

Michael Ash

Jan Baker,
Vice-Chair

David Dyk

Jared Koga, Chair

Sue O'Halloran

Paul Warr-King

Don West

Janine Gladfelter,
Council Liaison

Jerry Hinton,
Council Liaison
(Alternate)

Sharron Monohon,
Budget & Financial
Planning Director,
Staff Liaison

Kris Leibrand,
Recording Secretary

**CITY OF GRESHAM
FINANCE COMMITTEE
WEDNESDAY, APRIL 19, 2017 7:00 P.M.
CONFERENCE ROOM 3A
GRESHAM CITY HALL, 1333 NW EASTMAN PKWY
GRESHAM, OREGON**

- | | |
|--------------------------------------|--------|
| 1. CONVENE MEETING | 1 MIN |
| 2. MINUTES OF MARCH 15, 2017 | 1 MIN |
| 3. PUBLIC COMMENT | 5 MIN |
| 4. INVESTMENT PERFORMANCE REPORT | 40 MIN |
| 5. CAPITAL IMPROVEMENT PLAN UPDATE | 40 MIN |
| 6. COUNCIL WORK PLAN PROJECT UPDATES | 10 MIN |
| 7. COMMITTEE BUSINESS | 5 MIN |
| 8. GOOD OF THE ORDER | 5 MIN |

MEETING ADJOURNMENT

**Upcoming Budget
Committee Meetings**

May 9, 2017 - 6:00 PM

Additional meetings may
occur if needed May 10
and/or May 11

The meeting location is wheelchair accessible. This information is available in large print upon request. To request large-print documents or for accommodations such as sign language, and/or oral interpreter, please call (503) 618-2697 at least two working days in advance of the meeting.

City of Gresham
Finance Committee
Wednesday, April 19, 2017
Executive Summary

4. Investment Performance Report

Presented by Mary Donovan, Insight Investment

Investment Policy guidelines require staff to submit a portfolio report to the Finance Committee and the City Council no less than twice a year. Mary Donovan from Insight Investment, the City's investment advisor firm, will give the presentation.

Requested Action: Information Only

5. Capital Improvement Program Update

Presented by Sharron Monohon, Budget & Financial Planning Director

Finance Committee members have expressed interest in receiving additional information about the projects in the proposed five-year CIP. Ms. Monohon will provide the committee with an update on the CIP projects being proposed and the associated funding issues and constraints.

Requested Action: Information and Committee Discussion

6. Council Workplan Project Updates

Presented by Sharron Monohon, Budget & Financial Planning Director and Bernard Seeger, Finance & Management Services Director

Ms. Monohon and Mr. Seeger will provide information on the status of Council Workplan projects and other key initiatives that are underway currently.

Requested Action: Information Only

Minutes
City of Gresham Finance Committee
Wednesday, March 15, 2017, 7:00 p.m.
Conference Room 3A

Finance Committee Members Present:

Mike Ash
Jan Baker, Vice Chair
David Dyk
Jared Koga, Chair
Sue O'Halloran
Paul Warr-King

Finance Committee Members Absent:

Don West

Kris Leibrand (Recording Secretary)

Staff Members in Attendance:

Sharron Monohon, Budget & Financial Planning Director
Bernard Seeger, Finance & Management Services Director
Eliana Gall, Healthcare Benefits Program Analyst

1. Convene Meeting

Chair Koga convened the meeting of the Gresham Finance Committee at 7:00 p.m.

2. New Member Introduction

Chair Koga introduced David Dyk to the Committee, who then spoke a little about his background.

3. Minutes of January 18, 2017

A motion was made by Mr. Warr-King and seconded by Vice-Chair Baker to:

“Approve the minutes for the January 18, 2017 Finance Committee meeting.”

MOTION CARRIED UNANIMOUSLY

4. Public Comment

None. There were two citizens in the audience, but neither chose to speak.

5. Council Compensation FY 2017/18

Ms. Monohon said newer Committee members had asked her to provide background regarding Mayor and Council compensation and the Finance Committee's task. She provided a handout titled Mayor and Council Compensation Background and reviewed it with the Committee. A copy is included with these minutes as Attachment A.

She recapped topics from the Committee discussion in 2015. She provided a list of committee assignments for local and regional advisory groups that Council members serve on and reviewed it with the Committee. A copy is included with these minutes as Attachment B. She also provided the 2017 Council Work Plan, a copy of which is included with these minutes as Attachment C. She said that the Committee heard that the City is competing for elected officials with a host of other activities people can choose to participate in and noted it is important that we are able to attract good talent. She said the Committee recognized the time required to serve in these positions, and believed that providing a salary would allow for a broader demographic of candidates.

Ms. Monohon provided a handout with a summary of the Council Compensation Schedule for FY 2016/17. A copy of this document is included as Attachment D. Ms. Monohon reviewed the document and noted the areas that need to be reviewed to determine if changes are desired for FY 2017/18 (effective July 1, 2017).

Ms. Monohon provided a handout with a comparison of the Mayor and Councilor salaries versus the caps established in the ballot measures, which were the compensation of the Multnomah County Chair and a Metro Councilor respectively. A copy of this document is included with the minutes as Attachment E. Ms. Monohon reviewed the information on the handout.

Ms. Monohon said that concluded the background and updated information requested by the Committee and said it was now up to the Committee to discuss and reach a decision.

Ms. O'Halloran noted that in the past two years we have asked our Mayor and Councilors to work more at a regional level and be a part of more meetings and committees. She said what our expectations as a Committee were when we first looked at the topic of Council compensation and what they are now have changed. She said Gresham has realized we need to participate in more regional and state issues so that our concerns are heard. She said she thinks it is time to do an increase.

Mr. Warr-King said he was disappointed that after going through the process of deciding on and implementing Council compensation, there weren't more changes in the demographics during the most recent election. He said the compensation appeared to be no incentive to serve on Council. He said we did a lot of research during our initial review and came up with a package that seemed appropriate. He asked if based on the increase in the salary caps the salary should jump from \$50,000 to \$76,000.

Ms. Monohon said she is only providing the comparative information as requested, not making a recommendation for a specific dollar amount. She said based on how the ballot measure is written, the calculation of the new salary maximum for Mayor is \$92,056.

Ms. O'Halloran said she wasn't suggesting a specific dollar amount of an increase. It is her perspective that we are asking our elected officials to do a fair amount of work on behalf of the City of Gresham.

Vice-Chair Baker noted that the Council positions are no longer a volunteer position. She said the voters said we needed to compensate them. She said it was originally a volunteer position, but you

don't compensate a volunteer. She said she doesn't think it should be a volunteer position, as we are too big for that now.

Chair Koga agreed. He asked Ms. Monohon if we needed to make a decision tonight.

Ms. Monohon said that it is up to the Committee. If the Committee comes to a conclusion tonight that gives us plenty of time to plug it into the proposed budget, but if the Committee needs a little more time to talk through it, next month's meeting would be fine. She said in terms of tonight's agenda, we can move the capital improvement plan update to next month's meeting to allow more time for discussion on the compensation item. She said she would like to spend a few minutes on the contingency transfer item tonight.

Chair Koga said we need to compensate the Mayor and Council for their time. He asked if there was other discussion.

The Committee members discussed other jurisdictions and positions and their compensation amounts as well as their support of Council compensation.

Mr. Dyk said that Ms. Monohon had mentioned at the \$14,000 salary for the Councilors, it is not enough to cover full family insurance. He asked what the rates would be for full family health and dental going in to the next year.

Ms. Gall said we don't have the rates in place for July 1st at this time.

Ms. O'Halloran said that she thought to stay equal with the County Chair increase and the 2.5% cost of living increase would take about 15%. She suggested we use 15% as the floor for any increase.

Mr. Ash asked if the City employee salaries have seen that kind of increase.

Ms. Monohon said for the current year we are looking at about 2.5% following the CPI.

Mr. Warr-King pointed out that the Multnomah County Chair is there all the time, while our elected positions aren't here as much.

Chair Koga asked how much time are our elected officials spending on City business.

Mr. Warr-King said that during our discussions when the Committee set the compensation, we tried to get an accounting of their time with no success.

Ms. O'Halloran said looking at the handout of advisory bodies our Council serves on, which doesn't outline everything they do, it is a busy list.

Chair Koga asked if the Committee wanted to make a decision this evening. The committee agreed they would like to make the decision this evening.

Mr. Ash clarified that our baselines right now are \$50,000 for Mayor, \$14,000 for Councilor, and \$15,200 for the Council President. He said the decision we need to make is if we adjust the salaries.

Mr. Dyk added that we need to discuss if we make changes to the health care percentages as well. He said he'd like to see that the Councilor salary is sufficient to cover the cost of full family medical and dental insurance. He said a potential barrier to someone running for Council might be insurance coverage.

Ms. Gall said the Council share for full family medical and dental, for the lowest cost plan available to them, would be \$18,624 per year.

Ms. Monohon said from an employment standpoint we pay an employee a salary and pay insurance as a benefit separately, as it might be different from person to person.

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

“Adjust the annual salary for the Mayor to \$60,000 the City Councilors to \$20,000, and the Council President to \$21,200.” (Motion 1)

Mr. Dyk asked about Vice-Chair Baker's thoughts on selecting those numbers.

Vice-Chair Baker replied that she thinks we have an obligation to the citizens of Gresham not to take the salaries up to the maximum amount, but at the same time this will indicate to the Mayor and Council that we appreciate what they are doing on behalf of the City.

Mr. Warr-King questioned the amount of time actually required by some of the Council obligations, but indicated that he had been outvoted regarding time tracking.

Ms. O'Halloran provided an example of an issue with JPAC where the Mayor had to meet with various regional groups such as Metro, Multnomah County, Clackamas County, Washington County, and ODOT to get a favorable resolution for the City. She noted that internal meetings with staff and work on framing arguments also takes additional time. She said that is just one example of the kind of leadership that is expected of the Mayor. She said there are other issues, such as homelessness, that involve our full Council. She said she believes the increase to \$20,000 a year for the Councilors is appropriate. She said the role for Gresham continues to grow regionally.

Ms. O'Halloran noted that when we originally set the Council compensation we had a lot of conversation about performance and if we should ask for a detailed accounting of the Mayor and Councilor's time. She said the Finance Committee came to the conclusion that the citizens of Gresham didn't ask us to audit or measure performance, they asked us to give consideration to compensation.

Chair Koga asked if the Committee was ready to vote.

Vice-Chair Baker said she would like to amend her motion to:

“Adjust the annual salary for the Mayor to \$80,000, the City Councilors to \$20,000, and the Council President to \$21,200.” (Motion 1, Amendment 1)

There was no second and Motion 1, Amendment 1 failed.

Chair Koga said he agreed that the Mayor and Council do fantastic work and said we should increase the salaries, however, he likes the \$60,000 figure better for the Mayor.

Mr. Ash asked for clarification that the \$20,000 salary for the Councilors would cover the full family insurance.

Ms. Gall said it would cover the lowest plan based on the current plan premium rate.

Ms. O'Halloran said she thinks increasing the amount the City covers for the cost of the insurance is more of an incentive.

Mr. Dyk agreed and said if we are trying to encourage younger folks to serve on the City Council, having full family coverage would be attractive.

Vice-Chair Baker said if we had a salary of \$20,000 the only thing that would have to be taken out would be social security, which would leave the ability to pay insurance.

Ms. Monohon added that there would be taxes involved.

Vice-Chair Baker agreed but said it could work.

Ms. O'Halloran said she'd like to amend the Motion 1 and take the Mayor's salary off the table and deal with the Councilors.

A motion was made by Ms. O'Halloran and seconded by Mr. Dyk to Motion 1 to:

**“Annually compensate City Councilors \$20,000, \$21,200 for council president and increase the health and dental compensation to 50% of the full family coverage.”
(Motion 1, Amendment 2)**

Ms. Monohon said for Ms. O'Halloran to amend Motion 1, Vice-Chair Baker, as the person who made the original motion, would have to accept the amendment.

Vice-Chair Baker agreed to the friendly amendment.

Mr. Warr-King noted that staff is getting a 2.5% increase this year and we would be giving the Councilors a 43% increase. He asked if we would do the same thing again next year.

Ms. O'Halloran noted we recognized we started the Councilor salary a little low when we originally set it.

Vice-Chair Baker noted that we are still lower than many cities that are close to our size.

Mr. Warr-King asked if that included Vancouver and Salem and said he thought if you looked back you would find quite a disparity. But we agreed on at the time on \$50,000 and \$14,000. Now you want to give a 43% increase in salary for Councilors and a 20% increase for the Mayor.

Mr. Dyk returned the conversation back to the motion. He suggested we could dial back the salary change to something more proportional to what the change in what the County Chair's salary was, or about 10%, and then increase the health insurance, which might not be taken advantage of by every council member.

Vice-Chair Baker suggested if we are going to do something like that, let's vote on this motion, turn it down and then start over.

Mr. Ash said he doesn't like that the motion increases the salary and the insurance. He said it seems like if we are going to have the cap then decide what you want to put on insurance and what is for salary. He said the original motion without the insurance was better.

Ms. O'Halloran said she could change her motion to address the salary and the insurance separately.

Ms. Monohon noted that the cap is calculated on the full compensation for the Metro councilors, but the cap only applies to the Councilors salary, not salary plus benefits.

The Committee discussed what the various amounts would be for different insurance tiers.

The Committee voted on the Motion 1, Amendment 2:

**“To annually compensate City Councilors \$20,000, \$21,200 for council president and increase the health and dental compensation to 50% of the full family coverage.”
(Motion 1, Amendment 2)**

For	Against
Baker	Ash
Dyk	Koga
O'Halloran	Warr-King

Motion fails for lack of a majority.

Mr. Warr-King said he thinks the topic should be discussed with others in the Community.

Chair Koga said we need to either table the discussion until next meeting or make a decision tonight.

Mr. Ash said he thinks we are close. It sounds like the group liked the \$20,000 for the salary, but the issue was the insurance.

A motion was made by Mr. Ash and seconded by Vice-Chair Baker to:

“To annually compensate City Councilors \$20,000, \$21,200 for Council President and leave the insurance rules the same as they are today.” (Motion 2)

Chair Koga asked for discussion.

Vice-Chair Baker called for the question.

For	Against
Ash	Warr-King
Baker	
Dyk	
Koga	
O'Halloran	

Motion carries.

A motion was made by Mr. Ash and seconded by Vice-Chair Baker to:

**“Annually compensate the Mayor at \$60,000 and leave the insurance rules as they are today.”
(Motion 3)**

Motion carried unanimously.

6. Contingency Transfer – Legal Services

Ms. Monohon explained that this request is for a contingency transfer in the Legal Services Fund, which has encountered a greater than anticipated need to contract for specialized legal expertise this fiscal year. Ms. Monohon provided a handout with the adopted budget information for the Legal Services fund for FY 2016/17. A copy of this document is attached to these minutes as Attachment F.

Ms. Monohon said this proposal is to move \$75,000 from Contingency to the Professional Services line item to allow the City Attorney to hire as needed for additional expertise for the remainder of this year.

Ms. Monohon said that budget law allows us to make this type of contingency transfer with Council approval. The Committee is being asked to provide a recommendation to Council.

A motion was made by Mr. Ash and seconded by Mr. Warr-King to:

“Recommend to City Council to approve the contingency transfer as presented by staff.”

Motion passed unanimously

7. Capital Improvement Plan Updates

Ms. Monohon recommended this topic be deferred until the April 19, 2017 meeting. Chair Koga agreed.

8. Council Work Plan Project Update

Ms. Monohon had no additional updates.

Mr. Seeger provided an update on the following items:

- Council directed staff to move forward to make the regulation of tobacco use in parks and open spaces an ordinance that will prohibit smoking, vaping, or smokeless tobacco products.

This topic will go to Council for first reading on April 18th and will be adopted at the following meeting.

- In our utility billing system, we now have about 10,400 customers signed up for Your Online Utilities and about 4,400 customers on autopay. We are still working with a Bloomberg Philanthropy behavioral insight team to help us increase our autopay adoption.
- Still working on the customer reminder and leak detection software. We will be implementing robo-call customer reminder functionality to let customers know that their water will be turned off. Hopefully, leak detection will be live by this summer.
- We are researching adopting a kiosk that eliminates the handling of cash by our customer service agents. This would allow a customer to make a payment, and redirect foot traffic to the kiosk to allow our customer service folks to focus on the phone customers.

9. Committee Business

None.

10. Good of the Order

None.

11. Meeting Adjournment

Chair Koga adjourned the meeting at 8:53 p.m.

The next regular Finance Committee meeting will be April 19, 2017 at 7:00 p.m. in Conference Room 3A.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant