

Meeting Agenda | Finance Committee

Wednesday, May 17, 2023

7:00 p.m.

Zoom Meeting

See Below for Access Information

1. Convene meeting and roll call of participants	5 min
2. Public comment	5 min
3. Investment Policy – Annual Review	10 min
4. Investment Performance Review	30 min
5. Long-Term Financial Roadmap Update	15 min
6. Meeting Minutes	10 min
7. Project Updates	10 min
8. Committee Business	10 min
9. Good of the order	1 min

How to participate

This meeting will be conducted electronically using Zoom, an online meeting platform. The meeting structure complies with ORS 192.610 to 192.690.

Please note: Instructions for citizens wishing to testify during this Finance Committee meeting are as follows:

- Written testimony: Please send your written testimony to Budget and Finance Director, Sharron Monohon at Sharron.Monohon@GreshamOregon.gov no later than 24 hours before the meeting to allow the testimony to be forwarded to the Finance Committee.
- Oral testimony: Please register your name, email address, phone number and subject matter to Budget and Finance Director, Sharron Monohon at Sharron.Monohon@GreshamOregon.gov no later than 24 hours before the meeting.
- Persons who are unable to access the meeting via Zoom are encouraged to notify the City by calling 503-618-2890, 24 hours in advance of the meeting so that the City can provide alternate arrangements.

Meeting log-in or call-in information to access the meeting:

Click the link to join:

<https://greshamoregon.zoom.us/j/85113388538?pwd=RTBFQUVGbm50Y1h1VTJ0Z0lrRi96Zz09>

Passcode: BJLLYH3vw1

Or dial in options:

iPhone one-tap:

US: +12532158782,,85113388538#,,,,*9901715224# or +16699006833,,85113388538#,,,,*9901715224#

Telephone: +1 253 251 8782 or +1 669 900 6833 or +1 213 338 8477 or +1 646 876 9923

Webinar ID: 851 1338 8538

Passcode: 9901715224

City of Gresham
Finance Committee
Wednesday, May 17, 2023
Executive Summary

3. Investment Policy – Annual Review

Presented by Susan Brown, Finance & Accounting Services Manager and Terryl Aguon, Treasury Analyst

The City annually reviews and updates its Investment Policy. Ms. Brown and Ms. Aguon will review the proposed changes and request the Finance Committee's approval of the changes prior to the policy being considered by Council in August or September. While the proposed changes for this year are mostly administrative in nature, regulations require annual approval by Council. A mark-up version of the policy is included in this packet.

Requested Action: Committee Recommendation to Council

4. Investment Performance Review

Presented by Susan Brown, Finance & Accounting Services Manager and Terryl Aguon, Treasury Analyst with Garrett Cudahey and Deanne Woodring, Government Portfolio Advisors Investment

Policy guidelines require staff to submit a portfolio report to the Finance Committee no less than twice a year. This will be the first update for calendar year 2023.

Requested Action: Information and Committee Discussion

5. Long-Term Financial Roadmap Update

Presented by Sharron Monohon, Budget & Finance Director

This item will include a discussion of the results of the May 16, 2023 election, to the extent that information is available.

Requested Action: Information and Committee Discussion

6. Meeting Minutes

All past due meeting minutes have now been completed and are presented to the committee for consideration. As a note, previously approved minutes from January, August, September and October 2022 are also included in the packet to provide a complete history of all Finance Committee meetings held from September 2021 through March 2023.

Requested Action: Committee Review and Approval

7. Project Updates

Committee members and staff will provide updates on the status of various projects and other key initiatives that are underway currently. This may include reporting on the activity of other committees or workgroups where relevant as well as special Finance Committee projects.

Requested Action: Information and Committee Discussion

8. Committee Business

This item will include an update on the process for appointments and/or reappointments, as many committee members have terms that end as of June 30, 2023.

Requested Action: Information

MEMO

To: Terryl Aguon and Susan Brown – City of Gresham
 From: Deanne Woodring and Whitney Maher
 Date: May 5, 2023
 Re: Investment Policy Review and Update 2023

ORS 294.135(a) requires local governments investing in securities with maturities longer than 18 months to annually adopt their investment policies. GPA is suggesting updates this year which do not change the risk in the policy but provide added clarity. The Council is required to adopt the policy annually and it was last adopted in September 2022. The policy is being presented for re-adoption for 2023 to Council with the following recommended clarification changes:

- ✓ Recommend combining ratings restrictions on Corp to single rating minimum of AA-
- ✓ Recommend combining ratings restrictions on Muni to single rating minimum of AA-

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions (S&P, Moody's, Fitch)
U.S. Treasury Obligations	100%	100%	7 years*	N/A
Federal Agency and Instrumentality Obligations	100%	25%	7 years*	N/A
Commercial Paper	35%	5%	270 Days	A-1, P-1, or F1
Corporate Bonds			7 years	AA-, Aa3, or AA-
Banker's Acceptance	25%	10%	180 Days	Highest Rating for Letter of Credit
Oregon LGIP	ORS 294.810 balance limitation	ORS 294.810 balance limitation	N/A	N/A
Certificates of Deposit	25%	10%	366 Days	N/A
Repurchase Agreements	25%	10%	90 Days	N/A
Municipal Obligations (OR, CA, ID, WA only)	25%	10%	7 years	AA-, Aa3, or AA- (Long-term) A-1, P-1, or F1 (Short-term)
Municipal Obligations of the City of Gresham	\$15,000,000	\$15,000,000	10 Years	A- A3 A-

CITY OF GRESHAM

INVESTMENT POLICY

September 20222023

City of Gresham Investment Policy

September ~~2022~~2023 Table of Contents

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RESOLUTION 3519

RESOLUTION NO. 3519

A RESOLUTION ADOPTING AN INVESTMENT POLICY FOR THE CITY OF GRESHAM AND REPEALING RESOLUTION NO. 3464

The City of Gresham Finds:

- A. On September 21, 2021, the City Council passed Resolution No. 3464 that adopted an Investment Policy.
- B. In order to make investments having a maturity longer than 18 months, the City is required by ORS 294.135(a) to readopt the Investment Policy not less than annually.
- C. It is desirable to update the Investment Policy.
- D. This resolution is the written order of the Gresham City Council required by ORS 294.035 and ORS 294.125 authorizing the custodial officer to invest City funds.

THE CITY OF GRESHAM RESOLVES:

- 1. The City adopts the Investment Policy attached as Exhibit A and authorizes the investment of city funds by the custodial officer in accordance with the provisions of the Investment Policy.
- 2. Resolution No. 3464 is hereby repealed.

Yes: Stovall, Morales, DiNucci, Gladfelter, Jones-Dixon, Piazza

No: None

Absent: Palmero

Abstain: None


Passed by the Gresham City Council on September 20, 2022



Nina Vetter
City Manager



Travis Stovall
Mayor

Approved as to Form:


Kevin R. McConnell
City Attorney

City of Gresham Investment Policy

The City of Gresham, Oregon (hereinafter referred to as the City) was incorporated in 1905 and is a home rule city operating under a city charter adopted in 1978. The government of the City is vested in an elected, seven-member city council, which includes the mayor. The city council appoints the city manager, who is responsible for the day-to-day management of the City. Gresham has a population of 114,247 and is located 17 miles east of downtown Portland, Oregon.

The purpose of this Investment Policy is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management and investment of the funds of the City of Gresham.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy. All participants in the investment process shall seek to act responsibly as custodians of public trust.

This Policy has been adopted by Resolution No. 3519 of the City Council of Gresham, Oregon, on September ~~20, 2022-2023~~ and replaces the City's previous Investment Policy, dated September ~~24~~20, 2021~~2022~~.

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SCOPE

The provisions of this Investment Policy shall apply to all investable funds of the City of Gresham and its component unit, except for deferred compensation fund assets, pension fund assets, and assets of restricted trust and escrow funds. Included under the provisions of this Policy are financial assets of general operating funds, enterprise funds, special revenue funds, and any other funds not specifically excluded which are recognized in the City's Comprehensive Annual Financial Report. The fiscal year ~~2021-2022~~ average balance of funds invested in the City's general portfolio was ~~\$270-289~~ million.

Except for restricted and excluded funds and special accounts, all excess cash shall be pooled into one account for investment purposes. The net investment income derived from the pooled investment account shall be allocated pro-rata to the contributing funds based upon their average daily cash balances and in accordance with generally accepted accounting principles.

OBJECTIVES

The City's funds shall be invested in accordance with all applicable City, State and Federal regulations, and in a manner designed to accomplish the following objectives, in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet all operating requirements that are reasonably anticipated.
3. Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.

4. Maximize risk-optimized portfolio return throughout economic and fiscal cycles (within the constraints of this Investment Policy). This policy discourages active trading and turnover of investments.

PRUDENCE AND INDEMNIFICATION

The standard of prudence to be used for managing the City's assets is the "prudent person" rule which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital, as well as the probable income to be derived."

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally risk-free and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that within a diversified portfolio, losses sometimes occur, and such losses shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security before maturity may be in the best long-term interest of the City.

The City's Custodial Officer (ORS 294.004 (2)) and staff acting in accordance with this Investment Policy, written procedures, and Oregon Revised Statutes 294.035 and 294.040 and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change or other loss in accordance with ORS 294.047, provided that these deviations and realized losses are reported as soon as practical to the City Manager and action is taken to control adverse developments. Realized losses in the City's portfolio shall be charged against current or future investment earnings.

ETHICS AND CONFLICTS OF INTEREST

City investment staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or create the appearance of an impairment of their ability to make impartial investment decisions. City investment staff involved in the investment process and investment officials shall disclose in writing to the City Manager any financial interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City.

Employees shall comply with ORS 244.040 (Code of Ethics), ORS 244.120 (Methods of Handling Conflicts), GARS Article 3.15 (Standards of Conduct), any amendments to these provisions, and any Code of Ethics applicable to employees that the City may adopt in the future.

DELEGATION OF AUTHORITY

The ultimate responsibility and authority for the investment of City funds resides with the City Council. The City hereby designates the Budget & Finance Department Director as the Custodial Officer for the City's funds. The Custodial Officer shall invest City funds in accordance with ORS Chapter 294, Public Financial Administration, and with this Investment Policy. This Policy shall constitute a "written order" from City Council per ORS 294.035. The Custodial Officer, with the consent of the City Manager, may further delegate the authority to invest City funds to additional City Finance personnel. Persons authorized to transact investment business on behalf of the City are listed in Annex I of this Policy.

In order to manage the portfolio, resources shall be allocated to the cash management program. This commitment of resources shall include financial and staffing considerations.

INVESTMENT ADVISORY SERVICES

Subject to required procurement procedures, the City may engage the support services of outside professionals in regard to its investment program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage and necessary financial protection of the City's resources. External service providers shall be licensed with the State of Oregon Division of Financial Regulation (DFR), subject to Oregon Revised Statutes, and the provisions of this Investment Policy.

The investment advisory service firm will function in a non-discretionary role and provide technical market research to help in implementing investment strategies. Non-discretionary management requires that the City maintain control of investments by requiring the firm to obtain approval for all investment transactions.

The investment advisory firm must be registered with the Securities and Exchange Commission and licensed by the State of Oregon. All investment advisory firm representatives conducting investment transactions for the City must provide certification in writing of having read, understood and agreed to comply with this investment policy.

INTERNAL CONTROLS AND COMPLIANCE

The Custodial Officer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this investment policy and protected from loss, theft, or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the investment officer.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points:

- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery of securities whenever possible, but control requirements for physical delivery should be addressed when necessary
- Clear delegation of authority to subordinate staff members
- Confirmation of transactions for investments and wire transfers
- Compliance with and oversight of Investment Policy
- Review, maintenance, and monitoring of security procedures

An external auditor shall provide an annual independent review to assure compliance with Oregon state law and the City's policies and procedures.

ACCOUNTING METHOD

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP) relating to investment accounting. The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

SAFEKEEPING AND CUSTODY

Custodian banks shall be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The City shall execute a written Safekeeping Agreement with each custodian bank prior to utilizing that bank's safekeeping services. Financial institutions approved to provide safekeeping services for the City of Gresham are listed in Annex II.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis in accordance with ORS 294.145 (4) and (5). It is the intent of the City that all purchased securities be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City, and all purchased securities under the terms of a City approved Master Repurchase Agreement, shall be delivered by book entry and shall be held in third-party safekeeping by a City approved custodian bank or the Depository Trust Company (DTC).

All fed-wire book entry securities shall be held in the Federal Reserve System in a customer account or trust account at the custodian bank which names the City as the customer. DTC eligible securities shall be held in the custodian bank's participant account at the DTC.

COLLATERALIZATION

All bank deposits, time deposits, certificates of deposit, and savings accounts held in bank depositories, which exceed the amounts insured by one or more agencies of the United States Government shall be collateralized in accordance with the provisions of ORS Chapter 295.

Per Oregon Revised Statutes Chapter 295, it is the responsibility of the State Treasurer to ensure that public funds are collateralized appropriately by the public depositories holding the deposits.

Collateral for repurchase agreements shall be limited in maturity and priced in compliance with ORS 294.035 (3)(j). See item 8 of the Suitable and Authorized Securities and Transactions section of this policy.

SELECTION OF BROKER/DEALERS AND FINANCIAL INSTITUTIONS ACTING AS BROKER/DEALERS

Broker/dealers and other financial institutions shall be selected by the Custodial Officer on the basis of their expertise in public cash management and their ability to provide service for the City's account. It shall be the policy of the City to purchase securities only from approved institutions and firms. Approved Broker/Dealers are provided in Annex III.

To be eligible, a firm must meet at least one of the following criteria:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within its holding company structure; or
2. Report voluntarily to the Federal Reserve Bank of New York; or
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule.)

Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Oregon and, as such, are subject to the provisions of the Oregon Revised Statutes. Approved broker/dealers shall submit proof of registration in the State of Oregon, both for the firm and for the designated representative. Further, the broker/dealer representative shall submit evidence of holding the Financial Industry Regulatory Authority (FINRA) Series 6 or Series 7 license, and either the Series 63 or Series 66 license. License requirements are per the Oregon Division of Finance and Corporate Securities.

Periodic review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Custodial Officer. Factors to consider would be:

- Pending investigations of the customer representatives by securities regulators
- Significant changes in net capital
- Pending arbitration cases of customer representatives
- Regulatory enforcement actions against registered representatives

The City may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved Broker/Dealers. Such Broker/Dealers will comply with the selection criteria above and the list of approved firms shall be provided to the City on an annual basis or upon request.

The City may purchase Commercial Paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in item 3 of the Suitable and Authorized Securities and Transactions section of this Policy.

SUITABLE AND AUTHORIZED SECURITIES AND TRANSACTIONS

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.052 (Definitions; investment by municipality of proceeds of bonds), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

The City will diversify investments across maturities, security types and issuers to avoid incurring unreasonable risks. The City has further defined the eligible types of securities and transactions as follows:

1. **U.S. Treasury Obligations:** Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips with maturities not exceeding seven years from the date of settlement. See exception in 2a. The maximum ownership of U.S. Treasury Obligations is 100%.
2. **Federal Agency and Instrumentality Obligations:** Securities with maturities not exceeding seven years from the date of trade settlement. See exception in 2a. The maximum ownership of Federal Agency Obligations is 100% with no more than 25% of the portfolio held in any one agency issuer.

2a. **Exception for securities purchased in 1 and 2 above:** A maximum of 10% of the City's portfolio may be invested in Treasury, Agency, and/or Instrumentality securities that mature between 7 and 10 years.

3. Commercial Paper subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Such debt shall be issued by a commercial, industrial or utility business or issued by or on behalf of a financial institution with maturities not exceeding 270 days from the date of settlement. Commercial paper must be rated at least A-1 by Standard and Poor's ~~or~~ P-1 by Moody's, or equivalent rating by any nationally recognized statistical rating organization F1 by Fitch at the time of purchase ~~by each service which rates the commercial paper. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated at least A by Standard and Poor's, A2 by Moody's, or A by Fitch at the time of purchase.~~ Ownership of commercial paper and corporate bonds shall be limited to a combined total of 35% of the portfolio, with no more than 5% of the portfolio held in any one issuer or its affiliates or subsidiaries.

4. Corporate Bonds subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Such bonds shall be issued by a commercial, industrial, or utility business or issued by or on behalf of a financial institution with final maturities not exceeding seven years from the date of settlement.

The debt must be rated at least AA- or better by Standard and Poor's, or Aa3 or better by Moody's, or ~~AA- by Fitch~~ equivalent rating by any nationally recognized statistical rating organization at the time of purchase. ~~Split ratings are acceptable to no less than A-~~ Ownership of corporate bonds and commercial paper shall be limited to a combined total of 35% of the portfolio, with no more than 5% of the portfolio held in any one issuer or its affiliates or subsidiaries.

~~A rating exception may be made if the bond issuer meets the criteria of ORS 294.035(3)(i)(C). The minimum corporate bond credit quality may be lowered to at least A by Standard and Poor's, A2 by Moody's, or A by Fitch on the date of settlement.~~

5. Bankers Acceptances which are (a) guaranteed by and carried on the books of a financial institution located and licensed to do banking business in the State of Oregon; or a financial institution located in the States of California, Idaho or Washington that is wholly owned by a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon; (b) Banker's acceptances shall be eligible for discount by the Federal Reserve System; and (c) the issuing institution's short-term letter of credit rating shall be in the highest category by Standard and Poor's or Moody's or Fitch. Maturities shall be limited to 180 days from the date of settlement and ownership of bankers' acceptances shall not exceed 25% of the portfolio, with no more than 10% of the portfolio held in any one issuer.

6. State of Oregon Local Government Investment Pool organized pursuant to ORS 294.805 through 294.895. Participation in the Pool shall not exceed the maximum limit semi-annually set by ORS 294.810, or the exceptions listed therein. Details of the maximum limit are provided in Annex IV.

7. Time Deposit Open Accounts, Certificates of Deposit, and Savings Accounts in insured institutions as defined in ORS 706.008 that maintains an office in Oregon.

All deposits, including time deposit open accounts, Certificates of Deposit, and savings accounts that are purchased by the City shall be FDIC insured or collateralized in accordance with the provisions of ORS Chapter 295. Ownership of time certificates of deposit shall be limited to 25% of the portfolio, with no more than 10% with any one financial institution at the time of purchase, and maturities shall not exceed 366 days.

8. Repurchase Agreements with maturities of 90 days or less collateralized by U.S. Treasury securities with the maturity of the collateral not exceeding three years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City approved Master

Repurchase Agreement. The purchased securities shall have an original minimum market value including accrued interest of 102% of the dollar value of the transaction, as prescribed by written policy of the Oregon Short-Term Fund Board. Collateral shall be held delivery-versus-payment in the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily. Broker/dealers and Financial Institutions must have an executed Master Repurchase Agreement with the City. Ownership of repurchase agreements shall be limited to a combined total of 25% of the portfolio, with no more than 10% of the portfolio held in any one institution.

Repurchase Agreements shall be entered into only with City approved Primary Dealers reporting to the Federal Reserve Bank of New York or firms that have a Primary Dealer within their holding company structure. The Custodial Officer shall maintain a copy of the City's approved Master Repurchase Agreement.

9. ~~Obligations of the State of Oregon and its Political Subdivisions~~ **Municipal Debt Obligations:** Lawfully issued debt obligations of the ~~agencies and instrumentalities of the states of Oregon, California, Idaho and Washington~~ and ~~its~~ political subdivisions of those states if the obligations ~~Such debt must~~ have a long-term rating ~~on the settlement date~~ of ~~Aa~~ ~~at least~~ ~~A-~~ or ~~better by Standard and Poor's or Aa3 or better by Moody's or the equivalent~~ ~~or be rated on the settlement date rating by any nationally recognized statistical rating organization, or are rated on the settlement date~~ in the highest category for short-term municipal debt by a nationally recognized statistical rating agency (NRSRO). As defined in ORS 294.040, such obligations are authorized only if there has been no default in payment of either the principal or the interest of obligations of the issuing entity within five years preceding investment. Ownership of such obligations, ~~aggregated with those in 10 below,~~ shall be limited to 25% of the portfolio, with no more than 10% of the portfolio held in any one issuer. Maturities for these obligations shall not exceed seven years from the date of settlement.

~~10a9a. Exception for securities purchased in 9 above:~~ A maximum of \$15 million may be invested in securities issued by the City of Gresham or a component unit of the City of Gresham that mature within 10 years.

- ~~10. Obligations of the States of California, Idaho, and Washington and its Political Subdivisions:~~ Lawfully issued debt obligations of these states and their political subdivisions. Such debt must have a long-term rating of at least AA or the equivalent or be rated on the settlement date in the highest category for short-term municipal debt by a NRSRO. As defined in ORS 294.040, such obligations are authorized only if there has been no default in payment of either the principal or the interest of obligations of the issuing entity within five years preceding investment. Ownership of such obligations, aggregated with those in 9 above, shall be limited to 25% of the portfolio, with no more than 10% of the portfolio held in any one issuer. Maturities for these obligations shall not exceed seven years from the date of settlement.

**Summary Table
Suitable and Authorized Securities and Transactions**

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions (S&P, Moody's, Fitch)
U.S. Treasury Obligations	100%	100%	7 years*	N/A
Federal Agency and Instrumentality Obligations	100%	25%	7 years*	N/A
Commercial Paper	35%	5%	270 Days	A-1, P-1, or F1 A-, A2-, or A- (Senior Debt)
Corporate Bonds			7 years	AA-, Aa3, or AA-
Corporate Bonds of Oregon Issuers			7 Years	A-, A2-, or A- (Long-term) A-2-, P-2-, or F2- (Short-term)
Banker's Acceptance	25%	10%	180 Days	Highest Rating for Letter of Credit
Oregon LGIP	ORS 294.810 balance limitation	ORS 294.810 balance limitation	N/A	N/A
Certificates of Deposit	25%	10%	366 Days	N/A
Repurchase Agreements	25%	10%	90 Days	N/A
Municipal Obligations of Oregon Issuers	25%	40%	7 years	A-, A3-, or A- (Long-term) A-1-, P-1-, or F1- (Short-term)
Municipal Obligations of California, Washington, or Idaho Issuers (OR, CA, ID, WA Only)	25%	10%	7 years	AA-, Aa3, or AA- (Long-term) A-1-, P-1-, or F1- (Short-term)
Municipal Obligations of the City of Gresham	\$15,000,000	\$15,000,000	10 Years	A- A3 A-

*According to section 2a, a maximum of 10% of the portfolio may be invested in U.S. Treasury Obligations, Federal Agency Obligations and Federal Instrumentality Obligations that mature between 7 and 10 years.

In case of conflict between this summary table and the preceding text narrative, the text narrative controls.

The weighted average credit quality of the portfolio shall not be greater than a value of three (3) using the table immediately below and the lowest rating provided.

Value	Moody's Ratings		S&P Ratings		Fitch Ratings	
	Long Term	Short-Term	Long Term	Short-Term	Long Term	Short-Term
1	U.S. Treasury		U.S. Treasury		U.S. Treasury	
1	Federal Instrumentality		Federal Instrumentality		Federal Instrumentality	
1	Aaa	P-1	AAA	A-1	AAA	F1
2	Aa1		AA+		AA+	
3	Aa2		AA		AA	
4	Aa3		AA-		AA-	
5	A1		A+		A+	
6	A2		A		A	
7	A3		A-		A-	
8	Baa1		BBB+		BBB+	
9	Baa2		BBB		BBB	
10	Baa3		BBB-		BBB-	

Securities that have been downgraded to below the minimum ratings will be sold or held at the Custodial Officer's discretion. The Custodial Officer is responsible for bringing the portfolio back into compliance as soon as practicable.

As of the date of this Policy, all of the above securities, deposits and transactions have been approved by the State Treasurer pursuant to ORS 294.046. Any amendments to ORS 294.046 or the State Treasurer's statement of permitted investments for governmental entities shall be assumed to be a part of this Investment Policy immediately upon being enacted. It is the intent of the City that the foregoing list of authorized securities is strictly interpreted. All diversification requirements shall be calculated based on the market value of the holdings at the time of purchase. Specific diversification requirements shall be applied to the aggregate holdings of an institution at the time of purchase. Any deviation from this list must be pre-approved in writing by the City Manager.

MATURITY LIMITS AND LIQUIDITY REQUIREMENTS

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the City shall not invest in securities maturing more than seven years from the date of settlement. However, a maximum of 10% of the portfolio may be invested in Treasury, Agency, and/or Instrumentality securities that mature between 7 and 10 years. The City also reserves the right to purchase a maximum of \$15 million of securities issued by the City of Gresham or a component unit of the City of Gresham that mature within 10 years. The weighted average final maturity of the City's portfolio shall at no time exceed 3.5 years.

At all times, the City of Gresham shall maintain an amount in the portfolio in cash and investments maturing within 30 days equal to at least two times the highest month's negative change in the portfolio balance from the previous calendar year, adjusted for any anomalies or extraordinary items. The City shall maintain an amount in the portfolio in cash and investments maturing within one year equal to at least two times the change in the portfolio balance between January and October of the previous calendar year, adjusted for any anomalies or extraordinary items. The City will calculate these liquidity requirements upon the adoption of this policy and in January each year thereafter and will report the requirements in monthly compliance calculations.

OTHER INVESTMENT GUIDELINES

Competitive Transactions

Each investment transaction shall be competitively transacted with broker/dealers who have been authorized by the City. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded. A record shall be maintained by the City of all bids and offerings for security transactions in order to ensure that the City receives competitive pricing.

If the City is offered a security for which there is no other readily available competitive offering, then the Custodial Officer shall document quotations for comparable or alternative securities. When purchasing original issue securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Prohibited Conduct

Oregon State Statutes have addressed several areas of prohibited conduct for the Custodial Officer when making investments, ORS 294.145. Specifically, the custodial officer shall not:

1. Make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction; or
2. Enter into any agreement to invest funds or sell securities for future delivery for a fee other than interest; or
3. Lend securities to any person or institution, except on a fully collateralized basis, and except when such lending is specifically permitted under an investment policy adopted pursuant to ORS 294.135 (1)(a); or
4. Pay for any securities purchased by the Custodial Officer until the officer has received sufficient evidence of title thereof. Evidence of title shall be consistent with modern investment, banking and commercial practices and may include physical possession, book entry and automated recordation of such title. However, the Custodial Officer may instruct one or more custodian banks, as defined in ORS 295.001, to accept or release securities as the Custodial Officer considers advisable to be held in safekeeping for collection of principal and interest or other income; or
5. Deliver securities to the purchaser upon sale prior to receiving payment in full. However, the Custodial Officer may deliver the securities to any custodian bank, defined in ORS 295.001 upon instructions to hold the same pending receipt by the institution of full payment therefor.

Investing Bond Proceeds

The City recognizes that bond proceeds may be subject to the provisions of the Internal Revenue Code, Federal Arbitrage Regulations, as amended.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE RISK

The City recognizes that the organization and the citizens which it serves benefit from an environment that is sustainably managed, a society that functions well, and sound governance systems. In support of these goals, the performance of the portfolio relies upon thorough risk management of these factors. The risks associated with environmental, social, and governance (ESG) criteria may be considered to effectuate the objectives of the portfolio. Understanding ESG risks and how to mitigate them will allow the City to effectively manage its portfolio in the short- and long-term.

REPORTING REQUIREMENTS

Designated City Finance personnel shall compile and submit a monthly report to the Custodial Officer or designee listing the cost, current fair value, credit ratings, benchmarking, compliance and duration of investments held by the City, in accordance with GASB Statements 31 and 40. The report shall include a summary of investment earnings and performance results for the period.

The Custodial Officer shall submit semi-annual reports unless otherwise requested to the City's Finance Committee and City Council, which includes benchmarking, compliance and a summary of investment earnings and performance results during the period.

PERFORMANCE EVALUATION

The Custodial Officer shall periodically establish a benchmark yield for the City's investments. Considerations for establishing the benchmark yield shall include a market index that closely aligns to the City's portfolio duration and the average yield on the US Treasury rates ranging from 3 months to 5 years. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.

POLICY REVISIONS

This Investment Policy shall be reviewed by the City's Finance Committee and if necessary, the Oregon Short-Term Fund Board prior to being submitted to the City Council for adoption on an annual basis in accordance with ORS 294.135(a). The data contained in the Annexes to this document may be updated by the Custodial Officer as necessary, provided the changes in no way affect the substance or intent of this Policy.

ANNEX I: Authorized Personnel

Persons authorized to transact investment business on behalf of the City of Gresham are as follows:

Sharron Monohon, Budget & Finance Department Director - Custodial Officer
Teryl Aguon, Treasury Analyst
Susan Brown, Finance & Accounting Services Manager

ANNEX II: Approved Custodians

The following safekeeping and custodian institution has been approved by the City of Gresham:

U.S. Bank National Association

ANNEX III: Approved Broker/Dealers

The following broker/dealers have been approved by the City of Gresham:

B of A Securities
Bank of NYC Mellon Cap Markets
Barclays Capital Inc.
BMO Capital Markets
Cantor Fitzgerald
Castle Oak Securities
CIBC Global Markets Inc.
Citigroup Global Markets Inc.
Credit Suisse Securities USA LLC
D.A. Davidson
Daiwa Capital Markets
Fifth Third Bank
FHN Financial Securities Corp.
Goldman Sachs & Co.
Great Pacific Securities
Hartfield, Titus & Donnelly LLC
Incapital LLC
Intl FCStone Partners LP
JP Morgan Securities Inc.
KeyBanc Capital Markets
Loop Capital Markets
MarketAxess
Mizuho Securities USA LLC
Morgan Stanley
Multi-Bank Securities
MUFG Securities Americas Inc.
National Bank of Canada
Nomura
Piper Sandler & Co.
Raymond James
RBC Capital Markets
SG Americas Securities LLC
Stifel Nicolaus
Stonex Financial Inc.
SMBC Nikko Securities America Inc.
Suntrust Robinson
TD Securities (USA) LLC
UBS Securities LLC
US Bancorp Investments Inc.
Vining Sparks
Wells Fargo Securities

ANNEX IV: Limits of Participation in State of Oregon Local Government Investment Pool

Participation in the pool shall not exceed the maximum limit annually set by ORS 294.810. The limitation stated in this section shall not apply to funds of a governing body which are placed in the investment pool on behalf of another governing unit.

C.P.I. adjustments for Local Government Balance Limitation

Period Start	Period End	U.S. City Average CPI	LGIP Deposit Limitation
9/1/12	8/31/13	232.018	\$ 46,073,407
9/1/13	8/31/14	235.685	\$ 46,801,588
9/1/14	8/31/15	236.749	\$ 47,012,858
9/1/15	8/31/17	238.653	\$ 47,390,998
9/1/17	8/31/18	243.392	\$ 48,333,000
9/1/18	8/31/19	249.280	\$ 49,500,000
9/1/19	8/31/20	254.016	\$ 50,400,000
9/1/20	8/31/21	257.721	\$ 51,177,000
9/1/21	8/31/22	265.447	\$ 52,713,000
9/1/22	8/31/23	285.848	\$ 56,763,000

To: Members of the Finance Committee
From: Sharron Monohon, Budget & Finance Director
Meeting Date: May 17, 2023
Subject: Meeting Minutes

Minutes from the following meetings are included for your review:

- September 15, 2021
- October 20, 2021
- November 17, 2021
- February 16, 2022
- March 16, 2022
- May 18, 2022
- June 15, 2022
- November 16, 2022
- January 18, 2023
- February 15, 2023
- March 15, 2023

Minutes from January, August, September, and October 2022 are also included in this packet to provide a complete history. These items were approved previously by the Finance Committee.



**City of Gresham Finance Committee
Wednesday, September 15, 2021, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Sue O'Halloran
Dave Dyk, Chair
Jan Baker
Theresa Tschirky, Vice-Chair
Rusty Allen

Finance Committee Members Absent:

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Susan Brown, Finance and Accounting Services Manager
Katie Cook-Popenuk, Budget Analyst
Tanner Warner, Treasury Analyst

Christina Ott (Recording Secretary)

1. Convene Meeting

Mr. Dyk convened the meeting at 7pm.

