

Rusty Allen

Mike Ash

Jan Baker

Dave Dyk, Vice-Chair

Jared Koga, Chair

Sue O'Halloran

Theresa Tschirky

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, MAY 15, 2019 7:00 P.M.  
CONFERENCE ROOM 1A  
GRESHAM CITY HALL, 1333 NW EASTMAN PKWY  
GRESHAM, OREGON**

- |    |   |        |
|----|---|--------|
| 1. | CONVENE MEETING                                 | 1 MIN  |
| 2. | PUBLIC COMMENT                                  | 5 MIN  |
| 3. | MINUTES OF FEBRUARY 20, 2019 AND MARCH 20, 2019 | 1 MIN  |
| 4. | INVESTMENT PERFORMANCE REPORT                   | 50 MIN |
| 5. | COUNCIL WORK PLAN PROJECT UPDATES               | 30 MIN |
| 6. | COMMITTEE BUSINESS                              | 10 MIN |
| 7. | GOOD OF THE ORDER                               | 5 MIN  |

MEETING ADJOURNMENT

**Upcoming**  
**Monthly Meeting**  
**June 19, 2019**

**City of Gresham**  
**Finance Committee**  
**Wednesday, May 15, 2019**  
**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. 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*

**City of Gresham Finance Committee  
Wednesday, February 20, 2019 7:00 p.m.  
Conference Room 1A  
Minutes**

**Finance Committee Members Present:**

Mike Ash  
David Dyk, Vice-Chair  
Jared Koga, Chair  
Sue O'Halloran  
Theresa Tschirky

Kris Leibrand (Recording Secretary)

**Finance Committee Members Absent:**

Rusty Allen  
Jan Baker

**Council Liaisons in Attendance:**

None.

**Staff Members in Attendance:**

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

**1. Convene Meeting**

Chair Koga convened the meeting of the Gresham Finance Committee at 7:04 p.m.

**2. Committee Business (moved to end)**

**3. Public Comment**

None.

**4. Minutes of January 16, 2019**

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

**"Approve the minutes for the January 16, 2019 Finance Committee meeting."**

**MOTION CARRIED UNANIMOUSLY**

## **5. 2019 Council Workplan**

Ms. Monohon provided a copy of the proposed Council Work Plan for 2019. A copy of this document is attached to these minutes as Attachment A. Ms. Monohon noted that the Council approved the work plan at the February 5, 2019 meeting and the adopted document should be on the web site in the next couple of weeks.

Ms. Monohon went through the document and talked about each section and answered Committee member questions.

## **6. Council Compensation – FY 2019/20**

Ms. Monohon provided the Committee with a handout titled Mayor and Council Compensation Background (included in the packet), a copy of the Council Compensation Schedule (included in the packet) and a sheet showing the salary and benefits comparison between the Multnomah County Chair and the Mayor, and the Metro Councilors and the City of Gresham Councilors (attached to these minutes as Attachment B). Ms. Monohon reviewed the information on these three sheets and summarized the details.

Mr. Ash asked if there were comparable communities that we can look to for guidance.

Ms. Monohon said it is challenging to find comparable elected positions to other jurisdictions. She noted that the Multnomah County salary committee states in their information that they struggled to find comparable positions in other counties as well.

Ms. Monohon explained that there are many variables involved in determining whether positions would be comparable. Factors including the size of the community, the proximity to a larger metro area, the form of government, and the range of services provided would need to be considered along with the cost of living within a particular area, among many other factors. The likelihood of finding truly comparable positions would be challenging.

Chair Koga said it is challenging to balance what the positions deserve versus what we are willing or able to pay them. He said that he noticed in this most recent election that we had a lot more inclusion, which is what it [providing a salary for mayor and council] was intended to do. He noted that there are still huge disparities across the region in what their elected officials are paid.

Ms. O'Halloran suggested the Committee discuss the roles independently.

Vice-Chair Dyk noted that while we did not have anyone here at the time it came up on the agenda, we do have a member of the public here now and suggested we allow her to speak at this time. Chair Koga agreed.

Carol Rulla said she was part of the charter review committee and a member of the community who gave input into this topic. She noted that Beaverton is a different form of government and that their mayor has very different duties from ours. She said if you look at the other cities in Oregon that have the same form of government we do, with a city manager and a council that mainly provides policy and direction, our mayor makes more than any of them. She said it is good to look at the relationship between what the mayor is paid and what the councilors are paid. She said the it is difficult because there is not a document that outlines the duties of the mayor and the council and there are a lot of things they do that are not acknowledged. She noted that councilors serve as advisory committee liaisons, on sub-committees, and serve as Gresham's representative on many other boards in the region.

