

Mike Ash

Jan Baker

Dave 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

**CITY OF GRESHAM
FINANCE COMMITTEE
WEDNESDAY, JANUARY 17, 2018 7:00 P.M.
CONFERENCE ROOM 3A
GRESHAM CITY HALL, 1333 NW EASTMAN PKWY
GRESHAM, OREGON**

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|---|--------|
| 1. CONVENE MEETING | 1 MIN |
| 2. COMMITTEE BUSINESS | 5 MIN |
| 3. PUBLIC COMMENT | 5 MIN |
| 4. MINUTES OF NOVEMBER 15, 2017 | 1 MIN |
| 5. FY 2016/17 ANNUAL FINANCIAL AUDIT REPORT | 30 MIN |
| 6. COMPREHENSIVE ANNUAL FINANCIAL REPORT REVIEW | 30 MIN |
| 7. 2018 COUNCIL WORK PLAN | 10 MIN |
| 8. PRELIMINARY 2018 FINANCE COMMITTEE CALENDAR | 5 MIN |
| 9. COUNCIL WORK PLAN PROJECT UPDATES | 10 MIN |
| 10. GOOD OF THE ORDER | 5 MIN |

MEETING ADJOURNMENT

**Upcoming
Monthly Meeting
February 21, 2018**

**City of Gresham
Finance Committee
Wednesday, January 17, 2018
Executive Summary**

5. Fiscal Year 2016/17 Annual Financial Audit Report

Presented by Paul Nielson, Partner, Isler CPAs

The City of Gresham contracted with Isler CPA, LLC to perform an independent audit of the City's financial statements for the prior fiscal year which ended on June 30, 2017. As is done each year, the audit firm has an opportunity for one of their representatives to address the Finance Committee.

Requested Action: Information only

6. Comprehensive Annual Financial Report Review

Presented by Susan Brown, Finance & Accounting Manager

Ms. Brown will give a primer on the City's annual financial report and provide information about it. Copies of the Comprehensive Annual Financial Report (CAFR) will be available at the meeting and can also be accessed on the City's website.

Requested Action: Information only

7. 2018 Council Workplan

Presented by Sharron Monohon, Budget & Financial Planning Director

Council adopted their 2018 Work Plan at their meeting on January 2, 2018. Ms. Monohon will provide a brief overview of the new Council Work Plan.

Requested Action: Information Only

8. Preliminary 2018 Finance Committee Calendar

Presented by Sharron Monohon, Budget & Financial Planning Director

Ms. Monohon will provide an overview of the meeting schedule and preliminary agenda items for the 2018 calendar year.

Requested Action: Information Only

9. 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, November 15, 2017, 7:00 p.m.
HR Training Room

Finance Committee Members Present:

Jan Baker
David Dyk, Vice Chair
Jared Koga, Chair
Sue O'Halloran

Kris Leibrand (Recording Secretary)

Finance Committee Members Absent:

Mike Ash

Staff Members in Attendance:

Sharron Monohon, Budget & Financial Planning Director
Bernard Seeger, Finance & Management Services Director
Susan Brown, Finance & Accounting Manager
Elizabeth McCann, Senior Financial Analyst
Stephanie Betteridge, Information & Innovation Manager
Eric Chambers, Director of Government Relations

1. Convene Meeting

Chair Koga convened the meeting of the Gresham Finance Committee at 7:01p.m.

2. Public Comment

None.

3. Minutes of September 20, 2017

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

“Approve the minutes for the September 20, 2017 Finance Committee meeting.”

MOTION CARRIED UNANIMOUSLY

4. Banking Services Contract

The City's current contract for banking services with US Bank is set to expire on December 31, 2017. Ms. Brown discussed the City's process for evaluating and procuring these services and described the preferred option, which is to continue services with US Bank through use of a cooperative procurement agreement. We are asking the Finance Committee to make a recommendation to Council to approve this method of procurement and asking Council to

authorize the City Manager to negotiate and execute the contract. The contract is expected to be presented to Council for consideration on December 5, 2017.

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

“Recommend to Council a contract with US Bank for services for the next 5 years.”

MOTION CARRIED UNANIMOUSLY

5. ERP Replacement Project Update

Ms. Betteridge provided an update on the Enterprise Resource Planning (ERP) replacement project. A copy of her handout is attached to these minutes as Attachment A. Ms. Betteridge reviewed the handout.

Ms. Baker clarified that our data will be housed at Tyler and asked about the security of the information. Ms. Betteridge confirmed that the information is housed on Tyler's servers and we have done due diligence to confirm their security meets our requirements.

Ms. Baker asked where Tyler is located. Ms. Betteridge replied that Tyler's headquarters are in Texas and Maine with data centers located across the country. She said we would be assigned a primary data center and in a different region assigned a backup data center.

Committee members asked questions about how the system implementation and project management would be structured and implemented.

Vice-Chair Dyk asked what role Ms. Betteridge would like the Finance Committee to play in this process. Ms. Monohon said we'd like to get further direction from the Council liaisons on what role they would like the Committee to play. She said we will make sure the Committee is kept up to date on the progress.

Ms. Monohon noted that as part of this project we are taking a comprehensive look at our chart of accounts structure (fund, department, and element object) and deciding what changes may need to be made. She said that the 19-20 budget documents may look very different.

6. Fiscal Year 2017/18 Supplemental Budget #2

Ms. Monohon noted that many of the items in this supplement budget fall into the “truing up” category. Ms. Monohon reviewed the fifteen items that are included in Supplemental Budget #2 for fiscal year 2017/18 as shown in the document that was included in the Finance Committee packet. She said that the supplemental budget is scheduled to go before Council on December 5, 2017 for adoption, which is why the Committee is asked to review it at this meeting.

Finance Committee members had an opportunity to ask clarifying questions as Ms. Monohon explained each item. (Note: at the time of the meeting, item #15, COPS Hiring Grant was described as tentative. It **was** included in the supplemental budget that was approved by City Council on December 5, 2017.)

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

“Recommend that Council approve the Supplemental Budget #2 for FY 2017/18.”

MOTION CARRIED UNANIMOUSLY

7. Property Tax Update

Ms. McCann provided a summary of current property tax information for both the City of Gresham and the Urban Renewal area to the Committee. A copy of the two handouts are attached to these minutes as Attachment B. She reviewed the information on the handouts and answered questions.

Vice-Chair Dyk asked for clarification on what compression is. Ms. McCann said she has some handouts that help explain it and will be happy to bring them to a future meeting to discuss more about compression.

Mr. Chambers and Ms. McCann discussed House Bill 2088. HB 2088 was passed by the Oregon legislature in 2017 and allows cities in Multnomah County to opt for a changed property ratio area defined as the city limits rather than the county limits. Ms. McCann provided a handout with details that is attached to these minutes as Attachment C.

Ms. McCann explained that the changed property ratio is used to derive taxable value from real market value. She said it is applied when new or significantly improved property is added to the tax rolls to keep equity among properties. She reviewed the information on the handout.

She said in lieu of overall tax reform that was not likely to occur at the time, Mr. Chambers worked with the legislature to allow the “area” to be specific to a city, rather than using the county ratio. HB 2088 is the result of his hard work. The bill will allow cities in Multnomah County to opt for a changed property ratio that is based on property within the city limits, rather than within the county limits.

Next steps for redefining the area would be to have a public hearing and be approved by City Council with a 3/5th majority. It is scheduled to go to Council on December 5th.

Chair Koga clarified that this won't apply to all households. Ms. McCann said it will apply to property that was not taxed in 2017. She noted it will go into effect for the 2018 tax year.

Mr. Chambers noted that if an infill property is developed in an existing neighborhood the provisions of HB 2088 will have that new property pay property taxes consistent with the taxes of other properties within its class.

Mr. Chambers said that one of the high points of this process is that the legislature recognizes that there are different economies in different areas around the state. He said they couldn't have foreseen that the growth in Multnomah County would be so dramatic and that the difference in economic conditions throughout the county would skew the ratio so significantly.

Ms. O'Halloran said that this is very innovative and smart on the City's part and they have done a great job.

A motion was made by Mr. Dyk and seconded by Ms. Baker to:

“Recommend that Council redefine the area for calculating the changed property ratio.”

MOTION CARRIED UNANIMOUSLY

8. Council Work Plan Project Update

Mr. Seeger provided an update on the following items:

- Yeon facility transition is in progress. If all goes well, we will be ready for move in by end of December.
 - There have been two amendments to the lease.
 - Two lifts are installed, modular office installed, and a small amount of demo has completed.
 - Still need to complete the electrical work, install the IT infrastructure, install oil change piping and pumps, and deconstruct internal cinderblock walls.
- American Legion is ready to sign the Council approved reimbursement agreement.

Ms. Monohon provide an update on the following items:

- Starting work on the 2018/19 budget. Budget Committee meetings are expected to be in the 2nd week in May.
- Will be conducting additional interviews related to the vacant Finance Committee spots.

9. Committee Business

Mr. Seeger mentioned that we will be going out for an RFP for auditor services soon. Typically, we have a member of the Finance Committee sit in on the review of the proposals and selection and we are asking for a volunteer. Ms. Baker is willing to participate, pending confirmation of the schedule.

Good of the Order

Ms. Monohon said there will be no meeting in December.

Meeting Adjournment

Chair Koga adjourned the meeting at 8:50 p.m.

The next regular Finance Committee meeting will be January 17, 2018 at 7:00 p.m. in Conference Room 3A.

Jared Koga, Chair

Kris Leibrand, Administrative Assistant