

To: Members of the Budget Committee
From: Sharron Monohon, Budget & Finance Director
Meeting Date: April 21, 2022
Subject: Budget Committee Meeting Minutes from Fiscal Year 2021/22

The attached are the minutes from the fiscal year 2021/22 Budget Committee meetings. Please read them prior to the second Budget Committee meeting on April 28th, 2022. Approval of the minutes will be included on the April 28th, 2022 agenda.

City of Gresham Budget Committee Tuesday,
April 20, 2021
Gresham City Hall via Zoom

Budget Committee Members Present:

Rusty Allen
Jan Baker
Councilor Dina DiNucci
David Dyk
Councilor Janine Gladfelter
Councilor Vincent Jones-Dixon
Jared Koga
Claire Lider
Councilor Eddy Morales
Sue O'Halloran
Councilor Mario Palmero
Councilor Sue Piazza
Mayor Travis Stovall
Theresa Tschirky

Budget Committee Members Absent: None

Staff Members in Attendance:

David Clyne, Interim City Manager
Corey Falls, Deputy City Manager
Eric Schmidt, Assistant City Manager
Steve Fancher, Assistant City Manager
Elizabeth Coffey, Assistant City Manager
Sharron Monohon, Budget & Finance Director
Elizabeth McCann, Budget Manager
Kevin McConnell, City Attorney
Cecille Turley, Recording Secretary
Katie Cook-Popenuk, Hosting
Tahni Fagerberg, Hosting

Budget Committee Meeting #1 Minutes

1. Convene Budget Committee Meeting

Fiscal year 2020/21 Budget Committee Chair Theresa Tschirky convened the meeting of the Gresham Budget Committee at 6:08 p.m.

2. Agenda review, ground rules and meeting protocol

Ms. Monohon reviewed the agenda topics and presented the ground rules as outlined in the memo included with the meeting information packet provided. A copy of this packet is attached to these minutes as Attachment A.

3. Election of Budget Committee Officers

Chair Tschirky asked for nominations for the fiscal year 2021/22 Budget Committee Chair. Ms. O'Halloran and Mr. Jones-Dixon nominated Mr. Dyk. The nomination was approved unanimously.

Chair Dyk called for nominations for Vice-Chair. Ms. O'Halloran nominated Mr. Allen. The nomination was approved unanimously.

4. Instructions to Citizens Signed-Up for Public Testimony

Chair Dyk reviewed the instructions regarding Public Testimony.

5. Approval of FY 2020/21 Budget Committee Meeting Minutes

Chair Dyk asked the committee for comments or corrections to the minutes from last year's meeting. Two minor corrections were identified: name spelling on page 1 and minor word correction on top of page 8. Ms. Tschirky made a motion to approve the minutes as corrected. Ms. Baker seconded the motion. The motion passed unanimously.

6. Budget Message and Overview of FY 2021/22 Proposed Budget

Mr. Clyne presented the Budget Message for the FY 2021/22 Proposed Budget and shared the new Organizational Chart. Mr. Clyne asked Mr. Schmidt to present the City Manager's Budget Message as outlined in the PowerPoint presentation included with the meeting information packet provided. A copy of this packet is attached to these minutes as Attachment A.

Deputy City Manager Corey Falls and Assistant City Managers Eric Schmidt, Steve Fancher and Elizabeth Coffey presented the respective portfolios, budget challenges, council workplan and goals for their respective service areas as outlined in the PowerPoint presentation included with the meeting information packet provided. A copy of this packet is attached to these minutes as Attachment A.

7. State Shared Revenue Hearing

Chair Dyk read the instructions for the State Shared Revenue Hearing as outlined in the memo included with the meeting information packet provided. A copy of this packet is attached to these minutes as Attachment A.

Chair Dyk opened the hearing and presented the proposed receipt of State Shared Revenue in the amount of \$3,560,000 into the General Fund.

Chair Dyk asked for consensus to continue or close the hearing. The Committee voted unanimously that the hearing be closed.

