

Rusty Allen
Mike Ash
Jan Baker
Dave Dyk, Vice-Chair
Jared Koga, Chair
Sue O'Halloran
Theresa Tschirky
Janine Gladfelter,
Council Liaison
Jerry Hinton,
Council Liaison
(Alternate)
Sharron Monohon,
Budget & Financial
Planning Director,
Staff Liaison
Kris Leibrand,
Recording Secretary

**CITY OF GRESHAM
FINANCE COMMITTEE
WEDNESDAY, DECEMBER 18, 2019 7:00 P.M.
CONFERENCE ROOM 1A
GRESHAM CITY HALL, 1333 NW EASTMAN PKWY
GRESHAM, OREGON**

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|---|--------|
| 1. CONVENE MEETING | 1 MIN |
| 2. PUBLIC COMMENT | 5 MIN |
| 3. MINUTES OF SEPTEMBER 18 AND OCTOBER 16, 2019 | 5 MIN |
| 4. PROPERTY TAX UPDATE | 30 MIN |
| 5. OVERVIEW OF SENATE BILL 1049 | 20 MIN |
| 6. ARTS & CULTURAL GRANT PROGRAM UPDATE | 10 MIN |
| 7. COUNCIL WORKPLAN PROJECT UPDATES | 10 MIN |
| 8. COMMITTEE BUSINESS | 10 MIN |
| 9. GOOD OF THE ORDER | 5 MIN |

MEETING ADJOURNMENT

**Upcoming
Monthly Meeting
January 15, 2020**

The meeting location is wheelchair accessible. This information is available in large print upon request. To request large-print documents or for accommodations such as sign language, and/or oral interpreter, please call (503) 618-2697 at least two working days in advance of the meeting.

City of Gresham
Finance Committee
Wednesday, December 18, 2019
Executive Summary

4. Property Tax Update

Presented by Elizabeth McCann, Senior Financial Analyst

Ms. McCann will provide an update and summary level information regarding the 2019 property tax data recently received from Multnomah County, and will outline key areas of the more detailed review and analysis that is currently in progress.

Requested Action: Information Only

5. Overview of Senate Bill 1049

Presented by Elizabeth McCann, Senior Financial Analyst

The Oregon Legislature and Governor approved Senate Bill 1049 earlier this calendar year. The bill included a variety of policy and program changes related to the Public Employees Retirement System (PERS), including the establishment of an Employer Incentive Fund. Ms. McCann will provide a brief overview of the legislation and upcoming considerations.

Requested Action: Information Only

6. Arts & Cultural Grant Program Update

Presented by Sharron Monohon, Budget & Financial Planning Director

Following up on a request from a recent Finance Committee meeting, Ms. Monohon will provide an update regarding the Arts & Cultural Grant Program.

Requested Action: Information Only

7. Council Workplan Project Updates

Presented by Sharron Monohon, Budget & Financial Planning Director and Bernard Seeger, Finance & Management Services Director

Ms. Monohon and Mr. Seeger will provide information on the status of Council Workplan projects and other key initiatives that are underway currently.

Requested Action: Information Only

**City of Gresham Finance Committee
Wednesday, September 18, 2019 7:00 p.m.
Conference Room 1A
Minutes**

Finance Committee Members Present:

Rusty Allen
Jan Baker
Jared Koga, Chair
Sue O'Halloran
Theresa Tschirky

Kris Leibrand (Recording Secretary)

Finance Committee Members Absent:

Mike Ash
David Dyk, Vice-Chair

Council Liaisons in Attendance:

Jeanine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Budget & Financial Planning Director
Bernard Seeger, Finance & Management Services Director
Susan Brown, Finance & Accounting Manager

1. Convene Meeting

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

2. Public Comment

None.

3. Minutes of June 19, 2019

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

“Approve the minutes as presented for the June 19, 2019 Finance Committee meeting.”

MOTION CARRIED UNANIMOUSLY

4. Election of Vice-Chair

Ms. Monohon explained that in odd number years the Committee elects a new Vice-Chair and asked for nominations. Ms. Baker nominated Mr. Dyk.

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

“Elect David Dyk as the Finance Committee Vice-Chair for the next two years.”

MOTION CARRIED UNANIMOUSLY

5. Investment Performance Report

Mr. Seeger introduced Mary Donovan from Insight Investment, the City’s financial advisor.

Ms. Donovan reviewed the information in the Investment Management Program Review booklet provided at the meeting. A copy of this document is attached to these minutes as Attachment A.

Mr. Seeger reported that the investment policy was approved by Council on September 17 and thanked the Committee for their work on that document.

Mr. Seeger noted that the investment portfolio earned over \$5 million on behalf of the City in the last 12 months.

6. Utility Billing Update

Mr. Seeger reported that the payment kiosk is finally live. He said we have been using it for about 3 weeks and are averaging 25-50 payments a week. He noted that we are working with the vendor to improve some of the issues that have come up.

