



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

Finance Committee Members Present:

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

Finance Committee Members Absent:

Rusty Allen
Theresa Tschirky, Vice-Chair

Council Liaison in Attendance:

Janine Gladfelter

Staff Members in Attendance:

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

Christina Ott (Recording Secretary)

1. Convene Meeting

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

2. Public Comment

None

3. Meeting Minutes

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

"Adopt Meeting Minutes from previous Finance Committee meetings."

Motion passes unanimously.

4. Investment Performance Review

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

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

They then opened it up to questions from the group.

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

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

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

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

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

5. Property Tax Update

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

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

They then opened it up to questions from the group.

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

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

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

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

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

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

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

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

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

6. Project Updates

Ms. Brown gave an update on the Auditor Letters:

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

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

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

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

7. Committee Business

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

8. Good of the order

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

9. Meeting Adjournment

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



David Dyk, Chair



Christina Ott, Recording Secretary