

# Meeting Agenda | Finance Committee

Wednesday, October 21, 2026  
7:00 p.m.  
Zoom Meeting  
See Below for Access Information

|                                               |        |
|-----------------------------------------------|--------|
| 1. Convene meeting, roll call of participants | 5 min  |
| 2. Public comment                             | 5 min  |
| 3. Meeting Minutes – September 16, 2026       | 5 min  |
| 4. Investment Portfolio Review                | 30 min |
| 5. Budget to Actual Report                    | 10 min |
| 6. Contingency Transfer                       | 10 min |
| 7. Project Updates                            | 5 min  |
| 8. Committee Business                         | 5 min  |
| 9. Good of the order                          | 1 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, Elizabeth McCann at [Budget&Finance@GreshamOregon.gov](mailto:Budget&Finance@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, Elizabeth McCann at [Budget&Finance@GreshamOregon.gov](mailto:Budget&Finance@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 503-618-2445, 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/84516186368?pwd=ZA3vPbGc178UCcPGWbmbwXw3nPhDaH.1>

Passcode: tkY0b341Nr

One tap mobile :

+12532158782,,84516186368#,,,,\*9258108572# US (Tacoma)

+16699006833,,84516186368#,,,,\*9258108572# US (San Jose)

Telephone: +1 253 215 8782 US or +1 669 900 6833 US +1 213 338 8477 US +1 646 876 9923 US

Webinar ID: 845 1618 6368 Passcode: 9258108572

## Meeting Date: October 21, 2026

### Agenda Executive Summary

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#### 4. Investment Portfolio Review

*Presented by Susan Brown, Finance & Accounting Services Manager and Terry Aguon, Treasury Analyst with Deanne Woodring, Government Portfolio Advisors*

The City's Financial Policies require staff to submit a portfolio report to the Finance Committee no less than twice per year. This will be the second update for calendar year 2026.

***Requested Action: Information and Committee Discussion***

#### 5. Budget to Actual Report

*Presented by Bill Eggert, Budget Manager*

Staff will present the preliminary year-end budget to actual report for 1<sup>st</sup> quarter of FY 2026/27.

***Requested Action: Information and Committee Discussion***

#### 6. Contingency Transfer

*Presented by Bill Eggert, Budget Manager*

Necessary budget-related actions that would normally have been reviewed with the Finance Committee prior to Council consideration were included as part of the October 20, 2026 Council meeting. Time constraints related to budgetary constraints prevented review with the committee prior to staff seeking Council action. Staff will recap the FY 2026/27 contingency transfer.

***Requested Action: Information and Committee Discussion***

#### 7. Project Updates

*Presented by Elizabeth McCann, Budget & Finance Director*

Committee members and staff will provide updates on the status of various projects and other key initiatives that are underway. 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***

Meeting Date: October 21, 2026

Agenda Item: 3. Meeting Minutes – September 16, 2026

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Attached are the draft minutes for the September 16, 2026 Finance Committee meeting. Please review them prior to the meeting. Approval of the minutes will be included on the agenda.

**City of Gresham Finance Committee**  
**Wednesday, September 16, 2026, 7:00 p.m.**  
**Zoom Meeting Minutes**

**Finance Committee Members Present:**

Mike Schultze, Vice-Chair  
Nick McWilliams, Chair  
Rusty Allen  
Faith Luch *joined at 7:04pm*

**Finance Committee Members Absent:**

Anisa Ali  
Preston Pace

**Council Liaison in Attendance:**

Janine Gladfelter

**Staff Members in Attendance:**

Elizabeth McCann, Director of Budget & Finance  
Bill Eggert, Budget Manager  
Ian Peterson, Sr Financial Analyst

Marijana Mota (Recording Secretary)

**1. Convene Meeting and Roll Call**

The meeting was convened at 7:00pm by Chair McWilliams.

**2. Public Comment**

None.

*The agenda items were reordered to present items not requiring a quorum first.*

**4. City Manager Introduction**

Ms. McCann introduced Teresa Carr, the City of Gresham's new City Manager.

Ms. Carr stated that she is in her third month with the City. Ms. Carr shared her prior experience and expressed her enthusiasm about joining the City and that she looks forward to getting to know the Committee members.

*Ms. Luch joined the meeting at 7:04 pm during Ms. Carr’s introduction. The committee returned to the agenda items that were skipped.*

### 3. Meeting Minutes – July 15, 2026

There was a motion made by Mr. Allen and seconded by Mr. Schultze to:

**“Approve the meeting minutes as distributed.”**

**Motion passes unanimously.**

### 5. Property Tax 101

Ms. McCann introduced Mr. Peterson to present Property Tax 101.

Mr. McWilliams asked whether the years could be added to the RMV, TAV, and MAV bar chart to provide additional context.

Mr. Peterson explained that the years had been removed from the chart because the page was intended primarily to demonstrate activity. He noted that the years could be added back to the chart.

Ms. McCann clarified the high point of the teal bar represented year 2009.

Mr. McWilliams asked for clarification regarding the average used to determine a new property’s ratio of RMV to TAV. He asked about the origin of the average and when the underlying data was established

Ms. McCann explained that the change property ratio was originally based on the entire county. Because Portland makes up most of the county’s property value and experienced rapid growth, Portland’s market had a large effect on the ratio. She noted that in 2018–2019, the City of Gresham worked with the Oregon Legislature to change the calculation so that Gresham’s ratio would be based on Gresham’s local market. This helped reduce the variability in differences between real market value and assessed value for Gresham properties.

Mr. McWilliams said he was still unclear on the original starting point but understood that Portland’s growth affected the countywide ratio, which Gresham followed until the calculation was changed to use Gresham’s local market.

Ms. McCann explained that in 1997, every property was given the same starting ratio. After that, market values changed while the assessed value of existing properties increased by 3% each year. New properties and properties with significant improvements were assigned the

current change property ratio at the time of reassessment.

Mr. McWilliams asked what year the ratio was established.

Ms. McCann responded that it was established and first applied in 1997. She explained that the ratio was based on property market values from that time, using data from several years prior, and an initial ratio was created to start the system.

Mr. McWilliams asked if \$0.29 shown in the graph goes to the general fund and what % of General Fund does that represent.

Mr. Peterson explained that the \$0.29 cents goes into the General Fund. Property taxes make up just under 40% of General Fund revenue. The remaining revenue comes from sources such as business income taxes, utility license fees, and police, fire, and parks fees. He noted that if the levy is included, property taxes make up approximately 46% of the General & Levy Fund revenue.

## 6. Budget to Actual Reporting

Mr. Eggert began with his presentation.

Mr. McWilliams noted that he had a question but decided to review the report first and return to the question at a later time.

## 7. Project Updates

Ms. McCann began with updates.

- The new timekeeping system went live successfully. The timekeeping system is integrated with the financial system and is being used by all non-public safety staff.
- At the September 15 City Council meeting, Council approved two State Revolving Fund (SRF) loans for the Stormwater Tree Wells and Digester projects. Council also discussed the City's investment policy. All items presented were approved.
- The Budget team is currently working on the Supplemental Budget and that the Finance Committee should expect to see it next month.
- Budget & Finance staff have been implementing the grant module in the City's Enterprise Resource Planning system in alignment with the action plan developed in response to the prior year's Single Audit (federal grants) This will aid in ensuring reports

are submitted in a timely manner.

- The Utility Customer Assistance Program for fiscal year 2025–26 expanded outreach through 13 community partners. The program saw a 61% increase in assistance awarded and a 40% increase in households assisted. Assistance eligibility was also expanded for customers with no income, with one bill covered every 12 months and a lottery for a second bill if funds remain available.
- The City has seen an increase in attempted fraud and reviewed processes and policies to improve early identification. Staff worked with IT to strengthen information handling and verification procedures and with vendors to review payment options. The review also identified process efficiencies.

#### 8. Committee Business

Councilor Gladfelter provided updates regarding upcoming community events.

#### 9. Good of the order

None.

#### 10. Meeting Adjournment

The meeting was adjourned by Chair McWilliams at 8:12 pm. The next Finance Committee meeting will be held on October 21, 2026, at 7:00pm.

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Nick McWilliams, Chair

Marijana Mota, Recording Secretary

Meeting Date: October 21, 2026  
Agenda Item: 4. Investment Portfolio Review

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The City's adopted Financial Policies require staff to submit a portfolio report to the Finance Committee no less than twice per year. Government Portfolio Advisors (GPA) will present the investment review. This will be the second update for calendar year 2026. A copy of the presentation is attached.



Quarterly Investment Report  
Finance Committee  
Gresham, City of

Data as of September 30, 2026

# Interest Rates & The Yield Curve

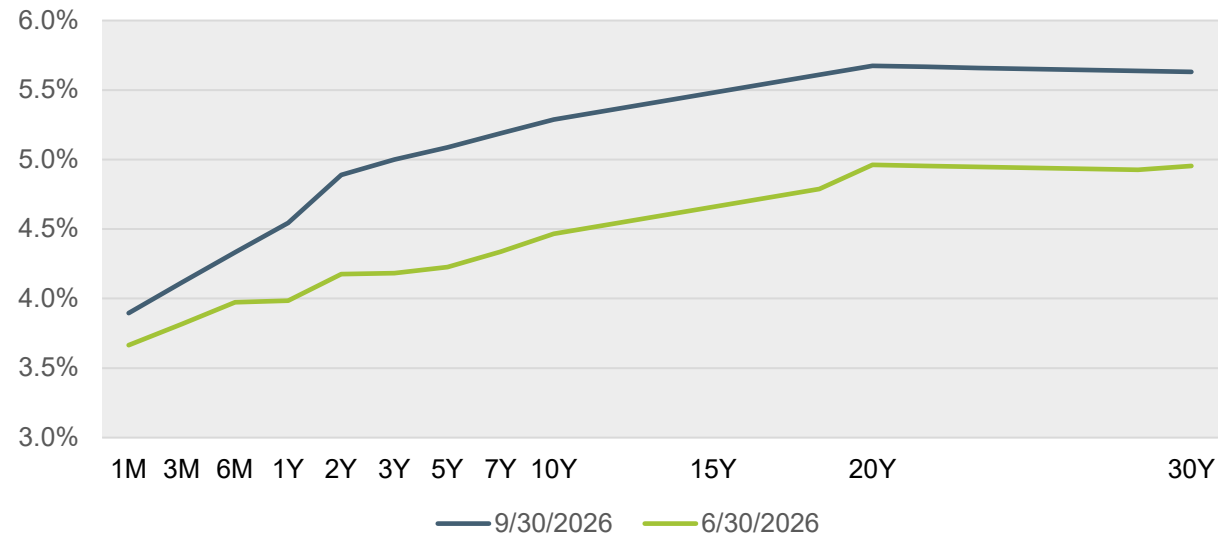


## Market Overview

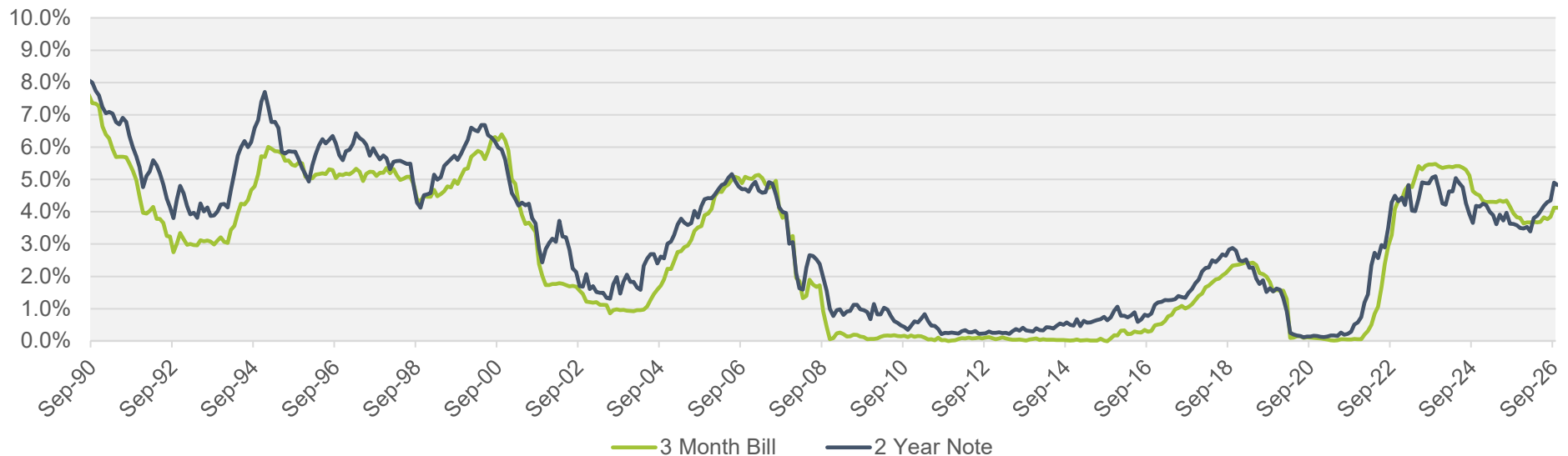
September 30, 2026

- Interest rates shot higher in Q3 led by the 5-year Treasury note yield which climbed 86 basis points to 5.09% while the 2-year note increased by 71 basis points to 4.89%.
- Sticky inflation, surging oil prices, fiscal concerns and robust corporate and Treasury issuance all contributed to the macroeconomic backdrop helping to drive rates higher.

Yield Curve Change 06/30/26 - 09/30/26



Interest Rates Since 1990



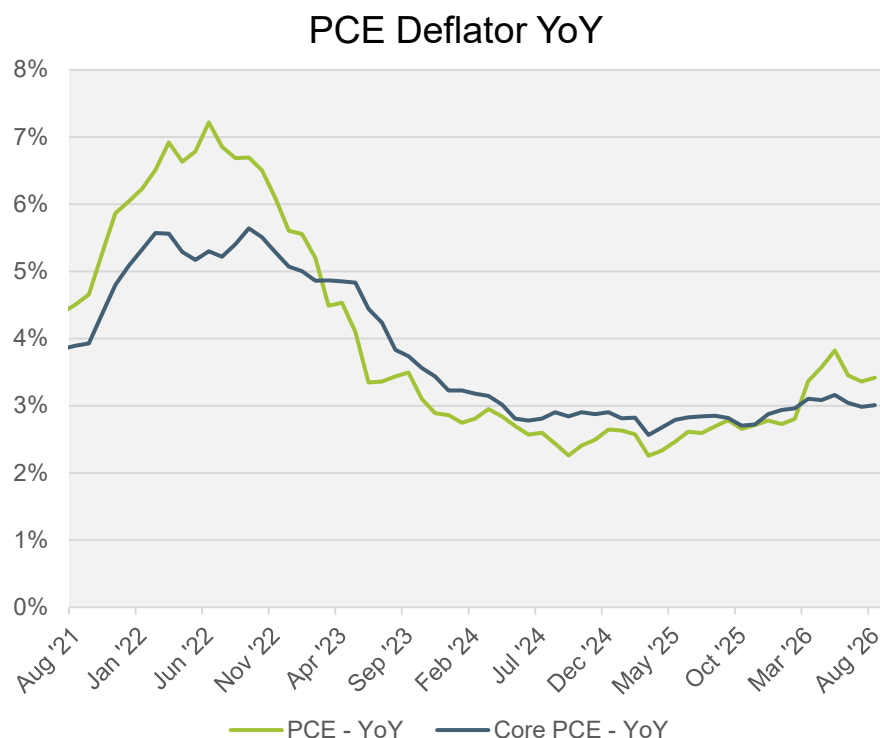
Source: Bloomberg

This line chart displays three metrics related to the federal funds rate from October 2017 to October 2027. The Y-axis represents the interest rate percentage, ranging from 0.00% to 6.00% in 0.50% increments. The X-axis shows time in six-month intervals.

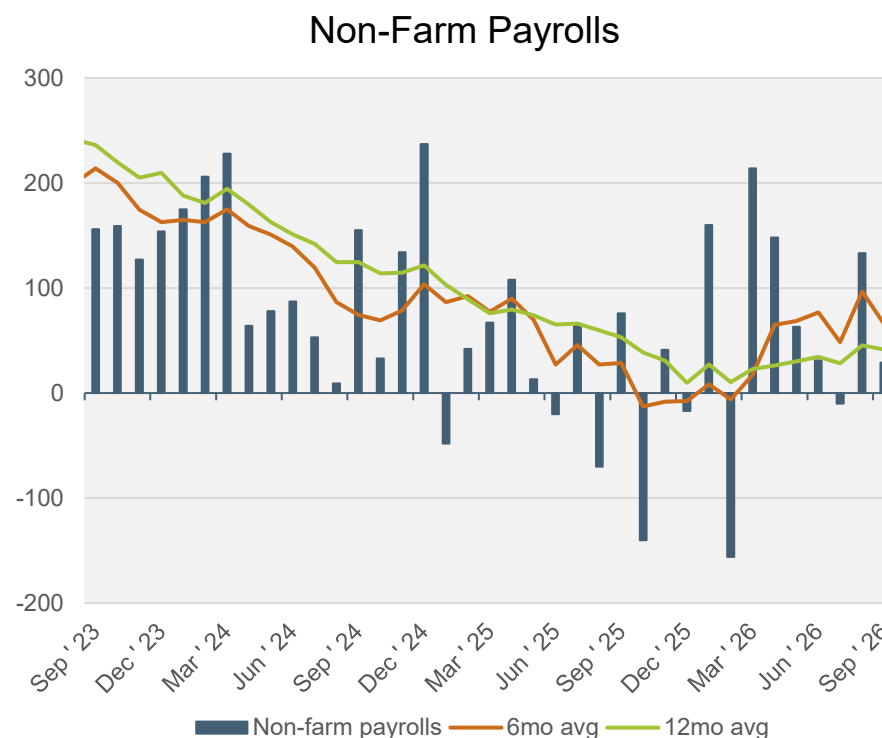
- Fed Funds Upper Bound (Dark Blue Line):** Starts at approximately 1.25% in Oct '17, rises to 2.50% by Feb '19, then drops to 1.75% by Oct '19. It remains at 1.75% until Jun '20, where it drops sharply to 0.25%. It stays at 0.25% until Feb '22, then rises to 5.50% by Oct '23, remains there until Jun '24, and then gradually declines to 3.75% by Jun '26, where it levels off until Oct '26.
- FOMC Forecast (Green Line):** This line is only visible from Jun '26 to Oct '27, starting at 4.00% and ending at 4.00%.
- Market Pricing as of 10/8/26 (Grey Line):** This line is only visible from Jun '26 to Oct '27, starting at 4.00% and ending at 4.00%.

| Date    | Fed Funds Upper Bound | FOMC Forecast | Market Pricing as of 10/8/26 |
|---------|-----------------------|---------------|------------------------------|
| Oct '17 | 1.25%                 |               |                              |
| Feb '18 | 1.50%                 |               |                              |
| Jun '18 | 1.75%                 |               |                              |
| Oct '18 | 2.25%                 |               |                              |
| Feb '19 | 2.50%                 |               |                              |
| Jun '19 | 2.50%                 |               |                              |
| Oct '19 | 1.75%                 |               |                              |
| Feb '20 | 1.75%                 |               |                              |
| Jun '20 | 0.25%                 |               |                              |
| Oct '20 | 0.25%                 |               |                              |
| Feb '21 | 0.25%                 |               |                              |
| Jun '21 | 0.25%                 |               |                              |
| Oct '21 | 0.25%                 |               |                              |
| Feb '22 | 0.25%                 |               |                              |
| Jun '22 | 1.00%                 |               |                              |
| Oct '22 | 3.25%                 |               |                              |
| Feb '23 | 4.50%                 |               |                              |
| Jun '23 | 5.00%                 |               |                              |
| Oct '23 | 5.50%                 |               |                              |
| Feb '24 | 5.50%                 |               |                              |
| Jun '24 | 5.50%                 |               |                              |
| Oct '24 | 5.00%                 |               |                              |
| Feb '25 | 4.50%                 |               |                              |
| Jun '25 | 4.50%                 |               |                              |
| Oct '25 | 4.00%                 |               |                              |
| Feb '26 | 3.75%                 |               |                              |
| Jun '26 | 3.75%                 |               |                              |
| Oct '26 | 3.75%                 | 4.00%         | 4.00%                        |
| Feb '27 |                       | 4.25%         | 4.25%                        |
| Jun '27 |                       | 4.50%         | 4.50%                        |
| Oct '27 |                       | 4.00%         | 4.75%                        |

- 3



Source: U.S. Bureau of Economic Analysis



Source: U.S. Bureau of Labor and Statistics

- The Fed's preferred inflation yardstick, the Personal Consumption Expenditures, advanced by a yearly 3.4% in August, marking no change from July while the core metric that strips out volatile food and energy prices advanced by 3.0%.
- The war with Iran has kept energy prices inflated while the AI investment boom has led to surging demand for computer parts and chips alike.
- The job market moderated in Q3 with nonfarm payrolls averaging 51 thousand over the quarter while the unemployment rate rose to 4.2%.
- The rise in the unemployment rate was supported by a jump in labor force participation rather than a rise in layoffs while some speculate that the downbeat September payrolls report was influenced by seasonal quirks.

# Compliance Report

Gresham, City of | GRESH Total Portfolio



September 30, 2026

## Category

| Policy Diversification Constraint                               | Policy Limit   | Actual Value*  | Status    |
|-----------------------------------------------------------------|----------------|----------------|-----------|
| US Treasury Obligations Maximum % of Holdings                   | 100.000        | 53.087         | Compliant |
| US Agency Callable Securities Maximum % of Total Portfolio      | 25.000         | 0.934          | Compliant |
| US Agency FFCB Issuer Concentration                             | 35.000         | 7.779          | Compliant |
| US Agency FHLB Issuer Concentration                             | 35.000         | 11.903         | Compliant |
| US Agency FHLMC Issuer Concentration                            | 35.000         | 1.022          | Compliant |
| US Agency FNMA Issuer Concentration                             | 35.000         | 1.936          | Compliant |
| US Agency Obligations - All Other Issuers Combined              | 35.000         | 1.186          | Compliant |
| US Agency Obligations Issuer Concentration                      | 35.000         | 11.903         | Compliant |
| US Agency Obligations Maximum % of Holdings                     | 100.000        | 23.826         | Compliant |
| Municipal Bonds Issuer Concentration                            | 5.000          | 1.228          | Compliant |
| Municipal Bonds Maximum % of Holdings                           | 25.000         | 1.228          | Compliant |
| Municipal Bonds Outside OR, CA, ID, WA                          | 0.000          | 0.000          | Compliant |
| Municipal Issue Direct Maximum Amount (Millions)                | 15.000         | 0.000          | Compliant |
| Corporate Notes & Commercial Paper Maximum % of Holdings        | 35.000         | 12.286         | Compliant |
| Corporate Notes & Commercial Paper Single Issuer %              | 5.000          | 2.399          | Compliant |
| Bank Deposits and Certificates of Deposit Issuer Concentration  | 5.000          | 0.000          | Compliant |
| Bank Deposits and Certificates of Deposit Maximum % of Holdings | 25.000         | 0.000          | Compliant |
| Certificates of Deposit Issuer Concentration                    | 5.000          | 0.000          | Compliant |
| Certificates of Deposit Maximum % of Holdings                   | 10.000         | 0.000          | Compliant |
| Banker's Acceptance Issuer Concentration                        | 5.000          | 0.000          | Compliant |
| Banker's Acceptance Maximum % of Holdings                       | 10.000         | 0.000          | Compliant |
| LGIP-Oregon Short Term Fund Maximum                             | 65,463,000.000 | 39,787,493.890 | Compliant |
| Repurchase Agreements Issuer Concentration                      | 5.000          | 0.000          | Compliant |
| Repurchase Agreements Maximum % of Holdings                     | 10.000         | 0.000          | Compliant |
| No 144A or 4(2)                                                 | 0.000          | 0.000          | Compliant |

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

# Compliance Report

Gresham, City of | GRESH Total Portfolio



September 30, 2026

## Category

| Policy Maturity Structure Constraint                                                    | Policy Limit | Actual %      | Status    |
|-----------------------------------------------------------------------------------------|--------------|---------------|-----------|
| Maturity Constraints Under 1 year Minimum Amt of Total Portfolio                        | 29535510.000 | 144155453.890 | Compliant |
| Maturity Constraints Under 10 years Minimum % of Total Portfolio                        | 100.000      | 100.000       | Compliant |
| Maturity Constraints Under 5 years Minimum % of Total Portfolio                         | 90.000       | 98.772        | Compliant |
| Maturity Constraints Under 30 Day Minimum Amt of Total Portfolio                        | 15786098.000 | 39787493.890  | Compliant |
| Policy Maturity Constraint                                                              | Policy Limit | Actual Term   | Status    |
| US Treasury Maximum Maturity At Time of Purchase (years)                                | 10.000       | 5.086         | Compliant |
| US Agency Maximum Maturity At Time of Purchase (years)                                  | 10.000       | 6.967         | Compliant |
| Municipal Issue Direct Maximum Maturity At Time of Purchase (years)                     | 10.000       | 0.000         | Compliant |
| Municipals Maximum Maturity At Time of Purchase (years)                                 | 7.000        | 5.003         | Compliant |
| Corporate Maximum Maturity At Time of Purchase (years)                                  | 7.000        | 6.000         | Compliant |
| Commercial Paper Maximum Maturity At Time of Purchase (days)                            | 270.000      | 0.000         | Compliant |
| Certificates of Deposit Maximum Maturity (days)                                         | 366.000      | 0.000         | Compliant |
| Banker's Acceptance Maximum Maturity At Time of Purchase (days)                         | 180.000      | 0.000         | Compliant |
| Repurchase Agreements Maximum Maturity At Time of Purchase (days)                       | 90.000       | 0.000         | Compliant |
| Maturity Constraints Between 7-10 years Minimum % of Total Portfolio - UST and AGY Only | 10.000       | 0.000         | Compliant |
| Maximum Single Maturity (years)                                                         | 10.000       | 5.003         | Compliant |
| Weighted Average Maturity (years)                                                       | 3.500        | 2.050         | Compliant |
| Policy Credit Constraint                                                                |              |               | Status    |
| Municipal Bonds Ratings Minimum AA-/Aa3/AA- (Rated by 1 NRSRO)                          |              |               | Compliant |
| Corporate Notes Ratings Minimum AA-/Aa3/AA- (Rated by 1 NRSRO)                          |              |               | Compliant |
| Commercial Paper Ratings Minimum A1/P1/F1 (Rated by 1 NRSRO)                            |              |               | Compliant |
| Banker's Acceptance Ratings Minimum A1/ P1/F1 (Rated by 1 NRSRO)                        |              |               | Compliant |

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

## Strategic Outlook

- **Yield Surges & Fed Disconnect:** Interest rates reached multi-decade highs in Q3 (5-year Treasury at 5.09%, 2-year at 4.89%), creating a stark contrast between a hawkish Fed planning to hold rates higher through 2026 and futures markets pricing in 3.5 additional hikes.
- **Sticky Inflation vs. Growth Accelerations:** While core PCE held flat at 3.0% and remains stubbornly above mandate, economic momentum continues to accelerate, as evidenced by the Atlanta Fed's Q3 GDPNow model projecting an outsized 3.7% growth rate.
- **Portfolio Capture Strategy:** The spike in market yields provides an attractive entry point to lock in portfolio earnings, justifying a neutral to slightly long duration position alongside selective allocations in widened credit and agency spreads.

## Portfolio Positioning

- The steep increase in yields to end Q3 is beneficial from a timing standpoint as it enables tax receipt funding not needed for near-term liquidity to be invested at higher prevailing yields.
- Unrealized losses increased, however the impact was controlled through disciplined duration positioning, a structured maturity profile and alignment with the portfolio's benchmark and liquidity needs
- The total portfolio book yield increased from 4.051 to 4.188.
- The total portfolio unrealized loss ended the quarter at -\$6,721,451.
- The core portfolio duration increased over the quarter from 2.042 last quarter to 2.056 this quarter. The benchmark duration ended the quarter at 2.055.
- Net total return for the core portfolio, which includes change in market value and interest income, was -0.47%. The benchmark total return for the period was -0.45%.

# Summary Overview

Gresham, City of | GRESH Total Portfolio

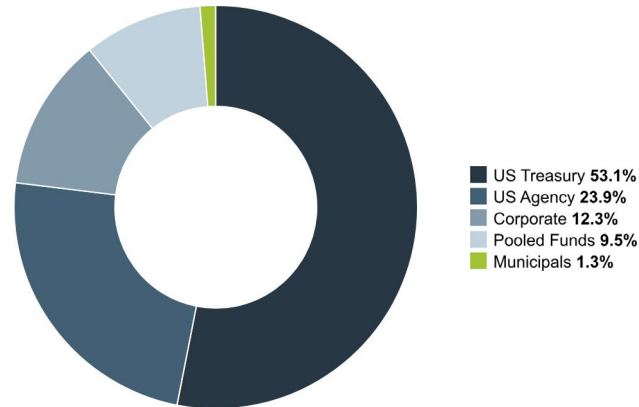


September 30, 2026

## Portfolio Characteristics

| Metric                    | Value       |
|---------------------------|-------------|
| Cash and Cash Equivalents | 39,787,494  |
| Investments               | 378,820,420 |
| Book Yield                | 4.19%       |
| Market Yield              | 4.75%       |
| Effective Duration        | 1.86        |
| Years to Maturity         | 2.05        |
| Avg Credit Rating         | AA+         |

## Allocation by Asset Class



## Strategic Structure

| Account           | Par Amount         | Book Value         | Market Value       | Net Unrealized Gain (Loss) | Book Yield   | Maturity*   | Effective Duration | Benchmark Duration | Benchmark                               |
|-------------------|--------------------|--------------------|--------------------|----------------------------|--------------|-------------|--------------------|--------------------|-----------------------------------------|
| GRESH-Investments | 387,050,000        | 382,611,246        | 375,889,796        | (6,721,451)                | 4.20%        | 2.27        | 2.06               | 2.06               | ICE BofA 0-5 Year US Treasury Index     |
| GRESH-Liquidity   | 39,787,494         | 39,787,494         | 39,787,494         | 0                          | 4.10%        | 0.01        | 0.01               | 0.09               | ICE BofA US 1-Month Treasury Bill Index |
| <b>Total</b>      | <b>426,837,494</b> | <b>422,398,740</b> | <b>415,677,289</b> | <b>(6,721,451)</b>         | <b>4.19%</b> | <b>2.05</b> | <b>1.86</b>        | <b>1.87</b>        |                                         |

# Strategic Quarterly Update

Gresham, City of | GRESH Total Portfolio



September 30, 2026

| Metric                                                                            | Previous    | Current       |
|-----------------------------------------------------------------------------------|-------------|---------------|
| Strategy                                                                          | 06/30/2026  | 09/30/2026    |
| <b>Effective Duration</b>                                                         |             |               |
| Investments                                                                       | 2.04        | 2.06          |
| Benchmark Duration                                                                | 2.08        | 2.06          |
| <b>Total Effective Duration</b>                                                   | <b>1.80</b> | <b>1.86</b>   |
| <b>Total Return (Net of Fees %)*</b>                                              |             |               |
| Investments                                                                       | 0.39        | (0.47)        |
| Benchmark Return                                                                  | 0.37        | (0.45)        |
| <b>Total Portfolio Performance</b>                                                | <b>0.46</b> | <b>(0.32)</b> |
| <i>*Changes in Market Value include net unrealized and realized gains/losses.</i> |             |               |
| <b>Maturity Total Portfolio</b>                                                   |             |               |
| <b>Average Maturity Total Holdings</b>                                            | <b>1.98</b> | <b>2.05</b>   |

| Metric                                | Previous           | Current            |
|---------------------------------------|--------------------|--------------------|
| Book Yield                            | 06/30/2026         | 09/30/2026         |
| <b>Ending Book Yield</b>              |                    |                    |
| Investments                           | 4.06%              | 4.20%              |
| Liquidity                             | 4.00%              | 4.10%              |
| <b>Total Book Yield</b>               | <b>4.05%</b>       | <b>4.19%</b>       |
| <b>Values</b>                         |                    |                    |
| <b>Market Value + Accrued</b>         |                    |                    |
| Investments                           | 383,997,447        | 378,820,420        |
| Liquidity                             | 52,439,114         | 39,787,494         |
| <b>Total MV + Accrued</b>             | <b>436,436,561</b> | <b>418,607,914</b> |
| <b>Net Unrealized Gain/Loss</b>       |                    |                    |
| <b>Total Net Unrealized Gain/Loss</b> | <b>(1,041,197)</b> | <b>(6,721,451)</b> |

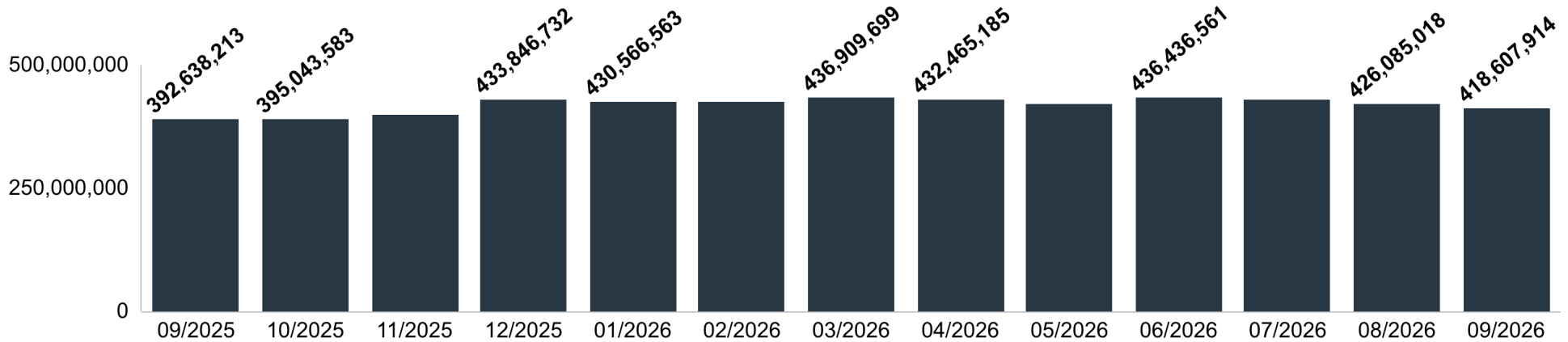
# Historical Balances

Gresham, City of | GRESH Total Portfolio



September 30, 2026

## Market Value



## Market Value and Return

| Period Begin | Period End | Market Value + Accrued | Earned Income | Book Yield | Effective Duration | Maturity in Years |
|--------------|------------|------------------------|---------------|------------|--------------------|-------------------|
| 09/01/2025   | 09/30/2025 | 392,638,213            | 1,281,365     | 3.98%      | 1.90               | 2.07              |
| 10/01/2025   | 10/31/2025 | 395,043,583            | 1,300,682     | 3.98%      | 1.82               | 1.98              |
| 11/01/2025   | 11/30/2025 | 404,829,184            | 1,289,982     | 4.00%      | 1.72               | 1.86              |
| 12/01/2025   | 12/31/2025 | 433,846,732            | 1,444,368     | 3.98%      | 1.84               | 2.01              |
| 01/01/2026   | 01/31/2026 | 430,566,563            | 1,430,030     | 3.99%      | 1.82               | 1.98              |
| 02/01/2026   | 02/28/2026 | 429,787,957            | 1,329,350     | 3.99%      | 1.82               | 1.98              |
| 03/01/2026   | 03/31/2026 | 436,909,699            | 1,459,414     | 4.02%      | 1.86               | 2.03              |
| 04/01/2026   | 04/30/2026 | 432,465,185            | 1,432,262     | 4.03%      | 1.87               | 2.04              |
| 05/01/2026   | 05/31/2026 | 424,588,051            | 1,444,178     | 4.05%      | 1.85               | 2.02              |
| 06/01/2026   | 06/30/2026 | 436,436,561            | 1,427,977     | 4.05%      | 1.80               | 1.98              |
| 07/01/2026   | 07/31/2026 | 435,502,654            | 1,476,011     | 4.09%      | 1.78               | 1.96              |
| 08/01/2026   | 08/31/2026 | 426,085,018            | 1,472,579     | 4.13%      | 1.85               | 2.04              |
| 09/01/2026   | 09/30/2026 | 418,607,914            | 1,439,625     | 4.19%      | 1.86               | 2.05              |

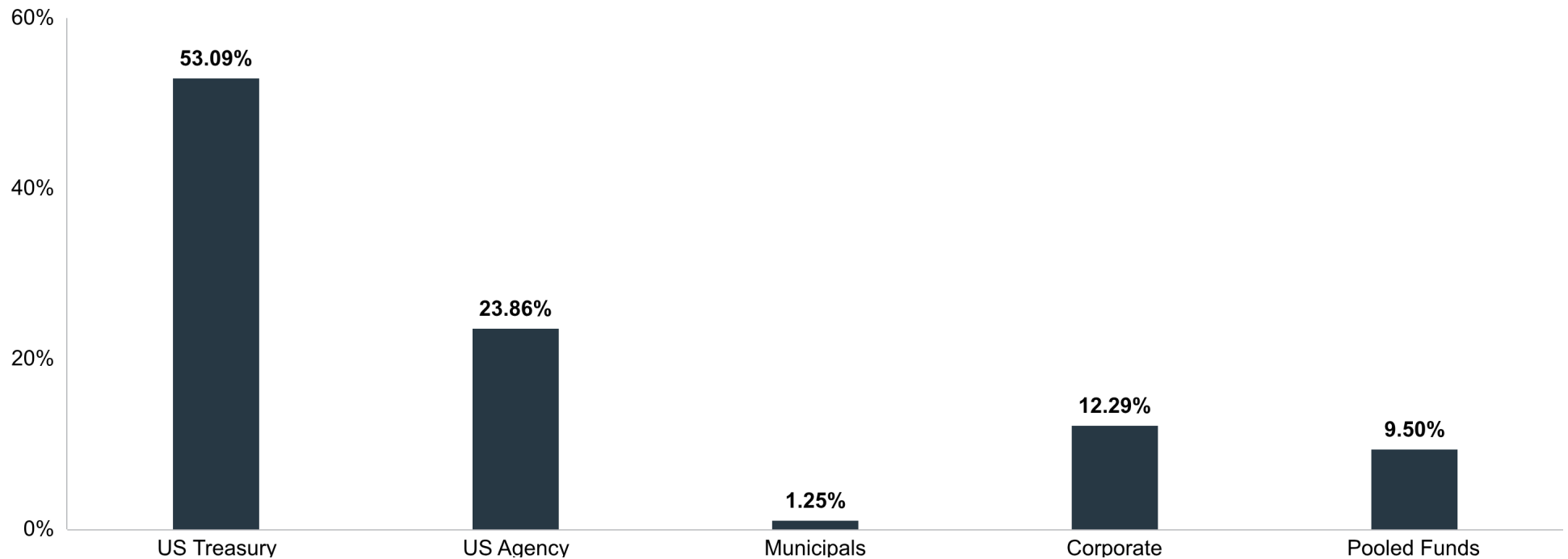
# Security Type Distribution

Gresham, City of | GRESH Total Portfolio



September 30, 2026

| Security Type | Par Amount         | Book Yield   | Market Value + Accrued | % of Market Value + Accrued |
|---------------|--------------------|--------------|------------------------|-----------------------------|
| US Treasury   | 228,400,000        | 4.05%        | 222,253,958            | 53.09%                      |
| US Agency     | 102,000,000        | 4.21%        | 99,864,880             | 23.86%                      |
| Municipals    | 5,000,000          | 5.23%        | 5,250,300              | 1.25%                       |
| Corporate     | 51,650,000         | 4.72%        | 51,451,282             | 12.29%                      |
| Pooled Funds  | 39,787,494         | 4.10%        | 39,787,494             | 9.50%                       |
| <b>Total</b>  | <b>426,837,494</b> | <b>4.19%</b> | <b>418,607,914</b>     | <b>100.00%</b>              |



# Corporate Note and Commercial Paper Exposure

Gresham, City of | GRESH Total Portfolio



September 30, 2026

## Market Value and Return

| Security                     | Par Value         | Coupon Rate   | Years to Maturity | S&P Rating | Moody's Rating | Fitch Rating | Book Yield   | Net Unrealized Gain/Loss |
|------------------------------|-------------------|---------------|-------------------|------------|----------------|--------------|--------------|--------------------------|
| AMAZON.COM INC               | 10,150,000        | 3.850%        | 1.67              | AA         | A1             | AA-          | 3.92%        | -151,069                 |
| APPLE INC.                   | 6,000,000         | 1.200%        | 1.36              | AA+        | Aaa            | NA           | 4.62%        | -41,400                  |
| BANK OF AMERICA CORP         | 5,500,000         | 2.551%        | 1.35              | A-         | A1             | AA-          | 5.37%        | 6,983                    |
| BANK OF NEW YORK MELLON CORP | 5,000,000         | 3.250%        | 0.62              | A          | Aa3            | AA-          | 4.66%        | 688                      |
| CITIBANK NA                  | 5,000,000         | 5.803%        | 2.00              | A+         | Aa3            | AA-          | 5.97%        | 69,408                   |
| COLGATE-PALMOLIVE CO         | 2,500,000         | 3.100%        | 0.87              | A+         | Aa3            | NA           | 4.34%        | -11,551                  |
| JPMORGAN CHASE & CO          | 5,000,000         | 5.299%        | 2.81              | A          | A1             | AA-          | 5.26%        | -9,139                   |
| MICROSOFT CORP               | 2,500,000         | 3.300%        | 0.35              | AAA        | Aaa            | WR           | 4.40%        | -903                     |
| WALMART INC                  | 5,000,000         | 3.950%        | 0.94              | AA         | Aa2            | AA           | 3.90%        | -39,543                  |
| WELLS FARGO BANK NA          | 5,000,000         | 5.254%        | 0.20              | A+         | Aa2            | AA-          | 5.14%        | 4,136                    |
| <b>Total</b>                 | <b>51,650,000</b> | <b>3.778%</b> | <b>1.32</b>       | <b>AA-</b> | <b>Aa3</b>     | <b>AA-</b>   | <b>4.72%</b> | <b>-172,391</b>          |

# Risk Management - Maturity/Duration

Gresham, City of | GRESH Total Portfolio



September 30, 2026

Effective Duration

**1.86 Yrs**

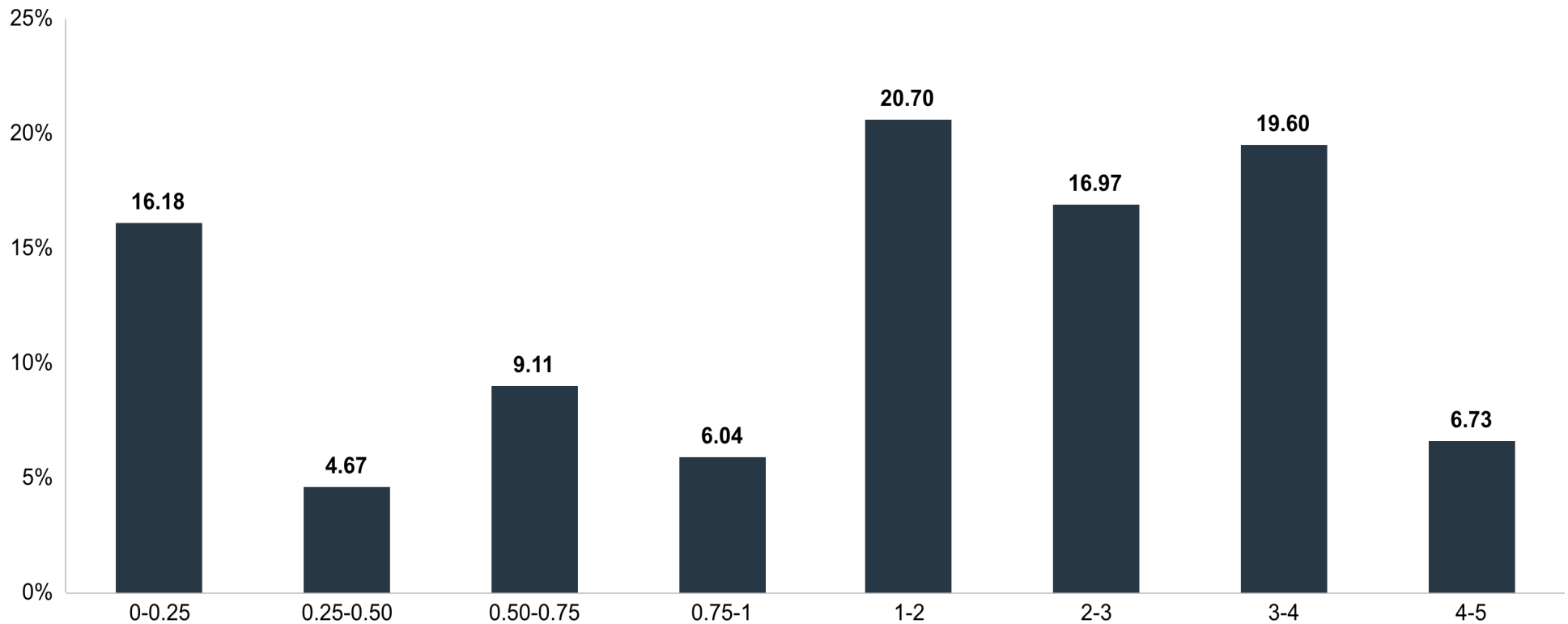
Years to Maturity

**2.05 Yrs**

Days to Maturity

**749**

Distribution by Effective Duration

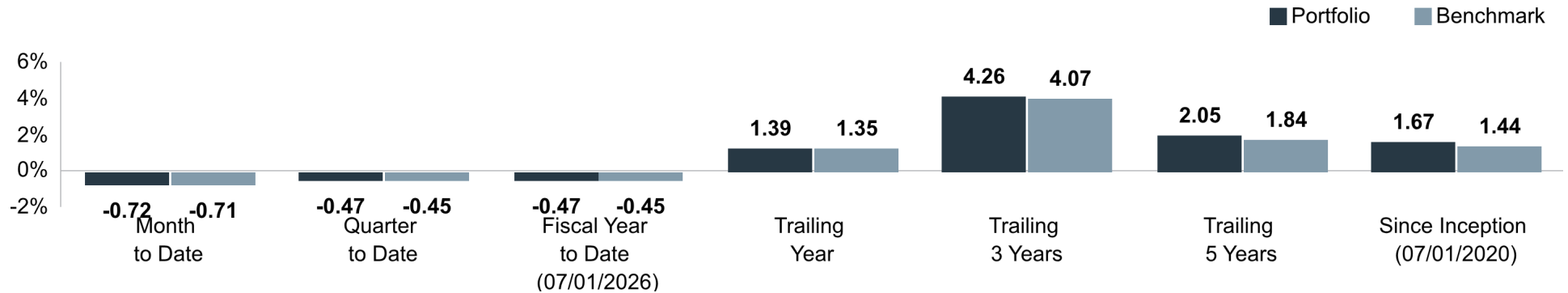


# Return Management - Performance

Gresham, City of | GRESH-Investments



September 30, 2026



## Historical Returns

| Period                              | Month to Date | Quarter to Date | Fiscal Year to Date (07/01/2026) | Trailing Year | Trailing 3 Years | Trailing 5 Years | Since Inception (07/01/2020) |
|-------------------------------------|---------------|-----------------|----------------------------------|---------------|------------------|------------------|------------------------------|
| Return (Net of Fees)*               | (0.722%)      | (0.472%)        | (0.472%)                         | 1.392%        | 4.257%           | 2.049%           | 1.672%                       |
| Return (Gross of Fees)              | (0.719%)      | (0.462%)        | (0.462%)                         | 1.433%        | 4.299%           | 2.089%           | 1.712%                       |
| ICE BofA 0-5 Year US Treasury Index | (0.709%)      | (0.446%)        | (0.446%)                         | 1.352%        | 4.070%           | 1.843%           | 1.444%                       |

## Asset Class Contribution

|              | Market Value          | Duration    | Contribution    | Performance     |
|--------------|-----------------------|-------------|-----------------|-----------------|
| US Agency    | 99,864,880.28         | 1.94        | (0.105%)        | (0.425%)        |
| Municipal    | 5,250,300.00          | 4.20        | (0.002%)        | (0.109%)        |
| Corporate    | 51,451,281.79         | 1.04        | 0.046%          | 0.340%          |
| US Treasury  | 222,253,957.89        | 2.29        | (0.401%)        | (0.648%)        |
| <b>Total</b> | <b>378,820,419.96</b> | <b>2.06</b> | <b>(0.462%)</b> | <b>(0.462%)</b> |

\*Net of fees include Investment Advisor Fees

# Tax Receipt Plan



## RECOMMENDATION

Reinvest October and November Maturities total \$17.5 million

Estimated \$47 million in tax receipts

Add \$30 million to Core

Remaining to \$17 Liquidity

Evaluate in February if liquidity needs support from Feb '27 maturity

Another \$13 million of revenues comes mid year '27

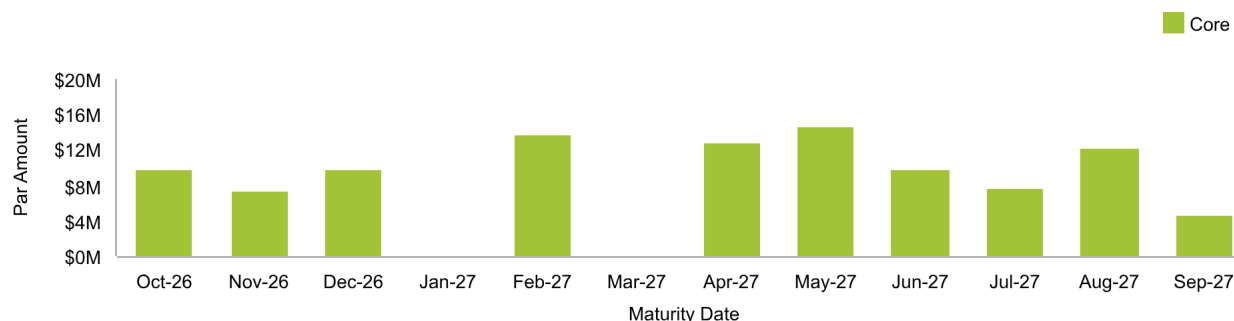
## PORTFOLIO COMPONENT SIZE:

|                  | Current Par   | Recommendation | Min           | Max           |
|------------------|---------------|----------------|---------------|---------------|
| <b>Core</b>      | \$387,050,000 | \$417,000,000  | \$350,000,000 | \$475,000,000 |
| <b>Liquidity</b> | \$39,787,494  | \$57,000,000   | \$30,000,000  | \$85,000,000  |
| <b>Total</b>     | \$426,837,494 | \$474,000,000  |               |               |

|                              | Current | Recommendation | Min | Max |
|------------------------------|---------|----------------|-----|-----|
| <b>GPA Liquidity Ratio %</b> | 9%      | 12%            | 8%  | 15% |

\*GPA Liquidity Ratio is calculated utilizing core investments and liquidity balance only.

## CORE MATURITIES UNDER 1 YEAR

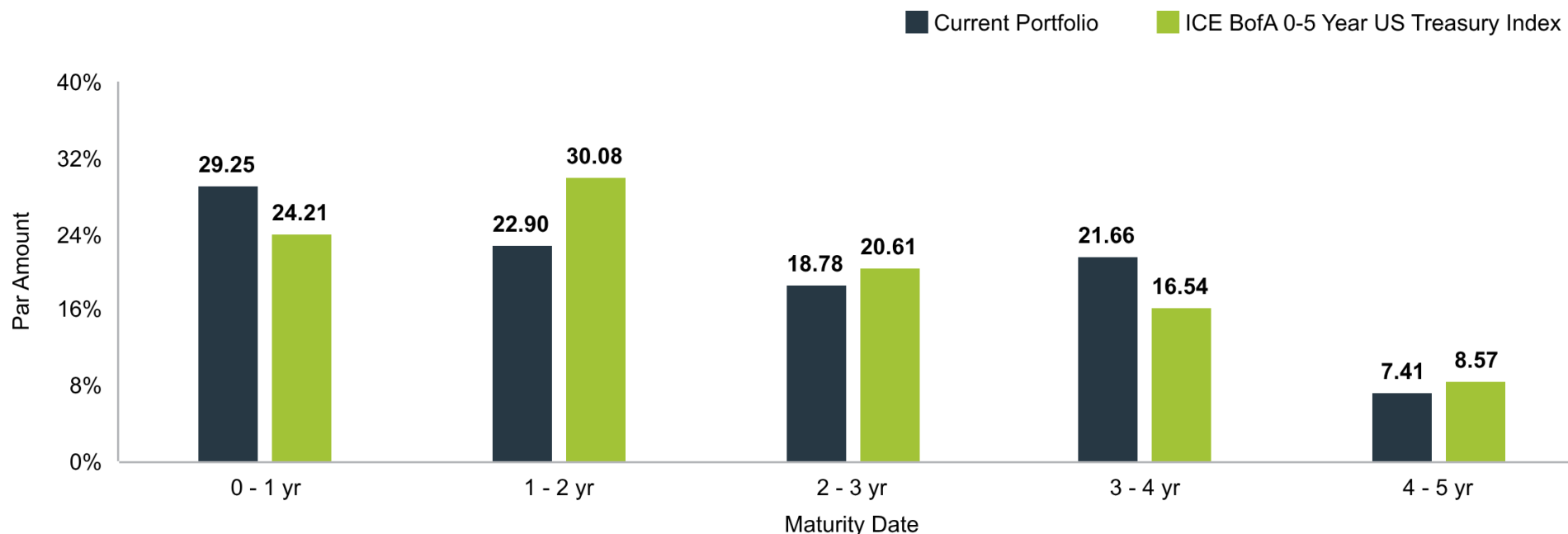


Investment Core Maturities Under 1 Year provide an additional tier of liquidity. The City has ~\$105.0 million maturing in the upcoming 12 months.

GPA recommends the above listed core and liquidity amounts, based off of historical balance reviews and this GPS discussion. These are strategy-based recommendations, not related to investment policy requirements and can be adjusted as needed. Additional discussions may be required to make the appropriate changes in the future.

## DURATION ALLOCATION VS TARGET ALLOCATION

GPA recommends maintaining the current ICE BofA 0-5 Year US Treasury Index



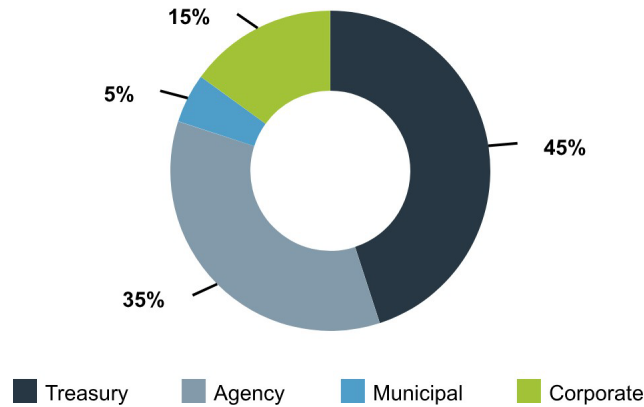
## TARGET DURATION

| Component                           | Effective Duration | Minimum | Maximum |
|-------------------------------------|--------------------|---------|---------|
| ICE BofA 0-5 Year US Treasury Index | 2.06               |         |         |
| Current Portfolio                   | 2.04               | 1.50    | 2.50    |

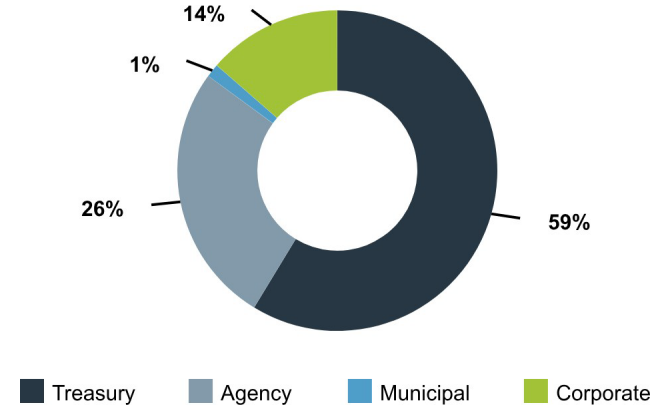
# Determine Optimal Diversification Strategy



## STRATEGIC ASSET ALLOCATION



## CURRENT ASSET ALLOCATION



## INVESTMENT CORE ALLOCATION VS TARGET

| Market Sector | Current Allocation | Strategic Target | Tactical Bands |
|---------------|--------------------|------------------|----------------|
| Treasury      | 59%                | 45%              | 20%-75%        |
| Agency        | 26%                | 35%              | 20%-75%        |
| Municipal     | 1%                 | 5%               | 0%-10%         |
| Corporate     | 14%                | 15%              | 10%-20%        |

The Strategic Target and Tactical Bands reflect GPA's asset allocation strategy for the coming year. The strategy is based on the long-term historical performance of each asset class, as well as current and expected market conditions relative to the current portfolio allocation. GPA will operate within these tactical bands based on evolving market conditions and relevant portfolio risk factors.

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A thick, dark blue line graph with a jagged, upward-trending path serves as a background for the bottom half of the page.

**Government Portfolio Advisors**  
503-248-9973  
[www.gpafixedincome.com](http://www.gpafixedincome.com)

Meeting Date: October 21, 2026  
Agenda Item: 5. Budget to Actual Report

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City of Gresham's Adopted Financial Policies include reporting requirements. Policy 15D calls for Budget to Actual reporting to be distributed to Finance Committee. The attached report for FY 2026/27 includes information through September (Q1).

## Year-to-date Budget Report Narrative

Through Fiscal Year 2026/27 Period: 3 (September)

**Summary:** Budget monitoring is conducted by Budget & Financial Planning and department management staff throughout each fiscal year. This allows any items of concern to be proactively addressed. This report is designed to give City Council a high-level overview of the status of the City's budget.

The Budget column includes any mid-year budget adjustments approved by City Council such as the Grant Accept & Appropriate, Contingency Transfer, and the Supplemental Budget actions that were approved by Council earlier this year. This column will be updated throughout the year from the Adopted Budget amounts as City Council approves budget adjustments.

In this report, funds and departments are listed in numerical order as they appear in our financial system, and do not necessarily match the order or groupings that are used in the budget document. A quick way to tell what type of fund or department is to look at the name. For example, capital and debt funds will have that designation included in the name.

**Operating Funds:** Operating funds are performing as expected in relation to budget and are expected to remain on track throughout the fiscal year. Currently, there are no significant concerns or items of note. A few notes on specific items:

*All Funds - Personnel:* One of the largest expenses for the City is personnel, with the largest personnel costs in the Police and Fire departments. The City is budgeted with the assumption that a position will be filled fully for the entire year. Therefore, if a department has vacancies, it will show in this report as a lower percentage of budget used year to date.

*Internal Service Charges* – Internal Service Charge accounting entries often lag at the beginning of each year as accounting staff are finalizing the prior year and working with the external auditors to complete the annual financial review. In late fall each year, these entries are caught up, but until that point actuals will appear to have a low usage. At the end of period 3, internal service charges would account for approximately 3-5% of actual spending. These entries have not yet been made as of the issuance of this report, so the narrative below does not include this explanation individually since it applies to all operating budgets that are not internal service programs.

*General Fund – Economic Development:* A vacant position early in the year is causing the low % of budget used. This vacancy has now been filled. Additionally, this program has several larger contracts that are not expected to be utilized until later in the fiscal year.

*General Fund – Community Services (Code Enforcement):* Materials and services spending has been lower than budgeted at this point in the year. This is consistent with the year-over-year spending patterns for this area.

*General Fund – Youth & Recreation Services:* A vacant position is causing the low % of budget used. Additionally, materials and services spending has been lower than budgeted at this point in the year. This is consistent with the year-over-year spending patterns for this area.

*General Fund – Parks:* Materials and services spending has been lower than budgeted at this point in the year. This is consistent with the year-over-year spending patterns for this area.

*Urban Design & Planning Fund – Urban Design & Planning:* This program has several larger contracts that are not expected to be utilized until later in the fiscal year, therefore causing the low % of budget used.

*Designated Purpose Fund:* This fund typically contains grants and other restricted funds. Spending in the fund is not proportional or even across the year, so % of budget used may appear to be low or elevated compared to the point in the year.

*Infrastructure Development Fund – Environmental Services:* Vacant positions are causing the low % of budget used.

*Streetlight Fund – Environmental Services:* The % of budget used trends low due to electric bills lagging a month behind. This fund is also budgeted conservatively to allow for unexpected repairs to streetlights as needed.

*Transportation Fund – Environmental Services:* Materials and services spending has been lower than budgeted at this point in the year. This is consistent with the year-over-year spending patterns for this area.

*CDBG/HOME Fund – Urban Design & Planning:* With the uncertainty of timing of availability of additional CDBG/HOME awards, this fund was budgeted conservatively, and as a result is showing a low rate of expenditures. Additionally, grant awards are not distributed evenly throughout the year. This program is on track and performing as expected based on the federal funds available at this time and is consistent with the year-over-year spending patterns for this area.

*Building Fund – Community Development:* Vacant positions are causing the low % of budget used.

*Urban Renewal Fund – Urban Renewal:* A vacant position early in the year is causing the low % of budget used. This vacancy has now been filled. Additionally, this program has several larger contracts that are not expected to be utilized until later in the fiscal year.

*Water Fund – Environmental Services:* Materials and services spending has been lower than budgeted at this point in the year. This is consistent with the year-over-year spending patterns for this area. Additionally, accounting entries related to utility license fees lag behind at this time of year similar to Internal Service Charge entries.

*Stormwater Fund – Environmental Services:* Materials and services spending has been lower than budgeted at this point in the year. This is consistent with the year-over-year spending patterns for this area. Additionally, accounting entries related to utility license fees lag behind at this time of year similar to Internal Service Charge entries.

*Wastewater Fund – Environmental Services:* Due to the reimbursement nature of the billing for the operations of the Wastewater Treatment plant, there can be timing differences between when contracted work is performed and when invoices are received/paid. This difference

accounts for the % of budget used appearing low. Additionally, accounting entries related to utility license fees lag behind at this time of year similar to Internal Service Charge entries.

*Equipment Replacement Fund – Citywide Services:* The % of budget used appears to be low due to long periods of time between order and delivery of vehicles and equipment. This is consistent with the year-over-year spending patterns for this area.

*COG Health & Dental Plans Fund – Citywide Services:* As an insurance benefit fund, many of the expenditures in this fund are related to claims. Since claims can fluctuate over the course of a year and from year to year, this fund is budgeted conservatively to allow for claims to be paid. In a typical year, the % of budget used should appear low.

**Transfers:** Transfers are scheduled to be made periodically throughout the year, based on the nature of each individual item and associated requirements. Some transfers are made once a year, some are made equally across all twelve months, and some are made as expenditures occur. Patterns of transfers will be unique to each fund and will not be evenly distributed across each month.

**Capital Funds:** Expenditures in Capital project funds are not evenly distributed across the fiscal year. There is a seasonality to these expenditures, since much of the work funded on these projects occurs during better weather in the summer and fall. This means that in the early and late parts of each year expenditures will be greater, with fewer expenditures in the winter and spring. Additionally, Capital project funds are budgeted conservatively, since many of the expenditures are made during the summer, it can be difficult to predict when work on a project may occur based on weather, contractors, and supply availability. Therefore, the budget in these funds is designed to allow for expenditures to be made in either fiscal year of each summer.

**Debt Service Funds:** Debt Service payments are made on pre-defined schedules that typically call for 1-2 payments per year per debt instrument. In some Debt Service Funds, 100% of the annual payments are made by September of each year, while others may not have any payments until late in the fiscal year.



## Year-to-date Budget Report

Through Fiscal Year: 2026/27 Period:3

(September) Percentage of the year Complete: 25%

| Fund                                         | Department                                    | Budget             | Actuals           | Remaining         | % Used     | PY Actuals        | PY % Used  |
|----------------------------------------------|-----------------------------------------------|--------------------|-------------------|-------------------|------------|-------------------|------------|
| <b>General Fund</b>                          |                                               |                    |                   |                   |            |                   |            |
|                                              | Police                                        | 54,814,930         | 9,668,046         | 45,146,884        | 18%        | 11,673,911        | 21%        |
|                                              | Fire                                          | 43,359,883         | 8,357,708         | 35,002,175        | 19%        | 9,509,892         | 22%        |
|                                              | Economic Development                          | 976,528            | 141,004           | 835,524           | 14%        | 225,346           | 19%        |
|                                              | Community Services                            | 1,730,468          | 257,985           | 1,472,483         | 15%        | 346,384           | 20%        |
|                                              | Youth & Recreation Services                   | 765,856            | 95,014            | 670,842           | 12%        | 121,155           | 16%        |
|                                              | Parks                                         | 5,961,774          | 1,019,146         | 4,942,628         | 17%        | 1,392,934         | 24%        |
|                                              | Transfers                                     | 3,249,000          | 4,008             | 3,244,992         | 0%         | 646,527           | 22%        |
|                                              | <i>General Total</i>                          | <i>110,858,439</i> | <i>19,542,911</i> | <i>91,315,528</i> | <i>18%</i> | <i>23,916,148</i> | <i>22%</i> |
| <b>Local Option Levy Fund</b>                |                                               |                    |                   |                   |            |                   |            |
|                                              | Police                                        | 7,878,478          | 1,754,151         | 6,124,327         | 22%        | 1,402,214         | 18%        |
|                                              | Fire                                          | 5,936,472          | 1,392,803         | 4,543,669         | 23%        | 1,478,142         | 25%        |
|                                              | <i>Local Option Levy Total</i>                | <i>13,814,950</i>  | <i>3,146,955</i>  | <i>10,667,995</i> | <i>23%</i> | <i>2,880,356</i>  | <i>21%</i> |
| <b>Urban Design &amp; Planning Fund</b>      |                                               |                    |                   |                   |            |                   |            |
|                                              | Urban Design & Planning                       | 4,467,939          | 726,718           | 3,741,221         | 16%        | 1,004,877         | 22%        |
|                                              | Transfers                                     | 82,000             | -                 | 82,000            | 0%         | 79,000            | 100%       |
|                                              | <i>Urban Design &amp; Planning Total</i>      | <i>4,549,939</i>   | <i>726,718</i>    | <i>3,823,221</i>  | <i>16%</i> | <i>1,083,877</i>  | <i>23%</i> |
| <b>Solid Waste &amp; Sustainability Fund</b> |                                               |                    |                   |                   |            |                   |            |
|                                              | Environmental Services                        | 1,620,458          | 288,345           | 1,332,113         | 18%        | 353,646           | 22%        |
|                                              | <i>Solid Waste &amp; Sustainability Total</i> | <i>1,620,458</i>   | <i>288,345</i>    | <i>1,332,113</i>  | <i>18%</i> | <i>353,646</i>    | <i>22%</i> |



## Year-to-date Budget Report

Through Fiscal Year: 2026/27 Period:3

(September) Percentage of the year Complete: 25%

| Fund                                   | Department                              | Budget            | Actuals          | Remaining         | % Used     | PY Actuals       | PY % Used  |
|----------------------------------------|-----------------------------------------|-------------------|------------------|-------------------|------------|------------------|------------|
| <b>Designated Purpose Fund</b>         |                                         |                   |                  |                   |            |                  |            |
|                                        | Citywide Services                       | 3,421,301         | 132,704          | 3,288,597         | 4%         | 227,094          | 5%         |
|                                        | Police                                  | 2,216,622         | 434,918          | 1,781,704         | 20%        | 162,617          | 6%         |
|                                        | Fire                                    | 484,000           | -                | 484,000           | 0%         | 36,207           | 4%         |
|                                        | Urban Design & Planning                 | 10,889,506        | 54,173           | 10,835,333        | 0%         | 82,797           | 1%         |
|                                        | Economic Development                    | 9,172,000         | 28,114           | 9,143,886         | 0%         | 10,895           | 0%         |
|                                        | Community Services                      | 2,211,190         | 288,581          | 1,922,609         | 13%        | 370,119          | 15%        |
|                                        | Youth & Recreation Services             | 4,510,874         | 166,590          | 4,344,284         | 4%         | 149,806          | 2%         |
|                                        | Parks                                   | 459,000           | -                | 459,000           | 0%         | -                | 0%         |
|                                        | Environmental Services                  | 6,334,000         | 98,585           | 6,235,415         | 2%         | 108,405          | 2%         |
|                                        | Transfers                               | 2,133,000         | -                | 2,133,000         | 0%         | -                | 0%         |
|                                        | <i>Designated Purpose Total</i>         | <u>41,831,493</u> | <u>1,203,665</u> | <u>40,627,828</u> | <u>3%</u>  | <u>1,147,939</u> | <u>3%</u>  |
| <b>Rental Inspection Fund</b>          |                                         |                   |                  |                   |            |                  |            |
|                                        | Community Services                      | 1,461,130         | 276,809          | 1,184,321         | 19%        | 317,113          | 21%        |
|                                        | Transfers                               | 21,000            | -                | 21,000            | 0%         | 20,000           | 100%       |
|                                        | <i>Rental Inspection Total</i>          | <u>1,482,130</u>  | <u>276,809</u>   | <u>1,205,321</u>  | <u>19%</u> | <u>337,113</u>   | <u>22%</u> |
| <b>System Development Charges Fund</b> |                                         |                   |                  |                   |            |                  |            |
|                                        | Transfers                               | 38,496,000        | -                | 38,496,000        | 0%         | 1,215,323        | 3%         |
|                                        | <i>System Development Charges Total</i> | <u>38,496,000</u> | <u>-</u>         | <u>38,496,000</u> | <u>0%</u>  | <u>1,215,323</u> | <u>3%</u>  |
| <b>Infrastructure Development Fund</b> |                                         |                   |                  |                   |            |                  |            |
|                                        | Environmental Services                  | 4,741,482         | 699,545          | 4,041,937         | 15%        | 950,337          | 19%        |
|                                        | Transfers                               | 82,000            | -                | 82,000            | 0%         | 79,000           | 100%       |
|                                        | <i>Infrastructure Development Total</i> | <u>4,823,482</u>  | <u>699,545</u>   | <u>4,123,937</u>  | <u>15%</u> | <u>1,029,337</u> | <u>21%</u> |



## Year-to-date Budget Report

Through Fiscal Year: 2026/27 Period:3

(September) Percentage of the year Complete: 25%

| Fund                                  | Department                             | Budget            | Actuals          | Remaining         | % Used | PY Actuals       | PY % Used |
|---------------------------------------|----------------------------------------|-------------------|------------------|-------------------|--------|------------------|-----------|
| <b>Streetlight Fund</b>               |                                        |                   |                  |                   |        |                  |           |
|                                       | Environmental Services                 | 668,887           | 25,702           | 643,185           | 4%     | 90,307           | 13%       |
|                                       | Transfers                              | 1,855,000         | 405,940          | 1,449,060         | 22%    | 552,940          | 31%       |
|                                       | <i>Streetlight Total</i>               | <u>2,523,887</u>  | <u>431,642</u>   | <u>2,092,245</u>  | 17%    | <u>643,247</u>   | 26%       |
| <b>Transportation Fund</b>            |                                        |                   |                  |                   |        |                  |           |
|                                       | Environmental Services                 | 15,320,146        | 2,538,954        | 12,781,192        | 17%    | 3,132,745        | 20%       |
|                                       | Transfers                              | 17,690,000        | 198              | 17,689,802        | 0%     | 295,943          | 2%        |
|                                       | <i>Transportation Total</i>            | <u>33,010,146</u> | <u>2,539,152</u> | <u>30,470,994</u> | 8%     | <u>3,428,688</u> | 10%       |
| <b>CDBG &amp; HOME Fund</b>           |                                        |                   |                  |                   |        |                  |           |
|                                       | Urban Design & Planning                | 2,726,125         | 87,036           | 2,639,089         | 3%     | 140,641          | 4%        |
|                                       | Transfers                              | 446,000           | -                | 446,000           | 0%     | -                | 0%        |
|                                       | <i>CDBG &amp; HOME Total</i>           | <u>3,172,125</u>  | <u>87,036</u>    | <u>3,085,089</u>  | 3%     | <u>140,641</u>   | 4%        |
| <b>Building Fund</b>                  |                                        |                   |                  |                   |        |                  |           |
|                                       | Community Development                  | 6,241,815         | 892,042          | 5,349,773         | 14%    | 1,188,172        | 19%       |
|                                       | Transfers                              | 35,000            | 4,406            | 30,594            | 13%    | 10,272           | 29%       |
|                                       | <i>Building Total</i>                  | <u>6,276,815</u>  | <u>896,448</u>   | <u>5,380,367</u>  | 14%    | <u>1,198,444</u> | 19%       |
| <b>Urban Renewal Fund</b>             |                                        |                   |                  |                   |        |                  |           |
|                                       | Urban Renewal                          | 2,477,757         | 194,167          | 2,283,590         | 8%     | 263,659          | 13%       |
|                                       | Transfers                              | 40,000            | 328              | 39,672            | 1%     | -                | 0%        |
|                                       | <i>Urban Renewal Total</i>             | <u>2,517,757</u>  | <u>194,496</u>   | <u>2,323,261</u>  | 8%     | <u>263,659</u>   | 13%       |
| <b>Parks Capital Improvement Fund</b> |                                        |                   |                  |                   |        |                  |           |
|                                       | Capital Improvement                    | 11,425,000        | 100              | 11,424,900        | 0%     | 1,426,903        | 9%        |
|                                       | <i>Parks Capital Improvement Total</i> | <u>11,425,000</u> | <u>100</u>       | <u>11,424,900</u> | 0%     | <u>1,426,903</u> | 9%        |



## Year-to-date Budget Report

Through Fiscal Year: 2026/27 Period:3

(September) Percentage of the year Complete: 25%

| Fund                                     | Department                                | Budget            | Actuals          | Remaining         | % Used    | PY Actuals        | PY % Used  |
|------------------------------------------|-------------------------------------------|-------------------|------------------|-------------------|-----------|-------------------|------------|
| <b>General Development Cap Impr Fund</b> |                                           |                   |                  |                   |           |                   |            |
|                                          | Capital Improvement                       | 14,808,000        | -                | 14,808,000        | 0%        | -                 | 0%         |
|                                          | <i>General Development Cap Impr Total</i> | <i>14,808,000</i> | <i>-</i>         | <i>14,808,000</i> | <i>0%</i> | <i>-</i>          | <i>0%</i>  |
| <b>Transportation Capital Impr Fund</b>  |                                           |                   |                  |                   |           |                   |            |
|                                          | Capital Improvement                       | 48,635,000        | 2,471,392        | 46,163,608        | 5%        | 4,736,210         | 9%         |
|                                          | <i>Transportation Capital Impr Total</i>  | <i>48,635,000</i> | <i>2,471,392</i> | <i>46,163,608</i> | <i>5%</i> | <i>4,736,210</i>  | <i>9%</i>  |
| <b>Urban Renewal Capital Impr Fund</b>   |                                           |                   |                  |                   |           |                   |            |
|                                          | Capital Improvement                       | 25,228,000        | 2,810            | 25,225,190        | 0%        | 3,417             | 0%         |
|                                          | <i>Urban Renewal Capital Impr Total</i>   | <i>25,228,000</i> | <i>2,810</i>     | <i>25,225,190</i> | <i>0%</i> | <i>3,417</i>      | <i>0%</i>  |
| <b>General Government Debt Svc Fund</b>  |                                           |                   |                  |                   |           |                   |            |
|                                          | Debt Service                              | 6,544,000         | 454,094          | 6,089,906         | 7%        | 461,190           | 7%         |
|                                          | <i>General Government Debt Svc Total</i>  | <i>6,544,000</i>  | <i>454,094</i>   | <i>6,089,906</i>  | <i>7%</i> | <i>461,190</i>    | <i>7%</i>  |
| <b>Pension Bond Debt Service Fund</b>    |                                           |                   |                  |                   |           |                   |            |
|                                          | Debt Service                              | 2,581,000         | -                | 2,581,000         | 0%        | -                 | 0%         |
|                                          | <i>Pension Bond Debt Service Total</i>    | <i>2,581,000</i>  | <i>-</i>         | <i>2,581,000</i>  | <i>0%</i> | <i>-</i>          | <i>0%</i>  |
| <b>Water Fund</b>                        |                                           |                   |                  |                   |           |                   |            |
|                                          | Environmental Services                    | 17,532,167        | 1,968,837        | 15,563,330        | 11%       |                   |            |
|                                          | Debt Service                              | 250,000           | 210,496          | 39,504            | 84%       | 3,605,789         | 19%        |
|                                          | Transfers                                 | 18,899,000        | 1,716            | 18,897,284        | 0%        | 7,361,058         | 48%        |
|                                          | <i>Water Total</i>                        | <i>36,681,167</i> | <i>2,181,048</i> | <i>34,500,119</i> | <i>6%</i> | <i>10,966,847</i> | <i>32%</i> |
| <b>Water Capital Improvement Fund</b>    |                                           |                   |                  |                   |           |                   |            |
|                                          | Capital Improvement                       | 75,786,000        | 63,019           | 75,722,981        | 0%        | 2,024,529         | 3%         |
|                                          | <i>Water Capital Improvement Total</i>    | <i>75,786,000</i> | <i>63,019</i>    | <i>75,722,981</i> | <i>0%</i> | <i>2,024,529</i>  | <i>3%</i>  |



## Year-to-date Budget Report

Through Fiscal Year: 2026/27 Period:3

(September) Percentage of the year Complete: 25%

| Fund                                       | Department                            | Budget            | Actuals          | Remaining         | % Used     | PY Actuals       | PY % Used  |
|--------------------------------------------|---------------------------------------|-------------------|------------------|-------------------|------------|------------------|------------|
| <b>Water Debt Service Fund</b>             |                                       |                   |                  |                   |            |                  |            |
|                                            | Debt Service                          | 2,603,000         | 1,716            | 2,601,284         | 0%         | 308              | 0%         |
|                                            | <i>Water Debt Service Total</i>       | <u>2,603,000</u>  | <u>1,716</u>     | <u>2,601,284</u>  | <u>0%</u>  | <u>308</u>       | <u>0%</u>  |
| <b>Stormwater Fund</b>                     |                                       |                   |                  |                   |            |                  |            |
|                                            | Environmental Services                | 14,734,362        | 2,115,574        | 12,618,788        | 14%        | 2,941,847        | 21%        |
|                                            | Transfers                             | 8,513,000         | 137,580          | 8,375,420         | 2%         | 798,314          | 13%        |
|                                            | <i>Stormwater Total</i>               | <u>23,247,362</u> | <u>2,253,154</u> | <u>20,994,208</u> | <u>10%</u> | <u>3,740,161</u> | <u>18%</u> |
| <b>Stormwater Capital Improvement Fund</b> |                                       |                   |                  |                   |            |                  |            |
|                                            | Capital Improvement                   | 20,967,000        | 205,720          | 20,761,280        | 1%         | 545,811          | 3%         |
|                                            | <i>Stormwater Capital Improvement</i> | <u>20,967,000</u> | <u>205,720</u>   | <u>20,761,280</u> | <u>1%</u>  | <u>545,811</u>   | <u>3%</u>  |
| <b>Stormwater Debt Service Fund</b>        |                                       |                   |                  |                   |            |                  |            |
|                                            | Debt Service                          | 263,000           | 137,580          | 125,420           | 52%        | 138,814          | 53%        |
|                                            | <i>Stormwater Debt Service Total</i>  | <u>263,000</u>    | <u>137,580</u>   | <u>125,420</u>    | <u>52%</u> | <u>138,814</u>   | <u>53%</u> |
| <b>Wastewater Fund</b>                     |                                       |                   |                  |                   |            |                  |            |
|                                            | Environmental Services                | 21,044,647        | 1,660,610        | 19,384,037        | 8%         | 3,637,275        | 17%        |
|                                            | Transfers                             | 12,191,000        | 14,691           | 12,176,309        | 0%         | 375,414          | 3%         |
|                                            | <i>Wastewater Total</i>               | <u>33,235,647</u> | <u>1,675,300</u> | <u>31,560,347</u> | <u>5%</u>  | <u>4,012,690</u> | <u>12%</u> |
| <b>Wastewater Capital Improvement Fund</b> |                                       |                   |                  |                   |            |                  |            |
|                                            | Capital Improvement                   | 65,421,000        | 2,467,363        | 62,953,637        | 4%         | 1,297,652        | 3%         |
|                                            | <i>Wastewater Capital Improvement</i> | <u>65,421,000</u> | <u>2,467,363</u> | <u>62,953,637</u> | <u>4%</u>  | <u>1,297,652</u> | <u>3%</u>  |
| <b>Wastewater Debt Service Fund</b>        |                                       |                   |                  |                   |            |                  |            |
|                                            | Debt Service                          | 3,549,000         | 14,530           | 3,534,470         | 0%         | 14,664           | 1%         |
|                                            | <i>Wastewater Debt Service Total</i>  | <u>3,549,000</u>  | <u>14,530</u>    | <u>3,534,470</u>  | <u>0%</u>  | <u>14,664</u>    | <u>1%</u>  |



## Year-to-date Budget Report

Through Fiscal Year: 2026/27 Period:3

(September) Percentage of the year Complete: 25%

| Fund                                          | Department                                     | Budget            | Actuals          | Remaining         | % Used     | PY Actuals       | PY % Used  |
|-----------------------------------------------|------------------------------------------------|-------------------|------------------|-------------------|------------|------------------|------------|
| <b>Facilities &amp; Fleet Management Fund</b> |                                                |                   |                  |                   |            |                  |            |
|                                               | Citywide Services                              | 7,938,616         | 1,586,025        | 6,352,591         | 20%        | 1,541,083        | 20%        |
|                                               | Transfers                                      | 896,000           | -                | 896,000           | 0%         | 1,291,000        | 80%        |
|                                               | <i>Facilities &amp; Fleet Management Total</i> | <u>8,834,616</u>  | <u>1,586,025</u> | <u>7,248,591</u>  | <u>18%</u> | <u>2,832,083</u> | <u>31%</u> |
| <b>City Facility Capital Fund</b>             |                                                |                   |                  |                   |            |                  |            |
|                                               | Capital Improvement                            | 1,050,000         | 93,551           | 956,449           | 9%         | 1,097,011        | 32%        |
|                                               | <i>City Facility Capital Total</i>             | <u>1,050,000</u>  | <u>93,551</u>    | <u>956,449</u>    | <u>9%</u>  | <u>1,097,011</u> | <u>32%</u> |
| <b>City Facility Debt Service Fund</b>        |                                                |                   |                  |                   |            |                  |            |
|                                               | Debt Service                                   | 319,000           | -                | 319,000           | 0%         | -                | 0%         |
|                                               | <i>City Facility Debt Service Total</i>        | <u>319,000</u>    | <u>-</u>         | <u>319,000</u>    | <u>0%</u>  | <u>-</u>         | <u>0%</u>  |
| <b>Legal Services Fund</b>                    |                                                |                   |                  |                   |            |                  |            |
|                                               | City Attorney's Office                         | 1,920,394         | 403,506          | 1,516,888         | 21%        | 438,406          | 22%        |
|                                               | <i>Legal Services Total</i>                    | <u>1,920,394</u>  | <u>403,506</u>   | <u>1,516,888</u>  | <u>21%</u> | <u>438,406</u>   | <u>22%</u> |
| <b>Administrative Services Fund</b>           |                                                |                   |                  |                   |            |                  |            |
|                                               | Office of Governance & Mgmt                    | 4,083,737         | 844,595          | 3,239,142         | 21%        | 1,004,247        | 22%        |
|                                               | Budget & Finance                               | 9,492,150         | 2,004,166        | 7,487,984         | 21%        | 1,781,966        | 19%        |
|                                               | Information Technology                         | 10,399,499        | 2,367,790        | 8,031,709         | 23%        | 2,390,441        | 26%        |
|                                               | Citywide Services                              | 4,531,376         | 827,372          | 3,704,004         | 18%        | 936,824          | 17%        |
|                                               | Transfers                                      | 673,000           | -                | 673,000           | 0%         | 51,000           | 12%        |
|                                               | <i>Administrative Services Total</i>           | <u>29,179,762</u> | <u>6,043,923</u> | <u>23,135,839</u> | <u>21%</u> | <u>6,164,478</u> | <u>21%</u> |
| <b>Enterprise System Replacement Fund</b>     |                                                |                   |                  |                   |            |                  |            |
|                                               | Capital Improvement                            | 1,033,000         | 20,014           | 1,012,986         | 2%         | 800              | 0%         |
|                                               | <i>Enterprise System Replacement Total</i>     | <u>1,033,000</u>  | <u>20,014</u>    | <u>1,012,986</u>  | <u>2%</u>  | <u>800</u>       | <u>0%</u>  |



## Year-to-date Budget Report

Through Fiscal Year: 2026/27 Period:3

(September) Percentage of the year Complete: 25%

| Fund                                           | Department                                 | Budget            | Actuals          | Remaining         | % Used     | PY Actuals       | PY % Used  |
|------------------------------------------------|--------------------------------------------|-------------------|------------------|-------------------|------------|------------------|------------|
| <b>Equipment Replacement Fund</b>              |                                            |                   |                  |                   |            |                  |            |
|                                                | Citywide Services                          | 12,397,000        | 1,311,594        | 11,085,406        | 11%        | 1,145,277        | 14%        |
|                                                | Transfers                                  | -                 | -                | -                 | -          | 1,159            | 58%        |
|                                                | <i>Equipment Replacement Total</i>         | <u>12,397,000</u> | <u>1,311,594</u> | <u>11,085,406</u> | <u>11%</u> | <u>1,146,437</u> | <u>14%</u> |
| <b>Workers' Comp &amp; Liability Mgmt Fund</b> |                                            |                   |                  |                   |            |                  |            |
|                                                | City Attorney's Office                     | 8,957,905         | 2,271,728        | 6,686,177         | 25%        | 2,874,964        | 30%        |
|                                                | Transfers                                  | -                 | -                | -                 | -          | 29,000           | 100%       |
|                                                | <i>Workers' Comp &amp; Liability Mgmt</i>  | <u>8,957,905</u>  | <u>2,271,728</u> | <u>6,686,177</u>  | <u>25%</u> | <u>2,903,964</u> | <u>31%</u> |
| <b>COG Health &amp; Dental Plans Fund</b>      |                                            |                   |                  |                   |            |                  |            |
|                                                | Citywide Services                          | 19,040,000        | 2,941,159        | 16,098,841        | 15%        | 2,879,680        | 15%        |
|                                                | Transfers                                  | 343,000           | -                | 343,000           | 0%         | 321,000          | 100%       |
|                                                | <i>COG Health &amp; Dental Plans Total</i> | <u>19,383,000</u> | <u>2,941,159</u> | <u>16,441,841</u> | <u>15%</u> | <u>3,200,680</u> | <u>16%</u> |

## Meeting Date: October 21, 2026

### Agenda Item: 6. Contingency Transfer

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The Gresham Police Department's Behavioral Health Unit (BHU) pairs mobile crisis clinicians with Gresham police officers to respond to 911 calls involving behavioral health concerns. This co-responder model helps connect individuals in crisis with appropriate services while supporting community safety.

In October 2023, the City received a federal Connect and Protect: Law Enforcement Behavioral Health Response Program grant from the U.S. Department of Justice to expand the BHU program. The grant's purpose was to strengthen collaboration between law enforcement and behavioral health providers and improve access to mental health and substance use treatment services for individuals experiencing a behavioral health crisis.

In November 2024, City Council approved an expansion of the BHU program by adding two mobile crisis clinicians through the Local Option Levy. This increased the City's BHU capacity from two to four co-responder teams through September 30, 2026, the end of the federal grant period.

The grant-funded expansion operated successfully throughout the three-year term, and the City received federal reimbursement for eligible program costs. Recognizing the expiration of the federal grant and the possibility of no continued outside funding, the Budget & Financial Planning Division included operating contingency funding in the Fiscal Year 2026/27 Local Option Levy Fund budget, which was adopted by City Council. The intent of this contingency was to provide City Council with budgetary flexibility for the continuation of the expanded BHU service level if additional grant funding was not secured.

The Police Department was unable to identify replacement grant funding to maintain the expanded program after the federal grant period ended. The possibility that ongoing grant funding would not be available for this program was considered during the development of the Local Option Levy and therefore was included in the original forecasting and planning for the levy staffing.

This item would typically be brought to Finance Committee prior to Council consideration, but due to timing constraints, the item was presented to City Council at the October 20, 2026 meeting.

# Local Option Levy Fund

## Fiscal Year 2026/27

|                        | Adopted<br>Budget<br>7/1/26 | Transfers/<br>Resolutions<br>7/1/26-10/19/2026 | Contingency<br>Transfer<br>3/18/25 | Revised<br>Budget<br>3/18/25 |
|------------------------|-----------------------------|------------------------------------------------|------------------------------------|------------------------------|
| <b>RESOURCES</b>       |                             |                                                |                                    |                              |
| Beginning Balance      | 823,000                     | -                                              | -                                  | 823,000                      |
| Operating Revenues     |                             |                                                |                                    |                              |
| Taxes                  | 13,638,000                  | -                                              | -                                  | 13,638,000                   |
| Subtotal               | 13,638,000                  | -                                              | -                                  | 13,638,000                   |
| TOTAL RESOURCES        | 14,461,000                  | -                                              | -                                  | 14,461,000                   |
| <b>REQUIREMENTS</b>    |                             |                                                |                                    |                              |
| Operating Expenditures |                             |                                                |                                    |                              |
| Police                 | 7,878,478                   | -                                              | 200,000                            | 8,078,478                    |
| Fire                   | 5,936,472                   | -                                              | - <sup>1</sup>                     | 5,936,472                    |
| Subtotal               | 13,814,950                  | -                                              | 200,000                            | 14,014,950                   |
| Contingency            | 646,050                     | -                                              | (200,000) <sup>1</sup>             | 446,050                      |
| Unappropriated         | -                           | -                                              | -                                  | -                            |
| Subtotal               | 646,050                     | -                                              | (200,000)                          | 446,050                      |
| TOTAL REQUIREMENTS     | 14,461,000                  | -                                              | -                                  | 14,461,000                   |

**NOTES:**

<sup>1</sup> BHU Contingency Transfer