-related projects as identified in the Five-Year Capital Improvement Program for fiscal year 2023/24. Specific projects and funding sources are shown on the following page.

Unappropriated - \$10,392,157

Funds shown as unappropriated represent an ending fund balance or future reserve and cannot be accessed or utilized during the fiscal year. These funds are also needed to ensure a positive fund balance exists throughout the fiscal year.

Transportation Construction Fund
Transportation Projects - Funding Sources

Project	Project Name	Total Project Budget for FY23/24	Project Funding Consists of							
			Grant	IGA	Streetlight	Operating	Other	SDC	Debt-Operating	Dev/SDC Credit
CIPTR00001	Street Surfacing Improvements	5,654,611	0	350,000	0	5,304,611	0	0	0	0
CIPTR00002	Neighborhood Traffic Control	35,313	0	0	0	35,313	0	0	0	0
CIPTR00003	Development Coordination Projects	2,626,210	0	0	0	111,748	0	14,462	0	2,500,000
CIPTR00005	Intersection Improvements	574,725	207,980	0	0	96,230	0	270,515	0	0
CIPTR00006	Signal Maintenance and Upgrade	179,646	0	0	0	179,646	0	0	0	0
CIPTR00007	Division Street Corridor "Complete Street"	6,850,476	4,640,333	0	0	100,000	0	2,110,143	0	0
CIPTR00008	NE Cleveland Avenue (Stark to Burnside)	4,495,984	2,576,515	0	0	453,902	0	1,465,567	0	0
CIPTR00009	Stark and 223rd TIF	266,313	0	0	0	31,640	0	234,673	0	0
CIPTR00010	Hogan - Powell to Burnside	3,872,742	881,681	0	0	1,252,385	0	1,738,676	0	0
CIPTR00012	Local Street Reconstruction Program	6,243,782	0	0	0	1,000,000	0	0	5,243,782	0
CIPTR00013	Streetlight Replacement and In-Fill Projects	787,477	0	0	787,477	0	0	0	0	0
CIPTR00015	Bridge Inspection / Monitoring / Maintena	1,435,855	0	0	0	1,435,855	0	0	0	0
CIPTR00016	Transportation System Safety Projects	155,533	0	0	0	155,533	0	0	0	0
CIPTR00020	Utility Undergrounding Projects	85,000	0	0	0	0	85,000	0	0	0
CIPTR00022	Innovative Paving	172,500	35,000	0	0	137,500	0	0	0	0
CIPTR00023	Median Island Rehabilitation	150,000	0	0	0	150,000	0	0	0	0
CIPTR00024	181st Ave. Safety Improvements	1,000,000	897,300	0	74,500	28,200	0	0	0	0
Grand Total		34,586,167	9,238,809	350,000	861,977	10,472,563	85,000	5,834,036	5,243,782	2,500,000

Note:

The numbers shown include carryover from FY22/23.

"Grant" = Funds awarded from federal, state or local sources.

"IGA" = Funding from intergovernmental agreement.

"Streetlight" = Funds from the City's Streetlight Fund.

"Operating" = Gas tax revenues.

"Other" = Utility Undergrounding fees.

"SDC" = Traffic impact fees (TIF).

"Debt-Oper" = Loans to be repaid by Operating funds. Used when the project is gas tax eligible.

"Dev/SDC Credit" = SDC credits issued to private developers when they construct qualifying public infrastructure.

Footpaths and Bikeways Fund
Footpaths and Bikeways Projects - Funding Sources

Project	Project Name	Total Project Budget for FY23/24	Project Funding Consists of					
			Grant	Operating	Other	Transportation	SDC	Dev/SDC Credit
CIPFP00001	Amer. W/Disab. Curb Ramp	2,064,929	0	0	0	2,064,929	0	0
CIPFP00002	Pedestrian Enhancements	1,837,976	1,185,712	650,264	0	0	2,000	0
CIPFP00003	Bicycle Projects	98,657	34,970	63,687	0	0	0	0
CIPFP00004	Division Crosswalk Improvements	535,000	490,000	0	0	45,000	0	0
CIPFP00005	On-Street Paths Development Coordination	425,000	0	0	0	0	0	425,000
CIPFP00006	Couch St. Alternative Sidewalk Project	573,974	400,000	173,974	0	0	0	0
CIPFP00007	School Zone Flashers	247,267	161,830	85,437	0	0	0	0
CIPFP00008	Gresham Fairview Trail Phase 4	1,247,787	1,060,619	0	187,168	0	0	0
CIPFP00009	Columbia View Path	84,500	75,290	9,210	0	0	0	0
CIPFP00010	North Gresham Path	60,500	53,600	6,900	0	0	0	0
CIPFP00011	2018 ARTS Grant	197,225	144,725	0	0	52,500	0	0
CIPFP00013	Yamhill Sidewalk Infill	425,000	325,000	0	0	100,000	0	0
Grand Total		7,797,815	3,931,746	989,472	187,168	2,262,429	2,000	425,000

Note:

The numbers shown include carryover from FY22/23.

"Grant" = Funds awarded from federal, state or local sources.

"Operating" = Gas tax revenues dedicated to Footpaths & Bikeways.

"Other" = American Rescue Plan Act (federal allocation).

"Transportation" = Transfer from Transportation Fund.

"SDC" = Traffic impact fees (TIF).

"Dev/SDC Credit" = SDC credits issued to private developers when they construct qualifying public infrastructure.

