

**MEETING SUMMARY
CITY OF FAIRVIEW
BUDGET COMMITTEE**

April 11, 2016

Budget Committee Members

Ted Tosterud, Mayor
Tamie Arnold
Dan Kreamier
Steve Prom
Natalie Voruz
Brian Cooper
Ed Bejarana
Francis Doo
Mike Weatherby - Absent
Theresa Delaney Davis
Valerie Tewksbury
Chris Rathgeber
George Lingelbach
Les Moore

Staff

Nolan Young, City Administrator
Les Folger, Finance Director
Allan Berry, Public Works Director
Scott Anderson, Interim Police Chief
Devree Leymaster, City Recorder

(6:30 PM)

1. CALL TO ORDER/ROLL CALL

Mayor Tosterud called the meeting to order. City Recorder Leymaster called the roll call. Mayor Tosterud welcomed the committee and called for chair and secretary nominations.

2. ELECTION OF BUDGET COMMITTEE CHAIR AND SECRETARY

Committee Member Delaney Davis nominated Committee Member Tewksbury for Chair and Committee Member Cooper seconded.

Committee Member Voruz nominated Committee Member Arnold for Chair and Committee Member Prom seconded.

Committee Member Tewksbury is appointed Budget Committee Chair by majority (7-ayes; 5- noes).

Committee Member Arnold nominated Committee Member Kreamier for Secretary and Committee Member Prom seconded. Committee Member Kreamier is unanimously appointed Budget Committee Secretary.

3. INTRODUCTION TO BUDGET PROCESS PRESENTATION

City Administrator Young presented an introduction to the budget process. (*Exhibit A*) The City Administrator reviews and presents a proposed city-wide budget to the Budget Committee and the Budget Committee reviews and recommends an approved budget to City Council for adoption. City Council is required to hold a public hearing and adopt no later than June 30, 2016.

4. BUDGET MESSAGE

City Administrator Young presented the Budget Message. (*Exhibit B*)

Mayor Tosterud inquired about the legislative change regarding PERS. CA Young replied including the unfunded liability adjustment starts next fiscal year. There is no change to this budget.

CM Arnold asked if the levy certification cost sharing is represented in this budget. CA Young replied not the initial costs. An allocation for the study will begin next fiscal year.

CM Bejarana commented about Finance Guideline 6, aggressive collection policies. Though the collection rate, 31%, is higher than the national average, 17%, there is still a large percentage uncollected. He requested additional information regarding the current A/R balance, how long the debt has been in the rears and the impact to budget. He inquired if there was a statute or lien option for unpaid court fines. If the city could get more aggressive in collecting unpaid court fines i.e. bench warrant. CA Young replied the city follows a legal process, by state law, to collect unpaid fines. Will investigate what other options may be available.

CM Arnold Tamie noted the decrease in court revenues and requested a breakdown in fines i.e. red light citations, unpaid citations, etc.

CM Bejarana noted he would like outsourcing IT services to be reviewed for cost savings for next year's budget. This is a request he had made at the prior year budget meeting.

6. PUBLIC HEARINGS

a. Public Hearing Regarding FY 2016-2017 Budget

Chair Tewksbury opened the Public Hearing for the proposed budget for FY 2016-17. Hearing no requests to speak, Chair Tewksbury closed the public hearing.

b. Public Hearing Regarding State Shared Revenues

City Administrator Young explained the state shared revenues the City receives through certain taxes: liquor tax, cigarette tax, 911 tax, and highway fund revenues. (*Exhibit C*)

CM Prom commented the last census may have been underestimated. Other Committee Members agreed the census seems incorrect; did not decrease in population as the census reported. CA Young remarked staff will research if there is an option to review and correct, if needed.

Chair Tewksbury opened the public hearing for state shared revenues. There was no public comment, and the hearing was closed.

Committee Member Voruz moved to accept the state shared revenues and Committee Arnold seconded. The motion passed unanimously.

AYES: 13

NOES: 0

ABSTAINED: 0

7. BUDGET PRESENTATION

a. General Fund

City Administrator Young presented the anticipated fiscal activity within the General Fund. (*Exhibit D*)

As a point of order, Chair Tewksbury clarified a running list of proposed budget adjustments would be kept through the meetings and voted on at the end. The Committee agreed.

➤ Administration – Special Events

CM Voruz proposed funding for outside events not be automatic, but there be a process to apply for city event funds.

CM Doo suggested removing the religious context in holiday event names and budget line items i.e. Easter, Christmas, etc. Committee discussed and agreed City Council should review the policy.

The Committee discussed funding for a Veteran's Day event. City Council has requested Fairview host a Veteran's Day ceremony or recognition event. The Committee agreed to identify \$2,500 for a Veteran's Day event as a committee proposed change on the adjustment worksheet.

CM Arnold commented on Council opportunities for training & education. She requested the wording be changed to not be so restrictive, to make use of the funds more accessible.

CA Young shared a proposal requesting the Committee consider adding a part-time clerical position for the Administration Department. Having clerical support will allow the City Administrator to spend less time on administrative tasks and focus more on higher level professional/management tasks.

The Committee discussed options including adding a full time position (½ time Admin. and ½ time Public Works). Concerns were noted for adding a full time position i.e. benefit and PERS costs long term. Longevity issues for a part time position were noted. Other options noted were using a temp agency or a transcription service.

CA Young shared the budget impact for a part time position would be approximately \$24K and a full time position would be approximately \$70K, would split with Public Works.

9. CONTINUE MEETING

Chair Tewksbury continued the meeting at 8:35 PM. The next meeting is April 18, 2016 at 6:30 PM.

A complete audio recording of these proceedings is available.
Contact the City of Fairview City Recorder Office,
1300 NE Village St., Fairview, OR 97024, (503) 674-6224.

**MEETING SUMMARY
CITY OF FAIRVIEW
BUDGET COMMITTEE**

April 18, 2016

Fairview Budget Committee reconvened from April 11, 2016

Budget Committee Members

Ted Tosterud, Mayor
Tamie Arnold
Dan Kreamier
Steve Prom
Natalie Voruz
Brian Cooper
Ed Bejarana
Francis Doo
Mike Weatherby
Theresa Delaney Davis
Valerie Tewksbury
Chris Rathgeber
George Lingelbach – Absent
Les Moore – 6:45 PM

Staff

Nolan Young, City Administrator
Lesa Folger, Finance Director
Allan Berry, Public Works Director
Gary Kirby, Sergeant
Devree Leymaster, City Recorder

(6:30 PM)

1. CALL TO ORDER/ROLL CALL

Chair Tewksbury called the meeting to order. City Recorder Leymaster called roll call.

2. BUDGET PRESENTATION

CA Young continued review of the anticipated fiscal activity within the General Fund. (*Exhibit D*) Discussion highlights are summarized below.

The Committee discussed the current complaint driven, response action code enforcement model and wanting a more proactive code enforcement service. Fairview currently contacts with the City of Gresham for code enforcement services and is not fully utilizing the resource. CA Young clarified Fairview only pays for actual hours worked.

CM Weatherby suggested Council request regular code enforcement reports showing the level of activity and service.

The Committee discussed the option to have an internal part time code enforcement position to manage a proactive service.

CM Arnold proposed looking at the Police Department assisting with code enforcement.

➤ **General Fund: Public Works Community Services**

The Committee discussed the funding for SOLV and other events. CM Bejarana proposed increasing the funding and allowing organizations to apply for funding from the city to execute a project that benefits the city. Committee agreed to identify increasing funding \$3,500 as a committee proposed change on the adjustment worksheet.

➤ General Fund: Public Works Park

The Committee discussed Lakeshore Park improvements. There have been no expenses to date and \$125,000 is allocated this fiscal year. Funding resources are from the AEC and Park SDC's. Staff does not intend to use funds this fiscal year. Funds will be appropriated for next fiscal year.

CM Weatherby proposed including funds to fix the jail door and install a sign. Following discussion the Committee agreed to identify \$5,000 for the jail sign and door as a committee proposed change on the adjustment worksheet.

The Committee discussed the Heslin House. Following discussion they agreed to place the \$15,000 maintenance/improvement funding for the Heslin House in a contingency fund. Council would review and discuss potentially the City divesting of the house. The item is listed as a committee proposed change on the adjustment worksheet.

➤ General Fund: Recreation

CA Young summarized a recreation program task force is being created to research and develop a recreation program. At this time the budget only represents the printing and mailing costs for the Troutdale Recreation Program.

CM Arnold inquired about Fairview residents being able to be reimbursed the difference of the resident and non-resident rate. Director Berry the program does include information regarding the reimbursement and scholarship opportunities. The Committee agreed to include \$1,000 for Recreation Registration Assistance as a proposed change on the adjustment worksheet.

➤ General Fund: Police

CA Young noted the budget maintains the status of the department with the evaluation of the MCSO consolidation is explored.

CM Bejarana inquired about the police equipment – radios. Sergeant Kirby remarked he believes the purchase of the radios is to comply with the BOEC system. Current radios are not compatible with the emergency communications system BOEC and other organizations are using. CM Bejarana asked if grant funds may be available for the purchase. CA Young commented he would look into it.

➤ Fire/BOEC/Emergency Management

CA Young reiterated the large increase (11.9%) is due primarily to a second year adjustment increase per the approved contract. Future annual contracts will be less (2.5% to 4.5%).

Mayor Tosterud shared the Quick Response Vehicle (QRV) is operational. No data has been shared yet. They expect a report at the upcoming user board meeting.

9. CONTINUE MEETING

Chair Tewksbury continued the meeting at 8:30 PM. The next meeting is April 25, 2016 at 6:30 PM.

A complete audio recording of these proceedings is available.
Contact the City of Fairview City Recorder Office,
1300 NE Village St., Fairview, OR 97024, (503) 674-6224.

**MEETING SUMMARY
CITY OF FAIRVIEW
BUDGET COMMITTEE**

April 25, 2016

Fairview Budget Committee reconvened from April 18, 2016

Budget Committee Members

Ted Tosterud, Mayor
Tamie Arnold
Dan Kreamier
Steve Prom
Natalie Voruz
Brian Cooper - Absent
Ed Bejarana
Francis Doo - Absent
Mike Weatherby
Theresa Delaney Davis
Valerie Tewksbury
Chris Rathgeber
George Lingelbach
Les Moore

Staff

Nolan Young, City Administrator
Lesa Folger, Finance Director
Allan Berry, Public Works Director
Steve Richards, Superintendent
Scott Anderson, Interim Police Chief
Devree Leymaster, City Recorder

(6:30 PM)

1. CALL TO ORDER/ROLL CALL

Chair Tewksbury called the meeting to order. City Recorder Leymaster called roll call.

2. BUDGET PRESENTATION

CM Arnold inquired about the suggestion to have police officer assistance with code enforcement. Interim Chief Anderson noted in his experience having an enforcement officer is better than diverting police resources. If the police see a violation they can notify the enforcement officer. An enforcement officer usually has better success at getting cooperation and the process is more productive. Also have to consider the notification process and property right issues.

CA Young continued review of the anticipated fiscal activity within the General Fund. (Exhibit D) Discussion highlights are summarized below.

➤ **Special Revenue Funds: Building Fund**

Committee inquired if, and when, expenses may outpace revenue given the Development Incentive Program (DIP). CA Young replied staff believes the fund will absorb the fixed costs for the next few years and the DIP will not negatively impact the fund.

➤ **Special Revenue Funds: Street Fund**

Committee discussed the proposed funding for the sidewalk design program. Staff noted the funds are for the design work then a bond will be considered for construction. Council has identified improving pedestrian safety and walkability as a priority goal. Chair Tewksbury commented on the viability of a bond passing and inquired if the city will do market research for the bond, survey's, determined areas of highest voter turnout, focus polling, etc.

There was discussion about the design costs being part of the project, and part of the bond. There was concern for paying for design before funding for a capital improvement project is approved.

Alternatives discussed included public works staff creating drawings and sending a Request for Proposal (RFP) or providing the sidewalk specifications and issuing an RFP to include the design and construction. CA Young noted he is not sure a design/build approach would apply to this project.

CM Bejarana remarked more of the financial risk should be shifted to the contractor and off the tax payer.

Chair Tewksbury shared her experience with the RSD bond. She recommended the Committee consider allotting funds for bond support research.

Following discussion the Committee agreed to reduce funding for sidewalk engineering to \$175,000 from \$625,000 and incorporate funding for bond support research. Staff will get an estimate for support funding. These items will be included on the Budget Adjustment Worksheet.

3. CONTINUE MEETING

Chair Tewksbury continued the meeting at 8:29 PM. The next meeting is May 2, 2016 at 6:30 PM.

A complete audio recording of these proceedings is available.
Contact the City of Fairview City Recorder Office,
1300 NE Village St., Fairview, OR 97024, (503) 674-6224.

**MEETING SUMMARY
CITY OF FAIRVIEW
BUDGET COMMITTEE**

May 2, 2016

Fairview Budget Committee reconvened from April 25, 2016

Budget Committee Members

Ted Tosterud, Mayor
Tamie Arnold ~6:45
Dan Kreamier (Absent)
Steve Prom
Natalie Voruz
Brian Cooper (Unexcused)
Ed Bejarana
Francis Doo (Absent)
Mike Weatherby
Theresa Delaney Davis (Absent)
Valerie Tewksbury
Chris Rathgeber (Absent)
George Lingelbach
Les Moore

Staff

Nolan Young, City Administrator
Lesa Folger, Finance Director
Allan Berry, Public Works Director
Steve Richards, Superintendent
Devree Leymaster, City Recorder

(6:30 PM)

1. CALL TO ORDER/ROLL CALL

Chair Tewksbury called the meeting to order. City Recorder Leymaster called roll call.

2. BUDGET PRESENTATION

The Committee completed review of the remaining funds. (*Exhibit D*) Discussion highlights are summarized below.

Committee requested an equipment replacement inventory/schedule be included in next year's presentation.

CM Voruz noted a process and criteria for groups requesting funds for events needs to be developed. Committee agreed this is a pilot program and should be proactive in encouraging community groups/programs to participate.

CM Arnold remarked a process an application for recreations scholarship grants also needs to be developed.

Committee discussed adding FTE positions. CA Young encouraged the Committee to consider at minimum a part time Administrative Assistant. The request is for a full time Admin. Assistant. Mayor Tosterud noted there were significant staff cuts in Public Works and he would support looking at replacing some of the lost positions prior to adding an Admin. Assistant. CM Bejarana concurred; he is in favor of adding a part time planning position. CM Arnold noted her support for adding an economic development/long range planning position if adding an FTE.

Following further discussion the Committee agreed to include funds in the budget as a place holder and defer the review and position identification to City Council.

6. PUBLIC COMMENT

None.

7. COMMITTEE DISCUSSION

The Committee reviewed the list of Committee Proposed Changes as listed on the Budget Adjustment Worksheet Fiscal Year 2016-17. (*Exhibit E*) The city jail door and sign were not voted on. The Committee supported assigning it to the Parks & Recreation Advisory Committee. All other adjustments were approved unanimously with the exception of volunteer events and Heslin House maintenance which were approved by majority with CM Arnold voting no. Funds were allocated for the potential of additional staff positions (\$60,608 as proposed and \$40,000 contractual services), but identifying the specific positions was deferred to City Council.

Committee Member Bejarana moved to approve the proposed budget with the identified budget adjustments and Committee Member Prom seconded. The motion passed unanimously.

AYES: 9

NOES: 0

ABSTAINED: 0

8. LEVING OF TAX

a. Accept levying of Tax Rate as Identified in Proposed Budget

Committee Member Bejarana moved to accept the levying of the tax rate as identified in the proposed budget and Committee Member Prom seconded. The motion passed unanimously.

AYES: 9

NOES: 0

ABSTAINED: 0

9. ADJOURNMENT

Committee Member Prom moved to adjourn and Committee Member Bejarana seconded; the meeting adjourned by consensus at 8:35 PM.

Summary prepared by:


Devree Leymaster
City Recorder

A complete audio recording of these proceedings is available.
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1300 NE Village St., Fairview, OR 97024, (503) 674-6224.

City Budgeting in Oregon: A Brief Overview

City of Fairview
Initial Budget Committee Meeting
Fiscal Year 2015-16

What is a Budget

- A legal document
 - Makes lawful appropriations that give the City the authority to spend public money
- A financial plan for the City for one fiscal year
 - Based on estimates of revenues and expenditures
- An internal control mechanism
 - Referenced by City auditors
- A policy document
 - Funds the plans and priorities of the City
- A public communication document
 - Expresses the City's goals to the citizens

The Budget Process: Overview

- The Budget Officer (City Administrator) prepares the Proposed Budget in consultation with City staff.
- The Budget Committee reviews, revises, and approves the budget.
 - It now becomes the Approved Budget (to be referred to the City Council).
- The City Council holds a public hearing, makes further revisions, and adopts the budget.
 - It now becomes the Adopted Budget.
 - The Adopted Budget is the City's legal budget - making appropriations and levying taxes.

The Budget Committee

- Consists of City Council and equal number of appointees
- Primary roles
 - Hear the budget message
 - Hold public meetings
 - Hear public comments / input
 - Review and discuss the Proposed Budget
 - Make revisions to the Proposed Budget
 - Approve the budget
 - Approve each tax rate or dollar amount

Budget Committee Process

- ▶ All Budget Committee meetings are subject to Public Meetings Law.
- ▶ A quorum is required to conduct business.
- ▶ The Committee may request and receive additional information from staff.
- ▶ A majority is required to take action.

Public Comment

- ▶ The budget is a public document once it is released to the Budget Committee - copies must be made available to the public.
- ▶ The Committee must take public comment at one or more meetings.
- ▶ Any member of the public may speak.

Recap

This is your role in the process.