Ms. Monohon noted there was one person to speak, Joe Curran.

Mr. Curran, a Community Organizer from East County Rising, asked the City to present an explanation on how different communities in Gresham benefit or are harmed by the decisions made in the budget and to explain how the city uses the resources and power it has to meet its residents' needs. Mr. Curran said that he sees it is difficult for the city to claim it is transparent and accountable to the community without that information.

8. Committee Discussion on the FY 2021/22 Proposed Budget

Chair Dyk asked the Committee for comments and discussion on the FY 2021/22 proposed budget.

Councilor DiNucci asked how the CDBG funding plays into efforts related to housing and homelessness in Gresham.

Mr. Schmidt replied that the CDBG/HOME programs align well with housing related activities. He believes the work spans across departments, and he will work to centralize and coordinate it so there can be a unified location for questions and inquiries.

Councilor Jones-Dixon asked about community engagement as he noticed in the presentation there was only one FTE. He wondered how that will serve all departments.

Ms. Coffey said that right now this is a hybrid program and is not centralized. There are other departments that have people currently doing community engagement and outreach. The presentation is the current model that was proposed for the upcoming budget year. They are looking for a long-term program, brainstorming on the different avenues it can take.

Ms. O'Halloran asked about the total FTE and whether that included the FTE vacancies we have across the board, especially in public safety. She also asked if there was a particular

department that has had a significant drop in personnel.

Mr. Falls responded that the total number of employees is the number of employees allocated within the budget but that does not mean every position is filled. For Police, it is normal to have vacancies as it takes up to 18 months to fill a position with background checks and training. Fire does bulk hiring with an in-house academy, so they are able to train all new hires at one time.

Mr. Schmidt commented, it is not a specific department, rather than it is a representative of the available resources we have over the years, and we have had to reduce staff due to the economics of where we are at.

Ms. Monohon agreed with Mr. Falls and Mr. Schmidt that the reductions are spread throughout the city, and that some internal service areas as well as Urban Planning and Design have seen more reductions than others. There are some ebbs and flows that occur as special projects happen or as demand for building services or inspections may vary. There is more detail in terms of specific positions that have been added, converted, or eliminated. The information is in the budget document that will be posted.

Ms. Tschirky asked about the city's policy showing a ratio of 1.79 FTE per 1,000 citizens of Gresham.

Ms. Monohon said we are not close to the ratio, and we have not been close for some time. She indicated that the City's financial policies are due for some updating.

Mr. Falls said the ratio is currently 1.42 and he recommended that we look at the services we should provide and not ratios.

Councilor Morales asked if there was a budget overview. For example, what was the net change for revenue vs expenses.

Ms. Monohon replied that the goal for tonight was to talk through the service orientation of the overall budget. There is additional information in the documents they will get tonight.

Mr. Schmidt added that next week they can provide slides that show the pertinent information, such as ending fund balances. He confirmed that we are exceeding our minimum financial policies for the General Fund based on our projections at this point.

Councilor Morales also asked about the relationship between services and how we solve the larger budget problem.

Mr. Schmidt replied the proposed budget includes meeting and exceeding the city's minimum financial policies to be able to meet current service needs and also to set up long-term

sustainability.

Councilor Morales commented that we have not seen improvements or investments in Fire such as rapid response equipment and space improvements to be more suitable for women. He expressed concern with the upcoming fire season and wondered if any of the investments assist with some of the deficiencies.

Mr. Falls said we do not have a budget for additional fire units or improvement of the facilities which is why it is on the council work plan. We need funding and our budget does not include that currently.

Ms. Monohon added that the budget does include the replacement of the oldest fire truck but it does not expand the number of pieces of apparatus.

Mr. Falls provided additional information regarding the police FTE number provided earlier. He said the 1.42 is based on total staffing. For sworn positions only, the number is 1.16.

Councilor Gladfelter wanted to reiterate that the Council is aware we need to produce more revenue, we know we are not keeping up with everything. We are working on the deficiencies with help from the Council and staff.

