



**City of Gresham Finance Committee
Wednesday, January 18, 2023, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Sue O'Halloran
Nick McWilliams
Dave Dyk, Chair
Jan Baker
Rusty Allen
Theresa Tschirky, Vice-Chair

Finance Committee Members Absent:

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
Elizabeth Coffey, Assistant City Manager
Ian Peterson, Financial Analyst

Christina Ott (Recording Secretary)

1. Convene Meeting

The meeting was convened by Chair Dyk at 7pm.

2. Public Comment

None

3. Financial Roadmap Update

Ms. Coffey gave some updates on the Financial Roadmap:

- discussed the year one implementation with Council, revenue goal is 16 million

- two revenue tools are intended to accomplish year one goal – these are a May 2023 operating levy and City Services fee

- discussed with Council results of the statistically valid poll from last fall – when they informed voters of what the levy is about, they obtained 59% support rating; also looked into reasons as to why someone may not support and explored mover messages that might shift opinions

- City services fee replaces Police, Fire and Parks fee, aligns better with the funding of the service from the roadmap and aligns with revenue target, will set in place in June of 2023, projected \$3 million in year one, flat rate or tier rate is available for discussion, looking for adoption of fee in spring

- mover messages were mainly around mental health and crisis response, fire resources, homelessness services, and police resources

- regarding the levy, Council adopted the \$1.50 per thousand assessed value, though they would like to know what a higher rate could potentially bring in

- three main goals with the levy: stabilize staffing, pilot program expansion to address service delivery, and avoid any layoffs

- both Fire and Police chiefs are getting recommendations from each department to bring to Council for discussion, hoping to have less reliance on Portland during multiple emergencies

Chair Dyk asked if the cost of service for other areas would also similarly increase with the cost paid by Gresham.

Ms. Coffey responded one of the projects on the financial roadmap is to deliberate on the contracts with the other cities that are coming up for renewal in 2025. We plan on doing some renegotiations then and our goal is to better recoup the costs of service through those contracts. That will be a key piece in helping our service become more financially sustainable.

Ms. Coffey continued with more updates from the Financial Roadmap:

- identified a gap in homeless services, some team members have volunteered on evenings and weekends, but we would hope for an expansion to provide more service for longer durations and during off-hours; levy could help maintain one ARPA funded position, a critical housing resource for homelessness currently

- more discussion on crisis response team, hoping to address calls with the right resource and pilot an expansion, capacity for four in police and two in fire, hoping to increase to a team of ten with a focus on a more centralist and coordinated team with a possible case manager and more nurses to work with chronic calls

- if the levy is successful in passing, we will begin researching best practices and models that might work for us here in Gresham

- next steps would for the levy is that staff will be taking direction to Council and begin work on the ballot measure and explanatory statement; there is a very tight timeline to return to Council on February 21, 2023

- building a message book of frequently asked questions and a fact sheet, planning for a robust campaign

- planning for a lot of engagement with advertisements and the community

Ms. Tschirky complemented the brief Budget 101 that was put together, saying that it really helps getting the message across.

Ms. Coffey responded that it was a great tool for us and we know that financial education is definitely a piece of storytelling. We're working on a similar project with a levy video that we will get out well.

Ms. Coffey asked the committee if there would be any "champions" of the group, who would go out to events and advocate for the passing of the levy, and if the levy does get passed, if the committee would like to be an oversight over the levy expenditures.

Several committee members indicated interest in being a "champion" for the levy.

Councilor Gladfelter informed the group of a resource for the committee to look at for more information.

Chair Dyk asked if there would be a formal review committee serving as overseers on the levy.

Ms. Coffey replied that it is still to be determined, but it needs to be publicly known as that would help in addressing concerns that some may have.

Chair Dyk stated he was in favor with the idea and would be comfortable if it were the Finance Committee or a different group. In either case, he would prefer a more formal example where a public report was produced at the end of the cycle.

Ms. O'Halloran noted that one of the things that was successful that the school district did was a consistent report to the public of what occurred. About every six months there would be a comprehensive report on what had been accomplished and where things stood relative to the budget. She stated that the language that is being put out to the public needs to include that accountability where we are promising that this will happen, as that will be a critical piece.

Chair Dyk asked if there was any formal opposition.

Ms. Coffey stated there wasn't any formal opposition as of yet, but it was still too early to tell.

Ms. Coffey also mentioned that the City Manager is working on "Champion Gresham" which is an effort that is not totally focused on the levy all the time, it's really about people that have a heart for Gresham and want to help make the community better and can be a base of support as we move forward.

Ms. O'Halloran recommended adding clarification around the crisis response section, as it is a critical piece and needs to be thoroughly explained and understood.

Ms. Coffey agreed, stating we have the staff now but pulling them together into a more comprehensive and coordinated team is something we don't have the resources for now. Our Police and Fire Chief's plan on going back to Council in the next couple of months to do more through explanations about our current crisis response and how they can be improved with the new levy, which help us be more concrete in why the community should pass this levy.

4. Council Compensation

Ms. Monohon presented to the group that it was time for the annual Council Compensation review. She stated that one thing new this year was the Paid Leave Oregon program. As an employer, we are obligated to either collect or pass on the equivalent of 1% of salary to pay into that program. The State program was set up where the employer would pay a portion and the employee would pay a portion. There are circumstances where the employer may choose to pay the employee share on their behalf. This is one of those questions from a payroll standpoint we needed to verify with this committee, as this program didn't exist the last time we discussed this topic.

We wanted to check in and see if this committee would like to either A) Did you wish to have us pick up the employee percent on behalf of Mayor and Council as employees or B) Did we need to start from a payroll standpoint withholding that portion. If so, it's important we let them know before taking anything out of people's checks.

Ms. Brown discussed with the committee the various nuances related to retirement benefits, tax implications, Social Security and Medicare.

Ms. Monohon noted that the question is do you have elected officials treated the same as we have chosen to treat employees, or do you wish them to be different in this circumstance. She also commented that having it treated the same in the payroll system as what we're doing with other employees, probably logistically outweighs the cost of this specific item.

There was discussion from the group about how this was treated differently compared to other items taken out of the employees pay.

There was a motion made by Ms. Lider and seconded by Ms. Tschirky to:

"Propose the Council Compensation reflects the decision to have the employer match to be picked up by the city."

Motion passes unanimously.

Ms. Monohon then started the discussion about the compensation schedule for fiscal year 23/24 and beyond. First, she reviewed the history of the compensation, stating that the ballot measures capped the Mayor's salary at 45% of the compensation of the Multnomah County chair, and the Councilors were capped at no more than 45% of the Metro Councilor position. Those two caps are unrelated to each other and have different patterns that they follow. The Metro Councilor position is set based on one third of the salary of an Oregon State Circuit Court Judge salary, which has not changed recently. On the Multnomah County side, they have a salary commission review compensation every two years and the position typically ties to the director level positions at the county.

Ms. Monohon said the question for the committee is if they would like to propose any changes to the compensation schedule for cost of living or other considerations or if the committee would like to extend the current compensation schedule with no alterations. She added that based on past conversations and input, she would suggest that if there would be any significant changes made, that would be best deferred to the next meeting to allow time for input.

Ms. Tschirky clarified that the statutory language sets a cap for the Councilors and Mayor, it doesn't say that we must pay a certain percentage.

Ms. O' Halloran stated that she was inclined to say no change for this year, as budgets are tight.

Mr. Allen asked what is the COLA that is being given to regular city employees.

Ms. McCann responded that on July 1, 2023, in most cases, city employees will receive a 4% COLA.

Chair Dyk asked if Mr. Allen was interested in raising the COLA or just gathering information.

Mr. Allen replied that he wanted a general idea of what the basis was – was it tied to a contract or based on a particular CPI.

Ms. Baker commented that with the cost of living going so high and with salaries staying stagnant, she suggested the committee consider a 4% COLA.

Ms. Tschirky commented about what appears to be a disparity between the Mayor's amount of compensation compared to the Councilors compensation.

Chair Dyk commented that he appreciated the committee deliberating between either the 4% or no updates to the COLA, as that seemed to be the appropriate use of the committee's time. He also reminded the committee that the Charter Review Commission is also meeting now, and it's possible that many changes could be proposed. As a result, he believed that this isn't a good year to make any wild changes to the compensation schedule.

There was a motion made by Sue O'Halloran and seconded by Ms. Tschirky to

"Make no changes to the Mayor and Council compensation"

**Aye: Vice-Chair Tschirky
Ms. O'Halloran**

**Nay: Chair Dyk
Ms. Lider
Mr. Allen
Ms. Baker
Mr. McWilliams**

Motion does not pass.

There was discussion in the committee as to why they voted the way they did.

There was a motion made by Ms. Baker and seconded by Mr. Allen to:

"Give a 4% COLA increase across the board for the Mayor, Councilors and the add on for the Council President and compensation."

**Aye: Chair Dyk
Ms. Lider**

Nay: Vice-Chair Tschirky

Mr. Allen
Ms. O'Halloran
Ms. Baker
Mr. McWilliams

Motion passes.

5. Project Updates

Ms. Brown informed the committee that the annual audit for the city was completed on time without a need for an extension request. The audit will be on next month's Finance Committee agenda. She also indicated that we are working on a contract extension to be in place until 2025.

Ms. McCann presented that the Budget Committee dates will be Thursday, April 20 and Thursday, April 27, 2023. A placeholder meeting will be scheduled for May 4, 2023, if needed. Meetings will be held virtually again this year. The GRDC Budget Committee meeting will be held on Tuesday, May 9, 2023. She also mentioned that we would start publishing some very simplistic budget-to-actual reporting for the general fund on the city's website, as well as the city's social media. We are mainly doing it to experiment what the public would like to see from the reports.

Mr. McWilliams asked what times the Budget Committee meetings would take place.

Ms. McCann responded the meetings are convened at 6pm.

Ms. Tschirky added if I remember correctly, we have a hard stop at 9pm, unless there is a formal motion to extend the meeting.

6. Committee Business

Ms. Monohon shared that they are still working through the process to get Ms. O'Halloran's position filled, but that will be completed before the Budget Committee meetings take place.

7. Good of the order

None

8. Meeting Adjournment

The meeting was adjourned at 8:42pm by Chair Dyk. The next Finance Committee meeting will be held on February 15, 2023, at 7pm.



Dave Dyk, Chair



Christina Ott, Recording Secretary