She said she thinks the difference of three times between the mayor and council salary is too big of a difference. She said she doesn't want to take away anything from what the mayor does but suggests not making the gap between the two salaries any bigger.

She noted that the council president is a big job – at least 25% more work. She said if she would change anything, she would pay the council president more. She said she thinks that where we currently have the salary is a relatively good one. She noted that the Committee started out with a recommendation from the Charter Review Committee and the public of \$30,000 for the mayor and \$14,000 for councilors, with the council president getting an additional \$100. She said the business community came in and advocated for the mayor getting a higher salary, which was then set at \$50,000. The next year it was generally felt the mayor should have \$60,000 and the councilors a similar percentage of increase. She said this is how we came to the current salaries. She said the Committee might want to discuss the relationship between the mayor and councilor salaries. She thinks from the citizen's point of view, there wouldn't be support for another bump and suggests doing a cost of living increase, but not raising it more.

Chair Koga thanked Ms. Rulla for coming and speaking tonight.

Chair Koga suggested starting the Committee's discussion with the mayor's salary.

Vice-Chair Dyk suggested we keep the mayor at the current salary and adjust the councilors.

Chair Koga said he likes the idea of cost of living adjustment.

Ms. Tschirky said she just did some quick calculations and it looks like there was a 3.5% increase each year for Multnomah County Chair. She said it would be helpful to know if the increase year to year was on just the salary or on the total including the benefits.

Ms. O'Halloran said that we have a city manager that runs the city government and does that well, but the leadership and vision comes from our elected officials. She said they are working

to make sure that Gresham is poised properly in areas such as a transportation plan, business alliance, or housing. She said the mayor and councilors lead this city to its future and it is important to recognize it is different than having a city manager to make the decisions and the council to set policy. She said it is important to pay attention to compensation. She said the way the citizenry supported the mayor in this past election shows that he is doing a good job. She thinks there should be some increase in the mayor's compensation. She wondered if we should offer more on the health and dental benefits to the councilors as those costs continue to rise dramatically.

Mr. Ash said we need to recognize that Gresham is the fourth largest city in the state and as a bedroom community to Portland we have some big issues to deal with. He suggested we should have at least a 3.5% increase plus a cost of living increase of at least 1.5%, for a total of at least 5%.

Ms. Tschirky suggested a cost of living increase somewhere between 1.5-2%.

Vice-Chair Dyk asked if the health and dental insurance offered for the mayor and council is the same as what all employees get.

Ms. Monohon said it is not. She said for half-time employees, the City pays half of their coverage cost, whether it is for a single or full-family. A full-time city employee has full cost picked up for either single or full family.

Vice-Chair Dyk clarified the amounts of the salary caps.

Vice-Chair Dyk said that in the past we identified one of the purposes of paying the elected officials is to get qualified, diverse candidates that might not otherwise be able to run for a position. Another purpose is to enable them to focus on their job. Thinking about those two objectives, he encouraged staff to advertise on the website whatever compensation we identify. He said that has not been clear in the past. He encouraged the Committee to make a formal action to say we want this to happen.

Ms. O'Halloran calculated that a 3% increase would amount be \$1,800, and a 2% increase \$1,200. She suggested a 3% salary increase and to review the insurance again.

Ms. Monohon said she pulled some CPI information off of the Bureau of Labor and Statistics' website. The all city average for urban wage earners, which is one we typically use in our union contracts, last year was 1.3% and 2 years ago was 3.5%.

Chair Koga asked if there is a way to make the benefits comparable to what employees get.

Ms. O'Halloran suggested paying for half of full coverage for full family and asked what that amount would be. She reiterated that the original purpose was to attract people to serve and to give the city their full attention.

Ms. Monohon replied that for medical and dental combined, full family is roughly \$24,000, so half would be \$12,000.

Mr. Ash noted that not everyone will take advantage of the medical and dental insurance options and asked whether there were other payment options if someone did not take insurance coverage.

Chair Koga said the idea is to encourage participation.

Ms. Monohon noted that for clarification, we do not offer that option for employees. She said there is no cash payout if an employee doesn't take the health and dental coverage.

Vice-Chair Dyk said some candidates will not be motivated by the pay and offering it as a benefit as opposed to cash allows them to turn it down and saves the City a little bit of money.

Ms. O'Halloran said we do look at this every year, so if there is a different circumstance down the road, we can review it then. She said if we want a mayor that will be giving the City the amount of attention it needs to be successful, it is questionable if they will have insurance from another employer.