FY 2016-17 Proposed Budget

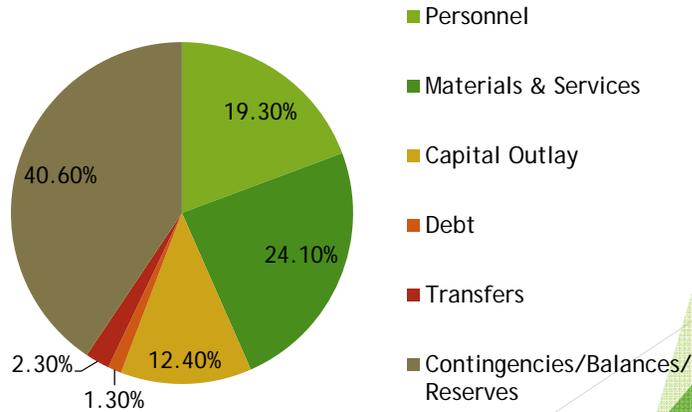
Budget Message

Budget Message Highlights

- ▶ City-Wide Budget
- ▶ Fiscal Policies
- ▶ Council Goals
- ▶ BIPs (Budget Information Papers)
- ▶ Budget Overview

EXPENDITURES - ALL FUNDS

\$21,244,154



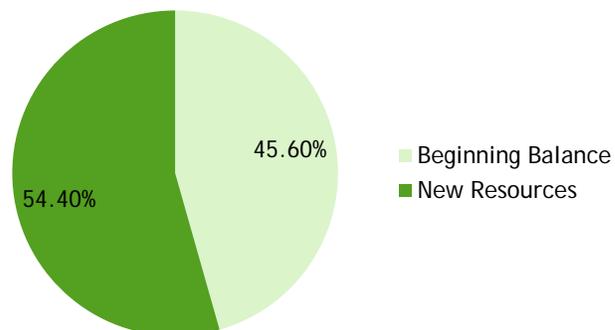
Changes to Personnel Expense

- ▶ Personnel Changes-
 - ▶ Contractual Cost of Living Increases 2%. No changes in PERS rates. 5% medical cost. Employees continue to contribute 10% of Health and Welfare cost
 - ▶ No reductions in currently budgeted positions
 - ▶ Two new part time temporary PW
 - ▶ Requested new Administrative Assistant Position not in proposed budget . We are requesting to add it (BIP #16-005)

General Fund

Fund used to account for most fiscal activities except for those activities required to be accounted for in another fund. (OAR 150-294.352(1)-(A))

GENERAL FUND RESOURCES



Beginning Fund Balances

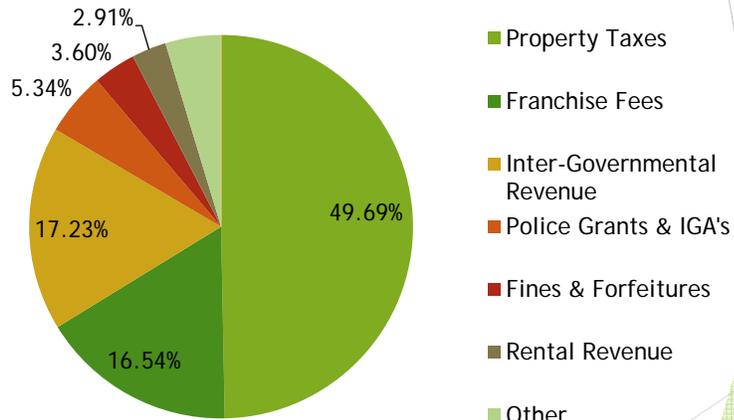
General Fund Beginning Fund Balance History:

7/1/2006	\$	2,992,551
7/1/2007	\$	4,097,043
7/1/2008	\$	4,782,622
7/1/2009	\$	3,688,440
7/1/2010	\$	3,696,466
7/1/2011	\$	3,453,662
7/1/2012	\$	3,344,119
7/1/2013	\$	3,841,056
7/1/2014	\$	3,733,878
7/1/2015	\$	3,501,142
7/1/2016	\$	3,961,852

City of Fairview Tax Rates

Fairview Property Tax Rates:	Limited	
	<u>Rate</u>	<u>Bond Levy</u>
City Fixed Rate	3.4902	
East/West Soil & Water Conservation	0.1	
Port	.0701	
Metro	0.1926	0.2659
County	5.5734	0.0978
Total Government:	\$ 9.4263	\$ 0.3637
<i>*Measure 5 Limited Amount is \$10.00</i>		
Grand Total General Government:	\$ 9.79	
Schools:	Limited	
	<u>Rate</u>	<u>Bond Levy</u>
E.S.D.	0.4576	
Reynolds S.D.	4.4626	1.3514
Mt. Hood C.C.	0.4917	
Total Education:	\$ 5.4119	\$ 1.3514
<i>*Measure 5 Limited Amount is \$5.00</i>		
Grand Total Education:	\$ 6.7633	

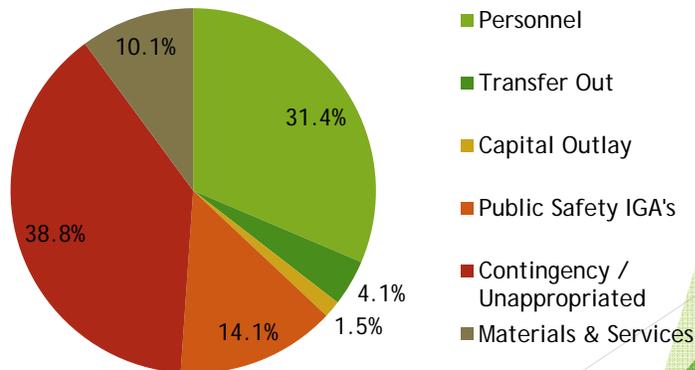
GENERAL FUND RESOURCES



General Fund Resources Summary

- ▶ Total AV to increase by minimum of 3%
- ▶ Business Income Tax budgeted to increase 8%
- ▶ Court Generated Revenue to decrease 15%

How are the Increased General Fund Resources Utilized? (BIP 16-001)



General Fund:	Operating Resources	Operating Expenditures	Use of Reserves
2000-01	3,142,138	3,919,042	(776,904)
2001-02	4,078,061	4,644,119	(566,058)
2002-03	4,149,136	4,869,585	(720,449)
2003-04	4,136,374	4,621,312	(484,938)
2004-05	4,446,084	4,613,531	(167,447)
2005-06	5,027,986	5,257,777	(229,791)
2006-07	5,442,199	5,719,840	(277,641)
2007-08	5,572,202	5,710,308	(138,106)
2008-09	5,695,864	6,844,413	(1,148,549)
2009-10	5,308,692	5,606,750	(298,058)
2010-11	3,972,331	4,190,157	(217,826)
2011-12	4,104,226	4,374,802	(270,576)
2012-13	3,967,856	3,978,188	(10,332)
2013-14	4,245,555	5,235,282	(989,727)
2014-15	4,519,627	4,777,737	(258,110)
2015-16	4,629,018	4,713,676	(84,658)
2016-17	4,716,096	4,765,055	(48,959)

