

# BUDGET IN BRIEF

FISCAL YEAR  
2018/19



CITY OF GRESHAM GOING BEYOND

Dear Residents,

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

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

Gresham has a longstanding tradition of fiscal prudence and management and this year's budget is no exception. Our 2018/19 budget represents input and vision from citizens, the Finance Committee, and the City Council. The end result of the collaborative budget process is a document that represents the service priorities of our community.

For a more detailed view of the budget, please visit the City's webpage at [GreshamOregon.gov](http://GreshamOregon.gov) or call us at 503-618-2445 for a copy of the 2018/19 budget.

Sincerely,



Shane T. Bemis, Mayor

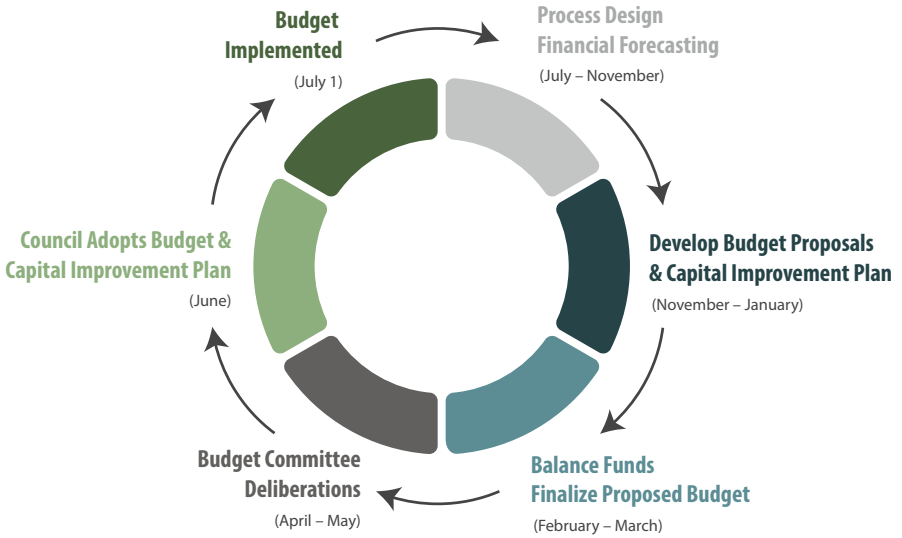


Erik Kvarsten, City Manager

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# BUDGET PROCESS



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

City departments work with the Budget and Financial Planning Division to compile their budget requests and capital projects information between November and March of each year. During

this same time frame, revenue and expenditure forecasts are reviewed. Then, all of this information is reviewed by the City management, compiled and presented to the Budget Committee as the Proposed Budget. After reviewing and deliberating over the Proposed Budget, the Budget Committee forwards their recommendation to the City Council as the Approved Budget. After the public hearing, the Council adopts the budget in late June. The Adopted Budget becomes effective on July 1. The final Adopted Budget is available on the City’s website and in hard copy upon request.

# BUDGET OVERVIEW

## FUND STRUCTURE

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

information needed for decision-making and helps ensure accountability and appropriate use of specific revenues.

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

## GUIDING PRINCIPLES

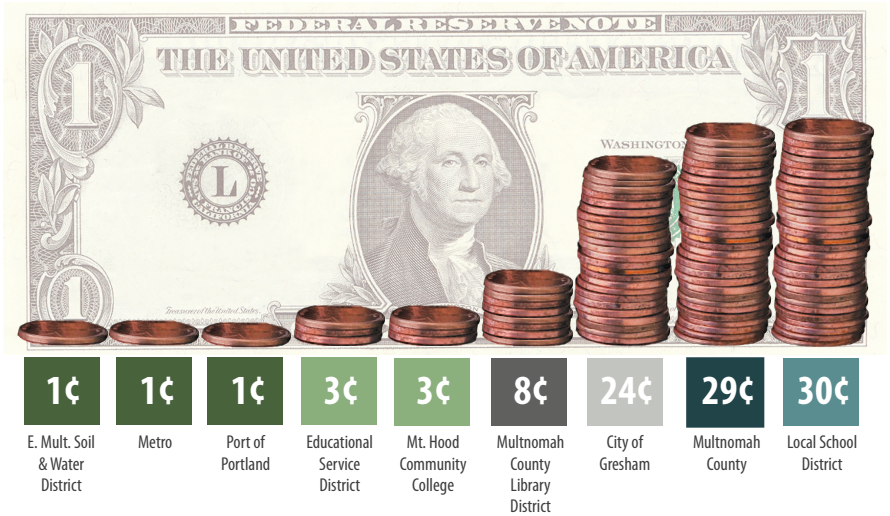
Development of the City's budget is guided by the following principles:

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

# COMBINED TAXES

## WHERE DO YOUR PROPERTY TAXES GO?

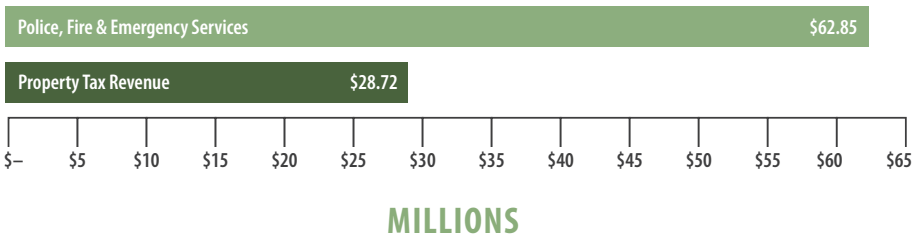
The City receives only 24¢ out of each dollar of your property taxes.



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

# PROPERTY TAXES

Gresham’s General Fund property tax revenue is less than the cost to provide basic public safety services. Other sources of income are needed to help cover the cost.



# PROPERTY TAX COMPARISON

## ON A HOME WITH \$195,000 TAXABLE ASSESSED VALUE

City	Property Tax Rate per \$1,000 of TAV*	Additional Voter Approved Tax Rate*	Amount of Taxes Received by City*
Portland	7.23**	0.63	\$ 1,533
Albany	6.06	1.15	1,406
Eugene	6.86	0.17	1,371
Springfield	4.74	1.76	1,268
Corvallis	5.11	0.82	1,155
Salem	5.83	-	1,137
Hillsboro	3.67	1.72	1,050
Medford	5.30	-	1,033
Lake Oswego	4.97***	-	969
Oregon City	4.41	-	860
Beaverton	4.28	-	835
Milwaukie	4.14	-	807
Troutdale	3.77	-	734
<b>Gresham</b>	<b>3.61</b>	-	<b>705</b>
Fairview	3.49	-	681

\* Excludes bonded debt. TAV = Taxable Assessed Value

\*\* Includes special levy for the Bureau of Fire & Police Disability & Retirement.

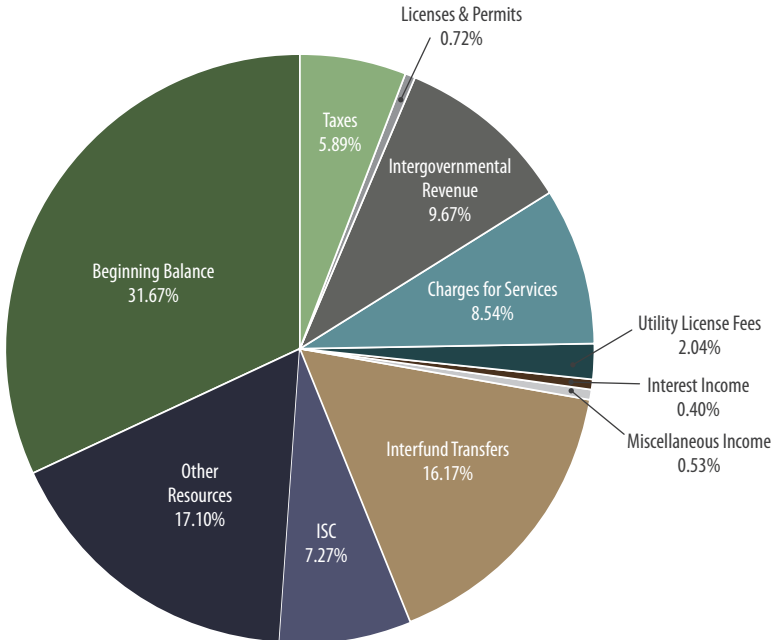
\*\*\* Inside school district (Lake Oswego has a lower rate for city residents living outside its school district).

