

Mike Ash

Jan Baker

David Dyk,
Vice-Chair

Jared Koga,
Chair

Sue O'Halloran

Janine Gladfelter,
Council Liaison

Jerry Hinton,
Council Liaison
(Alternate)

Sharron Monohon,
Budget & Financial
Planning Director,
Staff Liaison

Kris Leibrand,
Recording Secretary

Upcoming
Monthly Meeting
January 17, 2018

CITY OF GRESHAM
FINANCE COMMITTEE
WEDNESDAY, NOVEMBER 15, 2017 7:00 P.M.
CONFERENCE ROOM 3A
GRESHAM CITY HALL, 1333 NW EASTMAN PKWY
GRESHAM, OREGON

- | | |
|---|--------|
| 1. CONVENE MEETING | 1 MIN |
| 2. PUBLIC COMMENT | 5 MIN |
| 3. MINUTES OF SEPTEMBER 20, 2017 | 1 MIN |
| 4. BANKING SERVICES CONTRACT | 10 MIN |
| 5. ERP REPLACEMENT PROJECT UPDATE | 15 MIN |
| 6. FISCAL YEAR 2017/18 SUPPLEMENTAL BUDGET #2 | 30 MIN |
| 7. PROPERTY TAX UPDATE | 30 MIN |
| 8. COUNCIL WORK PLAN PROJECT UPDATES | 10 MIN |
| 9. COMMITTEE BUSINESS | 5 MIN |
| 10. GOOD OF THE ORDER | 5 MIN |

MEETING ADJOURNMENT

**City of Gresham
Finance Committee
Wednesday, November 15, 2017
Executive Summary**

4. Banking Services Contract

Presented by Susan Brown, Finance & Accounting Services Manager

The City's current contract for Banking Services is set to expire on December 31, 2017. Ms. Brown will discuss the City's process for evaluating and procuring these services, and describe the preferred option, which is to continue services with US Bank through use of a cooperative procurement agreement. The contract is expected to be presented to Council for consideration on December 5, 2017.

Requested Action: Recommendation to Council

5. ERP Replacement Project Update

Presented by Stephanie Betteridge, Information & Innovation Manager

Ms. Betteridge serves as the Project Director for the ERP Replacement Project. She will provide the committee with an overview and update on the overall project including the governance structure for the project and project status.

Requested Action: Information

6. Fiscal Year 2017/18 Supplemental Budget #2

Presented by Sharron Monohon

This is the second requested adjustment to the FY 2017/18 budget. Following Finance Committee's review, the Supplemental Budget is scheduled to go before Council for consideration on December 5, 2017.

Requested Action: Recommendation to Council

7. Property Tax Update

Presented by Elizabeth McCann, Senior Financial Analyst

Ms. McCann will provide an update and summary level information regarding the 2017 property tax data recently received from Multnomah County, will outline key areas of the more detailed review and analysis that is currently in progress.

Requested Action: Information

8. 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

Minutes
City of Gresham Finance Committee
Wednesday, September 20, 2017, 7:00 p.m.
Conference Room 3A

Finance Committee Members Present:

Jan Baker
David Dyk, Vice Chair
Jared Koga, Chair (arrived at 7:15)
Sue O'Halloran

Kris Leibrand (Recording Secretary)

Finance Committee Members Absent:

Mike Ash

Councilors in Attendance:

Janine Gladfelter (arrived at 7:34)

Staff Members in Attendance:

Sharron Monohon, Budget & Financial Planning Director
Bernard Seeger, Finance & Management Services Director
Susan Brown, Finance & Accounting Manager
Mark Tolliver, Debt Management Analyst

1. Convene Meeting

Vice-Chair Baker convened the meeting of the Gresham Finance Committee at 7:07 p.m.

2. Public Comment

None.

3. Minutes of July 19, 2017

A motion was made by Mr. Dyk and seconded by Ms. O'Halloran.

“Approve the minutes for the July 19, 2017 Finance Committee meeting.”

MOTION CARRIED UNANIMOUSLY

4. Election of Vice-Chair.

Vice-Chair Baker called for nominations for a new chair. Vice-Chair Baker nominated Mr. Dyk. Mr. Dyk accepted.

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

“Elect David Dyk as Finance Committee Vice-Chair for the next two years.”

MOTION CARRIED UNANIMOUSLY

5. Investment Performance Report

Mr. Seeger introduced Mary Donovan from Insight Investment, the City’s financial advisor.

Ms. Donovan reviewed the information in the Investment Management Program Review booklet provided at the meeting. A copy of this document is attached to these minutes as Attachment A.

6. Council Work Plan Project Update

Mr. Seeger provided an update on the following items:

- FMS is currently going through the process of building out the space at the Yeon building to move our Fleet division. If all goes well, they will be fully moved in to the new location sometime in November.
- A vendor has been identified to provide customer reminder software (Invoice Cloud, who is also the electronic payment processor we recently chose) and we hope to go live in December or January with that service.
- Our intention is to use Sensus who we are currently using for water usage information on a real-time basis. We are currently negotiating a scope of work and then will enter into a contract with them to do the work.
- FMS has engaged a customer service training company, Bonfire, that will help our utility billing staff to provide professional and friendly service.

Ms. Monohon provide an update on the following items:

- Fencing will be going up at the Rockwood site this week.
- Hogan Butte Park grand opening is this Saturday at 11 a.m.
- There is an RFP for the operation of the wastewater treatment plant. Responses are due November 15, 2017. We expect at least 3 submissions. It is a detailed process.
- Thank you all for addressing the supplemental budget via email. The next one will be coming before Council in December and before the Finance Committee in November.
- The ERP replacement project is moving forward. Council authorized us to move forward with Tyler. It will be a multi-month process to negotiate the contract. We plan a more detailed update at the next meeting.

Ms. Brown said our contract with Isler is up after this year’s audit. She said we are preparing to do an RFP for the outside auditor selection and would like to request a Finance Committee member to be a member of the committee to review the responses. Ms. Monohon said that we will bring this to a future meeting and ask then for a volunteer when we have a full committee.

7. Committee Business

Ms. Monohon noted that the Finance Committee annual report to Council is on October 3, 2017. She asked if there were any key messages that the Committee would like to include. Mr. Dyk

suggested that the Finance Committee's involvement with the ERP be brought up as part of that report.

Good of the Order

None

Meeting Adjournment

Chair Koga adjourned the meeting at 8:32 p.m.

The next regular Finance Committee meeting will be October 18, 2017 at 7:00 p.m. in Conference Room 3A.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant



MEMORANDUM

TO: Members of the Finance Committee

FROM: Sharron Monohon, Budget & Financial Planning Director

DATE: November 15, 2017

SUBJECT: Supplemental Budget No. 2 for Fiscal Year 2017/18

Oregon Local Budget Law outlines a process for supplemental budget actions. These actions are allowed within the annual budget process for a variety of purposes, including the establishment of new or increased appropriation authority. The City of Gresham typically adopts one or two supplemental budgets within a fiscal year. This is the second such action proposed for fiscal year 2017/18.

A summary of the proposed supplemental budget information is attached.

The Finance Committee is requested to make a recommendation to Council. On December 5, 2017, the City Council is scheduled to consider a resolution regarding the supplemental budget and related revisions to the City's current year budget appropriations.

Recommended
SUPPLEMENTAL BUDGET #2
Fiscal Year 2017/18

City of Gresham, OR

Presented to Gresham Finance Committee on November 15, 2017
Public Hearing Gresham City Council on December 5, 2017

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Supplemental Budget Overview | 1 |
| <i>Recognize and Appropriate Revenue:</i> | |
| 1 Multnomah County Homeless Services Intergovernmental Agreement | 1 |
| 2 Metro Community Enhancement Program | 1 |
| 3 Family of Friends Mentoring Program Donation | 2 |
| 4 Fire Training Center Lease | 2 |
| 5 Fire and Emergency Services Reimbursements | 2 |
| 6 Police Services Reimbursement..... | 3 |
| 7 Community Development Block Grant (CDBG) Award..... | 3 |
| <i>Recognize and Appropriate Beginning Fund Balances:</i> | |
| 8 Facilities Capital Projects – Fire Stations | 4 |
| 9 HEAL Grant | 4 |
| <i>Carryover Appropriations:</i> | |
| 10 3D Modeling | 5 |
| 11 Signal Maintenance Bucket Truck | 5 |
| <i>Transfer Appropriations:</i> | |
| 12 Mt. Hood Community College Stormwater Project..... | 5 |
| <i>Accept and Appropriate Grants:</i> | |
| 13 Body-worn Camera Grant..... | 6 |
| 14 Project Respond Program Grant | 7 |
| 15 COPS Hiring Program Grant | 7 |

SUPPLEMENTAL BUDGET OVERVIEW

The following is an explanation of the amounts and justifications for the recommended changes in appropriations for the fiscal year 2017/18 Budget which requires authorization of the City Council. The supplemental budget overview is organized by category, budget adjustment and fund.

RECOGNIZE AND APPROPRIATE REVENUE

1. Multnomah County Homeless Services Intergovernmental Agreement

This intergovernmental agreement (IGA) with Multnomah County funds Gresham’s Homeless Services program. An estimate of \$300,000 was included in the fiscal year 2017/18 budget. The actual amount of the IGA is \$314,100. The additional revenue will support the Intensive Street Engagement Program.

This item will adjust the budget to reflect the full amount of the IGA, an increase of \$14,100.

Budgetary Effect

Designated Purpose Fund impact:

Resources:

Intergovernmental Revenue – Multnomah County \$ 14,100

Requirements:

Citywide Services – Community Livability \$ 14,100

2. Metro Community Enhancement Program

The Community Enhancement Program, supported by solid waste fees collected by Metro’s Central Transfer Station, is intended to rehabilitate and enhance the area around a solid waste transfer facility. The program began in Gresham in 2017 after the longtime waste collection site on Northwest Birdsdales became a solid waste franchise of Metro.

Anticipated fees for fiscal year 2017/18 were included in the adopted budget, however, Metro started collecting the fees earlier than expected. This item will adjust the budget to reflect the actual fees collected during fiscal year 2016/17 so that they can be used within the current year. Specific projects will be determined by the advisory committee recently established by City Council.

Budgetary Effect

Designated Purpose Fund impact:

Resources:

Intergovernmental Revenue - Metro \$ 11,700

Requirements:

Citywide Services – Community Outreach \$ 11,700

3. Family of Friends Mentoring Program Donation

In fiscal year 2016/17 the City began working with Family of Friends to support their efforts focused on Gresham youth. The City accepted donations on behalf of the program while they were transitioning to non-profit status. The City recently received a \$10,000 pass-through donation from the Chino Cienaga Foundation for the Family of Friends Mentoring Program.

This budget adjustment allows the city to transfer that donation to the Family of Friends. The program is now an independent 501(c)3, so all future donations are expected to be paid directly to Family of Friends without requiring additional pass-through arrangements with the City.

Budgetary Effect

Designated Purpose Fund impact:

Resources:

| | |
|----------------------------------|-----------|
| Miscellaneous Income - Donations | \$ 10,000 |
|----------------------------------|-----------|

Requirements:

| | |
|--|-----------|
| Citywide Services – Community Livability | \$ 10,000 |
|--|-----------|

4. Fire Training Center Lease

In June 2017, the Council approved a sub-lease agreement for the North Building at the Fire Training Center. Under the City’s agreement with the building owner, Multnomah Rural Fire Protection District 10, all proceeds of this lease are to be utilized for repair and maintenance of the facility.

This item will adjust Fire and Emergency Services building repair and maintenance appropriations in order to allow the proceeds to be used during fiscal year 2017/18.

Budgetary Effect

Facilities and Fleet Management Fund impact:

Resources:

| | |
|-------------------------------|-----------|
| Miscellaneous Income - Leases | \$ 15,240 |
|-------------------------------|-----------|

Requirements:

| | |
|---|-----------|
| Fire and Emergency Services – Building Repair and Maintenance | \$ 15,240 |
|---|-----------|

5. Fire and Emergency Services Reimbursements

The State of Oregon issued several conflagration declarations during the 2017 wildfire season. This declaration allows responding jurisdictions to be reimbursed for support provided. Gresham’s Fire and Emergency Services sent equipment and personnel to combat the Nena Springs, Chetco Bar and Eagle Creek conflagrations in Oregon and to provide support for the more recent events in California.

This item accepts and appropriates the revenue from the State of Oregon. Reimbursement for personnel costs are being appropriated to offset overtime expenses, while the reimbursement for equipment is being transferred to the Equipment Replacement Fund.

Budgetary Effect

General Fund impact:

Resources:

Intergovernmental Revenue - Miscellaneous Fire Revenue \$ 408,000

Requirements:

Fire and Emergency Services – Overtime \$ 293,000

Interfund Transfers To \$ 115,000

Equipment Replacement Fund impact:

Resources:

Interfund Transfers From \$ 115,000

Requirements:

Unappropriated \$ 115,000

6. Police Services Reimbursement

Gresham’s Police Services provided public safety assistance to the City of Prineville during the Solar Eclipse event earlier this year. The additional resources allowed the Prineville Police Department to successfully manage public safety and emergency services during this massive event. The Prineville Police Department is reimbursing Gresham for personnel costs.

This item accepts and appropriates the revenue from the Prineville Police Department.

Budgetary Effect

General Fund impact:

Resources:

Intergovernmental Revenue - Miscellaneous Police Revenue \$ 21,500

Requirements:

Police Services – Overtime \$ 21,500

7. Community Development Block Grant (CDBG) Award

The CDBG/HOME program revenues for fiscal year 2017/18 are higher than what was included in the Adopted Budget. The Shared Appreciation Mortgage Program has been experiencing higher than anticipated payoffs, resulting in \$48,389 of revenue that was not budgeted in the current fiscal year.

This action recognizes the additional revenue in the current fiscal year and updates the fiscal year 2017/18 appropriations to match, consistent with HUD requirements.

Budgetary Effect

Grants Fund impact:

Resources:

Intergovernmental Revenue - CDBG \$ 48,389

| | | |
|---|--|-----------|
| Requirements: | | |
| Interfund Transfers To | | \$ 48,389 |
| <i>Dedicated Revenue Fund impact:</i> | | |
| Resources: | | |
| Interfund Transfers From | | \$ 48,389 |
| Requirements: | | |
| Community Development – Professional and Technical Services | | \$ 48,389 |

RECOGNIZE AND APPROPRIATE BEGINNING FUND BALANCES

8. Facilities Capital Projects – Fire Stations

The year-end reconciliation for fiscal year 2016/17 shows that the Facilities and Fleet Management Fund has additional funds in its beginning balance for fiscal year 2017/18. This supplemental budget item appropriates \$50,000 for fiscal year 2017/18 to remodel fire station bathroom/shower facilities in fire stations 74 and 75. Modifications are being made for gender accommodation and to better support workforce diversity.

Budgetary Effect

Facilities and Fleet Management Fund impact:

| | | |
|---|--|-----------|
| Resources: | | |
| Beginning Balance | | \$ 50,000 |
| Requirements: | | |
| Fire and Emergency Services – Outsourced Services and Labor | | \$ 25,000 |
| Fire and Emergency Services – Building Repair and Maintenance | | \$ 25,000 |

9. HEAL Grant

The City received a \$5,000 pass-through grant in fiscal year 2016/17 from the Oregon Public Health Institute. This action provides the appropriation needed to make the pass-through payment to the sub-grantee following their completion of the required work.

Budgetary Effect

Designated Purpose Fund impact:

| | | |
|--|--|----------|
| Resources: | | |
| Beginning Balance | | \$ 5,000 |
| Requirements: | | |
| Citywide Services – Community Livability | | \$ 5,000 |

CARRYOVER APPROPRIATIONS

10. 3D Modeling

The City’s Technology Strategic Plan includes a project to purchase and implement 3-D modeling software for use in Urban Design and Planning services. Appropriations for the purchase were included in the fiscal year 2016/17 adopted budget, however, the project was held over into fiscal year 2017/18 to better align with vendor and staffing availability. The cost of this item includes conversion of existing data, implementation and training of staff.

This item carries over the appropriation from fiscal year 2016/17 to fiscal year 2017/18.

Budgetary Effect

Urban Design and Planning Fund impact:

Resources:

Beginning Balance \$ 50,000

Requirements:

Urban Design and Planning Services - Capital Outlay \$ 50,000

11. Signal Maintenance Bucket Truck

The fiscal year 2016/17 budget included appropriations to replace one of the bucket trucks used by Transportation’s signal maintenance crew. While the replacement was ordered during fiscal year 2016/17, the truck did not arrive by the end of the fiscal year.

This item re-appropriates funds to allow for the purchase the bucket truck in fiscal year 2017/18.

Budgetary Effect

Equipment Replacement Fund impact:

Resources:

Beginning Balance \$ 111,000

Requirements:

Finance and Management Services - Capital Outlay \$ 111,000

TRANSFER APPROPRIATIONS

12. Mt. Hood Community College Stormwater Project

The fiscal year 2017/18 budget includes funds for stormwater retrofit projects in the Stormwater Construction Fund. These projects are included in the City’s 5-Year Capital Improvement Program. After evaluating options, it was determined that contributing to a shared project located on the campus of Mt. Hood Community College (MHCC) was the highest priority for a portion of these funds. In September, City Council approved an intergovernmental agreement with Mt. Hood Community College (MHCC) and the Sandy River Basin Watershed Council (SRBWC) for these campus stormwater retrofits.

Because the project will not be implemented directly by the City, the funding will be provided in the form of a grant. As a result, the appropriation needs to be moved from the Stormwater Construction Fund to the Stormwater Fund to be consistent with the City’s financial practices.

Budgetary Effect

Stormwater Construction Fund impact:

| | |
|---|--------------|
| Resources: | |
| Interfund Transfers From | <\$ 300,000> |
| Requirements: | |
| Capital Improvement Projects - Capital Outlay | <\$ 300,000> |

Stormwater Fund impact:

| | |
|---|--------------|
| Requirements: | |
| Interfund Transfers To | <\$ 300,000> |
| Environmental Services – Contributions/City Match | \$ 300,000 |

ACCEPT AND APPROPRIATE GRANTS

13. Body-worn Camera Grant

The Gresham Police Department has been awarded a two-year grant from the US Department of Justice to support the deployment of body-worn cameras. The first phase of the grant supports the development of policies and training programs, while the second phase will go toward the acquisition of cameras and related software and data management services.

This supplemental budget adjustment reflects the City’s acceptance of the grant award. The item accepts and appropriates the grant revenue and appropriates a portion of the General Fund contingency to provide the required matching funds.

Budgetary Effect

General Fund impact:

| | |
|------------------------|--------------|
| Requirements: | |
| Interfund Transfers To | \$ 117,000 |
| Contingency | <\$ 117,000> |

Grants Fund impact:

| | |
|--|------------|
| Resources: | |
| Intergovernmental Revenue – Federal Grants | \$ 165,500 |
| Requirements: | |
| Interfund Transfers To | \$ 165,500 |

Designated Purpose Fund impact:

| | |
|--------------------------|------------|
| Resources: | |
| Interfund Transfers From | \$ 282,500 |
| Requirements: | |
| Police Department | \$ 282,500 |

14. Project Respond Program Grant

Project Respond is operated by Cascadia Behavioral Healthcare through a contract with Multnomah County. They provide county-wide crisis mobile outreach services to individuals and families experiencing a mental health crisis, including risk assessment, crisis stabilization and connection to community resources. This grant, from the US Department of Justice, will enhance and expand the existing Project Respond program in Gresham.

The total grant for the two-year Project Respond Expansion Project is for \$300,000 and has a \$75,000 city-match. This item appropriates funds for the first year.

Budgetary Effect

General Fund impact:

Requirements:

| | |
|------------------------|-------------|
| Interfund Transfers To | \$ 37,236 |
| Contingency | <\$ 37,236> |

Grants Fund impact:

Resources:

| | |
|--|------------|
| Intergovernmental Revenue – Federal Grants | \$ 153,339 |
|--|------------|

Requirements:

| | |
|------------------------|------------|
| Interfund Transfers To | \$ 153,339 |
|------------------------|------------|

Designated Purpose Fund impact:

Resources:

| | |
|--------------------------|------------|
| Interfund Transfers From | \$ 190,575 |
|--------------------------|------------|

Requirements:

| | |
|--|------------|
| Office of Governance and Management Department | \$ 190,575 |
|--|------------|

15. COPS Hiring Program Grant

NOTE: This item is tentative. An announcement of award is expected prior to the date this item is considered by City Council.

The City has applied for a 2017 COPS Hiring Program Grant which will fund up to two additional sworn police officer positions. The grant provides partial funding of the approved entry level salaries and fringe benefits of each newly hired full-time officer over a three-year (36-month) period with a maximum federal share of \$125,000 per position. Grantees are also required to match a portion of the grant with local funds over the grant period. If awarded, that match would be approximately \$396,000.

This item recognizes the additional revenue, transfers the grant match, and appropriates the expenses for the first year of the grant. The remainder of the grant and matching funds will be addressed in future fiscal years.

Budgetary Effect

General Fund impact:

Requirements:

| | |
|-------------------------|-------------|
| Contingency | <\$ 45,900> |
| Interfund Transfers Out | \$ 45,900 |

Grants Fund impact:

Resources:

Intergovernmental Revenue \$ 44,100

Requirements:

Interfund Transfers Out \$ 44,100

Designated Purpose Fund impact:

Resources:

Interfund Transfers In \$ 90,000

Requirements:

Police \$ 90,000