



**City of Gresham Finance Committee
Wednesday, March 15, 2023, 7:00 p.m.
Zoom Meeting Minutes**

Finance Committee Members Present:

Claire Lider
Mike Schultze
Nick McWilliams
Dave Dyk, Chair
Jan Baker
Rusty Allen
Theresa Tschirky, Vice-Chair

Finance Committee Members Absent:

Council Liaison in Attendance:

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Elizabeth McCann, Budget Manager
Steve Fancher, Assistant City Manager
Sarah Kirk, Budget Analyst Trainee

Christina Ott (Recording Secretary)

1. Convene Meeting

The meeting was convened by Chair Dyk at 7pm.

2. Introduction of New Committee Member

Mr. Schultze introduced himself to the Finance Committee. The committee welcomed him and introduced themselves.

3. Public Comment

None

4. Capital Improvement Program Update

Mr. Fancher and Ms. Monohon began their presentation.

“Presentation can be seen as a part of Attachment A”

Mr. Fancher and Ms. Monohon then opened it up to questions.

Ms. Tschirky asked whether there were plans to address more streets following the success of the street project so far.

Mr. Fancher responded that this project accelerated funding so that we were able to get ten years' worth of work frontloaded into about five or six years. We plan to take a pause for a few years before determining next steps.

Ms. Monohon added that this is a good segue to talk about the funding plans. We develop long-term financial plans and look at how we can ensure financial sustainability over a long period of time. The planning process is very much a collaborative project with the engineers, Mr. Fancher, and finance staff. For the street project, because we frontloaded the work, we used the line of credit initially fund the project. We are now transitioning to a six-year repayment plan. Once we work through paying that off, we will see where we go from there.

Chair Dyk asked for a reminder on the process and how it relates to the budget. He also asked if there was any iteration between the version that the Planning Commission adopts and what will be seen in the budget.

Ms. Monohon replied there are often a few adjustments made as we finalize the proposed budget, and the Planning Commission meeting may result in changes as well. One of the things impacting the CIP and Budget is our fiscal year is July 1 to June 30, which is right in the middle of construction season. One of the challenges we have is we don't know exactly how far along a project will be when the transition from June 30th to July 1st happens. We have developed a process to set a date around mid-February or early March and say whatever is left over in the current year that hasn't been spent will be carried over to the next fiscal year and re-budgeted in the upcoming fiscal year. That way we know we have enough appropriation if the project gets delayed or anything happens. From the internal control standpoint after July 1st, we turn around and ask what was really spent between the cut off date and the end of June. We will take that away from all the projects and reduce the internal authority to make sure they don't inadvertently spend it twice.

Ms. Monohon continued, the other funding topic to highlight with this group is the agreement with Microchip. The shared participation in funding ammonia and nitrification projects is huge and is helping to meet our compliance requirements without impeding significant economic development activity in the city. She acknowledged the work of Mr. Fancher to facilitate the agreement related to these projects.

Ms. Monohon also mentioned the work related to funding the groundwater system. We had planned three parts to our debt package when we initially proposed this set of projects. We issued revenue bonds in 2021 and entered into a WIFIA agreement which was the second leg. We are now working toward getting the third piece of the financing in place. Today we submitted a letter of interest to the State Revolving Fund that will potentially have an opportunity to be that third leg, and opens up the possibility to secure funding through the bipartisan infrastructure legislation that was enacted at the federal level. We are seeking those opportunities for reduced interest rates or better yet, grant funding.

Chair Dyk asked further about the Microchip agreement.

Mr. Fancher responded that it's separate from the typical economic development discussions. Microchip indicated they were going to be producing more ammonia and it didn't make sense for them to spend a large amount to treat it on their site, especially since that would result in less area for expansion and would create hazardous waste that would need to be dealt with. Instead, by taking it to the wastewater treatment plant, it's possible to treat for ammonia and not create waste. Since Microchip can help as an external funding partner for this work – which we would likely have to do soon regardless – this is a win for all the parties involved.

5. Long-Term Financial Roadmap Update

Ms. Monohon shared some updates from the Financial Roadmap:

- The ballot measure was approved by Council a few weeks ago and has now been submitted to Multnomah County. Election law is now in effect for what can and cannot be said. Any questions on this can be referred to City Attorney McConnell
- There has been no Council decision on fees as of now. Additional conversations for next steps may be in the work session in April

Ms. Baker asked what can we talk about regarding the ballot measure.

Chair Dyk responded that we can discuss factual questions that are not advocacy for or against the proposed ballot measure.

6. Project Updates

Ms. Monohon shared updates on current projects:

- Next steps for debt issuance for water
- Auditor is coming to Council meeting on April 4 to give presentation, similar to the one given at last month's Finance Committee meeting but slightly abridged
- Ms. McCann is currently working on balancing proposed budget for the next fiscal year.

7. Committee Business

Ms. McCann shared that the Budget Committee meetings will be held on April 20, 2023, and April 27, 2023. There is also an open date of May 4, 2023, if needed. Meetings will be held virtually again this year and have similar structure as in past years.

Ms. Tschirky stated she was looking forward to hopefully having discussions about updating policies and about best practices for the city.

Ms. Monohon also reminded the committee that there will be no Finance Committee meeting next month due to the Budget Committee meeting taking place.

8. Good of the order
None

9. Meeting Adjournment

The meeting was adjourned at 8:18pm. The Budget Committee meeting will take place on Thursday, April 20, 2023.



Dave Dyk, Chair



Christina Ott, Recording Secretary