

Meeting Agenda | Finance Committee

Wednesday, October 21, 2020
7:00 p.m.
Zoom Meeting
[Access Information](#)

1. Convene meeting and roll call of participants	5 min
2. Public comment	5 min
3. Minutes of August 19 and September 16, 2020	5 min
4. Fiscal Year 2020/21 Supplemental Budget #1	20 min
5. Budget Update	30 min
6. Council Workplan & Other Project updates	15 min
7. Committee Business	10 min
8. Good of the order	1 min

How to participate

In conformance with the governor’s limitations on public gatherings, the meeting will be conducted electronically using Zoom, an online meeting platform. The meeting structure is consistent with the governor’s Executive Order No. 20-16.

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/93180955212?pwd=RDEvd0FsSVBYOFg2WU1aYkN0eE9YQT09>
Password: OUErPG
- Or dial in options:
 - iPhone one-tap:
 - US: +12532158782,,93180955212#,,,,,0#,,955340# or
 - +13462487799,,93180955212#,,,,,0#,,955340#
 - Telephone:
 - Dial (for higher quality, dial a number based on your current location):
 - US: +1 253 215 8782 or +1 346 248 7799 or +1 408 638 0968 or +1 669 900 6833 or +1 312 626 6799 or +1 646 876 9923 or +1 301 715 8592
- Webinar ID: 931 8095 5212
Password: 955340

City of Gresham
Finance Committee
Wednesday, October 21, 2020
Executive Summary

4. Fiscal Year 2020/21 Supplemental Budget #1

Presented by Elizabeth McCann, Budget Manager

This is the first requested adjustment to the FY 2020/21 budget. Following Finance Committee's review, the Supplemental Budget is scheduled to go before Council for consideration on November 10, 2020.

Requested Action: Committee Discussion and Recommendation to Council

5. Budget Update

Presented by Sharron Monohon, Budget & Finance Director and Elizabeth McCann, Budget Manager

Ms. Monohon and Ms. McCann will provide an update on the continuing efforts to calibrate the City's budget to available revenues, following last month's presentation by Interim City Manager Eric Schmidt.

Requested Action: Committee Discussion

6. Council Workplan & Other Project Updates

Presented by Sharron Monohon, Budget & Finance Director

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

Requested Action: Committee Discussion and Information

**City of Gresham Finance Committee
Wednesday, August 19, 2020 7:00 p.m.
Via Online Zoom Meeting
Minutes**

Finance Committee Members Present:

Mike Ash (entered at 7:17)

Jan Baker

David Dyk, Vice-Chair

Jared Koga, Chair

Sue O'Halloran

Theresa Tschirky

Kris Leibrand (Recording Secretary)

Finance Committee Members Absent:

Rusty Allen

Council Liaisons in Attendance:

Jeanine Gladfelter, Council Liaison

Staff Members in Attendance:

Sharron Monohon, Budget and Finance Director

Susan Brown, Finance & Accounting Services Manager

1. Convene Meeting and Roll Call of Participants

Chair Koga convened the meeting of the Gresham Finance Committee at 7:00 p.m. and did a roll call of the attending members.

2. Public Comment

None.

3. Minutes of May 20 and July 15, 2020

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

“Approve the minutes as presented for the May 20, 2020 and July 15, 2020 Finance Committee meetings.”

MOTION CARRIED UNANIMOUSLY

4. Election of Chair

Ms. Monohon explained that in even number years the Committee elects a new Chair and asked for nominations. Ms. O'Halloran nominated Mr. Koga.

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

"Elect Jared Koga as the Finance Committee Chair for the next two years."

MOTION CARRIED UNANIMOUSLY

5. Election Law Reminder

Ms. Monohon reminded the Committee members that there are limits to what they can do while in their official capacity. A public employee cannot promote or oppose the adoption of a ballot measure, initiative or candidate while on the job during working hours or in their official capacity as a City representative. Representatives cannot display buttons or sticker while on the job or representing the City (including settings for online meetings). It is permissible to do things on your own time as a private citizen.

Ms. Monohon encouraged members to address specific inquiries to the City Attorney's office.

6. Investment Policy Review

Ms. Brown explained that there are no substantive changes to the investment policy this year. Even without changes, however, the City of Gresham is required to take the investment policy to Council annually since we have maturities that extend past 18 months. She noted that our new investment advisor also reviewed the document and had no substantive changes. Minor housekeeping changes such as updating staff names and titles have been included.

Ms. Tschirky asked if the amount on page 4, in the last sentence of the first paragraph was correct. She said it is the same amount as last year. Ms. Brown said that is correct, it is the same.

Ms. Tschirky also asked about the changes to the appendix 3 list on page 7. She wondered why so many of the authorized broker dealers changed. Ms. Brown explained that each investment advisory firm may have a different list of people they work with, and now that we've changed to a new investment advisor, we've updated to match their list.

A motion made by Vice-Chair Dyk and seconded by Ms. Tschirky to:

"Recommend to Council to approve the revised investment policy for 2020."

MOTION CARRIED UNANIMOUSLY

Ms. Monohon reminded the Committee while we have a large sum of money in the investment portfolio, it is not available to use to help with our budget issues. She said when we talk about having significant budget challenges, we are speaking specifically about the City's General Fund.

She noted that the funds we invest are collected from all funds and programs across the City. Some of the funds in the investment portfolio include:

- Mandatory reserves related to health, dental, and workers comp programs.
- Reserves related to the equipment replacement fund that allow us to replace our larger apparatus and vehicles.
- Balances for future capital projects and infrastructure maintenance in water, wastewater, stormwater and transportation.
- System development charges that are set aside for future growth-related capital projects.
- Any working cash across all of our funds.

She reiterated that we cannot take money from these reserves and use them to resolve the General Fund issues.

7. Council Workplan, Budget & Other Project updates

Ms. Monohon provided an update on the following items:

- We completed our first payroll cycle last week out of the new system. She commended Ms. Brown for all work she's put on the project.
 - Ms. Brown said the process was challenging, but it went smoothly. To date there have been only had minor issues that were easily fixed.
- The City of Portland officially adopted plan for using the CARES money. The plan includes sharing \$5 million of their allotment with the other cities in Multnomah County (Fairview, Gresham, Maywood Park, Troutdale, and Wood Village). These entities have been meeting to discuss the allocation of the funds, and the current thought is that it will be allocated on a per capita basis. Gresham's allocation will be about \$3.9 million. There are rules around the use of the money, such as it can't be revenue replacement and only applied towards expenses incurred between March 2020 and December 2020 related to COVID-19. Next steps will involve creating and approving an intergovernmental agreement and more rules around the reimbursement process.
- During the recent special session in Salem, the legislature reallocated the amount that goes towards the East Metro Gang Enforcement Team grant for this biennium. It is a two year grant, and because of the change, the full amount has already been used. This creates an additional gap in funding for Police. We are currently evaluating the impact and options.

- Ms. Monohon has been meeting extensively with the Interim City Manager to understand where we stand and what our choices are related to the budget challenges. He hopes to have some next steps clearly laid out in the next couple of weeks.
- Yesterday, Council approved the formation of a reimbursement district for the Kelley Creek trunk line.
- Development activity is continuing in the City. Ms. O'Halloran noted that the Council renewed the small business storefront grants.
- Please encourage people to participate in the Census. Many revenues are allocated on per capita numbers, so having the best response we can has a financial implication for the City.

8. Committee Business

None.

9. Good of the Order

Councilor Gladfelter noted that even though there will be no National Night Out this year, four of our neighborhood associations have received grant money that is typically used for that event to upgrade plants and benches in their area.

Ms. O'Halloran provided an update on the Music Monday Facebook site and access to concerts.

10. Meeting Adjournment

Chair Koga adjourned the meeting at 8:00 p.m.

The next regular Finance Committee meeting will be September 16, 2020 at 7:00 p.m. via online Zoom platform.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant

**City of Gresham Finance Committee
Wednesday, September 16, 2020 7:00 p.m.
Via Online Zoom Meeting
Minutes**

Finance Committee Members Present:

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

Kris Leibrand (Recording Secretary)

Council Liaisons in Attendance:

Jerry Hinton, Council Liaison
Janine Gladfelter, Council Liaison

Staff Members in Attendance:

Sharron Monohon, Budget and Finance Director
Elizabeth McCann, Budget Manager
Eric Schmidt, Interim City Manager

1. Convene Meeting and Roll Call of Participants

Chair Koga convened the meeting of the Gresham Finance Committee at 7:00 p.m. and did a roll call of the attending members.

2. Public Comment

None.

3. Interim City Manager Update

Mr. Schmidt updated the Finance Committee on his main priorities for the organization since he became Interim City Manager.