Chair Dyk asked if the East Metro Gang Enforcement had been reduced or fully eliminated and whether we have anything proposed for that program or an alternate program.

Mr. Falls said understood that it had gone away and was not sure if there is yet another program in place to take over.

Mr. Schmidt added that there is work at the state level for potential additional funding but there is nothing definitive currently.

Ms. Monohon confirmed there is no funding at this time.

Councilor Morales added that there have been efforts to advocate for more resources from our state legislature.

Ms. Baker shared that she is so impressed by the work that must be done and that in this time of crisis the city has really come together and produced something that will work well.

Chair Dyk asked for additional questions or comments.

Councilor DiNucci asked if there would be a book and if they could pick up at City Hall.

Ms. Monohon confirmed that hard copies would be available at the front desk tomorrow the 21st after 11:30am.

Ms. McCann commented someone will be outside from 11:30am – 1pm handing out hard copies for the committee and after 1pm they will be at the front desk.

Ms. Monohon added that the materials are posted online. She also gave a reminder about Oregon Budget Law and the requirement to not have discussions or lobbying outside of these public meetings. She asked that questions be coordinated through her so responses can get back to the whole committee next week. She then thanked the committee for their time and attendance.

Chair Dyk asked if he has a motion to recess. Ms. O’Halloran made the motion and Mayor Stovall seconded it.

“Recess the meeting until Tuesday, April 27, 2021 at 6:00 p.m.”

Chair Dyk called for the vote which was unanimous.

Hearing no further comments, Chair Dyk recessed the meeting at 8:33 p.m.

David Dyk, Chair

Cecille Turley, Recording Secretary

City of Gresham Budget Committee
Tuesday, April 27, 2021
Gresham City Hall via Zoom

Budget Committee Members Present:

Rusty Allen
Jan Baker
Councilor Dina DiNucci
Chair David Dyk
Councilor Janine Gladfelter
Councilor Vincent Jones-Dixon
Jared Koga
Claire Lider
Councilor Eddy Morales
Sue O'Halloran
Councilor Mario Palmero
Councilor Sue Piazza
Mayor Travis Stovall
Theresa Tschirky

Budget Committee Members Absent:

None

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David Clyne, Interim City Manager
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Elizabeth Coffey, Assistant City Manager
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Elizabeth McCann, Budget Manager
Kevin McConnell, City Attorney
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Tahni Fagerberg, Hosting

Budget Committee Meeting #2 Minutes

1. Reconvene Meeting and Roll Call

Chair Dyk reconvened the Gresham Budget Committee Fiscal Year 2021/22 meeting at 6:02 p.m. and Ms. Monohon reviewed the roll call.

2. Instructions to Community Signed-Up for Public Testimony

Chair Dyk read the instructions regarding public testimony.

3. Budget Overview and Follow-up from Previous Meeting

Ms. McCann and Ms. Coffey presented a short overview of the fiscal year 2021/22 budget as outlined in the PowerPoint presentation included with the meeting information packet provided. A copy of this packet is attached to these minutes as Attachment A.

4. Community Comment

Chair Dyk stated there were no written comments and asked Ms. Monohon if there was anyone who had signed up to testify. She confirmed there is one person, Carol Rulla. Ms. Monohon also confirmed Councilor Jones-Dixon joined the call at 6:07 p.m.

Ms. Rulla introduced herself and commented about transparency and having sufficient time for review of the budget. She said it is very difficult to review a huge technical online document in one week. Only having one week is insufficient time for adequate oversight. She said she hoped we would take at least two budget meetings to review and ask questions before it is voted on. She added that it would be helpful to hear summaries of each department's budget and the choices being made to balance those budgets. She asked for future budget meetings to please allow yourselves and the public two weeks to review the budget before it is voted on and to please make the budget process more transparent and accessible to the public.

Councilor DiNucci said she agrees with Ms. Rulla's comments that the time frame to review the budget is quick and hopes we can take that into consideration.