Mr. Seeger said as part of the initial roll-out we have had a customer service person at the kiosk helping people use it so that it will be successful. He noted that while it costs the City about \$16,000 a year to have the kiosk, his ultimate goal is to have all cash payments go through the kiosk which would be very beneficial.

Mr. Seeger also reported that the robocall system was tested today and we hope to send out the first batch of calls this week. He noted that anyone who hasn’t paid their bill will get a phone call on the Friday before their water is turned off.

When we began sending out emails to delinquent customers, we saw turnoffs initially reduced by 50%.

7. Budget Update

Ms. Monohon reported that we ended the prior fiscal year (fiscal year 2018/19) with a better balance in the General Fund than what we had assumed in the fiscal year 2019/20 budget. Ms. Monohon explained that we don't know the final numbers yet because the fiscal year is still being closed out and many final details aren't typically known at this stage of the year yet.

The timing of revenues is not evenly distributed throughout the year, and certain revenues aren't even known until after the year ends. Property tax revenues primarily are received in November, while other revenues, like utility license fees, depend on the source. NW Natural pays on a quarterly basis and their payments have a seasonal variability. The payment for the April - June quarter is not typically received until sometime in August (after the fiscal year has ended). PGE pays on an annual basis in the spring, so the amount is usually known just as we are balancing the upcoming proposed budget.

The timing of Business Income Taxes was significantly later than usual in fiscal year 2018/19. The actuals received were well below normal amounts for the first three quarters, running behind several of the most recent years. Then in the last quarter the revenue came in much higher than normal.

Ms. Monohon said that at this time the estimate is that the General Fund will end the year about \$3.5 million higher than budgeted. She cautioned that these are not the final numbers because there are several year-end steps still outstanding, such as posting of the actuarial reserve requirements for workers' comp and liability.

Even with the better-than-anticipated year-end fund balance, Ms. Monohon said that there continue to be significant issues for the General Fund in the current and future fiscal years. She said we are trying to be as conservative as possible on the expenditure side in the current year. For example, we are working with all departments to review all staffing positions that become vacant to determine any alternatives that may exist.

Ms. Monohon said she expected further discussion between the City Manager, the Mayor and City Council on what the next steps are and what options may look like. She said there will likely be a blend between increasing revenue and reducing expenditures. The situation should not be expected to be fixed by focusing on only one side. Ms. Monohon said they are looking at the process for putting together the fiscal year 2020/21 budget. She noted it is important to look at a multi-year plan.

Ms. Tschirky noted that educating the public is very important. She said communication is key.

8. Council Workplan Project Updates

Mr. Seeger provided an update on the following:

- 150 West Powell building demo is completed. Urban Design and Planning and Community Development will include the property in the downtown strategy.
- Gresham received a \$2 million allocation of lottery funds to do some improvements at the Gradin Sports Park. We expect to receive those funds in the spring of 2021.
- Ground has been broken on the Pleasant Valley Park #1, also known as the Mayor Charles Becker Park. It's a 1.6-acre neighborhood park. We anticipate completion by Spring 2020, and we are doing an analysis on how to include it into our maintenance portfolio.
- The core financial portion of the ERP went live on July 1. Everyone is starting to get used to the new system. We are already seeing efficiencies and more transparency with the new system.
- The human capital management portion of the ERP is progressing well. It is currently slated to go live in April 2020.
- Community development module is starting now, with a go-live date of October 2020.
- Published an RFP for municipal advisory services. Proposals are due back to us on October 5th. As we usually do when we are procuring services related to financial services, we are asking if any of the Finance Committee members would like to participate in the evaluation process of the RFP responses. Ms. Baker said she would be interested.

9. Good of the Order

Councilor Gladfelter reminded everyone of the next Council Listening Session which will take place on September 24 6:30 – 8 p.m. at St. Aiden's Church on 174th and Glisan. The topic will be focused on housing.

Ms. Monohon announced that copies of the FY 2019/20 Adopted Budget document are available for any Finance Committee member that wants one.

10.Meeting Adjournment

Chair Koga adjourned the meeting at 8:47 p.m.

The next regular Finance Committee meeting will be October 16, 2019 at 7:00 p.m. in Conference Room 1A.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant

**City of Gresham Finance Committee
Wednesday, October 16, 2019 7:00 p.m.
Conference Room 1A
Minutes**

Finance Committee Members Present:

Rusty Allen
Jan Baker
David Dyk, Vice-Chair
Sue O'Halloran
Theresa Tschirky

Kris Leibrand (Recording Secretary)

Finance Committee Members Absent:

Mike Ash
Jared Koga, Chair

Council Liaisons in Attendance:

Jeanine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Budget & Financial Planning Director
Bernard Seeger, Finance & Management Services Director
HeatherAnn Bromell, Senior Project Manager

1. Convene Meeting

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

2. Public Comment

None.

3. ERP Replacement Project Update

HeatherAnn Bromell, Senior Project Manager provided an update on the ERP project. Some highlights include:

- It has been about 90 days since we launched our first phase with the budget and finance module. The ERP project remains the highest priority on our strategic technology plan.
- Project implementation timelines:
 - Budget & Finance = 7/1/19
 - HR & Payroll = 4/1/20
 - Community Services = 10/1/20
 - Recently implemented end user support teams to address any technical problems that may arise and to work through business process efficiencies.
- Project went live on time and on budget for phase 1 of the budget & finance modules.
- Still have some post go live tasks to complete and bring delayed functionalities on line.
- Phase 2: HR/Payroll
 - Currently in the “build and validate” phase.
- Phase 3: Community Services
 - Currently in the “assess & define” phase
 - Focusing on business processes and looking to find efficiencies.

4. 2020 Council Workplan Development

Ms. Monohon handed out a copy of the highlighted Council work plan items from 2019. A copy of this handout is attached to these minutes as Attachment A. Ms. Monohon asked the Finance Committee members to provide input and suggestions for the work plan for 2020.

Several projects were considered to be high priorities that need to continue into the next year. Key among these was the Finance Models and Opportunities project. Continuing efforts to plan for growth, to address housing and homelessness issues, and to continue discussions about Parks also were identified.

There was interest in narrowing the focus of the workplan and a sense that the current list was both too broad and too vague. The mix of projects that are in the initial scoping phase with projects that are in more of an implementation phase was identified as a challenge. There were suggestions about potentially separating those types out so that it would be easier to determine expectations. There was also an overall desire for more of a status update or ability to tie the project goals and accomplishments to the budget process in some manner.

There was a comment that aspirations for the future might be given consideration by Council separately from the annual Workplan.

No need for new projects to be added to the work plan were identified. Addressing the funding challenges was a higher priority than adding anything new to the plan.

Committee members provided the following suggestions:

Ms. O'Halloran:

- "Future Growth Strategies" could be defined better since it is specific to a particular area (Pleasant Valley).
- "Housing Opportunities" could be more specific.
- Critical to this City to have a wide variety of different types of housing opportunities.
- Need to be more focused. Include the criteria.

Ms. Tschirky:

- It is important to have a plan, so it makes sense to have a forward look on transportation.
- A citizen from her neighborhood association expressed frustration that he was part of a 30-year transportation task force that vaporized. Would like to know what happened to that task force.

Mr. Allen:

- The Council Work Plan provides the framework.
- We don't always see the results of the plans. Would like to know the status of the on-going work plan items. What happened with transportation policy?
- How do we know if we are making any progress? Have we met the objectives? What are the outcomes?

Mr. Dyk:

- Could be value in limiting the number of items on the list.
- Important to allow the Finance Committee to weigh in on finance-related matters.

Ms. Monohon said that staff could collect more information on the status of a particular item and bring it back to the Committee.

5. Council Workplan Project Updates

Mr. Seeger provided an update on the following:

- Council policy development meeting on the parks facilities, assets and opportunities item this past week.
- If the Metro parks bond is approved on November 5th, we anticipate \$4 million to come to Gresham for park projects.
- Robocall is now live. We are having tremendous feedback. We have been doing 100-150 calls each week to let customers know their water will be turned off. We are seeing significant reduction in turn offs with the robocall system.

- We are exploring the need to upgrade our servers that support our Cayenta (utility billing) software and are currently doing an analysis to decide if it is more advantageous to have the information hosted by Cayenta off site rather than upgrading our servers.
- The ERP implementation, including configuration of the human capital management component, continues to be a primary focus.

Ms. Monohon provided an update on the following:

- Copies of the Budget-in-Brief are now available.
- Recently received property tax data from Multnomah County. We haven't had an opportunity to look at it in depth yet, but at first blush it looks consistent with what we had forecasted. We will go into this more in depth at our next meeting.
- In response to the previous request from the Finance Committee, there is a now link on the City's website, on the Elections page, that takes you to the Mayor and Council compensation schedule.
- Budget and Financial Planning continues to work through transitions related to staff retirements.

6. Committee Business

Ms. O'Halloran mentioned that she would like to see an update to the committee for the Arts & Culture grant program. She suggested bringing an update to the Finance Committee outlining the process to apply for and receive a grant, as well as getting information on what grants have been awarded.

7. Good of the Order

None

8. Meeting Adjournment

Vice-Chair Dyk adjourned the meeting at 8:30 p.m.

The next regular Finance Committee meeting will be November 20 at 7:00 p.m. in Conference Room 1A.

David Dyk, Vice-Chair

Kris Leibrand, Administrative Assistant