

City of Gresham
Finance Committee
Wednesday, May 19, 2021
Executive Summary

5. Gresham Area Chamber and Visitors Center Update

Presented by Lynn Snodgrass, CEO Gresham Chamber of Commerce & Visitors Center

Ms. Snodgrass will provide an update regarding the activities and accomplishments of the Gresham Area Chamber and Visitors Center.

Requested Action: Information and Committee Discussion

6. Investment Performance Report

Presented by Susan Brown, Finance & Accounting Services Manager and Tanner Warner, 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 2021.

Requested Action: Information and Committee Discussion

7. Council Workplan, Budget & Other Project Updates

Presented by Sharron Monohon, Budget & Finance Director and Susan Brown, Finance & Accounting Services Manager

Ms. Monohon and Ms. Brown 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, December 16, 2020 7:00 p.m.
Via Online Zoom Meeting
Minutes**

Finance Committee Members Present:

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

Kris Leibrand (Recording Secretary)

Council Liaisons in Attendance:

Janine Gladfelter, Council Liaison (signed in at 7:55 pm)

Staff Members in Attendance:

Sharron Monohon, Budget and Finance Director
Elizabeth McCann, Budget Manager

1. Convene Meeting and Roll Call of Participants

Chair Koga convened the meeting of the Gresham Finance Committee at 7:01 p.m. and did a roll call of the attending members.

2. Committee Business

This topic was moved to end of meeting.

3. Public Comment

None.

4. Minutes of November 18, 2020

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

“Approve the minutes as presented for the November 18, 2020 Finance Committee meetings.”

5. Budget and Financial Status Update

Ms. Monohon provided an overview of the budget & financial status. A copy of the PowerPoint presentation is attached to these minutes as Attachment A.

Ms. Monohon and Ms. McCann answered clarifying questions for the Committee.

6. Property Tax Update

Ms. McCann shared a copy of the 2020 City of Gresham Property Tax Summary on screen with the Committee. A copy of this handout is attached to these minutes as Attachment B. Ms. McCann reviewed the information on the sheet. She then shared a copy of the 2020 GRDC Property Tax Summary with the Committee. A copy of this handout is attached to these minutes as Attachment C. Ms. McCann reviewed the information on the sheet.

Finally, Ms. McCann presented a handout of Change Property Ratios by Property Class. A copy of this handout is attached to these minutes as Attachment D.

7. Council Workplan, Budget, and Other Project Updates

Ms. Monohon gave an update on the following:

- Phase 3 of the ERP transition project, Energov, is scheduled to go live January 4, 2021. This phase includes business licenses and some other Community Development services. The phase that includes code compliance is aiming for a go live date in April 2021.

8. Committee Business

None.

9. Good of the order

None.

10. Meeting Adjournment

Chair Koga adjourned the meeting at 8:37 p.m.

The next regular Finance Committee meeting will be January 20, 2021 at 7:00 p.m. via the online Zoom platform.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant

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

Finance Committee Members Present:

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

Kris Leibrand (Recording Secretary)

Staff Members in Attendance:

Sharron Monohon, Budget and Finance Director
Eric Schmidt, City Manager Pro Tem

1. Convene Meeting and Roll Call of Participants

Chair Koga convened the meeting of the Gresham Finance Committee at 7:01 p.m. and did a roll call of the attending members.

2. Public Comment

Carol Rulla has asked to speak tonight about our topic of Mayor and Council Compensation.

Ms. Rulla said she understood the Committee had been unable to follow up on the plans from last year to investigate comparatives because of the pandemic and all of the changes at City Hall. She recommended that the Committee not make a decision this evening. Knowing that finding comparisons to our Mayor-City Manager form of government will be difficult, she suggested the Committee take advantage of the three individuals that recently left the City Council and interview them for more information on the time and duties for all three positions (Mayor, Councilor, Council President). She recommended that the Committee wait at least a month to make a decision on the compensation to allow time to talk to previous Council members.

Ms. Rulla reminded the Committee that the Mayor has the option to take medical benefits for the full family, and the Councilor only has the option to take medical benefits for a single.

Ms. Rulla informed the Committee that all the Councilors at City Hall have no dedicated administrative staff. They may ask staff for assistance when needed, whereas the Mayor has a dedicated half-time assistant or senior manager.

Ms. Rulla stated that she is not sure a 10% increase in salary is appropriate compensation for the Council President position as it has a lot more responsibilities.

