



BUDGET IN BRIEF

Fiscal Year 2014-2015

The Budget Committee

Citizen Members

Kitty Fudge
George Linglebach
Barbara Jones
Todd Johnsen
Francis Doo
Juleus Arceo
Nancy Murdick

City Council Members

Mike Weatherby, Mayor
Lisa Barton Mullins
Steve Owen
Dan Kreamier
Tami Arnold
Steve Prom
Ted Tosterud

City of Fairview
1300 NE Village Street
Fairview, Oregon 97024
503-665-7929
www.fairvieworegon.gov

Dear Residents and Businesses of Fairview,

Welcome to the City's inaugural 2014-15 Budget in Brief. Each year, the City of Fairview produces a budget document to fulfill the community's vision for where city resources should be directed. The City strives for excellence in providing sound, reasonable, honest and transparent management of these resources.

While the entire budget document is available to view, many residents may prefer this Budget in Brief that summarizes the most essential elements of the City's budget. It is important that you are aware of all the services that the City of Fairview provides, and this document is abbreviated for your convenience. We hope you find it useful.

The budget reflects the City Council goals and direction as it relates to maintaining the long-term financial health and stability of the City's General Fund and reserves, and continues the delivery of high-quality services for the Fairview Community. The 2014-15 total budget is over \$18.5 million and includes \$3.1 million in Capital Outlay for park improvement and infrastructure projects.

The budget is made up of 16 separate and distinct funds. Each fund has its own specific purpose, its own specific revenue sources, and its own specific operating and capital expenditures. This structure is mandated by Oregon Budget Law and was developed to transparently track the receipt and expenditure of funds for the stated purposes for which they are intended. For a more detailed look at the City's 2014-15 adopted budget, please visit the City's website at www.fairvieworegon.gov.

Through sound fiscal management over the last several years, the City is able to continue delivering the high quality services our citizens expect and deserve. By providing these important services for today, as well as planting the seeds for a strong future, we ensure that we will continue to grow great things in Fairview.

Sincerely,

Samantha Nelson
City Administrator

About the City

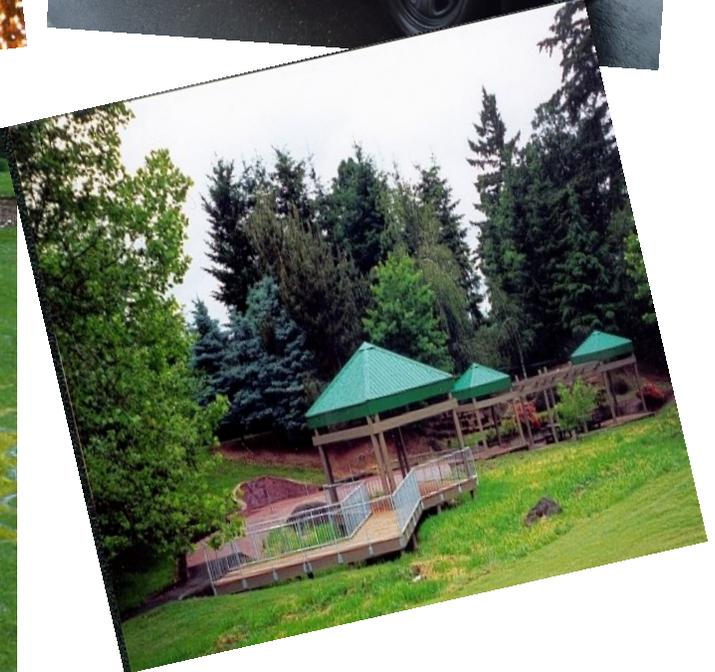
A City of History and Vision



Fairview was incorporated in 1908 and operates under the provisions of a charter first enacted in 1911 which was amended most recently in 2012. The City of Fairview covers an area of approximately three square miles with an estimated population of 8,925 as of June 30, 2013. (This number was reduced from 9,745 by the 2010 Census.)

Fairview has 38 full-time employees and three seasonal or part-time employees. City departments include: Administration, Finance, Court, Police, Emergency Management/Fire, Public Works Parks and Recreation, Community Services, Building, Streets, Water, Sewer, and Storm water.

Together with the community partners and residents, we work to thoughtfully plan for and grow Fairview's future. Fairview values its citizens and its business partners. As Fairview strives to balance citizen and business needs, while developing its vision and action plan for the future, it will continue to partner and plan for success so this fantastic community grows by choice and not by chance.