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

# ALL FUNDS COMBINED: WHERE MONEY COMES FROM

## RESOURCES

Taxes .....	\$36,702,100
Licenses & Permits .....	4,510,300
Intergovernmental Revenue .....	60,308,160
Charges for Services .....	53,255,000
Utility License Fees .....	12,724,400
Interest Income .....	2,469,398
Miscellaneous Income .....	3,323,579
Interfund Transfers .....	100,810,443
Internal Service Charges (ISC) .....	45,342,178
Other Resources .....	106,663,055
Beginning Balance .....	197,474,160
<b>Total .....</b>	<b>\$623,582,773</b>

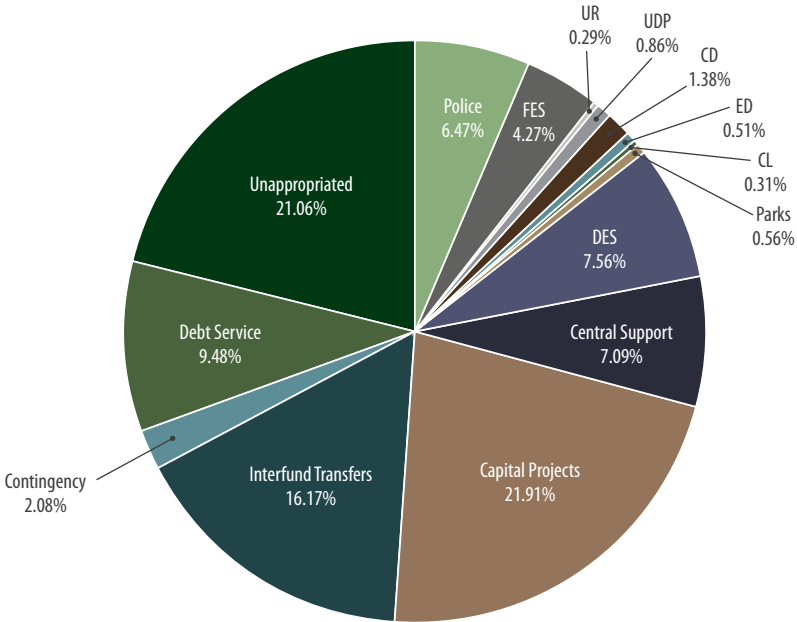




# ALL FUNDS COMBINED: WHERE MONEY GOES

## EXPENDITURES

Police .....	\$40,328,270
Fire & Emergency Services (FES).....	26,636,634
Urban Renewal (UR).....	1,787,827
Urban Design & Planning (UDP).....	5,336,076
Community Development (CD).....	8,605,235
Economic Development (ED).....	3,179,041
Community Livability (CL) .....	1,908,840
Parks.....	3,483,053
Environmental Services (DES).....	47,124,224
Central Support .....	44,196,586
Capital Projects.....	136,653,800
Interfund Transfers.....	100,810,443
Contingency.....	12,943,200
Debt Service .....	59,129,436
Unappropriated .....	131,460,108
<b>Total .....</b>	<b>\$623,582,773</b>