Chair Koga thanked Ms. Rulla for her input.

Ms. Tschirky mentioned that this past spring she attended the compensation committee meetings for the City of Vancouver. One of the things they do is give a survey to the council members. She has reached out to the City of Vancouver to get a copy of that survey.

3. Mayor & Council Compensation for FY 2021/22

Ms. Monohon reviewed the information on the handouts included in the packet and summarized the details. She also reviewed the history of the Mayor and Council Compensation process.

The handouts were:

- Mayor and Council Compensation Background
- Summary Salary and Compensation Information Multnomah County and City of Gresham Mayor
- Summary Salary and Compensation Information Metro Councilor and City of Gresham Councilor.
- Council Compensation Schedule

Ms. Monohon said we typically talk through the annual Council Workplan to remind the Committee members what projects and topics the Council is working with, but with the recent council transition, we do not have an updated plan for 2021. She noted the list of tasks on the Mayor & Council plate this year are complex.

Ms. Lider asked if employees are able to opt out of benefits and get a monetary compensation instead. Ms. Monohon said they can opt out of health benefits, but they do not receive a payment in lieu of receiving health benefits.

Ms. Lider asked for clarification on the staff available to assist the Mayor and the Council. Mr. Schmidt explained that there is a dedicated Councilor Support position that provides support to the City Council. Mr. Schmidt explained that the City Recorder and other staff from the City Manager's office support the Mayor.

Ms. Lider said she thinks doing a council survey would be a good idea. She noted since there are new members that were elected to the Council and they applied with the understanding that there

was a certain compensation amount, she thinks it is important to preserve that compensation amount for this year.

Ms. O'Halloran said she thinks a survey could be a helpful tool to allow the Committee to be better informed about the Council's roles and responsibilities. She said going back to the beginning, the real purpose of providing compensation to the mayor and council positions was to bring new people and diversity to the council. She said she thinks we have achieved that with the council we have now.

Ms. O'Halloran said we did not ask staff to take any reductions this year, even though in some cases we didn't provide COLAs, and that she is not in favor of looking at a reduction in the compensation for mayor and council. She noted that she's not particularly supportive of an increase either.

Ms. Baker agreed that the new council members ran with the understanding that they would be compensated for their time, and to take that money away now would be a disservice to them. She noted that the amount of the salaries would make a very small change to the overall budget and would make very little difference. Ms. Baker said she doesn't think we should raise the compensation for this year. She said she would like to hear from the previous councilors to get their feedback.

Ms. Tschirky reminded the Committee that she had done her own version of a salary survey last year. She said she has refreshed the information for this year. She explained where she found the information and how she calculated the salary percentages and the difference between what the mayor and councilors make. She said the average was 33%. She said the council member's salary seems to be in line with other cities in her research, the mayor's salary is double what most other cities pay their mayors. She noted that is a large differential between the mayor and council salaries and said she thinks we need to address it but isn't sure how.

Ms. O'Halloran noted that the measurements that were built into the salaries (comparing to Metro Councilor and Multnomah County Chair) puts a difficult cap on what we can do for councilors. She suggested this might be an issue to take to the Charter Review Committee for further review.

Vice-Chair Dyk thanked Ms. Tschirky for all the research and work she did in reviewing the comparable cities. Vice-Chair Dyk said that he is not in favor of reducing the salaries this year. He said he doesn't think it is a year to raise those salaries either.

Vice-Chair Dyk said he believes that in future years the gap between the Councilor and Mayor pay should be reduced. He said he thinks the council president pay should be increased more than it currently is.

Vice-Chair Dyk said that offering health insurance at the family level will make it more attractive for people to run for a council position. He pointed out that the cost of the current medical benefit for a councilor that adds a family to their benefits, is more than what they get paid, so they could end up owing the City money.

Chair Koga said this is always a challenging discussion. He said he feels having more research and getting a gauge of the time requirements of the positions will be helpful. He said he thinks it is important to look into the gap between the pay for the mayor and the pay for the councilors. He agrees with the rest of the committee that we shouldn't make any changes, but it does need more review.

Mr. Allen said he thinks we need to focus on compensation for the position and what it requires, not for the person in the position. He said we need to define more what the role is and what it takes to accomplish the role.