Councilor Morales added that the last two years have been a quick turnaround and timeline. He said we know it must be completed by June and suggested we start the process sooner.

Councilor Jones-Dixon appreciated the recommendation and agrees.

Chair Dyk stated that we have the power to adopt the budget or a modified budget tonight or we can adjourn to another night.

5. Committee Discussion

Chair Dyk started the discussion focusing first on the written responses to questions received. A copy is attached to these minutes in Attachment A.

Chair Dyk first asked about the financial policies such as contingency policy, rainy day policy, and public safety staffing targets. He asked if there were any other questions about financial policies before continuing.

Ms. Tschirky had a question about the policy which says that the city will integrate performance measurement and productivity indicators with the budget. She said it would be helpful to understand where the performance measurement and productivity indicators show up.

Ms. Monohon said the indicators are spread through the document rather than having a specific place. She also indicated that she would like to work with the Finance Committee on a thorough review and updating of the City's financial policies so they are more current with Council and city organizational practices.

Ms. Tschirky added that we should either follow the policy, have an action plan on how to follow the policy, or not have the policy at all.

Ms. Monohon commented that the policies are adopted by Council via resolution following review by Finance Committee first. She agreed there is work that can be done.

Ms. O'Halloran added some history on performance measures stating that several years ago there was a staff person in charge of performance and auditing but there was not budget to continue that work.

Chair Dyk continued to review the written responses provided, and asked if there were any general questions about budget.

Councilor DiNucci asked about communications and how the budget for communications fit with the new DEI process, and whether there were any new strategies for communications.

Ms. Coffey responded that she is excited to be working with the DEI program implementation. She said that we have funds set aside for priority Council workplan projects so we should be able to accommodate the additional cost and expense, and that the budget should allow flexibility.

Ms. O'Halloran asked about the Mobile Integrated Health (MIH program) and how it came about.

Mr. Schmidt asked Chief Snyder to explain the program to the committee.

Chief Snyder provided a brief overview of the program and explained how the department is working with OHSU and AMR with this program.

Chair Dyk asked if there was any other discussion on the General topic category from the handout.

Councilor Gladfelter asked for clarification as to why, if the FTE is down, the cost for personal and benefits still went up.

Ms. Monohon replied that staffing costs are tied to union contracts for Police, Fire and the General Unit and we must adhere to the contracts. Regarding benefits, one of the biggest impacts is the PERS rate that is charged to the city for retirement. As these are set every other year, the adjustment from the old rate to the new rate in the budget is responsible for much of the increase.

Chair Dyk continued to the next question about passport revenue. Chair Dyk suggested the city reopen Passports due to the Real ID required for traveling.

Mayor Stovall commented that Homeland Security extended the timeline for the requirement until May of 2023.

Chair Dyk continued reviewing the written questions and responses.

Regarding the Environmental Services Budget, Ms. O'Halloran asked for an overview of the increase for each category since they are different.

Mr. Fancher replied that each service area is run as a specific business function with its own rate, capital projects and operating budget. The three utilities have very different things going on. In Wastewater we have projects at the treatment plant that are more expensive and capital projects drive rates. In addition, we are working with DEQ requirements. For Stormwater, the program is state-regulated, and cities of our size must have a program to prevent pollution, maintain our rain gardens and ponds. These are the kinds of things putting pressure on the rates.

Councilor DiNucci commented that when we talk about transportation, we focus on the local street pavement reconstruction. She asked whether we are also taking care of unimproved streets and paving unimproved streets.

Mr. Fancher replied that the capital project is specific for pavement on failed local streets. There is a separate project for paving and building unimproved streets. We have a pilot project for next year which is intended to take one of the unimproved streets and improve it.

Councilor DiNucci asked about the project on Yamhill.

Mr. Fancher indicated the project would be like the Kane project.

Councilor DiNucci asked for clarification whether this year's budget includes a larger effort to do more than the one street.

Mr. Fancher stated that there is only funding for one street in this year's budget.