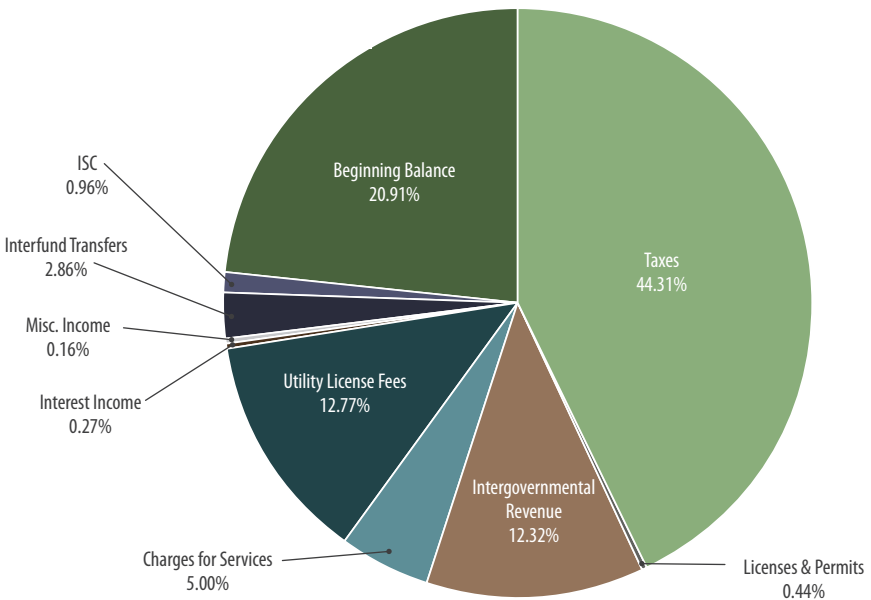


# THE GENERAL FUND AND POLICE, FIRE & PARKS FUND: WHERE MONEY COMES FROM

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

## RESOURCES

Taxes .....	\$36,702,100
Licenses & Permits .....	362,000
Intergovernmental Revenue .....	10,200,000
Charges for Services .....	4,142,000
Utility License Fees .....	10,579,000
Interest Income .....	227,000
Miscellaneous Income .....	134,900
Interfund Transfers .....	2,367,700
Internal Service Charges (ISC) .....	799,070
Beginning Balance .....	17,310,000
<b>Total .....</b>	<b>\$82,823,770</b>

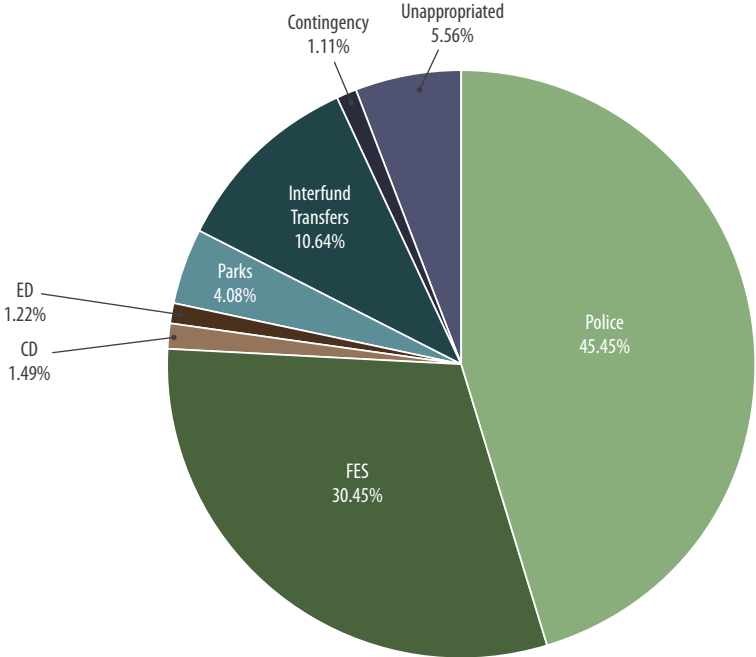


# THE GENERAL FUND AND POLICE, FIRE & PARKS FUND: WHERE MONEY GOES

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

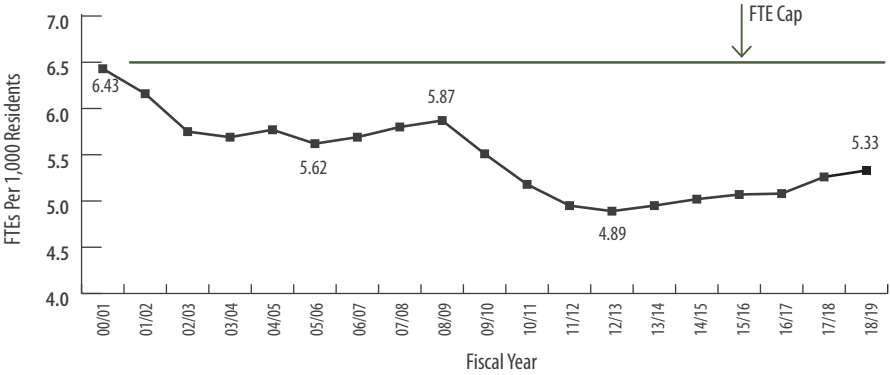
## EXPENDITURES

Police .....	\$37,636,161
Fire & Emergency Services (FES) .....	25,216,412
Community Development (CD) .....	1,232,529
Economic Development (ED) .....	1,011,041
Parks .....	3,383,053
Interfund Transfers .....	8,813,500
Contingency .....	923,000
Unappropriated .....	4,608,074
<b>Total .....</b>	<b>\$82,823,770</b>



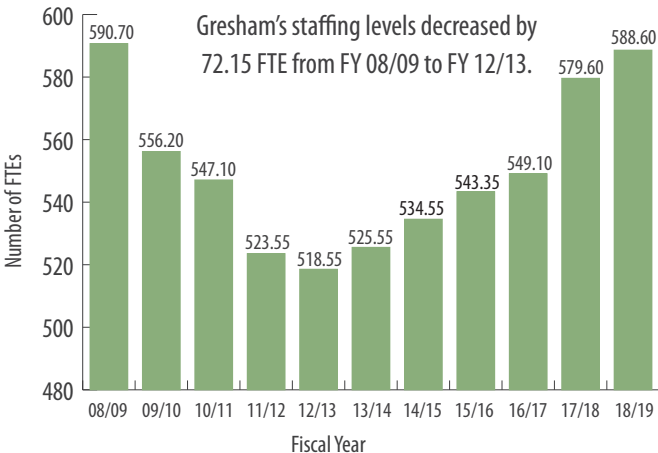
# STAFFING TRENDS

## FULL-TIME EQUIVALENT EMPLOYEES PER THOUSAND GRESHAM RESIDENTS



The City Charter limits staffing to 6.5 Full-Time Equivalent (FTE) employees per 1,000 population. This ratio excludes employees funded by grants or contracted through other jurisdictions. For the 2018/19 fiscal year budget, the total staffing ratio is 5.33 FTE per 1,000 residents, or 4.88 FTE per 1,000 residents after excluding grant or contract funded employees.

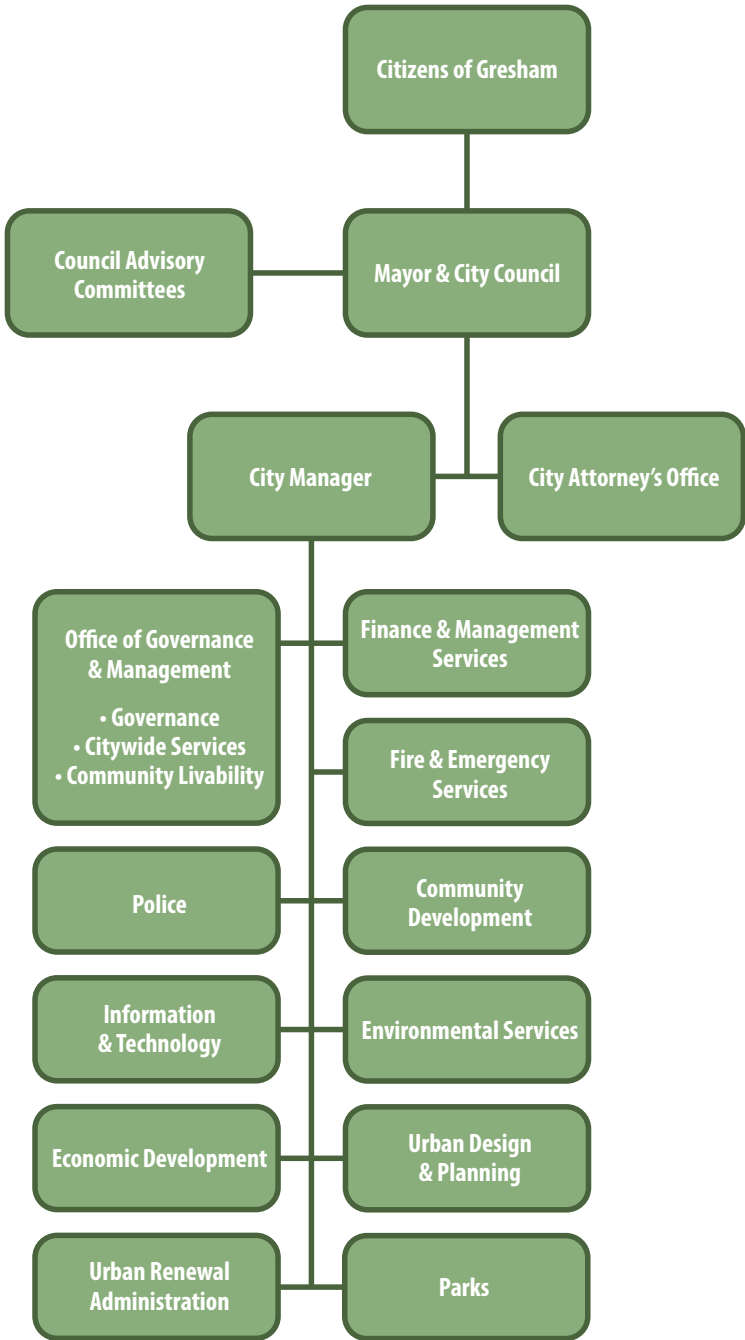
## FULL-TIME EQUIVALENT EMPLOYEES AT CITY OF GRESHAM



Gresham's staffing levels decreased by 72.15 FTE from FY 08/09 to FY 12/13.

Increases in recent years include employees funded through grants and development activity, and increased staffing for public safety.

# ORGANIZATIONAL CHART



# CITY DIRECTORY

## MAYOR

Shane T. Bemis

503-618-2584

Ashley.Miller@GreshamOregon.gov

## CITY COUNCIL

Kirk French,  
Council President

503-618-2871

Kirk.French@GreshamOregon.gov

Karylinn Echols  
Janine Gladfelter  
Jerry Hinton  
Mario Palmero  
David Widmark

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Jerry.Hinton@GreshamOregon.gov  
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## CITY OF GRESHAM

503-661-3000

## CITY MANAGER

Erik Kvarsten

503-618-2871

Teresa.Hall@GreshamOregon.gov

## CITY ATTORNEY

David Ris

503-618-2429

David.Ris@GreshamOregon.gov



# VOLUNTEER OPPORTUNITIES

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

## BECOME A VOLUNTEER

Put your knowledge, talent and energy into improving the community's quality of life as a volunteer with the City of Gresham. We have opportunities for all ages and abilities that include boards and committees, as well as various community-building, natural resources and public safety activities.

If you're looking for a specific opportunity, one-time options or information on group volunteer projects, contact the Office of Neighborhoods and Community Engagement at 503-618-2469 or visit [GreshamOregon.gov/Volunteer-Program](http://GreshamOregon.gov/Volunteer-Program) for more information.



# GLOSSARY

**BEGINNING FUND BALANCE** – An amount representing the balance remaining at the end of the previous fiscal year; the total of resources received less the amount spent.

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

**BUDGET COMMITTEE** – Consists of the Mayor, six Council members, and the seven member Finance Committee who are citizens appointed by the City Council. The Committee has the legal authority to change any portion of the Proposed Budget and is responsible to pass the City’s Approved Budget after a series of budget deliberation meetings and public hearings.

**CAPITAL IMPROVEMENT PROGRAM** – A plan for capital expenditures estimated each year for a period of five or more years. It identifies each capital project, its expected beginning and ending date, the amount and type of expenditure in each year, and the method for financing those expenditures.

**CENTRAL SUPPORT SERVICES** – Services, such as payroll, human resources and fleet provided by departments to other City departments. Services are paid for by collection of an internal service charge.

**CHARGES FOR SERVICES** – Fees collected for services provided to customers such as utility rates, site design review and fire inspections.

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

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

**DEBT SERVICE** – Annual payment of principal and interest on the City’s debt.

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

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

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



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

**INTERFUND TRANSFER** – The movement of money between funds.

**INTERGOVERNMENTAL REVENUE** – Fees collected from other jurisdictions such as state shared revenue from cigarette tax.

**INTERNAL SERVICE CHARGE** – A charge from support funds or the Administrative Services Fund to an operating fund to recover the cost of services or overhead.

**LICENSES AND PERMITS** – Fees collected from businesses for licenses to operate within city limits.

**MISCELLANEOUS INCOME** – Revenue received from picnic reservations, sports facility reservations and other sources.

**NON-OPERATING BUDGET** – Includes interfund transfers, reserves and debt payments.

**OPERATING BUDGET** – Accounts for revenues and expenditures used to provide direct service to citizens or to support direct services.

**POLICE, FIRE & PARKS FEE** – In the fall of 2012, the Gresham City Council approved a Police, Fire & Parks Fee as a temporary measure to prevent immediate service reductions and maintain service levels. In June of 2014 the fee

was reestablished on an ongoing basis.

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

### **SYSTEM DEVELOPMENT CHARGES**

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

**UNAPPROPRIATED** – Amount that is not available for spending in the current year. It is set aside to be used as a cash carryover into the following year to provide needed cash flow until other money is received.

**UTILITY LICENSE FEES** – Utility license fees paid to use the public right-of-way to operate a utility within Gresham. The majority of these fees go into the General Fund and help pay for police, fire, parks and code enforcement services.

# FREQUENTLY ASKED QUESTIONS

## WHAT DO MY PROPERTY TAXES PAY FOR?

Property taxes in Gresham are used to pay for public safety services. The services are not fully paid for by property taxes; the balance comes from other money the City receives, such as fees and charges for services.

## WHEN I PAY MY UTILITY BILL, WHAT IS THE MONEY USED FOR?

The bill typically covers three separate utility services: water, wastewater and stormwater. The money collected from these bills pays for delivering safe water to homes, taking away and treating the waste from drains and toilets, and managing the impact of rainwater runoff to mitigate flooding.

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

## WHAT IS THE POLICE, FIRE & PARKS FEE?

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

## HOW HAS THE CITY REDUCED COSTS OR INCREASED EFFICIENCIES?

Every employee of the organization is charged with going beyond to serve our community. The City continually embraces inventive ideas, practical strategies, nimble approaches and collaborative partnerships to maintain core public services and community livability. Examples of efficiency improvements include the replacement of all City streetlight fixtures with LED technology that is expected to reduce electricity usage for lighting by at least 50%, innovative energy efficiency upgrades at the wastewater treatment plant that save rate payers \$280,000 per year in electricity costs, and the installation of 16,000 automated “smart water meters” that will save more than \$6.4 million dollars over the life of the meters. The City also has been very successful at securing grant funding for public safety staffing and equipment, transportation improvements, and other key public services.

## WHY CAN'T MONEY BE MOVED TO WHERE IT IS MOST NEEDED?

Dedicated funds are legally restricted to specific programs or expenditures. Each fund is used to account for specific transactions that act as control mechanisms to ensure money is being spent for the authorized purpose for which it is collected.

## **BUDGET COMMITTEE**

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

## **BUDGET COMMITTEE MEMBERS**

Mayor and City Council

Michael Ash, Chair

Theresa Tschirky, Vice-chair

Rusty Allen

Jan Baker

David Dyk

Jared Koga

Sue O'Halloran

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*For more information about this document or the City's budget, please visit [GreshamOregon.gov/Budget](http://GreshamOregon.gov/Budget) or contact Sharron Monohon, Budget and Financial Planning Director, at 503-618-2890 or [Sharron.Monohon@GreshamOregon.gov](mailto:Sharron.Monohon@GreshamOregon.gov).*

CITY OF GRESHAM

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[GreshamOregon.Gov](http://GreshamOregon.Gov)