Ms. Baker noted that the Finance Committee is not the body that decides what the mayor and councilors roles and tasks are. That is decided by the citizens of Gresham. She suggested that one way to make the salaries more equitable between the mayor and councilors is to have the City pay more of the medical benefit premium for a family plan. She said that would be something to look at in the future.

Ms. O'Halloran suggested that it would be beneficial to have a sub-committee take a closer look at the compensation topic. She noted it would be helpful to have a job description to review and perhaps a mid-year survey to the council could help provide further information. She said she a request to the Charter Review Committee to review the compensation limitations and send something to the voters.

Ms. O'Halloran said this work is going to take time.

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

"Approve Council compensation with no changes for FY 2021-22."

Motion passed unanimously.

4. Preliminary 2021 Finance Committee Calendar

Ms. Monohon provided the Committee members with a handout outlining the Finance Committee meeting dates and the preliminary agenda for topics for 2021 and reviewed the information with them. A copy of this handout is attached to these minutes as Attachment A.

Ms. Monohon noted that she would add in a PERS update and that any supplemental budget reviews will be scheduled in as needed.

5. Council Workplan, Budget, and Other Project Updates

Mr. Schmid said things continue to be busy at the City. We are working through some transitions to bring more stability to the City as we move forward. The Council continues to get

up and running and we will check in with them on the status of the 2020 Council Workplan and the development of the 2021 Council Workplan.

Ms. Monohon gave updates on the following topics:

- Groundwater system project
 - We have been invited to submit a full and complete WIFIA application for federal funding for the project.
- Audit and CAFR
 - Because this is the first year we closed a year using our new system, we did get an extension on the filing date for the CAFR.
 - The auditors are reviewing the final draft and wrapping up the audit.
 - The auditors were able to complete their audit without ever having to come into our building because of the new system. Given the pandemic situation, this was a big win for everyone.
- CARES reimbursement
 - Still working with the City of Portland to complete our reimbursement.
 - At the federal level, they did an extension that allows reimbursement of expenses through the end of the calendar 2021. Because our agreement is with the City of Portland, the agreement allows for expenses through the end of January 2021.
- Budget development process
 - Continuing on track with the interim path that was put together previously.
 - Transportation has a drop in their revenue forecast based on information we've seen from the State of Oregon, so we are watching that closely.
- ERP implementation
 - Phase 3, Energov (including business licenses, permits, and code compliance) went live earlier this month. We still have more work to do.
 - Operationally, we are looking at how to support the software in the future.
- City Manager process
 - According to the City Charter, Mr. Schmidt could only fill the City Manager Pro Tem position for six months, which ended two weeks ago. He stepped into a daunting role and did a fabulous job.
 - While Council is working through the longer-term City Manager selection process, David Clyne has stepped into the interim capacity. Mr. Schmidt will remain involved with the budget process as well as a few other projects.

6. Committee Business

None.

7. Good of the order

None.

8. Meeting Adjournment

Chair Koga adjourned the meeting at 8:26 p.m.

Finance Committee Meeting Minutes

Draft – January 20, 2021

The next regular Finance Committee meeting will be February 17, 2021 at 7:00 p.m. via the online Zoom platform.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant

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

Finance Committee Members Present:

Jan Baker
David Dyk, Vice-Chair
Jared Koga, Chair
Claire Lider
Sue O'Halloran (arrived at 7:05)
Theresa Tschirky

Finance Committee Members Absent:

Rusty Allen

Council Members in Attendance:

Councilor Gladfelter
Councilor Piazza

Staff Members in Attendance:

Sharron Monohon, Budget and Finance Director
Susan Brown, Finance & Accounting Services Manager

Guests:

Gatlin Hawkins, Isler CPA

1. Convene Meeting and Roll Call of Participants

Chair Koga convened the meeting of the Gresham Finance Committee at 7:02 p.m. and did a roll call of the attending members.

2. Public Comment

Carol Rulla is here today to follow-up with comments regarding last month's council compensation discussion. She thanked Ms. Tschirky for her work seeking comparable positions and their salaries.

Ms. Rulla encouraged the use of a survey and interviews with recent council position holders (Bemis, Echols, Widmark, Hinton).

Ms. Rulla noted that at the meeting last month, there was discussion about checking with the Charter Review Committee for further information on reviewing the salary caps. She reminded the Committee that the compensation provisions are in the Gresham Revised Code. Because of this, the Finance Committee is the appropriate body to review and make any recommendations to Council for changes.

