

Meeting Agenda | Finance Committee

Wednesday, August 16, 2023
7:00 p.m.
Zoom Meeting
See Below for Access Information

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|--|--------|
| 1. Convene meeting and roll call of participants | 5 min |
| 2. Meeting Minutes for July 19, 2023 | 5 min |
| 3. Public comment | 5 min |
| 4. Review of Financial Policies | 60 min |
| 5. Project Updates | 10 min |
| 6. Committee Business | 5 min |
| 7. Good of the order | 5 min |

How to participate

This meeting will be conducted electronically using Zoom, an online meeting platform. The meeting structure complies with ORS 192.610 to 192.690.

Please note: Instructions for citizens wishing to testify during this Finance Committee meeting are as follows:

- Written testimony: Please send your written testimony to Budget and Finance Director, Sharron Monohon at Sharron.Monohon@GreshamOregon.gov no later than 24 hours before the meeting to allow the testimony to be forwarded to the Finance Committee.
- Oral testimony: Please register your name, email address, phone number and subject matter to Budget and Finance Director, Sharron Monohon at Sharron.Monohon@GreshamOregon.gov no later than 24 hours before the meeting.
- Persons who are unable to access the meeting via Zoom are encouraged to notify the City by calling 503-618-2890, 24 hours in advance of the meeting so that the City can provide alternate arrangements.

Meeting log-in or call-in information to access the meeting:

Click the link to join:

<https://greshamoregon.zoom.us/j/86728900897?pwd=SCtlenhLMTJydVUxYTlNLenlZMCswdz09>

Passcode: S4nsMM7bpc

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**City of Gresham
Finance Committee
Wednesday, August 16, 2023
Executive Summary**

4. Review of Financial Policies

Presented by Sharron Monohon, Budget & Finance Director

The City's current Financial Management Policies were last adopted by Council on January 4, 2011 through Resolution 3036. Several of the specific elements in the document are out of date and are due to be updated or removed. Additionally, as the last revision was over ten years ago, review of the entire document is warranted. This meeting will continue discussions regarding the project to update the City's policies.

Materials from last month's discussion are included with this packet. The discussion for the August 16th meeting will focus on fund balance and reserve policies.

Requested Action: Information and Committee Discussion

5. Project Updates

Committee members and staff will provide updates on the status of various projects and other key initiatives that are underway currently. This may include reporting on the activity of other committees or workgroups where relevant as well as special Finance Committee projects.

Requested Action: Information and Committee Discussion

**City of Gresham Finance Committee
Wednesday, July 19, 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:

Janine Gladfelter

Staff Members in Attendance:

Sharron Monohon, Director of Budget & Finance
Elizabeth McCann, Budget Manager

Christina Ott (Recording Secretary)

1. Convene Meeting and Roll Call

The meeting was convened by Chair Dyk at 7pm.

2. Meeting Minutes for May 17, 2023

There was a motion made by Ms. Tschirky and seconded by Ms. Baker to:

“Approve the meeting minutes as distributed.”

Motion passes unanimously.

3. Public Comment

None

4. Election of Vice-Chair

Ms. Monohon began by going over the rules and guidelines of how the Chair and Vice-Chair positions are elected. The Vice-Chair position is elected in odd number calendar years and the

Chair is elected in even number calendar years. Both terms last for 2 years. According to the City's code, the same individual should not serve in the same leadership position for more than two terms. Ms. Tschirky is currently serving as Vice-Chair and is eligible to serve another term as she has only served one term thus far.

Ms. Monohon mentioned that several committee members have terms that have now reached the end of their officially appointed term. Ms. Lider's reappointment was approved at the June 6th Council meeting. Since the other committee members have served on the committee longer, we are still working through the application and appointment process for those positions. In the meantime, those members of the committee may continue to participate and serve on the committee until an action has been taken to officially fill the positions.

Ms. Baker asked if there would be any restrictions on voting for a committee member for Vice-Chair this year and then voting for that same person for Chair next year.

Ms. Monohon replied that there were no restrictions on voting that way.

There was a nomination made by Ms. Baker and seconded by Ms. Lider to:

"Appoint Ms. Tschirky for Vice-Chair of the Finance Committee"

Ms. Tschirky is willing to serve.

Nomination passes unanimously. Ms. Tschirky has been appointed Vice-Chair.

5. Long-Term Financial Roadmap Update

Ms. Monohon began sharing some updates regarding the Financial Roadmap.

- At the June 6th Council meeting, there was discussion regarding a proposed set of actions to balance the budget since the levy did not pass. Actions included: retaining the existing positions that were in the budget; removing any new positions that would have been funded by the levy; implementing a few targeted reductions; extending the temporary increase to the Police, Fire and Parks fee at the \$15 level for another year; and allocating the use of \$3.2 million of ARPA funding. Council agreed with the overall balancing recommendation.
- This plan was adopted by the Council as part of the budget adoption process at their June 20th meeting. The short timeline for some of the steps was necessary to meet fiscal year deadlines, as well as to ensure that the billing process and associated revenue collection was not interrupted.
- At the Council meeting on July 18, follow-up information was provided regarding some

questions that were raised at the June 6th meeting, including clarification regarding various outside funding options.

- There was also a presentation and discussion regarding voter turnout and post-levy analysis, including some initial feedback from voters and some takeaway information that can be used in the future.
- Key points included differences in voter turnout and the potential negative impacts from the county measure that was on the ballot. Additional information of note in the consultant's presentation included comments regarding the relationship between public safety funding and the Multnomah County DA's Office, as well as confusion on the future of the Police, Fire and Parks fee.
- When considering another ballot measure, the suggestion from the consultant was that waiting until a 2024 election was recommended. Council was also reminded, however, that there is a difference in revenue timing as a measure in May 2024 would bring in revenue a year earlier than a measure in November 2024.

Ms. Baker asked if there was a way to see how various areas of Gresham voted.

Ms. Monohon responded that the presentation provided to Council included the results by area. Overall, there seemed to be a fairly uniform vote across the City.

Ms. McCann said there is data available on the Multnomah County website if you want to see detailed results.

Ms. Baker noted it would be interesting to study that information to see where the future energy and outreach needs to be focused.

Ms. Monohon highlighted additional comments shared by the consultant:

- The coalition that we had and the diverse groups that came together to support the effort was highly favorable, and the consultant heavily encouraged continuing these efforts going forward and to maintain the broad mix of groups.
- Throughout the state, most of the tax measures that asked for new money failed.

Chair Dyk asked if there was any discussion regarding changing the strategy from a levy towards a Fire district annexation.

Ms. Monohon replied there was some discussion during the presentation regarding areas in the financial roadmap that we are working on. Topics include evaluating districts and the cost of service, as well as ensuring the contracts with other cities fully reflect what should be included. Council has not made a specific decision yet, but has shown interest.

6. Review of Financial Policies

Ms. Monohon began with her presentation.

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

Ms. Tschirky supported having policies that document the positive practices that we currently are doing as they provide guideposts for when there is turnover in the future.

Ms. McCann added that the policy around grants can help us have a better chance at receiving them. We can prove to the grantor that we have a structure in place that meets all their criteria.

Chair Dyk commented it would be beneficial to include a statement within the policy confirming that we are complying with the intent behind the usage of Federal dollars. The idea is to really drive home the fact that the dollars will be focused on exactly what they were expected to be used for.

Ms. Tschirky stated that this work appears to be well done and asked if there was any indication as to Council’s interest in this project.

Ms. Monohon replied there have been some conversations, especially as the topic has come up during Budget Committee discussions. She added that further discussion and structure is needed for Council to fully understand and get a better idea as to why this is important to pursue.

Councilor Gladfelter added it would be something to have in a roadmap so there can be clear understanding of what goals we are trying to work towards.

Ms. Monohon stated that some of the work that needs to be done is the older policies that haven’t been updated in a fair amount of time. It will take some time in order to really grasp what are we looking for in the update to match today’s standards and what should be expected of these policies. She added that this work could be completed in stages where we could adopt an initial set of policies and then further down the road we can continue to expand and add in areas that require more consideration.

7. Project Updates

Ms. McCann provided a project update:

- The Budget was adopted by the Council on June 20, and we are most of the way through the filling process. We are still working on some of the documents that need to be completed, including the adopted budget document and the budget in brief. Some format changes may be considered.

The group discussed ideas including changing the terminology used, simplifying the amount of information given in the overview, giving different options of ways people can view the more in-depth information, and creating a section for community input and involvement.

Ms. Monohon shared a few updates:

- The work to close out the fiscal year and proceed with the annual audit is starting soon.

- City Attorney Kevin McConnell has left the city. Helen Toloza has been appointed as Interim City Attorney while a recruitment process gets underway.

8. Committee Business

None

9. Good of the order

None

10. Meeting Adjournment

The meeting was adjourned at 8:20 pm by Chair Dyk. The next Finance Committee meeting will be on August 16, 2023 at 7pm.

Dave Dyk, Chair

Christina Ott, Recording Secretary



MEMORANDUM

TO: Members of the Finance Committee

FROM: Sharron Monohon, Budget & Finance Director

DATE: August 16, 2023

SUBJECT: Financial Policies

The attached items, reviewed during the July 19, 2023 Finance Committee Meeting, have been included here for further reference as we continue our discussions on Financial Policies:

- Initial Development Steps
- Synopsis of the City's Existing Policies
- GFOA Recommended Categories
- Existing Policies - Reordered into GFOA Categories
- Statement of Purpose
- Draft Policies - Grants
- Draft Policies - Investment

Update of Financial Policies

Development Process – according to GFOA best practices

Step 1: Define the problem

While the City's internal financial practices are sound, the existing financial policies that have been formally adopted by Council are out-of-date. There have been no revisions within the past 10 years, and even at that time, certain policy items were no longer timely and/or relevant. Overall, the policies lack structure as they were not developed with a complete framework and do not have a clear guiding purpose or goal. As currently adopted, some of the policies cannot be met, while several key areas are not addressed at all.

Goals of an update could include enhancing specific policies, documenting existing successful internal policies, and establishing a regular review and update cycle.

A comprehensive update would then establish better documentation for measurement, support continuity of existing good practices into the future, and provide transparency to the organization and the community.

Step 2: Draft the policy

GFOA identifies 15 categories to consider when establishing financial policies. These categories can serve as an overall framework and can flag areas where additional policy details may be beneficial. In many areas, best practices are also suggested that may provide further structure and content.

As an initial step, the City's existing policies have been labelled and reorganized into the GFOA framework to identify gaps, redundancies, and/or conflicts.

A review of other cities' policies may also provide ideas and details to include. The review should primarily focus on cities within Oregon as there are many state-specific regulations related to municipal budgeting, banking, and other financial practices.

An initial review found that some policies included a purpose statement in advance of identifying specific elements. This provides a better understanding of why the policies are needed and/or what they are seeking to achieve. Recommend including this in our update where possible.

Gresham Policy Reference #	Synopsis
A01	Use a service delivery model financed through budgets
A02	Budgets will be sufficient to provide services and maintenance of assets with clear distinction between operating and capital.
A03	The City will encourage productivity and avoid duplication of services. Intensive reviews and reporting to be completed.
A04	Activities will be enterprises if it improves efficiency or cost recovery
A05	Development should pay full cost of permit and any other related services
A06	Adequate reserves will be maintained for all known liabilities
A07	The City reimburse employee/electeds expenses directly, with no indirect reimbursements through vendors
A08	Investment Policies are adopted and listed separately
A09	Development fees shall not be waived. May be paid by City on developer's behalf with certain authorization by Council.
A10	Sworn Staffing levels goals are 1.3 per 1000 citizens for PD and 1.79 per 1000 overall
A11	Contingency transfers are allowed by Council, and should be reviewed by Finance Committee
A12	Water, Wastewater, and Stormwater are closed enterprise funds
B1	Total GO debt will not exceed 3% of the market value of the City
B2	Financing for capital projects will be structured to match the life of the project, operations will not be funded with LTD
B3	GO Debt will not be issued for enterprise activity
B4	Bond anticipation debt will be retired within 12 months after project completion, and last no longer than 3 years
B5	City direct debt will be rated by Moody's or Standard and Poor's, and the City will maintain and improve that rating
B6	All conduit (pass-thru) bonds must be credit enhanced and received an A or better from Moody's or Standard and Poor's
B7	Limits to capital leases listed as long-term debt
B7A	10% of revenues of the fund supporting the lease payments
B7B	Limited to economic life of the equipment or facilities and shall not exceed 25 years
B7C	Lease purchases must fit within City's stated mission, and department role
B7D	Lease purchases must be included in the originating departments approved budget
C1	Tax base property taxes dedicated to Public Safety. Together with other General Fund revenues, fund the total cost of Police & Fire, including associated overheads and support.
C2	The City will maintain diverse revenue streams
C3	Distinction between activity generated and general support revenues

C4	Charges for services should strive for full cost recovery, defines which functions are expected to be self supporting and which aren't
C5	The City will aggressively pursue delinquent accounts
D1	The City will integrate performance measures and indicators in the budget
D2	Personnel budgeting will include market, cost of living, contract, and merit increases in the budget
D3	Defines the beginning fund balance and what it can be used for
D4	Funding for capital projects will be identified and quantified for the project and all associated operating costs
D5	Operating funds will maintain a contingency account
D6	The City will plan capital improvements over a multi-year period and is tied to long range planning
D7	The City will maintain infrastructure to minimize replacement costs
D8	Equipment Replacement will be budgeted to ensure funding at the appropriate time
D9	The Goal of the General Fund is:
D9A	Include a Contingency reserve, and it should be higher in times of economic uncertainty
D9B	Ending Fund balance is a resource that mitigates cash flow shortages, and it should be higher in times of economic uncertainty
D9C	Rainy Day Reserve Fund minimums and uses
E1	Adequate reserves will be maintained for general and workers compensation liabilities
E2	The City's accounting and financial reporting will conform with GAAP and Local Budget Law
E3	The City will provide full financial disclosure in bond representations
E4	The City will publish an audited CAFR each year
E5	The City will ensure adherence to budget and prepare regular reports of budget to actuals
E6	The City will provide bond coverage for employees with surety determined by the Risk Manager
F1	the City will use SDCs for the cost of demand created facilities, and defines which ones
F2	SDCs are reimbursement fee, an improvement fee, or combo of both
F3	SDCs will be proportionate to the cost of facility or infrastructure development
F4	If the SDC does not cover full cost, other financing must be acquired
F5	The Facility Master Plan lists the fee funded improvements, estimated cost, and timing
F6	SDCs are deposited in a separate fund from the rest of City resources. SDCs will be tracked and accounted for by each individual type.
F7	The Order SDCs should be applied 1) Debt service 2) Complying to State 3) Master Plans 4) Capital Improvement

F8	The City shall provide an annual accounting of SDCs
G1	Use a market based approach to City Manager and City Attorney compensation
G2	Total compensation including benefits should be competitive with the market
G3	Goal of Compensation Policy

GFOA Recommended Categories for Financial Policies

General fund reserves. Policies governing the amount of resources to be held in reserve and conditions under which reserves can be used.

Reserves in other funds. Policies for other funds (especially enterprise funds) that serve a similar purpose to general fund reserve policies.

Grants. Policies that deal with the administration and grants process.

Debt. Policies that govern the use of government debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements.

Investment. Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.

Economic development. Policies that address a local government's use of subsidies or other incentives to encourage private development.

Accounting and financial reporting. Policies that establish and guide the use of an audit committee, endorse key accounting principles, and that ensure external audits are properly performed.

Risk management and internal controls. Policies that address traditional views of risk management and internal control, as well as more modern concepts of "enterprise risk management."

Procurement. Policies that are most essential for adoption by the governing board in order to encourage efficient, effective and fair public procurement.

Long-term financial planning. A policy that commits the organization to taking a long-term approach to financial health.

Structurally balanced budget. Policies that offer a distinction between satisfying the statutory definition and achieving a true structurally balanced budget.

Capital. Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.

Revenues. Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenditure obligations.

Expenditures. Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.

Operating budget. Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.

GFOA Category #	GFOA Category Desc	Gresham Policy Reference #	Synopsis
1	General Fund reserves	D3	Defines the beginning fund balance and what it can be used for
1	General Fund reserves	D9	The Goal of the General Fund is:
1	General Fund reserves	D9A	Include a Contingency reserve, and it should be higher in times of economic uncertainty
1	General Fund reserves	D9B	Ending Fund balance is a resource that mitigates cash flow shortages, and it should be higher in times of economic uncertainty
1	General Fund reserves	D9C	Rainy Day Reserve Fund minimums and uses
2	Reserves in other funds		
3	Grants		
4	Debt	B1	Total GO debt will not exceed 3% of the market value of the City
4	Debt	B3	GO Debt will not be issued for enterprise activity
4	Debt	B4	Bond anticipation debt will be retired within 12 months after project completion, and last no longer than 3 years
4	Debt	B5	City direct debt will be rated by Moody's or Standard and Poor's, and the City will maintain and improve that rating
4	Debt	B6	All conduit (pass-thru) bonds must be credit enhanced and received an A or better from Moody's or Standard and Poor's
4	Debt	B7	Limits to capital leases listed as long-term debt
4	Debt	B7A	10% of revenues of the fund supporting the lease payments
4	Debt	B7B	Limited to economic life of the equipment or facilities and shall not exceed 25 years
4	Debt	B7C	Lease purchases must fit within City's stated mission, and department role
4	Debt	B7D	Lease purchases must be included in the originating departments approved budget
5	Investment	A08	Investment Policies are adopted and listed separately
6	Economic Development	A05	Development should pay full cost of permit and any other related services
6	Economic Development	A09	Development fees shall not be waived. May be paid by City on developer's behalf with certain authorization by Council.

6	Economic Development	F1	the City will uses SDCs for the cost of demand created facilities, and defines which ones
7	Accounting and Financial Reporting	D1	The City will integrate performance measures and indicators in the budget
7	Accounting and Financial Reporting	E2	The City's accounting and financial reporting will conform with GAAP and Local Budget Law
7	Accounting and Financial Reporting	E3	The City will provide full financial disclosure in bond representations
7	Accounting and Financial Reporting	E4	The City will publish an audited CAFR each year
7	Accounting and Financial Reporting	E5	The City will ensure adherence to budget and prepare regular reports of budget to actuals
7	Accounting and Financial Reporting	F6	SDCs are deposited in a separate fund from the rest of City resources. SDCs will be tracked and accounted for by each individual type.
7	Accounting and Financial Reporting	F8	The City shall provide an annual accounting of SDCs
8	Risk Management and Internal Controls	A06	Adequate reserves will be maintained for all know liabilities
8	Risk Management and Internal Controls	E1	Adequate reserves will be maintained for general and workers compensation liabilities
8	Risk Management and Internal Controls	E6	The City will provide bond coverage for employees with surety determined by the Risk Manager
9	Procurement		
10	Long-term Financial Planning		
11	Structurally Balance Budget		
12	Capital	B2	Financing for capital projects will be structured to match the life of the project, operations will not be funded with LTD
12	Capital	D4	Funding for capital projects will be indentified and quantified for the project and all associated operating costs

12	Capital	D6	The City will plan capital improvements over a multi-year period and is tied to long range planning
12	Capital	D7	The City will maintain infrastructure to minimize replacement costs
12	Capital	D8	Equipment Replacement will be budgeted to ensure funding at the appropriate time
12	Capital	F3	SDCs will be proportionate to the cost of facility or infrastructure development
12	Capital	F5	The Facility Master Plan lists the fee funded improvements, estimated cost, and timing
13	Revenues	C2	The City will maintain diverse revenue streams
13	Revenues	C3	Distinction between activity generated and general support revenues
13	Revenues	C4	Charges for services should strive for full cost recovery, defines which functions are expected to be self supporting and which aren't
13	Revenues	C5	The City will aggressively pursue delinquent accounts
13	Revenues	F2	SDCs are reimbursement fee, an improvement fee, or combo of both
13	Revenues	F4	If the SDC does not cover full cost, other financing must be acquired
14	Expenditures	A03	The City will encourage productivity and avoid duplication of services. Intensive reviews and reporting to be completed.
14	Expenditures	A04	Activities will be enterprises if it improves efficiency or cost recovery
14	Expenditures	A07	The City reimburse employee/electeds expenses directly, with no indirect reimbursements through vendors
14	Expenditures	A10	Sworn Staffing levels goals are 1.3 per 1000 citizens for PD and 1.79 per 1000 overall
14	Expenditures	C1	Tax base property taxes dedicated to Public Safety. Together with other General Fund revenues, fund the total cost of Police & Fire, including associated overheads and support.
14	Expenditures	D2	Personnel budgeting will include market, cost of living, contract, and merit increases in the budget
14	Expenditures	F7	The Order SDCs should be applied 1) Debt service 2) Complying to State 3) Master Plans 4) Capital Improvement
14	Expenditures	G1	Use a market based approach to City Manager and City Attorney compensation
14	Expenditures	G2	Total compensation including benefits should be competitive with the market
14	Expenditures	G3	Goal of Compensation Policy
15	Operating Budget	A01	Use a service delivery model financed through budgets
15	Operating Budget	A02	Budgets will be sufficient to provide services and maintenance of assets with clear distinction between operating and capital.
15	Operating Budget	A11	Contingency transfers are allowed by Council, and should be reviewed by Finance Committee
15	Operating Budget	A12	Water, Wastewater, and Stormwater are closed enterprise funds
15	Operating Budget	D5	Operating funds will maintain a contingency account

Draft Statement of Purpose

(See City of Bend)

The City is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of the Financial Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by Council as the basic framework for overall financial management of the City. The policies are designed to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

1. Provide an adequate financial base to sustain a sufficient level of municipal services to maintain the social well-being and physical conditions of the City.
2. Deliver cost effective and efficient services to community members.
3. Provide and maintain essential public facilities, utilities, and capital equipment.
4. Protect and enhance the City's credit rating so as to obtain the lowest cost of borrowing and also to assure taxpayers and the financial community that the City is well managed and financially sound.
5. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents.
6. Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, the Governmental Accounting Standards Board and other related professional financial standards.
7. Fully comply with finance related legal mandates, laws and regulations.
8. Promote intergenerational equity for the City's taxpayers and ratepayers by spreading the cost of new or upgraded City infrastructure over time so that generations benefitting from such infrastructure contribute to its cost.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, accounting and financial reporting, reserves and internal controls.

These policies are reviewed and updated ...*tbd regarding the frequency and methodology for review and update...*

Working DRAFT Policies

3 - GRANTS

GFOA Description: Policies that deal with the administration and grants process.

Existing Policies: None.

Purpose Statement: The City seeks to leverage grant funding from Federal, State, Local or other sources when feasible. This policy category reflects guidance for decisions regarding seeking, securing and managing grant funds.

Proposed Policies (Draft):

The City will maintain a grants manual (compliant with Federal regulation tbd) to support the administration of grants received from Federal, State, Local and other sources.

The City will maintain an Indirect Cost Rate Proposal and Central Service Cost Allocation Plan in compliance with Federal regulations to allow for full cost recovery of overheads where possible.

All potential grants shall be coordinated with the Budget and Finance Department and evaluated for matching requirements and on-going resource requirements and balanced with the benefits of the grant before acceptance. Grants may be rejected to avoid commitments beyond available funding. (Bend)

Grants must be used in compliance with the purpose of the grant award, as well as all applicable Federal, State and Local laws. Internal controls over compliance of grants must be established. Evidence of compliance and effective internal controls over compliance must be retained to satisfy applicable statutes of limitations. (Hillsboro)

Working DRAFT Policies

5 - Investment

GFOA Description: Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.

Existing Policies:

A08 – Investment Policies are adopted and listed separately

Purpose Statement: In addition to being required under Oregon statutes, this policy category provides clarity and guidance for managing investments. Priorities include: the preservation of capital and protection of investment principal; the maintenance of sufficient liquidity to meet all operating requirements that are reasonably anticipated; the diversification needed to avoid incurring unreasonable risks regarding specific security types or individual financial institutions; and practices that maximize risk-optimized portfolio return throughout economic and fiscal cycles (within the constraints of the investment policy). (City's Investment Policy)

Proposed Policies (Draft):

The City will adopt an Investment Policy (via separate resolution) to establish investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements and safekeeping and custodial procedures necessary for the prudent management and investment of the funds of the City of Gresham.

The City will review and adopt the Investment Policy annually, or as otherwise needed, to comply with requirements of Oregon statutes. The adoption process will include review by the Finance Committee prior to Council adoption.

The City will retain the services of outside professionals to support its investment program, within required procurement procedures and consistent with Oregon statutes.

Biannual Investment updates will be provided to the Finance Committee. (Note: this is already stated in code under the FC role, but we may want to say it here too.)