

## Questions/Comments from FY 2025/26 Budget Committee Members

### Public Safety

1. The fire department held a lateral academy, what is GPD doing to attract lateral officers? Is there a budget consideration for bringing on officers that should not have to start at the first step of the salary range? If so, could that be offset by the time and cost of DPSST Academy?

The Gresham Police Department is currently using a multi-pronged approach to recruiting and has been testing several different strategies including sign-on and referral bonuses for new and lateral hires, contracting with a recruiting firm, developing commercials for local TV stations, and dedicating internal staff to recruitment and hiring efforts to attract new talent to the Gresham Police Department. As lateral Police Officers are hired, years of service are recognized in starting pay, add pays, and leave time. The Gresham Police Department's experiences are not unique, and peer agencies throughout Oregon and across the county agree that recruitment and retention are among the most challenging issues police departments are facing. There is no single answer to increasing lateral hires, and we should make sure we remain strategic and consistent with the approach to lateral hiring. We are currently working with union leadership to identify opportunities for attracting lateral hires. From a budgetary perspective, the hiring of lateral officers can be accommodated within the FY 2025/26 Proposed Budget.

2. Adding a Sourcing Specialist to sell Gresham to candidates. With a full communication department, is that not something that can and should be covered in that department?

Different and separate from City and Police Dept communications functions, the Branding and Marketing Specialist focuses specifically on finding talent for the Gresham Police Department. The Specialist does this through collaboration with communications partners, but the communications teams have other focuses and should not be the sole resource for recruiting. It truly takes a village to get good people to Gresham, and we are proud of the work we are doing in collaboration with City HR, communications teams, recruiting teams, and the unions. We must have the resources we need to help find and attract the best people to Gresham.

3. What is the intended use of the \$225,000 related to Fire Rescue staffing and the desired outcomes from that investment?

The \$225,000 in the FY 2025/26 Fire Department Proposed Budget is intended to address report recommendations made by outside experts in response to on-the-job injuries last year. One of these recommendations was to staff the Fire Rescue units with a Lieutenant and a Firefighter (one of which will be a paramedic) instead of the current staffing model of two firefighters. This change will ensure that proper supervision and decision-making occur during critical incidents. In the current environment, an Engine unit (which includes a Lieutenant or Captain) must be paired with a Rescue unit at an incident for this protocol to be maintained. This is not always possible, especially at the beginning of incidents. This new model will ensure that Gresham Fire can meet critical safety and command needs during large-scale incidents.

These funds will be used to provide promotional opportunities to Lieutenant to fill these positions. This proposal does not increase the level of staffing but adjusts the number of each type of position.

4. What is the plan to continue the emergency management work? At a minimum to retain our participation in the RDPO for potential funding?

The Emergency Management role will be overseen by the Fire Chief. This initiative will involve collaboration between departments such as the Police Department, Office of Governance & Management, Information Technology, and others. The team will work with the current emergency manager to establish a plan before their departure on June 30, 2025. Priorities will include the continuity of operation plan (COOP), defining the structure of the emergency operations center, training city staff for roles within the EOC, and determining the future direction for the City of Gresham. Essential relationships with county and state emergency management groups will be maintained.

This team will oversee the emergency operations plan and prepare for any anticipated emergencies, such as predicted winter storms or cold weather events. Additionally, this team will be responsible for managing emergency operations during an event.

Recent federal actions have the potential to significantly impact the Regional Disaster Preparedness Organization's (RDPO) main funding source – the Urban Areas Security Initiative (UASI) grant. The RDPO team is working hard to remain nimble and be prepared to adapt to potential changes as necessary. Gresham should remain a member of this group since emergency management is a regional effort. This also enables Gresham to access grant funding if available. The FY 2025/26 Proposed Budget includes the membership dues for Gresham's participation in the RDPO.

5. On page 96, the staffing for the fire department shows one less FTE than 2024/25. Why is this?

For FY 2024/25 the City of Gresham was awarded a FEMA grant to conduct a Community Risk Assessment. The City utilized a limited-term employee to complete the bulk of the work associated with this grant. The project and grant are expected to be completed by the end of FY 2024/25. This staff member has been hired to a regular status position within the department; therefore, the LTE limited-term position is vacant. With the expiration of the grant funding this limited-term (LTE) position is being removed from the FY 2025/26 budget.

## **Internal Services**

6. The City Attorney mentioned "sometimes they contract for outside work." What is the cost spent on outside contracts and what is the expertise that is required that causes us to go outside?

The total spending for FY 2022/23 was \$75,828, and the grand total for 2022/23 through 2024/25 to date is \$351,000. These costs have included outside legal counsel, computerized legal research (Lexis), temporary employee costs, administrative hearing officer services, consultants, and independent personnel investigations.

Outside counsel has historically provided services for the following matters, most of which either require specialized expertise beyond the past or current experience of our in-house attorneys or time intensive matters (complex transactional or litigation matters not covered by the City's insurance carrier) beyond the time capacity of the CAO:

- Land use
- Labor and employment (including independent personnel investigations)
- Independent hearing officers for administrative appeals permitted under the Gresham Revised Code and the Gresham Community Development Code
- Cybersecurity and data privacy

- Complex real estate transactions
- Federal and State grant contracts (HUD, Affordable Housing, similar)
- Environmental and water law

The City's reliance upon outside counsel for land use, complex real estate, and development transaction matters has and will continue to decrease, based on current staff expertise.

The CAO plans to issue a Request For Quotes for legal services to diversify our pool of outside attorneys and to identify cost-effective options.

7. Are the internal services charges based on billable hours to the departments for the City Attorney's Office?

Yes, the primary driver to distribute costs for the City Attorney's Office is billable hours.

8. Of those areas that take the most time of our attorneys, is there an evaluation of training that may be needed in supervisors/leadership positions that could mitigate litigation?

The City Attorney's Office has 10 FTE, which includes the City Attorney, Deputy City Attorney, 2 Senior Assistant City Attorney's and 1 Assistant City Attorney. Each attorney is assigned a portfolio of primary assignments, and there is 1 Senior Assistant Attorney whose portfolio is primarily related to personnel and labor management. In the course of our daily work, if there are trends that develop around personnel matters, Human Resources, City Attorney's Office, and the Office of Governance & Management collaborate on any necessary training that can be developed and delivered to managers and supervisors to help mitigate similar issues in the future.

9. Page 65 indicates collecting \$1.2 million for GIS, Admin for EE Benefit plan and Public Safety Recruiting. What is the public safety recruiting dollars for that aren't already covered by internal services charges to HR?

Several years ago, the need for enhanced levels of recruitment services for Public Safety was identified. To facilitate this higher level of service, public safety departments provide additional funding above standard Internal Service Charges for recruitment services.

10. Page 247 lists the expenditures of every department and the percentage increase. Citywide Services (Communications, HR, and Community Engagement) is lumped together. Can we get a breakdown of each department?

#### Human Resources

- \$2.7 million operating budget
- 5.4% increase compared to last year's budget

#### Communications

- \$1.3 million operating budget
- 2.1% increase compared to last year's budget

#### Community Engagement

- \$1.0 million operating budget
- 6.2% increase compared to last year's budget

#### General Support

- \$0.4 million operating budget
- Same amount as last year's budget

11. For each department, how many external contracts (for HR before all the changes happened) were engaged for outside consultant work? (*Communications, HR, & Community Engagement*)

#### Communications:

- In FY 2024/25, Communications had one contract for Media Monitoring Services.

#### Human Resources:

- In FY 2024/25 Human Resources utilized multiple contracts for professional and administrative services including:
  - Third Party Administrator for plan and benefit administration for the Employee Assistance Program (*budgeted in the Human Resources division*).
  - Benefits Consultant to provide a full range of consulting services on benefits and employee insurance including service as agent of record. (*budgeted in Human Resources division*).
  - Third Party Administrator for plan administration for Flexible Spending Account (FSA) and Continuation of Health Coverage (COBRA) programs (*budgeted in Human Resources division*).
  - 2 contracts for Executive Recruitment Services that are managed by Human Resources (*Departments utilizing contracts pay for services used*).
- Human Resources also uses additional specialized and specific consulting and administrative services related to benefits plans. The costs for these services are included in the specific programs:
  - Third Party Administrator for processing claims and plan administration for City of Gresham Health Plan (*budgeted in COG Health/Dental Fund and included in premium costs*).
  - Third Party Administrator for processing claims and plan administration for City of Gresham Dental Plan (*budgeted in COG Health/Dental Fund and included in premium costs*).
  - Third Party Administrator for Deferred Compensation Plan administration and account management (*budgeted in Designated Purpose Fund and costs are paid by Deferred Compensation participants*).
  - Benefits Consultant to advise on Deferred Compensation Plan (*budgeted in Designated Purpose Fund and costs are paid by Deferred Compensation participants*).

#### Community Engagement:

- Currently Community Engagement does not have any contracts for consulting services.

12. The line items are listed for each area and then a “Budget Highlight.” I know they are highlights only, but in two examples, the increase is substantial and there is only a portion noted in the highlights. Office of Governance & Management (pages 264-268) Budget increase = \$933,844 but the Budget Highlights explains \$388,697. Budget & Finance (pages 269-273): Budget increase = \$1,118,854 / Budget Highlights explain \$21,853.

Budget Highlights are intended to provide explanations for significant changes in the budget of a program. A threshold of +/- 10% and \$5,000 is utilized to ensure the more significant items are presented. Changes in Internal Services Charges are highlighted separately in the Internal Service Charge Manual. Additionally, changes in the benefits line items are not specifically addressed since those are either a function of changes in personnel budgets, which are included in the budget highlights, or are a function of global assumptions that apply across the city such as PERS rate changes. These types of global assumptions are addressed in the “Budget Highlights & Comparison” section of the Budget Message Chapter. For FY 2025/26 this also includes the appropriation for the City’s participation in the PERS Employer Incentive Fund Program which is described in the “Budget Highlights & Comparison” section of the Budget Message Chapter.

#### **Office of Governance & Management**

FY 2025/26 Proposed Budget	\$ 4,487,895
FY 2024/25 Revised Budget	- 3,554,051
<i>Budget Increase from FY 2024/25 to FY 2025/26</i>	<u>933,844</u>
 Included in Budget Highlights	- 388,697
Changes in benefits due to global assumptions and personnel changes	- 304,527
PERS Employer Incentive Fund Program	- 223,584
<i>Remaining budget spread across other line items below threshold</i>	<u>\$ 17,036</u>

#### **Budget & Finance**

FY 2025/26 Proposed Budget	\$ 9,469,877
FY 2024/25 Revised Budget	- 8,351,023
<i>Budget Increase from FY 2024/25 to FY 2025/26</i>	<u>1,118,854</u>
 Included in Budget Highlights	- 21,853
Changes in benefits due to global assumptions and personnel changes	- 552,072
PERS Employer Incentive Fund Program	- 391,463
Changes in personnel line items below Budget Highlights threshold	- 119,619
<i>Remaining budget spread across other line items below threshold</i>	<u>\$ 33,849</u>

### **Revenue**

13. Throughout the overview it was noted that City Council has decided to index several city fees to better align fees with their associated expenses. Have all the fees for services that can be indexed been considered and appropriately indexed?

Indexing of individual fees is reviewed periodically. For some fee types, the indexing has been set for multiple years within rate packages, while others are reviewed annually. Staff continues to work on reviewing fee structures to ensure alignment of service delivery and will make recommendations to City Council on indexing of fees.

14. We are entering into challenging economic times, based federal government policies and practices. What contingencies have been considered should we enter into a recession and utility and property tax delinquencies increase?

As part of the annual financial forecasting cycle, global, national, state ,and local economic impacts are evaluated on the City's revenue sources, including delinquency rates. These impacts are modeled in the forecasts and are considered annually as part of the budget development process and monitored throughout the year to identify any deviations from the forecast. This type of economic impact is a very good example of the need for Ending Fund Balance in each operating fund.

15. Are any of the Federal Fund receipts assumed in this budget at risk of cancellation by the current administration. This would include committed ARPA dollars or Inflation Reduction Act grants. What is our contingency should any of these funds be pulled?

At this time, the City has met all of the deadlines and obligation requirements of the Federal Government in relation to the City's ARPA allocation and expects to be able to utilize its full allocation. For all other Federal grants, City staff continue to monitor each grant closely. The City is minimizing risk and proceeding slowly or pausing grant funded projects where funding is likely at risk.

16. What is the status of negotiations for fire and emergency services for Wood Village, Troutdale, and Fairview intergovernmental agreements? What is our contingency should they not be renewed? (page 43)

As of today, the City Managers for all 4 cities have come to a tentative agreement for a 1-year extension of our current Intergovernmental Agreement (IGA). Draft amendment language is being finalized, and we anticipate necessary approvals to be in place by mid-May. This extension will allow more time for the 4 cities to individually and collectively explore their options for providing long-term fire service to their respective communities.

## Other Topics

17. For the Transit Lodging Tax, what is the breakdown of funds that go to activities listed on page 411?

No specific allocation of funds to each activity has been fully determined at this time. One PUW worker proposed to be added in the FY 2025/26 budget is identified as being funded through these funds to support the Gradin Sports park expansion. The full cost of that position is budgeted at approximately \$142,000. If the funds are not all spent in FY 2025/26, they will be carried forward to future years and reallocated at that time.

18. Do limited term hires go through the recruitment process? How often are they converted to regular FTEs?

Limited term employees can be initially hired through a competitive recruitment process or direct appointment. For a Limited term employee to be eligible to be converted to a regular status position, the employee must have participated in a competitive recruitment process for the position either at the onset of the limited term position or as part of the conversion to the regular status position.

The conversion rate of the limited term positions to regular status positions can vary depending on the program area or the purpose of the limited term position. Grant-funded limited term positions are rarely converted unless a permanent funding source is identified. (For example, Police and Fire ARPA funded positions were converted to regular status when the Local Option Levy funding became available.)

19. On page 5 there is a reference to a strategic property in downtown Gresham. It states that the expenditure will be offset by lease revenue. What is this property and what is its strategic nature?

The address of this property is 265-89 NE 2nd Street. This is a building formerly owned by Rieglemann's and one of the primary current tenants is Accuprint. From a longer-term economic development perspective, this purchase is strategic given its location in downtown Gresham directly across from the Arts Plaza as well as being directly adjacent to an existing City-owned parking lot.

20. Is there an estimate of when PERS Tier I and II will be completed for the City?

As of December 31, 2023, the City has 116 active Tier I/II employees with another 138 that are currently working for another jurisdiction or no longer in working in public service but have not yet retired. Before Gresham's obligations for Tier I/II are complete, all individuals in those Tiers need to retire and all retirement benefits must be completely paid, including the current 887 retirees.

21. Comment from Budget Committee member regarding the Financial Management Policies, starting on page 418: "These policies remain in large part, outdated, in particular General Policy 10 on public safety. I am glad to see on page 77 that updating the City's policies is a key issue for Finance and Accounting to address."