About the City

A City of History and Vision

Form of Government

An elected Mayor and six Council members comprise the City Council and govern the City of Fairview. The City's Charter establishes a Council/Administrator form of government. The Mayor and members of the City Council are elected to serve four– years terms. The Mayor presides at Council meetings and is elected at-large for a four-year term with no term limits. The Mayor and Council provide community leadership, develop policies to guide the City in delivering services and achieving community goals, and encourage citizen awareness and involvement.

The City Council appoints the City Administrator who in turn serves as the administrative head of the city government. The City Administrator is responsible for ensuring Council policies are implemented using resources appropriated by the Council to achieve desired service results in the

Mission Statement

(as adopted by Resolution 10-2000)

Our mission is to protect and enhance the quality of life in our City by: providing for the health, safety, security and welfare of our citizens; balancing growth with community livability; preserving of our environment, historic and natural areas; encouraging citizen and community involvement; promoting safe, livable neighborhoods; and ensuring efficient, effective, accessible, and responsive City government.

Employment

The City has 179 active business licenses as of August 2014. Fairview Businesses employ nearly 2,650 people.

Top Ten Employers in Fairview for 2013	Product or Service	Employees*	Percentage of Total City Employment
Reynolds School District	Education	427	16.32%
Townsend Farms	Berry Agriculture/Farming	325	12.43%
Nacco Material Handling Group	Lift Truck Manufacturer	240	9.18%
Knight Transportation	Transportation	158	6.04%
Moore Excavation	Civil Construction Company	110	4.21%
TruGreen LandCare, LLC	Commercial Landscaping	55	2.10%
Target	Retail	42	1.61%
General Pacific, Inc.	Stocking Distributer	35	1.40%
Thermo King NW, Inc.	Supplier and Service Provider	35	1.34%
Intertek Testing Services NA. Inc.	Product Quality and Safety Testing	30	1.15%
		1,457	55.72%
Total Fairview Employment**		2614	

*FTE employee information provided by individual employers. Figures may vary due to seasonal employment.

**Total Fairview Employment data provided by the State of Oregon Employment Department Workforce and Economic Research Section.