- Organizational healing and stabilization.
 - Providing regular communications out to staff. Has been well received. People appreciate hearing more about what is happening when things are moving so quickly and there are so many important issues.

- Ongoing COVID-19 response.
 - Continuing to navigate through a COVID world both from a budget and an operational standpoint. Very proud of how the organization staff has adapted at an individual, departmental and IT level to meet the needs of the community.
 - A-frames out front say City Hall is closed. Currently we are working on a rebranding campaign that highlights while the building is closed, we are open in a different way right now. We are adapting to meet the needs of the community.
 - There are no plans to open City Hall to broader access yet. We will continue to monitor the situation.
- Diversity, equity and inclusion.
 - A consultant will be hired to advise us in how we strategically move forward with creating policies.
- Budget
 - Many thanks to Ms. Monohon and Ms. McCann for their assistance in bringing him up to date on the where we stand with the budget.

Mr. Schmidt said he would like to get input from the Finance Committee on the community service fee usage, the General Fund balancing or other issues.

Ms. O'Halloran said she has heard that citizens dislike the \$7.50 Police, Fire and Parks fee. She said that from her experience in the commercial world, she has not heard any objections to the fee.

Mr. Ash said he liked the presentation given by Mr. Schmidt to the Council and wondered how we are prioritizing the reductions.

Mr. Schmidt said the priorities are really set by Council. He said when developing the FY 2021/22 budget, he hopes there will be a robust conversation around priorities and where the future dollars will be allocated.

Mr. Ash suggested we consider if there are options to divest ourselves of any excess properties or facilities we own.

Ms. Baker commented that on Nextdoor the \$7.50 fee comes up as a topic every couple of weeks. She said people on the forum express that they feel they are being taken advantage of because the fee was put into effect anyway after the vote for it failed. She encourages the City to put out information to help get people in Gresham behind the fee increase, not against it.

Ms. O'Halloran said she reviewed the reductions in the business funds and in Economic Development and thought they were reasonable and appropriate. She noted that there was an

interesting uptick in August and September. She suggested that we be sure we don't reduce staff to the point where we can't be responsive to development.

Ms. Tschirky suggested it would be helpful to articulate what the Police, Fire and Parks fee supports in terms of how many fire or police positions and be able to describe exactly what the impact to staffing would be if we didn't have it, if it was \$7.50, and if it was \$15.00.

Mr. Dyk asked about the changes that happened in the legislature that affect the EMGET grant and what the status is of that grant.

Mr. Schmidt said we are still working through the analysis to figure out what a reduction in the EMGET grant means. He said ultimately it will be something that comes into the prioritization discussion when we look at the budget for the next fiscal year.

Vice-Chair Dyk asked if there has been discussion about modifying the Police, Fire and Parks fee for a temporary period of time that will lead into a sustainable solution such as a levy or fire district.

Mr. Schmidt said this is another potential pathway that the Council can consider. He said we haven't done any modeling on the idea yet, but will certainly include it in his presentation to Council when they make their decision.

Mr. Schmidt asked the Committee members if they are comfortable with the recommendation around the community service fee usage – utilizing some of those funds on a one-time basis to help us bridge the gap for the next couple of years around job creation and economic development. In general, Committee members felt they would rather not use it, but it was fine for the short term. They generally felt it was a Band-Aid and a permanent fix needs to be found. A couple of members said that it would be nice to only use a portion of those funds.

Mr. Allen asked if we have looked at work/share programs or furloughs that would allow us to keep positions, but cut expenses.

Mr. Schmidt said there are a lot of different options to pursue once he has a better road map. He said one of the challenges around furloughing Police and Fire is that it is a 24-hour, 7-day a week operation. If we furlough staff it creates other difficulties like maintaining minimum staffing levels and overtime situations.

Ms. McCann explained that in normal situations we are responsible for paying any unemployment obligations in full because the City is self-funded.

Mr. Schmidt asked how the Committee feels about indexing the PFP fee. The Committee members said they think it should be indexed to keep up with the cost of living. Mr. Dyk

cautioned that the PFP is unpopular and if we say we are indexing it that assumes it is a long term fee.

Mr. Schmidt said he appreciates the input from the Committee.

4. Council Workplan Project Updates

Ms. Monohon provided an update on the following:

- CARES funding
 - We are continuing to work with the City of Portland on the Cares funding. We will be bring an IGA to Council in the near future to finalize the agreement.
 - We are working through the challenges of determining what expenses will be eligible for the CARES funding.
 - Will receive additional CDBG funding and we are working on how the funds will be used.
 - The CARES funding rules and guidance seems to be updated frequently and has been challenging to follow the limitations.
- Transportation CIP
 - There was a transportation meeting a few days ago where Chris Strong, Transportation Manager, discussed the prioritization and policy setting that goes into establishing the transportation CIP list.
 - Hogan Road south of Powell Boulevard was a project of great interest. They discussed at least doing an asphalt path.
- Groundwater system project proposals
 - Continuing analysis for the federal loan program.
- Supplemental budget
 - Planning a supplemental budget. Reductions in the budget do not need to go through a formal supplemental budget process, but transfers between funds will.
 - Hoping to bring that to the October Finance Committee meeting for review.
- Year-end process
 - Accounting is working hard on closing FY 2019/20. Because this is the first year-end close in the new system, they are having to redesign reports to reflect the new chart of accounts.
- Ms. McCann is stepping into the role of Budget Manager.
- Work continues on the system implementation.
 - Doing the final testing of the salary and benefits of the budget module.
 - Went live with a new employee self service module.
 - Community services is the final phase left that is expected to go live later this winter.
- The budget-in-brief document will be posted on-line by the end of the week.

5. Good of the Order

None.

6. Meeting Adjournment

Chair Koga adjourned the meeting at 8:22 p.m.

The next regular Finance Committee meeting will be October 21, 2020 at 7:00 p.m. via online Zoom platform.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant



MEMORANDUM

TO: Members of the Finance Committee

FROM: Elizabeth McCann, Budget Manager

DATE: October 21, 2020

SUBJECT: Supplemental Budget No. 1 for Fiscal Year 2020/21

Oregon Local Budget Law outlines a process for supplemental budget actions. These actions are allowed within the annual budget process for a variety of purposes, including the establishment of new or increased appropriation authority. The City of Gresham typically adopts one or two supplemental budgets within a fiscal year. This is the first such action proposed for fiscal year 2020/21.

A summary of the proposed supplemental budget information is attached.

The Finance Committee is requested to make a recommendation to Council. On November 10, 2020, the City Council is scheduled to consider a resolution regarding the supplemental budget and related revisions to the City's current year budget appropriations.

Recommended
SUPPLEMENTAL BUDGET
Fiscal Year 2020/21

City of Gresham, OR

Presented to Gresham Finance Committee on October 21, 2020
Present to Gresham City Council on November 10, 2020

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SUPPLEMENTAL BUDGET OVERVIEW

The following is an explanation of the amounts and justifications for the recommended changes in appropriations for the fiscal year 2020/21 Budget which requires authorization of the City Council. The supplemental budget overview is organized by category, budget adjustment and fund.

RECOGNIZE AND APPROPRIATE REVENUE

1. Community Development Block Grants (CDBG) Awards

The US Department of Housing and Urban Development (HUD) has issued several rounds of additional Community Development Block Grants (CDBG) in response to the COVID-19 pandemic. The City of Gresham received two additional allocations. This action only provides an increase to appropriation to enable the usage of these additional allocations. Specific decisions regarding usage of these funds will be addressed via separate Council action.

This action recognizes the additional revenue and updates the fiscal year 2020/21 appropriations to match, consistent with HUD requirements.

Budgetary Effect

CDBG & HOME Fund impact:

Resources:

Intergovernmental Revenue – Federal Grants \$ 1,331,519

Requirements:

Community Development – CDBG/HOME Administration \$ 266,304

Community Development – CDBG/HOME Projects \$ 1,065,215

2. Metro Housing Bond

On November 6, 2018, Metro-area voters approved a general obligation bond measure to create permanently affordable housing across greater Portland. Gresham is receiving an allocation of funds to passthrough for local eligible projects. On September 1, 2020, Gresham City Council reviewed and approved concept proposals for two projects, Albertina Kerr Workforce & Inclusive Housing and Rockwood 10. The funding proposals for these two projects exceed the fiscal year 2020/21 adopted budget.

This action recognizes the additional revenue in the current fiscal year and updates the fiscal year 2020/21 appropriations to align with the funding needed for the two identified projects.

Budgetary Effect

Designated Purpose Fund impact:

Resources:

Intergovernmental Revenue – Metro Shared Revenue \$ 9,021,000

Requirements:

Community Development – Metro Housing Bond \$ 9,021,000

RECOGNIZE AND APPROPRIATE BEGINNING BALANCES

3. Environmental Services Vehicles

The fiscal year 2019/20 budget included appropriations to purchase eight vehicles used by the Department of Environmental Services including several large dump trucks. These purchases were planned from the Equipment Replacement and Wastewater Funds. While the vehicles were previously approved and ordered during fiscal year 2019/20, delivery of the vehicles did not occur by June 30, 2020 due to long-lead times and COVID-19 related delays in manufacturing.

This item re-appropriates funds in fiscal year 2020/21 to allow for the purchase of the vehicles.

Budgetary Effect

Equipment Replacement Fund impact:

Resources:

Beginning Balance \$ 590,835

Requirements:

Citywide Services – Equipment Replacement \$ 590,835

Wastewater Fund impact:

Resources:

Beginning Balance \$ 201,820

Requirements:

Environmental Services – Wastewater Treatment Plant \$ 201,820

4. Utility Customer Assistance Program

Recognizing the current COVID-19 economic impacts to the Gresham community, the city is reviewing its existing Utility Customer Assistance program as well as exploring other assistance opportunities that may be available, such as usage of a portion of the CDBG allocations identified in Item #1. Specific changes or enhancements have not yet been finalized, as this work is still underway.

Fiscal year 2019/20 expenditures were less than anticipated in the utility billing program, resulting in a fund balance for the program at year-end. Normally, in the year-end close-out process, any unspent utility billing funds are returned to their source (Water, Stormwater, and Wastewater) to support future utility needs. In light of the assistance program discussions currently underway, rather than follow the normal practice, this action recognizes the balance and increases the fiscal year 2020/21 appropriation for utility billing so it is available should any additional usage of the assistance program require them.

Budgetary Effect

Administrative Services Fund impact:

Resources:

Beginning Balance \$ 100,000

Requirements:

Financial & Management Services – Utility Billing Customer Assistance \$ 100,000

5. Metro Mayors’ Consortium

The City of Gresham has served as the Metro Mayors’ Consortium (MMC) fiscal agent since its inception in 2016. As leadership of the MMC transitions, the cities of Gresham and Forest Grove are preparing for Forest Grove to take over as fiscal agent. As part of the transfer the City of Gresham will send remaining cash on hand related to MMC to Forest Grove.

This item recognizes beginning balance and appropriates the expense in fiscal year 2020/21 so the funds can be transferred to Forest Grove.

Budgetary Effect

Designated Purpose Fund impact:

Resources:

Beginning Balance \$ 25,000

Requirements:

Office of Governance & Management – Metro Mayors’ Consortium \$ 25,000

TRANSFER APPROPRIATIONS

Over the last few months, the City Manager has worked to develop, and present to City Council, a plan to address the General Fund gap that has been magnified by the COVID-19 pandemic. Certain elements of the plan require formal City Council action to carry out steps related to implementation. In this case, the following two items require a Supplemental Budget action to be implemented. Other elements of the plan do not require action from a Supplemental Budget.

6. Enterprise Zone Community Service Fees

The COVID-19 pandemic has impacted General Fund revenue beginning in March 2020, including Business Income Tax revenues. In order to continue supporting the Economic Development, Commercial Business & Development, Urban Design & Planning functions at comparable levels, Community Service Fee funds will be transferred to the General Fund as an offset to revenue lost due to the pandemic.

This item recategorizes appropriations and appropriates the funds as a transfer to the General Fund.

Budgetary Effect

General Fund impact:

Resources:

Intergovernmental Revenue – Business Income Tax <\$ 1,100,000>

Interfund Transfer From \$ 1,100,000

Designated Purpose Fund impact:

Requirements:

Economic Development – Enterprise Zone CSF Projects <\$ 1,100,000>

Interfund Transfer To \$ 1,100,000

7. Rental Inspection Support of NET Team

The COVID-19 pandemic has impacted General Fund revenue beginning in March 2020, including the Business Income Tax revenues. In order to continue providing support for Code Enforcement functions, specifically the NET Team, the Rental Inspection Fund will provide temporary support for issues related to multi-family housing.

This item recognizes beginning balance and appropriates the funds as a transfer to the General Fund.

Budgetary Effect

General Fund impact:

Resources:

Business Income Tax	<\$ 44,000>
Interfund Transfer From	\$ 44,000

Rental Inspection Fund impact:

Resources:

Beginning Balance	\$ 44,000
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Requirements:

Interfund Transfer To	\$ 44,000
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