Reserves

- ▶ Emergency Contingency (5%) \$ 242,000
- ▶ Operating Ending Balance (25%) \$1,206,000
- ▶ Excess Reserve Contingency \$1,927,581

General Fund Transfers Out (\$355,100)

FUND	PROJECT	AMOUNT
Street	Sidewalk Design	\$ 250,000
Parks SDC	Lakeshore Park	30,000
Facilities Maintenance	Community Center	13,000
Vehicle Replacement	Police/Parks	62,100

FY 2016-17 Budget Reserve Use

- ▶ General Fund Operations \$48,959
- ▶ Capital Outlay \$134,750
- ▶ Transfers Out \$355,100
- ▶ Parks Master Plan \$55,000

Business and Infrastructure Funds

- ▶ AEC FUND
 - ▶ Lakeshore Park \$45,667
 - ▶ Parks Maintenance \$31,316
 - ▶ Contingency \$15,017
- ▶ BUILDING FUND
 - ▶ Personnel increase to reflect actual of \$75,934
 - ▶ Materials & Services increase due to increase in activity

Business and Infrastructure Funds

▶ STREET FUND

▶ Sidewalk Repair Assistance Program	\$ 50,000
▶ Crack Seal and Slurry Seal Program	\$125,000
▶ Sidewalk Design (BIP 16-009)	\$600,000

▶ DEBT SERVICE

▶ Transfer to General Fund	\$121,656
▶ General Reserve	\$315,941

Business and Infrastructure Funds

▶ FACILITIES MAINTENANCE

▶ Community Center	
▶ Interior Painting and Floor Refinishing	\$13,000

▶ EQUIPMENT REPLACEMENT

▶ Police Vehicles	
▶ Transfer in for purchase	\$40,000

Business and Infrastructure Funds

▶ PARKS SDC		
▶ Lakeshore Park		\$125,000
▶ FUNDING		
▶ General Fund		\$630,000
▶ AEC Fund		\$ 45,667
▶ PARKS SDC		\$ 49,333

Water & Water SDC Funds

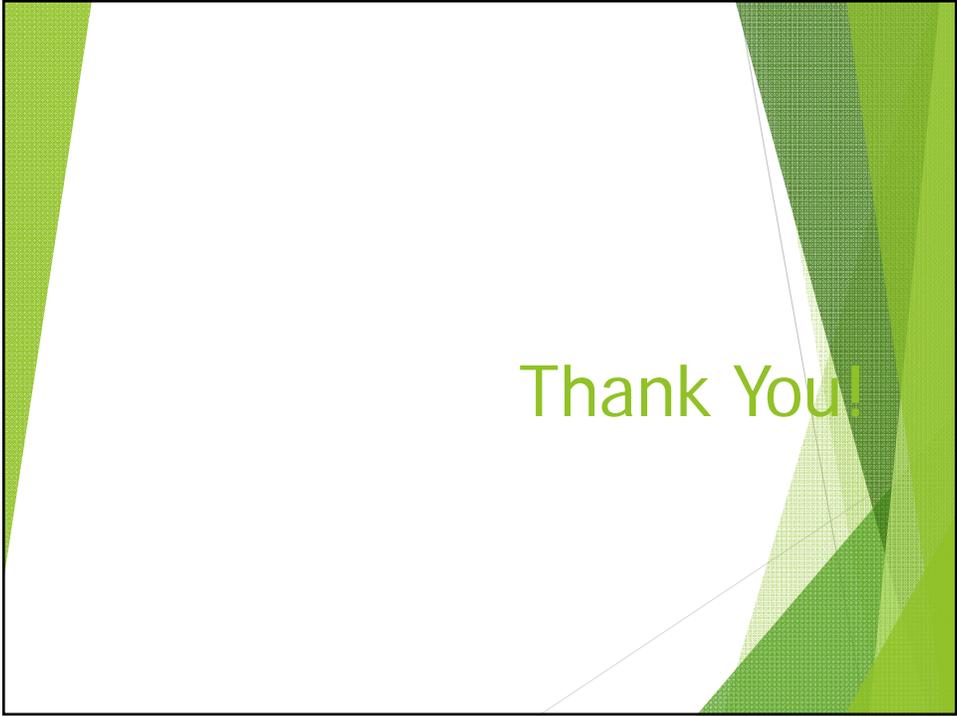
➤ WATER FUND		
➤ Water Quality Study		
➤ Council Goal 4e, BIP 16-006)		\$38,000
➤ Increase in System Maintenance Needs		\$125,000
➤ Transfer to SDC Fund		
➤ Reservoir #1 (BIP 16-007)		\$663,123
➤ WATER SDC FUND		
➤ Reservoir #1 (Council Goal 4a)		\$950,000
Water Fund	\$663,123	
Water SDC	\$286,877	

Sewer & Sewer SDC Funds

▶ SEWER FUND		
▶ Engineering Services		
▶ Interlachen Line (BIP 16-008)	\$100,000	
▶ Sewer CIP Projects	\$500,000	
▶ Reserve for Interlachen Sewer Line	\$285,440	
▶ SEWER SDC FUND		
▶ Reserve for Interlachen Sewer Line	\$663,417	

Storm Water & Storm Water SDC Funds

▶ STORMWATER FUND		
▶ Transferred to Storm Water SDC	\$ 16,767	
▶ Contingency & Reserve	\$657,508	
▶ STORMWATER SDC FUND		
▶ Detention Pond Evaluation/Restoration	\$150,000	
▶ Fairview Lake Bank Restoration	\$ 50,000	
FUNDING:		
Storm Water Fund	\$ 16,767	
Storm Water SDC Fund	\$183,233	



Thank You!

State Shared Revenues

State Shared Revenues

- ▶ Based on 2015-17 legislatively-enacted state budget, cities are projected to receive the following per capita distributions from several state collected taxes:

	Liquor Tax Revenues	Cigarette Tax Revenues	9-1-1 Tax Revenues	Highway Fund (Gas Tax)
2015-16	\$ 116.10	\$ 1.26	N/A	\$ 57.15
2016-17	\$ 16.56	\$ 1.19	N/A	\$ 57.47
2017-18	\$ 15.62	\$ 1.13	N/A	\$ 57.86

Qualifications to Receive

ORS 221.760 provides that cities located within a county having more than 100,000 inhabitants, according to the most recent decennial census, must provide four or more of the following municipal services in order to be eligible to receive the state shared revenues:

1. Police Protection
2. Fire Protection
3. Street Construction, Maintenance, Lighting
4. Sanitary Sewers
5. Storm Sewers
6. Planning, Zoning, Subdivision Control
7. One or more Utility Services.

In order to receive state shared revenues, the City of Fairview must on an annual basis, through resolution, certify that it provides four or more of the above criteria.

Liquor Revenue

ORS 471.810(1)(b) and 471.810(1)(d)

- ▶ Liquor Revenue may be used by Cities for general government purposes. A portion of the state's allocation is dedicated to mental health services and substance abuse treatment.
- ▶ 20% of State Liquor receipts are allocated to cities on per capital basis on monthly basis
- ▶ 14% of State Liquor receipts are allocated to cities on a formula basis and distributed quarterly as "state revenue sharing"

2015-16 Disbursement Estimates Total= \$45,276,000

2015-16 State Shared Liquor Revenue
Estimates=\$31,693,000

Cigarette Tax Revenue

ORS 323.455

- ▶ Cities may use Cigarette Tax Revenue for general government purposes, without program restrictions on their use.
- ▶ As tax has increased, Cities proportionate share has decreased
- ▶ Current tax rate: \$1.32 per pack
- ▶ Tax distribution- \$0.8574 Oregon Health Plan, \$0.22 state general fund, \$0.0342 tobacco use reduction programs, \$0.0228 to cities, counties, public transit

2015-16 Disbursement Estimate Totals: \$3,290,666

9-1-1 Emergency Communications Tax Revenue

ORS 403.240

- ▶ Only 9-1-1 jurisdictions are allowed to use this 9-1-1 tax revenue and any investment proceeds thereof for the planning, installation, maintenance, operations and improvements of the 9-1-1 reporting system.
- ▶ SB 1559 mandated distributions be made directly to 9-1-1 service provider, rather than "passed through" local jurisdictions. Fairview's share is received by the City of Portland Bureau of Emergency Communications (BOEC). The City receives a credit on its bill for these funds.

Due to uncertainties as a result of new revenue generated from pre-paid cell phones, a forecast for 9-1-1 tax revenue is not possible or provided by the Office of Emergency Management.

Highway Fund Revenue

ORS 366.742

- ▶ 2001: To provide funding for Oregon Transportation Investment Act (OTAI I and II) debt service of approximately \$500 million in bonds.
- ▶ 2003: To provide funding for state and local bridge repair and replacement, highway modernization and local road and preservation projects and OTIA III debt service for cities portion of \$300 million in local bridge projects.
- ▶ 2009: Phased in increases in revenue for gas tax, and DMV services

2015-16 Debt Service and Disbursement Estimate Totals:
\$162,024,399

Administration

- ▶ No major changes in this General Fund Department
- ▶ Total Department expenditures Decrease by \$3,369 which is primarily related to materials and services related expenses
- ▶ Department includes:
 - ▶ City Administrator
 - ▶ City Recorder
 - ▶ IT Coordinator
 - ▶ Mayor & Council Related Expenses

FY 2016-17 Key Projects/Goals: Above and beyond daily operational responsibilities and tasks

- ▶ Fairview Police Officers' Association Labor Negotiations
- ▶ Evaluation and Negotiation of Multnomah County Sheriff's Office Contract for law enforcement services
- ▶ Implement paperless Council meetings
- ▶ Issue Request for Proposals for Insurance Agent Services
- ▶ Update Employee Manual
- ▶ Continued organization of city archived records and preparations for conversion to digital documents
- ▶ \$5000 is budgeted in Employee recognition and awards \$2500 for volunteer recognition and \$2500 for employee recognition.
- ▶ "Special Events" that were previously budgeted in the Public Works Community Services Department are now included in the Administration Department where the administrative support is budgeted.

Finance

- ▶ No major changes in this General Fund Department
- ▶ Total Department decreased in expenditure by \$4,566
- ▶ Department includes:
 - ▶ Finance Director
 - ▶ Accountant II
 - ▶ Utility Billing Clerk
 - ▶ Office Assistant II
 - ▶ Office Assistant (Contract)

FY 2015-16 Key Projects/Goals: Above and beyond daily operational responsibilities and tasks

- ▶ Develop and Implement an investment policy for city funds. (Goal #6A)
- ▶ Integrate updated five-year capital Improvement Plan in The budget. (Goal #6B)
- ▶ Contract out Payroll (\$8,000). This will create addition staff resources without adding staff.
- ▶ Assist with Evaluation and Negotiation of Multnomah County Sheriff's Office Contract for law enforcement services (Goal #2A)
- ▶ Assist with Utility Rate Review (Goal#4D)

Court

- ▶ No major changes in this General Fund Department
- ▶ Total Department decreased in expenditure by \$8,161 which is related to materials and services.
- ▶ Department includes:
 - ▶ Court Clerk

Public Works Community Services

- ▶ No major changes in this General Fund Department
- ▶ Total Department decreased in expenditure by \$5,987 which is primarily related to reallocation of staff time.
- ▶ Department includes:
 - ▶ Public Works Director
 - ▶ Public Works Superintendent
 - ▶ Public Works Operations Lead
 - ▶ Senior Planner
 - ▶ Development Analyst (2)
 - ▶ Engineering Associate (2)
 - ▶ Crew Lead
 - ▶ Maintenance Worker II (3)
 - ▶ Office Assistant- Part- Time)
 - ▶ Maintenance Worker I

FY 2015-16 Key Projects/Goals: Above and beyond daily operational responsibilities and tasks

- ▶ Implement the Development Incentive Program. (Goal #5B)
- ▶ Complete Halsey Corridor study. (Goal #5A)
- ▶ Pursue Community Branding. (Goal #5C).

Public Works Parks

- ▶ No major changes in this General Fund Department
- ▶ Total Department increased in expenditure by \$39,030 which is primarily due to The proposed Park Master Plan
- ▶ Department includes:
 - ▶ Public Works Director
 - ▶ Public Works Superintendent
 - ▶ Public Works Operations Lead
 - ▶ Senior Planner
 - ▶ Development Analyst (2)
 - ▶ Engineering Associate (2)
 - ▶ Crew Lead
 - ▶ Maintenance Worker II (3)
 - ▶ Office Assistant- Part- Time)
 - ▶ Maintenance Worker I

FY 2015-16 Key Projects/Goals: Above and beyond daily operational responsibilities and tasks

- ▶ Complete Phase 1 Improvements for Lakeshore Park budgeted in Park SDC Fund. (Goal #3A)
- ▶ Complete update of Park Master Plan. (Goal #4C)
- ▶ Complete Park improvements under "Hanson" Plan. (Goal #1E)
- ▶ Investigate Installation of "Historic" signage in "old town" Fairview
- ▶ Exterior ramp repair and resurface upstairs floors of Community Center
- ▶ In collaboration with Wood Village, an additional seasonal personnel position has been added (fewer than 600 hours). This position will be responsible for watering flower baskets in both Fairview and Wood Village. Wood Village will reimburse Fairview for half of the wages associated with the position.

Recreation

- Create a new Recreation Department and develop a three cities recreation program. (Goal #3B)
- Funds Budgeted for postage and mailing of Recreation Guide.

Police

- ▶ Total Department decreased in expenditure by \$2,976
- ▶ Department Includes:
 - ▶ Interim Chief of Police
 - ▶ Sergeant (3)
 - ▶ Patrol Officers (12)
(3 of which serve as Detective, School Resource Officer, and EMGET officers)
 - ▶ Records Specialist Lead
 - ▶ Records Specialist

Interesting fact...

▶ Property Tax Resource=	\$2,343,198
▶ Public Safety Budget=	\$3,745,839
▶ Law Enforcement:	\$2,503,730
9-1-1 Dispatch Services:	\$ 205,000
Fire and Emergency Services:	\$ 1,023,216
City Emergency Management:	\$ 13,893

Public Safety utilizes all of the property taxes received by the City as well as an additional \$1.4 million dollars of General Fund Total Operating Resources (79%) to provide services to the City.

FY 2015-16 Key Projects/Goals: Above and beyond daily operational responsibilities and tasks

- ▶ Enhance Community outreach to support Neighborhood watch programs throughout the city. (Goal #2C)
- ▶ Develop an independent city emergency preparedness plan. (Goal #2D)
- ▶ Maintain status of department while evaluation of MCSO contract is explored by City Council (Goal #2A)
- ▶ FY2016-17 budget was prepared as though no consolidation would occur.
- ▶ Additional funds set aside for the replacement of police vehicles.
- ▶ Staff costs do not include the hiring of a Fairview Chief of Police until August 2016 (assuming consolidation does not occur).

Fire/BOEC/Emergency Management

- ▶ Total Department increased in expenditure by \$107,005 which is primarily due to the 2nd year of adjustments (11.9%) to the contract for Fire and Emergency Services with the City of Gresham. Future annual contracts will be between 2.5% and 4.5%.
- ▶ Department includes:
 - ▶ Chief of Police who is designated as the Emergency Operations Manager for the City
- ▶ Goals:
 - ▶ Identify and pursue options to decrease Fire and Rescue response times. (Goal #2B)

Other Requirements

- ▶ Facilities Maintenance Fund transfers of \$13,000.
- ▶ A Transfer to the Parks SDC Fund (\$30,000) to assist in the completion of Lakeshore Park design and construction (Goal #3A)
- ▶ A transfer to the street fund of 250,000 for sidewalk design in preparation for a May 2017 Bond election for funding of construction costs.
- ▶ Emergency Contingency is fully funded at \$242,000
- ▶ Ending Fund Balance- is fully funded (3 months of operating requirements) at \$1,206,000.
- ▶ Excess Reserves - \$1,927,581 an Increase of \$251,016. (15%)

Administrative Excise Charge Fund (AEC)

- ▶ Fund Purpose: to collect funds from new development to pay for public infrastructure .
- ▶ City Council passed a resolution in FY 2015-16 to allow AEC funds to be used park maintenance.
- ▶ In FY 2015-16 funds will be utilized to purchase and install park benches (The Hanson Plan).
- ▶ FY 2016-17
 - ▶ \$30,916 has been set aside for additional park projects.
 - ▶ \$45,667 has been budgeted to be transferred to the Parks SDC Fund for the Lakeshore Park improvements.

Use Of One Time Revenue

- ▶ \$250,000 to Street Fund for sidewalk design. (Goal #1A)
- ▶ \$30,000 to Parks SDC Fund for Lakeshore Park. (Goal #3A)
- ▶ \$13,000 to Facilities Maintenance Fund for the community Center.
- ▶ \$62,100 to Vehicle and equipment Replacement Fund for Police and Park vehicles and equipment.
- ▶ Parks Master Plan (\$55,000)
- ▶ Capital Outlay (\$134,750),
- ▶ General Fund Operations (48,959)

Building Fund

- ▶ State law requires that permit revenues be used only towards operating expenditures of the Building Department.
- ▶ Permit revenue has decreased due to the "Development Incentive Program" .
- ▶ Current and Future Development is anticipated to result in significant increases in resources with related increases in requirements.
- ▶ Increased personnel costs are the result of accurately reflecting the allocation of time spent on building department related activities.
- ▶ Contract Services have increased for building inspection in anticipation of additional services required as the "Development Incentive Program" encourages development.

Grant Project Fund

- ▶ This fund is utilized for large grant projects
- ▶ The majority of revenue and expenses for the “Halsey Street Corridor Project” are expected to be realized in FY 2016-17
- ▶ A Community Development Block Grant (CDBG) is budgeted to fund installation of sidewalks in “old town” .

Street Fund

- ▶ This Restricted Fund provides equipment and services to maintain the City's streets and alleyways.
- ▶ \$625,000 was set aside for Phase I of a proposed sidewalk design program. \$250,000 of the funds needed for that project is being transferred in from the General Fund.
- ▶ Includes continuation of \$50,000 expenditure line to fund Sidewalk Maintenance Assistance Program.
- ▶ Street Maintenance and Improvements includes \$125,000 for crack sealing and slurry seals.

Water System Development Charge Fund

- ▶ The City has been saving Water SDC fees for several years. We are now recommending they be expended on eligible projects.
- ▶ SDC fees can pay for infrastructure projects listed in the City's Water Capital Improvement Plan (CIP).
- ▶ **MAJOR Activities FY 2016-17:**
 - ▶ \$663,123 is transferred in from the General Fund and expensed as a "Water System Improvement" to be used for reservoir 1 seismic protection and liner replacement. (Total Cost 950,000)
 - ▶ The remaining SDC Funds are set aside in reserves for Well #10.
 - ▶ No System Development Revenue is projected.

Sewer System Development Charge Fund

- ▶ The City has been saving Sewer SDC fees for several years. We are now recommending they be expended on eligible projects.
- ▶ SDC fees can pay for infrastructure projects listed in the City's Sewer CIP.
- ▶ **MAJOR Activities FY 2016-17:**
 - ▶ \$663,417 million is set aside in reserves to be used for 1) the "Interlochen Sewer line replacement Project, and 2) Sandy Blvd Sewer replacement and enlargement.
 - ▶ No System Development Revenue is projected.

Storm Water System Development Charge Fund

- ▶ SDC fees can pay for infrastructure projects listed in the City's Storm Water CIP
- ▶ **MAJOR Activities FY 2016-17:**
 - ▶ \$16,767 is transferred in from the Storm Water Fund.
 - ▶ \$200,000 is projected to be expensed on "Detention Pond Evaluation/Restoration" (\$150,000) and "Fairview Lake Bank Restoration" (\$50,000).
 - ▶ No System Development Revenue is projected because of the new Development Incentive Program.

Park and Open Space System Development Charge Fund

- ▶ Park SDC fees can pay for infrastructure projects listed in the City's Park Master Plan CIP.
- ▶ **MAJOR Activities FY 2016-17:**
 - ▶ A transfer from the General Fund of \$30,000.
 - ▶ A transfer from the AEC Fund of \$45,667.
 - ▶ Decreased revenue due to the "Development Incentive Program".
 - ▶ Funds have been budgeted for Lakeshore Park Design (\$50,000) and Construction (\$75,000).

Fairview Lake Sewer Local Improvement District Debt Fund

- ▶ The Debt has been fully paid. The remaining funds in this Fund are general resources.
- ▶ Payment in full was received on two of the remaining properties in FY 2015-16. Few properties remain that are still reimbursing the City for the project (less than six). As a result, revenue is budgeted to decrease.
- ▶ \$121,656 Budgeted for transfer to the General Fund in FY 2015-16 is proposed to be transferred in FY 2016-17
- ▶ \$315,941 been set aside in Reserves for future Capital Improvement Projects as directed by Council.

Equipment Replacement Fund

- ▶ Transfers in have increased as funds are being set aside for the purchase of up to three new Police vehicles in FY 2016-17 (if needed).
- ▶ Transfers in from the Parks Department have increased in order to account for the Parks vehicle purchased in FY 2015-16 (earlier than initially projected).
- ▶ Equipment expense for the Finance Department is expected to increase as a new pool car is scheduled for purchase.
- ▶ Sale of Materials & Equipment revenue has increased due to the anticipated sale of the Parks and Finance vehicles referenced above.

Facilities Maintenance Fund

Purpose of this fund is to ensure that resources are systematically set aside for routine repair and maintenance of city facilities.

MAJOR Activities FY 2016-17:

- ▶ Improved Insulation in the upper level east wing of the building to improve energy efficiency (\$10,000).
- ▶ Community Center exterior ramp repair and Floor Refinishing \$13,000

Water Fund

- ▶ This fund's proposed budget resources are an increase \$386,159 which is primarily from increased Beginning Fund Balance and rate revenue
- ▶ The last rate increase was 4% on January 1, 2016. no additional rate increase is included in this budget.
- ▶ Major projects for FY 2016-17 include:
 - Water Quality Study (Goal 4E, BIP 16-006) \$38,000
 - Increase in System Maintenance Needs \$125,000
 - Transfer to SDC Fund: Reservoir #1 (BIP 16-007) \$663,123

Sewer Fund

- ▶ This fund's proposed budget resources are an increase \$418,852 which is primarily from increased Beginning Fund Balance and rate revenue

- ▶ Major projects for FY 2016-17 include:
 - ▶ Engineering for Interlochen Line (BIP 16-008) \$100,000
 - ▶ Sewer CIP Projects \$500,000
 - ▶ Reserve for Interlochen Sewer Line \$285,440

Storm Water Fund

- ▶ This fund's proposed budget resources are an increase \$175,615 which is from increased Beginning Fund Balance.

- ▶ The last rate increase was 4% on January 1, 2016. no additional rate increase is included in this budget.

- ▶ Other projects for FY 2015-16 include:
 - ▶ Transferred to Storm Water SDC \$ 16,767
 - ▶ Contingency & Reserve \$657,508

**BUDGET ADJUSTMENT WORKSHEET
FISCAL YEAR 2016-17**

ITEM	FUND/DEPT.	REVENUE	EXPENDITURE	RESTRICTIONS
Committee Proposed Changes:				
Community Support: Veteran's Day	Gen. /Admin.		\$2,500	
Volunteer Events	Gen/Com. Ser.		\$4,000	
Heslin House Maintenance	Gen/Parks		(\$14,000)	
City Jail Door and Sign	Gen/Parks		\$5,000	
Recreation Registration Assistance	Gen/Rec.		\$1000	
Transfer to Streets for sidewalk Design	General/Other		(\$250,000)	
Sidewalk Bond support research	Gen./Admin		\$15,000	
Temp. ½ time Code Compliance Officer	Gen/Com. Ser.		\$10,400	
Code Compliance materials and services	Gen/Com. Ser.		\$5,000	
Transfer from General Fund	Streets	\$(250,000)		
Engineering (Sidewalk Design)	Streets		(\$425,000)	
Contingency	Streets		\$175,000	
Budget Officer Recommended Changes				
Full Time Admin Assistant	Gen/Admin		\$60,608	
Contingency Excess Reserves	Gen/Other		(\$60,608)	