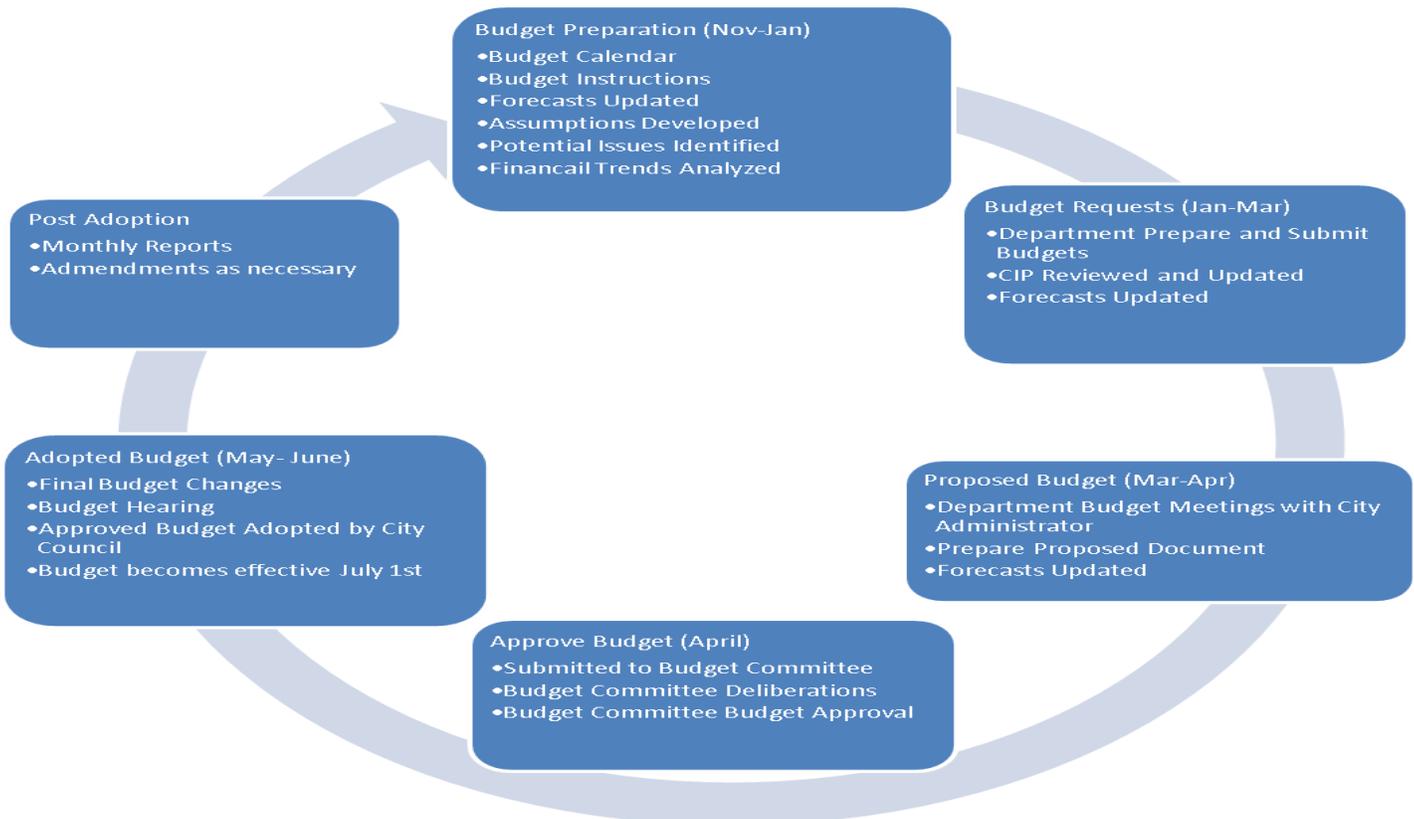
The Budget Process

Fiscal Management



The process followed in the preparation of the budget complies with 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 the City’s website, newsletter, and in the local newspaper. The Proposed Budget– submitted to the Budget Committee in April– and the Approved Budget– submitted to the City Council in June– are available to the public prior to each meeting.

City departments work with the Finance Department to compile their budget requests and capital projects information between November and March of each year. Then, this information is reviewed by the City Administrator. During this same time frame, Finance and the City Administrator review revenue and expenditure forecasts, as well as financial environmental trends. All of this information is compiled, prepared and presented to the Budget Committee as the *Proposed Budget*. After the Budget Committee reviews and deliberates over the Proposed Budget and makes any appropriate changes, the Committee then recommends and forwards to the City Council an *Approved Budget*. After a public hearing, the Council takes action on any final changes deemed appropriate, and adopts the budget in June. The *Adopted Budget* is available on the City’s Website and available to citizen’s upon request for a copying fee.



Budget Committee



FAIRVIEW MAYOR & CITY COUNCIL



Mike Weatherby
Mayor



Lisa Barton Mullins
Council President



Steve Owen
Councilor



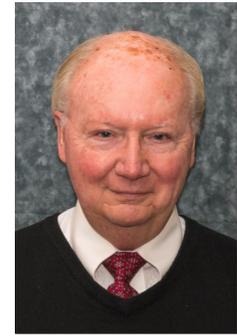
Dan Kreamier
Councilor



Steve Prom
Councilor



Tami Arnold
Councilor



Ted Tosterud
Councilor

The Budget Committee consists of the Mayor, six city councilors, and seven citizens appointed by the City Council. Citizen members serve three-year terms. Meetings occur approximately in the month of April at City Hall. The Committee has the legal authority to change any portion of the proposed budget and is responsible for approving it.

CITIZEN MEMBERS

Kitty Fudge

Francis Doo

George Linglebach

Juleus Arceo

Barbara Jones

Nancy Murdick

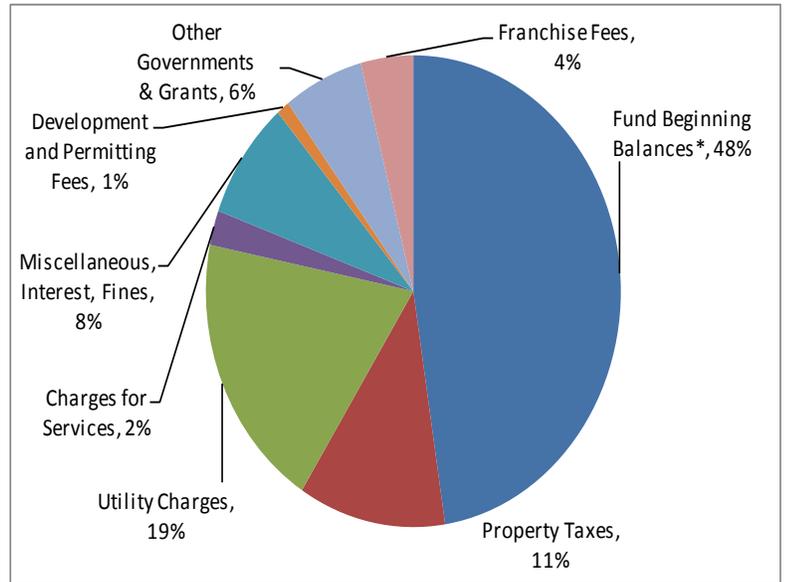
Todd Johnsen

Visit the City's website at www.fairvieworegon.gov to learn more about Fairview's Mayor and City Councilors.