2. Public Comment

None

3. Minutes of May 19th and June 16th, 2021

There was a motion made by Ms. O'Halloran and seconded by Ms. Lider to:

“Adopt the May 19, 2021, and June 16, 2021, minutes as presented.”

Motion passes unanimously.

4. Election of Chair and Vice-Chair

Ms. Monohon let the group know that elections for Vice-Chair are held in odd numbered years, but since the previous chair ended their term early, there needs to be an election for Chair first. This term for chair would end in 2022. She also mentioned that Council made changes a couple years ago that limits how long someone can be elected to specific leadership positions. Since Mr. Dyk has served 2 terms for Vice-Chair, he no longer is eligible to serve another term in that role.

Ms. Baker nominated Mr. Dyk for Chair.

Vote passes unanimously.

Ms. Baker also nominated Ms. Tschirky for Vice-Chair.

Vote passes unanimously.

5. Water Project Debt Issuance – Update & Next Steps

Ms. Monohon began with her presentation.

“Presentation can be seen as a part of Attachment A.”

Ms. Tschirky asked if the \$90 million that was previously discussed was only for the ground water infrastructure funding or if it would impact other infrastructure related projects.

Ms. Monohon responded that it is Gresham’s share of all the construction of the project. From an operational standpoint, it is shared with Rockwood and will be much lower cost compared to what we are paying Portland.

Ms. Tschirky commented that the number seemed a lot smaller than she had anticipated.

Ms. O’Halloran asked for a reminder of how the timeline looked for paying off the debt.

Mr. Warner replied that the revenue bonds were likely a 20 year timeline, and the WIFIA loan would be about 30 years. The federal government through EPA offers some favorable terms and given the size of the loan and the ability to serve the community over such a long period of time, we’ll probably take advantage of that longer timeline. WIFIA will allow us to capitalize interest for up to 5 years after substantial completion of the project, so we could delay payment up to about fiscal year 2030/31 if that is decided upon at the signing of the loan. With the interest rate that the EPA offers, we’re still going to save a lot of money compared to staying on the Portland system.

Ms. O’Halloran asked when the sale closes, where will the money go since it won’t be needed right away, and if we are borrowing this money direct or as part of a package.

Ms. Monohon replied there are a couple paths. The revenue bonds are a lump amount that will be placed into fund balance. With WIFIA, we would do smaller draws based on spending instead of a whole lump sum up front. Right now, we are looking to draw it out 3 times over 3 years, which would be similar to the SRF loan. Just a reminder, with past debt issuances, we have done what's called a full faith and credit lending backed by the whole city. In this case, the debt is specifically dedicated to the water utility itself and backed only by water utility rates, which means we must go through a rating process since we have not done that with the water utility in many years.

Ms. O'Halloran asked if there would be interest on the draws.

Mr. Warner responded that the WIFIA alone will function more like the way we use a line of credit, which will incur expenses and make draws. The EPA will allow us to draw only quarterly. When we set the loan with the EPA, everything is set on day one, but the amount we borrow may actually change and the EPA will accommodate that. For instance, if we close the loan with EPA at \$39 million and we only take \$38.5 million, we only pay for the \$38.5 million that was taken. As far as interest works for ease of operation, right now I will say we will not capitalize interest rates. As soon as we start drawing and the interest starts setting in, we will make semi-annual interest payments, and then pay principal somewhere along the process later, around 5-10 years in.

Mr. Warner added that the loan won't close unless the terms have been agreed upon. The way we have it modeled right now is it won't start until 10 years in. We are working with our financial advisor to come up with the best-case scenario and good strategies to present to the EPA.

Ms. Monohon added that right now we are establishing the authority to move forward with issuances and setting the upper limit. Our financial advisors are helping us to shape these specific terms and the structure and enter those next steps. We are not at the point right now to try to structure everything out today. The process takes around 6 to 12 months with WIFIA.

Mr. Warner noted that with WIFIA the funds go through the construction fund so there will not be much impact on the daily cash flow or in the investment portfolio. We are going to work with our investment advisors to purchase some maturing securities that work with the construction schedule.

Ms. Monohon also added that with the revenue bonds, there are restrictions on how long you can take to spend the money, and it's one of the reasons why we have used a line of credit so that we can time these bonds within these limited windows.

Chair Dyk asked about the renewal of the line of credit and mentioned that it had been presented to the Finance Committee previously and wondered if we would be doing it the same way for this cycle.

Ms. Monohon responded that it will be talked about when we get closer to that step.

Ms. O'Halloran asked if there will be more work with Washington Federal in the future.

Ms. Brown replied that we used Washington Federal as they have been able to get us the best offers with the line of credit. We may also reach out to other institutions when the deadline is coming up so that we know we are getting the most competitive rate from an institution.

Ms. Monohon added that we want to make sure that we have access to a line of credit that will best suit our need as a whole.

There was a motion made by Ms. Tschirky and seconded by Ms. O'Halloran to:

“Recommend to Council the adoption of the Water Project Debt Issuance proposal.”

Motion passes unanimously.

6. ARPA Update and Contingency Transfer (if needed)

Ms. Monohon and Ms. Brown shared the presentation:

“Presentation can be seen as a part of Attachment A”

Ms. Monohon then opened it up to questions and comments.

Ms. O'Halloran asked about the EMOP project.

Councilor Gladfelter responded that it is a brand-new project, to create programs that help youth and stop violence. The Mayor has been involved in the ground roots of the project it has gained interest by the State so over the next year we can build up the program and start the outreach hopefully this year.

Ms. Monohon added that this is very quick in coming to the meeting. We do not have all the details since the Council meeting was only yesterday, and the next two Council meetings will take place before our October meeting.

Ms. O'Halloran understood, but stated she wasn't comfortable with the amount of information to really give any recommendation about the specific project.

Ms. Monohon noted the desire was if we were taking one item, then it made sense to allow the start up of the other areas as well. There would still be a need for agreements in place to ensure that the right documentation is tracked for compliance and that there would have to be contracts and agreements for any community-based organization.

Councilor Gladfelter asked if the committee had the ability to alter the recommendation.

Ms. Monohon responded it could be altered but would want some report and commentary as to why.

Ms. Baker asked for clarification - does it mean we're saying you can spend this money in this manner, or are we saying is take this money from contingency so that it can be used if the appropriate measures are put in place.

Ms. Monohon replied you're putting it into a line-item that would give the authority or appropriation to spend – this sets the framework only.

Ms. Brown added that as it relates to outsourced services with these funds, we'll have to be evaluating and writing into contract language to make sure that the monitoring and eligibility requirements are met,

as there are federal strings attached.

Chair Dyk stated that since he serves on the Human Solutions board, as an abundance of caution to avoid the perception of a conflict of interest, he would abstain from this decision.

Ms. Tschirky agreed with Ms. O'Halloran about wanting more information, but said she was comfortable putting the money in the appropriate category so long as more information is given.

Ms. Lider stated she echoed the sentiment of getting more information and was also looking for more information about the Covid relief.

There was a motion made by Ms. Tschirky and seconded by Ms. O'Halloran to:

"Recommend approval of the full contingency transfer amount to Council"

***Motion passes.
Chair Dyk abstains from vote.***

Councilor Gladfelter added she would have a little bit of information sent out from last night's Council session.

7. Council Workplan, Budget & Other Project Updates

Ms. Monohon gave an update on the following:

- interviews for committee vacancy have not been scheduled yet, hoping to start soon
- Council schedule is moving, new dates will be first and third Tuesdays at 6pm for normal business meetings, prior morning sessions will be briefings and deep-dives on same Tuesdays but at 4pm, GRDC will be third Tuesday at 2:30pm
- September 21, 2021 will be a presentation from Elizabeth McCann to Council about the General Fund in the Financial Sustainability project

Ms. Brown gave an update on the following:

- started exploration of financial policies from the June 16, 2021 meeting, concluded that might be best to look at peer cities and organizations and go from there
- year-end for accounting, hoping for the technical close soon, about a month ahead on the closure compared to last year

Ms. Tschirky asked about the process and timeline of closing.

Ms. Brown responded that under normal circumstances, documents would be completed by December 31. We have established our timeline in such a way that it is our goal.

8. Committee Business

Ms. Baker requested there be an updated copy of the contact information sheet for the committee members to use.

Ms. Monohon informed the group that there was an opening for a member to join the Parks and Recreation Community Advisory group.

Chair Dyk and Ms. Lider were both interested in the position.

There was a motion made by Chair Dyk and seconded by Mr. Allen to:

“Appoint Ms. Lider to the Parks and Recreation Community Advisory Group”

Motion passes unanimously.

Ms. Tschirky asked about the minutes from a prior meeting and if they would be put up on the website for the public.

Ms. Monohon responded that we are running behind on some administrative aspects of the committee support and we are trying our best to get those published as soon as possible.

9. Good of the order

None

10. Meeting Adjournment

The meeting was adjourned by Chair Dyk at 8:48pm. The next Finance Committee Meeting will take place on October 20, 2021, at 7pm.

Dave Dyk, Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, October 20, 2021, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Sue O'Halloran
Jan Baker
Theresa Tschirky, Vice-Chair
Rusty Allen

Finance Committee Members Absent:

Dave Dyk, Chair

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Elizabeth McCann, Budget Manager
Ian Peterson
Katie Cook-Popenuk

Christina Ott (Recording Secretary)

1. Convene Meeting

Ms. Tschirky convened the meeting at 7pm.

2. Public Comment

Citizen Carol Rulla gave appreciation to the committee for looking at Budget Policies and Council Compensation and gave some suggestions on how the committee could provide advertising for citizens to encourage them to be a part of Council and the compensation package along with it.

3. Supplemental Budget #1 for Fiscal Year 2021/22

Ms. McCann began with her presentation.

"Presentation can be seen as a part of Attachment A"

Ms. McCann then opened it up to questions from the committee.

Ms. Baker asked if she remembered correctly that the firefighter academy was supposed to have happened already but was delayed due to the pandemic.

Ms. McCann responded that the academy still transpired, and all of the recruits were filled into the necessary positions. However, there have been enough retirements and vacant positions have become more available that another academy is anticipated to happen next spring.

Ms. Monohon added that there is a desire to avoid holding an academy during the middle of prime overtime and conflagration season, which is around July and August. It would be much more beneficial for their operations if it was done in the springtime so those recruits were prepped and had experience prior to that time.

There was a motion made by Ms. Tschirky and seconded collectively by all other committee members present to:

“Recommend approval of Supplemental Budget #1 for Fiscal Year 2021/22 to Council.”

Motion passes unanimously.

4. Review of the General Fund Financial Forecast

Ms. McCann began with her presentation.

“Presentation can be seen as a part of Attachment A”

Ms. McCann then opened it up to questions from the committee.

Ms. O’Halloran asked for clarification on what the 288 FTE represented.

Ms. McCann replied that it is the number of FTE in the General Fund in the current year budget.

Ms. O’Halloran then asked how the police position vacancies were addressed as part of the budget forecast.

Ms. McCann answered that the police academy is funded through the state, compared to the fire academy which is run by the city itself. This means that we don’t hold that academy, the state is the one who has to coordinate it for them.

Ms. O’Halloran asked if there was anywhere that the number for police was forecasted, to be able to address any concerned citizens regarding law enforcement numbers.

Ms. McCann responded that it would be included in the 288 FTE assuming that they are in the General Fund. There is still a gap between expenses and revenues, and what is in the forecast is the same number of staff that we have today in the budget.

Ms. Monohon added that the police department is looking at intensifying the background check process so that they can speed that up so it’s not a deterrent or impediment during the hiring process. We are

also looking at our labor contracts, which are currently on a cycle right now, so that is under discussion. Our staffing challenge right now is just a flat-out hiring challenge, that is not just in police, but all job occupations. It is a major concern right now.

Ms. O'Halloran asked about contract negotiations and where they fit timewise.

Ms. McCann replied all three of the contracts will expire on June 30, 2022, so the hope is they are done before that date. That isn't always possible, but we always forecast assumptions, even when we won't have information about the finalized contract in time for the proposed budget.

Ms. O'Halloran asked if we needed more contingency based on the increases we might be seeing.

Ms. Monohon answered we're having those conversations between budget staff and the City Manager to get an understanding of the approach to collective bargaining so that we can better solidify those assumptions.

Ms. O'Halloran noted this would be one of the most important topics in the upcoming budget, so it would be helpful to be up to date with any new information.

Ms. Monohon added that is exactly why we are bringing this forecast to you, so that you have a foundation and an ongoing dialogue.

Councilor Gladfelter commented favorably about the amount of transparency this discussion has had so there is better understanding for everyone.

Ms. Monohon added that through this process, we want to have a robust conversation with the community to get an understanding of the vision we want. This will help in finding stable long-term funding solutions to be able to get to that point. It does take time, but we are making headway towards the goal. When you think about what Elizabeth presented with the forecast, there is such a limited connection between the revenue sources that we have, and the services we are being asked to provide, and it can make it very challenging at times to explain the revenue structure to the public, to generate the revenue, or to tie service demand to revenue amount.

5. Council Workplan, Budget & Other Project Updates

Ms. Monohon gave updates on the following:

- previous discussion on Gresham Outreach
- accounting nearing year end, working with auditors
- citywide staffing challenges
- working through ARPA allocations, hoping for Council discussion in future
- approval of debt issuance from Council

Ms. O'Halloran asked when the city will open to in-person service, since it seems that it is taking longer than the public is happy with.

Councilor Gladfelter responded that the City Manager said that they are in the planning stages, and hoping to give an update within the next week or so.

6. Finance Committee Projects

Ms. Tschirky then gave a presentation on Council Compensation:

“Presentation can be seen as a part of Attachment A”

Ms. Tschirky then opened it up to discussion.

Ms. O’Halloran commented that she wasn’t very supportive of the survey idea, as it seems to be very subjective. She said she’d rather find information that’s more impartial, maybe policies or procedures would be more helpful.

Ms. Baker asked for clarification for the compensation rates listed in the examples if they were by month or by year.

Ms. Tschirky replied they were by year.

Ms. Baker asked if there was any sort of position requirements stated for the Council available.

Ms. Tschirky responded that she had looked but didn’t recall if there were any viewable documents.

Ms. Monohon added that we do have tracking of who will be liaison to or serve on various committees.

Ms. Lider agreed with Ms. O’Halloran’s sentiment on surveys and Ms. Baker’s comment on the list of requirements for Council and the Mayor.

Mr. Allen commented that the Committee’s work is difficult, because we have to look at the position only, and not the person in that position.

Ms. Lider also commented that the timing was important, since if somebody were to run for a position, they would have no knowledge of what the salary – or at least the minimum salary – would be. If we could incorporate that, it could change the variables or unknowns for somebody planning to run for a position.

There was further discussion among the group about when changes would be going into effect.

Mr. Allen commented that he had a different view as he felt that this position should be filled with people more apt to commit for public service rather than the money.

Ms. Tschirky asked if she remembered correctly about people wanting a two-step process, with deliberation at one meeting and then a decision at a second meeting, and if so, she asked if the committee was in support of that idea.

Ms. O’Halloran replied it would be something to consider, given the public input.

There was further discussion in the group about incorporating public input into the process.

Ms. Tschirky referred back to her presentation, asking the group for their input about doing some sort of compensation study.

Ms. O'Halloran commented that it while it might be wise to do, we would need to be consistently tracking over the years and carefully consider any cities we might choose to include as comparisons.

Ms. Tschirky noted that she was going to redo her draft and revise it and come back to the group at a later point with those additions being made.

Ms. Monohon also suggested that any comparison cities considered should be closer geographically.

Ms. Lider asked if there was any comparable Oregon state organization, similar to Washington, that collects this kind of information.

Ms. Monohon replied there is the League of Oregon Cities and they may have a document with some comparison information.

There was continued discussion in the group about gathering compensation reports.

Ms. Tschirky appreciated the feedback from the group and replied she would do more work and come back with more information.

7. Committee Business

Ms. Monohon shared that former Councilor Dick Strathern had passed away. The committee expressed their condolences.

8. Good of the order

Mr. Allen asked where the committee was at regarding the vacancy on the committee.

Ms. Monohon responded they were still in the early stages; we do have a list of applicants but haven't yet started the interview process yet.

9. Meeting Adjournment

The meeting was adjourned by Ms. Tschirky at 8:50pm. The next Finance Committee meeting will be held on November 17, 2021, at 7pm.

Theresa Tschirky, Vice-Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, November 17, 2021, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Sue O'Halloran
Dave Dyk, Chair
Jan Baker
Theresa Tschirky, Vice-Chair
Rusty Allen

Finance Committee Members Absent:

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Susan Brown, Finance & Accounting Services Manager
Ian Peterson, Budget Analyst
Deanne Woodring, Guest Speaker
Garrett Cudahey, Guest Speaker

Christina Ott (Recording Secretary)

1. Convene Meeting

The meeting was convened at 7:00pm by Chair Dyk.

2. Public Comment

This topic was moved to later in the agenda. Please see Section 6.

3. Investment Performance Review

Ms. Woodring and Mr. Cudahey gave a presentation on the investment performance review.

"Presentation can be seen as a part of Attachment A"

Ms. Woodring and Mr. Cudahey then opened it up to questions and comments.

Ms. Monohon commented that from an investment standpoint we treat this as a holistic pool of funds, but from a city standpoint those funds are owned separately and have very different purposes and have many restrictions on how they can be used. The investment pool of money is made up of a lot of varieties of funding. We also must have reserves for several programs that we have such as Health Insurance, Dental Insurance, and Worker's Compensation to name a few and those reserves are all included in this pool.

4. Water Revenue Bond Issuance Process Update

Ms. Monohon gave an update on the Water Revenue Bond Issuance Process. She stated that while we have an umbrella style of issuance with the master declaration and resolution that Council adopted, there are two stages that we are currently working through. One stage is the Direct Revenue Bond Sale, and the second stage is the WIFIA program, which is through the federal EPA. They are similar in style but are distinct types of loan agreements that we will need to be entering.

We are working with Rockwood Water on the WIFIA issuance process. We will have separate applications and loan agreements but are working on the discussion and presentation portions together. We have started having regular meetings with staff from the EPA to discuss that process.

Last week we completed a joint presentation between Rockwood Water and the City about the project overall to a lot of EPA staff who weren't familiar with our process. There was mainly discussion on what it is, who is involved, and why we wanted to begin working on this project. We also discussed the public outreach we conducted, the environmental benefits of the project, and how beneficial it will be long term to the city. We felt it was a very good foundation of understanding for them and would be more than willing to answer any additional questions they may have in the future.

Rockwood is expected to close on their loan in early spring, and we estimate the end of May for our loan closure, which works since we aren't needing to draw on those funds as quickly as Rockwood needs to. With the revenue bond itself, we are aiming to have it issued by the end of this calendar year.

We've been asked by the ratings agency to have our financial forecast reviewed by an outside financial consultant and verify what loan coverage we have in our forecast and make sure that it is valid. It is all coming together very well and they are very pleased by what they are seeing from the stability in our forecast.

We are also working with our financial advisors through other various steps. Ms. Brown, and I, along with a couple other staff members, were on a two-hour "due diligence" call, where they asked every question imaginable to make sure we are legally and regulatorily compliant with various requirements. They also asked questions about topics such as our cyber security, our rates, our finances, and our operations of the system. They ask questions in many ways to make sure that we have fully disclosed everything with them that might be of interest to the borrowers when we go to the market.

Ms. Monohon continued, the second thing that we had today was a meeting with the rating agency, to give a presentation about who we are as a city and our water system. Overall we were able to answer all the questions that they had, and now we are expecting a rating within the next two weeks.

Other work that has been underway that connects everything we have done together, is the development of the Preliminary Statement. This is a 60 plus page statement with a very detailed

document, which summarizes the 5-year history of finances, coverage ratios expected, pension bond liabilities, post retirement liabilities, and many more items. It will be sent to the Council in draft form by next week and slated to be finalized by the first week of December. We are ideally looking for the sale of the bond by December 15th with the closing being about two weeks later.

During this process, we identified one of the existing borrowings the water utility had in place, related to a large meter upgrade project from about ten years ago. After review, we determined that we could pay it off faster than expected and clear it off our books so it does not have to be a part of the coverage or coordinated with any new issuance.

Ms. Brown noted that it was a loan from the state, so we didn't have make-whole provisions in place.

Ms. Monohon continued we are meeting with Washington Federal next week to confirm that we will be paying off any water portion that is outstanding on the line of credit. We are hoping to also have a discussion about the transportation piece that is still on the line.

Chair Dyk asked about the future of the Local Street Reconstruction Program.

Ms. Monohon responded that when the program was put in place, it was a ten-year package at the time. The funding for that package phased in over the span of three years, and it would take ten to collect the revenue for that package. The decision was made – due to the pent-up demand within the community – to frontload the work. Rather than spread the work over the ten-year collection period, it was brought forward to the first five years. We are nearing the end of the construction work, and our overall funding for that package is on track for where we are on that timeline. We put the funding on the line of credit during the first few phases of the project, and that line comes up to an expiration date this coming May. Ideally, we will need to work with the bank for a five-year separate placement, rather than something like the long-term debt package we're doing with water. The current funding for the street project is still happening as expected.

5. Council Workplan, Budget & Other Project Updates

Ms. Monohon gave some updates from the workplan and project updates:

- as of Monday, the City will be the owner of the Shaull property
- currently in the closing phase of the Alder Crest apartment agreement
- supplemental budget approval at previous Council meeting
- ARPA reporting: interim report submitted
- continuing to look at beginning in-person services, particularly utility billing, permits and planning, beginning first week of December

Councilor Gladfelter added some updates from the Council retreat:

- looking to go back to in-person sessions at beginning of new year
- overarching component of financial planning for each category
- holistic overview of meaning of financial stability, ideal staffing
- continue addressing structural issues of measures 5 and 50, housing crisis
- addressing outcomes and accomplishments from workshops
- prioritizing ARPA funds
- continued collaboration with metro bond, advocate for funds to use where needed
- parks and rec asset mapping, identification of community partnerships

- police and fire community safety engagement
- community engagement advancing, possible task force creation for resources
- staff will put visionary piece together, and Council will put strategic plan together during next retreat

Ms. O'Halloran asked if there would be a written component about what had taken place at the retreat, and asked when the next retreat would take place.

Council Gladfelter replied that there is no set date for the next retreat at this time and she would find out what documentation would come from this session and get that information out.

Ms. Brown informed the committee that the auditors are still hard at work, and so far, nothing significant has occurred to warrant any updates from their side.

6. Finance Committee Projects

Public testimony was provided by Carol Rulla regarding the committee's work on Council compensation. She said she understood that the committee doesn't want to review individuals and needs to establish compensation that makes sense for the position. She also mentioned the difficulty involved with comparisons. She appreciated the work that Ms. Tschirky has done to collect information and provide ideas for making comparisons, and still believed that there is value in the creation of surveys to get feedback on the various positions and what is involved. All we can go off now is very general information, and it's very difficult for us as the public to see what people are doing.

Ms. Rulla also said she would ask what the county does when their salary commission review is occurring and whether they review the overall time required for the position. She said some people who have previously served as Council President say that the job was more difficult than they first expected. We only pay the Council President 10% more than a normal Councilor, and they mayor gets paid 2.5 times more than a Councilor. She wondered if that made sense, and that more information from past Councilors or an anonymous survey of everyone could give a sense of how they feel and what the range is and that would help you when you compare information to other cities.

Chair Dyk turned it over to Ms. Tschirky for discussion on the draft policy.

Ms. Tschirky began with an overview of last month's discussion and began with a review for the current draft of compensation.

Ms. Tschirky began reviewing section by section. The first one reiterated the purpose that we're following the Gresham Revised Code and that the important part is our statement that we do not evaluate individual performances of the elected officials. It is not our job, our job is to set their compensation amounts. The next section reiterated that we would not have a separate meeting based solely on the compensation, any discussion about compensation would be in the context of a regularly scheduled meeting.

Ms. Tschirky continued, the next section of timeline might need some discussion, as the example timeline at the end of this document for this "cycle" of compensation discussion proposed that we attempt to complete our work by April 1st as a deadline. She asked if that should be earlier.

Ms. Monohon responded that for it to be in the proposed budget, by March 1st would be a better date.

Ms. Tschirky continued, indicating that we want it set up as we have done, where any increases in compensation will be in effect at the start of the fiscal year. Decreases in compensation, which we've never done, is something we can discuss as well, where if we pick any position and decrease the salary level, and it would go into effect on the start date of the term.

Mr. Allen asked if all the Councilor's elected in the same year, and if so, does this policy make it so they start on a different wage during that timeframe.

Ms. Tschirky responded no they do not, and it would stay the same, it would only take effect for that new term, whether it is a new Councilor or the same Councilor for another term.

There was further discussion within the committee of how decreases would work and dates of effect.

Ms. Tschirky continued, moving on to resources, saying the city staff will gather information as it relates to the benchmark positions, we will look at city's across the states of Oregon and Washington with similar governments and with similar attributes in order to get relative data.

Ms. Monohon commented that from a staff perspective, the way it says that the city will provide legal support is a little bit more definitive than what should be written. The committee can't necessarily dictate or assign staff certain work. Also given staff capacity, there are certainly things in the other section that we can't do with our capacity at this time.

Ms. O'Halloran commented on narrowing down the number of cities to provide comparisons from as it may be a little more research than necessary.

Ms. Baker commented that if we are doing something like this, it must go to the City Attorney with the policies and procedures section, and make this information at the bottom of the section more of a suggestion rather than a statement of what will be occurring.

Ms. Monohon added that the adopted ballot measure said that this has to be done annually, but you can define what that looks like. It could be a deeper review every other year rather than every year for example.

Ms. Tschirky appreciated all the comments, and said another draft will be made.

Ms. Tschirky asked for comments on Carol's comments about anonymous surveys of prior Council members.

Most of the members felt it was not a good way to collect data, as it could be subjective.

7. Committee Business

None

8. Good of the order

None

9. Meeting Adjournment

The meeting was adjourned by Chair Dyk at 8:55pm. The next finance committee meeting will be held on December 17, 2021, at 7pm.

Dave Dyk, Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, January 19, 2022, 7:00 p.m.
Zoom Meeting
Minutes**

Finance Committee Members Present:

Rusty Allen
Jan Baker
Theresa Tschirky, Vice-Chair
Claire Lider
Dave Dyk, Chair
Sue O'Halloran

Finance Committee Members Absent:

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Elizabeth McCann, Budget Manager
Sharron Monohon, Director of Budget & Finance

1. Convene Meeting

Chair Dyk convened the meeting at 7:00pm and did roll call of attending members.

2. Public Comment

None

3. Property Tax Update

Ms. McCann provided a summary of key property tax information.

"A copy of this presentation can be seen in Attachment A"

Ms. Tschirky asked if the TAV is capped at 3% and if it has greater value because of new construction.

Ms. McCann added that this information is presented so that abatements and exemptions are not included in the data until they expire. When they then come back on the tax rolls, the increase will show then. The 3% isn't applied to every category, as some properties are assessed at the real market value.

Ms. McCann then reviewed the information for urban renewal.

Ms. Monohon commented that the Council/Gresham Redevelopment Commission is moving forward with plans to put a measure on the ballot in May that would request an extension of the urban renewal area. She encouraged the committee to seek out information about that proposed extension and assist to educate the community if possible.

Ms. O'Halloran commented that it took much longer than anticipated to get projects up and off the ground. She added that she agreed that it was worthwhile to speak as an individual and be supportive.

Regarding election law restrictions, Chair Dyk commented that the Oregon Secretary of State has a readable guidebook on what is allowable for both employees of public bodies and appointed officials.

Ms. Tschirky asked if there was any kind of elevator speech or series of bullet points that was put together for Council in their consideration of endorsement.

Ms. Monohon answered that there's definitely high level information that can be shared. She reminded the committee that Council is the body who can officially decide to put something on the ballot, and that she expected that their February 1 meeting would be the place for them to take more formal action.

Ms. Baker asked if approval by voters would cost more money in taxes.

Ms. Monohon responded it does not.

Ms. McCann commented that this system was designed to be a redistribution of the property taxes to urban renewal. The tax growth is what goes to urban renewal. If it expires, it goes back to the other jurisdictions. If extended then the GRDC will continue to receive the revenue from the growth. It's mainly a matter of who gets the proceeds.

Chair Dyk asked if people at the major taxing jurisdictions would be opposed to this.

Ms. McCann answered that many of them have small shares of the overall tax base, so they may feel like it's lost opportunity for them.

Ms. Monohon commented that it can be more impactful for all entities if we're able to

target an area and make improvements and investments, as it can have significant impact in the overall economy of that area.

Ms. McCann and Councilor Gladfelter dismissed themselves from the meeting

4. Mayor & Council Compensation for FY 2022/23

Ms. Monohon provided background information regarding compensation.

“Presentation has been included as part of Attachment 1a”

Ms. Tschirky commented that she didn't see the specific cost-of-living numbers, but the official one this year was rather large for people receiving social security or federal pensions. She acknowledged that the committee previously talked about trying not to do deep dive of comparative analysis with similar positions across the NW in even years. Looking at comparison numbers, she thought Council compensation was very much in line with other localities of similar size, but the Mayor's compensation was substantially more compared to Council, and she found that somewhat troublesome.

Chair Dyk reflected on testimony provided at a past meeting by Carol Rulla where she noted that the differential pay between a Councilor and the Council President was minimal and yet the level of work was noticeably different, so we may want to look at the Council President premium. Chair Dyk also said that he thought we have a pretty good system, and one of the key goals from his perspective to offering pay is to recruit and retain talent that might not otherwise consider running for Council.

Ms. Baker noted that we haven't raised anything in two years, partially because we thought the City would be hurting for money. She added that the cost of living has gone up and she felt that compensation should go up due to that.

Mr. Allen agreed with Chair Dyk and Ms. Baker and indicated that he also believed the cost-of-living should be considered, otherwise it looks like they are getting a pay cut. He agreed that we should keep up with the current inflation.

Ms. Lider and Ms. O'Halloran agreed with the discussion.

Chair Dyk added that there could be multiple ways to calculate this. One possible way is we could anchor the city non-union cost of living adjustments. Another idea is we could use a federal benefits rate.

Ms. Monohon commented that generally for any kind of employee costing, we use a CPI-W that tends to be an All-City West Coast number. These indices have changed over the past few years, so we have been adapting to get to the standard one for us to use at any given time.

Chair Dyk noted that we haven't adjusted the direct compensation since 2019. He asked whether we should focus on just the past 12 months or if we should try to capture a little bit more of the three-year period growth.

Ms. Tschirky suggested that the three-year average would be better. The current cost of living is very much an anomaly, and in her other roles she has been on several conference calls reviewing the projected inflation trends and suspected the numbers would tamp down substantially over the coming year versus what we just experienced.

There was group discussion of how much percentage increase should be applied.

A motion was made by Ms. Tschirky and seconded by Ms. Baker to:

“Approve Council, Council President and Mayor Compensation with a 4% salary increase”

Motion passed unanimously.

Chair Dyk then asked the group whether or not they wanted to make a motion to adjust the benefits.

Mr. Allen asked for clarification and whether it was possible to set a certain amount of money in a pool that all of the councilors could draw from so that there could not be a significant increase for each position if not all were using it.

Chair Dyk stated that his recollection from prior discussions was we had talked about various ideas like a stipend up to a certain amount of the “premium”, but the staff's consideration at the time was that administratively it would be more appropriate to offer the same structure that is offered to employees.

Ms. Monohon added that if you had a capped pool, it could create some challenging situations as each person's decision could impact what others would be eligible for.

Ms. O'Halloran asked if we want to offer Counselors a match to the Mayor's benefit of one half of the level of coverage

Chair Dyk stated that's exactly what he had in mind – match the Council benefits offering to the Mayor's benefit offering.

Ms. Baker asked for clarification on what benefits the Mayor's position is eligible to receive.

