

Meeting Agenda | Budget Committee

Tuesday, April 28, 2026
6:00 p.m.

This meeting will be held remotely, via Zoom.

Join the Zoom webinar (with streaming video):

<https://greshamoregon.zoom.us/j/83765973338?pwd=T171Ttz aA56t30HGRya1Y16Aun4sKA.1>

Zoom Passcode: gJns3syvYF

-OR- Join by phone (audio only):

213-338-8477
(additional numbers are available)

Webinar ID: 837 6597 3338

Dial-in Passcode: 0785610036

- | | |
|---|--------|
| 1. Reconvene Meeting and Roll Call | 1 min |
| 2. Approval of Minutes for FY 2025/26 Budget Committee Meetings | 5 min |
| 3. Follow-up from Budget Committee Meeting #1 | 30 min |
| 4. Instructions for Public Comment | 1 min |
| 5. Public Comment | 30 min |
| 6. Committee Discussion | 60 min |
| 7. Approval of Fiscal Year 2026/27 Budget and Tax Rates | 10 min |
| 8. Adjourn Meeting | 5 min |

Budget documents will be available online at www.greshamoregon.gov/budget-and-finance/budget-and-financial-documents under "Fiscal year 2026-27 budget materials" by the conclusion of this meeting.

Submit requests to provide oral or written testimony 24-hours in advance of the Budget Committee meeting by emailing the Recording Secretary at Budget&Finance@GreshamOregon.gov.

Submit requests for translation services for this meeting by contacting Christina Still at Christina.Still@GreshamOregon.gov by 5:00 p.m. Monday, April 27, 2026.

For more information about this agenda or if alternate access to the meeting is needed, submit a request 24-hours in advance of the Budget Committee meeting by email, please contact the Budget and Finance Department at 503-618-2445 or Budget&Finance@GreshamOregon.gov.



To: Members of the Budget Committee
From: Elizabeth McCann, Budget & Finance Director
Meeting Date: April 28, 2026
Subject: Responses to Committee Questions

The attached are responses to Committee Members' questions that were received for the April 28, 2026 Budget Committee meeting.

Questions/Comments from FY 2026/27 Budget Committee Members

Below are the questions that have been received by Budget Committee members. Staff responses are included in blue. The questions have been grouped by topic.

Public Safety

1. Please describe the impacts from the FY 2025/26 add package that staffed the Rescue Units in the Fire Department with a fire lieutenant each?

A fire lieutenant provides all the same job duties and services of a firefighter position, but has enhanced training and experience to make higher-level operational decisions. As a supervisor, a lieutenant provides a clear command structure, accountability, communication with other agencies during incidents, and is specifically trained to evaluate appropriate responses to any incident.

Furthermore, early arrival of a supervisor ensures immediate accountability, reinforces adherence to standard operating procedures, and enhances firefighter safety, especially in fast-moving, high-risk situations where clear direction and oversight are critical. By adding a supervisor on every rig in the department, these important oversight and safety functions are now being provided on every call.

The Fire Department has provided several examples of how staffing a rescue unit with a lieutenant position has helped enhance fire operations and the services provided to the community.

- This week, Rescue 72 was dispatched on a dumpster fire. Before leaving the station, the lieutenant was able to evaluate the situation and have the dispatch center reassign the appropriate type of response units to the call because a rescue unit would not have been able to address this type of incident by itself. This action ensured that the appropriate resources arrived at the scene without delay.
- As many may remember, a plane crashed in Fairview within Gresham Fire's response area. On that day, a lieutenant was filling a shift on the rescue unit and was the first to arrive on scene. After evaluating the situation, the lieutenant was quickly able to identify the need for additional resources and elevate the request to the dispatch center. This example demonstrates how the lieutenant can provide immediate command authority and make critical decisions to ultimately serve the community with the right resources in the quickest amount of time.

2. Why is the Police department budget decreasing from \$55.3 million to \$54.8 million in the General Fund?

The budgetary decrease of approximately \$535,000 between these two fiscal years can be explained by two primary reasons.

The first is a one-time, citywide contribution to buy-down the City's unfunded PERS liability through a state incentive program that will reduce the City's PERS rates for the next 6 years. In FY 2025/26, the Police Department contributed approximately \$1,860,475 to this incentive program, which can be seen on page 140 in the object row titled 501113 PERS - UAL. This amount will not be budgeted again in FY 2026/27 since it was a one-time program.

The second reason is due to a reduction in overtime to align the budget with prior year spending, which can be seen on page 140 in the object row titled 501010 Overtime. For a list of major changes impacting

Questions/Comments from FY 2026/27 Budget Committee Members

the Police Department budget, please see pages 138-139 as the two budgetary decreases mentioned above are offset by increases in other line items.

3. Does the Levy Fund pay internal service charges, or is it embedded in the Police & Fire budgets?

No, there are not any internal service charges included in the Local Option Levy Fund. All internal service charges for Police and Fire are captured in the General Fund.

4. When comparing the Local Option Levy budgets for Police and Fire between FY 2025/26 and 2026/27 on pages 97 and 101, the amount for Police decreased, but Fire increased. Please clarify since Police added positions, but Fire did not.

This is a result of how a number of factors in each budget changed between the two years. These factors include:

- Overtime – each department’s overtime was adjusted in the Local Option Levy to align with historical trends. Fire’s budget had a larger increase than Police’s budget.
- PERS Unfunded Actuarial Liability – In FY 2025/26, the City budgeted funds to participate in the PERS Employer Incentive funds to buy-down its outstanding obligations with PERS. This was a one-time action and not budgeted in FY 2026/27. Police had a larger budget for this line item in 2025/26, therefore experiences a larger decrease in FY 2026/27.
- Collective Bargaining Agreements (CBA) – There are multiple CBAs that inform personnel costs in these two departments. Each CBA contains unique parameters that impact how personnel costs increase year over year.

5. On page 138, the narrative says Police overtime went down by \$1,174,401. It also said that some funds were moved from General Fund to the Levy Fund. Please provide more details.

The overtime budget for Police was decreased in the Proposed budget by the amount referenced to better reflect historical trends. A small portion of that decrease, \$108,000, was offset by increases in the Local Option Levy to align with the historical trends in overtime earned by staff budgeted in that fund (page 175-176).

Parks

6. Why did Parks Administration Division decrease between FY 2025/26 and FY 2026/27 from \$1 million to \$862,000?

The budgetary decrease of approximately \$143,000 between these two fiscal years can be explained by a one-time, citywide contribution to buy-down the City’s unfunded PERS liability through a state incentive program that will reduce the City’s PERS rates for the next 6 years. In FY 2025/26, the Parks Department contributed approximately \$140,000 to this incentive program, which can be seen on page 165 on the object row titled 501113 PERS - UAL. Of this amount, the Parks Administration Division contributed approximately \$38,000 in FY 2025/26 and this amount will not be budgeted again in FY 2026/27 since it was a one-time program.

In addition, the Parks Department experienced a budgetary decrease due to unfilled positions in the prior FY 2025/26 being budgeted at a higher level than ultimately filled.

Questions/Comments from FY 2026/27 Budget Committee Members

7. Staff received a phone call about the federal funding that was received for the Main City Park Revitalization Project. The caller shared for support for adding bathrooms utilizing the federal funding received for Main City Park.

The budget for FY 2026/27 includes \$850,000 in federal funds for Main City Park. The application request through the Congressionally Directed Spending process was specifically for Main City Park upgrades of new play equipment and improved accessibility for those with mobility challenges. These funds may not be used for any other purpose for Parks or other departments.

8. Parks receives 5% from the Police, Fire and Parks Fee. What does 5% equal?

The total amount of revenue estimated to be collected for the Police, Fire and Parks Fee is \$8,507,000 in FY 2026/27 and can be found within the Charges for Services category on page 135. Five percent of this total equates to \$425,350 dedicated to the Parks Department, which is used to support 3.0 out of a total of 16.60 full-time equivalent positions.

Urban Renewal

9. During the April 16th Budget Committee meeting, a committee member asked how many dollars were lost in the General Fund due to Urban Renewal Districts? Staff committed to following up for the next meeting.

For Rockwood-West Gresham Urban Renewal Area, the forecasted amount of property taxes forgone is approximately \$1,900,000 for FY 2026/27.

For Downtown/Civic Urban Renewal Area, the forecasted amount of property taxes forgone as a result of creating an urban renewal district is approximately \$196,000 for FY 2026/27.

10. Does the City need to consider additional resources to implement the urban renewal district through faster permitting times, streamlined approvals, etc without compromising livability.

The implementation of the Downtown/Civic Urban Renewal Area will start in FY 2026/27. The ramp up period over the next few years for this area is aligned to match with anticipated resources that will be available for that area.

Environmental Services

11. The Unappropriated and Contingency balance in the Water Fund has typically been in the \$25M+ range back to roughly 2020 but is forecast to be drawn down to ~\$17M, despite \$2.4M reduction in expenses related to not purchasing Bull Run Water. Does this indicate that the Water Fund is running short on funding?

No, the fund is not running short on funding, this was a planned drawdown. Over the last few years, the City, in partnership with Rockwood People's Utility District, has been constructing the new groundwater system. This project is being financed through a federal loan, revenue bonds, and cash. This drawdown of unappropriated represents the cash that is being used to finance the project, and was a deliberate choice, to avoid issuing additional debt. The cash contribution to the project is the last funding being used since the loan and bond structures are completed and fixed. As the projects are being wrapped up, any underspending on projects will allow unused cash to be kept in the fund. Additional details can be found in the *FY 2026/27 Finance Plan Manual for Utilities and Transportation* on pages 9 and 13. This fund is forecasted to meet all debt requirements into the future.

Questions/Comments from FY 2026/27 Budget Committee Members

Internal Services

12. During the April 16th Budget Committee meeting, a committee member asked how many staff were in IT and what functions do they perform. Staff referenced the joint City Council/Finance Committee meetings that were held in September 2025 and shared that the videos were available on the city website. The links to the videos and agenda packets are provided here.

- **September 11, 2025**
 - Video: <https://greshamor.new.swagit.com/videos/355369>
 - Packet: <https://gresham.primegov.com/Portal/Meeting?meetingTemplateId=4654>
- **September 18, 2025**
 - Video: <https://greshamor.new.swagit.com/videos/356130>
 - Packet: <https://gresham.primegov.com/Portal/Meeting?meetingTemplateId=4661>
- **September 25, 2025** - Note: The link on the city website is currently broken, so a direct link and passcode for the zoom recording is being provided.
 - Video: https://greshamoregon.zoom.us/rec/share/H-RDCtBYgxDsHBUEbrYPXFnxVgXezJSXb6ZMeDDaOeaqnNCGCbAJWSw1qOTg07Xb.0Hgr2tLubN0GPNJ_
 - Passcode: 66rlw+8*
 - Packet: <https://gresham.primegov.com/Portal/Meeting?meetingTemplateId=4668>

13. How are internal service charges calculated and what are the driver's used in the calculations for Information Technology?

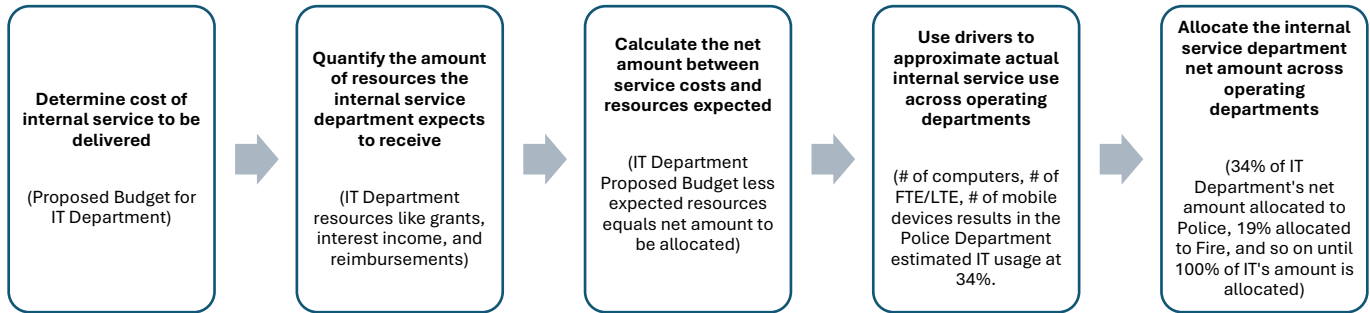
The main method for calculating internal service charges is through drivers. A driver is a quantifiable, objective measure that approximates the usage of an internal service function like legal services, facilities and fleet maintenance, or information technology services. A driver answers who used what service and how much through measures such as square footage of facilities, fuel usage, attorney hours, or number of full-time equivalent employees. The purpose of a driver is to use a repeatable, data-driven method to allocate the cost of an internal service to the departments who use that service.

For the Information Technology Department, the City of Gresham uses a combination of three drivers to approximate the operating department's usage of their services. These drivers include the number of computers, number of full-time equivalent employees, and number of mobile devices. When a department has more devices and employees, greater IT support is needed.

Please see page 13 of the *Fiscal Year 2026/27 Internal Service Charge Manual* to view a table that allocates the Information Technology Department's estimated costs across the City's operating departments using the three drivers mentioned above.

Flow Chart: Describes the key steps in allocating internal service charges to departments

Questions/Comments from FY 2026/27 Budget Committee Members



14. The differences in staffing levels for FY 2025/26 and FY 2026/27 for Budget & Finance and Information Technology on page 430 don't seem to align with the new positions listed on page 432. Please provide more information.

Page 430 shows staffing levels over the four-year period for each department. This page includes internal staff realignments that periodically occur within the City. Page 432 includes positions being added or removed from citywide staffing levels but does not reflect internal realignments. Below is a complete reconciliation for Budget & Finance and Information Technology:

Budget & Finance	FTE	Notes
2025/26 Authorized FTE	42.55	See page 430
Proposed Position: Contracts Specialist	+ 1.00	See page 432
Proposed Position: Management Analyst 2	+ 0.20	This increase was offset by materials & services within the Budget & Finance Department.
Internal Staffing Realignment	+ 1.00	An administrative position within Human Resources (in the Citywide Services Dept) was moved to Budget & Finance and will be shared between the two departments going forward. The position was moved to better align with the majority workload. A corresponding decrease can be seen in Citywide Services – Administrative Services Fund on page 430 (in addition to other internal realignments described in the Information Technology section below).
2026/27 Proposed FTE	44.75	

Questions/Comments from FY 2026/27 Budget Committee Members

Information Technology	FTE	Notes
2025/26 Authorized FTE	27.00	See page 430
Proposed Position: Microsoft 365 Admin.	+ 1.00	See page 432
Proposed Position: Technology Trainer	+ 1.00	See page 432
Internal Staffing Realignment	+ 1.80	Two positions (a total of 1.8 FTE) were moved from Communications (in the Citywide Services Dept) to Information Technology to better align workflows and related functions. A corresponding decrease can be seen in Citywide Services – Administrative Services Fund on page 430 (in addition to the change described in Budget & Finance above).
2026/27 Proposed FTE	<u>30.80</u>	

15. Is there sufficient budget in Emergency Management? The Multnomah County Community Wildfire Protection Plan (Updated 2023)- identifies Gresham Butte and Oxbow as significant areas of fire risk covered by Gresham Fire and Gresham Emergency Management- how does the proposed budget support regional response and coordination to address wildfire risk? Do any of the existing emergency response plans need resources to revisit with the water source change?

Emergency Management functions for the City of Gresham are a mix of centralized and decentralized resources. The Emergency Management Division represents the centralized resources which includes the City’s Emergency Manager. Overall, the City’s Emergency Management program is continually focused on building the City’s readiness for disasters and emergencies, including reviews of the City’s state of emergency preparedness. The City participates in regional response and has intergovernmental agreements in place for coordination. Examples of planned activities throughout the City include:

- Fire Department is currently reviewing a proposed agreement for mutual aid related to wildfire incidents.
- The Water program is continually reviewing and evaluating emergency responses and when needed, includes appropriation in the budget to complete work such as an update to the Water Continuity of Operations Plan, which is included in the proposed budget for FY 2026/27.

16. In the presentations for community engagement- a review and improvement of the neighborhood associations was underway- what funding is available or planned to address the results of that review

This project will be undertaken with existing staff resources. Once the evaluation is complete, resources, if needed, to implement needed changes will be identified.

Questions/Comments from FY 2026/27 Budget Committee Members

Other Topics

17. Enterprise Zone – how much is being forgone in Property Taxes due to Enterprise Zones in FY 2026/27?

For the General Fund, the forecasted amount of property taxes forgone as a result of approved enterprise zones is approximately \$896,000 for FY 2026/27.

For the Local Option Levy Fund, the forecasted amount of property taxes forgone as a result of approved enterprise zones is approximately \$335,000 for FY 2026/27.

18. Please provide an expanded description of what the new positions in Budget & Finance and Information Technology would do?

Microsoft 365 Administrator – Information Technology

The City of Gresham relies on Microsoft 365 as core infrastructure to support daily operations, public safety, and secure delivery of City services. Email, document management, collaboration tools, and cloud-based security systems are essential to how staff communicate, share information, and respond during both routine operations and emergency situations.

A dedicated Microsoft 365 Administrator is needed to ensure these systems are managed securely, reliably, and continuously. This position would provide focused oversight of the City's Microsoft 365 environment, including collaboration platforms, cloud services, and security and compliance controls. As these services continue to expand in complexity and importance, specialized administration is critical to maintaining system stability, resilience, and effective use.

Adding this role would improve operational efficiency and service continuity across all departments. Reliable configuration and management of tools such as Teams, SharePoint, and Outlook reduces downtime, improves coordination, and supports staff productivity. The position also strengthens the City's ability to support 24/7 operations, ensuring that public safety, utilities, emergency management, and other critical functions have dependable access to communication and information systems. This role improves system monitoring, security, and recoverability, reducing the likelihood that outages or incidents disrupt operations.

From a risk management perspective, this position plays a key role in protecting sensitive City information. Microsoft 365 includes advanced security and compliance features that require active oversight to be effective. A Microsoft 365 Administrator ensures access controls, data protections, and compliance requirements are consistently applied, reducing exposure to cybersecurity risks and service disruptions.

The position also improves financial stewardship by optimizing license and resource usage. Centralized oversight ensures licenses are accurately assigned, unused resources are reclaimed, and the City gets maximum value from existing technology investments.

Delaying this position increases operational and security risk while placing additional strain on existing IT staff. Without dedicated ownership, issues related to system reliability, security gaps, and emergency

Questions/Comments from FY 2026/27 Budget Committee Members

support capacity are more likely to grow over time. This also limits the City's ability to fully support accessibility and inclusive work practices that depend on well-managed digital tools.

In summary, the Microsoft 365 Administrator is a foundational investment that strengthens security, improves efficiency, enhances emergency support, and ensures responsible stewardship of public resources. Establishing this role supports City staff, protects community information, and advances the City's strategic and public safety goals.

Technology Trainer – Information Technology

The City of Gresham's ability to deliver services effectively increasingly depends on how well employees across all departments can use technology. As digital tools continue to expand in scope and complexity, ensuring staff are properly trained is essential to maintaining efficient operations, strong cybersecurity practices, and high-quality service to the community.

A dedicated Technology Trainer is needed to provide consistent, role-based training that helps employees confidently and effectively use the systems and tools required in their daily work. This position would develop and deliver training tailored to departmental needs, including instruction on collaboration tools, business applications, data systems, and cybersecurity best practices. By providing structured, hands-on training, this role ensures technology investments are fully utilized, and employees are equipped to keep pace with change.

Adding this position would directly improve operational efficiency and reduce avoidable disruptions. Well-trained staff make fewer technology-related errors, require less troubleshooting support, and are better able to adapt to new systems. The Technology Trainer would also serve as an accessible resource for ongoing learning and reinforcement, helping staff resolve common challenges before they escalate into larger issues that impact service delivery.

This role also supports risk management and cybersecurity readiness. Regular, consistent training increases employee awareness of security threats such as phishing and data mishandling, which are among the most common entry points for cybersecurity incidents. By reinforcing safe practices and proper system use, the Technology Trainer helps protect sensitive City and resident information and supports public trust.

From a resource stewardship perspective, this position helps the City get full value from its technology investments. Without structured training, new tools are often underused or used inconsistently, slowing digital transformation efforts and increasing reliance on IT support for basic needs. A Technology Trainer reduces this burden on IT staff, allowing technical teams to focus on system reliability, security, and strategic initiatives.

Delaying the creation of this role increases inefficiencies, support costs, and employee frustration. Staff who feel unprepared or unsupported when using technology are less productive. In addition, inconsistent training limits the City's ability to advance accessibility and inclusive work practices that rely on effective use of digital tools.

Questions/Comments from FY 2026/27 Budget Committee Members

In summary, the Technology Trainer position is a strategic investment in people, productivity, and service quality. Establishing this role strengthens operational excellence, supports cybersecurity and digital transformation, and ensures City employees have the skills needed to serve the community effectively and confidently.

Contract Specialist – Budget & Finance

On average, the City signs more than 400 new contracts each year. The City's contracting functions are currently carried out independently in each department, with department staff responsible for drafting the contract document and any applicable attachments and routing the document for review and signatures. While contracts are reviewed by the City Attorney's Office (CAO) for standard terms and conditions and as to form, CAO review does not focus on areas of the contract such as scope of work, deliverables, and the responsibilities of each party to the contract. Incomplete or inaccurate information in these areas could result in a risk that the contract could not be fully enforced, or that the City will not receive the goods or services as intended.

The addition of a Contract Specialist will allow for process improvements and risk mitigation within the City's contracting functions, providing consistent citywide review of areas such as:

- Review of contracts and amendments to ensure that scope of work and deliverables are accurately defined and complete.
- Coordination with procurement to make sure that all applicable competitive processes have been carried out and documented before a contract is awarded and executed.
- Ensuring that any contracts funded by grants include deliverables and terms necessary to meet all grantor requirements and documentation.
- Collaboration with the City Attorney's Office to make sure that department staff are properly trained and are provided with any updates to contract templates and other requirements as needed.

These and other related functions will make these processes more consistent citywide, mitigating the risks mentioned previously that a contract could not be enforced. It will also improve the ability to confirm that the City's council adopted financial policies that relate to contracts and procurement are applied consistently in all departments.

19. Page 129 shows the staffing numbers for FY 2025/26 and FY 2026/27. The total shows a decrease of 1.00 positions between the years, but there is no difference in the details. Please explain.

This page contains an incorrect staffing detail in FY 2026/27 for Infrastructure Development – staff apologizes for the error. The correct number is 16.50. The totals on the page are correct. One position related to capital project management was moved from Infrastructure Development to Facilities to better align with the projects this position will be managing (see page 93 for Facilities & Fleet Management staffing summary). The cost of this position will be paid for through the projects managed, therefore has a net zero impact on Facilities internal service charges.

Questions/Comments from FY 2026/27 Budget Committee Members

20. What's the current projected ending fund balance for the General Fund and Local Option Levy Fund for FY25/26?

The table was presented at the April 18, 2026 Budget Committee meeting. This table reconciles the FY 2025/26 Adopted Budget to the current General/Local Option Levy Fund forecast which informed the FY 2026/27 Proposed Budget. This shows that the expected Ending Fund balance for FY 2025/26 has been updated to \$30.4 million which aligns with the FY 2026/27 Beginning Balance.

Forecasted Ending Fund Balance Use (General & Levy Funds)

General & Levy Funds Fund Balance Calculations	FY 2025/26 Adopted	FY 2025/26 Forecast	
Beginning Balance	\$35,621,000	\$38,276,000	
Budgetary Structural Gap	-8,475,000	-4,770,000	Ongoing
Fire Engine Debt Proceeds	-	3,100,000	On-time
Fire Engines Purchase	-3,100,000	-1,587,000	One-time
PERS Employer Incentive Program	-4,300,000	-4,300,000	One-time
Fire Rescue Staffing	-275,000	-275,000	Ongoing
Ending Fund Balance	\$19,471,000	\$30,444,000	

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21. The 26/27 Beginning Balance for the combined GF/Levy (pg 134) is \$22.1M and the unappropriated in the adjusted budget is \$30.4M- what accounts for the difference?

The FY 2026/27 Beginning Balance is \$30.4 million and the Ending Fund Balance (Contingency + Unappropriated) is \$20.4 million. This difference represents a drawn down of cash on hand in the General/Local Option Levy Funds. This table shows the proposed uses of the cash:

Forecasted Ending Fund Balance Use FY 2026/27 (General & Levy Funds)

General & Levy Funds Fund Balance Calculations		
Beginning Balance	\$30,444,000	
Budgetary Structural Gap	-8,157,000	Ongoing
Fire Engines Purchase & Equipment – carryover	-1,513,000	One-time
RTIC Investment - carryover	-100,000	One-time
Vehicles for new levy positions	-170,000	One-time
Parks Equipment	-105,000	One-time
Ending Fund Balance	\$20,399,000	

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Questions/Comments from FY 2026/27 Budget Committee Members

22. What investments is the city making that lower ongoing operating costs?

The City is continually looking for opportunities to address ongoing operating costs. Specific examples include:

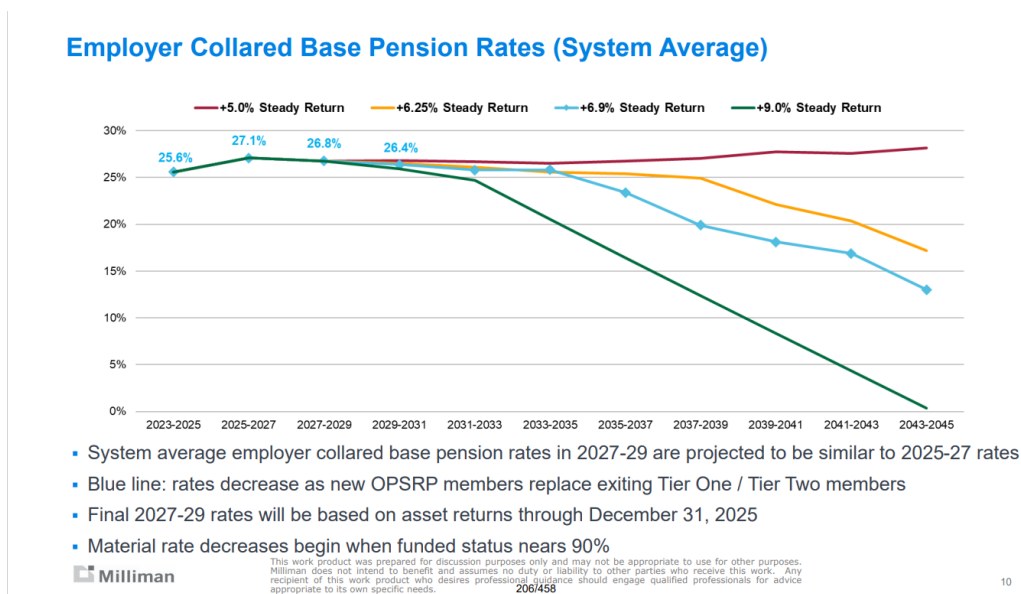
- Environmental Services is pursuing asset management strategies and data collection that allows the City to proactively repair infrastructure instead of replace aging infrastructure at a higher cost. Specific examples of investments include CCTV imaging as well as other tools within the Wastewater Division that allow for streamlined condition assessments of the collection system with improved crew safety.
- Stormwater is looking at the implications to utilize natural solutions before requiring engineered solutions that much be maintained for projects such as streambank and landslide mitigation.
- The groundwater system is another example of a project that was undertaken to provide local control of a critical resource, but also would reduce future operational costs.

In other areas of the City, work is ongoing to reduce operating costs such as:

- Implementation of self-insured health and dental plans for employees. While costs for insurance continue to rise, the rate is in alignment with medical inflation, and any underspending within the plan allows the City of Gresham to keep those funds within the Health and Dental Funds.
- The Police Department is expanding the capacity and capability of the Real Time information Center and implementing other technologies avoid future increases in operating costs while continuing to provide services to the community.

23. The PERS advice rates for the City of Gresham are expected to significantly increase over the current rates (7% rate increase across the various plans). How is this budget positioned to avoid overinvestment and unnecessary draw downs in fund balances to cushion that change next year?

PERS rates are set by the State of Oregon. The City proactively participated in the PERS Employer Incentive program in 2025 to make an additional contribution to offset a portion of the City’s rates. Modeling by Milliman, who performs actuarial analysis for PERS, shared this chart with the PERS Board in December 2025, which shows that under variety of scenarios, that average rates are expected to level out and then decline in the future. Gresham’s individual experience may vary, but should follow a similar trajectory.



Source: PERS December 2025 Board Packet. Chart prepared by Milliman

Questions/Comments from FY 2026/27 Budget Committee Members

24. General Fund expenses average 9.5% of growth annually. Inflation averages 4% over the same period. What steps is the City taking to control expenses?

Over the last five years, the City's General & Local Option Levy Fund expenses, has outpaced inflation, but this includes positions added through the levy (new and converted positions from ARPA funding) as well as one-time expenses such as the purchase of fire engines or participation in the PERS Employer Incentive Program. In addition to the zero-based-budgeting approach to budget development for FY 2026/27, please see the response to question 21 for examples of approaches the City is utilizing to reduce ongoing expenses.

Technical/Reference Questions

Staff received the following technical or reference questions about where information is in the documents provided:

- Where is the list of positions added and removed from the budget?
 - FY 2026/27 Proposed Budget – Page 432
- Where can the total budget for a department be seen?
 - FY 2026/27 Proposed Budget. Using Police as an example, page 97 shows the Police budget for each fund and the total staffing. Each department has a similar page in the “Expenditure Information” chapter of the document.
- Where can the Parks budget be seen? Where can the Parks capital budget be seen? Is there a page that encompasses both types of information?
 - FY 2026/27 Proposed Budget – Page 123 (Parks operating budget summary).
 - FY 2026/27 Proposed Budget – Page 162-166 (Parks General Fund operating budget detail)
 - FY 2026/27 Proposed Budget – Page 361-365 (Parks Designated Purpose Fund operating budget)
 - FY 2026/27 Proposed Budget – Page 402-403 (Parks Capital Project budget)
 - FY 2026/27 to 2030/31 Proposed Capital Improvement Program - Pages 243-286. This document contains more detailed information about project resources and expenditures.
 - Document link: <https://www.greshamoregon.gov/globalassets/government/mayor-and-council/committees/planning-commission/cip-fy27-fy31.pdf>
 - There is not a single page that includes operating and capital budgets by department.

To: Members of the Budget Committee
From: Elizabeth McCann, Budget & Finance Director
Meeting Date: April 28, 2026
Subject: Public Comment

The Recording Secretary did not receive any requests for oral or written testimony in advance of the Budget Committee meeting on April 28, 2026.

One voicemail was received by a community member expressing support for the addition of public restrooms at Main City Park.

To: Members of the Budget Committee
From: Elizabeth McCann, Budget & Finance Director
Meeting Date: April 28, 2026
Subject: Suggested Amendments for FY 2026/27 Proposed Budget

Occasionally, after the budget has been developed and proposed, new information becomes available that would have otherwise been incorporated into the proposed budget. When this occurs, staff will bring this information forward to Budget Committee so they can consider amending the budget. This year, two items have been identified and if the Budget Committee would like to consider amending the budget to include this grant award and/or the arbitrage payment, please see the suggested motions below. If not, staff will bring a budget amendment to City Council after the new fiscal year for consideration.

Grant Award

The City of Gresham was notified of a grant award from Metro that enables the Urban Design & Planning Department to take strategic next steps to redesignate the land uses in Springwater Design District to better align with the community’s needs and foster development.

Suggested Motion #1: Move to amend the proposed budget by increasing Intergovernmental Revenue in the Designated Purpose Fund by \$361,000 and increasing the Contracted Services line-item in the Comprehensive Planning Grants Division in Urban Design & Planning Department in the Designated Purpose Fund by \$361,000.

Arbitrage Payment

An arbitrage payment is required by the Internal Revenue Service (IRS) on tax-exempt bonds when the City’s earnings on the bond proceeds exceed the maximum threshold allowed. Periodically, analysis is required to determine if the threshold has been exceeded and therefore payment is due to the IRS. Staff has been working with a consultant to complete this analysis and determined that the amount in the proposed budget will not be sufficient to make the required arbitrage payment.

Suggested Motion #2: Move to amend the proposed budget by increasing the line-item Sale Costs/Loan Fees/Arbitrage in Debt Service in the Water Fund by \$100,000 and decreasing Unappropriated in the Water Fund by \$100,000.

To: Members of the Budget Committee
From: Elizabeth McCann, Budget & Finance Director
Meeting Date: April 28, 2026
Subject: Motions to Approve

When the Budget Committee has completed its review of the proposed budget, approving the budget and tax rates require two specific statements to meet the legal requirements of ORS 294.428.

The following wording meets the legal requirements for budget approval.

Motion #1: Budget Approval

If no changes:

Move to approve the Proposed Budget for fiscal year 2026/27 as presented by the City Manager.

If changes have been made:

Move to approve the Proposed Budget for fiscal year 2026/27 as amended by the Budget Committee.

Motion #2: Property Tax Rate Approval

Move to approve property taxes for fiscal year 2026/27 at the rate of three-point-six-one-two-nine dollars per one thousand dollars (\$3.6129 per \$1,000) of assessed value for the permanent rate tax levy and at the rate of one-point-three-five dollars per one thousand dollars (\$1.35 per \$1,000) of assessed value for the local option tax levy.

For FY 2026/27, the Budget Committee is made up of 13 members (7 governing members and 6 electors), so Budget Committee motions require seven affirmative votes per OAR 150-294.336 "To take any action requires the affirmative vote of a majority of the total budget committee membership. Majority is defined as one more than half unless otherwise specified by law."