Where the Money Comes From

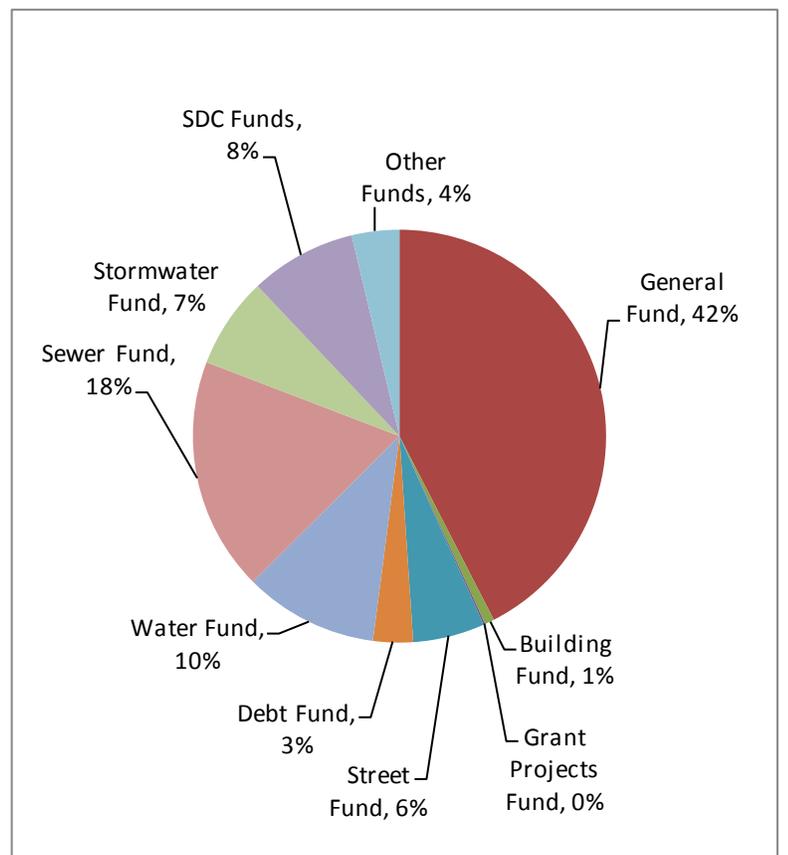


Resources of All Funds Combined by Category	
Fund Beginning Balances*	\$ 8,809,583
Property Taxes	\$ 2,126,000
Utility Charges	\$ 3,544,900
Charges for Services	\$ 440,535
Miscellaneous, Interest, Fines	\$ 1,509,467
Development and Permitting Fees	\$ 185,375
Other Governments & Grants	\$ 1,154,937
Franchise Fees	\$ 757,100
Total	\$ 18,527,897

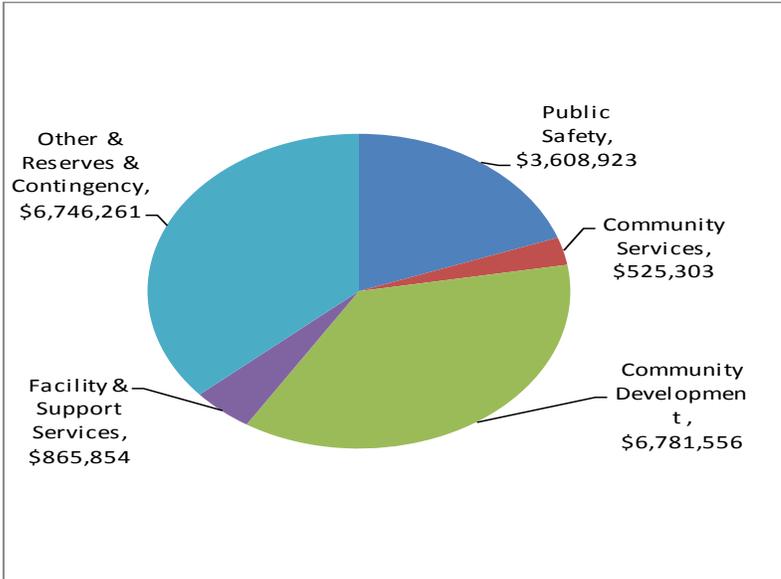


*Many funds, like Streets, Water, Sewer, and Storm water have dedicated resources which can only be expended on these programs. Reserves may be higher in these programs due to saving for future large capital projects.

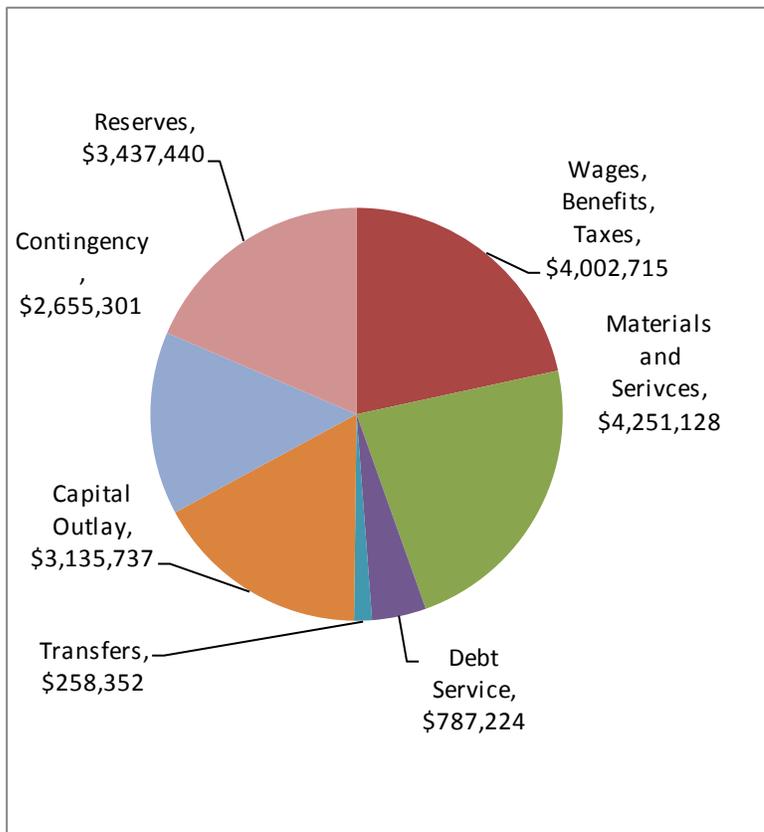
Resources by Fund Group	
General Fund	\$ 7,864,955
Building Fund	\$ 138,342
Grant Projects Fund	\$ 25,232
Street Fund	\$ 1,038,487
Debt Fund	\$ 578,120
Water Fund	\$ 1,944,300
Sewer Fund	\$ 3,386,315
Storm water Fund	\$ 1,319,524
SDC Funds	\$ 1,542,687
Other Funds	\$ 689,935
Total	\$ 18,527,897



Where the Money Goes



Expenditures by Service Area	
Police	\$ 2,449,210
Municipal Court	\$ 95,812
Fire/BOEC/Emergency Management	\$ 1,063,901
Public Safety	\$ 3,608,923
Parks and Recreation	\$ 314,150
Park SDC	\$ 211,153
Community Services	\$ 525,303
Community and Economic Development	\$ 220,810
Building	\$ 97,316
Streets	\$ 547,941
SDC Infrastructure Capital Projects	\$ 1,331,334
Water, Sewer, Storm water	\$ 4,584,155
Community Development	\$ 6,781,556
Administration	\$ 322,852
Finance	\$ 236,002
Facilities & Fleet	\$ 307,000
Facility & Support Services	\$ 865,854
Other	\$ 653,520
Reserves & Contingency	\$ 6,092,741
Total	\$ 18,527,897



Expenditures of All Funds Combined by Category	
Wages, Benefits, Taxes	\$ 4,002,715
Materials and Services	\$ 4,251,128
Debt Service	\$ 787,224
Transfers	\$ 258,352
Capital Outlay	\$ 3,135,737
Contingency	\$ 2,655,301
Reserves	\$ 3,437,440
Total	\$ 18,527,897

The City's General Fund

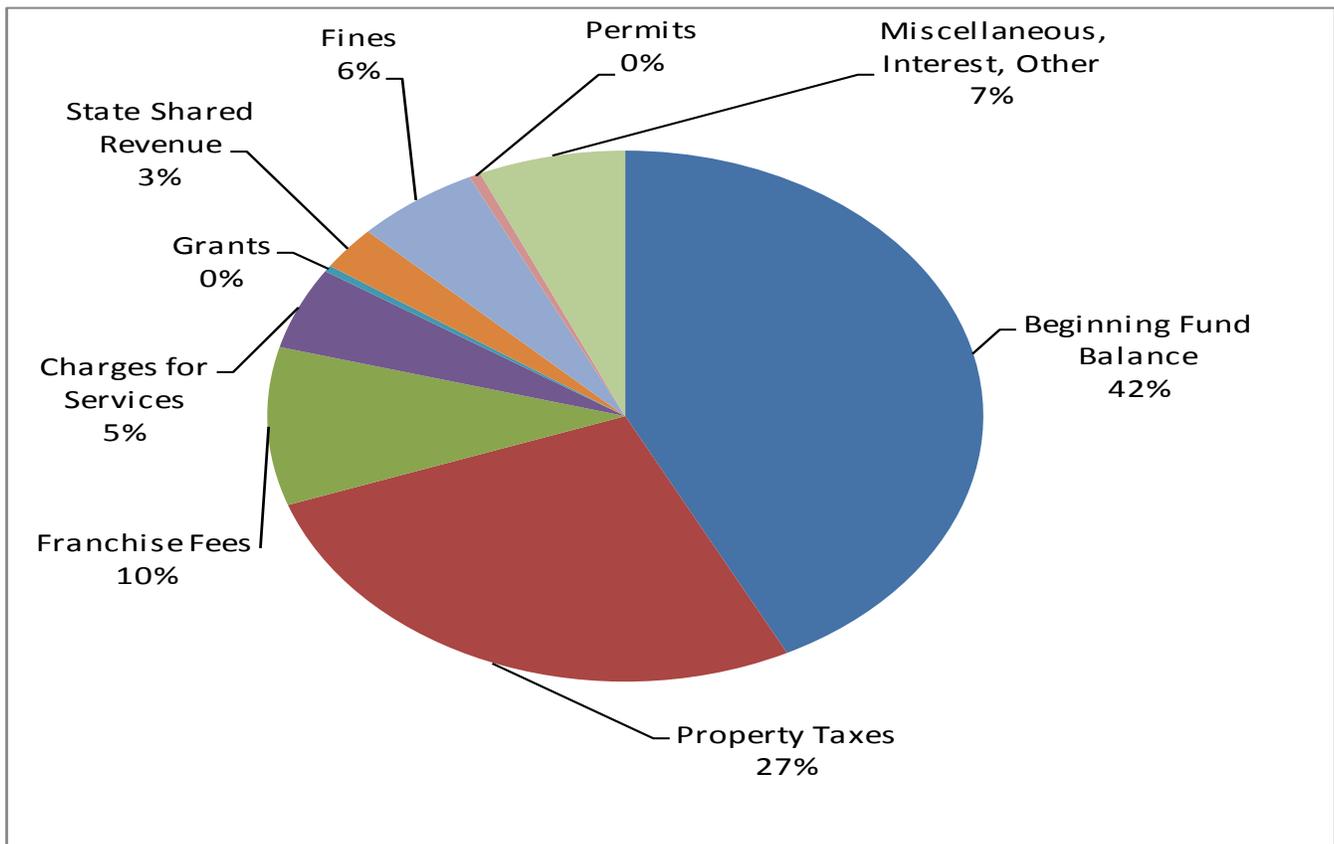
The City's General Fund accounts for all revenues and expenditures of a general nature that are not required to be recorded in another fund. General Fund revenue is derived from property taxes, charges for services, franchise fees, fines and forfeitures, state shared revenues, and grants.

General Fund resources pay for Police, Fire, Parks and Recreation, Planning, Finance, Administration, Municipal Court, and Economic Development.

The graphs on the right and on the following page represent where the General Fund resources come from and what they are spent on.

General Fund Resources by Category

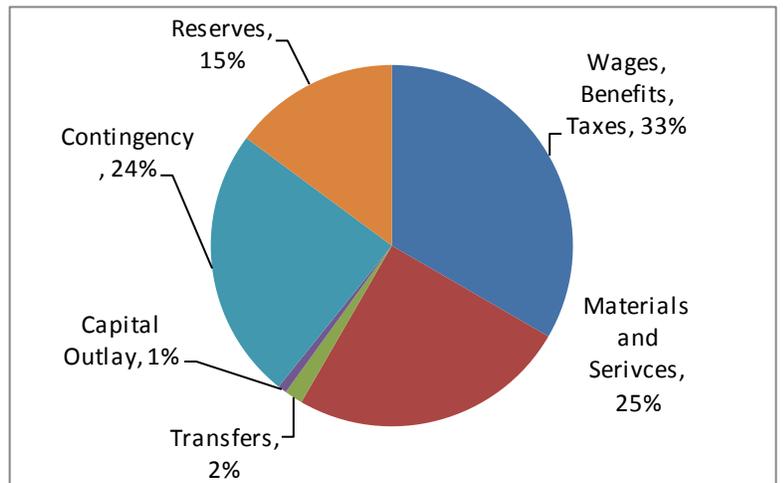
Beginning Fund Balance	\$ 3,345,328
Property Taxes	\$ 2,126,000
Franchise Fees	\$ 757,100
Charges for Services	\$ 392,650
Grants	\$ 30,600
State Shared Revenue	\$ 209,337
Fines	\$ 440,300
Permits	\$ 41,000
Miscellaneous, Interest, Other	\$ 522,640
Total	\$ 7,864,955



The City's General Fund

Expenditures of General Fund Combined by Category

Wages, Benefits, Taxes	\$	2,624,865
Materials and Services	\$	1,962,697
Debt Service	\$	-
Transfers	\$	128,775
Capital Outlay	\$	61,400
Contingency	\$	1,919,218
Reserves	\$	1,168,000
Total	\$	7,864,955



General Fund Expenses by Department and Category

Administration

Wages, Benefits, Taxes	\$	219,195
Materials and Services	\$	101,657
Transfers	\$	1,000
Capital Outlay	\$	1,000

Finance

Wages, Benefits, Taxes	\$	144,041
Materials and Services	\$	76,961
Transfers	\$	10,000
Capital Outlay	\$	5,000

Public Safety & Court & FIRE/BOEC Emergency Management

Wages, Benefits, Taxes	\$	2,006,472
Materials and Services	\$	1,525,301
Transfers	\$	40,000
Capital Outlay	\$	37,150

Public Works– Community Services and Parks and Recreation

Wages, Benefits, Taxes	\$	255,157
Materials and Services	\$	258,778
Transfers	\$	2,775
Capital Outlay	\$	18,250

Total	\$	4,702,737
--------------	-----------	------------------

Property Taxes



The City's General Fund operating budget relies on property taxes for approximately 27% of its total budget. Measure 50 created a State property tax system which moved local governments from a dollar-based tax system to a rate-based tax system. The City currently has a permanent tax rate of \$3.4902 per \$1,000 of assessed property value. The City tax rate funds City services. Other agencies, including the County and Schools also have tax rates for their services. All of these rates combine to represent a full property tax assessment that is reflected in the annual property tax statements provided by Multnomah County Assessment and Taxation— due to the assessor by November 15th of each tax year.

Where does your Property Tax Money Go?

Your property tax dollars are split between the city, County, schools and special districts.

	Pennies of Each Tax Dollar Paid
E.S.D.	\$ 0.03
Reynolds School District	\$ 0.36
Mt. Hood Community College	\$ 0.03
TOTAL SCHOOL RELATED TAX ASSESSMENTS:	\$ 0.42
Port of Portland	\$ 0.01
City of Fairview	\$ 0.21
East/West Soil Water Conservation	\$ 0.01
Metro Service District	\$ 0.02
Multnomah County	\$ 0.34
TOTAL GENERAL GOVERNMENT TAX ASSESSMENTS:	\$ 0.58

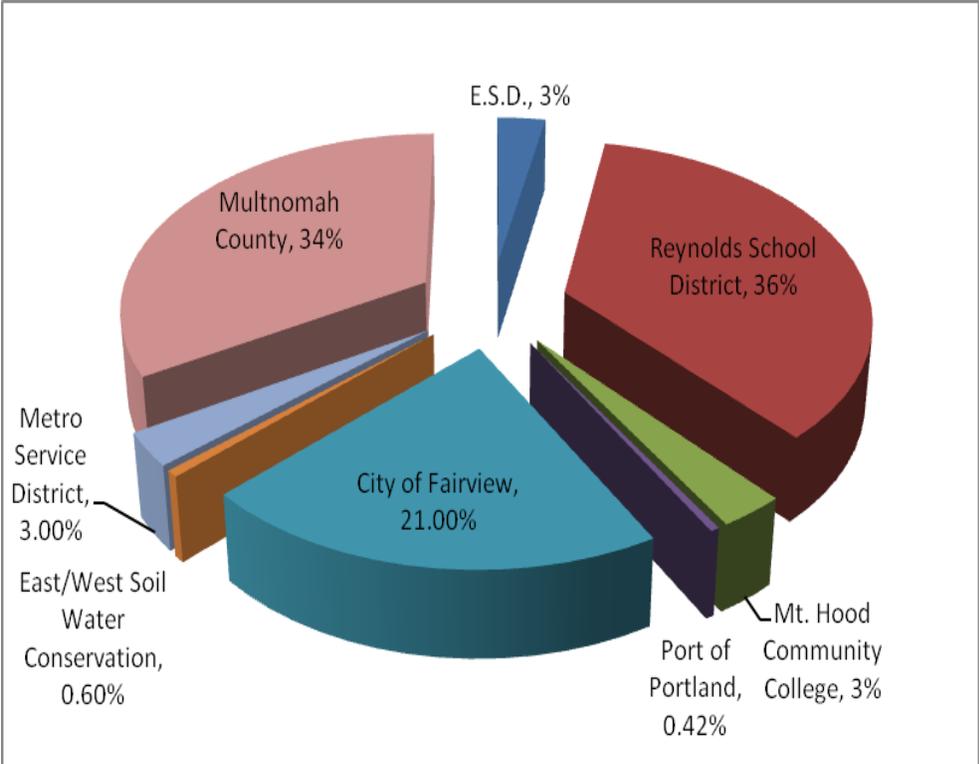
Where Does My Property Tax Go?