Chair Dyk stated that is the Mayor can take one of four options. They can take no coverage if they're covered elsewhere, they can cover just themselves, they can cover themselves

and a partner, or they can cover their whole family. If they take any kind of coverage, they are responsible for 50% of the costs.

Ms. Monohon added that in the compensation schedule that is currently adopted under item six, that Elected Officials are eligible to participate in the city self-funded medical and dental plans. The city will contribute 50% of the monthly rate associated with an individual enrolled in the select medical or dental plans. Under item seven it states that Elected Officials may increase coverage to include eligible family members, and the Elected Official must be enrolled themselves into the medical or dental plan. There's also an item A and item B under that stating that the Mayor is responsible for 50% additional rate associated with increased coverage, while the City would contribute the other 50%. Under item B, it says Councilors, including the Council President, are responsible for 100% of the additional rate associated with the increased coverage. So should they wish to include their families, the Mayor only must cover 50% while all the Council members would have to cover 100%.

A motion was made by Ms. O'Halloran and seconded by Ms. Baker to:

“Match the Council’s coverage benefit to the mayor’s coverage benefit.”

Motion passed unanimously.

5. Preliminary 2022 Finance Committee Calendar

Ms. Monohon reviewed a preliminary calendar of topics for future committee meetings.

“Presentation can be seen as a part of attachment A”

Ms. O'Halloran asked if there was any discussion regarding financial sustainability and if it will be incorporated into the strategic plan presentation scheduled for the next Financial Committee meeting.

Ms. Monohon responded that the conversation is still evolving, but she is hoping that the City Manager will be able to lay out a picture of how the discussions can all work together as part of the February meeting.

Ms. Tschirky noted that while looking to see what the responsibilities of the Committee were, when reading the Gresham Revised Code, it talks about being a part of looking for potential revenue sources. She indicated that the Committee could be supportive of Council and ought to look at these things as they are on their way to Council decision.

Chair Dyk added that we want to make sure that we carve out plenty of space on the calendar for the financial sustainability topic. We need to be informed and weigh in on it so

we can make a recommendation to Council and so we can help voters understand the need to raise revenue.

6. Council Workplan, Budget & Other Project Updates

Ms. Monohon gave updates on the following projects:

- Interviews to fill vacancy on the Committee.
- Continuing work within the American Recovery Plan Act
- Completion of rating process with S&P
- Completion of bond issuance for groundwater system
- Still working on the Federal EPA program, WIFIA, with completion estimated first week of May
- Council approval of smaller work plan until full plan revealed at later time
- Moving forward with lottery allocation for Gradin sports park
- Asking for a volunteer to serve on a committee to allocate funds to the Community Grant Program - Ms. Baker volunteered to serve

Ms. Lider gave updates from the Parks and Rec Advisory Committee:

- Ultimate Goal is to establish a vision and identify funding systems for the parks system
- Elected Chair and Vice-Chair of Committee
- Discussion on historical documents such as 2010 Financial Feasibility and 2016 Community Center Ballot Measure
- In-depth look at demographics and Overview of the city's parks system
- Discussion of values for the parks system, including accessibility, safety and inclusion
- More specific goals and timeframe for possible additional feasible study

7. Committee Business

- Gresham Barlow School District doing outreach regarding West Gresham Elementary

8. Good of the Order

None

9. Meeting Adjournment

Chair Dyk adjourned the meeting at 8:47pm. The next Financial Committee meeting will be February 16, 2022 at 7pm via the online Zoom platform.

David Dyk, Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, February 16, 2022, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Jan Baker
Rusty Allen
Theresa Tschirky, Vice-Chair

Finance Committee Members Absent:

Dave Dyk, Chair
Sue O'Halloran

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Susan Brown, Finance & Accounting Services Manager
Terryl Aguon, Treasury Analyst
Orion Jarrell, Senior Accountant
Gatlin Hawkins, Partner, Isler CPAs
Nina Vetter, City Manager
Ian Peterson, Budget Analyst
Sagun Pokharel, Budget Analyst

Christina Ott (Recording Secretary)

1. Convene Meeting

Ms. Tschirky convened the meeting at 7pm.

2. Public Comment

None

3. City Manager Update

Ms. Vetter introduced herself to the committee, as well as gave the following updates:

- Beginning stages of "Imagine Gresham": Development of long-term vision and strategic plan for the city
- Incorporation of input from community in a strategic planning document
- Laying groundwork for long term financial planning

- Goal to have strategic plan document and financial plan adopted by Council in the summer, and laying groundwork for implementation of both in the fall
- Currently collecting thoughts and ideas in Community Engagement process
- Launched the “Safe Gresham” initiative, to prevent and reduce violence and crimes
- Made of 3 pillars: Collaboration, Prevention, and Intervention
- Launching a very large Youth Violence Prevention program, successful enough for state to fund a very large expansion
- Council approval of civilian positions for crime prevention
- Council approval of funds for recruiting and retaining more law enforcement officers
- Second half of American Rescue Plan Act will be received by fall, Council has allocated majority of first half of funds
- Some examples of where the allocations went towards: public safety, small business grant program, community services grant program, and homeless outreach program

Ms. Vetter then opened it up to the committee for questions and comments.

Ms. Tschirky gave thanks and appreciation to the finance staff for their hard work.

4. Fiscal Year 2020/21 Annual Financial Audit Report

Ms. Brown informed the committee that the team had officially filed all of the financial statements, and turned it over to Mr. Hawkins.

Mr. Hawkins then began with his presentation.

“Presentation can be seen as a part of Attachment A”

Mr. Hawkins turned it over to the group for any questions.

Ms. Tschirky asked if there were any best practice recommendations that were provided to Gresham.

Mr. Hawkins answered that the primary focus on this year’s audit was testing of the new financial system. In next year’s audit, there may be more opportunities to review best practices as the team gets more familiarized with the new system.

Ms. Tschirky then asked if there would be any changes to financial reporting standards on the horizon.

Mr. Hawkins replied that there are some fairly significant changes coming up that could be potentially challenging for a lot of organizations. For next year’s audit, we will be providing more transparency on our risk assessment activities in particular.

Ms. Monohon added, with the first round of the CARES funding, we learned a lot through that process as the money had to be spent quickly even though the guidance didn’t come until later, which made that process really challenging. With the funding we’re working with now, we have been able to take that learning and help us find efficient ways to use it and help streamline the reporting process.

Mr. Hawkins thanked the financial team for getting everything together and being accommodating throughout the audit process.

Councilor Gladfelter asked about the slide that presented number of days of fund balance in the General Fund, and whether there was a norm for this measurement across different cities.

Mr. Hawkins responded that general recommendations are for an organization to maintain at least 30 days in cash, so coming in at 84 days on cash and 143 days in fund balance is good. But a more accurate estimate would factor out some of the grant revenues from the Coronavirus Relief funding to build a more accurate trend.

Ms. Monohon noted that our General Fund resources are very seasonal. For example, we really don't see property tax revenues until November. That means we have a chunk of time where we don't have any significant revenue coming in, so we do need to make sure we have some kind of cash balance coverage since we have those times with no revenue.

5. Annual Comprehensive Financial Report Review

Ms. Brown began with her presentation of the Comprehensive Financial Report review.

"Presentation can be seen as a part of Attachment A"

Ms. Tschirky asked, since the assets were appearing to go on a downward trend, is it because of depreciation and just not adding on assets at the rate that we are depreciating them.

Ms. Brown answered that is precisely why. In most cases we do try to keep up with replacement, but sometimes it doesn't happen quite as quickly. As you can see, that investment in capital assets goes down, but the depreciation is not outpacing replacement assets.

6. Debt Issuance Update - Transportation

Ms. Monohon gave a presentation on the Debt Issuance Update for Transportation.

"Presentation can be seen as a part of Attachment A"

Ms. Monohon then opened it up to the committee for questions.

A motion was made by Mr. Allen and seconded by Ms. Baker to:

"Recommend that the City Council approve the authorization of full faith and credit financing related to the Transportation Local Street Reconstruction Program as described by staff."

Motion passes unanimously.

7. Council Workplan, Budget & Other Project Updates

Ms. Monohon shared that they are working through the budget development process for the 2022/23 Fiscal Year. She also shared that the vacant position on the committee will be going to Council soon.

Ms. Lider shared the following from the Parks and Rec Committee:

- identification of the group's top values: safety, accessibility, and equity
- city staff gave an overview of the Council workplan
- specific parks and recreation objectives and activities for the committee to advise on include:
development of a comprehensive recreational program asset map in identifying recreational program gaps, reviewing feedback from the "Imagine Gresham" and other outreach initiatives, and drafting options for Council to consider for an achievable and comprehensive parks and recreation program
- got started on the asset map creation, which will be coordinated and then come back for the next meeting
- roundtable talk about what the committee needs to keep process and productivity of the group moving

8. Committee Business

Ms. Tschirky shared she had some documents for the committee to look over, mainly discussing the compensation pay from the previous Finance Committee meeting.

Ms. Baker shared that they have not concluded on the Community Grants for the Non-Profit Organization, but is hoping by the next Finance meeting, they will have made their selections.

9. Good of the order

None

10. Meeting Adjournment

The meeting was adjourned by Ms. Tschirky at 8:49 pm. The next Finance Committee Meeting will be held on March 16, 2022 at 7pm.

Theresa Tschirky, Vice-Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, March 16, 2022, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Sue O'Halloran
Nick McWilliams
Dave Dyk, Chair
Jan Baker
Rusty Allen
Theresa Tschirky, Vice-Chair

Finance Committee Members Absent:

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Steve Fancher, Assistant City Manager
Claire Griffing, Council Coordinator
Ian Peterson
Sagun Pokharel

Christina Ott (Recording Secretary)

1. Convene Meeting

Chair Dyk convened the Finance Committee meeting at 7pm.

2. Introduction of New Committee Member

Mr. McWilliams introduced himself to the committee, and the rest of the Finance committee introduced themselves.

3. Public Comment

None

4. Capital Improvement Program Update

Ms. Monohon and Mr. Fancher began with their presentation.

“Presentation can be seen as a part of Attachment A”

They then opened it up to questions from the committee.

Chair Dyk asked about the process for distributing the capital improvement document.

Ms. Monohon responded, the Planning Commission gets a draft for their work session, and a more formal document draft that they use in the April hearing. At the time of the work session draft, changes may still be happening. It evolves as we go through the process. Also, even though you saw an extensive list of projects, there are many other projects that each of those program areas feels to be very important. It is always a balancing act each year to create a plan that incorporates the priority projects within the funding available.

Ms. O’Halloran said the committee should see more information about what is getting delayed and the current projects that are happening now.

Mr. Fancher replied that we’ve been advancing our asset management systems for each of these infrastructure areas over the last ten years. They’ve come a long way and we have good information about what is needed and how much it’s going to cost, and this information is carefully considered when putting proposals together.

Ms. O’Halloran asked about community involvement when determining projects or if that mostly happens with the Planning Commission.

Mr. Fancher responded that for most program areas much of the prioritization of project needs is very technical so we focus resources on areas that need the most attention. We can continue to look at involvement opportunities in the future.

Ms. O’Halloran commented that it would be beneficial for the Finance and Budget Committee to be able to have a better handle on projects so that we can really understand what is the most important and to have the ability to get funds to those much-needed projects.

Ms. Monohon agreed, and felt that could be a very good discussion topic for another upcoming meeting when financial policies will be reviewed.

Chair Dyk asked if there would be any type of material impact from the Federal Infrastructure Bill in this year’s CIP, and if not, when could it be expected to be seen being used.

Mr. Fancher answered that it is too early this year. The infrastructure funds from the act will likely flow through already existing channels, but that has not yet been determined sufficiently to incorporate into this year’s CIP.

Chair Dyk asked how much of an impact it is going to have in local areas.

Mr. Fancher responded that it is more likely that some of the grant sources we go after like seismic resiliency and transportation will get a little more but that has yet to be determined.

Ms. Monohon added, we are in engagement with our government relations branch of the organization to make sure that they are aware of some of the needs that we have, so that in their lobbying discussions they can make sure to be on the lookout for what kind of programs might be out there to assist with getting those funds.

5. Strategic Planning Process – Input and Discussion

Ms. Griffing began with her presentation.

“Presentation can be seen as a part of Attachment A”

Ms. Griffing then opened it up to questions and input from the committee.

Chair Dyk suggested that in terms of input on the financial sustainability plan, we’d be in a good position to evaluate and offer some advice on revenue options that might be under consideration. He asked how some of our financial sustainability meetings might fit into this.

Ms. Monohon replied that the whole financial sustainability plan is going to be somewhat iterative. The timeframe and alignment with the strategic plan that’s being talked about is going to be high level and many more layers will be added to it that the committee can have a big role in, both from a standpoint of providing input and guidance as well as how to communicate it to the rest of the community.

Ms. O’Halloran commented that this strategic plan is for a three to five year view, but many things are really long term goals that may not be able to begin within the time period stated. She asked if it was the intent to identify these other priorities or goals that should be addressed but not necessarily within the timeframe, or would it be an ongoing matter that the strategic plan is beginning to address.

Ms. Griffing responded, without knowing what priorities are going to be set by Council, it’s hard to envision what this will look like, but a lot of what we ask people is what they see as long term goals for the city. Not just three years, but what they want to see in ten years or even twenty years, so we can start on a path towards those goals. Some things on the strategic plan are what we can do in three to five years, but lots of them will be longer term ideas to move towards.

The group then made the following vision boards for suggestions about the Strategic Plan Process:

- Economic Factors that the City Council should be aware of when developing a strategic plan
- Actions the City should take in the coming years to achieve this vision
- What City Council should know about finance and budgeting to inform the strategic plan process

6. Project Updates

Ms. Lider gave updates on the Parks and Rec committee:

-link to document on plan for future meeting leading up to October 2022

-recap of prior meeting report of asset mapping

-recap of last meeting, presentation of Imagine Gresham and creation of strategic plan

Ms. Tschirky shared a Council Compensation article and a document that shows current compensation compared to similar cities.

Ms. Baker shared that \$320,000 of the ARPA funds were split between ten different organizations. A list was made to where it was going, what they will use it for, and why they were given those funds.

7. Committee Business

Ms. Monohon gave the committee about information on the upcoming Budget Committee meetings in April, as well as a reminder that the Finance Committee meeting in April will be cancelled.

8. Good of the order

None

9. Meeting Adjournment

The meeting was adjourned by Chair Dyk at 9:10pm. The Budget Committee meeting will be held on April 21, 2022.

Dave Dyk, Chair

Christina Ott, Recording Secretary

**City of Gresham Finance Committee
Wednesday, May 18, 2022, 7:00 p.m.**

**Zoom Meeting
Minutes**

Finance Committee Members Present:

Theresa Tschirky, Vice-Chair
Claire Lider
Sue O'Halloran
Nick McWilliams
Dave Dyk, Chair
Jan Baker

Finance Committee Members Absent:

Rusty Allen

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Eric Schmidt, Assistant City Manager
Lynn Snodgrass, Guest Speaker

Christina Ott (Recording Secretary)

1. Convene Meeting

Chair Dyk convened the meeting of the Gresham Finance Committee at 7:00 p.m.

2. Public Comment

None

3. Gresham Area Chamber & Visitors Center Update

Ms. Snodgrass began her presentation.

"Presentation can be seen as Attachment A"

Ms. Snodgrass opened it up to questions and comments.

Ms. Tschirky asked about the statutory requirements related to this funding.

Ms. Monohon responded that this year's Proposed Budget included a page to show the calculation related to Transient Lodging Taxes and tourism usage. We are aware of the requirement and specifically included the information in the budget document for clarity.

Ms. O'Halloran commented that a careful review next year would be expedient. She said she supported the budget, but was concerned that the TLT usage could have better communication and transparency.

Mr. Schmidt added that we are in compliance from a statutory standpoint. We have had many collaborative conversations with ORLA. While we could have had more communication, we do meet all legal requirements.

Ms. Snodgrass commented that she understood the ramifications, but that an additional \$24,000 could go a long way to increase tourism and promote Gresham.

Ms. Baker noted that the Finance Committee wasn't involved in the decisions of where the money should go, and wondered how they could be more in the future. She also asked how we are able to fix this without taking away from something else that the city of Gresham was going to do.