Chair Dyk continued reviewing the written responses to questions on the Police budget, and Councilor Piazza commented that we have been eliminating positions in our police department, yet service needs are increasing. She wondered how more staff could be part of this budget cycle.

Ms. Monohon replied that this really is the heart of the financial sustainability workplan project that needs to be discussed by council and the finance committee as we move forward to the next year. Currently the General Fund exceeds our minimum required balance, but we do not have a sustainable budget into FY 22/23 and beyond, so we need to collectively continue discussing how we fund the services we have beyond this fiscal year. Options are needed to develop a sound financial structure.

Ms. Baker asked how we come up with additional funding, as we need the funding for police and fire.

Councilor Jones-Dixon asked about the gang outreach program and the partnership with the POIC. He asked if that was new and whether there will be other opportunities to work with other community organizations.

Mr. Falls said the partnership is not new and there are always opportunities to partner with other community groups to enhance public safety. When the new police chief is in place, they will be evaluating what they can do.

Chair Dyk indicated that he is skeptical about funding the gang program above other police services we have, and he is hoping for flexibility in this area.

Councilor Morales said he believed there would be a process that would involve the Council to decide priorities for police services.

Mr. Falls indicated that the department continues to focus on reducing gun violence and violent crime.

Ms. O'Halloran stated that she sees this budget doing what we need to do for right now and that it positions us for a lot of work ahead for policing, sustainability and financial planning. She indicated that this is a solid budget to get us to the point where we need to be.

Councilor Gladfelter agreed that we need to get to the next step of the budget for the future sustainability discussion.

Chair Dyk commented on police vehicles, especially the larger SUVs, and that he would like the city to change the image of policing culture.

Mr. Falls responded that the SUVs are often necessary to carry more lifesaving tools to help with our community.

Councilor Gladfelter said we want the best outcome for our community and for our safety. It is important to have the tools to help.

Chair Dyk asked if there are any questions on the Fire Budget.

Ms. Linder asked about the funding for the ladder truck and the associated overtime expense and asked if additional hiring might mitigate the overtime expenditure.

Mr. Falls responded that two people are needed to operate the truck and additional training would be needed.

Ms. Monohon added that the desire to have a 4th person on the ladder truck has been a big desire to have for a long time. The new truck will not be here until the end of the fiscal year or even later.

Councilor Morales asked about the transfer of LTE to FTE.

Ms. Monohon said the timing regarding hiring staff and holding an academy is something that needs to be analyzed periodically. There are other expenses that come with either option. Identifying the correct staff level is important. This will be part of our conversation going forward.

Chair Dyk asked the committee to take a 5-minute recess at 7:24 p.m.

Upon reconvening, Chair Dyk asked if there were questions on Economic Development, and Councilor Morales asked about reports from the chamber.

Mr. Schmidt responded that staff are working with the chamber to get annual and quarterly reports updated and will share with the finance committee and the council.

Councilor Piazza asked if other nonprofits were providing similar reports.

Mr. Schmidt replied that all CBDG/HOME projects are required to provide reporting as part of their agreements and progress throughout the year is monitored. For others, it depends

on how the specific contracts were written.

Councilor Morales indicated that the questions were to ensure that government dollars were not being comingled with political activities.

Councilor DiNucci commented that overall, we should consider where we send money and whether all groups are held to the same criteria.

Ms. Monohon indicated that if we have long term service arrangements, we do periodically issue new requests for proposals to ensure that we have reviewed and scanned the market.

Chair Dyk turned now to the Parks area, and Councilor Gladfelter commented that we have had many discussions about needing to find a way to get permanent funding for parks.

Councilor Jones-Dixon asked whether Gresham has a program to adopt a park similar to other jurisdictions have.

Mr. Fancher replied that while we don't have a specific amount that is allocated to community-based organizations, we want to explore with groups to better leverage resources.

Councilor Morales asked for details regarding the \$300,000 for recreation.

Mr. Fancher indicated that details were still being developed. The intent is to work with the Parks Community Advisory Group to determine next steps. He added that some of the money is for staffing and they have not yet been hired.

Councilor Piazza asked whether the city would be helping our senior center, as the county has assisted with rent while the city had not yet helped.

Mr. Schmidt responded that some funds for these kinds of requests are included within this budget that could be considered. If approved, staff will work with Council to identify the criteria and a process for allocating the funds.

Ms. O'Halloran elaborated that when thinking of recreation, it is also important to remember the arts and not to take away funding from the arts and cultural program.

Ms. McCann responded that the arts and cultural grant program is in a separate budget.

Councilor Gladfelter asked about the \$24,000 item in the Council budget. Specifically, she asked about the parameters for usage and how to make sure it is spent in a fair and equitable way.

Ms. O'Halloran commented that the arts and cultural grant program has been in place for a long time and had a design that works.

Ms. McCann replied that the formula is still being used to set the amount for the arts and cultural grant. She added that we used the same formula to set the initial amount for the item in the Council budget.

Councilor Morales commented that the sponsorships are now being addressed by Council as a whole.

6. Approval of Fiscal Year 2021/22 Budget and Adjourn Meeting

Chair Dyk asked if the committee would like to recess or adopt the budget or adopt with amendments.

Councilor DiNucci reiterated that she liked the comment from Carol Rulla and would like to hear from the community before adopting the budget.

Ms. Monohon indicated that there is a fair amount of work that goes into the process for getting these meetings in place.

Mr. Allen stated that he understands the need for more time for review but feels this year is not when we can accommodate that. He said he would like to vote on this tonight and move forward this time around.

Ms. Baker asked what would be accomplished if we were to wait to approve this budget until next Thursday.

Chair Dyk agreed with the public there is not enough time to review the topics.

Ms. Tschirky complimented the city staff and indicated that the information they presented was extremely transparent. She agreed with Mr. Allen that not much would change from now until Thursday.

Councilor Morales commented about having time to review the budget before deciding and asked if there was consideration for a biennial budget like the state does.

Ms. Monohon commented that some jurisdictions do this, and it is something we can consider in the future. However, there are pros and cons to a two-year budget to be considered. Also, there would be a lot of work to make the transition.

Mayor Stovall thanked the staff for their work and recognized the changes we have all gone

through. He indicated that he is proud to have this team. He said he is committed to working hard going forward and is comfortable for either a decision tonight or next Thursday.

Councilor DiNucci asked how any remaining questions regarding items in the budget would be addressed.

Chair Dyk replied that following the budget approval it goes to Council, so they will have time to deliberate to make changes prior to adoption.

Ms. Monohon added that the motion would be to approve the budget now and Council would then adopt the budget in June. Separately, the financial policies would be reviewed by the Finance Committee for recommendations to Council. These would be acted on as a separate resolution, not officially part of the adoption process. Other policy questions brought up will be discussed with the new City Manager and Council going forward.

Councilor Morales indicated he was in favor for voting to approve the budget and thanked the staff for the hard work. He indicated that the budget reflects the priorities and the workplan that council has put in place and that he appreciated Carol Rulla and her involvement with the community.

Chair Dyk called for a motion to either modify the budget or approve as presented.

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

“Approve the proposed budget for fiscal year 2021/22 as presented”

Chair Dyk asked for a vote of the committee to approve the proposed budget. The motion is to approve the proposed budget was unanimous.

MOTION PASSES.

Chair Dyk called for a motion to approve the property tax rate for the General Fund.

A motion was made by Ms. O’Halloran and second by Mayor Stovall:

“Approve the property tax rate of for the General Fund of \$3.6129 per \$1,000 of taxable assessed value”

MOTION CARRIED UNANIMOUSLY

Chair Dyk asked if there was any other business to come before the committee.

Mr. Clyne thanked the committee and everyone who participated.

Chair Dyk adjourned the meeting at 8:40 p.m.

David Dyk, Chair

Cecille Turley, Recording Secretary