Tax Comparisons

Tax Dollars at Work

A Fairview resident pays \$16.7868 per \$1,000 in assessed value (AV). Therefore a homeowner with AV of \$200,000 is paying \$3,357.36 annually. Of this amount, the City of Fairview receives 21% or \$698.04. The remaining amounts are allocated to county, education, and other regional services.



City's Assessed Value

Annual property taxes are calculated using the Assessed Value (AV)- as opposed to the market value- of your property. Taxes are calculated by taking a property's AV divided by 1,000 and multiplied by the rate for the tax code where the property resides (subject to Measure 5 limitations). Below are several tables detailing the property tax values for the city of Fairview.

Fiscal Year Ended	County Assessed Value Percentage Change from Prior Year	Real Market Value Percentage Change from Prior Year
2014	3%	3%
2013	2%	-1%
2012	2%	-8%
2011	2%	-7%
2010	4%	-2%
2009	8%	8%
2008	8%	16%
2007	6%	13%
2006	9%	15%
2005	8%	8%

Capital Improvements



The City invests in projects each year that add, improve, and extend the life of the City's infrastructure. The City budgets its major construction and acquisition activities in the "Capital Outlay" category of each fund. In addition to capital projects, fleet vehicles are included in the Capital Outlay category. The CIP projects are tracked in several categories:

1. **Parks Capital Projects**– development or expansion of parks and parks facilities
2. **Transportation Projects**- development, construction, and/or expansion of transportation infrastructure including streets and sidewalks
3. **Water Projects**– development, construction, and/or expansion of the water supply, treatment and distribution of infrastructure
4. **Sanitary Sewer Projects**– development, construction, and/or expansion of sanitary sewer system infrastructure
5. **Surface Water Management Projects (storm water)**- development, construction and/or expansion of storm water system infrastructure
6. **Facility Projects**– acquisition, construction, and/or replacement of existing or new City facilities
7. **Fleet and Equipment**– replacement, upgrade, or addition of city vehicles and large equipment

Depending on the type of project, financing sources can include system development charges (SDC), operating revenues, bonded debt, other one-time revenues, and/or a combination of several different revenue sources. The individual project descriptions within the larger budget document include information on the financing sources used for each project.

Notable projects included in the 2014-15 budget year are: Parks and Recreation: Park Cleone Improvements (\$300,000), Lake Shore Park Improvements (\$300,000); Public Works Water: Cathodic Protection of Well Reservoir #2 (\$20,000), Village Loop Project (\$140,000); Public Works Sewer: Bridge Street/Matney Street Line Improvements (\$500,000), Pump Station Upgrades (\$60,000), Telemetry Controls (\$70,000); Public Works Storm Water– Detention Ponds Restoration (\$75,000), Catch basin Retrofits (\$50,000); Fleet and Equipment– 2 Police Patrol Vehicles (\$75,500), Court System Upgrade (\$40,000), Public Works vehicle replacements (\$105,000); Facility Projects– City Hall & Council Chambers Carpet Installation (\$32,500), City Hall Automatic Door Improvements (\$15,000), Server Room Environmental Controls (\$6,800).

Frequently Asked Questions



When I pay my Utility Bill, what is the money used for? The City manages four full utilities; Water, Transportation, Sanitary Sewer, and Surface Water Management (Storm Water). Utility fees pay for the operation, maintenance and replacement activities of these utilities. Utility fees pay for delivering clean water to homes and businesses, taking away and treating waste water from drains and toilets, managing the run-off of rain water to avoid flooding, and building and repaving streets.

Why can't money be moved to different services or programs where it is most needed? Dedicated funds are legally restricted to specific expenditures. Each fund is used to account for specific transactions that act as control mechanisms to ensure money is spent on authorized purposes for which it was collected.

How can I stay connected with what is going on in the City? There are various ways you can find out what's going on! Visit our website at www.fairvieworegon.gov, join our email distribution list via the city website under "Notify Me," follow us on Facebook, or give us a call at 503-665-7929.

How can I get more involved in civic happenings? Volunteers provide a positive and meaningful impact on our community. The City has various ways for citizens to get more involved and participate in the public process and in programs. On the back cover of this document is a listing of several boards, commissions, and committees that often need citizen participation. To find out more about these and other volunteer opportunities with City departments, please visit our website.