Ms. Rulla explained that the salary caps were not vetted publicly. She said no one knows where they came from and they should not be considered meaningful, except in that they are caps according to the charter provision that the voters voted in.

Ms. Rulla said that she was on the previous charter review committee and one of the recommendations made was to have a task force with qualified professionals to study compensation.

Ms. Rulla provided additional review of history regarding salary caps, the task force work and the changes made over the years since establishing compensation.

Ms. Monohon confirmed that she still needs to gather the comparable information the City of Vancouver's review committee has produced.

3. FY 2019/20 Annual Financial Audit Report

Ms. Brown introduced Gatlin Hawkins, the audit partner with Isler CPA and explained the role of the auditor and why they present at the Finance Committee. Mr. Hawkins presented a slide show, a copy of which is included with these minutes as Attachment A.

Mr. Hawkins explained that he has been the audit partner with the City for the past two fiscal years and was involved in the audit team for the previous five years.

Mr. Hawkins addressed the following topics:

- **Auditor's responsibilities**
 - Form and express an opinion that the financial statements provided by management are prepared in applicable reporting requirements. The auditors do testing and analysis to determine if the information is accurate.
 - Apply materiality. They provide reasonable assurance that the information is materially correct. They determine if information, without correction, would cause someone to make a wrong decision based on the financial statements. They look at and test internal controls, including our processes and procedures, IT controls and whether we are following our own processes.
 - Mr. Hawkins explained some of the analysis and comparisons they do.
 - Confirmed that if they were to uncover any evidence of fraud, that they would report it to management and to the Finance Committee.
- **Significant findings**

- There were no significant or insignificant findings.
- **Difficulties encountered during the audit**
 - COVID and remote work added a layer of difficulty to the auditor’s work this year, but the new system facilitated their work and offset those difficulties.
- **Corrected and uncorrected misstatements**
 - There were no material misstatements.
- **Disagreements with management**
 - There were no disagreements with management. Mr. Hawkins noted that the staff at the City of Gresham has the most technically skilled professionals of all the clients that Isler works with. He was very complimentary of Mr. Jarrell and Ms. Brown's skills.
- **Management representation letter**
 - Acknowledges that they have fulfilled all their responsibilities as management.
 - Asserts that they have given the auditors access to all the information needed for the audit.
 - Estimates that are used in the preparation of the financial statements are reasonable and accurate.
 - States there are no unrecorded transactions the auditors were not made aware of.
 - States the auditors have been provided with reports issued, if any, by regulatory agencies or other groups performing any monitoring or investigations of the City and its operations.
 - Confirms that the City has informed the auditors of instances or allegations of fraud, if any, that the City has been made aware of.
- **Management consultations with other auditors**
 - No such consultations occurred.
- **Other findings and issues**
 - None.
- **Single audit**
 - This focuses on federal awards. This year they audited the Community Development Block Grant (CDBG) funds from HUD. There were no instances of non-compliance.
 - In fiscal year 2021 they will be auditing the CARES funding.
- **Oregon minimum standards**
 - Deposits of public funds
 - Debt limitations
 - Budget testing
 - Insurance
 - Programs funded from outside sources
 - Highway revenues testing
 - Investments of public funds
 - Public contracting

Mr. Gatlin's presentation also included charts showing:

- Total revenues & expenses per capita
- General Fund change in fund balance
 - Need to watch for expenses outpacing revenues becoming a trend.
- Days in fund balance for the General Fund
 - Our liquidity with cash on hand was said to be healthy.
- Utility Fund net position
 - Shows that we appear to be reinvesting in our infrastructure at a fairly steady rate.
 - Good alignment with utilities – revenues versus operating costs are tracking together.

Ms. Tschirky asked if the auditors make recommendations regarding best practices as part of the audit review. Mr. Hawkins explained that they are discussed as they come up. He said they didn't see significant issues this year and said that Gresham runs a tight ship. He added that the system upgrade was a good move.

4. Comprehensive Annual Financial Report Review

Ms. Brown explained that because of the COVID restrictions and staff working remotely, we do not yet have printed copies of the CAFR but can provide them upon request. The electronic report can be found on the website at GreshamOregon.gov/Comprehensive-Annual-Financial-Report.

Ms. Brown gave a presentation about the Comprehensive Annual Financial Report (CAFR), including an explanation of what the CAFR is and why the City produces one, a brief overview of governmental accounting, key areas in the document, interesting data, FAQs and additional resources. A copy of this presentation is attached to these minutes as Attachment B.

5. Council Workplan, Budget, and Other Project Updates

Ms. Monohon gave updates on the following topics:

- CARES reimbursement
 - The City of Portland allocated a portion of their reimbursement to the East County Cities earlier in the year. Gresham received \$3.9 million and to date we have submitted reimbursement requests for \$2.2 million worth of expenses.
 - Second package of submittals included a fire overtime due to the fire academy being delayed from February to November 2020.
 - We are expecting to submit another \$800,000 next week related to leave provisions.
 - Future submittals will include expenses related to remote meeting and remote work set up, PPE and other materials expenses.
 - Putting together the information for the reimbursement has required a lot of staff time and effort.

- The reimbursements are going back to the fund that incurred the expense.
- Utility assistance status
 - Through a special CDBG allocation, we put together a program for utility assistance. The application process opened last week, with a soft close period within 10 days.
- Council workplan discussion at last week's Council meeting
- Budget Committee meeting dates
 - The dates for the upcoming Budget Committee meeting are included in your packet.
- Recording Secretary status
 - Ms. Leibrand is having some significant health issues and undergoing some treatments. Upcoming Finance Committee minutes will most likely be delayed.

6. Committee Business

None.

7. Good of the order

None.

8. Meeting Adjournment

Chair Koga adjourned the meeting at 8:44 p.m.

The next regular Finance Committee meeting will be March 17, 2021 at 7:00 p.m. via the online Zoom platform.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant

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

Finance Committee Members Present:

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

Council Members in Attendance:

Mayor Stovall
Councilor Gladfelder

Staff Members in Attendance:

Sharron Monohon, Budget and Finance Director
Elizabeth McCann, Budget Manager
Steve Fancher, Environmental Services Director

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. Capital Improvement Program Update

Ms. Monohon introduced Steve Fancher, Environmental Services Director. She explained that Mr. Fancher will give the presentation and then she will discuss the financial aspects and funding information.

Mr. Fancher gave a PowerPoint presentation on the Capital Improvement Program for FY 21/22 – FY 25/26. A copy of this presentation is attached to these minutes as Attachment A. Ms. Monohon then reviewed the funding approach for the CIP overall including how funds are carried over across fiscal years. She also outlined the funding highlights for each program area.

4. Council Workplan, Budget, and Other Project Updates

Ms. Monohon gave updates on the following topics:

- Council workplan
 - Council adopted their 2021 workplan at their meeting yesterday. It is available on the [website](#).
 - The workplan is divided into 6 Council priorities:
 - COVID-19 response and recovery
 - Diversity, equity, and inclusion
 - Parks and recreation
 - Public safety
 - Financial sustainability
 - Housing and houselessness
- CARES act reimbursement
 - First submittal consisted of the small business assistance program grants.
 - Second submittal included more small business assistance program grants, fire overtime related to the delay in the fire academy, paid sick and family leave.
 - Third submittal consisted of redeployed staffing, more paid sick and family leave, and public safety related expenses.
 - The agreement is now in place through the end of March 2021. We have submitted \$3.2 million of our \$3.9 million allocation so far.
 - The remainder of the reimbursement requests are related to telework capabilities and PPE supplies.
- American Recovery Plan was recently passed by Congress. We are currently reviewing it to see how we can best utilize the funds. We do not yet know what the guidance will be on the use of funds, but we expect the direct allocation to the City of Gresham to be about \$27 million.
 - We know we can use the funds for the following:
 - Responding to the COVID-19 public health emergency.
 - Providing premium pay to essential workers.
 - Offsetting lost revenues to provide essential government services.
 - Water, sewer, and broadband infrastructure.
 - We know we cannot use the funds for the following:
 - Reducing taxes.
 - Deposit into a pension fund.
 - Funds must be used by the end of 2024
 - Expect additional CDBG and HOME allocations.
 - Expect additional grant opportunities (equipment or infrastructure).
 - Other allocations that we can use to help support our community.

5. Committee Business

None.

6. Good of the order

None.

7. Meeting Adjournment

Chair Koga adjourned the meeting at 8:36 p.m.

The next regular Finance Committee meeting will be May 19, 2021 at 7:00 p.m. via the online Zoom platform.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant