

CITY COUNCIL MONTHLY MEETING CALENDAR

Apr-21

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 EDC Noon (Virtual)	2 CEP Due	3
4	5 Planning Comm 7pm (Zoom Webinar)	6 CCI 5:30pm (Virtual)	7 Rural Fire Board Mtg 6pm	8	9 If I Were Mayor Due	10
11	12 CITY COUNCIL 5:30 PM - URA Regular Meeting 5:50 PM - URA WORK SESSION (Festival St) 6:20 PM - EXECUTIVE SESSION (Labor) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM - ZOOM WEBINAR ID: 925 2578 8997 Passcode: 04122021	13 CEPC MEETING 6pm (Zoom)	14 Municipal Court CFC 5:15pm (Virtual) Library Comm 6:30pm (Virtual)	15 Red Cross Blood Drive 1pm-6pm, Comm Aud	16	17
18	19 Planning Comm 7pm (Zoom Webinar)	20 CEP Worksheets DUE 5pm BUDGET COMMITTEE INFORMATIONAL MEETING 6:00 PM (Zoom Webinar)	21 P&R 3:30 pm (Virtual)	22 URAC 10am (Virtual) Sustainability 6pm (Virtual)	23	24
25	26 CITY COUNCIL 5:30 PM - CEPC MEETING 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM - ZOOM WEBINAR	27 HLB 6:30pm (Virtual)	28 Municipal Court	29	30	

May-21

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 Municipal Court Planning Comm 7pm (Zoom Webinar)	4 CCI 5:30pm (Virtual)	5 Rural Fire Board Mtg 6pm	6 EDC Noon (Virtual)	7	8
9	10 CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM - ZOOM WEBINAR	11	12 Municipal Court CFC 5:15pm (Virtual) Library Comm 6:30pm (Virtual)	13	14	15
16	17 Planning Comm 7pm (Zoom Webinar)	18 BUDGET COMMITTEE 1st MEETING 6:00 PM (Zoom Webinar)	19 P&R 3:30 pm (Virtual)	20 Red Cross Blood Drive 1pm-6pm, Comm Aud PAC 5pm (Virtual)	21	22
23	24 CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM - ZOOM WEBINAR	25 BUDGET COMMITTEE 2nd MEETING 6:00 PM (Zoom Webinar) HLB 6:30pm (Virtual)	26 Municipal Court	27 URAC 10am (Virtual) Sustainability 6pm (Virtual)	28	29
30	31 CITY OFFICES CLOSED					

Jun-21

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 CCI 5:30pm (TBD)	2 Rural Fire Board Mtg 6pm	3 EDC Noon (TBD)	4	5
6	7 Planning Comm 7pm (TBD)	8	9 Municipal Court CFC 5:15pm (TBD) Library Comm 6:30pm (TBD)	10	11	12
13	14 CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM - ZOOM WEBINAR	15	16 P&R 3:30 pm (TBD)	17 Red Cross Blood Drive 1pm-6pm, Comm Aud PAC 5pm (TBD)	18	19
20	21 Planning Comm 7pm (TBD)	22 HLB 6:30pm (TBD)	23 Municipal Court	24 URAC 10am (TBD) Sustainability 6pm (TBD)	25	26
27	28 CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM - ZOOM WEBINAR	29	30			

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FOREST GROVE CITY COUNCIL MEETING AGENDA

MONDAY, APRIL 12, 2021

ZOOM WEBINAR

COMMUNITY AUDITORIUM, 1915 MAIN STREET

Zoom Video Conferencing

Public Webinar ID: 925 2578 8997

Pass Code: 04122021

Click Link: <https://zoom.us/j/92525788997?pwd=YzRGdW0rREJlOUNBRzV1TG50ZU0yQT09>

For help with Zoom: <https://support.zoom.us/hc/en-us/articles/115004954946>

- 5:30 PM URBAN RENEWAL AGENCY (URA) REGULAR MEETING
- 5:50 PM URBAN RENEWAL AGENCY (URA) WORK SESSION (Festival Street)
- 6:20 PM CITY COUNCIL EXECUTIVE SESSION (Labor Negotiations)
- 7:00 PM CITY COUNCIL REGULAR MEETING

During the pandemic, all public meetings are held in a “hybrid” format allowing the public to attend meetings both virtual and in-person. The Community Auditorium is open and has limited availability and social distancing measures. The public can observe the meetings **LIVE** on **Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming or **LIVE Channel 30** on their website: <http://208.71.205.11/CablecastPublicSite/?channel=15>. Written comments may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov.

PETER B. TRUAX, MAYOR

Malynda H. Wenzl, Council President

Donna Gustafson, Councilor

Kristy L. Kottkey, Councilor

Timothy A. Rippe, Councilor

Elena Uhing, Councilor

Mariana Valenzuela, Councilor

All regular meetings of the City Council are televised live and open to the public and persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the Council as follows:

Public Hearings: Hearings are held on each matter required by state law or City policy. Sign in before the meeting on the Public Hearing form posted in the foyer. The presiding officer will review the hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Council, please use the witness table (center front of the room), provide your full name and please limit your remarks to three (3) minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Council action. All testimony is electronically recorded. Written testimony may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov.

Public Comment: This is a time provided for anyone wishing to speak on an item not on the agenda or on the agenda, and not scheduled for a public hearing. Sign in before the meeting on the form posted in the foyer. The presiding officer will review the instructions prior to public comment. The presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Council, please use the witness table (center front of the room), provide your full name. Please limit your comments to two (2) minutes unless the presiding officer grants an extension. All testimony is electronically recorded. Written comments may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov.

Accommodations: In accordance with the Americans with Disabilities Act, the City of Forest Grove will make reasonable accommodations for participation in the meeting. Request for assistance can be made by contacting City Recorder's Office, aruggles@forestgrove-or.gov, 503-992-3235, at least 48-hours advance notice of the meeting.

	5:30 5:50	<u>URBAN RENEWAL AGENCY (URA) REGULAR MEETING</u> The URA Board will convene and be video conferencing remotely during the meeting. <i>(Refer to separate meeting agenda and packet)</i>
	5:50 6:20	<u>URBAN RENEWAL AGENCY (URA) WORK SESSION: FESTIVAL STREET, MIG CONSULTING</u> The URA Board will convene and be video conferencing remotely during the work session. <i>(Refer to separate meeting agenda and packet)</i>
Brenda Camilli, Human Resources Manager Jesse VanderZanden, City Manager	6:20 6:50	<u>EXECUTIVE SESSIONS ARE CLOSED TO THE PUBLIC.</u> Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No Executive Session may be held for the purpose of taking final action or making any final decision. <u>In accordance with ORS 192.660(2)(d) to conduct deliberations with person designated by the governing body to carry on labor negotiations.</u>
	7:00	1. <u>CITY COUNCIL REGULAR MEETING:</u> Call to Order and Roll Call.
	7:05 10mins	2. <u>PUBLIC COMMENT:</u> Anyone wishing to speak to the City Council on an item not on the agenda or on the agenda but not scheduled for a public hearing may be heard at this time. Please limit comments to two (2) minutes. Written comment may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov .
	7:15 5mins	3. <u>CONSENT AGENDA:</u> See Page 4
	7:20 5mins	4. <u>ADDITIONS/DELETIONS:</u>
		5. <u>PRESENTATIONS:</u> Each presenter is limited to ten (10) minutes to present, followed by five (5) minutes for questions and answers, unless additional time is granted by the Presiding Officer. The Council has reviewed each presentation, so highlight key points only. The Council will hold questions until the end. A two-minute reminder will be given to conclude remarks.
PowerPoint Presentation Jesse VanderZanden, City Manager	7:25 15mins	5. A. • <i>Metro's 2021 Priorities, Lynn Peterson, Metro Council President</i>

Paul Downey, Administrative Services Director	7:40 15mins	5. B.	• <i>Annual Financial Reports for City and Urban Renewal Agency (URA) for Year Ending June 30, 2020, Brad Bingenheimer, Partner of SingerLewak, LLP</i>
PowerPoint Presentation Dan Riordan, Senior Planner Bryan Pohl, Community Development Director	7:55 15mins	5. C.	• <i>Community Forestry Commission (CFC) Annual Report, Mark Nakajima, CFC Chair</i>
PowerPoint Presentation Paul Downey, Administrative Services Director	8:10 10mins	5. D.	• <i>American Rescue Plan (ARP) Act</i>
Peter Truax, Mayor Jesse VanderZanden, City Manager	8:20 15mins	6.	<u>RESOLUTION NO. 2021-20 ADOPTING CITY COUNCIL 2021 GOALS AND OBJECTIVES AND REPEALING RESOLUTION NO. 2020-36</u>
City Councilors	8:35 25mins	7. A.	<u>COUNCIL COMMUNICATIONS:</u> Please limit reports to three (3) minutes per person. A brief summary of matters of interest to the Council and to present Boards and Commission liaison reports.
Jesse VanderZanden, City Manager		7. B.	<u>CITY MANAGER'S REPORT:</u>
Peter Truax, Mayor		7. C.	<u>MAYOR'S REPORT:</u>
	9:00	8.	<u>ADJOURNMENT:</u>

3. **CONSENT AGENDA:** Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion. Councilmembers who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s).
- A. Approve City Council Work Session (Goals and Objectives Refinement) Meeting Minutes of March 15, 2021.
 - B. Approve City Council Work Session (Local Option Levy Planning) Meeting Minutes of March 15, 2021.
 - C. Approve City Council Regular Meeting Minutes of March 15, 2021.
 - D. Accept Committee for Community Involvement Meeting Minutes of February 2, 2021.
 - E. Accept Economic Development Commission Meeting Minutes of March 4, 2021.
 - F. Accept Library Commission Meeting Minutes of February 10, 2021.
 - G. Accept Planning Commission Meeting Minutes of December 7 and December 21, 2020.
 - H. Proclamation Celebrating Arbor Day 2021 and Forest Grove's 31st Anniversary as a Tree City USA®.
 - I. **RESOLUTION NO. 2021-19 AMENDING CITY OF FOREST GROVE'S DECLARATION OF STATE OF EMERGENCY, EFFECTIVE MARCH 14, 2020, AT 1:00 P.M., TO BE EXTENDED AND REMAIN IN EFFECT UNTIL 8:00 P.M. ON APRIL 26, 2021, UNLESS SUPERSEDED SOONER; AMENDING RESOLUTION NO. 2021-17.**



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CITY RECORDER USE ONLY:

AGENDA ITEM #: 2.
MEETING DATE: 04/12/2021
FINAL ACTION: Public Comment Addendum

CITY COUNCIL MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Anna D. Ruggles, CMC, City Recorder*

DATE: *April 12, 2021*

SUBJECT: *Item 2. Written Public Comments*

CITIZEN COMMUNICATIONS:

The following attached written correspondence was received via e-mail to:
citycouncilors@forestgrove-or.gov or e-mail to: aruggles@forestgrove-or.gov.

	Name:	Subject:	Date:
1.	Michael Perrault	Follow-up to my e-mail of Feb 9	03/16/2021
2.	Kelly Daily	Parking Concerns along Main St	03/18/2021
3.	Lili R	Open Letter, regarding COVID19	04/02/2021
4.	Ethan Jones	Request to speak at Council meeting	04/02/2021
5.	Hope Kramer	Officer Teets news article	04/09/2021

Attachments:

Correspondence attached

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Anna Ruggles

From: Michael Perrault <[REDACTED]>
Sent: Tuesday, March 16, 2021 2:21 PM
To: City Councilors
Cc: Jesse VanderZanden; Paul Downey; Brian Schimmel; Cardwell Shawn
Subject: Follow-up to my email of February 19

Dear City Council Members,

On February 17 of this year, I dispatched an email to the City Councilors asking that you consider a temporary rezoning within the city to allow the use of the city owned lot on 19th Avenue (proposed site of the new police station) to temporarily house homeless people within our community. The site is plumbed for water and has access to electricity in addition to other favorable qualities for homeless folks.

To date, I've not received a reply of any sort from the City Councilors to my email.

What kind of city government does not reply to a member of its community who has served the Nation, served the community (former chair of the CCI) and who is currently delivering food in support of the local Homeless Outreach?

Does your behavior foster a belief in the system? Does your behavior say "we care about people"?

Please understand, I am not letting this issue go.

Michael Perrault
[REDACTED]

Anna Ruggles

From: Michael Perrault <[REDACTED]>
Sent: Wednesday, March 17, 2021 12:19 PM
To: Kristy Kottkey
Cc: Timothy Rippe; Donna Gustafson; Malynda Wenzl; Mariana Valenzuela; Peter Truax; Jesse VanderZanden
Subject: Re: Follow-up to my email of February 19 - Please do not reply all

Thank you for your reply Councilor Kottkey.

Earlier today, City Manager Jesse VanderZanden provided me a detailed explanation of the zoning situation for that particular piece of land. I now fully understand complexity of the issues involved and I am backing off.

I wrote directly to the council in February because I had been informed by Paul Downey that to make that land available for the temporary housing of homeless people would require a change to zoning laws within the jurisdiction of the City Council.

Subsequent to my email of March 16th I have heard from three city council members along with Mr. VanderZanden's reply. I am encouraged by the fact that three city councilors have read my email, understand my concerns and have taken the time to respond. It is unfortunate that it took two emails to generate these responses. I suggest that all the councilors see this series of interactions as a learning opportunity and, in the future, respond to members of the community more quickly.

Again, thank you for your interest in my concerns.

Michael Perrault
[REDACTED]

On Mar 17, 2021, at 11:31 AM, Kristy Kottkey <kkottkey@forestgrove-or.gov> wrote:

Hello, Mike!

Thank you for your follow-up email. After your first email, I did have a conversation with Jesse about the particulars of what it would take to have the council - and I did not hear from other councilors anything about what they thought about this idea...and I am not sure who did or did not respond before as each councilor chooses to do that in their own way. I am Ccing the council on this response, though, with the idea that they will not be responding (thus not putting us in any violation of serial communications.). My intent after our conversation on the phone about the pod and the parking lot was to have a more in depth conversation at the goal-setting retreat when we talked about the goal around housing in particular, but the structure of that particular meeting did not allow for additional conversation, which I did not realize was going to be the case. At one point, I specifically asked if I could highlight an idea about communication up with the council and I was told that we did not have time for that kind of discussion at the goal-setting retreat. Understandable, but then the opportunity to talk about this and your concerns as a council were put off until a further meeting, which then wouldn't be until mid March. Prior to that time, I had decided to wait to add it to the agenda to see if other councilors may have raised the issue as well.

I appreciate the extensive follow-up from Jesse and Paul - and my personal feeling on the issue at this time is that I don't think it is something I am going to pursue without the clear understanding of

how the need for pod space will correspond with the work of Shawn Cardwell's group...which I know you are a part of in the Outreach Team capacity. There are many moving parts happening now with regards to support that may mean we do not need that particular space for pods as we thought we might a month ago. I am never opposed, however, to consider opening up the discussion at least on council about how we can think ahead in how we use our spaces and how zoning changes might proactively look at that - and other space - for future needs. That again, requires some further discussion with council which brings me to my next point.

I strongly believe that if a community member sends an email to the council or council members, that person deserves a response. The way this has happened in the past is that the city staff will always respond, and I have asked that we are included in that response so that we may understand where the issue stands. I have also suggested that the city's response be posted with the original letter in the public packet so the public can see the answer - that suggestion is still on the table. However, I personally follow-up with each person to make sure that they don't have additional questions and that they were able to have an outcome that they may not agree with, but that they at least understand the reasoning and policy around it. I have been pleased with the detailed responses sent by the city, but I find that often times, a community member would like to still have more conversation with a councilor about it.

Due to the laws around serial communications, my greater concern is that the public has the perception that we are not responding or communicating as effectively as possible. I totally understand your frustration when you send an email in February, and not a single councilor responded to you. Although the city manager sent a response, I believe most people in the community would expect councilors to respond in some way. That process is something I continue to push for some clarity and communication around so that we all know what to expect.

In addition to that, when people come to give testimony at a meeting, I believe that can feel frustrating for the same reason - especially when the response is "Thank you for your testimony." Again, the city staff will always follow up, but my impression is that people who come to talk to "the council" would like a personal response from their councilors. This communication piece is something I am actively working on and the city is also working on a revamped communication plan that will address these issues.

Thank you for all of the time, boots on the ground, emails, phone calls, and efforts you continue to do on a daily basis for our community. Your advocacy makes us all accountable to do better so we can work together in the most effective way.

Call me anytime, my cell is below!

Respectfully,

Kristy

Kristy Kottkey
Forest Grove City Councilor

kkottkey@forestgrove-or.gov<<mailto:kkottkey@forestgrove-or.gov>>
503-810-4877

On Mar 16, 2021, at 2:20 PM, Michael Perrault
<mrperrault44@gmail.com><<mailto:mrperrault44@gmail.com>>> wrote:

Dear City Council Members,

On February 17 of this year, I dispatched an email to the City Councilors asking that you consider a temporary rezoning within the city to allow the use of the city owned lot on 19th Avenue (proposed site of the new police station) to temporarily house homeless people within our community. The site is plumbed for water and has access to electricity in addition to other favorable qualities for homeless folks.

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Does your behavior foster a belief in the system? Does your behavior say "we care about people"?

Please understand, I am not letting this issue go.

Michael Perrault



Anna Ruggles

From: LANCE DAILY <k[REDACTED]t>
Sent: Thursday, March 18, 2021 6:30 PM
To: Peter Truax; Malynda Wenzl; Donna Gustafson; Kristy Kottkey; Timothy Rippe; Elena Uhing; Mariana Valenzuela; Jesse VanderZanden
Subject: Parking Concerns along Main St

Good Evening, My Name is Kelly Daily and I am a homeowner on Main Street.

I am very concerned about the possible changes I am hearing about... The new apartments at the old Van Doren's site and the possible closure of 22nd from University to B street for a festival Street.

The parking is so bad here that we often times cannot have friends or relatives over due to the lack of parking. Entering and exiting our driveway is also an adventure. While I am excited for the prospect of having a "fun" Street, I am concerned about those cars being pushed onto Main Street. Add the apartments and it is going to be CRAZY..

We have lived in our home for 20+ years. Parking has never been ideal, but it has gotten significantly worse over the past 5 years.

I would like to hear from the City and Councilors about studies that have been done and what they are proposing to do about the increase in traffic. If we open a Festival Street where are all these people going to be parking? Have you seen the area during Wednesday Market, especially First Wednesday?

I am currently planning on introducing myself at the next Council meeting which I believe is Monday at 7PM.

Thank you for your time and energy,

Kelly Daily
[REDACTED]

Anna Ruggles

From: Lili R <[REDACTED]>
Sent: Friday, April 2, 2021 12:29 PM
To: Peter Truax; Malynda Wenzl; Donna Gustafson; Kristy Kottkey; Timothy Rippe; Elena Uhing; Mariana Valenzuela
Subject: Open Letter, regarding Covid19 in our vulnerable population

I am reaching out to you regarding Covid19, and how we may be able to save the lives of many in our vulnerable population. As you may have heard there are [several strains emerging](#) that are [resistant to antibodies](#), as [well as the vaccine](#). Luckily the vaccine is not our only defense, many scientific studies are now underway proving that there is more we can be doing to help those who are vulnerable prepare their bodies in advance of contracting the virus, so their immune systems can better fight it.

In Spain, such a [study was conducted on the use of Vitamin D](#). It was found that adequate Vitamin D blood levels [reduced the chance of death by 64%, and reduced ICU admissions by 82%](#). They concluded that adequate vitamin D status could also play a role in preventing Covid19 infection. The form of Vitamin D used in this study was activated Vitamin D, called Calcifediol.

Vitamin D, is not readily bioavailable. First Vitamin D is produced in the skin and from there it goes to the liver where it is converted into Calcifediol, which can take one to two weeks to be converted. From there it goes to the kidneys, turning into the hormone that our body uses. The beauty of Calcifediol, is that it skips that step where it has to take the time to be converted by the liver. It can be administered in a form that our body can use right away.

There have been many studies conducted to date, [one study from Spain](#), on a small group was very promising. There were 76 participants, 50 of them were given Calcifediol, out of that group only one was admitted to the ICU, and there were no deaths. In the control group of 26 who did not receive Calcifediol, 13 of them were admitted to the ICU, and 2 died.

It was concluded that administration of high dose Calcifediol greatly reduced the need for ICU admission, and was able to reduce the severity of the disease.

The findings were so significant, that in Andalucía, Spain, they called for it to be [used as a preventative method](#) to be administered to the [elderly in care home settings](#), within a month the death rates dropped from [60 per a day to 3](#).

While many studies have been conducted to see if administering vitamin D could change the outcome of those hospitalized from Covid, there are other such studies aiming to show that low levels lead to poor outcomes with the disease. In one [study in Italy it was found that 81% of patients with acute respiratory failure had a vitamin D deficiency](#). It was found that those with severe deficiency had a 50% greater chance of death.

In [another study](#), it was found that there was a correlation between having low vitamin D levels and contracting the virus. Those with low levels were twice as likely to contract the virus.

In [Spain, over 80% of 200 Covid19 patients had low vitamin D levels](#). Those who had lower levels also had raised serum levels of inflammatory markers.

Researchers at [Queen Elizabeth Hospital](#) found that those with lower levels of Vitamin D may be more likely to [die from the virus](#). They compared the death rates and vitamin D levels of 20 European countries, and found a significant relationship between low Vitamin D levels and deaths from Covid19.

The researchers concluded, "The most vulnerable group of population for Covid-19 is also the one that has the most deficit in Vitamin D. Vitamin D has already been shown to protect against acute respiratory infections and it was shown to be safe. We believe that we can advise vitamin D supplementation to protect against Sars-CoV2 infection."

One would imagine that findings such as these would prompt worldwide attention and action. Sadly, it hardly makes a few headlines. Quietly under the radar the studies go on. In [this study it was found that Vitamin D supplementation](#) could reduce the incidence, severity, and risk of death from Covid19 infections. Those who had sufficient Vitamin D levels, had lower blood levels of inflammation, less lung damage, and shorter hospital stays.

In a [study in New York it was found](#) that those who had lower Vitamin D levels were at greater risk for needing oxygen support.

The point here is that studies have shown time and time again, that those with vitamin D deficiencies are more prone to poor outcomes with Covid, and those who [supplement have better outcomes](#). What harm could it do, to test the vitamin D levels in our at risk population, and have them supplement accordingly if their levels are low?

I am not alone in this thinking, many doctors and scientists from all around the world have been working to spread the word. [Here you will find a call to action](#), on eliminating Vitamin D deficiency during the pandemic.

Long before the ravages of Covid, science already knew that [those with nutritional deficiencies](#), were prone to having a weakened immune response, and that the risk increases with age. Nutrients are [the building blocks of our immune system](#), without them we cannot have proper cell creation and function. Vitamin D is one of the nutrients that are critical for immune function, [inhibiting inflammatory cytokines](#). When a person gets sick, a proper cytokine response is necessary, and needed. In a healthy, functioning immune system, our cells will put the brakes on that response before it gets carried away. Vitamin D is one of the [critical building blocks for that function](#). Researchers found the Vitamin D receptor binds to [DNA activating a gene that interferes with the cascade of cytokines](#). Sadly many in our vulnerable population are lacking in nutrients, and their bodies are not able to stop the cytokine response from getting out of control. The good news is that studies have been done in the past that show how [replenishing those nutrients restores immune function](#), and lowers susceptibility to succumbing to disease, and illness.

When a person [is low in micronutrients](#), it can lead to a [lower white blood cell count](#), impairing the way cells function. Low [vitamin D levels can also negatively affect](#) your white blood cell count. Your immune system consists of these white blood cells, [they are what protects the body against infection, and viruses](#). Previous [research has found Vitamin D to be a safe and effective treatment](#) for the prevention of [fatal lung attacks](#), and acute respiratory tract infections by boosting levels of antimicrobial peptides in the lungs.

Vitamin D is only one of the critical nutrients that our [body relies on for immune function](#). all vitamins and minerals are important for our body to function optimally, and in the case of Covid, help to prevent a runaway cytokine storm.

Although the CDC and WHO have not yet recommended replenishing nutrients regarding Covid in our vulnerable populations, any good doctor knows that proper nutrition is vital for health and function of the body. There is no harm in giving these people a little extra nutrition during this time to give their bodies that extra

help for proper immune function. Surely something so simple as this, can't be against the rules. The role of nutrition and the immune system is backed by science, as I have attempted to show in this letter.

Combating nutritional deficiencies in the elderly can sometimes require a multipronged approach. Malnutrition is common in the elderly, [up to 85% who are homebound, in a nursing home, or hospitalized are malnourished](#). One of the underlying causes is often a lack of gut bacteria that can cause malabsorption leading to malnutrition. It has also been found that when the elderly [supplement with probiotics it improves immune function](#), increasing [Natural Killer cells](#), lowers inflammatory cytokines, increases ant-inflammatory cytokines, [helping to fight off infection](#).

What's more, is that those who have age related immune deficiency known as [Immunosenescence](#), have been found to have [significantly impaired vaccine efficacy](#), making the role of nutrition, and probiotic repletion, all that more important during our mass vaccination campaign currently underway.

There is one potential health concern with taking Vitamin D in high doses, it can cause [hypercalcemia](#), causing calcium build up in the soft tissues. However, this [can be mitigated by taking K2 along with Vitamin D](#). When taken together it is considered safe. K2 has been found to [move calcium to the bones](#) preventing calcium toxicity.

When supplementing with Vitamin D it is [vital to also supplement with Magnesium](#), it aids cells in converting Vitamin D so it can be used by the body.

As a final note on this essential nutrient, I would like to mention that Vitamin D deficiency is common, not only in the elderly, but also in persons who live in [poor communities](#), are [obese](#), and have [dark skin color](#), all of these demographics have been disproportionately affected by complications from Covid.

Lastly I would like to cover a drug that has received little media attention, but that has had astounding results in studies thus far, that is the drug Ivermectin. It is an anti-parasitic drug that has been considered one of the safest medications in the world, dubbed by the WHO as an essential medicine. It has been in use since 1987, and 3.7 billion doses have been administered.

In one study, Ivermectin was [shown to be 100% effective as a prophylaxis](#). 788 people were administered Ivermectin, and not one of them contracted the virus. In the control 407 did not receive it, and 48% contracted the virus.

In [Tlaxcala, Mexico, another promising study was conducted](#) with a combination multi-drug therapy, including Ivermectin, and the results were astounding. Nearly 85% of the cases recovered within 14 days. Those who received the Ivermectin combo in ambulatory cases, were 3.4 times more likely to recover. It reduced the risk of hospitalization by 75%, and reduced the risk of death by 81%.

In recent news, Slovakia has [become the first EU nation to approve the use of Ivermectin](#) as both a prophylaxis and treatment for Sars-CoV2. It has been approved for a 6 month period. People are said to be buying the drug en masse. As stated in [this article by DUNAV MOST](#), "Ivermectin has been reported to block the virus's transport protein from entering the nucleus of the cell making it difficult to multiply."

In [August India began to hand out Ivermectin](#) drug combination kits as a prophylaxis, to their vulnerable population, as well as those who were exposed to the virus, and for early treatment in asymptomatic Covid-19 patients. In [September and October India experienced a dramatic decline in cases](#) months before the vaccine roll out, baffling scientists. In [August deaths were topping out](#) at over one thousand per day, and are now in the low hundreds.

I believe it is critical for all rational minded people to take a look at the science for themselves.

To see more ongoing studies on Vitamin D, Ivermectin, Zinc, and other drugs please [see this link](#), and also [this link](#).

Thank you for taking the time to read my letter. It is my greatest hope that we learn everything we can about all effective treatments for Covid-19, and save as many lives as possible.

[End letter]

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[Real-time database and meta analysis of 332 COVID-19 studies](#).

[Real-time database and meta analysis of 332 COVID-19 studies, ongoing trials](#).

Anna Ruggles

From: Home <[REDACTED]>
Sent: Monday, April 5, 2021 3:24 PM
To: Anna Ruggles
Subject: RE: Request to speak at the City Council meeting. - ACKNOWLEDGEMENT

I will attend through Zoom. Sorry for the late response.

From: [Anna Ruggles](#)
Sent: Friday, April 2, 2021 3:27 PM
To: [REDACTED]
Cc: [Bryan Pohl](#); [Cassandra Bergstrom](#); [James Reitz](#)
Subject: RE: Request to speak at the City Council meeting. - ACKNOWLEDGEMENT

Hi Ethan,

Our next City Council Meeting is **Monday, April 12, at 7pm**. Please let me know if you plan to attend in person or Zoom, so I can e-mail you an agenda once it is finalized and Zoom meeting instructions, and/or you may submit written testimony.

PUBLIC COMMENT: This is a time provided for anyone wishing to speak to the City Council on an item not on the agenda or on the agenda but not scheduled for a public hearing. **Please limit comments to two (2) minutes. Written comment may be submitted by 3:00 p.m. the day of the meeting to:**
CityCouncilors@forestgrove-or.gov.

During the pandemic, all public meetings are held in a "hybrid" format allowing the public to attend meetings both virtual and in-person. The Community Auditorium is open and has limited availability and social distancing measures. The public can observe the meetings **LIVE on Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming or **LIVE** on their website:
<http://208.71.205.11/CablecastPublicSite/?channel=15>.

Anna D. Ruggles, CMC, City Recorder
1924 Council Street, 2nd Floor
P. O. Box 326
Forest Grove, OR 97116-0326
Direct Line: 503.992.3235
E-mail: aruggles@forestgrove-or.gov
<https://www.forestgrove-or.gov/>

From: Home [REDACTED]
Sent: Friday, April 2, 2021 7:23 AM
To: James Reitz <jreitz@forestgrove-or.gov>
Subject: Request to speak at the City Council meeting.

Hello Mr. Reitz,

As a new voter in Forest Grove, I've wanted to make the MAX a priority out here in Forest Grove and Cornelius. I would like to speak at the planning commission meeting to talk about what I think about the new Council Creek trail and how it relates to efforts to expand the MAX to Forest Grove. I'll also speak about this at the general city council meeting. Is there a time slot that I can get in for this? I want to make a good impact here in this city I grew up in, and expanding opportunities for out of town commuting will greatly benefit our city economically and financially.

Sincerely,
Ethan Jones

Anna Ruggles

From: Hope Kramer [REDACTED]
Sent: Friday, April 9, 2021 12:25 PM
To: City Councilors; Henry Reimann; Jesse VanderZanden
Subject: Officer Teets news article

Hello all,

I writing to let you know of a great series of articles revolving around the officer Teets incident in town. These were written by resident Jill Smith and contain witness testimony from the victim. I think it is important to read these articles to obtain the victims point of view.

<https://pamplinmedia.com/pt/10-opinion/503740-403491-column-victim-says-sheriffs-apology-helped-shes-still-waiting-to-hear-from-forest-grove-police?fbclid=IwAR1zqsMPSabSI5tjO3QezoyjjaLarxnUg7LDymfobSl-6gLWPmf6T-OmTvI>

I feel even more strongly that officer Teets should be released from duty in Forest Grove. The PD could definitely help him find a retraining program to help him develop a different career path and help him get into a program to manage his PTSD. He is just not fit to wield a gun and enforce laws.

The city needs to consider the liability Teets poses and the fact that any future cases he is involved in that have a race component will be suspect. This makes for a bad agent of the law and a bad decision by the city if you keep him on.

Thank you
Hope Kramer



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**City Council Work Session Minutes
Council Goal and Objectives Refinement**

**Monday, March 15, 2021
5:30 p.m., Zoom Community Auditorium**

Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Peter Truax called the work session to order at 5:30 p.m. via Zoom Webinar Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the Work Session was conducted in a “hybrid” format allowing the public to attend virtually via **Zoom Webinar** and in-person in the Community Auditorium. Members of the public could observe the work session **LIVE** on **Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming Channel 30.

ROLL CALL: COUNCIL PRESENT ATTENDED BY ZOOM WEBINAR: Donna Gustafson; Kristy Kottkey; Timothy Rippe; Mariana Valenzuela; Malynda Wenzl, Council President; and Mayor Peter Truax. **COUNCIL ABSENT:** Elena Uhing.

STAFF PRESENT ATTENDED BY ZOOM WEBINAR: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director (attendee); Henry Reimann, Police Chief (attendee); Gregory Robertson, Public Works Director (attendee); Colleen Winters, Library Director (attendee); Anna Ruggles, City Recorder (in the Community Auditorium).

ZOOM ATTENDEES: 4

2. WORK SESSION: COUNCIL GOALS AND OBJECTIVES REFINEMENT

VanderZanden introduced Sara Wilson, SSW Consulting, who facilitated the February 8, 2021, pre-retreat work session and the Council and Management Retreat held on February 20, 2021. VanderZanden reported the purpose of the work session was to refine and prioritize the proposed Goals and Objectives for Fiscal Year 2021/22, noting this year, the Council identified 7 proposed Goals and 27 proposed Objectives, compared to 7 Goals and 34 Objectives in FY2020/21. The Council reviewed each of the 2020 Objectives, which resulted in some of the Objectives being removed as completed, revised or combined, resulting in a lower overall total than the previous year as shown in Attachment A of the presentation. VanderZanden and Wilson presented a PowerPoint presentation summary of the proposed Council Goals and Objectives for FY2021/22, including the iterative process behind each Goal and Objective as shown in Attachment A of the presentation, and Graphic Notes from the Retreat that recapped the process to arrive at the proposed

Goals and Objectives as shown in Attachment 2 of the presentation, noting the spreadsheet contains refinement notes to assist in the review process. In conclusion of the above-noted staff presentation, VanderZanden reported the Objectives will be scheduled as short-term (1-2 years) or long-term (3-5 years) based on Council's input on prioritization and available City resources and the Objectives will be assigned to pertinent Boards and Commissions and integrated into Department Work Plans (Staff lead and Timeline columns) and briefed in detail to Council during the budget process and budget priorities.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued as the Council had an opportunity to review and discuss each of the 7 proposed Goals and 27 proposed Objectives identify for FY2021/22. At the Council Retreat, Council refined the 7 proposed Goals for FY2021/22 as follows:

GOAL 1: SUPPORT DIVERSITY, EQUITY, AND INCLUSION IN THE DELIVERY OF CITY SERVICES AND OPERATIONS

~~GOAL 2: ENABLE HOUSING SUPPLY AND AFFORDABILITY~~ SUPPORT HOUSING STABILITY AND MITIGATION OF HOMELESSNESS

~~GOAL 3: ENHANCE PARTNERSHIPS~~ SUPPORT COMMUNITY RECOVERY FROM THE PANDEMIC

~~GOAL 4: IMPROVE INTERNAL AND EXTERNAL COMMUNICATIONS AND ENGAGEMENT~~ MAINTAIN FINANCIAL AND ORGANIZATIONAL SUSTAINABILITY

~~GOAL 5: MAINTAIN FINANCIAL AND ORGANIZATIONAL SUSTAINABILITY THROUGH LONG-TERM PLANNING AND SUPPORT FOR ECONOMIC AND WORKFORCE DEVELOPMENT~~ IMPROVE COMMUNICATIONS AND ENGAGEMENT

GOAL 6: PROMOTE SUSTAINABLE TRANSPORTATION ALTERNATIVES AND ENHANCE MOBILITY

GOAL 7: EXPAND RECREATION OPPORTUNITIES

Wilson facilitated breakout sessions as Councilmembers prioritized each of the proposed 27 Objectives and provided real-time input (Refer to Attachment 1 of the minutes). At the conclusion of the above-noted exercise, Council's refinement and prioritization resulted in ~~27~~ **26** proposed Objectives (deleted 7.4, Provide mobile checkout spots for the Library, which will be forwarded to the Library Commission for a recommendation). In conclusion of the above-noted Council discussion, VanderZanden advised staff will bring back a proposed resolution for Council consideration adopting the Council Goals (7) and Objectives (26) for Fiscal Year 2021/2022.

Council took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT:

Mayor Truax adjourned the work session at 6:40 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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**City Council Work Session Minutes
Levy 101**

**Monday, March 15, 2021
5:30 p.m., Zoom Community Auditorium**

Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Peter Truax called the work session to order at 6:40 p.m. via Zoom Webinar Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the Work Session was conducted in a “hybrid” format allowing the public to attend virtually via **Zoom Webinar** and in-person in the Community Auditorium. Members of the public could observe the work session **LIVE** on **Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming Channel 30.

ROLL CALL: COUNCIL PRESENT ATTENDED BY ZOOM WEBINAR: Donna Gustafson; Kristy Kottkey; Timothy Rippe; Mariana Valenzuela; Malynda Wenzl, Council President; and Mayor Peter Truax. **COUNCIL ABSENT:** Elena Uhing.

STAFF PRESENT ATTENDED BY ZOOM WEBINAR: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Henry Reimann, Police Chief; Gregory Robertson, Public Works Director; Colleen Winters, Library Director; Anna Ruggles, City Recorder (in the Community Auditorium).

ZOOM ATTENDEES: 4

2. WORK SESSION: LEVY 101

Downey and VanderZanden reported the purpose of the work session was to review and determine the process and timing to ask voters to renew/replace the current Five-Year Local Option Levy (LOL), rate of \$1.60 per \$1,000 assessed value (AV), expiring June 30, 2023, noting the LOL is to maintain services and programs for police, fire, parks and library. Downey presented a PowerPoint presentation background summary of the LOL history and dependence on LOL, noting the LOL contributes \$2.8 million to the General Fund's (GF) or 13.8% of the GF and represents 21.4% of the GF's Discretionary Revenue, noting Police (47%) and Fire (32%) expenditures account for 79% of total GF Discretionary Revenue. Downey presented a pie chart showing Fiscal Year 2020-21 GF Discretionary Uses and percentages of Discretionary Revenue used by each department. Downey presented a timetable of the LOL's Election History, which began at a rate of \$0.99 per \$1,000 assessed value (AV) on November, 2002. Downey noted potential levy election dates when the double majority requirement would not apply: May, 2022; November, 2022,

and May, 2023. Downey advised the City typically submits the LOL to voters at least two elections prior to the expiration date, noting staff is recommending to consider May 17, 2022, Primary Election, particularly if the voters will be asked to increase the LOL. In addition, Downey advised staff is recommending to hire the same consultant (Campbell DeLong Resources) who assisted the City with the last several levy efforts to survey public opinion to develop a strategy to help determine how voters would vote if the LOL is on the ballot in May, 2022, Primary Election. The consultant will assist with three key objectives: 1) Determine if voters will support a LOL at a rate needed to maintain the current level of services and/or add focused additional services; 2) Identify facts about the proposed levy that voters say are not useful in determining how they will vote; and 3) Assess the importance of sources of information about a LOL. In conclusion of the above-noted staff report, Downey advised staff is seeking feedback on the proposed tentative timeline for May 17, 2022, Primary Election, so staff could determine next steps in the levy renewal/replacement planning process and potential timing of the election.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued as the Council had an opportunity to review and discuss the potential levy election dates when the double majority requirement would not apply. In response to various Council inquiries, concerns and scenarios pertaining to determining levy renewal/replacement and levy rate and fire administration intergovernmental agreements, Downey and VanderZanden advised staff will determine the five-year GF Financial Plan assuming the current LOL rate, current level of services and potential additional services and incremental increase to add each potential additional service as well as what additional services, if any, should be included in the survey public opinion to be conducted. Downey addressed concerns pertaining to ensuring an equity lens is used when surveying participants, noting the survey is not of the general population instead it targets likely registered voters if the LOL is on the ballot. The survey gauges reaction to 10 to 12 facts about the LOL to help determine important messages to communicate to likely voters and demographic information of survey participants. Downey added there will be opportunity to discuss the public opinion survey with Council prior to conducting the survey, noting the timing of the survey will be important. In addition, Downey summarized the key timetable and actions below in order to meet the filing deadline for May 17, 2022, Primary Election:

• April 20, 2021	Informational Budget Committee Meeting
• August 9, 2021	Levy Needs Assessment Work Session
• September 13, 2021	Discuss Levy Polling Questions Work Session
• November 22, 2021	Present Levy Polling Results
• December 13, 2021	Levy Work Session – Rate Setting
• January 10, 2022	Levy Work Session – Rate Setting
• January 24, 2022	Council Retreat Work Session
• January 29, 2022	Annual Town Meeting – Levy (?)
• February 12, 2022	Council Retreat

February 14, 2022	Resolution Requesting to Approve Local Option Levy Ballot Title for Publication Notice for May 17, 2022 Primary Election
February 28, 2022 <i>(Last Council meeting to meet election filing deadline for May Primary Election)</i>	Resolution Requesting to Call Election to Local Option Levy to be held on May 17, 2022, Primary Election

In conclusion of the above-noted Council discussion, VanderZanden advised staff will proceed with the planning process as summarized above targeting May 17, 2022, Primary Election, to which Council collectively concurred with staff's recommendations. Downey affirmed February 28, 2022, is the last Council Meeting in order to meet the filing deadline for May 17, 2022, Primary Election, noting the LOL must be approved no later than May, 2023, for the LOL taxes to be collected in FY 2023-24.

Council took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT:

Mayor Truax adjourned the work session at 6:56 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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Monday, March 15, 2021

City Council Regular Meeting Minutes

7:00 p.m., Zoom Community Auditorium

Minutes are unofficial until approved by Council.

1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the regular City Council meeting to order at 7:06 p.m. via Zoom Webinar Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the City Council conducted the Council meeting in a “hybrid” format allowing the public to attend both virtual and in-person in the Community Auditorium as spaced allowed. Members of the public could observe the meeting **LIVE on Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming Channel 30. The Council accepted written comments on items not on the agenda submitted by 3:00 p.m. the day of the meeting.

ROLL CALL: COUNCIL PRESENT ATTENDED BY ZOOM WEBINAR: Donna Gustafson; Kristy Kottkey; Timothy Rippe; Mariana Valenzuela; Malynda Wenzl, Council President; and Mayor Peter Truax. **COUNCIL ABSENT:** Elena Uhing.

STAFF PRESENT ATTENDED BY ZOOM WEBINAR: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Patrick Fale, Interim Fire Chief; Bryan Pohl, Community Development Director; Collen Winters, Library Director (attendee); and Anna Ruggles, City Recorder (in the Community Auditorium).

ZOOM ATTENDEES: 5

2. PUBLIC COMMENT:

The following written e-mail correspondence was received by 3:00 p.m. and was distributed to Council in the Council Packet. An addendum was added to the Council Packet as outlined below.

	Name:	Subject:	Date:
1.	Brian Lindsey	Homeless camp on Hwy 47	03/05/2021
2.	Robin Linsley	Happy Headline	02/23/2021
3.	Hope Kramer	Town Hall Meeting Questions	03/09/2021
4.	Mike Abshier	Council Comment	03/09/2021
	Addendum		
5.	Lisa Wence	Thank you letter to Mayor & City Council	03/10/2021

6.	Clare Collins	Public Comment for Next Council Meeting	03/12/2021
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The following testimony was heard in person:

- Brian Linsey, Forest Grove, addressed Council voicing safety concerns pertaining to the homeless encampments located north of Highway 47.
- Amanda Tardio, Forest Grove, addressed Council voicing safety concerns pertaining to the homeless encampments located north of Highway 47.

The following testimony was heard via Zoom:

- Mike Abshier, westside, Forest Grove, addressed Council voicing concerns pertaining to extending the light rail system westward to Forest Grove.

Mayor Truax responded with comments on Metro's Supportive Housing Services Measure, noting Washington County is conducting a presentation overview of Metro's Supportive Housing Services Measure and Local Implementation Plan Program this evening under Agenda Item 5. A. In addition, Mayor Truax reported that recent legislation (Martin v. City of Boise, 9th Circuit Case) prohibits criminalizing indigent, homeless people for sleeping outdoors on public property or clearing homeless encampments. In response to various Council inquiries pertaining to next steps, VanderZanden advised staff will coordinate a response and work through some of the issues.

3. CONSENT AGENDA:

Items under the Consent Agenda are considered routine and are adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s).

- Approve City Council Work Session (Council Goal-Setting Retreat Update) Meeting Minutes of February 8, 2021.
- Approve City Council Work Session (Homelessness Roles and Responsibilities) Meeting Minutes of February 8, 2021.
- Approve City Council Work Session (Council & Management Goal-Setting Retreat) Meeting Minutes of February 20, 2021.
- Approve City Council Work Session (Boards and Commissions Applicant Interviews and Appointments) Meeting Minutes of February 22, 2021.
- Approve City Council Work Session (Council Rules of Procedures) Meeting Minutes of February 22, 2021.
- Approve City Council Regular Meeting Minutes of February 22, 2021.
- Accept Economic Development Commission Meeting Minutes of July 9,

September 10, October 1, November 5, and December 3, 2020.

- H. Accept Parks and Recreation Commission Meeting Minutes of December 16, 2020.
- I. Accept Public Arts Commission Meeting Minutes of January 21, 2021.
- J. Accept Sustainability Commission Meeting Minutes of February 27, 2020.
- K. Community Development Department Monthly Building Activity Informational Report for February 2021.
- L. Proclamation National Community Development Week, April 5 – April 9, 2021.
- M. **RESOLUTION NO. 2021-14 MAKING APPOINTMENT TO COMMUNITY FORESTRY COMMISSION (CFC) (Jeremy Sapp, Term Expiring December 31, 2023).**
- N. **RESOLUTION NO. 2021-15 MAKING APPOINTMENT TO COMMUNITY POLICING ADVISORY COMMISSION (CPAC) (Jean Garcia, Pacific University, Term Expiring December 31, 2022).**
- O. **RESOLUTION NO. 2021-16 APPOINTING CITY AUDITOR FOR FISCAL YEAR ENDING JUNE 30, 2021 (SingerLewak, LLP).**
- P. **RESOLUTION NO. 2021-17 AMENDING CITY OF FOREST GROVE'S DECLARATION OF STATE OF EMERGENCY, EFFECTIVE MARCH 14, 2020, AT 1:00 P.M., TO BE EXTENDED AND REMAIN IN EFFECT UNTIL 8:00 P.M. ON APRIL 12, 2021, UNLESS SUPERSEDED SOONER; AMENDING RESOLUTION NO. 2021-12.**
- Q. **Endorse Liquor License Renewal Applications for Year 2021:**
 - 1) Kama Aina, Full On-Premises Sales
 - 2) La Hacienda, Limited On-Premises Sales
 - 3) McMenamins, Full On-Premises Sales
 - 4) Pac Thai, Limited On-Premises Sales
 - 5) The Growler Garage, Limited On-Premises Sales and Off-Premises Sales

MOTION: Councilor Rippe moved, seconded by Council President Wenzl, to approve the Consent Agenda as presented. **VOICE VOTE:** AYES: Councilors Gustafson, Kottkey, Rippe, Valenzuela, Wenzl, and Mayor Truax. NOES: None. ABSENT: Councilor Uhing. MOTION CARRIED 6-0.

4. **ADDITIONS/DELETIONS:** None.

5. **PRESENTATIONS:**

- 5. A. **Supportive Housing Services (SHS) Local Implementation Plan (LIP) Review**
Joshua Crites, Washington County Department of Housing Services, Assistant Director, and Leslie Gong, Program Manager, presented a PowerPoint presentation overview of Metro's Supportive Housing Services (SHS) Measure and Local Implementation Plan (LIP) Program, noting the Measure was approved by Metro

region voters on May 19, 2020, which prioritizes funds for low income households and/or those with disabilities experiencing, or at risk of experiencing, long-term or frequent episodes of homelessness and in a manner that addresses racial disparities and racial equity. The funds will be distributed by Metro to the three counties within the Metro boundary proportionately by estimated revenue collection as follows: Multnomah County (45.33%), Washington County (33.33%), and Clackamas County (21.33%). Washington County anticipates \$38 million in Year 1, annual revenue estimated to be \$75 million by Year 3. Crites and Gong presented various slides, noting Washington County's LIP Draft will be available for Public Comment on March 10 – March 24, 2021. In conclusion of the above-noted presentation, Crites and Gong addressed various Council inquiries pertaining to using existing buildings, existing housing and homeless programs, and type of support services proposed in the program, such as mental health and addiction and recovery services.

5. B. COVID-19 (Coronavirus disease) Update

Interim Fire Chief Fale gave an update on COVID-19 Response and Washington County's current Situation Report (Moderate Risk) as well as vaccines and vaccination clinics and prioritization table. In response to holding public meetings in the Community Auditorium, Fale reported the capacity limits are currently based on square feet, noting the Community Auditorium capacity is currently 10 people. Fale noted it is recommended to work remotely, if able. In response to hosting a vaccination clinic in Forest Grove for residents who have limited access, Fale advised the County is partnering with community-based organizations to host regional vaccination clinics for those who have limited access, noting the City does not have licensed staff to administer vaccines. Residents can contact 211 for questions about vaccines and vaccination clinics.

6. RESOLUTION NO. 2021-18 AMENDING COUNCIL RULES SUBSECTIONS 6.4.2, PUBLIC COMMENT; 6.4.5, PRESENTATIONS; AND 6.4.9, COUNCIL COMMUNICATIONS; DELETING SUBSECTIONS 6.4.7, 7.1 AND 7.3 IN THEIR ENTIRETY; AND ADDING SECTION 18 PERTAINING TO INTERACTIONS WITH STAFF AND CITY ATTORNEY

Staff Report:

VanderZanden presented the above-noted proposed resolution for Council consideration, noting the resolution is amending Council Rules Subsections 6.4.2 (A – G), Public Comment; Amending 6.4.5, Presentations, and 6.4.9, Council Communications; Deleting Subsections 6.4.7 (Staff Presentations), 7.1 (Public Comment Generally), and 7.3 (Roster) in their entirety; and Adding Section 18 Interactions with Staff and City Attorney containing Subsections 18.1 Staff and 18.2 City Attorney as outlined in Exhibit A. VanderZanden reported Council met in work session on February 22, 2021, and discussed and reached consensus on the proposed changes in the Council Rules as outlined in Exhibit A. Staff is taking a

systemic and incremental approach to discussing each proposed rule revisions. In conclusion of the above-noted staff report, VanderZanden advised staff is recommending Council consider approving the proposed resolution as outlined in Exhibit A.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2021-18.

VanderZanden read Resolution No. 2021-18 by title.

MOTION: Council President Wenzl moved, seconded by Councilor Gustafson, to approve Resolution No. 2021-18 Amending Council Rules Subsections 6.4.2, Public Comment; 6.4.5, Presentations; and 6.4.9, Council Communications; Deleting Subsections 6.4.7, 7.1 and 7.3 in their entirety; and Adding Section 18 Pertaining to Interactions With Staff and City Attorney.

Council Discussion:

Hearing no concerns from the Council, Mayor Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Councilors Gustafson, Kottkey, Rippe, Valenzuela, Wenzl, and Mayor Truax. NOES: None. ABSENT: Councilor Uhing. MOTION CARRIED 6-0.

7. A. COUNCIL COMMUNICATIONS:

Gustafson had nothing to report, noting she is excited about everything heard this evening.

Kottkey presented a PowerPoint highlighting updates, noting Rippe, Valenzuela and she recently visited Harvey Clarke Elementary third grade class. The thank you letters were referenced under Agenda Item 2. Public Comment. In addition, Kottkey reported touring Forest Grove Light and Power and meeting with their staff.

Rippe reported attending Forest Grove Rural Fire Protection District Board meeting and Forest Grove – Cornelius Chamber of Commerce Board meeting. Rippe reported attending Economic Development Commission (EDC) meeting, noting staff presented a presentation on the Festival Street Project. Rippe reported attending Sister Cities Committee (SCC) meeting, noting the 2021 Forest Grove Adult Delegation Visit to Nyuzen has been canceled due to COVID-19 pandemic. The 2021 Nyuzen Student Delegation Visit in the fall will likely be canceled as well due to COVID-19 pandemic. Rippe noted the SCC also discussed possibilities of a future second sister city with a Latin American country which would be established jointly with City of Cornelius as required in the Memorandum of Understanding. In addition, Rippe commented on the

American Rescue Plan Act and provided an update on Council Creek Trail, noting Washington County has assigned a project manager.

Uhing was absent.

Valenzuela reported on Centro Cultural-related activities and upcoming Public Arts Commission meeting.

Council President Wenzl reported attending Committee for Community Involvement (CCI) meeting, noting CCI is proposing to publish the Annual Town Meeting's (ATM) Questions with Answers from staff on the City's website. The list of questions were referenced under Agenda Item 2. Public Comment. Pohl noted the majority of the questions were answered by staff during the ATM's presentation. VanderZanden advised it would take a significant amount of staff time to write answers for each question, noting it would be best if CCI could filter/narrow questions with a common theme, to which Council concurred.

7. B. City Manager's Report:

VanderZanden referenced the City Manager's Report, dated March 15, 2021, which was included in the Council Packet. VanderZanden reported the Aquatic Center reopened to the public on March 1, 2021, and Forest Grove Library is considering reopening to the public; however, no date has been set. In addition, VanderZanden briefed Council on various updates on department-related activities and projects.

7. C. MAYOR'S REPORT:

Mayor Truax briefed Council on legislative-related bills and reported on the American Rescue Plan Act, which was signed into law on March 11, 2021, and will provide economic relief through direct allocations. In addition, Mayor Truax reported on Washington County-related matters of interest and updates.

8. ADJOURNMENT:

Mayor Truax adjourned the regular Council meeting at 9:08 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

CITY OF FOREST GROVE
COMMITTEE FOR COMMUNITY INVOLVEMENT
Meeting was held via WebEx
February 2, 2021

Chairperson: David Anderson

(Vice- Chair) Pamela Sprague
(Secretary) Tom Cook
Lowell Greathouse
Student Advisor: Lucie Carriker

Stephanie Rose
Evelyn Orr
Hope Kramer
Fernando Lira

Council Liaison: Malynda Wenzl

All public meetings are open to the public and all persons are permitted to attend any meetings except as otherwise provided by ORS 192:

➔ Citizen Communications – Anyone wishing to speak on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. Each person must state his or her name and give an address for the record.

All public meetings are handicap accessible. Assistive Listening Devices (ALD) or qualified sign language interpreters are available for persons with impaired hearing or speech. For any special accommodations, please contact the City Recorder, at (503) 992-3235, at least 48 hours prior to the meeting.

Present:, Tom Cook, Council Liaison, Malynda Wenzl, City Staff Bryan Pohl, Lowell Greathouse, David Anderson, Hope Kramer, Lucie Carriker, Evelyn Orr

Absent: Pam Sprague, Fernando Lira, Stephanie Rose

This meeting was held via WebEx

1. Call to Order and approval of minutes: Called to order at 5:31. Motion/seconded and passed to accept the minutes of January 5,14 and 26.

2. Community Inbox: None

3. Annual Town Meeting After-Action Discussion.

- Lowell: Questions in advance was helpful
Zoom proved to be a good platform for the ATM
Believed we had a variety of questions
The sound was poor on channel 30. Bryan said it was not correctible.
Should have taken time for announcements. "Looking forward."
- Hope: Was disappointed that the "anonymous" feature of Q&A could not be disabled
More time for Q&A
More promotion on other opportunities to interact with city
Need to post answers from Q&A on the city web site
How can we use the Email that was set up for the ATM in future correspondence
- Lucie: The technical aspect went well.
Like the presentations

- Evelyn: Seemed to be short on time

Would like to see a virtual ATM quarterly with more Q&A

- Tom: Stated that the “atmosphere” was good, flowed well
Is there a way that attendees can see “more people”?

- Hope: Need for a translator

- Dave: The practice session proved to be very valuable

Lowell did an outstanding job

Good Q&A session

Discussion: Since the Q&A was anonymous, we need to post the Q&A publicly and acknowledge that all them were submitted anonymously due to technical issues. Dave discussed future methods of registration or not. Discussion concerning going from 2 hours long to 3 hours. Bryan stated that the city council is very interested in reaching out to the community more.

Moving forward: How do we answer the questions, how to promulgate. Also post questions from the survey and results. Bryan will try to consolidate the question and answers to be posted.

Lowell stated that we should reach out further into the younger demographics: high school and college.

Adjourn: 6:31

1. CALL TO ORDER:

The meeting was called to order at 10:03 a.m. by EDC Chairman Kevin Emerick.

ROLL CALL: EDC MEMBERS PRESENT: Brad Bafaro; Tim Budelman; Jill Craig; Kevin Emerick; Steve Krautscheid; Rick Lafave; Rob Langford; Jim Langstraat; Juanita Lint; Alfredo Moreno; Mark Nakajima; Guy Storms; Tom Raabe; Javier Urenda

EDC MEMBERS ABSENT (EXCUSED): Jonathan Yawson; Jennifer Prickett;

EDC MEMBERS ABSENT (UNEXCUSED): None

OTHERS PRESENT: Court Carrier; Dick Stinson

COUNCIL LIAISON: Councilor Timothy Rippe

STAFF PRESENT: Jeff King, Economic Development Manager; Shannon Reynolds, Admin Assistant

2. CITIZEN COMMUNICATION:

None

3. APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES:

A quorum was met. Tim Budelman moved a motion to approve the December and January EDC meeting minutes. Tom Raabe seconded and the motion passed unanimously.

4. ADDITIONS/DELETIONS:

None

5. BUSINESS:

A. Chamber of Commerce Update, Juanita Lint:

Juanita provided a Chamber of Commerce update to the EDC. An extension to the restaurant grant fund deadline was given through February 15th. Juanita has filled any vacant spots with business owners who were eligible in Cornelius or Forest Grove. The Chamber will be responding to the Tourism RFP and a CEP grant coming soon. Funds may be used for new lighting in downtown streets of Forest Grove. The Chamber is working on the upcoming "Farm to Table" project dinner in July and will partner with Adelante Mujeres.

B. City Council Update, Councilor Rippe:

Councilor Rippe provided a City Council update to the EDC. The annual Town Meeting was held last Saturday. Decisions are still being made regarding the hiring of a new Fire Chief while the Interim Chief fills this position for a six month contract period. The resolution to approve a proposed reimbursement district was tabled to allow for further discussion and re-evaluation between parties. A proposal was made from the Public Arts Commission for a rotating sculptural art gallery throughout the downtown corridor of Forest Grove. Six display locations will be considered. Art work will be placed this

upcoming summer. Displays will stay for a period of two years each. The City Council Annual retreat to set goals and objectives will be held virtually on Saturday February 20th.

C. Chair and Vice Chair Election

Chair and Vice Chair for the EDC are up for re-election. Tom Raabe moved to keep Kevin Emerick as Chair and Javier Urenda as Vice Chair of the EDC. Tim Budelman seconded and the motion passed unanimously.

D. Columbia-Pacific Economic Dev.District Introduction; Ayreann, Columbo, Exec. Director

Ayreann was unable to make it to the EDC meeting. Jeff updated that there is a vacancy on the board for the Columbia Pacific EDD. Juanita Lint is a possible candidate. Should this require City Council approval, Councilor Rippe will place the item on the next council agenda.

Tom Raabe moved a motion for the EDC to affirm consideration of Jaunita Lint for the Columbia Pacific Board position. Tim Budelman seconded and the motion passed unanimously.

E. Pandemic Recovery-Marketing and Messaging; Jeff King

Jeff King updated the EDC with the current pandemic status. We are still in the relief phase and have a ways to go before we move to a transition to a more consistent recovery. Future rent relief for commercial landlords is expected to be available in March through state funding. There may also be a federal bill passed that will give relief specifically for restaurant owners. Jeff mentioned we still maintain zero Industrial vacancies within Forest Grove and our commercial vacancy remain very low. Several new Forest Grove business lead possibilities; Urgent care, Dairy Queen, Bull Run Cider tasting room, 195-unit apartments coming next to Wauna Credit Union.

Members discussed various ways to promote small businesses during this relief time in the community, especially restaurants. A News Times ad to promote online ordering was discussed. Continued profiling of various restaurants will continue to help bring in local business. Tom Raabe added that there is a large portion of the federal PPP funds available for any businesses still in need. Lack of vaccine information and distribution has been frustrating. Court Carrier mentioned the hospitality industry is only at 54% in comparison to last year at this time. The brand new Forest Grove website is now live. Continued advertising for all local activities will be promoted through the website. The next Tourism Committee meeting will be used to discuss how to best allocate funds for marketing the City. Jill Craig mentioned the single tents have been better received than the larger community tents. Court mentioned advertising a "Takeout Thursday" to encourage people to commit to eating out at least once a week. Continued member discussion on pandemic issues throughout Forest Grove and surrounding areas.

6. STAFF AND BOARD MEMBER COMMUNICATIONS:

None

7. ANNOUNCEMENT OF NEXT MEETING:

Chairman Kevin Emerick, announced that the next meeting of the EDC will be on Thursday, March 4th at 10:00 a.m. (virtual).

8. ADJOURNMENT:

Kevin Emerick adjourned the meeting at 11:34 a.m. by consensus.

Respectfully submitted by:
Shannon Reynolds
Administrative Specialist
City of Forest Grove

Approved by the Forest Grove EDC:

Date: March 4, 2021

Shannon Reynolds

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Forest Grove Library Commission
Meeting Date – 6:30PM Wednesday, February 10, 2021
Webex Teleconference
Page 1

Library Commission approved minutes as presented on March 17, 2021

- 1) **CALL TO ORDER AND ROLL CALL:** Pamela Bailey, Chair, called the meeting of the Library Commission to order at 6:30PM on Wednesday, February 10, 2021.

Members Present: Pamela Bailey, Chair; Kathleen Poulsen, Vice Chair; Kirsten Beier; Morgan Knapp; Hattie Krebsbach

Members Absent: Elizabeth Beechwood, Valyrie Ingram, Sam Ruder (all excused)

Staff: Colleen Winters, Library Director

Council Liaison: Mayor Truax

Others: None

- 2) **ADDITIONS/DELETIONS to Agenda:** none

- 3) **APPROVE LIBRARY COMMISSION MEETING MINUTES OF December 9, 2020:**

MOTION: Kathleen Poulsen moved, seconded by Morgan Knapp, to approve the December 9, 2020 minutes as presented. **MOTION CARRIED** by all.

- 4) **CITIZEN COMMUNICATIONS:** None

- 5) **INFORMATIONAL ITEMS:**

a) **FOUNDATION REPORT:** Colleen Winters shared comments about the activities of the Library Foundation of Forest Grove:

1. There have been no recent meetings for the Library Foundation

b) **FRIENDS REPORT:** Colleen Winters shared comments about the activities of the Friends of the Forest Grove Library:

1. Online book sales continue to be high and this fiscal year brought in \$10,000. The Friends still have a lot of books due to the cancellation of in-person book sales. Katie Allnut and Joe Post are heading up the project to reach out to Little Free Libraries around town. The Senior Center may take books after they reopen. Two library staff members will be at Safeway giving away books. Rose Grove will receive a donation for children's books.

well.

2. Kate Grandusky is working with the Friends to purchase books for Forest Grove School District students.
3. Friends will purchase a new street banner for National Library Week.

c) **COUNCIL LIAISON REPORT:** Mayor Peter Truax shared comments about the recent activities of the Forest Grove City Council:

1. Covid Emergency Order remains in place but Washington County has moved from extreme risk to high risk – restaurants and gyms will reopen with restrictions. Social distancing and masks are still required. The moratorium continues so no one's utilities will be shut off.
2. Annual Town Meeting had 50-60 people present and more watched via social media. There was good conversation regarding policing and housing/homelessness.
3. Council Retreat will be on Feb. 20th.

d) **LIBRARY DIRECTOR'S REPORT:** Colleen Winters reported these items:

1. BEAR Month (January) was a success. The Bear Parade was held via YouTube and many photos were taken of people reading to their bears. (Thank you to Morgan and Kirsten.) 96 children took "Make & Takes".
2. Nathan continues Virtual Story Time. Dave Pauli continues bilingual Story Time. Mayor Truax and the police chief have read stories in the past. Community members are welcome to volunteer to read!
3. Teen Library Council is back in the building working on projects.
4. Jan. 19th, 80 people viewed Oregon's Poet Laureate Anis Majgani's visit with the library.
5. February is Black History Month. February 9th, Nicholas Buccola and Paul Snell discussed *The Fire is Upon Us*. (with the Oregon Humanities) and on February 23rd, Walidah Imarisha (with Pacific University) will be the online guest.
6. Peter Rock will be the guest author for the Adult Summer Reading Program.
7. WCCLS stopped charging fines on January 26th.
8. Circulation remains high with over 16,000 items checked out in January. Many were ebooks.
9. Farewell to Chief Kincade and Tom Gamble as they retire or move on to new adventures.

10. Many thanks to Neil Poulson for photographing the library garden through the season. Neil has also done maintenance and upkeep of the garden. His commitment to the garden is much appreciated.

6) LIBRARY PLANNING:

1. Reopening: When the library reopens, capacity will be limited to ensure proper spacing. Masks will be required. A staff member will welcome patrons and help them. There will be kiosks at the entrances on Main St and the Rogers Room. Curbside area will remain for curbside service and not as an entrance.
2. Space Reconfiguration: Significant changes include Computer Area being eliminated and computers spread out throughout the library. Young Adult Area to move to where the 800 & 900 non-fiction area is now. Reference desk by computers will be eliminated. The fireplace area will be reconfigured to provide seating.
3. Exterior Enhancements: New outdoor space outside the Rogers Room will be added with tables, chairs, WiFi, and heat. Signage needs to be improved and a consultant will prepare a proposal.
4. WiFi Access: WiFi signal is strong enough that patrons can sit in the parking lot and have access.
5. Police Station: City is looking at ways it can be more useable, at expansion, and more parking to include protected parking.

7) ANNOUNCEMENT OF NEXT MEETING:

The next Library Commission meeting will be on March 17, 2021 via Zoom teleconferencing.

8) ADJOURNMENT

Hearing no further business, Chair Bailey adjourned the meeting at 8:00PM.

Minutes respectfully submitted by:

Colleen Winters, Library Director
Elizabeth Beechwood, Secretary

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**Planning Commission
Community Auditorium and Webex
1915 Main Street, Forest Grove, OR
Monday, December 7th, 2020, 7:00 pm**

1. CALL TO ORDER AND ROLL CALL:

Chair Phil Ruder called the Planning Commission public hearing to order at 7:01 p.m. via Webex Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the Planning Commission limited in-person contact and social distancing. **The Planning Commission conducted the meeting remotely by video conferencing.** The meeting was remotely video conferenced by Planning Commission Coordinator Cassi Bergstrom as well as televised live from the projector screen at the Community Auditorium by Tualatin Valley Community Television (TVCTV) Government Access Programming LIVE Channel 23 on their website. To view the recorded meeting, please visit <http://tvctv.org/>. The public was allowed to attend and observe in the Community Auditorium as space allowed (no more than 10 persons total at one time). Written comments on items not on the agenda and written testimony regarding the public hearing were accepted if submitted by December 7th, 2020, 3 p.m. to Senior Planner James Reitz.

Roll Call:

Planning Commission Present via Webex Remotely: Phil Ruder, Chair; Commissioners Lisa Nakajima, Ginny Sanderson, Dale Smith, Joel Redwine, and Julie Danko.

Planning Commission Excused: Hugo Rojas, Vice Chair.

Staff Present: Bryan Pohl, Community Development Director (in the Community Auditorium); James Reitz, Senior Planner (in the Community Auditorium); Dan Riordan, Senior Planner (remotely via Webex); Cassi Bergstrom, Planning Commission Coordinator (in the Community Auditorium).

2. PUBLIC MEETING:

A. PUBLIC COMMENT PERIOD FOR NON-AGENDA ITEMS:
None.

B. PUBLIC HEARING:

(1.) File No. 311-20-000163-PLNG – Site plan approval and design review of a proposed 3-building, 15-unit townhome complex located at 2828 22nd Avenue.

Chair Phil Ruder opened the quasi-judicial public hearing at 7:02 p.m., reading the hearing procedures, criteria, and asked for disclosure of any conflicts of interest, ex-parte contacts, bias, or abstentions. There were no conflicts of interest and no challenges from the audience. [Commissioner Danko had problems logging in to Webex and joined the meeting after the hearing procedures were read and staff report was presented so she abstained from voting on the final motion.]

Senior Planner James Reitz gave a Powerpoint presentation, giving an overview of the project site with an aerial view showing the existing single family dwelling located along 22nd Avenue. The site plan, landscape plans and building elevations were shown to Commissioners. Mr. Reitz noted the abundance of parking, landscaping and the variation in architecture for the buildings which includes a hipped roofline that is less intrusive to neighboring properties.

Mr. Reitz informed Commissioners that a window will need to be installed in habitable rooms on the east elevation per Development Code requirements. Commissioner Nakajima inquired about the division method between the backyards of the first floor tenants.

Staff recommends approval of the site plan and design review permit with optional conditions: Construct the driveway serving the central and south buildings for use by both vehicles and pedestrians and installation of a 6-foot fence along the south property line.

CORRESPONDENCE:

There was no correspondence received for this project.

APPLICANT:

Mark Wilde, State Street Homes, 1233 NW Northrop Ave #125, Portland, OR 97209 :

Mr. Mark Wilde from State Street Homes spoke to Commissioners via Webex about the proposed project. He explained the townhomes will be for rent and they are planning on installing a 6-foot fence around the site.

Commissioner Nakajima's question regarding the division between backyards was addressed by the applicant, explaining that they will be creating a privacy division between units.

PROPONENTS:

None.

OPPONENTS:

None.

OTHER:

None.

REBUTTAL:

None.

Chair Ruder closed the public hearing at 7:30 p.m.

COMMISSIONER DISCUSSION:

Chair Ruder asked for any questions or discussion regarding the proposal. Commissioner Sanderson had a question regarding the pedestrian walkway located within the parking lot, and Mr. Reitz explained that the plan will have ample lighting for safety.

Commissioner Ginny Sanderson moved a motion to approve to file number 311-20-000163-PLNG – Site plan approval and design review of a proposed 3-building, 15-unit townhome complex located at 2828 22nd Avenue with staff's recommended conditions. Commissioner Redwine seconded the motion.

Roll Call Vote on Motion: AYES: Chair Ruder; Commissioners Sanderson, Smith, Nakajima, and Redwine. NOES: None. ABSTAIN: Commissioner Danko. ABSENT: Vice Chair Rojas. MOTION CARRIED 5-0.

(2.) File No. 311-20-000169-PLNG – Planned Residential Development consisting of 117 single-family detached residential lots, 14 single-family attached residential lots, a wetland tract, and a water quality facility located at Washington County tax lot 1N4250000600.

Chair Phil Ruder opened the quasi-judicial public hearing at 7:46 p.m., reading the hearing procedures, criteria, and asked for disclosure of any conflicts of interest, ex-parte contacts, bias, or abstentions. There were no conflicts of interest and no challenges from the audience.

Senior Planner James Reitz gave a Powerpoint presentation, giving an overview of the project site with an aerial view. This site was recently approved for annexation by the Commissioners and it has been forwarded to City Council for final approval. Mr. Reitz showed the subdivision plan showing the lots and location of the proposed 14 single-family attached residential lots located on the east side of the parcel. The neighboring parcel to the east is proposed to be zoned mixed use in the future.

Mr. Reitz showed Commissioners a picture of the fencing detail along David Hill Road. Staff is recommending a more robust fence to help with traffic noise. A sidewalk was proposed to be extended toward B Street along David Hill Road, but the Forest Grove Light and Power Department has a large transformer that would

be costly to relocate. Staff is now eliminating the condition and will reserve the sidewalk extension for a later project.

Mr. Reitz showed sample building elevations which are very similar architecturally to the Silverstone and Parks subdivisions located nearby. A development code revision made in 2017 requires a variety of architecture within Planned Unit Developments and it is up to the Commissioners what the scale of variation is to be.

Staff recommends approval of the Farmstead Crossing planned development with the following conditions:

1. Applicant is bound to the project description and all representations.
2. Detailed plans and specifications must be submitted to the City.
3. Attached home lots shall be scattered throughout the project site.
4. Corner side yard setbacks shall be at least 11 feet.
5. Combined driveway widths for attached home lots shall not exceed 30 feet.
6. Different combinations of front building elevations shall be present and incorporated into the recorded CC&R's and enforced by the Home Owner's Association.
7. At least 25% of the homes shall be of a distinctly different architecture scattered throughout the project site.
8. Install a six-foot-tall masonry wall along David Hill Road abutting lots 102 through 112.
9. Extend the David Hill Road sidewalk to the B Street intersection, but Staff now recognizes this condition is problematic and is no longer recommended.
10. Install the David Hill Road sidewalk in its entirety, but this condition is now removed because of condition 9 being removed.

Chair Ruder asked for clarification regarding the condition number 7 stating 25% of the homes having different architecture. Mr. Reitz stated the architecture is the distinction and they need to vary within the project site so they are not all the same style.

Commissioner Danko asked if the fence would be solid masonry, and Mr. Reitz confirmed that is what condition 8 would require.

CORRESPONDENCE:

There were multiple emails and letters received:

An email and follow up email was sent from Kerry Vanderzanden stating concerns regarding the traffic speed and safety on David Hill Road as well as the fence bordering the road. His recommendation is a solid masonry fence that looks cleaner and would be better sound control as well as a public crossing sidewalk to be installed with warning light and street signs.

An email was received from the Bonneville Power Administration (BPA) regarding the easement held on the west property line and requires any activities that will go on within the easement to be reviewed and approved by the BPA prior.

A letter was received from Lyle Spiesschaert stating the need for a barrier along the west side of the site to separate the urban and rural neighbors.

An email was received from the Bureau of Reclamation regarding the Tualatin Valley Irrigation district's easement to be in place to protect the water line serving the surrounding farmer's fields.

APPLICANT:

Mimi Doukas, AKS Engineering & Forestry, 12965 SW Herman Road, Ste 100, Tualatin, OR 97062:

Ms. Mimi Doukas had a PowerPoint presentation that she shared with Commissioners via Webex. AKS Engineering is representing the applicant Venture Properties. The following people are logged in via Webex for questions: Mimi Doukas, AKS Engineering & Forestry; Haleigh King, AKS Engineering & Forestry; Paul Sellke, AKS Engineering & Forestry; Todd Mobley, Lancaster Mobley; Kelly Ritz, Venture Properties; Al Jenk, Venture Properties.

The applicant is proposing a planned unit development to have a consistent 5-foot interior setback and to introduce attached housing. This site is part of the Westside Refinement Plan. The applicants are proposing a mixture of housing types and fencing along David Hill Road. Ms. Doukas gave a more detailed view of the roadways.

Ms. Doukas went on to say that they are working with the Bureau of Reclamation regarding the Tualatin Valley Irrigation easement for the water line to serve the surrounding farm properties as well as the Bonneville Power Administration regarding their current easement. They have made tracts in those areas for maintenance and repairs that may take place with no building to occur within the easements.

The applicant would like to adjust or remove conditions 3, 8 and 9/10, all of the other conditions recommended they are comfortable with.

Condition 3 requiring attached homes to be scattered throughout the project site does not match what the real estate market wants to do, as cluster homes creates a more fluid and consistent streetscape.

Condition 8 regarding the fencing design is not agreed upon. The applicant recommends the fencing design be the same as the wood fencing with columns currently existing along David Hill Road. Ms. Doukas went on to explain the installation and future maintenance of the proposed fence as well as commitment to install perimeter fencing.

Condition 9/10 regarding the installation of a sidewalk to extend to B Street to be omitted, which staff is in agreeance with. Ms. Doukas explained to Commissioners where the sidewalk routes will run to get to the school.

Chair Ruder asked the applicant where the parking will be located for the attached homes, and Ms. Doukas explained that there will be garages and ample on-street parking.

Chair Ruder inquired about the attached homes being in a cluster, and Ms. Doukas explained that this is more desirable for the real estate market. The attached homes are needed housing, and the distinctive architecture is fairly clear to achieve diversity of housing types.

Commissioner Sanderson asked if the attached homes were to be scattered if there is a plan in place by the applicant to do so. Ms. Doukas stated they do not have an alternate to the subdivision plan if the attached homes are to be scattered, which would be challenging.

PROPONENTS:

None.

OPPONENTS:

None.

OTHER:

Kerry Vanderzanden, 2603 NW Hwy 47, Forest Grove, OR 97116:

Mr. Kerry Vanderzanden came to the front at the Community Auditorium to speak. Mr. Vanderzanden stated his concerns and additions to the application. He believes the attached home lots should be scattered throughout the development, and gave examples of communities that have achieved such plan. A line of such homes should be located along the B Street extension and not on the east side by the mixed use property.

Mr. Vanderzanden went on explain his concerns with the fence along David Hill Road. The property to the east will eventually develop, and a fence needs to be installed that is durable and prevents traffic noise as there is a lot of traffic and speeding along David Hill Road. Highway 47 has slowed down due to the roundabout, but traffic still speeds up David Hill Road.

Mr. Vanderzanden also expressed the need to designate a crosswalk at Silverstone Drive with painted lines and a warning light crossing David Hill Road due to the 358 more trips being caused by the new development.

REBUTTAL:

Ms. Doukas stated that they are happy to add in a painted sidewalk at Silverstone Drive, but she referred to Todd Mobley, Traffic Engineer, to elaborate.

Mr. Mobley from Lancaster Mobley Traffic Engineers explained to Commissioners that they follow industry standards for crosswalks and studies to find where the crosswalk would be appropriate. A painted crosswalk with signage would be appropriate, but the project does not meet the threshold to install beacon lights at that location. A future crossing at B Street would be a more appropriate location for a pedestrian crossing with beacon lights.

Ms. Doukas went on to address the attached housing modification, and states that communities are developed with cluster housing as that is how the community members want to live.

Chair Ruder closed the public hearing at 8:43 p.m.

COMMISSIONER DISCUSSION:

Chair Ruder suggested each condition in question be discussed individually.

Commissioner Sanderson inquired if it is possible to re-configure the site to have the attached homes scattered, and Mr. Reitz stated that it is a possibility.

Commissioners discussed Lyle Spiesschaert's concern about the barrier fencing. The applicant explained that they are working with the Bureau of Reclamation to place an appropriate barrier. Chair Ruder suggested a condition be made to require the barrier, Mr. Reitz explained that it would be so vague that it would be hard to enforce so they abstained from drafting the new condition.

Commissioners discussed Condition 8 and were in agreement that the fence along David Hill Road shall be masonry.

Commissioners discussed Condition 3 with staff recommending the attached housing types be scattered throughout the development. Mr. Reitz explained that Forest Grove mixes things up with housing types. This helps alleviate parking concerns, and allows for more frontage to help allow street trees to be installed.

Commissioner Sanderson inquired if it is possible to re-configure the site to have the attached homes scattered, and Mr. Reitz stated that it is a possibility.

Commissioner Sanderson had a concern that the attached houses will not be as affordable if scattered within the detached homes on larger lots. These homes are a good entry level home and need to stay as affordable as possible. Commissioner Smith and Chair Ruder agreed. Commissioners dropped Condition 3.

Commissioners discussed the sidewalk crossing proposal. Chair Ruder agreed a designated sidewalk crossing is a must. Chair Ruder asked Commissioners if a beacon light would be appropriate. Commissioner Danko stated that a beacon light

would be too much for that intersection and would be more appropriate when B Street gets extended and a beacon be installed there. Commissioner Sanderson agreed.

Mr. Reitz explained that there are warrants on treatments for pedestrian traffic safety dependent on traffic code. A painted sidewalk is what the Traffic Engineer recommends. Commissioners agreed a painted sidewalk condition as warranted at Silverstone Drive and David Hill Road be added as a condition to the record.

Commissioner Sanderson stated she was in approval of the pipeline easement being worked out between the Bureau of Reclamation and the applicant. All Commissioners agreed.

Commissioner Ginny Sanderson moved a motion to approve to file number 311-20-000169-PLNG – Planned Residential Development consisting of 117 single-family detached residential lots, 14 single-family attached residential lots, a wetland tract and a water quality facility located at Washington County tax lot 1N4250000600 with conditions 1,2,4,5,6,7,8, Bureau of Reclamation easement, and installation of sidewalk at Silverstone Drive and David Hill Road as warranted. Commissioner Smith seconded the motion.

Roll Call Vote on Motion: AYES: Chair Ruder; Commissioners Sanderson, Smith, Nakajima, Danko, and Redwine. NOES: None. ABSTAIN: None. ABSENT: Vice Chair Rojas. MOTION CARRIED 6-0.

C. **ACTION ITEMS:**
None.

D. **WORK SESSION ITEMS:**
None.

3. **BUSINESS MEETING:**

A. **APPROVAL OF MINUTES:**
Commissioner Smith moved to approve the minutes of the November 16th, 2020 meeting. Commissioner Sanderson seconded. Motion passed 6-0.

B. **REPORTS FROM COMMISSIONERS/SUBCOMMITTEES:**
None.

C. **DIRECTOR'S REPORT:**
Community Development Director Bryan Pohl informed Commissioners that an application for an affordable housing development will be coming in for review.

Senior Planner Dan Riordan informed Commissioners that the next Planning Commission meeting will be a work session regarding the annual severe rent

burden update required by House Bill 4006 and will occur on December 21st at 7:00 p.m. House Bill 2001 and 2003 will also be discussed.

Mr. Pohl updated Commissioners on Site B and that it is moving forward.

The URAC Committee has engaged with the Public Arts Commission to create a rotation art gallery within the Urban Renewal area and met via Webex on December 3rd to discuss next steps.

D. ANNOUNCEMENT OF NEXT MEETING:

The next meeting will be held December 21st, 2020.

E. ADJOURNMENT:

The meeting was adjourned at 9:16 p.m.

Respectfully submitted by:

Cassi Bergstrom
Planning Commission Coordinator

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**Planning Commission
Community Auditorium and Webex
1915 Main Street, Forest Grove, OR
Monday, December 21st, 2020, 7:00 pm**

1. CALL TO ORDER AND ROLL CALL:

Chair Phil Ruder called the Planning Commission to order at 7:01 p.m. via Webex Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the Planning Commission limited in-person contact and social distancing. **The Planning Commission conducted the meeting remotely by video conferencing.** The meeting was remotely video conferenced by Planning Commission Coordinator Cassi Bergstrom as well as televised live from the projector screen at the Community Auditorium by Tualatin Valley Community Television (TVCTV) Government Access Programming LIVE Channel 30 on their website. To view the recorded meeting, please visit <http://tvctv.org/>. The public was allowed to attend and observe in the Community Auditorium as space allowed (no more than 10 persons total at one time). Written comments on items not on the agenda and written testimony regarding the public hearing were accepted if submitted by December 21st, 2020, 3 p.m. to Senior Planner Dan Riordan.

Roll Call:

Planning Commission Present via Webex Remotely: Phil Ruder, Chair; Commissioners Lisa Nakajima, Ginny Sanderson, Joel Redwine, and Julie Danko.

Planning Commission Excused: Hugo Rojas, Vice Chair and Commissioner Dale Smith.

Staff Present: Bryan Pohl, Community Development Director (remotely via Webex); Dan Riordan, Senior Planner (remotely via Webex); Cassi Bergstrom, Planning Commission Coordinator (in the Community Auditorium).

2. PUBLIC MEETING:

A. PUBLIC COMMENT PERIOD FOR NON-AGENDA ITEMS:

None.

B. PUBLIC HEARING:

None.

C. ACTION ITEMS:

None.

D. WORK SESSION ITEMS:

(1.) Annual HB 4006 Severe Rent Burden Meeting and Overview of HB 2001 and HB 2003 Missing Middle Housing Laws.

Part 1 – Annual HB 4006 Severe Rent Burden Meeting

Senior Planner Dan Riordan gave a PowerPoint presentation, presenting legislation regarding the severe rent burden public meeting and state housing legislation regarding House Bill 2001 and 2003.

Oregon House Bill 4006 requires a public meeting be held if the jurisdiction has a severe rent burden, which is defined as “at least 25% of renter households pay more than 50% of household income on gross rent”. Forest Grove estimated severe rent burden in the year 2020 is 34.6%.

Chair Ruder made comment that Forest Grove also has Pacific University and retirement homes will bring up the percentage of rent burden, and Senior Planner Dan Riordan explained that they do take that into consideration. Chair Ruder believes this needs to be up front information presented when starting the public hearing, and Commissioner Nakajima agreed.

Mr. Riordan went on to give an overview of House Bill 4006 and the discussion to take place at the public meeting: The causes and consequences of severe rent burden; barriers to reducing rent burden; and possible solutions to reducing the rent burden. Annual reporting is required from the City to show how we are alleviating the rent burden crisis.

Mr. Riordan showed on slides the housing cost components and gave examples of causes of the severe rent burden and the barriers to reducing the rental rate. Possible solutions were listed and the current City actions have been to provide non-profit tax exemption, density bonuses for construction of affordable housing, vertical housing tax exemption, and system development charge (SDC) deferral.

COMMISSIONER DISCUSSION:

Senior Planner Dan Riordan opened the floor for Commissioner Discussion, and wanted to hear possible reason as to why Forest Grove has such a severe rent burden.

Chair Ruder stated that there has been hundreds of apartment units added in Forest Grove recently, and wondered what the housing type barrier is. Mr. Riordan explained that the private market builds what they can most profit from, and that is not necessarily the affordable housing or the one bed, one bath housing type needed.

[Commissioner Redwine had to leave the meeting at 7:29 p.m. due to an urgent matter.]

Chair Ruder made comment that it is hard to plan for affordable housing when there is no real budgeted money for such thing. Community Director Bryan Pohl replied, saying the affordable housing is a regional issue from an economic standpoint.

Commissioner Nakajima stated that the 34% number is inflammatory for Forest Grove due to the needed housing for university students and the senior assisted living facilities, and that fact needs to be up front. Regulation and government has created the lack of affordable housing by the large amount of system development fees and construction excise tax fees being charged. Mr. Pohl responded to Commissioner Nakajima, stating that this is a bigger issue than just an issue within Forest Grove. Chair Ruder believes a regional Commission will need to be created to make a real impact where the different city/county Commissions can work together.

Commissioner Danko inquired if the eviction moratorium in place is a concern regarding the severe rent crisis, and Mr. Riordan stated that it is a huge concern and is being addressed at the state level. Chair Ruder made comment that the moratorium will create a big issue when landlords no longer want to own rental property anymore.

Part 2 - Overview of HB 2001 and HB 2003 Missing Middle Housing Laws

Senior Planner Dan Riordan gave Commissioners an overview of what Oregon House Bills 2001 and 2003 mean for the community of Forest Grove through a Powerpoint presentation.

House Bill 2001 is the so called “Missing Middle Housing Law” which allows for conversion of single-family homes for middle housing types such as duplexes, triplexes, fourplexes, and cottage clusters. Cities within the Portland Urban Growth Boundary must adopt the rules by June 30, 2022, and the state adopted a model code that cities can use. Mr. Riordan gave a brief overview of the model code and what it addresses, as it is very specific. The law allows an Infrastructure Based Time Extension Request (IBTER) which provides time to implement a plan with solutions and timeline for resolving infrastructure deficiencies, and the City of Forest Grove received a grant to prepare an IBTER for the Westside Planning area for future housing.

Mr. Riordan went on to give an overview of House Bill 2003, which mandates that cities subject to the law adopt housing production strategies for approval by the State. The law requires monitoring and accountability with the understanding that most cities do not provide housing, and requires convening housing producers and providers in developing the housing production strategies. Enforcement actions from

the state may apply if the cities do not follow through with the housing production strategy. Mr. Riordan explained to Commissioners the Housing Production Strategy Requirements as well as the Housing Production Strategy Buckets. A regional housing needs analysis was prepared by the Oregon Housing and Community Services Department as a prototype to show the regional housing needs for comparison.

COMMISSIONER DISCUSSION:

Senior Planner Dan Riordan opened the floor for Commissioner Discussion as well as any questions they may have regarding the House Bills 2001 and 2003.

Chair Ruder inquired if the model code would be adopted or if the City will draft their own code? Mr. Riordan said the City usually adopts the model code, but that can be discussed.

Commissioner Nakajima inquired if there will be a change in Planning Commissioners responsibilities now that these House Bills are requiring middle housing in residential zones, as this is a very significant change. Mr. Pohl responded that Commissioners roles could change, but we don't know yet until we get the code changed to model what legislation requires as it removes a lot of discretion.

Mr. Riordan stated that at the state level they are trying to address affordable housing and well as the climate change goals. Commissioner Nakajima responded that the developers are driven one way, and the State of Oregon has another objective.

Chair Ruder brought up the aesthetic requirements within the model code and how that can be limiting to a developer. Mr. Riordan responded, saying it creates a real challenge for clear and objective standards within the code. The state says any type of housing is needed housing, discretion still lies within a Planned Unit Development application whereas a subdivision application is clear and objective.

Chair Ruder brought up accessory dwelling units (ADU's) and the system development costs associated, and the fees seem very high for the actual impact. Chair Ruder would like to see some data showing the impact of an ADU to the infrastructure in comparison to a primary dwelling.

Mr. Riordan updated Commissioners that the next legislative session will address homelessness.

3. BUSINESS MEETING:

A. APPROVAL OF MINUTES:

None.

B. REPORTS FROM COMMISSIONERS/SUBCOMMITTEES:

None.

C. DIRECTOR'S REPORT:

Community Development Director Bryan Pohl informed Commissioners that the next meeting probably will not be held until February.

D. ANNOUNCEMENT OF NEXT MEETING:

The next meeting is to be determined.

E. ADJOURNMENT:

The meeting was adjourned at 8:20 p.m.

Respectfully submitted by:

Cassi Bergstrom
Planning Commission Coordinator

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PROCLAMATION

Celebrate Arbor Day 2021 and Forest Grove's 31st Anniversary as a Tree City USA®

WHEREAS, Arbor Day was first observed in 1872 with the planting of more than one million trees in Nebraska; and

WHEREAS, the Forest Grove community continues this tradition of environmental stewardship by conserving, preserving, and restoring our local urban forest; and

WHEREAS, our community appreciates the many benefits trees provide to our residents, businesses, and visitors; and

WHEREAS, the National Arbor Day Foundation has recognized Forest Grove as a Tree City USA® due to our community's commitment to effective forest management over the last year; and

WHEREAS, calendar year 2020 marks the 31st consecutive year Forest Grove has received Tree City USA® designation; and

WHEREAS, the Forest Grove Community Forestry Commission recognizes the stewardship of the Forest grove community over the past 31 years to advance the City's urban forestry efforts.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FOREST GROVE DOES HEREBY PROCLAIM AS FOLLOWS:

Section 1. The City Council hereby designates Tuesday, April 30, 2021, as Arbor Day in Forest Grove.

Section 2. The Forest Grove community is encouraged to support the tradition of the first Arbor Day by planting trees for the benefit of our community.



IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Forest Grove, Oregon, to be affixed this 12th day of April, 2021.

Peter B. Truax, Mayor, City of Forest Grove

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RESOLUTION NO. 2021-19

**AMENDING CITY OF FOREST GROVE
DECLARATION OF STATE OF EMERGENCY
EFFECTIVE, MARCH 14, 2020**

WHEREAS, the City of Forest Grove has the authority granted under ORS Chapter 401 and the Emergency Operations Plan, that provides direction to the City, its officials, and others in the event of an emergency that exists within the City, and which provides for the responsibility in times of emergency and specifically delegates authority to declare a state of emergency to the Mayor, and

WHEREAS, the following conditions have resulted in the need for the declaration of a state of emergency:

Multiple cases of COVID-19 have been detected in Washington County, and

The Washington County Board of Commissioners has declared a state of emergency relating to COVID-19 in Washington County, Oregon; and

The Governor of the State of Oregon has declared a state of emergency relating to COVID-19 in the State of Oregon; and

The President of the United States has declared a state of emergency relating to COVID-19 in the United States; and

WHEREAS, the foregoing circumstances constitute a threat of imminent widespread illness, human suffering, loss of life, and financial loss, which in the determination of the Mayor will cause such significant damage as to warrant disaster assistance from resources other than the City's to supplement the efforts and available City resources to alleviate the damage, loss, hardship or suffering caused, and

WHEREAS, the foregoing circumstances require a coordinated response beyond that which occurs routinely, and the required response cannot be achieved solely with the added resources acquired through mutual aid or cooperative assistance agreements; and

WHEREAS, the foregoing circumstances affects all of the territory within the City limits, and

WHEREAS, the foregoing circumstances are anticipated to remain in effect for a period of at least four weeks;

NOW, THEREFORE, IT IS DECLARED THAT A STATE OF EMERGENCY NOW EXISTS IN THE CITY OF FOREST GROVE, OREGON, ENCOMPASSING ALL OF THE AREA WITHIN THE CITY LIMITS; and

IT IS FURTHER DECLARED that the City and its officials shall be authorized to take such actions and issue such orders as are determined to be necessary to protect the public and property and efficiently conduct activities that minimize or mitigate the effect of the emergency; and

IT IS FURTHER DECLARED that the City shall take all necessary steps authorized by law to coordinate response and recovery from this emergency, including but not limited to, requesting assistance and potential reimbursements from the State of Oregon and appropriate federal agencies; and

IT IS FURTHER DECLARED that emergency procurements of goods and services are authorized pursuant to ORS 279B.080, ORS 279C.335(6), ORS 279.380(4), and all other applicable rules.

THIS DECLARATION IS EFFECTIVE MARCH 14, 2020, AT 1:00 PM AND TO BE EXTENDED AND REMAIN IN EFFECT UNTIL 8:00 P.M. ON APRIL 26, 2021, UNLESS SUPERSEDED SOONER; AMENDING RESOLUTION NO. 2021-17.

Peter B. Truax, Mayor City of Forest Grove

AMENDED PRESENTED AND PASSED this 12th day of April, 2021.

ATTESTED:

Anna D. Ruggles, City Recorder



Metro



Metro Update

Spring 2021

PDF Page 67

What Metro does

- Metro helps support our region in five key areas
- Visitor Venues
- Garbage & Recycling
- Long Range Planning
- Affordable Housing
- Parks & Nature



Oregon Zoo

- The Oregon Zoo features our 6-acre elephant lands habitat
- And soon we will open the new Polar Passage and welcome home Nora
- A national leader in condor conservation



Portland's Centers for the Arts

- Arlene Schnitzer Concert Hall
- Keller Auditorium
- Newmark Theatre
- Brunish Theatre
- Winningstad Theatre



Expo & Convention Center

- Expo Center hosted Red Cross staging during the wildfires
- Oregon Convention Center was an emergency shelter for fire evacuees
- Both Expo and OCC hosted COVID-19 testing
- OCC now hosts COVID-19 vaccination



Garbage and recycling

- Recycling
- System Investments
- Food scraps



Long range planning

- UGB
- Transportation planning
- Working on limiting pollution from freeways



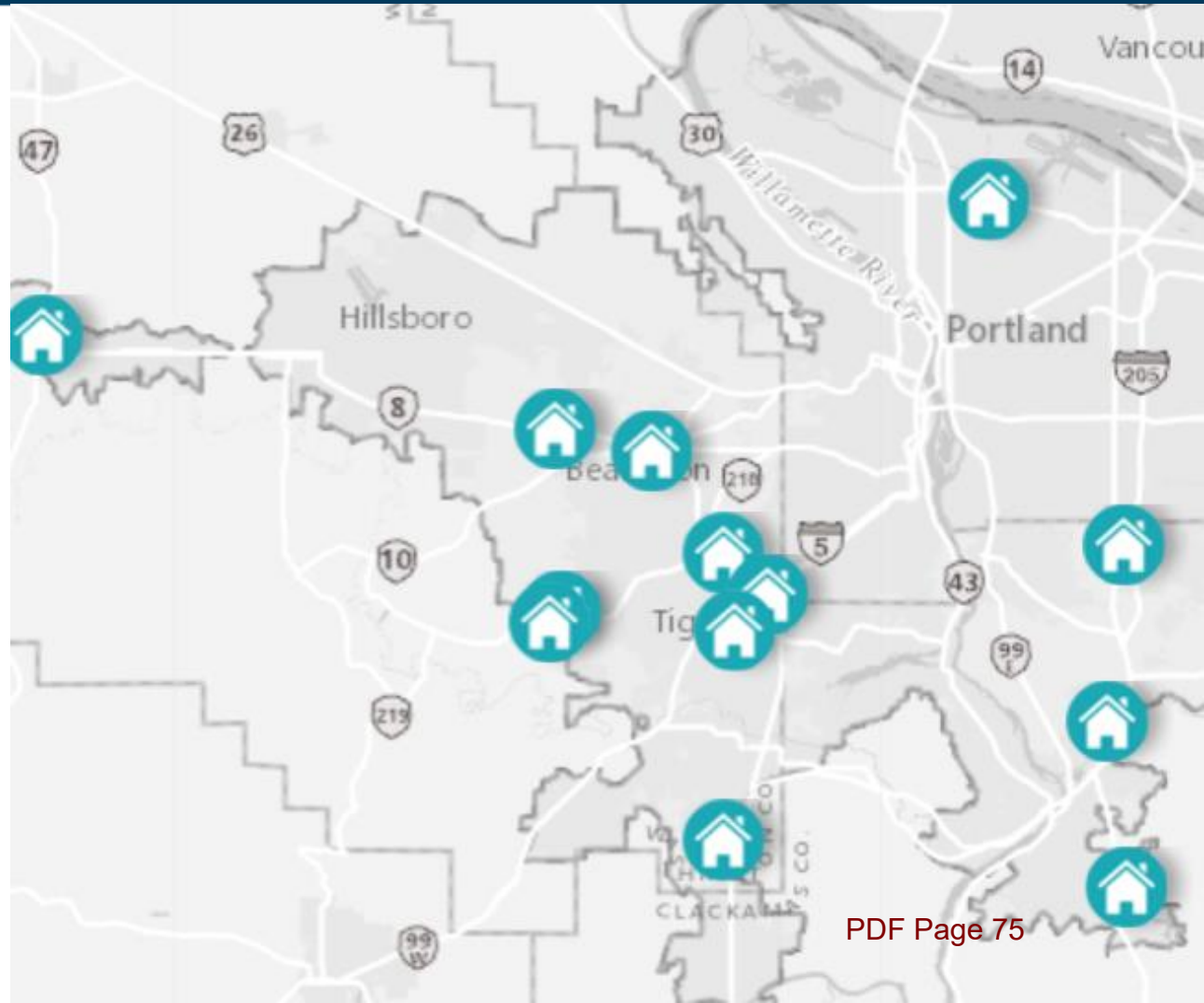
Economic development

- Investing in working families
- Support for vulnerable businesses
- Ensuring justice and dignity for workers
- Our economy will recover



Affordable Housing

- Delivering on the promises of the November 2018 housing bond
- 34% of resources committed
- 54% of goals met



Supportive Housing

- Our goal: Functionally end chronic homelessness in greater Portland by 2030



Parks and Nature

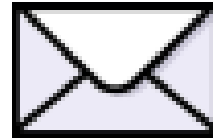
- Protecting more than 17,000 acres of open space around greater Portland
- Places we love like Cooper Mountain, Orenco Woods and Killin Wetlands
- The new Chehalem Ridge Natural Area opening later this year.



Your questions

Lynn Peterson
Metro Council President

Lynn.Peterson@oregonmetro.gov



www.oregonmetro.gov/connect



Arts and conference centers

Garbage and recycling

Land and transportation

Oregon Zoo

Parks and nature

oregonmetro.gov

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Accountants & Consultants • A Division of SingerLewak

AUDITOR'S REPORT

- Unmodified Report

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of CITY OF FOREST GROVE, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Street, and Urban Renewal Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

FINANCIAL HIGHLIGHTS

(Page 1)

- Total Assets and Deferred Outflows - \$164.2 million – an increase of \$4.7 million
 - Governmental - \$71.4 million (\$69.9 million prior year)
 - Business-type - \$92.8 million (\$89.6 million prior year)
- Total Liabilities and Deferred Inflows - \$44.2 million – a decrease of \$1.5 million
 - Governmental – \$26.6 million (\$27.4 million prior year)
 - Business-type - \$17.6 million (\$18.3 million prior year)
- Net Position - \$120 million
 - Governmental - \$44.8 million
 - Business-type - \$75.2 million

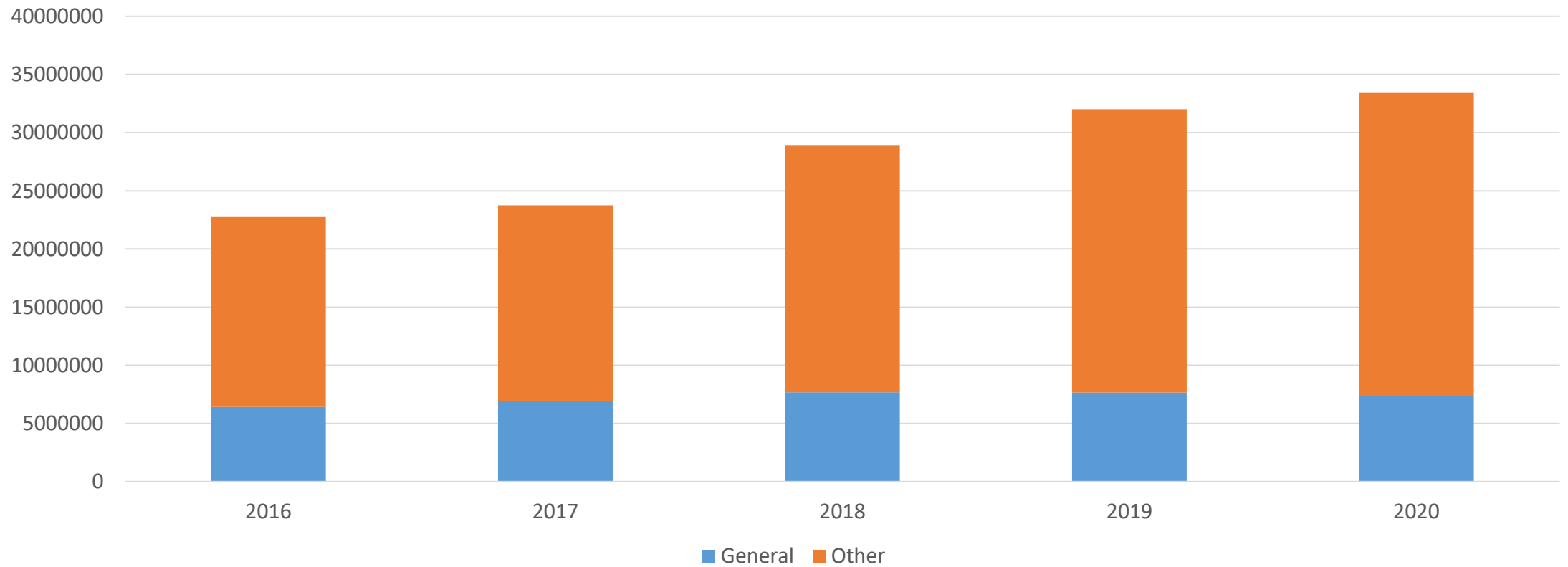
FINANCIAL HIGHLIGHTS

(Page 2)

- Change in Net Position – \$ 6.2 million
 - Governmental – \$2.2 million
 - Business-type - \$4 million
- Total Revenues - \$66.9 million – an increase of \$8.9 million
 - Governmental – \$41.2 million
 - Business-type - \$25.7 million

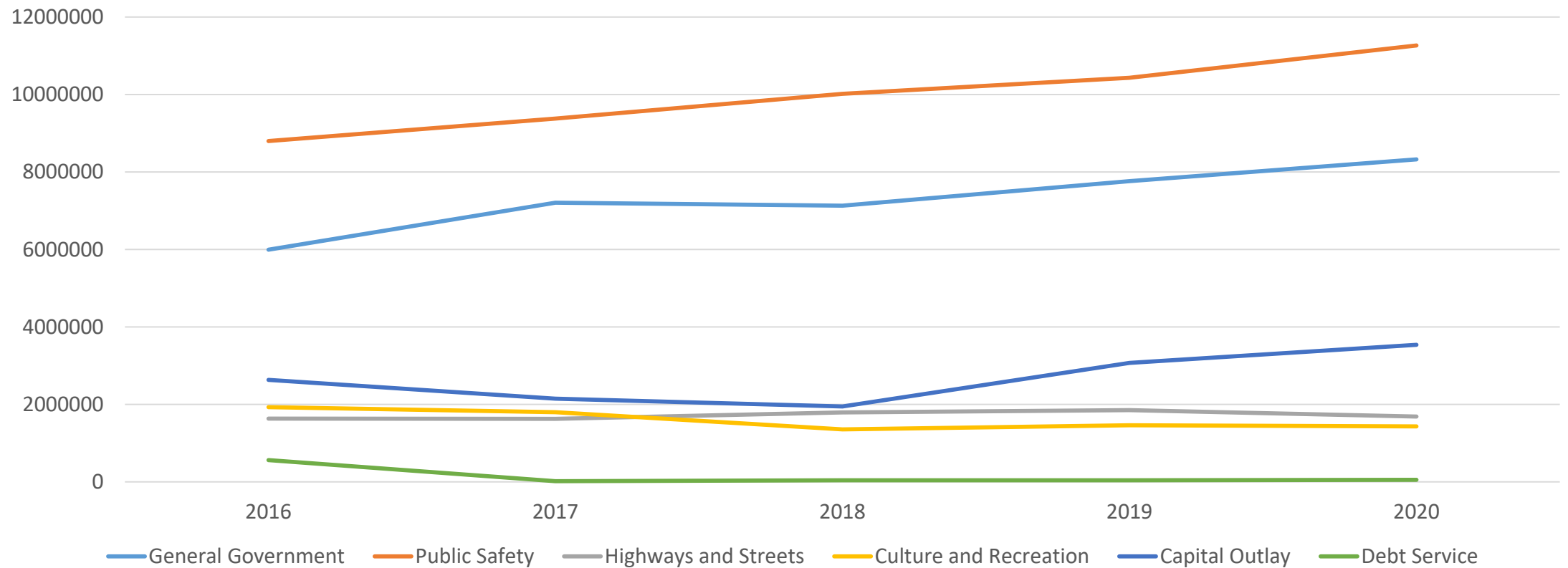
FINANCIAL HIGHLIGHTS

Governmental Fund Balance



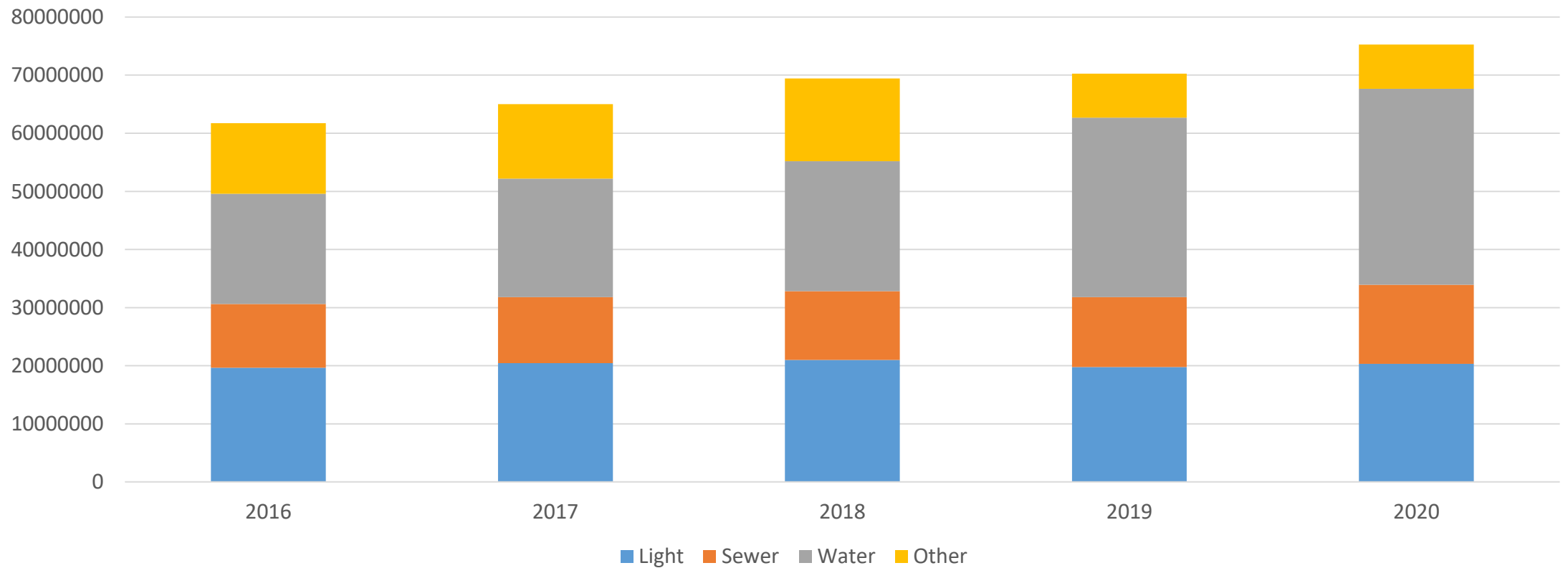
FINANCIAL HIGHLIGHTS

5 Years of Governmental Expenditures



FINANCIAL HIGHLIGHTS

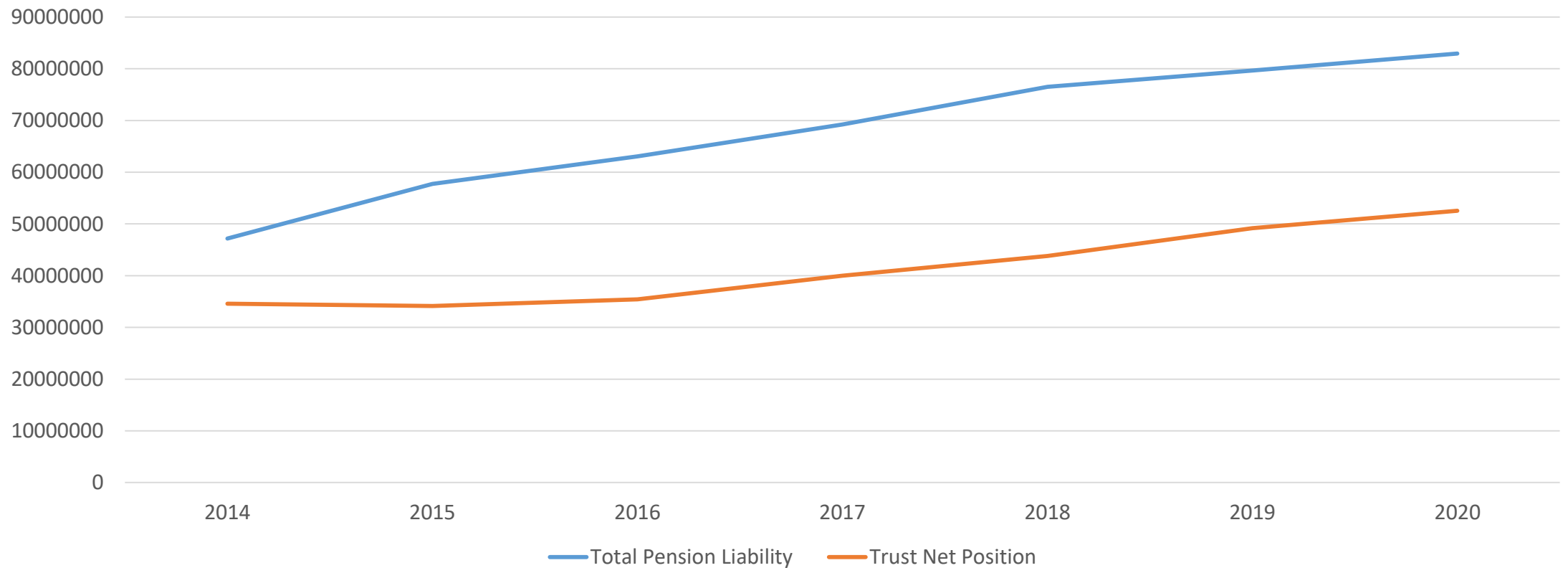
Proprietary Fund Net Position



FINANCIAL HIGHLIGHTS

(Page 54)

Net Pension Liability – City of Forest Grove Plan



MINIMUM STANDARDS

- Compliance with Specific Oregon Laws
 - No instances of non-compliance noted
- Internal Controls
 - No significant deficiencies or material weaknesses in internal controls noted

FOREST GROVE URBAN RENEWAL AGENCY

- Unmodified opinion
- Assets - \$815,135
- Liabilities - \$1,806,904
- Net Position - \$(991,769)
- Revenues - \$561,073
- Expenses - \$256,549
- Change in Net Position - \$304,524

Thanks to City Staff

- For being ready
- For being available
- For answering all our questions

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**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Mayor and Members
of the City Council
City of Forest Grove
Forest Grove, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the CITY OF FOREST GROVE (the City) as of and for the year ended June 30, 2020, and have issued our report thereon dated March 12, 2021.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-100 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-100 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Mayor and Members
of the City Council
City of Forest Grove
Independent Auditor's Report Required By
Oregon State Regulations
March 12, 2021
Page Two

Restriction on Use

This report is intended solely for the information and use of the City Council and management of the City of Forest Grove and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Singer Lewak LLP

March 12, 2021

By:



Bradley G. Bingenheimer,
Partner



**ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

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**CITY OF FOREST GROVE
OFFICERS AND MEMBERS OF THE GOVERNING BODY
For the Year Ended June 30, 2020**

CITY MANAGER

Jesse VanderZanden

MAYOR

Peter Truax
3131 Forest Gale Drive
Forest Grove, OR 97116

CITY COUNCIL

Timothy Rippe
3334 Edgeview Lane
Forest Grove, OR 97116

Malynda Wenzl
2519 Heather Way
Forest Grove, OR 97116

Adolph Valfre, Jr.
3346 Edgeview Lane
Forest Grove, OR 97116

Elena Uhing
1633 Pacific Avenue
Forest Grove, OR 97116

Kristy Kottkey
2728 Harvest Court
Forest Grove, OR 97116

Mariana Valenzuela
1924 Council Street
Forest Grove, OR 97116

CITY ADDRESS

1924 Council Street
P.O. Box 326
Forest Grove, OR 97116

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CITY OF FOREST GROVE
TABLE OF CONTENTS
For the Year Ended June 30, 2020

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	A - C
MANAGEMENT'S DISCUSSION AND ANALYSIS	a - f
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Governmental Funds	
Balance Sheet	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General	7
Street	8
Urban Renewal	9
Proprietary Funds	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Fiduciary Funds	
Statement of Net Position	13
Statement of Changes in Net Position	14
Notes to Basic Financial Statements	15 - 53
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Net Pension Liability and Changes in Net Pension Liability	54
Schedule of Employer Contributions	55
Schedule of Investment Rate of Return	56
Schedule of the Proportionate Share of the Net Pension Liability	57
Schedule of Pension Contributions	58
Schedule of Changes in the City's Total Other Postemployment Benefit Liability and Related Ratios	59
COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES	
Major Governmental Fund	
Transportation Development Tax Fund Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual	60
Nonmajor Governmental Funds	
Combining Balance Sheet	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	62
Special Revenue Funds	
Combining Balance Sheet	63, 64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	65, 66

CITY OF FOREST GROVE

TABLE OF CONTENTS (Continued)

	<u>Page</u>
COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued)	
Nonmajor Governmental Funds (continued)	
Capital Projects Funds	
Combining Balance Sheet.....	67, 68
Statement of Revenues, Expenditures and Changes in Fund Balances	69, 70
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Special Revenue Funds	
Building Permits	71
Street Tree.....	72
Forfeiture Sharing	73
Community Enhancement.....	74
Trail System	75
Transportation Services.....	76
Public Arts Donation.....	77
Transient Lodging Tax.....	78
Capital Projects Funds	
Traffic Impact	79
Park Acquisition and Development	80
Capital Projects	81
Fire Equipment Replacement.....	82
Bike and Pedestrian Pathways	83
CIP Excise.....	84
Facility Major Maintenance	85
Permanent Fund	
Library Endowment	86
Light Fund	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Light.....	87
Sewer Fund	
Combining Statement of Net Position.....	88
Combining Statement of Revenues, Expenses and Changes in Net Position.....	89
Combining Statement of Cash Flows.....	90
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Sewer.....	91
Sewer System Development Charges	92
Water Fund	
Combining Statement of Net Position.....	93
Combining Statement of Revenues, Expenses and Changes in Net Position.....	94
Combining Statement of Cash Flows.....	95
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Water.....	96
Water System Development Charges.....	97
Surface Water Management Fund	
Combining Statement of Net Position.....	98
Combining Statement of Revenues, Expenses and Changes in Net Position.....	99
Combining Statement of Cash Flows.....	100
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Surface Water Management.....	101
Surface Water Management System Development Charges.....	102

CITY OF FOREST GROVE

TABLE OF CONTENTS (Continued)

	<u>Page</u>
COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued)	
Internal Service Funds	
Combining Statement of Net Position.....	103
Combining Statement of Revenues, Expenses and Changes in Net Position.....	104
Combining Statement of Cash Flows.....	105
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Information Systems	106
Equipment	107
City Utility	108
Risk Management	109
Agency Fund	
Unsegregated Tax and Interest Fund Statement of Changes in Assets and Liabilities	110
COMPLIANCE SECTION	
Independent Auditor’s Report Required by Oregon State Regulations.....	111, 112

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INDEPENDENT AUDITOR'S REPORT

Mayor and Members
of the City Council
City of Forest Grove
Forest Grove, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Forest Grove (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hillsboro-Forest Grove-Beeverton-Tualatin Valley Water District Joint Water Commission and the Barney Reservoir Joint Ownership Commission, which represent 7 percent of the assets of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hillsboro-Forest Grove-Beeverton-Tualatin Valley Water District Joint Water Commission and the Barney Reservoir Joint Ownership Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for General, Street, and Urban Renewal Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages *a – f* and the required supplementary information as listed in the table of contents as pages 54 – 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and individual fund schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated March 12, 2021 on our consideration of the City's compliance with certain provisions of laws, regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on the compliance.

Singer Lewak LLP

March 12, 2021

By:



Bradley G. Bingenheimer,
Partner

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF FOREST GROVE, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This discussion and analysis presents the highlights of financial activities and financial position for the City of Forest Grove. Management discussion and analysis focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements and notes, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflow of resources by \$120.0 million at June 30, 2020. Of this amount, \$9.8 million is reported as unrestricted net position which may be used to meet the City's obligations.
- During the year, the City's net position increased by \$2.18 million in governmental activities and by \$4.0 million in business-type activities for a total increase of \$6.18 million.
- The General Fund reported an ending fund balance at June 30, 2020, of \$7,349,552 which is a decrease of \$317,281 from the prior fiscal year. Ending fund balance at June 30, 2020, was 37.3% of the General Fund expenditures for the fiscal year ending June 30, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and *supplementary information*. The basic financial statements include two types of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by *required supplementary information* and *supplementary information* that further explain and support the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the City's net position and how it has changed. Net position - the difference between the City's assets and liabilities - is one way to measure financial health or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the *governmental activities*. Most of the City's basic services are included here, such as general government, public safety, planning and building and safety, streets and storm drainage, economic development, culture and recreation, and interest on long-term debt. Property taxes, franchise taxes, permits and fees, and intergovernmental revenues finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has the following types of funds:

- *Governmental funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Enterprise funds* - Services for which the City charges customers a fee are generally reported in enterprise funds. Enterprise funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Internal service funds* are used to report activities that provide supplies and services for the City's other programs and activities.
- *Fiduciary funds* - The City is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

NET POSITION – As of JUNE 30, 2020 and 2019 (In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$ 37,312	\$ 35,621	\$ 41,293	\$ 38,900	\$ 78,605	\$ 74,521
Capital assets, net	<u>32,745</u>	<u>31,805</u>	<u>51,386</u>	<u>49,878</u>	<u>84,131</u>	<u>81,683</u>
Total assets	<u>70,057</u>	<u>67,426</u>	<u>92,679</u>	<u>88,778</u>	<u>162,736</u>	<u>156,204</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	\$ 1,266	\$ 2,347	\$ 134	\$ 725	\$ 1,400	\$ 3,072
OPEB Items	93	169	29	14	122	183
Deferred charge	<u>-</u>	<u>-</u>	<u>14</u>	<u>24</u>	<u>14</u>	<u>24</u>
Total Deferred Outflows of Resources	<u>1,359</u>	<u>2,516</u>	<u>177</u>	<u>763</u>	<u>1,536</u>	<u>3,279</u>
LIABILITIES						
Current and other liabilities	\$ 1,159	\$ 990	\$ 2,643	\$ 2,460	\$ 3,802	\$ 3,450
Long-term obligations	<u>24,606</u>	<u>24,445</u>	<u>14,659</u>	<u>15,047</u>	<u>39,265</u>	<u>39,492</u>
Total liabilities	<u>25,765</u>	<u>25,435</u>	<u>17,302</u>	<u>17,507</u>	<u>43,067</u>	<u>42,942</u>
DEFERRED INFLOW OF RESOURCES						
Pension related items	\$ 582	\$ 1,767	\$ 233	\$ 709	\$ 815	\$ 2,476
OPEB Items	<u>245</u>	<u>284</u>	<u>76</u>	<u>95</u>	<u>321</u>	<u>379</u>
Total Deferred Outflows of Resources	<u>827</u>	<u>2,051</u>	<u>309</u>	<u>804</u>	<u>1,136</u>	<u>2,855</u>
NET POSITION						
Net investment in capital assets	\$ 32,744	\$ 31,805	\$ 46,528	\$ 44,423	\$ 79,272	\$ 76,228
Restricted	22,827	21,430	8,179	7,802	31,006	29,232
Unrestricted	<u>(10,747)</u>	<u>(10,779)</u>	<u>20,538</u>	<u>19,005</u>	<u>9,791</u>	<u>8,226</u>
Total net position	<u>\$ 44,824</u>	<u>\$ 42,456</u>	<u>\$ 75,245</u>	<u>\$ 71,230</u>	<u>\$ 120,069</u>	<u>\$ 113,686</u>

Total governmental assets are up about \$2.6 million or 4% from the previous fiscal year. Funds received from Parks and transportation system development charges again represent a significant portion of the increase. Other smaller increases in many of the funds contributed to the increase.

Business-type capital assets represent 55.4% of the total business-type assets and increased by \$1.5 million from the prior year. Business-Type Activities current and other assets increased by \$3.9 million from the prior year. Most of that increase is due to increase in cash and investments due to increased water and sewer SDC collections, increased timber harvest net revenue, and retaining cash from utility collections for future capital projects as part of the City's plan for future water and sewer infrastructure projects.

The overall increase in total net position is due primarily to the above changes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

STATEMENT OF ACTIVITIES for FISCAL YEARS ENDING JUNE 30, 2020 and 2019

(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program revenues:						
Charges for services	\$ 9,690	\$ 9,872	\$ 28,383	\$ 27,984	\$ 38,073	\$ 37,856
Operating grants	2,485	2,287	-	-	2,485	2,287
Capital grants	2,398	3,171	896	1,096	3,294	4,267
General revenues:						
Taxes	10,725	10,034	-	-	10,725	10,034
Other	2,071	1,967	1,818	1,647	3,889	3,614
Total revenues	27,369	27,331	31,097	30,727	58,466	58,058
EXPENSES:						
General government	10,178	12,813	-	-	10,178	12,813
Public safety	12,387	15,024	-	-	12,387	15,024
Highways and streets	2,390	2,817	-	-	2,390	2,817
Culture and recreation	1,761	1,898	-	-	1,761	1,898
Power services	-	-	19,008	20,452	19,008	20,452
Sewer services	-	-	1,140	1,380	1,140	1,380
Water services	-	-	4,097	4,468	4,097	4,468
Surface water management	-	-	1,256	1,209	1,256	1,209
Interest on long-term debt	67	41	-	-	67	41
Total expenses	26,783	32,593	25,501	27,509	52,284	60,102
Change in net position before transfers	586	(5,262)	5,596	3,218	6,182	(2,044)
Transfers	1,581	1,433	(1,581)	(1,433)	-	-
Change in net position	2,167	(3,829)	4,015	4,618	6,182	(2,044)
Net position at beginning of year	42,456	46,285	71,230	65,006	113,686	115,730
Prior period adjustment	201				201	
Net position at end of year	\$ 44,824	\$ 42,456	\$ 75,245	\$ 71,230	\$ 120,069	\$ 113,686

The City's total revenues were \$58.5 million which increased by 0.7% from 2019. The major sources of revenues are business-type activity charges for services and governmental activities taxes, which account for 48.6% and 18.3% of total revenues, respectively. The total cost of all programs was \$52.3 million which is a 13% decrease from 2019. Net position increased by \$6.18 million or 5.4% from 2019 indicating an increase in the City's overall financial position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental fund balances totaled \$33,408,258 at June 30, 2020, for an increase of \$1,388,369. Proprietary net position totaled \$75,244,806 at June 30, 2020, for an overall increase of \$4,015,077. The principal reasons for the changes are explained in the preceding section. A summary of changes in governmental and proprietary fund balances is as follows:

CHANGE IN GOVERNMENTAL FUND BALANCES

<u>Fund</u>	Balance at June 30, 2020	Balance at June 30, 2019	Change
General	\$ 7,349,552	\$ 7,666,833	\$ (317,281)
Street	1,874,981	1,451,779	423,202
Urban Renewal Agency	(1,401,852)	(1,716,371)	314,519
Transportation Development Tax	11,963,883	10,731,588	1,232,295
Non-major governmental	13,621,694	13,886,060	(264,366)
Totals	<u>\$ 33,408,258</u>	<u>\$ 32,019,889</u>	<u>\$ 1,388,369</u>

CHANGE IN PROPRIETARY NET POSITION

<u>Fund</u>	Balance at June 30, 2020	Balance at June 30, 2019	Change
Light	\$ 20,312,833	\$ 19,763,780	\$ 549,053
Sewer	13,607,525	12,995,553	611,972
Water	33,725,733	30,882,532	2,843,201
Surface Water Management	7,598,715	7,587,864	10,851
Totals	<u>\$ 75,244,806</u>	<u>\$ 71,229,729</u>	<u>\$ 4,015,077</u>

City Fund's Highlights

The fund balance in the General Fund decreased by \$317,281 which is less than the amount expected according to the adopted budget for the fiscal year ending June 30, 2020. Revenues from other governments funds were slightly higher than expected due to reimbursement for fire conflagrations and expenditures were lower than anticipated. COVID-19 did not have a major effect on either revenues or expenditures through June 30, 2020. Other increases in governmental fund balances was primarily due to system development fees collected for parks and traffic impact and collection of other building-related fees.

The overall increase in proprietary net position is due to revenue from system development charges in the Water and Sewer Funds and revenue from user rates being held for future capital purchases and higher than anticipated net timber harvest revenues.

CAPITAL ASSETS

At June 30, 2020, the City had \$84,130,061 invested in a broad range of capital assets, including land, buildings, equipment, utility systems, and intangible water rights. The City's capital assets, net of accumulated depreciation increased by \$2,447,570. More detailed information about the City's capital assets is presented in the notes to the financial statements.

LONG TERM DEBT

At June 30, 2020, the City had \$4,848,407 in outstanding notes and contracts payable. The City has had no change in its credit rating of Aa3 from Moody's. Moody's last credit review was of the June 30, 2017, financial statements. More detailed information about the City's long term debt is presented in the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Factors considered in preparing the City's General Fund budget for the 2020-21 fiscal year were, but not limited to the following:

- Residential development including multi-family housing continues to occur at good pace allowing the City's taxable assessed value to increase at a higher than anticipated rate resulting in higher than projected property tax revenue. City budgets for about a 3.5% increase in assessed value and the actual increase was 5.6% for the fiscal year ending June 30, 2020. Residential development is expected to continue at the same pace as new subdivisions are being proposed.
- The City's five-year local option property tax levy is at the same rate for the remaining years of the levy through June 30, 2023. The levy is helping the City to maintain current service levels but does not provide new funding for increasing services. The City is beginning planning for the submittal of a replacement levy for the current levy and evaluating if an increased rate needs to be requested. The City is also examining forming a fire district with surrounding fire agencies within the next few years. It is not yet known what the effect on the City's tax rate would be if a fire district is formed.
- Retirement costs for the City's private defined benefit retirement plan have stabilized after several years of large increases due to implementing changes in the actuarial assumptions including updating the mortality tables and lowering the assumed rate of return from 7.25% to 6.00% over the past four years. Retirement costs are projected to be stable over the next several years depending on actual investment returns.
- The City held off on any rate or fee increases on July 1, 2020, due to concerns over COVID-19 and its impact to City residents. As of the date of this audit report, no increases to rates or fees had occurred in the current fiscal year. Electric and water rates were expected to increase for the next several years as the City continues to address updating aging infrastructure for both of those utilities. City staff is reviewing the impact of not increasing rates or fees on the City's long-term financial projections to determine what actions, if any, will be needed to address delaying or not doing rate and fee increases.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the City's finances. If you have any questions about this report or need any clarification of information, please contact the Administrative Services Department at the City of Forest Grove. Our address is: PO Box 326, Forest Grove, Oregon 97116.

BASIC FINANCIAL STATEMENTS

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CITY OF FOREST GROVE

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 26,192,283	\$ 22,149,259	\$ 48,341,542
Investments	10,102,095	8,542,737	18,644,832
Receivables, net	766,523	3,090,692	3,857,215
Inventory	-	663,379	663,379
Prepaid items	211,413	45,771	257,184
Accrued interest receivable	40,147	33,171	73,318
Investment in joint ventures	-	6,768,253	6,768,253
Capital assets:			
Land and construction in progress	9,924,771	1,898,897	11,823,668
Other capital assets, net	22,819,686	49,486,707	72,306,393
TOTAL ASSETS	70,056,918	92,678,866	162,735,784
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	1,265,833	134,128	1,399,961
Other postemployment benefit related items	93,381	28,887	122,268
Excess of reacquisition price over carrying amount of refunded long-term obligations	-	14,414	14,414
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,359,214	177,429	1,536,643
LIABILITIES			
Accounts payable and accrued liabilities	888,822	2,458,390	3,347,212
Payroll related liabilities	250,893	77,279	328,172
Accrued interest payable	8,926	25,001	33,927
Deposits	10,395	82,434	92,829
Long-term obligations:			
Due within one year	989,191	1,018,380	2,007,571
Due in more than one year	23,616,749	13,640,971	37,257,720
TOTAL LIABILITIES	25,764,976	17,302,455	43,067,431
DEFERRED INFLOWS OF RESOURCES			
Pension related items	581,688	233,293	814,981
Other postemployment benefit related items	244,846	75,741	320,587
TOTAL DEFERRED INFLOWS OF RESOURCES	826,534	309,034	1,135,568
NET POSITION			
Net investment in capital assets	32,744,457	46,527,733	79,272,190
Restricted for:			
Highways and streets	1,874,981	-	1,874,981
Building operations	3,278,161	-	3,278,161
Community enhancement	92,597	-	92,597
Tourism	145,233	-	145,233
Capital projects	17,391,257	8,179,403	25,570,660
Other purposes	45,239	-	45,239
Unrestricted	(10,747,303)	20,537,670	9,790,367
TOTAL NET POSITION	\$ 44,824,622	\$ 75,244,806	\$ 120,069,428

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

					Net (Expense) Revenue and Changes in Net Position		
Program Revenues							
		Charges for	Operating	Capital			
		Services	Grants and	Grants and	Governmental	Business-type	
Functions/Programs	Expenses		Contributions	Contributions	Activities	Activities	Totals
Governmental activities							
General government	\$ 10,177,833	\$ 7,887,070	\$ 15,486	\$ 388,227	\$ (1,887,050)		\$ (1,887,050)
Public safety	12,387,327	1,432,985	131,253	-	(10,823,089)		(10,823,089)
Highways and streets	2,389,553	6,171	2,246,444	1,411,142	1,274,204		1,274,204
Culture and recreation	1,761,119	363,724	92,078	598,327	(706,990)		(706,990)
Interest on long-term obligations	67,160	-	-	-	(67,160)		(67,160)
Total governmental activities	26,782,992	9,689,950	2,485,261	2,397,696	(12,210,085)		(12,210,085)
Business-type activities							
Light	19,008,399	20,595,229	-	-		\$ 1,586,830	1,586,830
Sewer	1,139,530	1,617,673	-	137,047		615,190	615,190
Water	4,097,294	4,908,125	-	714,158		1,524,989	1,524,989
Surface water management	1,256,283	1,261,848	-	45,383		50,948	50,948
Total business-type activities	25,501,506	28,382,875	-	896,588		3,777,957	3,777,957
Totals	\$ 52,284,498	\$ 38,072,825	\$ 2,485,261	\$ 3,294,284	(12,210,085)	3,777,957	(8,432,128)
General revenues							
Property taxes, levied for:							
General purposes					9,456,573	-	9,456,573
Other					425,005	-	425,005
Franchise taxes					623,639	-	623,639
Transient room tax					94,513	-	94,513
Marijuana tax					125,009	-	125,009
Grants and contributions not restricted to specific programs					971,759	-	971,759
Unrestricted investment earnings					843,534	558,305	1,401,839
Rents					-	36,050	36,050
Miscellaneous					255,848	1,547,705	1,803,553
(Loss) on investment in joint ventures					-	(323,702)	(323,702)
Transfers					1,581,238	(1,581,238)	-
Total general revenues and transfers					14,377,118	237,120	14,614,238
Change in net position					2,167,033	4,015,077	6,182,110
Net position - beginning					42,455,723	71,229,729	113,685,452
Prior period adjustment					201,866	-	201,866
Net position - ending					\$ 44,824,622	\$ 75,244,806	\$ 120,069,428

See accompanying notes

CITY OF FOREST GROVE

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020**

	General	Street	Urban Renewal	Transportation Development	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,371,866	\$ 1,369,959	\$ 190,178	\$ 8,624,563	\$ 8,858,702	\$ 24,415,268
Investments	2,071,873	528,379	73,350	3,326,404	3,416,713	9,416,719
Receivables, net	373,525	180	133,322	-	259,496	766,523
Due from other funds	-	-	-	-	1,785,122	1,785,122
Prepaid items	40,824	-	-	-	500	41,324
Accrued interest receivable	8,045	2,052	285	12,916	14,207	37,505
TOTAL ASSETS	<u>\$ 7,866,133</u>	<u>\$ 1,900,570</u>	<u>\$ 397,135</u>	<u>\$ 11,963,883</u>	<u>\$ 14,334,740</u>	<u>\$ 36,462,461</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 185,620	\$ 17,707	\$ 12,856	\$ -	\$ 636,281	\$ 852,464
Payroll related liabilities	228,120	7,882	-	-	11,008	247,010
Deposits	-	-	-	-	10,395	10,395
Due to other funds	-	-	1,785,122	-	-	1,785,122
TOTAL LIABILITIES	<u>413,740</u>	<u>25,589</u>	<u>1,797,978</u>	<u>-</u>	<u>657,684</u>	<u>2,894,991</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	102,841	-	1,009	-	55,362	159,212
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>102,841</u>	<u>-</u>	<u>1,009</u>	<u>-</u>	<u>55,362</u>	<u>159,212</u>
FUND BALANCES						
Nonspendable	40,824	-	-	-	41,686	82,510
Restricted	-	1,874,981	-	11,963,883	8,946,942	22,785,806
Committed	-	-	-	-	585,428	585,428
Assigned	900,000	-	-	-	4,047,638	4,947,638
Unassigned	6,408,728	-	(1,401,852)	-	-	5,006,876
TOTAL FUND BALANCES	<u>7,349,552</u>	<u>1,874,981</u>	<u>(1,401,852)</u>	<u>11,963,883</u>	<u>13,621,694</u>	<u>33,408,258</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,866,133</u>	<u>\$ 1,900,570</u>	<u>\$ 397,135</u>	<u>\$ 11,963,883</u>	<u>\$ 14,334,740</u>	<u>\$ 36,462,461</u>

See accompanying notes

CITY OF FOREST GROVE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2020

TOTAL FUND BALANCES PER BALANCE SHEET OF GOVERNMENTAL FUNDS \$ 33,408,258

*Amounts reported for governmental activities in the statement of
net position are different because:*

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds 32,744,457

Other long-term assets are not available to pay for current period
expenditures and, therefore, are reported as unavailable revenue
in the funds 159,212

The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	\$ 4,679,389	
Compensated absences of the internal service fund included below	11,205	
Pension related liabilities, deferred outflows and deferred inflows	166,613	
Other postemployment benefit related liabilities, deferred outflows and deferred inflows	24,996	
Capital assets of the internal service fund included above	<u>(2,287,322)</u>	2,594,881

Deferred outflows related to the City's pension plan and other
postemployment benefits plan are not current financial resources and
therefore are not reported in the funds 1,359,214

Some liabilities, including accrued interest payable, compensated
absences, net pension liability, and other postemployment benefit liability,
are not due and payable in the current period and, therefore, are not
reported in the funds (24,614,866)

Deferred inflows related to the City's pension plan and other
postemployment benefit plan are reported in the statement of net position
but are not reported in the funds (826,534)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 44,824,622

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	General	Street	Urban Renewal	Transportation Development	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 9,464,079	\$ -	\$ 425,005	\$ -	\$ -	\$ 9,889,084
Other taxes	228,208	417,995	-	976,850	92,078	1,715,131
Licenses and permits	200,123	367	-	-	1,314,635	1,515,125
Intergovernmental	2,518,149	1,811,008	127,519	-	944,546	5,401,222
System development charges	-	-	-	-	588,327	588,327
Fees and fines	440,497	-	-	-	-	440,497
Franchise fees	623,639	-	-	-	-	623,639
Interest	231,661	26,276	9,618	255,445	267,540	790,540
Grants	17,577	-	-	-	167,795	185,372
Charges for services	4,517,840	26,418	-	-	378,224	4,922,482
Miscellaneous	303,355	1,688	-	-	28,245	333,288
TOTAL REVENUES	<u>18,545,128</u>	<u>2,283,752</u>	<u>562,142</u>	<u>1,232,295</u>	<u>3,781,390</u>	<u>26,404,707</u>
EXPENDITURES						
Current						
General government	6,976,702	-	189,389	-	1,161,291	8,327,382
Public safety	11,262,887	-	-	-	-	11,262,887
Highways and streets	-	1,209,145	-	-	477,142	1,686,287
Culture and recreation	1,433,859	-	-	-	870	1,434,729
Capital outlay	9,244	651,405	-	-	2,877,447	3,538,096
Debt service	-	-	58,234	-	-	58,234
TOTAL EXPENDITURES	<u>19,682,692</u>	<u>1,860,550</u>	<u>247,623</u>	<u>-</u>	<u>4,516,750</u>	<u>26,307,615</u>
Excess (deficiency) of revenues over expenditures	<u>(1,137,564)</u>	<u>423,202</u>	<u>314,519</u>	<u>1,232,295</u>	<u>(735,360)</u>	<u>97,092</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,470,283	-	-	-	825,000	2,295,283
Transfers out	(650,000)	-	-	-	(354,006)	(1,004,006)
TOTAL OTHER FINANCING SOURCES (USES)	<u>820,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>470,994</u>	<u>1,291,277</u>
Net change in fund balances	(317,281)	423,202	314,519	1,232,295	(264,366)	1,388,369
Fund balances at beginning of year	<u>7,666,833</u>	<u>1,451,779</u>	<u>(1,716,371)</u>	<u>10,731,588</u>	<u>13,886,060</u>	<u>32,019,889</u>
Fund balances at end of year	<u>\$ 7,349,552</u>	<u>\$ 1,874,981</u>	<u>\$ (1,401,852)</u>	<u>\$ 11,963,883</u>	<u>\$ 13,621,694</u>	<u>\$ 33,408,258</u>

See accompanying notes

CITY OF FOREST GROVE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,388,369
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Amounts reported for governmental activities in the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is:

Capitalized expenditures	\$ 2,375,339	
Depreciation	<u>(1,489,915)</u>	885,424

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds as follows:

Property taxes	(7,506)	
Accounts	<u>(21,783)</u>	(29,289)

In the statement of activities, the changes in net pension liability, deferred inflows of resources, and deferred outflows of resources related to the City's defined benefit retirement plan and PERS are reported as additional expenses for increases and a reduction of expenses for decreases	(146,426)
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In the statement of activities, the changes in other postemployment benefit liability, deferred inflows of resources and deferred outflows of resources related to the City's other postemployment benefit plan are reported as additional expenses for increases and a reduction of expenses for decreases	(72,309)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Accrued interest payable		(8,926)
Compensated absences		(81,943)

Net income of internal service funds	<u>232,133</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,167,033</u>
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See accompanying notes

CITY OF FOREST GROVE

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 9,299,208	\$ 9,299,208	\$ 9,464,079	\$ 164,871
Transient room tax	115,000	115,000	94,513	(20,487)
Marijuana tax	90,000	90,000	125,009	35,009
Licenses and permits	150,310	150,310	200,123	49,813
Intergovernmental	2,391,617	2,391,617	2,518,149	126,532
Construction excise tax	10,000	10,000	8,686	(1,314)
Fees and fines	471,812	471,812	440,497	(31,315)
Franchise fees	650,000	650,000	623,639	(26,361)
Interest	242,000	242,000	214,633	(27,367)
Grants	20,300	66,800	17,577	(49,223)
Charges for services	4,673,223	4,673,223	4,517,840	(155,383)
Miscellaneous	251,695	251,695	303,355	51,660
TOTAL REVENUES	<u>18,365,165</u>	<u>18,411,665</u>	<u>18,528,100</u>	<u>116,435</u>
EXPENDITURES				
Legislative and executive	658,767	662,767	613,921	48,846
Administrative services	3,310,879	3,360,879	3,295,818	65,061
Library	1,375,735	1,375,735	1,252,258	123,477
Planning	571,925	571,925	474,830	97,095
Fire	4,949,795	5,156,795	5,012,645	144,150
Engineering	980,941	980,941	954,831	26,110
Police	6,674,081	6,674,081	6,259,267	414,814
Aquatics	714,996	714,996	632,677	82,319
Parks and recreation	795,631	820,631	801,182	19,449
Municipal court	410,143	410,143	361,313	48,830
Nondepartmental				
Materials and services	10,000	35,000	23,950	11,050
Contingency	1,000,000	735,500	-	735,500
TOTAL EXPENDITURES	<u>21,452,893</u>	<u>21,499,393</u>	<u>19,682,692</u>	<u>1,816,701</u>
Excess (deficiency) of revenues over expenditures	<u>(3,087,728)</u>	<u>(3,087,728)</u>	<u>(1,154,592)</u>	<u>1,933,136</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,470,284	1,470,284	1,470,283	(1)
Transfers out	(650,000)	(650,000)	(650,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>820,284</u>	<u>820,284</u>	<u>820,283</u>	<u>(1)</u>
Net change in fund balance	(2,267,444)	(2,267,444)	(334,309)	1,933,135
Fund balance at beginning of year	7,584,481	7,584,481	7,666,833	82,352
Fund balance at end of year	<u>\$ 5,317,037</u>	<u>\$ 5,317,037</u>	<u>\$ 7,332,524</u>	<u>\$ 2,015,487</u>

See accompanying notes

CITY OF FOREST GROVE

STREET FUND

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended June 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Vehicle registration tax	\$ 310,000	\$ 417,995	\$ 107,995
Licenses and permits	2,500	367	(2,133)
Intergovernmental	1,815,385	1,811,008	(4,377)
Interest	21,000	21,933	933
Charges for services	-	26,418	26,418
Miscellaneous	<u>-</u>	<u>1,688</u>	<u>1,688</u>
 TOTAL REVENUES	 <u>2,148,885</u>	 <u>2,279,409</u>	 <u>130,524</u>
 EXPENDITURES			
Street services	2,340,274	1,860,550	479,724
Contingency	<u>100,000</u>	<u>-</u>	<u>100,000</u>
 TOTAL EXPENDITURES	 <u>2,440,274</u>	 <u>1,860,550</u>	 <u>579,724</u>
 Net change in fund balance	 (291,389)	 418,859	 710,248
Fund balance at beginning of year	<u>1,619,269</u>	<u>1,451,779</u>	<u>(167,490)</u>
 Fund balance at end of year	 <u>\$ 1,327,880</u>	 <u>\$ 1,870,638</u>	 <u>\$ 542,758</u>

See accompanying notes

CITY OF FOREST GROVE

URBAN RENEWAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 322,750	\$ 322,750	\$ 425,005	\$ 102,255
Intergovernmental	-	-	127,519	127,519
Interest	9,000	9,000	9,015	15
TOTAL REVENUES	<u>331,750</u>	<u>331,750</u>	<u>561,539</u>	<u>229,789</u>
EXPENDITURES				
Materials and services	178,891	204,891	189,389	15,502
Debt service	<u>335,673</u>	<u>335,673</u>	<u>335,673</u>	<u>-</u>
TOTAL EXPENDITURES	<u>514,564</u>	<u>540,564</u>	<u>525,062</u>	<u>15,502</u>
Net change in fund balance	(182,814)	(208,814)	36,477	245,291
Fund balance at beginning of year	<u>342,814</u>	<u>342,814</u>	<u>346,190</u>	<u>3,376</u>
Fund balance at end of year	<u>\$ 160,000</u>	<u>\$ 134,000</u>	<u>\$ 382,667</u>	<u>\$ 248,667</u>

See accompanying notes

CITY OF FOREST GROVE

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-type Activities				Governmental Activities	
	Light	Sewer	Water	Surface Water Management	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets						
Cash and cash equivalents	\$ 3,692,319	\$ 3,690,411	\$ 13,949,581	\$ 816,948	\$ 22,149,259	\$ 1,777,015
Investments	1,424,088	1,423,353	5,380,207	315,089	8,542,737	685,376
Receivables, net	1,822,875	610,523	499,125	158,169	3,090,692	-
Inventory	478,998	11,635	172,746	-	663,379	-
Prepaid expense	45,771	-	-	-	45,771	170,089
Accrued interest receivable	5,530	5,527	20,891	1,223	33,171	2,642
Total current assets	7,469,581	5,741,449	20,022,550	1,291,429	34,525,009	2,635,122
Investment in joint ventures	-	-	6,768,253	-	6,768,253	-
Capital assets and intangibles						
Land and construction in progress	1,084,150	81,022	733,725	-	1,898,897	-
Other capital assets and intangibles, net	22,857,974	9,055,121	10,486,954	7,086,658	49,486,707	2,287,322
Total capital assets	23,942,124	9,136,143	11,220,679	7,086,658	51,385,604	2,287,322
TOTAL ASSETS	31,411,705	14,877,592	38,011,482	8,378,087	92,678,866	4,922,444
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	93,598	8,251	22,381	9,898	134,128	2,459
Other postemployment benefit related items	16,795	1,755	7,184	3,153	28,887	1,584
Excess of reacquisition price over carrying amount of refunded long-term obligations	-	-	14,414	-	14,414	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	110,393	10,006	43,979	13,051	177,429	4,043
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	1,178,728	680,340	545,370	53,952	2,458,390	36,358
Payroll related liabilities	54,308	2,926	15,047	4,998	77,279	3,883
Accrued interest payable	18,061	-	6,940	-	25,001	-
Customer deposits	82,434	-	-	-	82,434	-
Current portion of long-term obligations	455,176	-	563,204	-	1,018,380	11,205
Total current liabilities	1,788,707	683,266	1,130,561	58,950	3,661,484	51,446
Long-term obligations						
Bonds and loans	2,703,000	-	1,539,734	-	4,242,734	-
Other postemployment benefit liability	237,720	24,845	101,678	44,606	408,849	22,426
Net pension liability	6,273,002	553,008	1,499,990	663,388	8,989,388	164,795
Total long-term obligations	9,213,722	577,853	3,141,402	707,994	13,640,971	187,221
TOTAL LIABILITIES	11,002,429	1,261,119	4,271,963	766,944	17,302,455	238,667
DEFERRED INFLOWS OF RESOURCES						
Pension related items	162,797	14,352	38,928	17,216	233,293	4,277
Other postemployment benefit related items	44,039	4,602	18,837	8,263	75,741	4,154
TOTAL DEFERRED INFLOWS OF RESOURCES	206,836	18,954	57,765	25,479	309,034	8,431
NET POSITION						
Net investment in capital assets	21,004,124	9,136,143	9,300,808	7,086,658	46,527,733	2,287,322
Restricted for capital projects	-	1,121,349	6,695,629	362,425	8,179,403	-
Unrestricted	(691,291)	3,350,033	17,729,296	149,632	20,537,670	2,392,067
TOTAL NET POSITION	\$ 20,312,833	\$ 13,607,525	\$ 33,725,733	\$ 7,598,715	\$ 75,244,806	\$ 4,679,389

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020**

	Business-type Activities					Governmental Activities
	Light	Sewer	Water	Surface Water Management	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 20,388,864	\$ 1,613,925	\$ 4,899,218	\$ 1,261,848	\$ 28,163,855	\$ 1,836,701
Conservation incentive	206,365	-	-	-	206,365	-
Licenses, permits, and fees	-	3,748	8,907	-	12,655	-
TOTAL OPERATING REVENUES	20,595,229	1,617,673	4,908,125	1,261,848	28,382,875	1,836,701
OPERATING EXPENSES						
System operation and maintenance	4,255,661	106,885	1,789,756	619,403	6,771,705	1,676,544
Electricity purchases	11,003,071	-	-	-	11,003,071	-
General fund administration charges	1,619,271	728,938	1,284,619	435,892	4,068,720	2,680
General and administrative costs	423,860	25,269	517,662	13,705	980,496	-
Depreciation and amortization	879,838	278,438	431,635	187,283	1,777,194	357,472
TOTAL OPERATING EXPENSES	18,181,701	1,139,530	4,023,672	1,256,283	24,601,186	2,036,696
OPERATING INCOME (LOSS)	2,413,528	478,143	884,453	5,565	3,781,689	(199,995)
NONOPERATING REVENUES (EXPENSES)						
Interest earned	55,969	83,538	403,571	15,227	558,305	52,994
Interest	(74,905)	-	(73,622)	-	(148,527)	-
Rents	-	-	36,050	-	36,050	-
Miscellaneous	19,234	436	1,527,677	358	1,547,705	100,403
Gain (loss) on sale of capital assets	(751,793)	-	-	-	(751,793)	(11,230)
(Loss) on investment in joint ventures	-	-	(323,702)	-	(323,702)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(751,495)	83,974	1,569,974	15,585	918,038	142,167
Income (loss) before capital contributions and transfers	1,662,033	562,117	2,454,427	21,150	4,699,727	(57,828)
Capital contributions	-	137,047	714,158	45,383	896,588	-
Transfers in	-	-	-	-	-	329,961
Transfers out	(1,112,980)	(87,192)	(325,384)	(55,682)	(1,581,238)	(40,000)
Change in net position	549,053	611,972	2,843,201	10,851	4,015,077	232,133
Net position at beginning of year	19,763,780	12,995,553	30,882,532	7,587,864	71,229,729	4,447,256
Net position at end of year	\$ 20,312,833	\$ 13,607,525	\$ 33,725,733	\$ 7,598,715	\$ 75,244,806	\$ 4,679,389

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020**

	Business-type Activities					Governmental Activities
	Light	Sewer	Water	Surface Water Management	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 20,700,618	\$ 1,708,639	\$ 5,051,215	\$ 1,275,141	\$ 28,735,613	\$ 1,836,701
Cash paid to employees	(3,702,045)	(316,622)	(1,176,940)	35,551	(5,160,056)	(233,911)
Cash paid to suppliers	(13,201,534)	(621,286)	(2,338,145)	(1,120,190)	(17,281,155)	(1,548,288)
Net cash provided by (used in) operating activities	3,797,039	770,731	1,536,130	190,502	6,294,402	54,502
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	-	-	219,891
Transfers out	(1,112,980)	(87,192)	(325,384)	(55,682)	(1,581,238)	(40,000)
Net cash provided by (used in) non-capital financing activities	(1,112,980)	(87,192)	(325,384)	(55,682)	(1,581,238)	179,891
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Transfers in	-	-	-	-	-	110,070
Sale of capital assets	-	-	-	-	-	20,549
Capital contributions	-	137,047	714,158	45,383	896,588	-
Rent	-	-	36,050	-	36,050	-
Other	19,234	436	1,527,677	358	1,547,705	100,403
Acquisition of capital assets	(2,138,648)	(611,662)	(783,111)	(503,227)	(4,036,648)	(443,736)
Principal paid on long-term obligations	(229,000)	-	(365,564)	-	(594,564)	-
Interest paid on long-term obligations	(76,313)	-	(69,360)	-	(145,673)	-
Net cash provided by (used in) capital and related financing activities	(2,424,727)	(474,179)	1,059,850	(457,486)	(2,296,542)	(212,714)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest	50,439	78,011	382,680	14,004	525,134	50,352
Investments in joint ventures	-	-	(335,827)	-	(335,827)	-
Purchases of investments	(711,414)	(707,750)	(2,857,808)	(101,478)	(4,378,450)	(330,960)
Net cash provided by (used in) investing activities	(660,975)	(629,739)	(2,810,955)	(87,474)	(4,189,143)	(280,608)
Net increase (decrease) in cash and cash equivalents	(401,643)	(420,379)	(540,359)	(410,140)	(1,772,521)	(258,929)
Cash and cash equivalents at beginning of year	4,093,962	4,110,790	14,489,940	1,227,088	23,921,780	2,035,944
Cash and cash equivalent at end of year	\$ 3,692,319	\$ 3,690,411	\$ 13,949,581	\$ 816,948	\$ 22,149,259	\$ 1,777,015
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 2,413,528	\$ 478,143	\$ 884,453	\$ 5,565	\$ 3,781,689	\$ (199,995)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	879,838	278,438	431,635	187,283	1,777,194	357,472
Decrease (increase) in assets and deferred outflows						
Receivables, net	86,582	37,331	143,090	9,534	276,537	-
Inventory	29,573	(485)	(2,826)	-	26,262	-
Prepaid expense	(44,871)	-	-	-	(44,871)	(46,366)
Pension related items	400,389	44,164	104,324	41,632	590,509	11,904
Other postemployment benefit items	(8,460)	(918)	(3,991)	(1,412)	(14,781)	(859)
Increase (decrease) in liabilities and deferred inflows						
Accounts payable and accrued liabilities	74,608	2,155	107,647	(51,190)	133,220	(50,093)
Payroll related liabilities	(12,014)	(1,804)	(7,956)	(1,263)	(23,037)	(475)
Customer deposits	18,807	-	-	-	18,807	-
Due to Clean Water Services	-	53,635	-	3,759	57,394	-
Compensated absences payable	12,126	-	(5,996)	-	6,130	1,094
Net pension liability	278,699	(83,019)	(37,515)	38,096	196,261	(9,497)
Other postemployment benefit liability	898	1,062	10,974	(4,844)	8,090	1,821
Pension related items	(320,620)	(36,941)	(85,066)	(33,211)	(475,838)	(9,779)
Other postemployment benefit items	(12,044)	(1,030)	(2,643)	(3,447)	(19,164)	(725)
Net cash provided by (used in) operating activities	\$ 3,797,039	\$ 770,731	\$ 1,536,130	\$ 190,502	\$ 6,294,402	\$ 54,502

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2020**

	City of Forest Grove Retirement Plan Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 218,744	\$ 165,389
Mutual funds	52,204,139	-
Contributions receivable	<u>127,166</u>	<u>-</u>
TOTAL ASSETS	<u>52,550,049</u>	<u>165,389</u>
LIABILITIES		
Amounts held in trust	<u>-</u>	<u>\$ 165,389</u>
NET POSITION		
Restricted for pension	<u>\$ 52,550,049</u>	

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND**

For the Year Ended June 30, 2020

	City of Forest Grove Retirement Plan Trust Fund
ADDITIONS	
Employer contributions	\$ 4,402,451
Investment earnings	<u>1,618,118</u>
Total additions	<u>6,020,569</u>
DEDUCTIONS	
Benefits	2,470,076
Administrative expenses	<u>63,632</u>
Total deductions	<u>2,533,708</u>
Change in net position	3,486,861
Net position - beginning of year	<u>49,063,188</u>
Net position - end of year	<u>\$ 52,550,049</u>

See accompanying notes

CITY OF FOREST GROVE

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

1. Summary of significant accounting policies

A. Reporting entity

The City was incorporated in 1872. The City provides basic services to the citizens within the city limits.

The city council, comprised of the mayor and six council members, forms the legislative branch of the government. Individual departments are under the direction and authority of the city manager, who is appointed by the city council.

The accompanying financial statements present all activities and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

The city council serves as the governing board of the Forest Grove Urban Renewal Agency. Therefore, the accounts of the agency are included in the financial statements of the City.

Complete financial statements for the Forest Grove Urban Renewal Agency may be obtained from the City's finance department.

B. Government-wide financial statements and financial statement presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

General – accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations and planning and community development.

Street – accounts for the building and maintaining of streets and related infrastructure within the City. The principal revenue source is state gasoline taxes apportioned by the State of Oregon.

Urban renewal – accounts for projects identified in the Urban Renewal agency plan. The principal revenue source is property taxes.

Transportation development tax – accounts for improvements to the City's transportation network to meet the impacts of growth. The principal revenue source is transportation development taxes.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

The City reports the following major proprietary funds:

Light – accounts for the revenues and expenditures of the City's electric utility operations.

Sewer – accounts for the operations of the City's sewer, which is financed primarily through user charges to the general public.

Water – accounts for the operations of the City's water utility which is financed primarily through fees.

Surface Water Management – accounts for the operations of the City's surface water management, which is financed primarily through fees.

The City also includes the following fund types as nonmajor governmental funds and nonmajor proprietary funds:

Special revenue – accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Debt service – accounts for the payment of principal and interest on long-term obligations.

Capital projects – accounts for revenue derived primarily from property taxes and state gas tax apportionments which are designated for the construction of specific projects.

Permanent – accounts for resources contributed to the City for specific purposes the corpus of which cannot be expended.

Internal service – accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.

D. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The City begins its budgeting process by appointing budget committee members in January or February each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control for the General Fund at the department level along with transfers and contingencies, while all other funds are appropriated at the personal services, materials and services, capital outlay, operating contingencies, interfund transactions, debt service, and all other requirement levels.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The city council must authorize all appropriation transfers and supplementary budgetary appropriations.

E. Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any highly-liquid debt instruments purchased with a maturity of three months or less.

F. Property taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments following the lien date on November 15, February 15 and May 15 each year.

Uncollected property taxes are reported in the governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred inflows of resources. Property taxes which are collected within 60 days of the end of the current period are considered available and recognized as revenue.

G. User charges and fines

User charges are reported at the amount management expects to collect on balances outstanding at year end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are not expected to be collected.

The City has uncollected municipal court fines and fees, however due to the uncertainty of collection these amounts are not reported in the financial statements. The City maintains a listing of receivables they believe are uncollectible as of June 30, 2020.

H. Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market. Inventory consists of expendable supplies held for consumption.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

I. Capital assets

Fund financial statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

Government-wide statements

Capital assets are recorded at amounts estimated by the City and adjusted by estimated amounts for accumulated depreciation in the statement of net position and depreciation expense in the statement of activities.

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets in business-type activities is included as part of the capitalized value of the asset constructed. Net revenue bond interest cost incurred during the construction period is capitalized when material.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Equipment	3 - 15
Building	10 - 40
Infrastructure	40 - 50

J. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over that life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs and the excess of bond amounts issued to refund previously issued debt over the refunded debt are reported as deferred charges and amortized over the term of the related debt.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

K. Compensated absences

i. Vacation leave

The City has a policy which permits employees to earn vacation leave. Any leave not used or forfeited will be paid upon the employee's termination of employment.

ii. Sick leave

The City has a policy which permits employees to earn sick leave. The City does not compensate the employees for unused sick leave upon termination of employment.

L. Deferred outflows / inflows of resources

In addition to assets, the statements of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include refunded debt charges, pension related items, and other postemployment benefit related items.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amount that apply to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. Pension related items and other postemployment benefit related items which are amortized over specified periods are reported as deferred inflows of resources.

The balance sheet of governmental funds will report as deferred inflows unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Retirement plans

Substantially all of the City's employees are participants in one of three retirement plans offered by the City depending on the eligibility requirements of each plan. The three plans are: the City of Forest Grove Retirement Plan (the Plan), the City of Forest Grove Defined Contribution Plan (the DC Plan), and the Oregon Public Employees Retirement System (OPERS). The City Council has the authority for establishing or amending provisions to the Plan or the DC Plan.

Contributions to the Plan are made on a current basis as required by the Plan. The assets of the Plan are invested in various mutual funds. The City pays the administrative expenses of the Plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net position of the Plan and additions to/deductions from the net position of the Plan have been determined on the same basis as reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Contributions to the DC Plan and OPERS are made by the City as required by the DC Plan and OPERS and are charged to expenditures or expenses when due and the employer has made a formal commitment to provide the contribution. The participants in DC Plan determine how their individual contributions are invested. OPERS invests the contributions to OPERS.

See the detailed footnotes for more information about the various plans.

N. Other postemployment benefits

The other postemployment benefits liability for the City of Forest Grove Other Postemployment Benefits Plan is based on an actuarial valuation. See the detailed footnotes for more information about the plan.

O. Equity classification

Government-wide and proprietary fund financial statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide and proprietary fund financial statements when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental fund type fund balance reporting

Governmental type fund balance amounts are to be reported within one of the fund balance categories list below:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Committed – Amounts that can be used only for specific purposes determined by a formal action of the city council. The city council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the city council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Manager or Director of Administrative Services has authority to assign fund balance amounts.

Unassigned – The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements when an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless provided otherwise in commitment or assignment actions.

2. Prior period adjustment

The beginning net position of the governmental activities increased \$201,866 due to a correction of an error related to deferred outflows of resources, net pension liability, and deferred inflows of resources related to GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the Northwest Firefighters Relief Association Health Trust.

3. Reconciliation of generally accepted accounting principles to budgetary basis

The budget of the City is prepared differently from accounting principles generally accepted in the United States of America. Therefore, the statements of revenues, expenditures and changes in fund balances (budgetary basis) – budget and actual for governmental funds are presented on the budgetary basis and are adjusted to the statement of revenues, expenditures and changes in fund balances - governmental funds in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a reconciliation of the differences between the budgetary basis and accounting principles generally accepted in the United States of America for revenues and other financing sources over (under) expenditures and other financing uses for the aforementioned financial statements:

	General	Road	Urban Renewal
Net change in fund balances - GAAP basis	\$ (317,281)	\$ 423,202	\$ 314,519
Revenues:			
(Increase) decrease in investments and receivables susceptible to accrual, recognized as revenues on the GAAP basis	(17,028)	(4,343)	(603)
Expenditures:			
Payment on interfund loan recognized as a reduction in liability on the GAAP basis	-	-	(277,439)
Net change in fund balances - budgetary basis	<u>\$ (334,309)</u>	<u>\$ 418,859</u>	<u>\$ 36,477</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Reconciliation of generally accepted accounting principles to budgetary basis (continued)

In addition, a reconciliation of the difference between budgetary basis and accounting principles generally accepted in the United States of America in beginning and ending fund balances is as follows:

	General	Road	Urban Renewal
Beginning fund balances - GAAP basis	\$ 7,666,833	\$ 1,451,779	\$ (1,716,371)
Interfund loan	-	-	2,062,561
Beginning fund balance - budgetary basis	<u>\$ 7,666,833</u>	<u>\$ 1,451,779</u>	<u>\$ 346,190</u>
Ending fund balances - GAAP basis	\$ 7,349,552	\$ 1,874,981	\$ (1,401,852)
Interfund loan	-	-	1,785,122
Differences in revenue recognition	(17,028)	(4,343)	(603)
Ending fund balance - budgetary basis	<u>\$ 7,332,524</u>	<u>\$ 1,870,638</u>	<u>\$ 382,667</u>

4. Cash, cash equivalents and investments

The City's cash, cash equivalents and investments at June 30, 2020 are as follow:

Cash and cash equivalents	
Deposits with financial institutions	\$ 7,006,453
State of Oregon Local Government Investment Pool	28,179,987
Cash on hand	2,990
Money markets	<u>13,536,245</u>
Total cash and cash equivalents	<u>\$ 48,725,675</u>
Investments	
Certificates of deposit	\$ 266,580
US government agencies	18,378,252
Mutual funds	<u>52,204,139</u>
Total investments	<u>\$ 70,848,971</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Cash, cash equivalents and investments (continued)

The City maintains a pool of cash, cash equivalents and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents and investments. Interest earned on pooled cash, cash equivalents and investments is allocated to participating funds based upon their combined cash and investment balances.

A. Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2020, none of the City's bank balances were exposed to custodial credit risk.

B. State of Oregon Local Government Investment Pool

Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

C. Investments

As of June 30, 2020 the City had the following investments:

Investment Type	Rating	Fair Value	Risk Concentration	Weighted Average Maturity (in months)
Certificates of deposits	Not Rated	\$ 266,580	0.38%	1
Mutual funds	Not Rated	52,204,139	73.68%	N/A
US government agencies	Not Rated	<u>18,378,252</u>	25.94%	13
Total investments		<u>\$ 70,848,971</u>		

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Cash, cash equivalents and investments (continued)

Credit Risk: Oregon statutes authorize the City to invest in obligations of the U. S. Treasury and U. S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. Additionally, the City's pension trust may invest in equity securities and mutual funds.

Concentration of Credit Risk: The City's policy for investing in individual issuers varies depending on the type of investments. The total portfolio has restrictions on the total amount that may be invested with a single issuer: 33 percent for U.S. agency securities, 10 percent for bankers' acceptances, 5 percent for commercial paper or corporate bonds, 25 percent for repurchase agreements, and 10 percent for the states of Oregon, California, Idaho and Washington.

Interest Rate Risk: The City has a formal investment policy to limit exposure to losses arising from rising interest rates. Investment types are limited to a maximum percent of the portfolio (see table below) and also must not directly invest in securities maturing in more than 36 months (unless matched to a specific cash flow) and the average weighted maturity of the portfolio may not exceed 18 months.

<u>Investment Type</u>	<u>Max % of Portfolio</u>
U.S. Treasuries	100%
U.S. government agency	50%
LGIP	100%
Certificates of deposit	10%
Banker's acceptances	10%
Repurchase agreement	15%

Portfolio Credit Rating: The City does not have a formal policy that establishes a minimum average credit rating for its investment portfolio.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

Fair Value Measurements: The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investment in equities and mutual funds are measured using level 1 inputs and US Agencies and corporate and municipal bonds and certificates of deposit are measured using level 2 inputs.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Receivables

	Governmental Activities/Funds				Business-type Activities/Enterprise Funds				Totals
	General	Street	Urban Renewal	Nonmajor	Light	Sewer	Water	Surface Water Management	
Property taxes	\$ 159,840	\$ -	\$ 5,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,643
Accounts	213,685	180	-	251,305	143,251	938	1,096	-	610,455
Assessments	-	-	-	8,191	-	-	-	-	8,191
Grants	-	-	127,519	-	-	-	-	-	127,519
User charges	-	-	-	-	1,878,238	632,327	536,753	163,669	3,210,987
Allowance for doubtful accounts	-	-	-	-	(198,614)	(22,742)	(38,724)	(5,500)	(265,580)
	<u>\$ 373,525</u>	<u>\$ 180</u>	<u>\$ 133,322</u>	<u>\$ 259,496</u>	<u>\$ 1,822,875</u>	<u>\$ 610,523</u>	<u>\$ 499,125</u>	<u>\$ 158,169</u>	<u>\$ 3,857,215</u>

6. Capital assets

A. Activity for governmental activities for the year ended June 30, 2020 was as follows:

	Balances July 1, 2019	Additions	Deletions	Balances June 30, 2020
Capital assets not being depreciated				
Land and land improvements	\$ 9,043,738	\$ 64,656	\$ -	\$ 9,108,394
Construction in progress	547,220	589,621	(320,464)	816,377
Total capital assets not being depreciated	<u>9,590,958</u>	<u>654,277</u>	<u>(320,464)</u>	<u>9,924,771</u>
Capital assets being depreciated				
Buildings and improvements	13,370,154	326,918	-	13,697,072
Machinery and equipment	9,386,497	1,175,002	(139,045)	10,422,454
Infrastructure	29,483,703	983,342	-	30,467,045
Total capital assets being depreciated	<u>52,240,354</u>	<u>2,485,262</u>	<u>(139,045)</u>	<u>54,586,571</u>
Less accumulated depreciation				
Buildings and improvements	8,040,866	251,605	-	8,292,471
Machinery and equipment	5,272,819	654,149	(107,266)	5,819,702
Infrastructure	16,713,079	941,633	-	17,654,712
Total accumulated depreciation	<u>30,026,764</u>	<u>1,847,387</u>	<u>(107,266)</u>	<u>31,766,885</u>
Total capital assets being depreciated, net	<u>22,213,590</u>	<u>637,875</u>	<u>(31,779)</u>	<u>22,819,686</u>
Governmental activities capital assets, net	<u>\$ 31,804,548</u>	<u>\$ 1,292,152</u>	<u>\$ (352,243)</u>	<u>\$ 32,744,457</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Capital assets (continued)

B. Activity for business-type activities for the year ended June 30, 2020 was as follows:

	Balances July 1, 2019	Additions	Deletions	Balances June 30, 2020
Capital assets not being depreciated				
Land	\$ 1,276,358	\$ -	\$ -	\$ 1,276,358
Work in progress	63,242	2,259,155	(1,699,858)	622,539
Total capital assets not being depreciated	1,339,600	2,259,155	(1,699,858)	1,898,897
Capital assets, being depreciated and amortized				
Buildings and improvements	12,696,208	76,416	-	12,772,624
Machinery and equipment	30,512,647	1,960,283	(942,763)	31,530,167
Infrastructure	45,369,621	1,440,651	-	46,810,272
Intangible-water rights	1,707,484	-	-	1,707,484
Total capital assets, being depreciated and amortized	90,285,960	3,477,350	(942,763)	92,820,547
Less accumulated depreciation and amortization:				
Buildings and improvements	4,480,168	250,444	-	4,730,612
Machinery and equipment	13,389,164	743,001	(190,971)	13,941,194
Infrastructure	22,530,838	740,972	-	23,271,810
Intangible-water rights	1,347,447	42,777	-	1,390,224
Total accumulated depreciation and amortization	41,747,617	1,777,194	(190,971)	43,333,840
Total capital assets, being depreciated and amortized, net	48,538,343	1,700,156	(751,792)	49,486,707
Business-type activities capital assets, net	\$ 49,877,943	\$ 3,959,311	\$ (2,451,650)	\$ 51,385,604

C. Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 466,091
Public safety	185,209
Highways and streets	876,731
Culture and recreation	319,356
Total governmental activities	<u>\$ 1,847,387</u>
Business-type activities:	
Light	\$ 879,838
Sewer	278,438
Water	431,635
Surface water management	187,283
Total business-type activities	<u>\$ 1,777,194</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Unavailable revenue

Resources in the governmental funds, which are measurable but unavailable, consist of the following:

	Governmental Funds			
	Urban			
	General	Renewal	Nonmajor	Totals
Property taxes	\$ 92,275	\$ 1,009	\$ -	\$ 93,284
Accounts	10,566	-	46,231	56,797
Interest	-	-	940	940
Assessments	-	-	8,191	8,191
	<u>\$ 102,841</u>	<u>\$ 1,009</u>	<u>\$ 55,362</u>	<u>\$ 159,212</u>

8. Long-term obligations

A. Changes in long-term obligations for the year ended June 30, 2020 were as follows:

	Balances July 1, 2019	Additions	Reductions	Balances June 30, 2020	Balances Due Within One Year
<u>Governmental activities</u>					
Other long-term obligations					
Compensated absences	\$ 906,154	\$ 989,191	\$ 906,154	\$ 989,191	\$ 989,191
Other postemployment benefit liability	1,487,800	156,080	322,209	1,321,671	-
Net pension liability	<u>22,051,429</u>	<u>243,649</u>	<u>-</u>	<u>22,295,078</u>	<u>-</u>
Total long-term obligations	<u>\$24,445,383</u>	<u>\$1,388,920</u>	<u>\$1,228,363</u>	<u>\$ 24,605,940</u>	<u>\$ 989,191</u>
<u>Business-type activities</u>					
Long-term debt obligations					
Notes from direct borrowings and direct placements					
Capital One Public Financing, LLC	\$ 1,355,000	\$ -	\$ 325,000	\$ 1,030,000	\$ 335,000
Premium	12,618	-	3,154	9,464	3,154
US Department of the Interior	920,975	-	40,568	880,407	41,983
Columbia State Bank	<u>3,167,000</u>	<u>-</u>	<u>229,000</u>	<u>2,938,000</u>	<u>235,000</u>
Total long-term debt obligations	5,455,593	-	597,722	4,857,871	615,137
Other long-term obligations					
Compensated absences	397,113	403,243	397,113	403,243	403,243
Other postemployment benefit liability	400,759	8,090	-	408,849	-
Net pension liability	<u>8,793,127</u>	<u>196,261</u>	<u>-</u>	<u>8,989,388</u>	<u>-</u>
Total long-term obligations	<u>\$15,046,592</u>	<u>\$ 607,594</u>	<u>\$ 994,835</u>	<u>\$ 14,659,351</u>	<u>\$ 1,018,380</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-term obligations (continued)

B. Business-type activities long-term debt obligations

Capital One Public Financing LLC – The City borrowed \$3,160,000 to refund previously issued long-term debt obligations. Annual principal and interest payments are due in April each year and range from \$324,045 to \$354,795. Annual interest only payments are due in October each year and range from \$4,795 to \$39,045. Interest on outstanding loan is 2.74 percent. The City has pledged revenue from timber sales and available water revenues for repayment of this note.

US Department of the Interior – The City borrowed \$1,707,484 to finance improvements to the Scoggins Dam and Reservoir. Annual payments are \$72,797 and include interest at 3.5 percent.

Columbia State Bank – The City borrowed \$3,822,000 to finance light and power improvements. Annual principal and interest payments are due in October each year and range from \$260,775 to \$305,775. Annual interest only payments are due in April each year and range from \$45,113 to \$3,775. Interest is at 2.5 percent.

C. The future maturities for business-type activities long-term debt obligations as of June 30, 2020 are as follows:

Fiscal Year	Capital One Public Financing LLC		US Dept. of the Interior Scoggins Dam		Columbia State Bank		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 335,000	\$ 28,222	\$ 41,983	\$ 30,815	\$ 235,000	\$ 70,513	\$ 611,983	\$ 129,550
2022	345,000	19,043	43,452	29,345	241,000	64,563	629,452	112,951
2023	350,000	9,590	44,972	27,825	247,000	58,463	641,972	95,878
2024	-	-	46,546	26,251	253,000	52,213	299,546	78,464
2025	-	-	48,176	24,621	260,000	45,800	308,176	70,421
2026-2030	-	-	267,383	96,602	1,400,000	127,000	1,667,383	223,602
2031-2035	-	-	317,567	46,418	302,000	3,775	619,567	50,193
2036	-	-	70,328	2,462	-	-	70,328	2,462
	<u>\$1,030,000</u>	<u>\$ 56,855</u>	<u>\$ 880,407</u>	<u>\$ 284,339</u>	<u>\$2,938,000</u>	<u>\$ 422,327</u>	<u>\$4,848,407</u>	<u>\$ 763,521</u>

D. Funds used to liquidate other long-term obligations

The General, Street, Building, Light, Sewer, Water, and Surface Water Management Funds have been used to liquidate obligations for compensated absences, other postemployment benefit liability, and net pension liability.

9. Conduit debt

The City has issued limited obligation ("conduit") revenue bonds for the express purpose of providing capital financing for specific third-party borrowers. Although the conduit debt obligations bear the name of the City, the City has no obligation for such debt; accordingly, the debt is not reported as a liability in the City's financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Conduit debt (continued)

- A. On March 20, 2014, the City issued \$38,640,000 in revenue bonds to refinance the 2009 revenue bonds originally issued for Pacific University to fund capital improvement projects and to provide additional resources for capital improvement projects on the campus. At June 30, 2020, \$38,185,000 was outstanding. The bonds mature May 1, 2039.
- B. On April 22, 2015, the City issued \$35,425,000 in revenue bonds to refinance the 2005 revenue bonds originally issued for Pacific University to fund capital improvement projects and to provide additional resources for capital improvement projects on the campus. \$32,330,000 of the 2015 revenue bonds were to refinance the 2005 revenue bonds and \$3,095,000 of the 2015 revenue bonds were to provide resources for additional capital improvement projects on campus. The 2015 revenue bonds were assigned to Pacific University. At June 30, 2020, \$31,125,000 was outstanding. The bonds mature May 1, 2045.
- C. On October 19, 2016, the City issued \$17,800,000 in revenue bonds to refinance the 2013 revenue bonds originally issued for Pacific University to fund capital improvement projects. The 2016 revenue bonds were assigned to Pacific University. At June 30, 2020, \$15,336,974 was outstanding. The bonds mature November 1, 2036.
- D. On April 27, 2017, the City issued \$26,805,000 in revenue bonds to refinance the 2007 revenue bonds originally issued to fund student housing construction. The original 2007 revenue bonds were assigned to the Oak Tree Foundation, Inc., a nonprofit corporation. The 2017 revenue bonds funded the remaining \$26,965,000 in 2007 revenue bonds plus costs of issuing the 2017 revenue bonds. The 2017 revenue bonds were assigned to Oak Tree Foundation, Inc. At June 30, 2020, \$23,875,000 was outstanding. The bonds mature March 1, 2037.

10. Defined benefit pension plan

A. Plan description

Substantially all employees are participants in either the defined benefit retirement plan of City of Forest Grove (the Plan), a single employer defined benefit public employment, or the defined contribution plan (DC Plan) that was effective as of July 1, 2011. Police officers and firefighters hired on or after February 1, 2016 are provided with pensions through the Oregon Public Employment Retirement Systems (OPERS). Footnote 11 describes the DC Plan and footnotes 12 and 13 describe the OPERS Plan.