Mr. Schmidt replied that we are trying to look at things comprehensively about what the community needs and how to support all our economic development related activities including considering revenue options in parallel with the long-term strategic plan.

Chair Dyk commented that Council would have to be the one to hear this as they are the ones who review and make the adoption.

Councilor Gladfelter noted that there was conversation on the topic prior, and that there would be good use of the \$75,000 already discussed.

Ms. Tschirky replied that she would support a formal request to reallocate some of the money that was in the rather amorphous description of Graphic Design, Digital Media and Community Branding activities, to take \$25,000 from that and reallocate it to our contract with the Chamber.

Ms. Monohon noted that from a procedural standpoint, during the budget committee process any conversation or any changes must remain balanced and have to be clearly understood what the change is, if you are taking money from one place or adding money to one place, it must have a complimentary balanced action.

Ms. O'Halloran commented that there are two things that happen with the allocation, one being towards simply visitor services, and the other being promotion and marketing.

There was a motion by Ms. Baker and seconded by Ms. O'Halloran to:

"Have City Council review and possibly reallocate \$25,000 from other funds towards the Tourism fund."

Yea:

Jan Baker
Sue O'Halloran
Teresa Tschirky
Claire Lider

Nay:

Dave Dyk
Nick McWilliams

Motion passes.

Ms. Snodgrass thanked everyone and assured the Committee that whatever funds are allocated to the chamber that they will be used to the best of their ability.

4. Fiscal Year 2021/22 Budget - Contingency Transfer

Ms. Monohon presented the FY 2021/22 Contingency Transfer.

"Presentation can be found as a part of Attachment A"

Ms. Monohon then opened it up to the group for a motion.

A motion was made by Ms. O'Halloran and seconded by Ms. Baker to:

"Recommend approval to Council for the transfer of funds for contingency purposes."

Motion passes unanimously.

5. Financial Policies – Review and Update

Ms. Monohon shared a part of her presentation.

"Presentation can be found as a part of Attachment A"

Ms. Monohon then opened it up to questions, comments, and discussion. Ms. Baker commented that this would take a lot of staff time.

Ms. Monohon responded that it is honestly one of the reasons that we haven't pursued further in the past. There are still some policies that we can review. We want to identify our best path forward to upgrade these policies.

Ms. Tschirky added that she hopes that Council understands and is in agreement with the priorities of having real policies that are followed, and if they're not following, we have action plans to follow them.

Ms. O'Halloran asked if it would be a smart thing to bring all the pieces of information to Council to act upon it.

Ms. Monohon responded that there would be a couple different ways of presenting this to Council, and to show how much each section of the policies need to be worked on. The discussion tonight can help shape effective ways to tackle this.

Ms. Tschirky added that one of the things that would be helpful is there were reasons as to why certain things were placed in some of the policies versus not.

Chair Dyk commented that this makes a lot of sense, and there will be support from the committee to dive into details as needed. He asked if it would be helpful to have a subcommittee to focus more time on it.

Ms. Monohon replied that she was interested in understanding how the committee would like to be involved.

There was discussion from the group about the formation of a subcommittee.

There was a motion made by Ms. Tschirky and seconded by Ms. Baker to:

“Have the Finance Committee form a subcommittee to solely discuss the applicability of the existing financial management policies.”

Motion passes unanimously.

6. Project Updates

Ms. Monohon gave updates on the following projects:

- encouragement to watch the Council session with Ms. Coffey’s presentation
- urban renewal measure extension passed
- wrapped up several debt related items

7. Committee Business Updates

Ms. Lider gave updates on the Parks and Rec Committee:

- started “Phase One”, getting assets and looking at gaps of where services are needed
- reviewed the Core Values
- started work on a proposed budget recommendation for Council

8. Good of the Order

None

9. Meeting Adjournment

The meeting was adjourned by Chair Dyk at 8:44pm. The next Finance Committee Meeting will be held on June 15, 2022 at 7pm.

Dave Dyk, Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, June 15, 2022, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Rusty Allen
Theresa Tschirky, Vice-Chair
Claire Lider
Sue O'Halloran
Nick McWilliams
Dave Dyk, Chair

Finance Committee Members Absent:

Jan Baker

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Elizabeth McCann, Budget Manager
Susan Brown, Finance & Accounting Services Manager
Kevin McConnell, City Attorney
Elizabeth Coffey, Assistant City Manager
Nina Vetter, City Manager
Terryl Aguon, Treasury Analyst
Garrett Cudahey (Guest)
Deanne Woodring (Guest)

Christina Ott (Recording Secretary)

1. Convene Meeting

Chair Dyk convened the meeting of the Gresham Finance Committee at 7:00 p.m.

2. Public Comment

None

3. Follow-up from May 18, 2022, Finance Committee Meeting

City Attorney McConnell began discussing the motion passed at the last meeting related to specific funds for the Chamber. He said that he has recommended the City Manager not forward that item on to the City Council. He explained that the Committee has the powers that are vested from the Council and Gresham Revised Code, which states that the committee can review and offer recommendations to Council on interim changes to the adopted budget that may be proposed by the City Manager and staff through the supplemental budget process. However, he indicated that the topic last month was something different than what was authorized in the GRC.

City Attorney McConnell continued, saying it appeared that the Finance Committee acting as one half of the Budget Committee, had an opportunity and did not raise this issue while in the Budget Committee process. The budget has now been forwarded to the City Council, so proposing changes at this time would circumvent the process. That was likely caused, in part, by the Chamber not following the noticed agenda item which was to be an update regarding activities and accomplishments over the past year for the Gresham Area Chamber and Visitor Center. He also stated, with no prior notice given, there was a legal challenge made regarding the City's use of Transient Lodging Taxes and a claim that the city does not understand the law. He confirmed that the city does understand the law.

City Attorney McConnell also mentioned interactions between Assistant City Manager Eric Schmidt and ORLA and confirmed that all materials had been provided to support the City's usage of TLT revenues. He concluded by restating that the motion at last month's Finance Committee meeting was not within the committee's legal role.

Ms. Tschirky asked if an individual member of the committee could submit testimony to the City Council if that testimony doesn't say it's representing the committee, but rather is being submitted as an individual.

City Attorney McConnell responded that is perfectly appropriate.

Ms. Monohon added that Oregon budget law provides for two distinct hearings as part of the budget adoption process. The first of those is the hearing that is held with the Budget Committee that allows for public comment. The second hearing is at the Council adoption process which also has an opportunity for public comment. There were no public comments during the Budget Committee meetings, but clearly that opportunity was there, and will be again at the Council meeting next week.

4. Investment Policy – Annual Review

Ms. Brown began the review of the investment policy. She said although there were no substantive changes, we are required to take the investment policy to the Council annually, because we allow for maturities that go out past 18 months or for overall average maturity to be past 18 months. We bring the policy to the Finance Committee in about May or June, and then Council in September.

Ms. Woodring advised not to have the broker deal list as an addendum in your policy. GPA reviews the broker dealer list in January every year, and there will already be changes to it.

Ms. Brown added that we are able to make those kind of updates outside of the Council approval process.

Ms. Tschirky made a motion that was seconded by Ms. Lider to:

“Recommend the updated Investment Policy as reviewed to Council.”

Motion Passed Unanimously

5. Investment Performance Review

Mr. Cudahey began his part of the Investment Performance review.

“The presentation can be seen as a part of Attachment A”

Mr. Cudahey opened it up to the group for discussion.

Chair Dyk asked for clarification on the Aggregate Bond Index, as he noticed there were years that are straight-lined and years that were what looks to be all over the place and wondered why that was the case.

Mr. Cudahey responded saying that historically data on prices was not available on a day-to-day basis, so changes only occurred at the end of the month, which resulted in the pattern shown.

Ms. Woodring began with her part of the presentation.

“The presentation can be seen as a part of Attachment A”

Chair Dyk asked how common it is for local governments to need to realize a loss on a bond.

Ms. Woodring responded that the key is being able to have the liquidity balance measured and tracked in light of planned use for the money. It’s not necessarily bad to take a realized loss.

Ms. Brown added that a loss has been intentionally recognized a few times in recent years. She cited an example where the corporate allocation was at the cap so room needed to be made in the portfolio to take advantage of a better opportunity that was available. In those cases, there is active communication with the City Manager about the specific change in the portfolio.

Ms. O’Halloran expressed appreciation on the discussion of strategies and thinking in the short term.

6. Long-Term Financial Roadmap Update

Ms. Coffey began her presentation of the Long-Term Financial Roadmap.

“Presentation can be seen as a part of Attachment A”

Ms. Coffey opened it up to the group for questions.

Ms. Tschirky asked how we articulate this to the voting population, what considerations are there or have been made.

Ms. Coffey responded that the challenge is there is a fair amount of work with General Fund services to provide a framework that allows us to estimate what the cost of projects would be. We also need to find out what voters are interested in through polling. When more data is presented, it will help us gain a better understanding of how to proceed with the framework.

Ms. Vetter added that we’re intentionally tying our financial plan to our strategic plan and the strategic plan will have performance measures within it. Once the plan is adopted, we will develop a more detailed outline of actions.

Ms. O’Halloran suggested that the business community needs to be supportive and recommended that there be discussions with them about this plan.

Chair Dyk asked if this will be brought to Council.

Ms. Coffey anticipated this being brought to Council at the July 5 meeting. She added that the polling results will help in the decision-making process.

7. Project Updates

Ms. Monohon gave updates on the following:

- going to Council for budget adoption
- next steps of the GRDC extension

Ms. Brown gave an update on the following:

- started update on audit for Fiscal Year 2022

Ms. Lider gave updates on the following:

- Parks and Rec Program Calculator recommendation to Council
- differentiating budgets in different sectors

8. Committee Business Updates

Recognition of Ms. O’Halloran’s term coming to an end.

9. Good of the Order

None

10. Meeting Adjournment

Chair Dyk Adjourned the meeting at 8:32pm. The next Finance Committee meeting will be held on July 20, 2022, at 7:00pm via the online Zoom platform.

Dave Dyk, Chair

Christina Ott



**City of Gresham Finance Committee
Wednesday, August 17, 2022, 7:00 p.m.
Zoom Meeting
Minutes**

Finance Committee Members Present:

Rusty Allen
Jan Baker
Sue O'Halloran
Claire Lider
Nick McWilliams
Dave Dyk, Chair

Finance Committee Members Absent:

Theresa Tschirky, Vice-Chair

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Ian Peterson, Financial Analyst
Sharron Monohon, Director of Budget & Finance

Christina Ott (Recording Secretary)

1. Convene Meeting

Chair Dyk convened the meeting of the Gresham Finance Committee at 7:00 p.m.

2. Public Comment

None

3. Election of Chair

Ms. Monohon reviewed the standard timeline for election of the Chair and the Vice Chair for the committee. She stated that election of the Chair occurs in July of every even year and election of the Vice-Chair is July of every odd year, with individuals typically serving a term for two years. Ms. Monohon said Mr. Dyk was elected to the Chair for a partial term after Jared Koga ended his service on the committee. She noted that because Mr. Dyk has only served a partial term, he is eligible to continue to serve according to the GRC rules stating that committee members can only be in a leadership role for two full consecutive terms. So, any member of the committee is eligible to be in the chair position. It is up for the committee to nominate and decide

who they want to serve for the next two years as chair.

Chair Dyk asked for nominations to serve as the Chair for the next two years.

Mr. Allen nominated Chair Dyk to serve another term as Chair.

Ms. Baker seconded the nomination.

The committee voted unanimously in favor of Chair Dyk serving for another term.

4. Long-Term Financial Roadmap Update

Ms. Monohon reported that while there is no formal presentation, she wanted to review a couple key items from the Council meeting the night prior. Specifically, these were the Strategic Plan and the Financial Roadmap. She indicated that it was important for the Committee to hear a recap from the Council meeting, and to allow for committee discussion especially if there were any questions or any information needed to follow-up on the meeting.

Ms. Monohon said the Strategic Plan was adopted by Council at last night's meeting with one minor change. The Financial Road Map was also presented at the meeting but was not yet adopted as there were some questions regarding the fee structure and the impact to the community.

Ms. O'Halloran commented there were not a lot of objections to the levy, but there were questions from a citizen standpoint regarding what the service fees would be used for. Additional clarity is needed regarding where the money is going, whether it is dedicated to the General Fund overall, or for a specific purpose. Are we going to collect it through utility bills? We need to be a bit clearer.

Ms. Monohon said this was helpful feedback. She confirmed that this is focused on the General Fund, including the internal service functions that are part of supporting the General Fund. In terms of fee collection, the utility bill is the mechanism that is in place and available to do the collections. Discussions also involve whether it is better to have a single fee or multiple different fees that may have different allocations or charge methodologies to them. That is still open for discussion.

Chair Dyk asked to share the slides from the presentation from the Council meeting.

"Please see Attachment A"

Chair Dyk asked if the \$28.2 million has a portion dedicated to services that are already there and replacing what is already used.

Mr. McWilliams asked for clarification about the fee that doubled recently for the Police, Fire and Parks fee.

Ms. Monohon responded that the fee was initially established around 2011-2012, with a \$7.50 base fee per household. It was originally temporary, then was re-instituted as permanent. In September of 2020, an action to temporarily double the fee was approved by Council in order to address budgetary challenges. More recently, Council acted to extend the doubled fee for another year.

Councilor Gladfelter added it was extended to help the city financially plan and have better financial stability.

There was discussion from the group about how the fee could be replaced within the new roadmap.

Chair Dyk commented that the fee should be flexible and transparent enough so voters can know where the money from the fees and levy are going to, but also bring it to the General Fund so that Council has some discretion on where to allocate the funds.

Ms. O'Halloran added that was part of the struggle of the meeting from the night prior, is people don't know the specifics about where the funds are going to.

There was continued discussion about how a levy should be proposed, how it would impact the citizens, and how to structure it so there is better understanding.

Chair Dyk asked to move on to the next portion of the meeting.

5. Financial Policies Update and Review

Ms. Monohon presented an overview of the work underway.

"Please see Attachment A"

Chair Dyk asked if any policies would be involved with federal funds as there has been some scrutiny with the usage of the funds.

Ms. Monohon responded that the current policy list doesn't include anything specific, but the City does have a grants manual that can be referenced in the policies.

Ms. O'Halloran commented that the evaluation of the performance of the policies is a critical piece.

Mr. Allen and Ms. O'Halloran commented that it would be very helpful for the community to fully understand the policies and their purpose.

Ms. Baker asked if the public has access to the policies.

Ms. Monohon responded that they do.

Ms. Lider added that measurable context is important to include with certain policies.

Ms. Baker questioned how we can best explain when people ask what the general fund

balance is for, and wondered how that can be communicated given that many people are living paycheck to paycheck.

Ms. O'Halloran commented that a little bit of storytelling can help further understanding of the budget.

6. Project Updates

None

7. Committee Business

Ms. Lider provided an update on the Parks committee.

Councilor Gladfelter referenced Council presentations regarding the DEI Quarterly Update Presentation and Safe Gresham

There was a discussion about the possibility of resuming In-Person Meetings periodically, including the logistical challenges involved.

8. Good of the Order

None

9. Meeting Adjournment

Chair Dyk adjourned the meeting at 8:56pm. The next meeting is scheduled for September 21, 2022 at 7:00pm.



**City of Gresham Finance Committee
Wednesday, September 21, 2022, 7:00 p.m.
Zoom Meeting
Minutes**

Finance Committee Members Present:

Rusty Allen
Jan Baker
Theresa Tschirky, Vice-Chair
Claire Lider
Nick McWilliams
Dave Dyk, Chair

Finance Committee Members Absent:

Sue O'Halloran

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Elizabeth McCann, Budget Manager
Sharron Monohon, Director of Budget & Finance

Christina Ott (Recording Secretary)

1. Convene Meeting

Chair Dyk convened the meeting of the Gresham Finance Committee at 7:00 p.m.

2. Public Comment

None

3. Strategic Plan – Recap & Next Steps

Ms. Monohon shared a presentation and reviewed the city's strategic plan, which was officially adopted by Council on August 16th. She also noted that the link to the city's website was included in the agenda. The plan includes five priorities that were identified in the plan, financial sustainability, community safety, thriving economy, housing for all and community vibrancy.

"A copy of the presentation is attached to these minutes as Attachment A"

The next phase of the work with the strategic plan will be to develop yearly action plans. Internal staff will compile a list of potential steps and action items that can be undertaken and identify how best to move forward. Consideration will be given to staff resources, time availability, overall effectiveness of the action, and a determination as to how much will it move us forward toward the goals. The desire is to gather some input and ideas from the committee about some potential action items.

Ms. Monohon noted a specific interest in a discussion about the thriving economy goal. She referenced the goal statement about a greater opportunity for economic well-being and shared wealth for all, and also reviewed some of the objectives that considered business owners, creating partnerships, developing a strong local workforce, keep existing businesses, recruit new ones, enhancing the cultural of the business community, and supporting future development.

There was discussion and ideas within the group, and Ms. Monohon agreed to share the feedback with staff who will be creating the annual action plans.

4. The Long-Term Financial Roadmap – Recap and Next Steps.

Ms. Monohon shared a presentation and reviewed the city's Long-term Financial Roadmap that was adopted by the Council on September 6th.

“A copy of the presentation is attached to these minutes as Attachment A”

Chair Dyk asked how much discussion the City staff had about the level of revenue and if Council or voters were to make changes in the future, what would be a reasonable range to either maintain or expand the services per the plan.

Ms. Monohon responded that we need to address and acknowledge the fact that services have been provided on a shoestring budget for a very long time, including through the pandemic and various changes, and it is simply not sustainable to continue with the low staffing levels. It's not something that we could continue at that level without putting some additional resources into key strategic service areas. Within the plan, there's not significant expansion, but there is room for some additions based on conversation with the community.

Ms. McCann added that the plan mainly to try to avoid further layoffs or service reductions in the future.

Ms. McCann presented the next steps in the roadmap.

The committee discussed how the ballot measures should be presented, as well as when and how they are applied, with reflection on past proposals.

Ms. Tschirky suggested that we don't repeat what happened with the police, fire and parks fee, where it was not indexed to cost of living. Since the expenses that these

fees are designed to cover do not stay steady state, the fee structure should be upfront in the beginning and needs to be moving with the moving of the expenses.

Chair Dyk asked about if there would be a possibility of different tiers of fees similar to the structure used in some other cities in Oregon.

Ms. McCann responded with that most of the places that applied tiered fees are doing it through assistance programs. If you apply for help after being billed for the flat fee, there may be help provided based on your income.

Ms. Monohon added that we have learned a lot through some of the special utility assistance programs that we have done over the last few years resulting from the pandemic. Income threshold verification can be challenging and it can be a difficult thing to validate for an extended period. But we are continuing to look into it. The other piece with the assistance that we do still have some challenges is trying to figure out the best way to work through with multifamily customers where the tenants are not our direct customers.

Chair Dyk then transitioned to the next segment of the meeting.

5. Financial Policies – Review and Update

Ms. Monohon stated she did not have time to make much headway, so she recommended deferring this item to a future meeting.

Ms. Tschirky commented that she was very happy to see the progress that has been made. She indicated that she particularly liked the idea of preserving the institutional knowledge via policies and thought there were some great points made in that regard. She did express caution to make sure the policy is at a sufficiently high level that it doesn't get into standard operating practices. Ms. Tschirky also recognized that the committee's job is to advise Council and that these are about Council's policies, so she reminded the group that it is important to make sure that Council is good with the direction we're going regarding cleaning up the policies.

Ms. Monohon agreed that the priority is to stabilize the revenue and stabilize the financial plan overall first. She added that making improvements and having a better fund balance policy in the general fund is also important and will be important as community conversations take place in the future.

6. Project Updates

The following project updates from the group.

- 2023 Budget Adoption Process
 - Completed and copies are available to view

7. Committee Business Updates

- Champion of Gresham Project– volunteer to help the city
- Parks and Recreation Community Advisory Group – local share funding

8. Good of the Order

None

9. Meeting Adjournment

Chair Dyk adjourned the meeting at 9:00pm

The next regular Finance Committee meeting will be via October 19, 2022 at 7:00pm via the online Zoom platform.

Dave Dyk, Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, October 19, 2022, 7:00 p.m.
Zoom Meeting
Minutes**

Finance Committee Members Present:

Rusty Allen
Jan Baker
Theresa Tschirky, Vice-Chair
Claire Lider
Nick McWilliams
Dave Dyk, Chair

Finance Committee Members Absent:

Sue O'Halloran

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Elizabeth McCann, Budget Manager

Christina Ott (Recording Secretary)

1. Convene Meeting

Chair Dyk convened the meeting of the Gresham Finance Committee at 7:00 p.m.

2. Public Comment

None

3. Fiscal Year 2022/23 Supplemental Budget #1

Ms. McCann provided an overview of the Fiscal Year 2022/23 Supplemental Budget.

"A copy of the presentation is attached to these minutes as Attachment A"

Regarding Item D, Ms. Tschirky asked if the amount is based on increasing the compensation of the current staff.

Ms. McCann responded that the wages paid to City of Gresham staff and wages covered by the grant may not necessarily align. The additional grant amount will help cover more of the costs of the homeless services program.

Ms. Tschirky supported it, and then asked what we should do going forward to help lay the groundwork to make this grant continue for the future.

Chair Dyk responded that after talking to some of the non-profits, the low wages for staff that were supported by the grant reflected a more wide-spread issue among the non-profits. They advocated to bring the issue to the board at the county level.

Ms. McCann responded as well, saying this was mainly to make up for the difference and now it is being addressed. This can help with more non-profits to be able to get grants for additional wage funding.

Regarding Item I, Mr. McWilliams asked about the percentage of increase for the liability insurance.

Ms. McCann responded that the changes in Workers' Compensation and Liability Management policies combined were already anticipated to increase to just over \$2 million. This amount is in addition to the increase that was included in the adopted budget.

Regarding Item A, Chair Dyk asked if the grant has any specific limitations to it.

Ms. McCann responded that the funds were awarded by the State Legislature for a specific purpose, and they must be spent by June 2023. Staff are now doing outreach to determine the best use of the funds and will consult with Council as needed. The supplemental budget was structured to not restrict any potential uses that staff might propose.

A motion was made by Mr. Allen and seconded by Ms. Tschirky to:

“Present Fiscal Year 2022/23 Supplemental Budget #1 to Council”

MOTION CARRIED UNANIMOUSLY

4. Project Updates

Ms. McCann indicated that planned items for November's meeting include the Investment Update and the Annual Property Tax Update.

Ms. McCann asked if the Committee wished to hold or cancel the December meeting.

There was unanimous agreement to cancel the December Finance Committee Meeting.

Ms. McCann informed the group that the Fiscal Year 2023/24 Budget Committee timeline should be expected to occur between April 17 and May 5 of 2023.

Chair Dyk and Ms. Tschirky recommended that the committee meet in person for the meeting.

5. Committee Business

Ms. Lider provided an update on the Parks & Recreation Advisory Committee and gave a summary of what will be brought to Council meetings over the next year

Community Outreach and input for the Council was discussed.

The Committee expressed great appreciation for the Homeless Services staff and the Gresham Outlook article and commented on how much effort was put into serving the community.

6. Good of the Order

None

7. Meeting Adjournment

Chair Dyk adjourned the meeting at 7:37pm.

The next Finance Committee Meeting will take place on November 16 at 7pm.



**City of Gresham Finance Committee
Wednesday, November 16, 2022, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Sue O’Halloran
Nick McWilliams
Dave Dyk, Chair
Jan Baker

Finance Committee Members Absent:

Rusty Allen
Theresa Tschirky, Vice-Chair

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Elizabeth McCann, Budget Manager
Susan Brown, Finance & Accounting Services Manager
Ian Peterson, Financial Analyst
Terryl Aguon, Treasury Analyst
Garrett Cudahey (GPA Guest)
Deanne Woodring (GPA Guest)

Christina Ott (Recording Secretary)

1. Convene Meeting

The meeting of the Gresham Finance Committee was convened at 7:00 p.m.

2. Public Comment

None

3. Meeting Minutes

A motion was made by Ms. O’Halloran and seconded by Ms. Lider to:

“Adopt Meeting Minutes from previous Finance Committee meetings.”

Motion passes unanimously.

4. Investment Performance Review

Mr. Cudahey and Ms. Woodring began with their presentation.

“Presentation can be seen as a part of Attachment A”

They then opened it up to questions from the group.

Chair Dyk asked if something needed to be sold due to liquidity reasons sooner than the maturity that was expected, would it be conveyed to the committee via the policies set in place.

Ms. Brown responded that the policy requires that if we were going to take a loss on selling something out of the portfolio, we are required to communicate that to the City Manager. We must state why it was done and what the ending result was. There is not necessarily a requirement to communicate that any further. She indicated that the situation has only happened twice during her time with the City.

Ms. Woodring added that there may be opportunities to sell at a loss, because then we can break even, especially with the dramatic shifts.

Ms. Monohon reminded the committee that the portfolio is the combined balance of every single fund that the city has, including everything that we have to maintain as reserves. For example, we are self-insured for some of the health and dental plans, and we are self-insured for workers compensation. Any kind of reserves that we must maintain legally to offer those plans are part of the portfolio. Those are things that we must have those cash balances on hand in order to meet our legal obligations for those programs. It is also everything that the utilities have collected that they are anticipating, needing to spend for future capital upgrades.

Ms. Woodring added that it is so important to know so it can be understood with why it is being invested a certain way or how they were invested in the first place.

5. Property Tax Update

Mr. Peterson and Ms. McCann began a part of their presentation.

“Presentation can be seen as a part of Attachment A”

They then opened it up to questions from the group.

Chair Dyk asked for clarification on how compression of property taxes worked.

Ms. McCann responded that there is a limit of ten dollars per thousand for general government and a limit of five dollars per thousand for education, and that is based on the real market value. In addition to that calculation, the assessed value is used in conjunction with the individual tax rates to calculate a total tax amount. Then whichever is the lower number of those two calculations is what is paid. If the actual tax calculation is higher than the limit, then the difference is the compression.

Chair Dyk asked why the number for compression isn't zero.

Ms. McCann answered that one of the primary places that compression occurs is in our Industrial, Machinery & Equipment, and Personal Property categories. Those are assessed at 100% of their market value, differently than Commercial Residential and Multi-Family. Ms. McCann also explained how local option levies are impacted by compression.

Chair Dyk asked what other governments may be impacted if Gresham approved a local option levy.

Ms. McCann responded that the other local option levy in our area is related to the Historical Society, which has a five-cent levy.

Ms. O'Halloran asked about properties that take part in tax abatements and whether a levy is paid by those properties.

Mr. Peterson responded that we do keep track properties using a separate model to allow us to know when any abatements end and when the properties would be coming onto the tax rolls.

Ms. McCann added that the model is specific to abatements authorized by the City of Gresham, and that we don't necessarily the approximately 3,000 accounts that receive various other exemptions. She said the exemptions apply to all their property taxes, including bonds.

6. Project Updates

Ms. Brown gave an update on the Auditor Letters:

- one for city, one for urban renewal
- defining what will be audited, and what is not audited
- discussion on what is conducted during audit
- more communicative with upfront piece
- putting out RFP for new contract for auditing

Ms. Monohon gave an update from the polling results from the last Council session and said that general direction was given to staff to start putting together a May 2023 levy proposal.

Councilor Gladfelter added that it was mainly for Police, Fire and Homeless Services. We took a deeper dive into it and recommended more work to be done to get more information on where exactly the levy will be going to and the impact it is projected to have.

Ms. McCann shared that Council passed the supplemental budget from the October 19, 2022, meeting. This means there is more grant revenue for the city.

7. Committee Business

Councilor Gladfelter shared that the City Manager will be doing a monthly written manager report, going over projects, initiatives, highlights, operations, and a lot more information.

8. Good of the order

Chair Dyk congratulated Councilor Gladfelter for her election for another term.

9. Meeting Adjournment

Chair Dyk adjourned the meeting at 8:29pm. The next Finance Committee meeting will be held on December 21, 2022, at 7pm.

David Dyk, Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, January 18, 2023, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Sue O'Halloran
Nick McWilliams
Dave Dyk, Chair
Jan Baker
Rusty Allen
Theresa Tschirky, Vice-Chair

Finance Committee Members Absent:

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Elizabeth McCann, Budget Manager
Susan Brown, Finance & Accounting Services Manager
Elizabeth Coffey, Assistant City Manager
Ian Peterson, Financial Analyst

Christina Ott (Recording Secretary)

1. Convene Meeting

The meeting was convened by Chair Dyk at 7pm.

2. Public Comment

None

3. Financial Roadmap Update

Ms. Coffey gave some updates on the Financial Roadmap:

- discussed the year one implementation with Council, revenue goal is 16 million

- two revenue tools are intended to accomplish year one goal – these are a May 2023 operating levy and City Services fee

- discussed with Council results of the statistically valid poll from last fall – when they informed voters of what the levy is about, they obtained 59% support rating; also looked into reasons as to why someone may not support and explored mover messages that might shift opinions

- City services fee replaces Police, Fire and Parks fee, aligns better with the funding of the service from the roadmap and aligns with revenue target, will set in place in June of 2023, projected \$3 million in year one, flat rate or tier rate is available for discussion, looking for adoption of fee in spring

- mover messages were mainly around mental health and crisis response, fire resources, homelessness services, and police resources

- regarding the levy, Council adopted the \$1.50 per thousand assessed value, though they would like to know what a higher rate could potentially bring in

- three main goals with the levy: stabilize staffing, pilot program expansion to address service delivery, and avoid any layoffs

- both Fire and Police chiefs are getting recommendations from each department to bring to Council for discussion, hoping to have less reliance on Portland during multiple emergencies

Chair Dyk asked if the cost of service for other areas would also similarly increase with the cost paid by Gresham.

Ms. Coffey responded one of the projects on the financial roadmap is to deliberate on the contracts with the other cities that are coming up for renewal in 2025. We plan on doing some renegotiations then and our goal is to better recoup the costs of service through those contracts. That will be a key piece in helping our service become more financially sustainable.

Ms. Coffey continued with more updates from the Financial Roadmap:

- identified a gap in homeless services, some team members have volunteered on evenings and weekends, but we would hope for an expansion to provide more service for longer durations and during off-hours; levy could help maintain one ARPA funded position, a critical housing resource for homelessness currently

- more discussion on crisis response team, hoping to address calls with the right resource and pilot an expansion, capacity for four in police and two in fire, hoping to increase to a team of ten with a focus on a more centralist and coordinated team with a possible case manager and more nurses to work with chronic calls

- if the levy is successful in passing, we will begin researching best practices and models that might work for us here in Gresham

- next steps would for the levy is that staff will be taking direction to Council and begin work on the ballot measure and explanatory statement; there is a very tight timeline to return to Council on February 21, 2023

- building a message book of frequently asked questions and a fact sheet, planning for a robust campaign

- planning for a lot of engagement with advertisements and the community

Ms. Tschirky complemented the brief Budget 101 that was put together, saying that it really helps getting the message across.

Ms. Coffey responded that it was a great tool for us and we know that financial education is definitely a piece of storytelling. We're working on a similar project with a levy video that we will get out well.

Ms. Coffey asked the committee if there would be any "champions" of the group, who would go out to events and advocate for the passing of the levy, and if the levy does get passed, if the committee would like to be an oversight over the levy expenditures.

Several committee members indicated interest in being a "champion" for the levy.

Councilor Gladfelter informed the group of a resource for the committee to look at for more information.

Chair Dyk asked if there would be a formal review committee serving as overseers on the levy.

Ms. Coffey replied that it is still to be determined, but it needs to be publicly known as that would help in addressing concerns that some may have.

Chair Dyk stated he was in favor with the idea and would be comfortable if it were the Finance Committee or a different group. In either case, he would prefer a more formal example where a public report was produced at the end of the cycle.

Ms. O'Halloran noted that one of the things that was successful that the school district did was a consistent report to the public of what occurred. About every six months there would be a comprehensive report on what had been accomplished and where things stood relative to the budget. She stated that the language that is being put out to the public needs to include that accountability where we are promising that this will happen, as that will be a critical piece.

Chair Dyk asked if there was any formal opposition.

Ms. Coffey stated there wasn't any formal opposition as of yet, but it was still too early to tell.

Ms. Coffey also mentioned that the City Manager is working on "Champion Gresham" which is an effort that is not totally focused on the levy all the time, it's really about people that have a heart for Gresham and want to help make the community better and can be a base of support as we move forward.

Ms. O'Halloran recommended adding clarification around the crisis response section, as it is a critical piece and needs to be thoroughly explained and understood.

Ms. Coffey agreed, stating we have the staff now but pulling them together into a more comprehensive and coordinated team is something we don't have the resources for now. Our Police and Fire Chief's plan on going back to Council in the next couple of months to do more through explanations about our current crisis response and how they can be improved with the new levy, which help us be more concrete in why the community should pass this levy.

4. Council Compensation

Ms. Monohon presented to the group that it was time for the annual Council Compensation review. She stated that one thing new this year was the Paid Leave Oregon program. As an employer, we are obligated to either collect or pass on the equivalent of 1% of salary to pay into that program. The State program was set up where the employer would pay a portion and the employee would pay a portion. There are circumstances where the employer may choose to pay the employee share on their behalf. This is one of those questions from a payroll standpoint we needed to verify with this committee, as this program didn't exist the last time we discussed this topic.

We wanted to check in and see if this committee would like to either A) Did you wish to have us pick up the employee percent on behalf of Mayor and Council as employees or B) Did we need to start from a payroll standpoint withholding that portion. If so, it's important we let them know before taking anything out of people's checks.

Ms. Brown discussed with the committee the various nuances related to retirement benefits, tax implications, Social Security and Medicare.

Ms. Monohon noted that the question is do you have elected officials treated the same as we have chosen to treat employees, or do you wish them to be different in this circumstance. She also commented that having it treated the same in the payroll system as what we're doing with other employees, probably logistically outweighs the cost of this specific item.

There was discussion from the group about how this was treated differently compared to other items taken out of the employees pay.

There was a motion made by Ms. Lider and seconded by Ms. Tschirky to:

"Propose the Council Compensation reflects the decision to have the employer match to be picked up by the city."

Motion passes unanimously.

Ms. Monohon then started the discussion about the compensation schedule for fiscal year 23/24 and beyond. First, she reviewed the history of the compensation, stating that the ballot measures capped the Mayor's salary at 45% of the compensation of the Multnomah County chair, and the Councilors were capped at no more than 45% of the Metro Councilor position. Those two caps are unrelated to each other and have different patterns that they follow. The Metro Councilor position is set based on one third of the salary of an Oregon State Circuit Court Judge salary, which has not changed recently. On the Multnomah County side, they have a salary commission review compensation every two years and the position typically ties to the director level positions at the county.

Ms. Monohon said the question for the committee is if they would like to propose any changes to the compensation schedule for cost of living or other considerations or if the committee would like to extend the current compensation schedule with no alterations. She added that based on past conversations and input, she would suggest that if there would be any significant changes made, that would be best deferred to the next meeting to allow time for input.

Ms. Tschirky clarified that the statutory language sets a cap for the Councilors and Mayor, it doesn't say that we must pay a certain percentage.

Ms. O' Halloran stated that she was inclined to say no change for this year, as budgets are tight.

Mr. Allen asked what is the COLA that is being given to regular city employees.

Ms. McCann responded that on July 1, 2023, in most cases, city employees will receive a 4% COLA.

Chair Dyk asked if Mr. Allen was interested in raising the COLA or just gathering information.

Mr. Allen replied that he wanted a general idea of what the basis was – was it tied to a contract or based on a particular CPI.

Ms. Baker commented that with the cost of living going so high and with salaries staying stagnant, she suggested the committee consider a 4% COLA.

Ms. Tschirky commented about what appears to be a disparity between the Mayor's amount of compensation compared to the Councilors compensation.

Chair Dyk commented that he appreciated the committee deliberating between either the 4% or no updates to the COLA, as that seemed to be the appropriate use of the committee's time. He also reminded the committee that the Charter Review Commission is also meeting now, and it's possible that many changes could be proposed. As a result, he believed that this isn't a good year to make any wild changes to the compensation schedule.

There was a motion made by Sue O'Halloran and seconded by Ms. Tschirky to

"Make no changes to the Mayor and Council compensation"

**Aye: Vice-Chair Tschirky
Ms. O'Halloran**

**Nay: Chair Dyk
Ms. Lider
Mr. Allen
Ms. Baker
Mr. McWilliams**

Motion does not pass.

There was discussion in the committee as to why they voted the way they did.

There was a motion made by Ms. Baker and seconded by Mr. Allen to:

"Give a 4% COLA increase across the board for the Mayor, Councilors and the add on for the Council President and compensation."

**Aye: Chair Dyk
Ms. Lider**

Nay: Vice-Chair Tschirky

Mr. Allen
Ms. O'Halloran
Ms. Baker
Mr. McWilliams

Motion passes.

5. Project Updates

Ms. Brown informed the committee that the annual audit for the city was completed on time without a need for an extension request. The audit will be on next month's Finance Committee agenda. She also indicated that we are working on a contract extension to be in place until 2025.

Ms. McCann presented that the Budget Committee dates will be Thursday, April 20 and Thursday, April 27, 2023. A placeholder meeting will be scheduled for May 4, 2023, if needed. Meetings will be held virtually again this year. The GRDC Budget Committee meeting will be held on Tuesday, May 9, 2023. She also mentioned that we would start publishing some very simplistic budget-to-actual reporting for the general fund on the city's website, as well as the city's social media. We are mainly doing it to experiment what the public would like to see from the reports.

Mr. McWilliams asked what times the Budget Committee meetings would take place.

Ms. McCann responded the meetings are convened at 6pm.

Ms. Tschirky added if I remember correctly, we have a hard stop at 9pm, unless there is a formal motion to extend the meeting.

6. Committee Business

Ms. Monohon shared that they are still working through the process to get Ms. O'Halloran's position filled, but that will be completed before the Budget Committee meetings take place.

7. Good of the order

None

8. Meeting Adjournment

The meeting was adjourned at 8:42pm by Chair Dyk. The next Finance Committee meeting will be held on February 15, 2023, at 7pm.

Dave Dyk, Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, February 15, 2023, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Sue O'Halloran
Nick McWilliams
Dave Dyk, Chair
Jan Baker
Rusty Allen
Theresa Tschirky, Vice-Chair

Finance Committee Members Absent:

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Susan Brown, Finance & Accounting Services Manager
Elizabeth McCann, Budget Manager
Gatlin Hawkins, Guest Speaker

Christina Ott (Recording Secretary)

1. Convene Meeting

The meeting was convened by Chair Dyk at 7pm.

2. Public Comment

None

3. Fiscal Year 2021/22 Annual Financial Audit Report

Mr. Hawkins began with his presentation.

"Presentation can be seen as a part of Attachment A."

Mr. Hawkins opened it up to questions and comments from the committee.

Chair Dyk asked if Mr. Hawkins reviews the audit reports from the sub-recipients of the City of Gresham such as the non-profit organizations as part of their procedures.

Mr. Hawkins replied that it depends on the award granted. Each federal entity is responsible for identifying which specific compliance requirements must be tested. When monitoring is required, we review a sample of the subrecipients and payments made to them, and the monitoring procedures. We look at the risk assessment to determine what level and how deep the city's monitoring should go for those recipients, as well as make sure they have performed at least some basic level types of monitoring activities, which includes the subrecipient audit report.

Ms. Brown added we also do an onsite review by sending staff members to a few subrecipients selected in a rotation.

4. Annual Comprehensive Financial Report Review

Ms. Brown began with her presentation.

“Presentation can be seen as a part of Attachment A.”

Ms. McCann explained the differences regarding PERS information between the audit, which is based on June 30th, and the PERS valuations used in rate setting, which are based on December 31st. She indicated that the upcoming budget will reflect rates that incorporate changes that occurred between June and December.

Ms. Brown added that there is always a time lag, as these statements look backwards while budgets look forward.

5. Long-Term Financial Roadmap Update

Ms. Monohon gave some updates from the Financial Roadmap:

- The recent work session on January 17, 2023 included discussion on a possible levy proposal. Topics of discussion related to percent allocations and the need for more clarity on how much of the levy would go towards the existing shortfall within the General Fund versus adding new functions and programs
- During the February 7, 2023 meeting, follow up discussion focused on the percentage allocations and discussion of oversight review committee. Council was in favor of moving forward with a proposal on the May ballot, pending a formal vote scheduled for February 21, 2023
- if formal vote passes, the levy will be officially submitted to the county in mid-March, and then go onto the ballot in May, election laws will kick in and restrictions will be put on for discussion on the proposed levy where facts and figures can be given but no advocacy

Ms. Tschirky asked if she can use her ability as a normal citizen to advocate for it rather than the ability of being on the Finance Committee to advocate for the proposed levy.

Ms. Monohon responded that it would be best to clarify with the City Attorney.

Chair Dyk added that there is a helpful PDF made on the State of Oregon website that gives commentary on things that can and can't be said by public officials during these times.

Ms. Monohon continued with her updates:

- discussion on fees is still underway, with no clear direction yet whether flat rate or tiered rate will be going forward
- reminded the committee that deferring action on a levy until the November election would defer revenues until the following fiscal year (2024/25)

Chair Dyk asked if Council didn't get agreement at the planned meeting, would there be additional meetings to be able to get details worked out for everyone.

Councilor Gladfelter responded that we should have as many meetings as we need. This is very important work on a very strict time schedule. We don't schedule meetings just to have meetings, but if we need them to get the work done then we will make sure they happen.

Chair Dyk asked about the reporting mentioned in the ballot measure and if any other cities in Oregon were doing something similar, especially if there was a template to use for reporting.

Ms. Monohon responded that Gresham-Barlow School District may have provided some reporting on their bond and how funds were used, and that this was a topic to look into further. She also mentioned that there is a regular meeting with finance directors from similar sized cities, and she would check in with them.

Ms. Baker asked where the wording of the levy could be viewed.

Ms. Monohon responded that it can be viewed on the Council Agenda packet for the February 21, 2023, meeting.

6. Project Updates

Ms. McCann showed the reports that are being published providing basic budget reporting on the city's website and Facebook page.

The Committee gave suggestions and feedback regarding the reports.

Ms. Monohon shared that the State of the City address is scheduled for March 8, 2023, at 6pm at Sam Barlow High School.

7. Committee Business

The new member of the Finance Committee is scheduled for appointment at the Council meeting on February 21, 2023.

8. Good of the order

None

9. Meeting Adjournment

The meeting was adjourned by Chair Dyk at 8:23pm. The next Finance Committee meeting will be on March 15, 2023, at 7pm.

Dave Dyk, Chair

Christina Ott, Recording Secretary



**City of Gresham Finance Committee
Wednesday, March 15, 2023, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Mike Schultze
Nick McWilliams
Dave Dyk, Chair
Jan Baker
Rusty Allen
Theresa Tschirky, Vice-Chair

Finance Committee Members Absent:

Council Liaison in Attendance:

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Elizabeth McCann, Budget Manager
Steve Fancher, Assistant City Manager
Sarah Kirk, Budget Analyst Trainee

Christina Ott (Recording Secretary)

1. Convene Meeting

The meeting was convened by Chair Dyk at 7pm.

2. Introduction of New Committee Member

Mr. Schultze introduced himself to the Finance Committee. The committee welcomed him and introduced themselves.

3. Public Comment

None

4. Capital Improvement Program Update

Mr. Fancher and Ms. Monohon began their presentation.

“Presentation can be seen as a part of Attachment A”

Mr. Fancher and Ms. Monohon then opened it up to questions.

Ms. Tschirky asked whether there were plans to address more streets following the success of the street project so far.

Mr. Fancher responded that this project accelerated funding so that we were able to get ten years' worth of work frontloaded into about five or six years. We plan to take a pause for a few years before determining next steps.

Ms. Monohon added that this is a good segue to talk about the funding plans. We develop long-term financial plans and look at how we can ensure financial sustainability over a long period of time. The planning process is very much a collaborative project with the engineers, Mr. Fancher, and finance staff. For the street project, because we frontloaded the work, we used the line of credit initially fund the project. We are now transitioning to a six-year repayment plan. Once we work through paying that off, we will see where we go from there.

Chair Dyk asked for a reminder on the process and how it relates to the budget. He also asked if there was any iteration between the version that the Planning Commission adopts and what will be seen in the budget.

Ms. Monohon replied there are often a few adjustments made as we finalize the proposed budget, and the Planning Commission meeting may result in changes as well. One of the things impacting the CIP and Budget is our fiscal year is July 1 to June 30, which is right in the middle of construction season. One of the challenges we have is we don't know exactly how far along a project will be when the transition from June 30th to July 1st happens. We have developed a process to set a date around mid-February or early March and say whatever is left over in the current year that hasn't been spent will be carried over to the next fiscal year and re-budgeted in the upcoming fiscal year. That way we know we have enough appropriation if the project gets delayed or anything happens. From the internal control standpoint after July 1st, we turn around and ask what was really spent between the cut off date and the end of June. We will take that away from all the projects and reduce the internal authority to make sure they don't inadvertently spend it twice.

Ms. Monohon continued, the other funding topic to highlight with this group is the agreement with Microchip. The shared participation in funding ammonia and nitrification projects is huge and is helping to meet our compliance requirements without impeding significant economic development activity in the city. She acknowledged the work of Mr. Fancher to facilitate the agreement related to these projects.

Ms. Monohon also mentioned the work related to funding the groundwater system. We had planned three parts to our debt package when we initially proposed this set of projects. We issued revenue bonds in 2021 and entered into a WIFIA agreement which was the second leg. We are now working toward getting the third piece of the financing in place. Today we submitted a letter of interest to the State Revolving Fund that will potentially have an opportunity to be that third leg, and opens up the possibility to secure funding through the bipartisan infrastructure legislation that was enacted at the federal level. We are seeking those opportunities for reduced interest rates or better yet, grant funding.

Chair Dyk asked further about the Microchip agreement.

Mr. Fancher responded that it's separate from the typical economic development discussions. Microchip indicated they were going to be producing more ammonia and it didn't make sense for them to spend a large amount to treat it on their site, especially since that would result in less area for expansion and would create hazardous waste that would need to be dealt with. Instead, by taking it to the wastewater treatment plant, it's possible to treat for ammonia and not create waste. Since Microchip can help as an external funding partner for this work – which we would likely have to do soon regardless – this is a win for all the parties involved.

5. Long-Term Financial Roadmap Update

Ms. Monohon shared some updates from the Financial Roadmap:

- The ballot measure was approved by Council a few weeks ago and has now been submitted to Multnomah County. Election law is now in effect for what can and cannot be said. Any questions on this can be referred to City Attorney McConnell
- There has been no Council decision on fees as of now. Additional conversations for next steps may be in the work session in April

Ms. Baker asked what can we talk about regarding the ballot measure.

Chair Dyk responded that we can discuss factual questions that are not advocacy for or against the proposed ballot measure.

6. Project Updates

Ms. Monohon shared updates on current projects:

- Next steps for debt issuance for water
- Auditor is coming to Council meeting on April 4 to give presentation, similar to the one given at last month's Finance Committee meeting but slightly abridged
- Ms. McCann is currently working on balancing proposed budget for the next fiscal year.

7. Committee Business

Ms. McCann shared that the Budget Committee meetings will be held on April 20, 2023, and April 27, 2023. There is also an open date of May 4, 2023, if needed. Meetings will be held virtually again this year and have similar structure as in past years.

Ms. Tschirky stated she was looking forward to hopefully having discussions about updating policies and about best practices for the city.

Ms. Monohon also reminded the committee that there will be no Finance Committee meeting next month due to the Budget Committee meeting taking place.

8. Good of the order

None

9. Meeting Adjournment

The meeting was adjourned at 8:18pm. The Budget Committee meeting will take place on Thursday, April 20, 2023.

Dave Dyk, Chair

Christina Ott, Recording Secretary