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

**“Establish the Mayor’s pay at \$61,200 per year, which is a 2% salary increase, and modify the language on the benefit package to pay for 50% of both the individual and full family coverage for health and dental insurance.”**

Ms. Tschirky asked what the financial impact would be.

Ms. Monohon said it would be around \$12,000.

Mr. Ash said he would like some discussion on the ratio between the mayor's and the councilor's salaries.

Ms. O'Halloran said we do need to pay attention to the ratio, but she doesn't see any reason to set the motion aside.

Ms. Tschirky said if you add up the whole thing - \$61,000 and \$12,000 you get \$73,000 compared to the current amount of \$64,200. She noted that is a very large increase in the

health and dental perspective. She said she is concerned that we are looking at increasing the benefit portion by three times.

Ms. O'Halloran said she doesn't disagree, but at the same time it is something we have discussed at different points without ever coming to a decision. She said this would be, in a way, a chance to catch up.

Chair Koga agreed. He said we have heard from the public that we have to bring more qualified candidates to the city. He said he would like to continue with the current motion.

Mr. Ash noted that the jump in health and dental insurance is more than he is comfortable with. In looking at the total compensation, he said he'd like to see a bigger cost of living increase rather than an increase in the benefit amount.

Ms. Tschirky agreed.

Vice-Chair Dyk said that if a new mayor took advantage of this benefit, the city would be picking up \$12,000 of the premiums and the mayor would also be picking up \$12,000 of the premium, so it would really only be \$40,000 for the salary.

Chair Koga said he would be open to more of an adjustment.

Ms. O'Halloran said historically this was a big step for the Finance Committee. She said we have been cautious since the beginning because it was new. She said at the same time we are missing the point of what the purpose was to start with. She said it is important to look at the health benefits. She said when talking about employment, benefits are one of the biggest things employees are concerned about. She said she felt last time we were not compensating properly by only paying for half an individual coverage. She said she feel strongly that it is time to say this is the way it should be.

Ms. Tschirky asked if we will do the same thing for the councilors. She said she doesn't support doing this for the mayor and not the councilors because she doesn't want to create more of a gap between their compensation. She said she doesn't think the City has put in place a budgetary cap, and you can look at it to say \$8,000 more for one position is a drop in the bucket, but now we are looking at six more.

Vice-Chair Dyk said one reason to pay attention to this is to get the information out to people that might be qualified and interested in running for office. He said you want the people serving the City to be focused on their work. He said he thinks it is better to have the health care option rather than a higher salary. He said health care is a big issue, but people may have health coverage elsewhere.

Mr. Ash asked if we could offer a salary that would allow folks to either take the full amount, or to take a lesser amount and receive the medical insurance.

Ms. Monohon said that would be a challenge.

Mr. Seeger said that it is an ACA requirement that the City of Gresham has to provide health care for all of our employees. Employees are allowed to opt out, but we still have to provide it.

Chair Koga commented that it is challenging to find qualified people and noted that they are often looking for things other than compensation.

Chair Koga called for a vote on the motion. **Motion passed unanimously.**

The Committee continued their discussion, focusing on the councilor salary.

Chair Koga noted there has been a lot of discussion on what our councilors do versus other representatives in the area and asked Ms. Rulla to provide some insight.

Ms. Rulla reiterated her comments from earlier. She noted the councilors don't just do things in our community, rather they are our representatives on regional bodies, partnerships and commissions.

Ms. O'Halloran noted that we are limited on amounts we can offer the councilors based on the Metro councilor compensation being lower. She said we don't have a lot of room to work with. She said when the next charter review comes around, they might want to look closer at this topic.

Chair Koga said any change with the councilor's salary will result in a large percentage change. He reminded the Committee to think of what the voters wanted when they passed the compensation.

Mr. Ash said that any increase in salary will be more than the benefits. He said most of the councilors will have full time jobs and probably don't need the health insurance. He said he sees an inequity between mayor and council that could be addressed in salary.

Vice-Chair Dyk said the maximum that the charter allows us to pay is \$35,484. He said it wasn't clear if the total should include the benefits or not, but to be clear we should voluntarily choose not to test that and treat it as the maximum for salary and benefits together. He suggested using the same percentage increase with the councilors as we decided on for the mayor – a 2% increase in salary plus paying the full amount for full-family benefits. If the councilors chose to take the insurance for full family it would total about \$32,400, which is still under the cap.

Ms. Tschirky clarified that it isn't clear if the salary cap is meant to be just on the salary or on the salary plus benefits.

Vice-Chair Dyk said he thinks the language says salary. He said we could set the salary at \$35,484 and still offer benefits. He suggested we not choose that option because we aren't sure which was intended.

Ms. Tschirky agreed that the original language didn't even talk about that. She said the majority of people don't even think about benefits, they just think salary.

Ms. O'Halloran said no one could do this as a full-time job as we are not paying them enough. She said what we are doing is compensating them for all of their extra time. She said in reality few people would be able to serve without employment elsewhere. She said they probably have some health benefits elsewhere, so the paying for full family may not benefit most of them because you couldn't afford to do this unless you were retired. She suggested looking at salary increase, but not change the health benefit.

Ms. Tschirky said a 2% cost of living increase in the salary doesn't come close to narrowing the gap. She said she would like to see the salary set at \$25,000 or \$30,000. She said she doesn't think the mayor should be paid three times the amount of a councilor.

Mr. Ash said he liked \$30,000

Ms. O'Halloran said she thinks that is a fair amount.

Vice-Chair Dyk said he thinks that is generous for the councilors. He said the mayor's position is more visible and he represents the City in a different way. He noted that there was a robust election this past November. He said he doesn't know how much pay weighed in on that, but said the goal is to recruit qualified candidates. He cautioned against raising the salary too much.

Ms. Tschirky and Ms. O'Halloran agreed.

Vice-Chair Dyk suggested raising the additional council president compensation to \$200 per month.

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

**“Increase the councilor's base pay to \$25,000 with the council president receiving \$200 per month more and leave the health and dental benefit the same.”**

**Motion passed unanimously.**

Chair Koga thanked Ms. Rulla for being involved and helping.

Vice-Chair Dyk said he is concerned that the City's website lists what it takes to qualify to run for council, but there is nothing on the site about the pay. He said the committee has encouraged staff to put this information up there previously. He noted that it could potentially get controversial, but it is important and encourages transparency.

Chair Koga agreed that the elections page needs to be updated with that information.

Ms. O'Halloran clarified that what we are after is when there is information that goes out in regard to filing for any elected position, the information on the compensation will be included.

A motion was made by Vice-Chair Dyk and seconded by Ms. Tschirky that:

**"The Finance Committee strongly encourages city staff to communicate the council and mayor pay on communications where elections are discussed."**

**Motion passed unanimously.**

## **7. ERP Replacement Project Update**

Ms. Betteridge provided a handout of her presentation (Attachment C). She reviewed the presentation with the Committee and answered questions.

Ms. Monohon discussed the budget side of the implementation.

## **8. Council Workplan Project Updates**

Mr. Seeger provided an update on the following:

- The demolition of 150 W Powell building is on track. There was a bid opening today and a selection will be made tomorrow. We got six bids. The high bid was a bit over \$340,000 and low \$270,000. The project cost does include asbestos abatement.
- The transient lodging tax ordinance first reading was presented at Council was February 19<sup>th</sup>. The second reading will be on March 19<sup>th</sup>. We are hoping the state will do the collections on our behalf, but it will be about a year before that goes live.
- Kiosk project for utility billing program has been delayed until April. We will have further discussions on the kiosk implementation based on commitments made in November.
- Customer assistance review. Put together a paper on research and waiting for feedback. More to follow if changes will be coming.
- Doing a space assessment throughout City Hall and clarifying needs and coming up with some solutions.

Ms. Monohon provided an update on the following:

- The proposed budget document is in process.
- A project is underway to restructure the fee resolutions. We have found over the years the fee resolutions have evolved into an administrative nightmare due to replacing, amending, and repealing of various parts of fee resolutions. It has become a challenge to easily and transparently trace the history of fees. Because a key staff person is retiring this year, we are working on getting the resolutions cleaned up. The updating and tracking of fees will be much more straightforward once this process is completed.

## **9. Good of the Order**

None

## **10.Meeting Adjournment**

Chair Koga adjourned the meeting at 9:00 p.m.

The next regular Finance Committee meeting will be March 20, 2019 at 7:00 p.m. in Conference Room 1A.

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Jared Koga, Chair

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Kris Leibrand, Administrative Assistant

**City of Gresham Finance Committee  
Wednesday, March 20, 2019 7:00 p.m.  
Conference Room 1A  
Minutes**

**Finance Committee Members Present:**

Rusty Allen  
Mike Ash  
Jan Baker  
David Dyk, Vice-Chair  
Jared Koga, Chair  
Sue O'Halloran  
Theresa Tschirky

Kris Leibrand (Recording Secretary)

**Council Liaisons in Attendance:**

Jeanine Gladfelter

**Staff Members in Attendance:**

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

**1. Convene Meeting**

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

**2. Committee Business**

Chair Koga said he went to the advisory committee coordinating meeting recently. He said the chairs from the different Council advisory committees attended. He said it was very educational.

**3. Public Comment**

None.

**4. Capital Improvement Program Update**

Ms. Monohon gave a PowerPoint presentation on the Capital Improvement Program for FY 2019/20 – FY 23/24. A copy of this presentation is attached to these minutes as Attachment A.

Ms. Monohon noted that the Planning Commission work session was last week. She said the presentation tonight is similar to the one that was given at that meeting.

Ms. Monohon reviewed the presentation and Committee members asked clarifying questions.

Ms. Monohon also explained the annual adoption process for the Capital Improvement Program.

## **5. Chart of Account Changes for FY 2019/20**

Ms. Monohon explained that there are a number of changes being made to the chart of accounts to work with the new Enterprise Resource Planning system. She said we will be adopting the FY 2019/20 budget in the new chart of account structure. She noted that local budget law requires us to publish two years of history plus the current year budget in addition to the proposed budget numbers. She said because of the chart of account structure changes, it will be difficult to get the two formats to line up well. She said we are preparing two sets of reports so we will have reports in a format familiar to the committee and a set that complies with budget law. She said they will all tie to the same source data and balance to the same total, but this will allow us to present the information in a way that will be as informative and helpful as possible.

Ms. Monohon gave the following examples of the types of changes that the Committee can expect to see in the proposed budget document:

- *Funds will be merging.* Looking at the information provided in the legal layout it will look like expenses increase noticeably, when really it is several funds being combined into one. We'll present one view as if the funds have always been combined. Also, if the fund that is being closed has a beginning balance, we will have an appropriation and associated transfer to move the dollars to the new funds. In some cases, we may overstate the amount in order to ensure we will be able to close out the old fund.
- *A single fund that will become two funds.* The CDBG/HOME program currently is in the same fund as the Solid Waste and Recycling program. These will be separated out in the future.
- *Moving functions between departments.* With the new system requiring new workflow and approval processes, it makes sense to move some functions between departments. Explanations will be included when appropriate.
- *Combining divisions.* In some cases, the breakout we had in the past no longer adds value. One example of this is fuel. Because the new system will allow controls applied to just this line item, it doesn't need to be structurally separated into its own division.
- *Methodology for collecting pension bond and workers compensation expenses.* Historically these two items have been collected as an internal service charge. We are changing these to be collected through payroll processing.

- *Elimination of the grants fund.* Historically this has been used as a clearing house for grants funds coming in. Current accounting practices prefer the revenue goes directly to the fund that will ultimately use it.
- *Revised revenue categories.* We tried to reduce the use of “other” and “miscellaneous” categories, so there may be some noticeable changes in various areas.
- *Internal service charges.* Some items will show as internal payments that previously were shown as internal service charges.
- *Line item changes.* Doing a complete crosswalk is challenging. The line item detail will be presented only in the old format.
- *New section.* We will keep the current structure of the proposed budget document as much as we can, so it looks familiar. A section will be added to the back of the document that includes the legally required reports in the new structure.

## **6. Council Workplan Project Updates**

Ms. Monohon had no additional workplan updates.

Mr. Seeger provided an update on the following:

- Many FMS employees are heavily involved in ERP implementation, as we are now focusing on two areas – core financials and HR/payroll modules. Still have a lot of process and workflow testing to do.
- We have a new project manager assigned for the kiosk project and our new timeline shows deployment on May 1. Some adjustments may be made so that the ERP work can be completed on time.
- At the March 19<sup>th</sup> Council meeting, the demolition contract for the 150 W Powell Blvd building was approved. A signed contract is planned by March 29 with a notice to proceed by April 1. The current plan shows the demolition will be completed by the end of June.
- Also at the March 19<sup>th</sup> Council meeting, the transient lodging tax code changes were enacted and will become effective 30 days from that date. This change will allow the State of Oregon to collect the 6% revenue on behalf of the City once an agreement has been set up.
- Tanner Warner is the new treasury analyst. He will be replacing Mark Tolliver, who is retiring at the end of this month.

## **7. Good of the Order**

None

## **8. Meeting Adjournment**

Chair Koga adjourned the meeting at 9:00 p.m.

The next meeting will be April 23, 2019 at 6 p.m. for the first Budget Committee hearing in the Conference Center. The next regular Finance Committee meeting will be May 16, 2019 at 7:00 p.m. in Conference Room 1A.

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Jared Koga, Chair

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Kris Leibrand, Administrative Assistant