The Plan was established by the city council who may amend the plan.

The City does not issue a separate financial report available to the public for this plan.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

B. Plan membership

All full-time employees hired before July 1, 2011, are eligible to participate in the Plan after six months of employment. After July 1, 2011, only full-time employees belonging to the Forest Grove Police Association (FGPA), the Firefighter's Association (IFFA), and the International Brotherhood of Electrical Workers (IBEW) hired on or after July 1, 2011, are eligible to participate in the Plan after six months of employment. As of July 1, 2012, full-time non-certified members of the FGPA hired on or after July 1, 2012 are not eligible to participate in the Plan. Full-time police officers and firefighters hired on or after February 1, 2016, are also not eligible to participate in the Plan.

Employees are divided into two groups: Public Safety Members (consisting of firefighters and police officers) and General Members.

As of July 1, 2020, plan membership consisted of 107 retirees and beneficiaries, 29 vested terminated participants, 2 nonvested terminated participants, and 85 active participants.

C. Description of benefit terms

Normal retirement

Members are able to receive benefits after attaining age 58 for public safety members or age 65 for all other members. Retirement benefits will equal the accrued benefit based on average monthly earnings and years of membership as of the normal retirement date. Retirement benefits are subject to annual cost of living adjustments up to 2 percent per year.

Additionally, members receive benefits from voluntary or unit contribution, if any.

Early retirement

Members are able to receive early retirement benefits after attaining age 50 with reduced benefits except for public safety employees with at least 25 years of service or general members with at least 30 years of service. Retirement benefits are reduced based upon the number of years the member still needed to work to reach normal retirement status. The benefit ranges from 67 percent to 93 percent of the benefit that would result if they were of normal retirement age.

Late retirement

Members that continue working beyond the normal retirement age receive increases to their retirement benefits equal to the benefit accruals past the normal retirement age.

Disability

Uniformed members that become totally and permanently disabled in the course of duty or members with 10 years of service are entitled to disability benefits. The benefit is based on current monthly earnings rate of compensation as of the date of disability and years of service projected to the earliest retirement age, or the early retirement benefit available, whichever is greater but in no event less than \$100 per month.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

Death benefits

The beneficiaries of members who have not begun to receive benefits under the plan are entitled to either a lump-sum payment of twice the member's required and picked-up contributions account balances and the member's voluntary contributions account balance or actuarial equivalent monthly payments.

D. Contributions

The City is required by the Plan's provisions to pay the employees' contribution to the Plan of seven percent of covered salaries (six percent if monthly base pay is less than \$1,500). In addition the City will contribute additional amount necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. City contributions to the plan for the year ended June 30, 2020 were \$4,402,451.

E. Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2020, the City reported a net pension liability of \$30,386,361. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date as follows:

Total pension liability	\$ 82,936,410
Plan fiduciary net position	<u>52,550,049</u>
Net pension liability	<u>\$ 30,386,361</u>
Fiduciary net position as a percentage of total pension liability	63.36%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

Changes in the net pension liability is as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning balances	\$ 79,658,890	\$ 49,168,874	\$ 30,490,016
Changes for the year:			
Service cost	1,449,943	-	1,449,943
Interest on total pension liability	4,792,428	-	4,792,428
Effect of economic/demographic losses	(494,775)	-	(494,775)
Benefit payments	(2,470,076)	(2,470,076)	-
Administrative expenses	-	(63,632)	63,632
Net investment income	-	1,618,118	(1,618,118)
Employer contributions	-	4,296,765	(4,296,765)
Ending balances	<u>\$ 82,936,410</u>	<u>\$ 52,550,049</u>	<u>\$ 30,386,361</u>

For the year ended June 30, 2020, the City recognized pension expense of \$4,582,075. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ 579,655
Changes of assumptions or inputs	453,387	23,325
Net difference between projected and actual earnings on pension plan investments	<u>--</u>	<u>185,607</u>
	<u>\$ 453,387</u>	<u>\$ 788,587</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ends June 30,	
2021	\$ (381,402)
2022	(274,592)
2023	43,812
2024	<u>276,982</u>
Total	<u>\$ (335,200)</u>

F. Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. Under the individual entry age method, a normal cost is determined for each participant by allocating the actuarial present value of the projected benefit on a level percentage of salary basis over the service of each active participant between entry age and assumed exit age. The individual normal costs are then summed for the group. The normal cost for inactive members is zero. The individual actuarial accrued liability for a participant is the actuarial present value of the projected benefits as of the valuation date less the present value of projected future normal costs.

Under the City's funding policy, the annual recommended contribution includes the total normal cost developed on the individual entry age method and an amortized portion of any unfunded actuarial accrued liability. The unfunded actuarial accrued liability is the difference between the actuarial accrued liability and the actuarial value of assets. Emerging unfunded actuarial accrued liability bases are amortized over a closed 15-year period. Amortization payments are assumed to begin, on average, 18 months after the base is established and are assumed to increase 2.50 percent each year.

G. Actuarial methods and assumptions used in developing total pension liability

Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal, Level Percentage of Pay
Amortization Method	Closed 15-year amortization, payments increasing 2.50 percent per year
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.00 percent
Investment Rate of Return	6.00 percent
Projected Salary Increases	Salaries for individuals are assumed to grow at 3.75 percent per annum
Mortality	Healthy retirees and beneficiaries: RP-2014 Sex-distinct, generational per Unisex Social Security Data Scale, with collar adjustments and setbacks Participants with disabilities: RP-2014 Sex-distinct, generational per Unisex Social Security Data Scale

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total pension liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion date projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

Based on these circumstances, it is the Plan's independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Long-term expected rate of return

The long-term expected rate of return assumption of 6.00 percent is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

Change in assumptions

The administrative expense assumption was increased using the inflation assumption from \$68,500 to \$70,000 since the July 1, 2019 valuation.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

Sensitivity of the City of Forest Grove's net pension liability to changes in the discount rate

The following presents the City of Forest Grove's net pension liability calculated using the discount rate of 6.00 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
Net pension liability	\$ 42,462,135	\$ 30,386,361	\$ 20,482,269

11. Defined contribution plan

The City sponsors a defined contribution plan known as the City of Forest Grove Defined Contribution Plan (the DC Plan). The DC Plan is administered through an ICMA Retirement Corporation Governmental Profit Sharing Plan and Trust. ICMA Retirement Corporation acts as the Plan Administrator. The City Council has authority for establishing or amending plan provisions related to contributions and compensation.

The DC Plan was effective as of July 1, 2011 although the first participant did not become eligible for the plan until March 2012. The following classes of employees are eligible for the plan after six months of employment:

- All full-time non-represented employees and all full-time members of the AFSCME union hired on or after July 1, 2011
- All full-time non-certified members of the Forest Grove Police Association hired on or after July 1, 2012
- All part-time non-represented and AFSCME employees, who are regularly scheduled to work at least twenty (20) hours per week as of July 1, 2014
- All part-time non-certified members of the Forest Grove Police Association as of July 1, 2016

Retirement benefits are based on the value of the individual employee's accumulated contributions and investment earnings at the time of retirement.

Contributions for employees are made by City as required by the DC Plan. Contributions to the DC Plan by individual employees or others are not permitted. The City contributes 10 percent of an employee's base salary to DC Plan plus an additional 2 percent to DC Plan if the individual employee contributes at least 2 percent of base salary to an eligible deferred compensation plan. The employee can invest the contributions in investments allowed by ICMA Retirement Corporation within the DC Plan. Contributions and earnings are immediately 100 percent vested to the employee.

Contributions to the plan for the year ended June 30, 2020 were \$393,911.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan - PERS

A. Plan description

Police officers and firefighters hired on or after February 1, 2016 are provided with pensions through the Oregon Public Employee Retirement Systems (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf.

B. Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two retirement benefit (Chapter 238)

Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan – PERS (continued)

Death benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in a OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

Pension benefits

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan – PERS (continued)

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

C. Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation.

Tier One/Tier Two employer contribution rates are 18.69 percent and the OPSRP employer contribution rates are 14.90 percent for public safety employees. Employer contributions for the year ended June 30, 2020 were \$216,321.

D. Net pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability

At June 30, 2020, the City reported a liability of \$898,105 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term contributions effort to the pension plan relative to the projected contributions effort of all participating employers, actuarially determined. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL)

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier One/Tier Two payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan – PERS (continued)

UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions.

At June 30, 2019, the City's proportion was 0.00519207 percent, which was an increase of 0.00285167 percent from its proportion measured as of June 30, 2018.

Pension expense

For the year ended June 30, 2020, the City recognized pension expense of \$380,997.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2019, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Differences between projected and actual earnings

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are:

- Fiscal Year ended June 30, 2019 - 5.2 years
- Fiscal Year ended June 30, 2018 - 5.2 years
- Fiscal Year ended June 30, 2017 - 5.3 years
- Fiscal Year ended June 30, 2016 - 5.3 years
- Fiscal Year ended June 30, 2015 - 5.4 years
- Fiscal Year ended June 30, 2014 - 5.6 years

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan – PERS (continued)

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 49,528	\$ -
Change of assumptions	121,838	-
Net difference between projected and actual earnings on pension plan investments	-	25,460
Changes in proportionate share	414,766	849
Difference between contributions and proportionate share of system contributions	144,120	85
Contributions subsequent to the measurement date	<u>216,321</u>	<u>-</u>
Total	<u>\$ 946,574</u>	<u>\$ 26,394</u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of \$216,321 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ends June 30,	
2021	\$ 239,845
2022	162,291
2023	173,048
2024	111,727
2025	<u>16,947</u>
Total	<u>\$ 703,859</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan – PERS (continued)

E. Actuarial methods and assumptions used in developing contribution rates and total pension liability

The contribution rates (Tier One/ Tier Two and OPSRP) were developed and the total pension liability measured as of June 30, 2019 was based on an actuarial valuation as of December 31, 2017 using the following methods and assumptions:

Experience study report	2016, published July 26, 2017
Actuarial cost method	Entry age normal
Inflation rate	2.5 percent
Long-term expected rate of return	7.2 percent
Discount rate	7.2 percent
Administrative expenses – Tier One/Tier Two	\$37.5 million per year added to normal cost
Administrative expenses – OPSRP	\$6.5 million per year added to normal cost
Projected salary increases	3.5 percent
Cost of living adjustments (COLA)	Blend of 2.00 percent COLA and graded COLA (1.25 percent/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan – PERS (continued)

UAL amortization

The Tier One/Tier Two UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier One/ Tier Two plus OPSRP payroll) over a closed 20 year period from the valuation in which they are first recognized.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier One/ Tier Two plus OPSRP payroll) over a closed period 16 year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Discount rate

The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed asset allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.00%
Debt securities	20.00%
Public equity	37.50%
Private equity	17.50%
Real estate	12.50%
Alternatives portfolio	12.50%
Opportunity portfolio	0.00%
Total	<u>100.00%</u>

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both the actuaries capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan – PERS (continued)

<u>Long-Term Expected Rate of Return</u> ¹				
Asset Class	Target Allocation*	Annual Arithmetic Return ²	Compound Annual (Geometric) Return	Standard Deviation
Core Fixed Income	8.00 %	3.59 %	3.49 %	4.55 %
Short-Term Bonds	8.00	3.42	3.38	2.70
Bank/Leveraged Loans	3.00	5.34	5.09	7.50
High Yield Bonds	1.00	6.90	6.45	10.00
Large/Mid Cap US Equities	15.75	7.45	6.30	16.25
Small Cap US Equities	1.31	8.49	6.69	20.55
Micro Cap US Equities	1.31	9.01	6.80	22.90
Developed Foreign Equities	13.13	8.21	6.71	18.70
Emerging Market Equities	4.13	10.53	7.45	27.35
Non-US Small Cap Equities	1.88	8.67	7.01	19.75
Private Equity	17.50	11.45	7.82	30.00
Real Estate (Property)	10.00	6.15	5.51	12.00
Real Estate (REITS)	2.50	8.26	6.37	21.00
Hedge Fund of Funds - Diversified	2.50	4.36	4.09	7.80
Hedge Fund - Event-driven	0.63	6.21	5.86	8.90
Timber	1.88	6.37	5.62	13.00
Farmland	1.88	6.90	6.15	13.00
Infrastructure	3.75	7.54	6.60	14.65
Commodities	1.88	5.43	3.84	18.95
Assumed Inflation - Mean			2.50 %	1.85 %
¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.				
² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.				

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined benefit pension plan – PERS (continued)

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

F. Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
Proportionate share of net pension liability	\$ 1,438,233	\$ 898,105	\$ 446,090

G. Changes subsequent to the measurement date

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier One/Tier Two and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Defined contribution plan - PERS

A. Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

B. Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

C. Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

D. Contributions

The City makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2020 were \$82,504.

E. Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. Other postemployment benefits

City of Forest Grove Other Postemployment Benefits Plan

A. Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through an employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

B. Plan membership

As of July 1, 2018, there were 167 active employees, 5 eligible retirees, and 3 spouses of eligible retirees for a total of 175 plan members.

C. Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the City are as follows:

For retirees	\$	720
For spouses of retirees		784

D. Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2020, the City reported a total OPEB liability of \$1,730,520. The total OPEB liability was measured as of June 30, 2019 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balances at June 30, 2019	\$ 1,566,350
Changes for the year:	
Service cost	105,672
Interest	63,651
Changes in assumptions or other inputs	49,980
Benefit payments	<u>(55,133)</u>
Balances at June 30, 2020	<u>\$ 1,730,520</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. Other postemployment benefits (continued)

For the year ended June 30, 2020, the City recognized an OPEB expense of \$124,790.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ 26,391
Changes of assumptions	44,168	294,196
Benefit payments	78,100	--
	<u>\$ 122,268</u>	<u>\$ 320,587</u>

Differences between expected and actual experience and changes in assumptions are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period.

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date in the amount of \$78,100 will be recognized as an adjustment to the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	
2020	\$ (44,532)
2021	(44,532)
2022	(44,532)
2023	(44,532)
2024	(44,532)
Thereafter	<u>(53,759)</u>
Total	<u>\$ (276,419)</u>

E. Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. Other postemployment benefits (continued)

F. Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2018
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Projected Salary Increases	3.5 percent
Mortality	RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total OPEB liability was 3.50 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.87 percent.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

Year	Pre-65 Trend
2018	6.75%
2019	7.00%
2020	5.50%
2021-2025	5.00%
2026-2029	4.75%
2030-2033	5.00%
2034	5.25%
2035	5.75%
2036-2038	6.00%
2039-2045	5.75%
2046-2050	5.50%
2051-2061	5.25%
2062-2065	5.00%
2066+	4.75%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. Other postemployment benefits (continued)

Dental costs are assumed to increase 4.5 percent in all future years.

G. Sensitivity of the City's total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City's total OPEB liability calculated using the discount rate of 3.50 percent, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
City's total OPEB liability	\$ 1,877,115	\$ 1,730,520	\$ 1,596,704
	1 Percentage Point Lower	Current Trend Rate	1 Percentage Point Higher
City's total OPEB liability	\$ 1,554,046	\$ 1,730,520	\$ 1,936,758

15. Joint ventures and intergovernmental agreements

A. Joint Water Commission

The City is a party to the Joint Water Commission (the Commission) with the City of Hillsboro, City of Beaverton, and the Tualatin Valley Water District. The Commission is an entity organized under ORS 190. The City owns a 13.3 percent interest in the Joint Water Commission. The City's investment in the Commission at June 30, 2020 is \$6,213,048. The Commission issues a publicly available financial report which may be obtained by writing to the City of Hillsboro, 123 West Main Street, Hillsboro, OR 97123.

The Commission was established to provide operations for the supply, pumping, treatment, and transmission of municipal and industrial water. Under the Joint Water Services Agreement, the City may utilize the system for treatment of raw water up to 13.3 percent of the designed capacity of the system. The Commission is authorized to draw upon the raw water resources of each participating city to meet the projected needs of that city. No participant has the right to draw treated water from the system in excess of their proportionate contribution of raw water. The expenses of operation and maintenance of the system are paid monthly based on each participant's pro rata share of water production. In addition, the minimum amount to be paid by the City is not less than the per gallon cost as determined from time to time by the Commission multiplied by 72 million gallons per year. The agreement is perpetual, but may be terminated by giving a one-year notice to the other cities.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. Joint ventures and intergovernmental agreements (continued)

B. Barney Reservoir Joint Ownership Commission

The City is a party to the Barney Reservoir Joint Ownership Commission (the Reservoir Commission) with the City of Hillsboro, City of Beaverton, the Unified Sewerage Agency, and the Tualatin Valley Water District. The Reservoir Commission is an entity organized under ORS 190. The parties have agreed to establish joint ownership of an expanded Trask Reservoir also known as the "J.W. Barney Reservoir," located on the middle fork of the north fork of the Trask River, partially in Yamhill County and partially in Washington County. The agreement requires each of the original owners of the Trask Reservoir to exchange their equity interest in the reservoir for equity in the expanded "J.W. Barney Reservoir." As a member of the Commission, the City owns a 2.5 percent interest in the reservoir. The City's investment in the Commission at June 30, 2020 is \$555,205. The Barney Reservoir Joint Ownership Commission issues a publicly available financial report which may be obtained by writing the City of Hillsboro, 123 West Main Street, Hillsboro, OR 97123.

C. Clean Water Services of Washington County

The City collects charges for treatment of the City sewage and surface water management on behalf of the Clean Water Services of Washington County (CWS) and remits all collections to CWS except for 15.1 percent of sewer service charges collected, 20 percent of connection charges collected, and 75 percent of surface water management fees collected in accordance with agreements between the City and CWS. The amount collected on behalf of and remitted to CWS during the fiscal year ending June 30, 2020 was \$5,355,893. The amount due to and payable to CWS at June 30, 2020 is \$727,330.

16. Commitments

The City has committed to purchase 1 average megawatt of energy from the Northwest Intergovernmental Energy Supply (NIES) for each of the next two years. As of June 30, 2020, the City had outstanding commitments of up to \$302,220.

17. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

17. Interfund transfers and balances

<u>Fund</u>	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
General	\$ 1,470,283	\$ 650,000
Nonmajor governmental	825,000	354,006
Light	-	1,112,980
Sewer	-	87,192
Water	-	325,384
Surface water management	-	55,682
Internal service funds	329,961	40,000
	<u>\$ 2,625,244</u>	<u>\$ 2,625,244</u>

As part of the budget process, the City plans to make interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

A loan from the Capital Projects Fund to the Urban Renewal Fund is being repaid in annual installments of interest only for three years followed by six annual payments of \$175,000, including interest, and one annual payment of \$161,754. At June 30, 2020, the balance is \$1,785,122.

18. Net position restricted through enabling legislation

Net position which is restricted through enabling legislation is as follows:

Governmental activities – capital projects

Transportation impact fees and transportation development tax are restricted for transportation infrastructure expansion	\$ 11,963,883
System development charges (SDC) are restricted for the purposes as specified in the implementing ordinances:	
Park acquisition and development	3,250,283
Trail system sponsorship is restricted for trail construction or maintenance	37,953

Governmental activities – tourism

City transient lodging tax is restricted for tourism	145,233
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Business-type activities – capital projects

System development charges (SDC) are restricted for purposes as specified in the implementing ordinances:	
Sewer system improvement and expansion	\$ 1,121,349
Water system improvement and expansion	6,695,629
Surface water management system improvement and expansion	362,425

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

19. Governmental fund balances

Fund balance amounts for governmental funds have been reported in the categories of nonspendable, restricted, committed, assigned, and unassigned. The specific purposes for these amounts are as follows:

Categories	General	Street	Urban Renewal	Transportation Development Tax	Total Nonmajor Funds	Total Governmental Funds
Nonspendable:						
Library endowment	\$ -	\$ -	\$ -	\$ -	\$ 41,186	\$ 41,186
Prepaid items	40,824	-	-	-	500	41,324
Restricted for:						
Building operations	-	-	-	-	3,278,161	3,278,161
Street services	-	1,874,981	-	-	-	1,874,981
Community enhancement	-	-	-	-	34,915	34,915
Capital projects	-	-	-	11,963,883	5,427,374	17,391,257
Tourism	-	-	-	-	144,733	144,733
Trail systems	-	-	-	-	37,953	37,953
Other purposes	-	-	-	-	23,806	23,806
Committed for:						
Street services	-	-	-	-	46,019	46,019
Capital projects	-	-	-	-	539,409	539,409
Assigned for:						
Facilities	-	-	-	-	1,861,180	1,861,180
Capital projects	-	-	-	-	2,186,458	2,186,458
Retirement contributions	900,000	-	-	-	-	900,000
Unassigned	6,408,728	-	(1,401,852)	-	-	5,006,876
Total fund balances	<u>\$ 7,349,552</u>	<u>\$ 1,874,981</u>	<u>\$ (1,401,852)</u>	<u>\$ 11,963,883</u>	<u>\$ 13,621,694</u>	<u>\$ 33,408,258</u>

20. Tax abatements

Washington County has established an Enterprise Zone under ORS 285C.050-250 that abates property taxes on new business development within the zone. As a result, the property taxes that the City received for the year ended June 30, 2020 have been reduced by \$362,000.

Washington County has established a Low Income Property Tax Exemption program under ORS 307.541 to make rental housing units affordable for income-restricted tenants. As a result, the property taxes that the City received for the year ended June 30, 2020 have been reduced by \$47,000.

Washington County has established a Vertical Housing Development Zone under ORS 307.864 as an incentive for the development of higher density mixed use residential development with ground floor non-residential uses in areas well served by transit services. As a result, the property taxes that the City received for the year ended June 30, 2020 have been reduced by \$11,480.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FOREST GROVE

**SCHEDULE OF NET PENSION LIABILITY AND
CHANGES IN NET PENSION LIABILITY
Last Ten Plan Years***

	For the Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
<u>Beginning of year</u>							
Total pension liability	\$ 79,658,890	\$ 76,490,191	\$ 69,230,919	\$ 63,076,881	\$ 57,742,433	\$ 47,195,326	\$ 42,881,808
Fiduciary net position	<u>49,168,874</u>	<u>43,821,273</u>	<u>39,971,500</u>	<u>35,434,205</u>	<u>34,146,282</u>	<u>34,577,249</u>	<u>29,632,905</u>
Net pension liability	<u>\$ 30,490,016</u>	<u>\$ 32,668,918</u>	<u>\$ 29,259,419</u>	<u>\$ 27,642,676</u>	<u>\$ 23,596,151</u>	<u>\$ 12,618,077</u>	<u>\$ 13,248,903</u>
<u>Changes in total pension liability</u>							
Service cost	\$ 1,449,943	\$ 1,427,824	\$ 1,327,792	\$ 1,265,073	\$ 1,329,863	\$ 1,171,434	\$ 1,061,458
Interest on total pension liability	4,792,428	4,606,200	4,498,271	4,274,175	3,927,162	3,445,279	3,131,813
Effect of economic/demographic losses	(494,775)	(503,546)	(844,964)	617,091	32,324	(224,525)	269,909
Effect of assumption changes or inputs	-	(65,735)	4,987,257	2,039,393	1,829,323	7,846,254	1,342,042
Benefit payments	<u>(2,470,076)</u>	<u>(2,296,044)</u>	<u>(2,709,084)</u>	<u>(2,041,694)</u>	<u>(1,784,224)</u>	<u>(1,691,335)</u>	<u>(1,491,704)</u>
Net change in total pension liability	<u>\$ 3,277,520</u>	<u>\$ 3,168,699</u>	<u>\$ 7,259,272</u>	<u>\$ 6,154,038</u>	<u>\$ 5,334,448</u>	<u>\$ 10,547,107</u>	<u>\$ 4,313,518</u>
<u>Changes in fiduciary net position</u>							
Employer contributions	\$ 4,296,765	\$ 3,878,402	\$ 3,298,676	\$ 2,776,339	\$ 2,101,422	\$ 1,386,509	\$ 1,291,829
Member contributions	-	-	-	-	-	611,460	603,325
Investment income net of expenses	1,618,118	3,840,347	3,346,917	3,917,965	1,140,618	(674,943)	4,626,488
Benefit payments	(2,470,076)	(2,296,044)	(2,709,084)	(2,041,694)	(1,784,224)	(1,691,335)	(1,491,704)
Administrative expenses	<u>(63,632)</u>	<u>(75,104)</u>	<u>(86,736)</u>	<u>(115,315)</u>	<u>(169,893)</u>	<u>(62,658)</u>	<u>(85,594)</u>
Net change in fiduciary net position	<u>\$ 3,381,175</u>	<u>\$ 5,347,601</u>	<u>\$ 3,849,773</u>	<u>\$ 4,537,295</u>	<u>\$ 1,287,923</u>	<u>\$ (430,967)</u>	<u>\$ 4,944,344</u>
<u>End of year</u>							
Total pension liability	\$ 82,936,410	\$ 79,658,890	\$ 76,490,191	\$ 69,230,919	\$ 63,076,881	\$ 57,742,433	\$ 47,195,326
Fiduciary net position	<u>52,550,049</u>	<u>49,168,874</u>	<u>43,821,273</u>	<u>39,971,500</u>	<u>35,434,205</u>	<u>34,146,282</u>	<u>34,577,249</u>
Net pension liability	<u>\$ 30,386,361</u>	<u>\$ 30,490,016</u>	<u>\$ 32,668,918</u>	<u>\$ 29,259,419</u>	<u>\$ 27,642,676</u>	<u>\$ 23,596,151</u>	<u>\$ 12,618,077</u>
Fiduciary net position as a percent of total pension liability	63.4%	61.7%	57.3%	57.7%	56.2%	59.1%	73.3%
Covered payroll	\$ 7,562,078	\$ 7,739,634	\$ 7,553,427	\$ 8,548,461	\$ 8,616,353	\$ 8,714,723	\$ 8,618,932
Net pension liability as a percent of covered payroll	401.8%	393.9%	432.5%	342.3%	320.8%	270.8%	146.4%

*Information will be accumulated until 10 years are presented.

CITY OF FOREST GROVE

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years
(Amounts in thousands)**

	June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 4,274	\$ 3,853	\$ 3,252	\$ 2,707	\$ 2,094	\$ 1,987	\$ 1,888	\$ 1,763	\$ 1,731	\$ 1,747
Actual employer contribution	4,297	3,878	3,299	2,776	2,101	1,998	1,895	1,762	1,731	1,747
Contribution deficiency (excess)	(23)	(25)	(47)	(69)	(7)	(11)	(7)	1	-	-
Covered payroll	7,562	7,740	7,553	8,548	8,616	8,715	8,619	8,559	8,570	8,607
Contribution as a percent of covered payroll	56.82%	50.10%	43.68%	32.48%	24.38%	22.93%	21.99%	20.59%	20.20%	20.30%
Valuation date	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014	7/1/2013	7/1/2012	7/1/2011	7/1/2010	7/1/2009
Assumed investment rate of return	6.00%	6.50%	6.75%	6.75%	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%

NOTES TO SCHEDULE

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal, level percentage of pay
Amortization method	Effective July 1, 2015: Closed 15-year amortization, payments increasing 2.50% per year Effective July 1, 2014: Closed 15-year amortization, payments increasing 2.75% per year Effective July 1, 2011: Closed 30-year amortization, payments increasing 2.75% per year Effective July 1, 2005: Open 25-year amortization, level percent of pay. The amortization period was decreased by one year each year until reaching 20 years, effective July 1, 2010
Asset valuation method	Market value of assets
Healthy mortality	Effective July 1, 2017: RP-2014 Sex-distinct, generational per Unisex Social Security Data Scale, with collar adjustments and set-backs Effective July 1, 2015: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs Effective July 1, 2011: Healthy Combined RP-2000 mortality projected by Scale AA to 2005 Through July 1, 2010: Healthy Combined RP-2000 mortality
Cost of living increases	2.00% per year
Salary increases	Effective July 1, 2015: 3.75% per year Effective July 1, 2011: 4.50% per year Through July 1, 2010: 5.0% per year

CITY OF FOREST GROVE

SCHEDULE OF INVESTMENT RATE OF RETURN
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Rate of Return</u>
2020	3.24%
2019	8.26%
2018	7.99%
2017	10.39%
2016	3.28%
2015	-1.96%
2014	-1.85%
2013	15.56%
2012	7.30%
2011	1.83%

CITY OF FOREST GROVE

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Plan Years***

<u>Year Ended June 30,</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2019	0.00519207%	\$ 898,105	\$ 2,145,904	41.85%	80.23%
2018	0.00234040%	354,540	1,275,279	27.80%	82.07%
2017	0.00006384%	8,607	363,955	2.36%	83.12%
2016	0.00007668%	11,512	20,240	56.88%	80.53%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF FOREST GROVE

**SCHEDULE OF PENSION CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years***

<u>Year Ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percent of covered payroll</u>
2020	\$ 216,321	\$ 216,321	\$ -	\$ 3,044,966	7.10%
2019	150,337	150,337	-	2,145,904	7.01%
2018	147,279	147,279	-	1,275,279	11.55%
2017	59,307	59,307	-	363,955	16.30%
2016	4,302	4,302	-	20,240	21.25%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF FOREST GROVE

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL
OTHER POSTEMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS
Last Ten Plan Years**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Service cost	\$ 105,672	\$ 120,349	\$ 128,201
Interest on total OPEB liability	63,651	66,273	52,872
Effect of economic/demographic gains or losses	-	(34,389)	-
Effect of assumptions changes or inputs	49,980	(286,905)	(112,965)
Benefit payments	<u>(55,133)</u>	<u>(59,126)</u>	<u>(69,377)</u>
Net change in total OPEB liability	164,170	(193,798)	(1,269)
Total OPEB liability - beginning of year	<u>1,566,350</u>	<u>1,760,148</u>	<u>1,761,417</u>
Total OPEB liability - end of year	<u><u>\$ 1,730,520</u></u>	<u><u>\$ 1,566,350</u></u>	<u><u>\$ 1,760,148</u></u>
Covered employee payroll	\$ 10,359,910	\$ 10,724,811	\$ 12,729,783
Total OPEB liability as a percentage of covered employee payroll	16.7%	14.6%	13.8%

NOTES TO SCHEDULE

Information will be accumulated until 10 years are presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**COMBINING FINANCIAL STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF FOREST GROVE

**TRANSPORTATION DEVELOPMENT TAX
CAPITAL PROJECTS FUND (A MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Other taxes	\$ 513,654	\$ 976,850	\$ 463,196
Interest	<u>120,000</u>	<u>228,107</u>	<u>108,107</u>
 TOTAL REVENUES	 <u>633,654</u>	 <u>1,204,957</u>	 <u>571,303</u>
 EXPENDITURES			
Capital outlay	<u>11,240,163</u>	<u>-</u>	<u>11,240,163</u>
 TOTAL EXPENDITURES	 <u>11,240,163</u>	 <u>-</u>	 <u>11,240,163</u>
 Net change in fund balance	 (10,606,509)	 1,204,957	 11,811,466
Fund balance at beginning of year	<u>10,606,509</u>	<u>10,731,588</u>	<u>125,079</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 11,936,545</u></u>	 <u><u>\$ 11,936,545</u></u>

CITY OF FOREST GROVE

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2020

	Special Revenue	Capital Projects	Permanent Library Endowment	Totals
ASSETS				
Cash and cash equivalents	\$ 2,599,378	\$ 6,226,712	\$ 32,612	\$ 8,858,702
Investments	1,002,556	2,401,579	12,578	3,416,713
Receivables, net	213,265	46,231	-	259,496
Due from other funds	-	1,785,122	-	1,785,122
Accrued interest receivable	4,833	9,325	49	14,207
Prepaid items	500	-	-	500
TOTAL ASSETS	\$ 3,820,532	\$ 10,468,969	\$ 45,239	\$ 14,334,740
LIABILITIES				
Accounts payable and accrued liabilities	\$ 227,964	\$ 408,317	\$ -	\$ 636,281
Payroll related liabilities	11,008	-	-	11,008
Deposits	10,395	-	-	10,395
TOTAL LIABILITIES	249,367	408,317	-	657,684
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	9,131	46,231	-	55,362
TOTAL DEFERRED INFLOWS OF RESOURCES	9,131	46,231	-	55,362
FUND BALANCES				
Nonspendable	500	-	41,186	41,686
Restricted	3,515,515	5,427,374	4,053	8,946,942
Committed	46,019	539,409	-	585,428
Assigned	-	4,047,638	-	4,047,638
TOTAL FUND BALANCES	3,562,034	10,014,421	45,239	13,621,694
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,820,532	\$ 10,468,969	\$ 45,239	\$ 14,334,740

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	Special Revenue	Capital Projects	Permanent Library Endowment	Totals
REVENUES				
Other taxes	\$ 92,078	\$ -	\$ -	\$ 92,078
Licenses and permits	1,314,635	-	-	1,314,635
Intergovernmental	552,888	391,658	-	944,546
System development charges	-	588,327	-	588,327
Interest	62,656	203,889	995	267,540
Grants	39,883	127,912	-	167,795
Charges for services	-	378,224	-	378,224
Miscellaneous	13	28,232	-	28,245
TOTAL REVENUES	<u>2,062,153</u>	<u>1,718,242</u>	<u>995</u>	<u>3,781,390</u>
EXPENDITURES				
Current				
General government	1,070,502	90,789	-	1,161,291
Highways and streets	477,142	-	-	477,142
Culture and recreation	870	-	-	870
Capital outlay	15,586	2,861,861	-	2,877,447
TOTAL EXPENDITURES	<u>1,564,100</u>	<u>2,952,650</u>	<u>-</u>	<u>4,516,750</u>
Excess (deficiency) of revenues over expenditures	<u>498,053</u>	<u>(1,234,408)</u>	<u>995</u>	<u>(735,360)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	825,000	-	825,000
Transfers out	(68,936)	(285,070)	-	(354,006)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(68,936)</u>	<u>539,930</u>	<u>-</u>	<u>470,994</u>
Net change in fund balance	429,117	(694,478)	995	(264,366)
Fund balance at beginning of year	<u>3,132,917</u>	<u>10,708,899</u>	<u>44,244</u>	<u>13,886,060</u>
Fund balance at end of year	<u>\$ 3,562,034</u>	<u>\$ 10,014,421</u>	<u>\$ 45,239</u>	<u>\$ 13,621,694</u>

CITY OF FOREST GROVE

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2020

	Building Permits	Street Tree	Forfeiture Sharing
ASSETS			
Cash and cash equivalents	\$ 2,378,601	\$ 33,217	\$ 7,511
Investments	917,402	12,812	2,897
Receivables, net	-	-	-
Accrued interest receivable	3,562	50	11
Prepaid items	-	-	-
TOTAL ASSETS	<u>\$ 3,299,565</u>	<u>\$ 46,079</u>	<u>\$ 10,419</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 10,396	\$ 60	\$ -
Payroll related liabilities	11,008	-	-
Deposits	-	-	10,395
TOTAL LIABILITIES	<u>21,404</u>	<u>60</u>	<u>10,395</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	3,278,161	-	24
Committed	-	46,019	-
TOTAL FUND BALANCES	<u>3,278,161</u>	<u>46,019</u>	<u>24</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,299,565</u>	<u>\$ 46,079</u>	<u>\$ 10,419</u>

Community Enhancement	Trail System	Transportation Services	Public Arts Donation	Assessment	Transient Lodging Tax	Totals
\$ 25,169	\$ 27,359	\$ -	\$ 14,222	\$ -	\$ 113,299	\$ 2,599,378
9,708	10,553	-	5,486	-	43,698	1,002,556
-	-	196,816	-	8,191	8,258	213,265
38	41	-	21	940	170	4,833
-	-	-	-	-	500	500
<u>\$ 34,915</u>	<u>\$ 37,953</u>	<u>\$ 196,816</u>	<u>\$ 19,729</u>	<u>\$ 9,131</u>	<u>\$ 165,925</u>	<u>\$ 3,820,532</u>
\$ -	\$ -	\$ 196,816	\$ -	\$ -	\$ 20,692	\$ 227,964
-	-	-	-	-	-	11,008
-	-	-	-	-	-	10,395
-	-	196,816	-	-	20,692	249,367
-	-	-	-	9,131	-	9,131
-	-	-	-	9,131	-	9,131
-	-	-	-	-	500	500
34,915	37,953	-	19,729	-	144,733	3,515,515
-	-	-	-	-	-	46,019
<u>34,915</u>	<u>37,953</u>	<u>-</u>	<u>19,729</u>	<u>-</u>	<u>145,233</u>	<u>3,562,034</u>
<u>\$ 34,915</u>	<u>\$ 37,953</u>	<u>\$ 196,816</u>	<u>\$ 19,729</u>	<u>\$ 9,131</u>	<u>\$ 165,925</u>	<u>\$ 3,820,532</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2020

	Building Permits	Street Tree	Forfeiture Sharing
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Licenses and permits	1,275,347	39,288	-
Intergovernmental	-	-	-
Interest	58,898	132	24
Grants	-	-	-
Miscellaneous	<u>13</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>1,334,258</u>	<u>39,420</u>	<u>24</u>
EXPENDITURES			
Current			
General government	857,628	-	-
Highways and streets	-	43,387	-
Culture and recreation	-	-	-
Capital outlay	<u>15,586</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>873,214</u>	<u>43,387</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>461,044</u>	<u>(3,967)</u>	<u>24</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(59,936)</u>	<u>(1,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(59,936)</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balance	401,108	(4,967)	24
Fund balance at beginning of year	<u>2,877,053</u>	<u>50,986</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,278,161</u>	<u>\$ 46,019</u>	<u>\$ 24</u>

Community Enhancement	Trail System	Transportation Services	Public Arts Donation	Transient Lodging Tax	Totals
\$ -	\$ -	\$ -	\$ -	\$ 92,078	\$ 92,078
-	-	-	-	-	1,314,635
119,133	-	433,755	-	-	552,888
80	87	-	45	3,390	62,656
-	36,557	-	3,326	-	39,883
-	-	-	-	-	13
<u>119,213</u>	<u>36,644</u>	<u>433,755</u>	<u>3,371</u>	<u>95,468</u>	<u>2,062,153</u>
119,043	-	-	-	93,831	1,070,502
-	-	433,755	-	-	477,142
-	-	-	870	-	870
-	-	-	-	-	15,586
<u>119,043</u>	<u>-</u>	<u>433,755</u>	<u>870</u>	<u>93,831</u>	<u>1,564,100</u>
<u>170</u>	<u>36,644</u>	<u>-</u>	<u>2,501</u>	<u>1,637</u>	<u>498,053</u>
<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,936)</u>
<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,936)</u>
(7,830)	36,644	-	2,501	1,637	429,117
<u>42,745</u>	<u>1,309</u>	<u>-</u>	<u>17,228</u>	<u>143,596</u>	<u>3,132,917</u>
<u>\$ 34,915</u>	<u>\$ 37,953</u>	<u>\$ -</u>	<u>\$ 19,729</u>	<u>\$ 145,233</u>	<u>\$ 3,562,034</u>

CITY OF FOREST GROVE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2020

	Traffic Impact	Park Acquisition and Development	Capital Projects
ASSETS			
Cash and cash equivalents	\$ 1,692,795	\$ 2,484,442	\$ 289,316
Investments	652,893	958,224	111,587
Receivables, net	-	-	-
Due from other funds	-	-	1,785,122
Accrued interest receivable	<u>2,535</u>	<u>3,721</u>	<u>433</u>
TOTAL ASSETS	<u><u>\$ 2,348,223</u></u>	<u><u>\$ 3,446,387</u></u>	<u><u>\$ 2,186,458</u></u>
LIABILITIES			
Accounts payable and accrued liabilities	<u>\$ 195,449</u>	<u>\$ 196,104</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>195,449</u>	<u>196,104</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	2,152,774	3,250,283	-
Committed	-	-	-
Assigned	<u>-</u>	<u>-</u>	<u>2,186,458</u>
TOTAL FUND BALANCES	<u>2,152,774</u>	<u>3,250,283</u>	<u>2,186,458</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 2,348,223</u></u>	<u><u>\$ 3,446,387</u></u>	<u><u>\$ 2,186,458</u></u>

Fire Equipment Replacement	Bike and Pedestrian Pathways	CIP	Excise	Facility Major Maintenance	Totals
\$ 187,332	\$ 17,530	\$ 213,604	\$ 1,341,693	\$ 6,226,712	
72,252	6,761	82,384	517,478	2,401,579	
-	-	46,231	-	46,231	
-	-	-	-	1,785,122	
281	26	320	2,009	9,325	
<u>\$ 259,865</u>	<u>\$ 24,317</u>	<u>\$ 342,539</u>	<u>\$ 1,861,180</u>	<u>\$ 10,468,969</u>	
\$ 14,174	\$ -	\$ 2,590	\$ -	\$ 408,317	
14,174	-	2,590	-	408,317	
-	-	46,231	-	46,231	
-	-	46,231	-	46,231	
-	24,317	-	-	5,427,374	
245,691	-	293,718	-	539,409	
-	-	-	1,861,180	4,047,638	
245,691	24,317	293,718	1,861,180	10,014,421	
<u>\$ 259,865</u>	<u>\$ 24,317</u>	<u>\$ 342,539</u>	<u>\$ 1,861,180</u>	<u>\$ 10,468,969</u>	

CITY OF FOREST GROVE

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2020**

	Traffic Impact	Park Acquisition and Development	Capital Projects
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
System development charges	-	588,327	-
Interest	46,716	73,141	46,779
Grants	-	-	-
Charges for services	-	-	-
Miscellaneous	-	-	28,232
	<u>46,716</u>	<u>661,468</u>	<u>75,011</u>
TOTAL REVENUES	<u>46,716</u>	<u>661,468</u>	<u>75,011</u>
EXPENDITURES			
Current			
General government	-	-	90,789
Capital outlay	686,145	712,618	249,751
	<u>686,145</u>	<u>712,618</u>	<u>340,540</u>
TOTAL EXPENDITURES	<u>686,145</u>	<u>712,618</u>	<u>340,540</u>
Excess (deficiency) of revenues over expenditures	<u>(639,429)</u>	<u>(51,150)</u>	<u>(265,529)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(639,429)	(51,150)	(265,529)
Fund balance at beginning of year	2,792,203	3,301,433	2,451,987
	<u>2,792,203</u>	<u>3,301,433</u>	<u>2,451,987</u>
Fund balance at end of year	<u>\$ 2,152,774</u>	<u>\$ 3,250,283</u>	<u>\$ 2,186,458</u>

Fire Equipment Replacement	Bike and Pedestrian Pathways	CIP Excise	Facility Major Maintenance	Totals
\$ 374,217	\$ 17,441	\$ -	\$ -	\$ 391,658
-	-	-	-	588,327
2,325	55	1,424	33,449	203,889
127,912	-	-	-	127,912
-	-	378,224	-	378,224
-	-	-	-	28,232
<u>504,454</u>	<u>17,496</u>	<u>379,648</u>	<u>33,449</u>	<u>1,718,242</u>
-	-	-	-	90,789
<u>847,998</u>	<u>-</u>	<u>74,860</u>	<u>290,489</u>	<u>2,861,861</u>
<u>847,998</u>	<u>-</u>	<u>74,860</u>	<u>290,489</u>	<u>2,952,650</u>
<u>(343,544)</u>	<u>17,496</u>	<u>304,788</u>	<u>(257,040)</u>	<u>(1,234,408)</u>
175,000	-	-	650,000	825,000
-	-	(285,070)	-	(285,070)
<u>175,000</u>	<u>-</u>	<u>(285,070)</u>	<u>650,000</u>	<u>539,930</u>
(168,544)	17,496	19,718	392,960	(694,478)
<u>414,235</u>	<u>6,821</u>	<u>274,000</u>	<u>1,468,220</u>	<u>10,708,899</u>
<u>\$ 245,691</u>	<u>\$ 24,317</u>	<u>\$ 293,718</u>	<u>\$ 1,861,180</u>	<u>\$ 10,014,421</u>

CITY OF FOREST GROVE

**BUILDING PERMITS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 1,130,739	\$ 1,275,347	\$ 144,608
Interest	25,000	51,358	26,358
Miscellaneous	<u>-</u>	<u>13</u>	<u>13</u>
TOTAL REVENUES	<u>1,155,739</u>	<u>1,326,718</u>	<u>170,979</u>
EXPENDITURES			
Building permit services	970,586	873,214	97,372
Contingency	<u>117,000</u>	<u>-</u>	<u>117,000</u>
TOTAL EXPENDITURES	<u>1,087,586</u>	<u>873,214</u>	<u>214,372</u>
Excess (deficiency) of revenues over expenditures	<u>68,153</u>	<u>453,504</u>	<u>385,351</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(59,936)</u>	<u>(59,936)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(59,936)</u>	<u>(59,936)</u>	<u>-</u>
Net change in fund balance	8,217	393,568	385,351
Fund balance at beginning of year	<u>2,653,850</u>	<u>2,877,053</u>	<u>223,203</u>
Fund balance at end of year	<u><u>\$ 2,662,067</u></u>	<u><u>\$ 3,270,621</u></u>	<u><u>\$ 608,554</u></u>

CITY OF FOREST GROVE

**STREET TREE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 26,550	\$ 39,288	\$ 12,738
Interest	<u>50</u>	<u>26</u>	<u>(24)</u>
TOTAL REVENUES	<u>26,600</u>	<u>39,314</u>	<u>12,714</u>
EXPENDITURES			
Materials and services	<u>78,395</u>	<u>43,387</u>	<u>35,008</u>
TOTAL EXPENDITURES	<u>78,395</u>	<u>43,387</u>	<u>35,008</u>
Excess (deficiency) of revenues over expenditures	<u>(51,795)</u>	<u>(4,073)</u>	<u>47,722</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balance	(52,795)	(5,073)	47,722
Fund balance at beginning of year	<u>52,795</u>	<u>50,986</u>	<u>(1,809)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 45,913</u>	<u>\$ 45,913</u>

CITY OF FOREST GROVE

**FORFEITURE SHARING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Materials and services	<u>\$ 4,733</u>	<u>\$ -</u>	<u>\$ 4,733</u>
 TOTAL EXPENDITURES	 <u>4,733</u>	 <u>-</u>	 <u>4,733</u>
 Net change in fund balance	 (4,733)	 -	 4,733
Fund balance at beginning of year	<u>4,733</u>	<u>-</u>	<u>(4,733)</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

CITY OF FOREST GROVE

**COMMUNITY ENHANCEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 113,000	\$ 119,133	\$ 6,133
TOTAL REVENUES	<u>113,000</u>	<u>119,133</u>	<u>6,133</u>
EXPENDITURES			
Materials and services	<u>129,000</u>	<u>119,043</u>	<u>9,957</u>
TOTAL EXPENDITURES	<u>129,000</u>	<u>119,043</u>	<u>9,957</u>
Excess (deficiency) of revenues over expenditures	<u>(16,000)</u>	<u>90</u>	<u>16,090</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
Net change in fund balance	(24,000)	(7,910)	16,090
Fund balance at beginning of year	<u>42,454</u>	<u>42,745</u>	<u>291</u>
Fund balance at end of year	<u><u>\$ 18,454</u></u>	<u><u>\$ 34,835</u></u>	<u><u>\$ 16,381</u></u>

CITY OF FOREST GROVE

**TRAIL SYSTEM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	<u>\$ 1,309</u>	<u>\$ 36,557</u>	<u>\$ 35,248</u>
 TOTAL REVENUES	 <u> 1,309</u>	 <u> 36,557</u>	 <u> 35,248</u>
 EXPENDITURES			
Materials and services	<u> 1,309</u>	<u> -</u>	<u> 1,309</u>
 TOTAL EXPENDITURES	 <u> 1,309</u>	 <u> -</u>	 <u> 1,309</u>
 Net change in fund balance	 -	 36,557	 36,557
Fund balance at beginning of year	<u> -</u>	<u> 1,309</u>	<u> 1,309</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 37,866</u>	 <u>\$ 37,866</u>

CITY OF FOREST GROVE

**TRANSPORTATION SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	<u>\$ 550,000</u>	<u>\$ 433,755</u>	<u>\$ (116,245)</u>
TOTAL REVENUES	<u>550,000</u>	<u>433,755</u>	<u>(116,245)</u>
EXPENDITURES			
Materials and services	<u>550,000</u>	<u>433,755</u>	<u>116,245</u>
TOTAL EXPENDITURES	<u>550,000</u>	<u>433,755</u>	<u>116,245</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF FOREST GROVE

**PUBLIC ARTS DONATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	\$ 3,750	\$ 3,326	\$ (424)
Interest	<u>25</u>	<u>-</u>	<u>(25)</u>
 TOTAL REVENUES	 <u>3,775</u>	 <u>3,326</u>	 <u>(449)</u>
 EXPENDITURES			
Materials and services	<u>19,899</u>	<u>870</u>	<u>19,029</u>
 TOTAL EXPENDITURES	 <u>19,899</u>	 <u>870</u>	 <u>19,029</u>
 Net change in fund balance	(16,124)	2,456	18,580
Fund balance at beginning of year	<u>16,124</u>	<u>17,228</u>	<u>1,104</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 19,684</u></u>	 <u><u>\$ 19,684</u></u>

CITY OF FOREST GROVE

**TRANSIENT LODGING TAX - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Transient lodging tax	\$ 116,000	\$ 92,078	\$ (23,922)
Interest	<u>2,800</u>	<u>3,031</u>	<u>231</u>
 TOTAL REVENUES	 <u>118,800</u>	 <u>95,109</u>	 <u>(23,691)</u>
 EXPENDITURES			
Materials and services	159,000	93,831	65,169
Capital outlay	<u>74,700</u>	<u>-</u>	<u>74,700</u>
 TOTAL EXPENDITURES	 <u>233,700</u>	 <u>93,831</u>	 <u>139,869</u>
 Net change in fund balance	 (114,900)	 1,278	 116,178
Fund balance at beginning of year	<u>142,912</u>	<u>143,596</u>	<u>684</u>
 Fund balance at end of year	 <u>\$ 28,012</u>	 <u>\$ 144,874</u>	 <u>\$ 116,862</u>

CITY OF FOREST GROVE

**TRAFFIC IMPACT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ 71,000</u>	<u>\$ 41,350</u>	<u>\$ (29,650)</u>
TOTAL REVENUES	<u>71,000</u>	<u>41,350</u>	<u>(29,650)</u>
EXPENDITURES			
Capital outlay	<u>2,627,356</u>	<u>686,145</u>	<u>1,941,211</u>
TOTAL EXPENDITURES	<u>2,627,356</u>	<u>686,145</u>	<u>1,941,211</u>
Net change in fund balance	(2,556,356)	(644,795)	1,911,561
Fund balance at beginning of year	<u>2,556,356</u>	<u>2,792,203</u>	<u>235,847</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,147,408</u>	<u>\$ 2,147,408</u>

CITY OF FOREST GROVE

PARK ACQUISITION AND DEVELOPMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System development charges	\$ 307,848	\$ 588,327	\$ 280,479
Interest	<u>30,000</u>	<u>65,265</u>	<u>35,265</u>
 TOTAL REVENUES	 <u>337,848</u>	 <u>653,592</u>	 <u>315,744</u>
 EXPENDITURES			
Park system construction	<u>3,550,844</u>	<u>712,618</u>	<u>2,838,226</u>
 TOTAL EXPENDITURES	 <u>3,550,844</u>	 <u>712,618</u>	 <u>2,838,226</u>
 Net change in fund balance	 (3,212,996)	 (59,026)	 3,153,970
Fund balance at beginning of year	<u>3,212,996</u>	<u>3,301,433</u>	<u>88,437</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 3,242,407</u>	 <u>\$ 3,242,407</u>

CITY OF FOREST GROVE

**CAPITAL PROJECTS - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 238,636	\$ -	\$ (238,636)
Interest	51,000	45,862	(5,138)
Grants	2,743,364	-	(2,743,364)
Miscellaneous	<u>294,421</u>	<u>305,671</u>	<u>11,250</u>
 TOTAL REVENUES	 <u>3,327,421</u>	 <u>351,533</u>	 <u>(2,975,888)</u>
 EXPENDITURES			
Capital outlay	<u>3,668,481</u>	<u>340,540</u>	<u>3,327,941</u>
 TOTAL EXPENDITURES	 <u>3,668,481</u>	 <u>340,540</u>	 <u>3,327,941</u>
 Excess (deficiency) of revenues over expenditures	 <u>(341,060)</u>	 <u>10,993</u>	 <u>352,053</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	<u>17,000</u>	<u>-</u>	<u>(17,000)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>17,000</u>	 <u>-</u>	 <u>(17,000)</u>
 Net change in fund balance	 (324,060)	 10,993	 335,053
Fund balance at beginning of year	<u>324,060</u>	<u>389,426</u>	<u>65,366</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 400,419</u></u>	 <u><u>\$ 400,419</u></u>

CITY OF FOREST GROVE

**FIRE EQUIPMENT REPLACEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	\$ 130,000	\$ 127,912	\$ (2,088)
Intergovernmental	360,000	374,217	14,217
Interest	<u>1,200</u>	<u>1,731</u>	<u>531</u>
 TOTAL REVENUES	 <u>491,200</u>	 <u>503,860</u>	 <u>12,660</u>
 EXPENDITURES			
Capital outlay	865,000	847,998	17,002
Contingency	<u>40,000</u>	<u>-</u>	<u>40,000</u>
 TOTAL EXPENDITURES	 <u>905,000</u>	 <u>847,998</u>	 <u>57,002</u>
 Excess (deficiency) of revenues over expenditures	 <u>(413,800)</u>	 <u>(344,138)</u>	 <u>69,662</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	<u>175,000</u>	<u>175,000</u>	<u>-</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>175,000</u>	 <u>175,000</u>	 <u>-</u>
 Net change in fund balance	 (238,800)	 (169,138)	 69,662
Fund balance at beginning of year	<u>498,714</u>	<u>414,235</u>	<u>(84,479)</u>
 Fund balance at end of year	 <u><u>\$ 259,914</u></u>	 <u><u>\$ 245,097</u></u>	 <u><u>\$ (14,817)</u></u>

CITY OF FOREST GROVE

BIKE AND PEDESTRIAN PATHWAYS - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	<u>\$ 17,264</u>	<u>\$ 17,441</u>	<u>\$ 177</u>
TOTAL REVENUES	<u>17,264</u>	<u>17,441</u>	<u>177</u>
EXPENDITURES			
Capital outlay	<u>18,162</u>	<u>-</u>	<u>18,162</u>
TOTAL EXPENDITURES	<u>18,162</u>	<u>-</u>	<u>18,162</u>
Net change in fund balance	(898)	17,441	18,339
Fund balance at beginning of year	<u>898</u>	<u>6,821</u>	<u>5,923</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 24,262</u></u>	<u><u>\$ 24,262</u></u>

CITY OF FOREST GROVE

**CIP EXCISE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 600	\$ 747	\$ 147
Charges for services	<u>357,000</u>	<u>378,224</u>	<u>21,224</u>
TOTAL REVENUES	<u>357,600</u>	<u>378,971</u>	<u>21,371</u>
EXPENDITURES			
Capital outlay	<u>236,668</u>	<u>74,860</u>	<u>161,808</u>
TOTAL EXPENDITURES	<u>236,668</u>	<u>74,860</u>	<u>161,808</u>
Excess of revenues over expenditures	<u>120,932</u>	<u>304,111</u>	<u>183,179</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(302,070)</u>	<u>(285,070)</u>	<u>17,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(302,070)</u>	<u>(285,070)</u>	<u>17,000</u>
Net change in fund balance	(181,138)	19,041	200,179
Fund balance at beginning of year	<u>181,138</u>	<u>274,000</u>	<u>92,862</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 293,041</u>	<u>\$ 293,041</u>

CITY OF FOREST GROVE

**FACILITY MAJOR MAINTENANCE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 15,000	\$ 29,196	\$ 14,196
TOTAL REVENUES	<u>15,000</u>	<u>29,196</u>	<u>14,196</u>
EXPENDITURES			
Capital outlay	<u>1,003,845</u>	<u>290,489</u>	<u>713,356</u>
TOTAL EXPENDITURES	<u>1,003,845</u>	<u>290,489</u>	<u>713,356</u>
Excess (deficiency) of revenues over expenditures	<u>(988,845)</u>	<u>(261,293)</u>	<u>727,552</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>650,000</u>	<u>650,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>650,000</u>	<u>650,000</u>	<u>-</u>
Net change in fund balance	(338,845)	388,707	727,552
Fund balance at beginning of year	<u>1,488,845</u>	<u>1,468,220</u>	<u>(20,625)</u>
Fund balance at end of year	<u>\$ 1,150,000</u>	<u>\$ 1,856,927</u>	<u>\$ 706,927</u>

CITY OF FOREST GROVE

**LIBRARY ENDOWMENT - PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ 950</u>	<u>\$ 891</u>	<u>\$ (59)</u>
TOTAL REVENUES	<u>950</u>	<u>891</u>	<u>(59)</u>
EXPENDITURES			
Materials and services	<u>4,008</u>	<u>-</u>	<u>4,008</u>
TOTAL EXPENDITURES	<u>4,008</u>	<u>-</u>	<u>4,008</u>
Net change in fund balance	(3,058)	891	3,949
Fund balance at beginning of year	<u>44,245</u>	<u>44,244</u>	<u>(1)</u>
Fund balance at end of year	<u><u>\$ 41,187</u></u>	<u><u>\$ 45,135</u></u>	<u><u>\$ 3,948</u></u>

CITY OF FOREST GROVE

**LIGHT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 19,489,515	\$ 20,388,864	\$ 899,349
Conservation incentive	255,435	206,365	(49,070)
Licenses and permits	35,000	-	(35,000)
Sale of materials	25,000	16,958	(8,042)
Interest	30,000	44,265	14,265
Miscellaneous	<u>-</u>	<u>2,276</u>	<u>2,276</u>
 TOTAL REVENUES	 <u>19,834,950</u>	 <u>20,658,728</u>	 <u>823,778</u>
 EXPENDITURES			
Electric services	20,063,068	19,059,950	1,003,118
Debt service	305,313	305,313	-
Contingency	<u>450,000</u>	<u>-</u>	<u>450,000</u>
 TOTAL EXPENDITURES	 <u>20,818,381</u>	 <u>19,365,263</u>	 <u>1,453,118</u>
 Excess (deficiency) of revenues over expenditures	 <u>(983,431)</u>	 <u>1,293,465</u>	 <u>2,276,896</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,115,465)</u>	<u>(1,112,980)</u>	<u>2,485</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(1,115,465)</u>	 <u>(1,112,980)</u>	 <u>2,485</u>
 Net change in fund balance	 (2,098,896)	 180,485	 2,279,381
Fund balance at beginning of year	<u>4,742,384</u>	<u>5,482,924</u>	<u>740,540</u>
 Fund balance at end of year	 <u>\$ 2,643,488</u>	 <u>\$ 5,663,409</u>	 <u>\$ 3,019,921</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF NET POSITION
SEWER FUND
June 30, 2020**

	Sewer	Sewer System Development Charges	Total Sewer Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,844,601	\$ 845,810	\$ 3,690,411
Investments	1,097,133	326,220	1,423,353
Receivables, net	609,585	938	610,523
Inventory	11,635	-	11,635
Accrued interest receivable	4,260	1,267	5,527
Total current assets	<u>4,567,214</u>	<u>1,174,235</u>	<u>5,741,449</u>
Capital assets and intangibles			
Land and construction in progress	81,022	-	81,022
Other capital assets and intangibles, net	9,055,121	-	9,055,121
Total capital assets and intangibles	<u>9,136,143</u>	<u>-</u>	<u>9,136,143</u>
TOTAL ASSETS	<u>13,703,357</u>	<u>1,174,235</u>	<u>14,877,592</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	8,251	-	8,251
Other postemployment benefit related items	1,755	-	1,755
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>10,006</u>	<u>-</u>	<u>10,006</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	627,454	52,886	680,340
Payroll related liabilities	2,926	-	2,926
Total current liabilities	<u>630,380</u>	<u>52,886</u>	<u>683,266</u>
Long-term obligations			
Other postemployment benefit liability	24,845	-	24,845
Net pension liability	553,008	-	553,008
Total long-term obligations	<u>577,853</u>	<u>-</u>	<u>577,853</u>
TOTAL LIABILITIES	<u>1,208,233</u>	<u>52,886</u>	<u>1,261,119</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	14,352	-	14,352
Other postemployment benefit related items	4,602	-	4,602
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>18,954</u>	<u>-</u>	<u>18,954</u>
NET POSITION			
Net investment in capital assets	9,136,143	-	9,136,143
Restricted for capital projects	-	1,121,349	1,121,349
Unrestricted	3,350,033	-	3,350,033
TOTAL NET POSITION	<u>\$ 12,486,176</u>	<u>\$ 1,121,349</u>	<u>\$ 13,607,525</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
SEWER FUND**

For the Year Ended June 30, 2020

	Sewer	Sewer System Development Charges	Total Sewer Fund
OPERATING REVENUES			
Charges for services	\$ 1,613,925	\$ -	\$ 1,613,925
Licenses, permits, and fees	2,976	772	3,748
TOTAL OPERATING REVENUES	<u>1,616,901</u>	<u>772</u>	<u>1,617,673</u>
OPERATING EXPENSES			
System operation and maintenance	106,885	-	106,885
General fund administration charges	728,938	-	728,938
General and administrative costs	25,269	-	25,269
Depreciation and amortization	278,438	-	278,438
TOTAL OPERATING EXPENSES	<u>1,139,530</u>	<u>-</u>	<u>1,139,530</u>
OPERATING INCOME (LOSS)	<u>477,371</u>	<u>772</u>	<u>478,143</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earned	67,011	16,527	83,538
Miscellaneous	436	-	436
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>67,447</u>	<u>16,527</u>	<u>83,974</u>
Income (loss) before capital contributions and transfers	544,818	17,299	562,117
Capital contributions	-	137,047	137,047
Transfers out	(87,192)	-	(87,192)
Change in net position	457,626	154,346	611,972
Net position at beginning of year	12,028,550	967,003	12,995,553
Net position at end of year	<u>\$ 12,486,176</u>	<u>\$ 1,121,349</u>	<u>\$ 13,607,525</u>

CITY OF FOREST GROVE
COMBINING STATEMENT OF CASH FLOWS
SEWER FUND
For the Year Ended June 30, 2020

	Sewer	Sewer System Development Charges	Total Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,695,953	\$ 12,686	\$ 1,708,639
Cash paid to employees	(316,622)	-	(316,622)
Cash paid to suppliers	(621,286)	-	(621,286)
Net cash provided by (used in) operating activities	758,045	12,686	770,731
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	(87,192)	-	(87,192)
Net cash provided by (used in) non-capital financing activities	(87,192)	-	(87,192)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	-	137,047	137,047
Other	436	-	436
Acquisition of capital assets	(611,662)	-	(611,662)
Net cash provided by (used in) capital and related financing activities	(611,226)	137,047	(474,179)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	62,751	15,260	78,011
Purchases of investments	(530,842)	(176,908)	(707,750)
Net cash provided by (used in) investing activities	(468,091)	(161,648)	(629,739)
Net increase (decrease) in cash and cash equivalents	(408,464)	(11,915)	(420,379)
Cash and cash equivalents at beginning of year	3,253,065	857,725	4,110,790
Cash and cash equivalent at end of year	\$ 2,844,601	\$ 845,810	\$ 3,690,411
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 477,371	\$ 772	\$ 478,143
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	278,438	-	278,438
Decrease (increase) in assets and deferred outflows			
Receivables, net	37,235	96	37,331
Inventory	(485)	-	(485)
Pension related items	44,164	-	44,164
Other postemployment benefit items	(918)	-	(918)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable and accrued liabilities	2,155	-	2,155
Payroll related liabilities	(1,804)	-	(1,804)
Due to Clean Water Services	41,817	11,818	53,635
Net pension liability	(83,019)	-	(83,019)
Other postemployment benefit liability	1,062	-	1,062
Pension related items	(36,941)	-	(36,941)
Other postemployment benefit items	(1,030)	-	(1,030)
Net cash provided by (used in) operating activities	\$ 758,045	\$ 12,686	\$ 770,731

CITY OF FOREST GROVE

**SEWER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 1,558,463	\$ 1,610,737	\$ 52,274
Interest	70,000	57,994	(12,006)
Licenses and permits	10,000	6,164	(3,836)
Miscellaneous	<u>-</u>	<u>436</u>	<u>436</u>
TOTAL REVENUES	<u>1,638,463</u>	<u>1,675,331</u>	<u>36,868</u>
EXPENDITURES			
Sewer services	1,726,929	1,549,921	177,008
Contingency	<u>750,000</u>	<u>-</u>	<u>750,000</u>
TOTAL EXPENDITURES	<u>2,476,929</u>	<u>1,549,921</u>	<u>927,008</u>
Excess (deficiency) of revenues over expenditures	<u>(838,466)</u>	<u>125,410</u>	<u>963,876</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(87,192)</u>	<u>(87,192)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(87,192)</u>	<u>(87,192)</u>	<u>-</u>
Net change in fund balance	(925,658)	38,218	963,876
Fund balance at beginning of year	<u>3,836,874</u>	<u>3,877,964</u>	<u>41,090</u>
Fund balance at end of year	<u>\$ 2,911,216</u>	<u>\$ 3,916,182</u>	<u>\$ 1,004,966</u>

CITY OF FOREST GROVE

**SEWER SYSTEM DEVELOPMENT CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fees and fines	\$ -	\$ 772	\$ 772
System development charges	68,440	137,047	68,607
Interest	<u>13,000</u>	<u>13,846</u>	<u>846</u>
 TOTAL REVENUES	 <u>81,440</u>	 <u>151,665</u>	 <u>70,225</u>
 EXPENDITURES			
Sewer infrastructure construction	70,000	-	70,000
Debt service	111,222	-	111,222
Contingency	<u>100,000</u>	<u>-</u>	<u>100,000</u>
 TOTAL EXPENDITURES	 <u>281,222</u>	 <u>-</u>	 <u>281,222</u>
 Net change in fund balance	 (199,782)	 151,665	 351,447
Fund balance at beginning of year	<u>949,817</u>	<u>967,003</u>	<u>17,186</u>
 Fund balance at end of year	 <u>\$ 750,035</u>	 <u>\$ 1,118,668</u>	 <u>\$ 368,633</u>

CITY OF FOREST GROVE

COMBINING STATEMENT OF NET POSITION
WATER FUND
June 30, 2020

	Water	Water System Development Charges	Total Water Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 9,017,295	\$ 4,932,286	\$ 13,949,581
Investments	3,477,876	1,902,331	5,380,207
Receivables, net	499,125	-	499,125
Inventory	172,746	-	172,746
Accrued interest receivable	13,504	7,387	20,891
Total current assets	<u>13,180,546</u>	<u>6,842,004</u>	<u>20,022,550</u>
Investment in joint ventures	<u>6,768,253</u>	<u>-</u>	<u>6,768,253</u>
Capital assets and intangibles			
Land and construction in progress	733,725	-	733,725
Other capital assets and intangibles, net	<u>10,486,954</u>	<u>-</u>	<u>10,486,954</u>
Total capital assets and intangibles	<u>11,220,679</u>	<u>-</u>	<u>11,220,679</u>
TOTAL ASSETS	<u>31,169,478</u>	<u>6,842,004</u>	<u>38,011,482</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	22,381	-	22,381
Other postemployment benefit related items	7,184	-	7,184
Excess of reacquisition price over carrying amount of refunded long-term obligations	<u>14,414</u>	<u>-</u>	<u>14,414</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>43,979</u>	<u>-</u>	<u>43,979</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	398,995	146,375	545,370
Payroll related liabilities	15,047	-	15,047
Accrued interest payable	6,940	-	6,940
Current portion of long-term obligations	<u>563,204</u>	<u>-</u>	<u>563,204</u>
Total current liabilities	<u>984,186</u>	<u>146,375</u>	<u>1,130,561</u>
Long-term obligations			
Bonds and loans	1,539,734	-	1,539,734
Other postemployment benefit liability	101,678	-	101,678
Net pension liability	<u>1,499,990</u>	<u>-</u>	<u>1,499,990</u>
Total long-term obligations	<u>3,141,402</u>	<u>-</u>	<u>3,141,402</u>
TOTAL LIABILITIES	<u>4,125,588</u>	<u>146,375</u>	<u>4,271,963</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	38,928	-	38,928
Other postemployment benefit related items	<u>18,837</u>	<u>-</u>	<u>18,837</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>57,765</u>	<u>-</u>	<u>57,765</u>
NET POSITION			
Net investment in capital assets	9,300,808	-	9,300,808
Restricted for capital projects	-	6,695,629	6,695,629
Unrestricted	<u>17,729,296</u>	<u>-</u>	<u>17,729,296</u>
TOTAL NET POSITION	<u>\$ 27,030,104</u>	<u>\$ 6,695,629</u>	<u>\$ 33,725,733</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
WATER FUND**

For the Year Ended June 30, 2020

	Water	Water System Development Charges	Eliminating	Total Water Fund
OPERATING REVENUES				
Charges for services	\$ 4,899,218	\$ -	\$ -	\$ 4,899,218
Licenses, permits, and fees	8,907	-	-	8,907
TOTAL OPERATING REVENUES	4,908,125	-	-	4,908,125
OPERATING EXPENSES				
System operation and maintenance	1,664,145	125,611	-	1,789,756
General fund administration charges	1,284,619	-	-	1,284,619
General and administrative costs	517,662	-	-	517,662
Depreciation and amortization	431,635	-	-	431,635
TOTAL OPERATING EXPENSES	3,898,061	125,611	-	4,023,672
OPERATING INCOME (LOSS)	1,010,064	(125,611)	-	884,453
NONOPERATING REVENUES (EXPENSES)				
Interest earned	245,856	157,715	-	403,571
Interest	(73,622)	-	-	(73,622)
Rents	36,050	-	-	36,050
Miscellaneous	1,527,677	-	-	1,527,677
(Loss) on investment in joint ventures	(323,702)	-	-	(323,702)
TOTAL NONOPERATING REVENUES (EXPENSES)	1,412,259	157,715	-	1,569,974
Income (loss) before capital contributions and transfers	2,422,323	32,104	-	2,454,427
Capital contributions	-	714,158	-	714,158
Transfers in	335,827	-	(335,827)	-
Transfers out	(323,984)	(337,227)	335,827	(325,384)
Change in net position	2,434,166	409,035	-	2,843,201
Net position at beginning of year	24,595,938	6,286,594	-	30,882,532
Net position at end of year	<u>\$ 27,030,104</u>	<u>\$ 6,695,629</u>	<u>\$ -</u>	<u>\$ 33,725,733</u>

CITY OF FOREST GROVE
COMBINING STATEMENT OF CASH FLOWS
WATER FUND
For the Year Ended June 30, 2020

	Water	Water System Development Charges	Eliminating	Total Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 5,051,215	\$ -	\$ -	\$ 5,051,215
Cash paid to employees	(1,176,940)	-	-	(1,176,940)
Cash paid to suppliers	(2,122,492)	(215,653)	-	(2,338,145)
Net cash provided by (used in) operating activities	1,751,783	(215,653)	-	1,536,130
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out	(323,984)	(1,400)	-	(325,384)
Net cash provided by (used in) non-capital financing activities	(323,984)	(1,400)	-	(325,384)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	714,158	-	714,158
Rent	36,050	-	-	36,050
Other	1,527,677	-	-	1,527,677
Acquisition of capital assets	(783,111)	-	-	(783,111)
Principal paid on long-term obligations	(365,564)	-	-	(365,564)
Interest paid on long-term obligations	(69,360)	-	-	(69,360)
Net cash provided by (used in) capital and related financing activities	345,692	714,158	-	1,059,850
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	232,352	150,328	-	382,680
Investments in joint ventures	-	(335,827)	-	(335,827)
Purchases of investments	(1,922,636)	(935,172)	-	(2,857,808)
Net cash provided by (used in) investing activities	(1,690,284)	(1,120,671)	-	(2,810,955)
Net increase (decrease) in cash and cash equivalents	83,207	(623,566)	-	(540,359)
Cash and cash equivalents at beginning of year	8,934,088	5,555,852	-	14,489,940
Cash and cash equivalent at end of year	\$ 9,017,295	\$ 4,932,286	\$ -	\$ 13,949,581
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 1,010,064	\$ (125,611)	\$ -	\$ 884,453
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	431,635	-	-	431,635
Decrease (increase) in assets and deferred outflows				
Receivables, net	143,090	-	-	143,090
Inventory	(2,826)	-	-	(2,826)
Pension related items	104,324	-	-	104,324
Other postemployment benefit items	(3,991)	-	-	(3,991)
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued liabilities	197,689	(90,042)	-	107,647
Payroll related liabilities	(7,956)	-	-	(7,956)
Compensated absences payable	(5,996)	-	-	(5,996)
Net pension liability	(37,515)	-	-	(37,515)
Other postemployment benefit liability	10,974	-	-	10,974
Pension related items	(85,066)	-	-	(85,066)
Other postemployment benefit items	(2,643)	-	-	(2,643)
Net cash provided by (used in) operating activities	\$ 1,751,783	\$ (215,653)	\$ -	\$ 1,536,130
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS				
Transfers in	\$ 335,827	\$ -	\$ (335,827)	\$ -
Transfers out	-	(335,827)	335,827	-
Total noncash transactions	\$ 335,827	\$ (335,827)	\$ -	\$ -

CITY OF FOREST GROVE

**WATER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 5,000	\$ 8,907	\$ 3,907
Charges for services	5,000,881	4,899,218	(101,663)
Sales of materials	1,000,000	1,527,677	527,677
Rents	36,050	36,050	-
Interest	<u>200,000</u>	<u>217,273</u>	<u>17,273</u>
 TOTAL REVENUES	 <u>6,241,931</u>	 <u>6,689,125</u>	 <u>447,194</u>
 EXPENDITURES			
Water services	4,793,586	4,272,276	521,310
Debt service	434,925	434,924	1
Contingency	<u>1,303,250</u>	<u>-</u>	<u>1,303,250</u>
 TOTAL EXPENDITURES	 <u>6,531,761</u>	 <u>4,707,200</u>	 <u>1,824,561</u>
 Excess (deficiency) of revenues over expenditures	 <u>(289,830)</u>	 <u>1,981,925</u>	 <u>2,271,755</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(332,230)</u>	<u>(323,984)</u>	<u>8,246</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(332,230)</u>	 <u>(323,984)</u>	 <u>8,246</u>
 Net change in fund balance	 (622,060)	 1,657,941	 2,280,001
Fund balance at beginning of year	<u>10,592,500</u>	<u>10,907,234</u>	<u>314,734</u>
 Fund balance at end of year	 <u>\$ 9,970,440</u>	 <u>\$ 12,565,175</u>	 <u>\$ 2,594,735</u>

CITY OF FOREST GROVE

**WATER SYSTEM DEVELOPMENT CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS)- BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System development charges	\$ 395,595	\$ 714,158	\$ 318,563
Interest	<u>75,000</u>	<u>142,080</u>	<u>67,080</u>
TOTAL REVENUES	<u>470,595</u>	<u>856,238</u>	<u>385,643</u>
EXPENDITURES			
Water infrastructure construction	813,000	461,438	351,562
Contingency	<u>150,000</u>	<u>-</u>	<u>150,000</u>
TOTAL EXPENDITURES	<u>963,000</u>	<u>461,438</u>	<u>501,562</u>
Excess (deficiency) of revenues over expenditures	<u>(492,405)</u>	<u>394,800</u>	<u>887,205</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,400)</u>	<u>(1,400)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,400)</u>	<u>(1,400)</u>	<u>-</u>
Net change in fund balance	(493,805)	393,400	887,205
Fund balance at beginning of year	<u>6,429,448</u>	<u>6,286,594</u>	<u>(142,854)</u>
Fund balance at end of year	<u>\$ 5,935,643</u>	<u>\$ 6,679,994</u>	<u>\$ 744,351</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF NET POSITION
SURFACE WATER MANAGEMENT FUND
June 30, 2020**

	Surface Water Management	Surface Water Management System Development Charges	Total Surface Water Management Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 555,682	\$ 261,266	\$ 816,948
Investments	214,321	100,768	315,089
Receivables, net	158,169	-	158,169
Accrued interest receivable	832	391	1,223
Total current assets	<u>929,004</u>	<u>362,425</u>	<u>1,291,429</u>
Capital assets and intangibles			
Other capital assets and intangibles, net	<u>7,086,658</u>	<u>-</u>	<u>7,086,658</u>
Total capital assets and intangibles	<u>7,086,658</u>	<u>-</u>	<u>7,086,658</u>
TOTAL ASSETS	<u>8,015,662</u>	<u>362,425</u>	<u>8,378,087</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	9,898	-	9,898
Other postemployment benefit related items	<u>3,153</u>	<u>-</u>	<u>3,153</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,051</u>	<u>-</u>	<u>13,051</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	53,952	-	53,952
Payroll related liabilities	<u>4,998</u>	<u>-</u>	<u>4,998</u>
Total current liabilities	<u>58,950</u>	<u>-</u>	<u>58,950</u>
Long-term obligations			
Other postemployment benefit liability	44,606	-	44,606
Net pension liability	<u>663,388</u>	<u>-</u>	<u>663,388</u>
Total long-term obligations	<u>707,994</u>	<u>-</u>	<u>707,994</u>
TOTAL LIABILITIES	<u>766,944</u>	<u>-</u>	<u>766,944</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	17,216	-	17,216
Other postemployment benefit related items	<u>8,263</u>	<u>-</u>	<u>8,263</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>25,479</u>	<u>-</u>	<u>25,479</u>
NET POSITION			
Net investment in capital assets	7,086,658	-	7,086,658
Restricted for capital projects	-	362,425	362,425
Unrestricted	<u>149,632</u>	<u>-</u>	<u>149,632</u>
TOTAL NET POSITION	<u>\$ 7,236,290</u>	<u>\$ 362,425</u>	<u>\$ 7,598,715</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
SURFACE WATER MANAGEMENT FUND
For the Year Ended June 30, 2020**

	Surface Water Management	Surface Water Management System Development Charges	Total Surface Water Management Fund
OPERATING REVENUES			
Charges for services	\$ 1,261,848	\$ -	\$ 1,261,848
TOTAL OPERATING REVENUES	<u>1,261,848</u>	<u>-</u>	<u>1,261,848</u>
OPERATING EXPENSES			
System operation and maintenance	380,184	239,219	619,403
General fund administration charges	435,892	-	435,892
General and administrative costs	13,705	-	13,705
Depreciation and amortization	<u>187,283</u>	<u>-</u>	<u>187,283</u>
TOTAL OPERATING EXPENSES	<u>1,017,064</u>	<u>239,219</u>	<u>1,256,283</u>
OPERATING INCOME (LOSS)	<u>244,784</u>	<u>(239,219)</u>	<u>5,565</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earned	7,595	7,632	15,227
Miscellaneous	<u>358</u>	<u>-</u>	<u>358</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>7,953</u>	<u>7,632</u>	<u>15,585</u>
Income (loss) before capital contributions and transfers	252,737	(231,587)	21,150
Capital contributions	-	45,383	45,383
Transfers out	<u>(55,682)</u>	<u>-</u>	<u>(55,682)</u>
Change in net position	197,055	(186,204)	10,851
Net position at beginning of year	<u>7,039,235</u>	<u>548,629</u>	<u>7,587,864</u>
Net position at end of year	<u>\$ 7,236,290</u>	<u>\$ 362,425</u>	<u>\$ 7,598,715</u>

CITY OF FOREST GROVE
COMBINING STATEMENT OF CASH FLOWS
SURFACE WATER MANAGEMENT FUND
For the Year Ended June 30, 2020

	Surface Water Management	Surface Water Management System Development Charges	Total Surface Water Management Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,275,141	\$ -	\$ 1,275,141
Cash paid to employees	35,551	-	35,551
Cash paid to suppliers	(837,964)	(282,226)	(1,120,190)
Net cash provided by (used in) operating activities	472,728	(282,226)	190,502
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	(55,682)	-	(55,682)
Net cash provided by (used in) non-capital financing activities	(55,682)	-	(55,682)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	-	45,383	45,383
Other	358	-	358
Acquisition of capital assets	(503,227)	-	(503,227)
Net cash provided by (used in) capital and related financing activities	(502,869)	45,383	(457,486)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	6,763	7,241	14,004
Purchases of investments	(88,431)	(13,047)	(101,478)
Net cash provided by (used in) investing activities	(81,668)	(5,806)	(87,474)
Net increase (decrease) in cash and cash equivalents	(167,491)	(242,649)	(410,140)
Cash and cash equivalents at beginning of year	723,173	503,915	1,227,088
Cash and cash equivalent at end of year	\$ 555,682	\$ 261,266	\$ 816,948
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 244,784	\$ (239,219)	\$ 5,565
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	187,283	-	187,283
Decrease (increase) in assets and deferred outflows			
Receivables, net	9,534	-	9,534
Pension related items	41,632	-	41,632
Other postemployment benefit items	(1,412)	-	(1,412)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable and accrued liabilities	(8,183)	(43,007)	(51,190)
Payroll related liabilities	(1,263)	-	(1,263)
Due to Clean Water Services	3,759	-	3,759
Net pension liability	38,096	-	38,096
Other postemployment benefit liability	(4,844)	-	(4,844)
Pension related items	(33,211)	-	(33,211)
Other postemployment benefit items	(3,447)	-	(3,447)
Net cash provided by (used in) operating activities	\$ 472,728	\$ (282,226)	\$ 190,502

CITY OF FOREST GROVE

**SURFACE WATER MANAGEMENT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 600	\$ -	\$ (600)
Charges for services	1,136,001	1,261,848	125,847
Interest	1,500	5,834	4,334
Miscellaneous	<u>-</u>	<u>358</u>	<u>358</u>
TOTAL REVENUES	<u>1,138,101</u>	<u>1,268,040</u>	<u>129,939</u>
EXPENDITURES			
SWM services	1,614,377	1,296,194	318,183
Contingency	<u>150,000</u>	<u>-</u>	<u>150,000</u>
TOTAL EXPENDITURES	<u>1,764,377</u>	<u>1,296,194</u>	<u>468,183</u>
Excess (deficiency) of revenues over expenditures	<u>(626,276)</u>	<u>(28,154)</u>	<u>598,122</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(55,682)</u>	<u>(55,682)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(55,682)</u>	<u>(55,682)</u>	<u>-</u>
Net change in fund balance	(681,958)	(83,836)	598,122
Fund balance at beginning of year	<u>928,729</u>	<u>952,129</u>	<u>23,400</u>
Fund balance at end of year	<u>\$ 246,771</u>	<u>\$ 868,293</u>	<u>\$ 621,522</u>

CITY OF FOREST GROVE

**SURFACE WATER MANAGEMENT SYSTEM DEVELOPMENT
CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System development charges	\$ 34,500	\$ 45,383	\$ 10,883
Interest	<u>6,000</u>	<u>6,804</u>	<u>804</u>
 TOTAL REVENUES	 <u>40,500</u>	 <u>52,187</u>	 <u>11,687</u>
 EXPENDITURES			
SWC infrastructure construction	442,000	239,219	202,781
Contingency	<u>64,897</u>	<u>-</u>	<u>64,897</u>
 TOTAL EXPENDITURES	 <u>506,897</u>	 <u>239,219</u>	 <u>267,678</u>
 Net change in fund balance	 (466,397)	 (187,032)	 279,365
Fund balance at beginning of year	<u>581,897</u>	<u>548,629</u>	<u>(33,268)</u>
 Fund balance at end of year	 <u>\$ 115,500</u>	 <u>\$ 361,597</u>	 <u>\$ 246,097</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

June 30, 2020

	Information Systems	Equipment	Risk Management	Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 494,514	\$ 1,168,375	\$ 114,126	\$ 1,777,015
Investments	190,729	450,630	44,017	685,376
Prepays	-	-	170,089	170,089
Accrued interest receivable	<u>721</u>	<u>1,750</u>	<u>171</u>	<u>2,642</u>
Total current assets	<u>685,964</u>	<u>1,620,755</u>	<u>328,403</u>	<u>2,635,122</u>
Capital assets				
Other capital assets, net	<u>-</u>	<u>2,287,322</u>	<u>-</u>	<u>2,287,322</u>
Total capital assets	<u>-</u>	<u>2,287,322</u>	<u>-</u>	<u>2,287,322</u>
TOTAL ASSETS	<u>685,964</u>	<u>3,908,077</u>	<u>328,403</u>	<u>4,922,444</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	-	2,459	-	2,459
Other postemployment benefit related items	<u>-</u>	<u>1,584</u>	<u>-</u>	<u>1,584</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>4,043</u>	<u>-</u>	<u>4,043</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	17,503	18,855	-	36,358
Accrued payroll liabilities	-	3,883	-	3,883
Current portion of long-term obligations	<u>-</u>	<u>11,205</u>	<u>-</u>	<u>11,205</u>
Total current liabilities	<u>17,503</u>	<u>33,943</u>	<u>-</u>	<u>51,446</u>
Long-term obligations				
Other postemployment benefit liability	-	22,426	-	22,426
Net pension liability	<u>-</u>	<u>164,795</u>	<u>-</u>	<u>164,795</u>
Total long-term obligations	<u>-</u>	<u>187,221</u>	<u>-</u>	<u>187,221</u>
TOTAL LIABILITIES	<u>17,503</u>	<u>221,164</u>	<u>-</u>	<u>238,667</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	-	4,277	-	4,277
Other postemployment benefit related items	<u>-</u>	<u>4,154</u>	<u>-</u>	<u>4,154</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>8,431</u>	<u>-</u>	<u>8,431</u>
NET POSITION				
Net investment in capital assets	-	2,287,322	-	2,287,322
Unrestricted	<u>668,461</u>	<u>1,395,203</u>	<u>328,403</u>	<u>2,392,067</u>
TOTAL NET POSITION	<u>\$ 668,461</u>	<u>\$ 3,682,525</u>	<u>\$ 328,403</u>	<u>\$ 4,679,389</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020**

	Information Systems	Equipment	City Utility	Risk Management	Totals
OPERATING REVENUES					
Charges for services	\$ 372,647	\$ 976,447	\$ -	\$ 487,607	\$ 1,836,701
Total operating revenues	<u>372,647</u>	<u>976,447</u>	<u>-</u>	<u>487,607</u>	<u>1,836,701</u>
OPERATING EXPENSES					
Systems operation and maintenance	310,846	576,065	219,891	569,742	1,676,544
General fund administrative charges	-	2,680	-	-	2,680
Depreciation	<u>-</u>	<u>357,472</u>	<u>-</u>	<u>-</u>	<u>357,472</u>
Total operating expenses	<u>310,846</u>	<u>936,217</u>	<u>219,891</u>	<u>569,742</u>	<u>2,036,696</u>
Operating income (loss)	<u>61,801</u>	<u>40,230</u>	<u>(219,891)</u>	<u>(82,135)</u>	<u>(199,995)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earned	13,673	31,846	-	7,475	52,994
Miscellaneous	-	6,146	-	94,257	100,403
Gain (loss) on sale of capital assets	<u>-</u>	<u>(11,230)</u>	<u>-</u>	<u>-</u>	<u>(11,230)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>13,673</u>	<u>26,762</u>	<u>-</u>	<u>101,732</u>	<u>142,167</u>
Income (loss) before transfers	75,474	66,992	(219,891)	19,597	(57,828)
Transfers in	-	110,070	219,891	-	329,961
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Change in net position	75,474	177,062	-	(20,403)	232,133
Net position at beginning of year	<u>592,987</u>	<u>3,505,463</u>	<u>-</u>	<u>348,806</u>	<u>4,447,256</u>
Net position at end of year	<u>\$ 668,461</u>	<u>\$ 3,682,525</u>	<u>\$ -</u>	<u>\$ 328,403</u>	<u>\$ 4,679,389</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020**

	Information Systems	Equipment	City Utility	Risk Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services provided	\$ 372,647	\$ 976,447	\$ -	\$ 487,607	\$ 1,836,701
Cash paid to employees	-	(233,911)	-	-	(233,911)
Cash paid to suppliers	(326,334)	(352,689)	(219,891)	(649,374)	(1,548,288)
Net cash provided by (used in) operating activities	46,313	389,847	(219,891)	(161,767)	54,502
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	219,891	-	219,891
Transfers out	-	-	-	(40,000)	(40,000)
Net cash provided by (used in) non-capital financial activities	-	-	219,891	(40,000)	179,891
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers in	-	110,070	-	-	110,070
Sale of capital assets	-	20,549	-	-	20,549
Other	-	6,146	-	94,257	100,403
Acquisition of capital assets	-	(443,736)	-	-	(443,736)
Net cash provided by (used in) capital and related financing activities	-	(306,971)	-	94,257	(212,714)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	12,952	30,096	-	7,304	50,352
Purchase of investments	(97,916)	(227,332)	-	(5,712)	(330,960)
Net cash provided by (used in) investing activities	(84,964)	(197,236)	-	1,592	(280,608)
Net increase (decrease) in cash and cash equivalents	(38,651)	(114,360)	-	(105,918)	(258,929)
Cash and cash equivalents at beginning of year	533,165	1,282,735	-	220,044	2,035,944
Cash and cash equivalent at end of year	\$ 494,514	\$ 1,168,375	\$ -	\$ 114,126	\$ 1,777,015
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 61,801	\$ 40,230	\$ (219,891)	\$ (82,135)	\$ (199,995)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	-	357,472	-	-	357,472
Decrease (increase) in assets and deferred outflows					
Prepaid expenses	-	-	-	(46,366)	(46,366)
Pension related items	-	11,904	-	-	11,904
Other postemployment benefit items	-	(859)	-	-	(859)
Increase (decrease) in liabilities and deferred inflows					
Accounts payable	(15,488)	(1,339)	-	(33,266)	(50,093)
Payroll related liabilities	-	(475)	-	-	(475)
Compensated absences payable	-	1,094	-	-	1,094
Net pension liability	-	(9,497)	-	-	(9,497)
Other postemployment benefit liability	-	1,821	-	-	1,821
Pension related items	-	(9,779)	-	-	(9,779)
Other postemployment benefit related items	-	(725)	-	-	(725)
Net cash provided by (used in) operating activities	\$ 46,313	\$ 389,847	\$ (219,891)	\$ (161,767)	\$ 54,502

CITY OF FOREST GROVE

**INFORMATION SYSTEMS - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 372,647	\$ 372,647	\$ -
Interest	<u>8,800</u>	<u>12,125</u>	<u>3,325</u>
 TOTAL REVENUES	 <u>381,447</u>	 <u>384,772</u>	 <u>3,325</u>
 EXPENDITURES			
Information system services	486,107	310,846	175,261
Contingency	<u>20,000</u>	<u>-</u>	<u>20,000</u>
 TOTAL EXPENDITURES	 <u>506,107</u>	 <u>310,846</u>	 <u>195,261</u>
 Net change in fund balance	 (124,660)	 73,926	 198,586
Fund balance at beginning of year	<u>607,232</u>	<u>592,987</u>	<u>(14,245)</u>
 Fund balance at end of year	 <u><u>\$ 482,572</u></u>	 <u><u>\$ 666,913</u></u>	 <u><u>\$ 184,341</u></u>

CITY OF FOREST GROVE

**EQUIPMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 962,255	\$ 976,447	\$ 14,192
Interest	15,000	28,142	13,142
Miscellaneous	<u>-</u>	<u>6,146</u>	<u>6,146</u>
TOTAL REVENUES	<u>977,255</u>	<u>1,010,735</u>	<u>33,480</u>
EXPENDITURES			
Vehicle services	1,228,302	1,028,522	199,780
Contingency	<u>250,000</u>	<u>-</u>	<u>250,000</u>
TOTAL EXPENDITURES	<u>1,478,302</u>	<u>1,028,522</u>	<u>449,780</u>
Excess (deficiency) of revenues over expenditures	<u>(501,047)</u>	<u>(17,787)</u>	<u>483,260</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	62,100	20,549	(41,551)
Transfers in	<u>110,070</u>	<u>110,070</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>172,170</u>	<u>130,619</u>	<u>(41,551)</u>
Net change in fund balance	(328,877)	112,832	441,709
Fund balance at beginning of year	<u>1,523,234</u>	<u>1,481,481</u>	<u>(41,753)</u>
Fund balance at end of year	<u><u>\$ 1,194,357</u></u>	<u><u>\$ 1,594,313</u></u>	<u><u>\$ 399,956</u></u>

CITY OF FOREST GROVE

**CITY UTILITY - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Materials and services	<u>\$ 230,622</u>	<u>\$ 219,891</u>	<u>\$ 10,731</u>
TOTAL EXPENDITURES	<u>230,622</u>	<u>219,891</u>	<u>10,731</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>230,622</u>	<u>219,891</u>	<u>(10,731)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>230,622</u>	<u>219,891</u>	<u>(10,731)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF FOREST GROVE

**RISK MANAGEMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 487,602	\$ 487,607	\$ 5
Interest	7,500	7,113	(387)
Miscellaneous	<u>-</u>	<u>94,257</u>	<u>94,257</u>
TOTAL REVENUES	<u>495,102</u>	<u>588,977</u>	<u>93,875</u>
EXPENDITURES			
Risk management services	663,001	569,742	93,259
Contingency	<u>30,000</u>	<u>-</u>	<u>30,000</u>
TOTAL EXPENDITURES	<u>693,001</u>	<u>569,742</u>	<u>123,259</u>
Excess (deficiency) of revenues over expenditures	<u>(197,899)</u>	<u>19,235</u>	<u>217,134</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balance	(237,899)	(20,765)	217,134
Fund balance at beginning of year	<u>371,154</u>	<u>348,806</u>	<u>(22,348)</u>
Fund balance at end of year	<u><u>\$ 133,255</u></u>	<u><u>\$ 328,041</u></u>	<u><u>\$ 194,786</u></u>

CITY OF FOREST GROVE

AGENCY FUND

UNSEGREGATED TAX AND INTEREST FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 2020

	<u>Balances</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2020</u>
ASSETS				
Cash and cash equivalents	<u>\$ 215,592</u>	<u>\$ 122,224</u>	<u>\$ 172,427</u>	<u>\$ 165,389</u>
LIABILITIES				
Amounts held in trust	<u>\$ 215,592</u>	<u>\$ 122,224</u>	<u>\$ 172,427</u>	<u>\$ 165,389</u>

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COMPLIANCE SECTION

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FOREST GROVE URBAN RENEWAL AGENCY
Forest Grove, Oregon

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

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**FOREST GROVE URBAN RENEWAL AGENCY
OFFICERS AND MEMBERS OF THE GOVERNING BODY
For the Year Ended June 30, 2020**

BOARD OF DIRECTORS

Peter Truax
3131 Forest Gale Drive
Forest Grove, OR 97116

Timothy Rippe
3334 Edgeview Lane
Forest Grove, OR 97116

Malynda Wenzl
2519 Heather Way
Forest Grove, OR 97116

Adolph Valfre, Jr.
3346 Edgeview Lane
Forest Grove, OR 97116

Elena Uhing
1633 Pacific Avenue
Forest Grove, OR 97116

Kristy Kottkey
2728 Harvest Court
Forest Grove, OR 97116

Mariana Valenzuela
1924 Council Street
Forest Grove, OR 97116

CONTACT PERSON

Paul Downey
1924 Council Street
Forest Grove, OR 97116

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FOREST GROVE URBAN RENEWAL AGENCY

TABLE OF CONTENTS For the Year Ended June 30, 2020

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	A - B
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	i- v
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities.....	2
Fund Financial Statements	
Governmental Fund	
Balance Sheet	3
Statement of Revenues, Expenditures and Changes in Fund Balance	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	
Balance of the Governmental Fund to the Statement of Activities.....	5
General Fund Statement of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual.....	6
Notes to Basic Financial Statements	7 - 14
COMPLIANCE SECTION	
Independent Auditor's Report Required by Oregon State Regulations	15 - 16

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INDEPENDENT AUDITOR'S REPORT

Agency Officials
Forest Grove Urban Renewal Agency
Forest Grove, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Forest Grove Urban Renewal Agency (the "Agency"), a component unit of the City of Forest Grove, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the the Agency as of June 30, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i - v be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated March 12, 2021 on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing; and not to provide an opinion on compliance.

Singer Lewak LLP

March 12, 2021

By:



Bradley G. Bingenheimer,
Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2020

This discussion and analysis presents the highlights of financial activities and financial position for the Forest Grove Urban Renewal Agency (Agency), component unit of the City of Forest Grove, Oregon (City). The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes, and variances from the budget, and specific issues related to funds and the economic factors affecting the Agency.

Management's discussion and analysis (MD&A) focuses on the current year activities and resulting changes from the prior year. Please read it in conjunction with the Agency's financial statements (beginning on page 1).

FINANCIAL HIGHLIGHTS

- The Total Assets of the Agency were \$815,135 and the Net Position was \$(991,769) at June 30, 2020, which was the end of the Agency's fifth fiscal year.
- Overall, expenditures were \$256,549 and overall revenue was \$561,073. The primary revenues for FY 2019-20 were property tax revenue and CARES Act reimbursement for business assistance expenditures. The largest expenditure for 2019-20 was business assistance expenditures of \$127,519 and \$67,160 in interest expense paid to the City for debt owed to the City.

REPORT LAYOUT

The Agency's annual financial report consists of several sections. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview, and economic factors affecting the Agency.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

REPORT LAYOUT (continued)

Basic Financial Statements. Includes statement of net position, statement of activities, fund financial statements, and notes to the financial statements. Statements of net position and activities focus on entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Agency.

The statement of net position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the Agency owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on Agency revenues and expenditures, the net of which equals change in net assets.

Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The Agency's General Fund is presented here along with budgetary comparisons.

The notes to the basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Agency's financial condition.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

AGENCY AS A WHOLE

Government-wide financial statements

Statement of Net Position at June 30:

Table 1
Net Assets at Fiscal Year End
Governmental Activities

	<u>2020</u>	<u>2019</u>
Assets		
Cash and investments \$	263,528	\$ 345,097
Receivables	133,607	3,171
Land held for sale	<u>418,000</u>	<u>418,000</u>
Total assets	<u>\$15,135</u>	<u>766,268</u>
Liabilities		
Current liabilities	21,782	-
Long-term liabilities	<u>1,785,122</u>	<u>2,062,561</u>
Total liabilities	<u>1,806,904</u>	<u>2,062,561</u>
Net position:		
Unrestricted	<u>\$ (991,769)</u>	<u>\$ (1,296,293)</u>

As of June 30, 2020, the Agency had long-term liabilities of \$1,785,122 which consists of a loan from the City for the URA to provide assistance to a private developer for a mixed-use development project. The URA has begun making principal payments to the City in the current fiscal year. Major asset is the remaining land held for sale. The URA has plans to market this property.

Governmental Activities

The Agency's net position is negative \$991,769 which is essentially the difference between the long-term debt to the City of Forest Grove and the acquisition cost of the remaining land owned by the URA and cash and investments held by the URA.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Statement of Activities for the Year Ended June 30:

Table 2
Government Activities For Fiscal Year Ending

	<u>2020</u>	<u>2019</u>
General Revenues		
Taxes	\$ 423,936	\$ 239,252
Investment earnings	9,618	7,433
Special item - gain on sale of capital asset	-	-
	<u>433,554</u>	<u>246,685</u>
Program Revenues		
Operating grants	<u>127,519</u>	<u>-</u>
Total Program Revenues	<u>127,519</u>	<u>-</u>
Total Revenues	<u>561,073</u>	<u>246,685</u>
Program Expenses		
General government	189,389	49,645
Interest on long-term obligations	<u>67,160</u>	<u>41,252</u>
Total program expenses	<u>256,549</u>	<u>90,897</u>
Change in net position	304,524	155,788
Net Position -beginning	<u>(1,296,293)</u>	<u>(1,452,081)</u>
Net Position - ending	<u>\$ (991,769)</u>	<u>\$ (1,296,293)</u>

Nearly all of the general revenue in FY 2019-20 was property tax revenue based on the incremental increase in the URA's taxable assessed value. The other revenue was from investment earnings and CARES Act Reimbursement for business assistance expenses. General Government Program Expenses consisted principally of emergency business assistance expenses, small storefront improvement grants and administrative expenses.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

DEBT ADMINISTRATION

As of June 30, 2020, the Agency had \$1,785,122 of outstanding debt in the form of a note payable to the City for the purchase of land and funds loaned to URA in order for the URA to provide development assistance for a private development that has now been completed. The note is interest only for the first three years with the principal repayment to begin in FY 2020 with the note fully repaid by the end of FY 2026.

ECONOMIC FACTORS

As an urban renewal agency, the Agency receives tax increment revenues calculated on the increase in assessed value over the frozen base, which was set at the time the urban renewal district was formed. When the Agency completes projects, it is actually investing in itself; as the value of property increases in the district, the tax increment revenues increases.

The Agency expects the tax revenues to continue to increase over the next few years as a second large apartment complex and some additional commercial development have begun construction. None of those projects received any assistance from the Agency. A grocery store in the downtown core that is expected to receive assistance from the Agency is planned for construction in the fall of 2021.

REQUEST FOR INFORMATION

The Agency’s financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with the general overview of the Agency’s finances and to demonstrate the Agency’s accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Administrative Services Department at the City of Forest Grove. Our address is: PO Box 326, Forest Grove, Oregon 97116.

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BASIC FINANCIAL STATEMENTS

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FOREST GROVE URBAN RENEWAL AGENCY

STATEMENT OF NET POSITION

June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 190,178
Investments	73,350
Accrued interest receivable	285
Taxes receivable	5,803
Grants receivable	127,519
Land held for sale	<u>418,000</u>
 TOTAL ASSETS	 <u>815,135</u>
 LIABILITIES	
Accounts payable and accrued liabilities	12,856
Accrued interest payable	8,926
Long-term obligations:	
Due within one year	282,988
Due in more than one year	<u>1,502,134</u>
 TOTAL LIABILITIES	 <u>1,806,904</u>
 NET POSITION	
Unrestricted	<u>(991,769)</u>
 TOTAL NET POSITION	 <u><u>\$ (991,769)</u></u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	<u>Governmental Activities</u>
PROGRAM EXPENSES	
General government	\$ 189,389
Interest on long-term obligations	<u>67,160</u>
 TOTAL PROGRAM EXPENSES	 <u>256,549</u>
 PROGRAM REVENUES	
Operating grants and contributions	<u>127,519</u>
 TOTAL PROGRAM REVENUES	 <u>127,519</u>
 Net (expense) revenue	 <u>(129,030)</u>
 GENERAL REVENUES	
Property taxes, levied for debt service	423,936
Unrestricted investment earnings	<u>9,618</u>
 TOTAL GENERAL REVENUES	 <u>433,554</u>
 Change in net position	304,524
NET POSITION - beginning	<u>(1,296,293)</u>
 NET POSITION - ending	 <u><u>\$ (991,769)</u></u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

**BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2020**

	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 190,178
Investments	73,350
Accrued interest receivable	285
Taxes receivables	5,803
Grants receivable	<u>127,519</u>
 TOTAL ASSETS	 <u><u>\$ 397,135</u></u>
 LIABILITIES	
Accounts payable	<u>\$ 12,856</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>1,009</u>
 FUND BALANCES	
Unassigned	<u>383,270</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u><u>\$ 397,135</u></u>
 RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION	
Governmental funds fund balance	\$ 383,270
<i>Amounts reported for governmental activities in the statement net position are different because:</i>	
Land held for sale is not reported in the fund	418,000
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	1,009
Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund	
Accrued interest payable	(8,926)
Long-term debt	<u>(1,785,122)</u>
 NET POSITION OF GOVERNMENTAL ACTIVITIES	 <u><u>\$ (991,769)</u></u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Year Ended June 30, 2020**

	<u>General</u>
REVENUES	
Property taxes	\$ 425,005
Intergovernmental	127,519
Interest	<u>9,618</u>
TOTAL REVENUES	<u>562,142</u>
EXPENDITURES	
Current	
General government	189,389
Debt service	<u>335,673</u>
TOTAL EXPENDITURES	<u>525,062</u>
Net change in fund balances	37,080
Fund balances at beginning of year	<u>346,190</u>
Fund balances at end of year	<u><u>\$ 383,270</u></u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020**

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND	\$	37,080
<i>Amounts reported for governmental activities in the statement of activities are different because of the following:</i>		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds as follows:		
Property taxes		(1,069)
The issuance of long-term debt provides current financial resources to the governmental fund, while repayment of the principal of long-term obligations consumes the current financial resources of the governmental fund. Neither transaction, however affects net position		277,439
Interest accrued on long-term obligations is an expense on the statement of activities however only amounts actually paid are expenditures in the funds		<u>(8,926)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>304,524</u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 322,750	\$ 322,750	\$ 425,005	\$ 102,255
Intergovernmental	-	-	127,519	127,519
Interest	9,000	9,000	9,015	15
TOTAL REVENUES	<u>331,750</u>	<u>331,750</u>	<u>561,539</u>	<u>229,789</u>
EXPENDITURES				
Materials and services	178,891	204,891	189,389	15,502
Debt service	<u>335,673</u>	<u>335,673</u>	<u>335,673</u>	<u>-</u>
TOTAL EXPENDITURES	<u>514,564</u>	<u>540,564</u>	<u>525,062</u>	<u>15,502</u>
Net change in fund balance	(182,814)	(208,814)	36,477	245,291
Fund balance at beginning of year	<u>342,814</u>	<u>342,814</u>	<u>346,190</u>	<u>3,376</u>
Fund balance at end of year	<u>\$ 160,000</u>	<u>\$ 134,000</u>	382,667	<u>\$ 248,667</u>

Reconciliation to generally accepted accounting principles

Unrealized gain (loss) on investments	318
Accrued interest receivable	<u>285</u>
	<u>\$ 383,270</u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

1. Summary of significant accounting policies

A. Organization

The Agency, a component unit of the City of Forest Grove, was organized in May 2014 under ORS 457 and is a municipal corporation created by the City of Forest Grove to facilitate urban renewal within the boundaries of the City. The city council serves as the governing body and is accountable for the fiscal matters of the Agency.

B. Urban renewal areas

Tax allocation bonds for urban renewal plan areas are authorized by state law to 1) "...eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas."

Projects are financed in urban renewal plan areas as follows:

- The Agency (city council) selects an urban renewal plan area and defines its boundaries.
- The county assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.
- Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance urban renewal projects.
- Urban renewal tax increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency's activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$15,000,000.

C. Government-wide financial statements and financial statement presentation

Government-wide financial statements

The statement of net position and the statement of activities display information about the Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and proceeds from borrowings.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the Agency's program. The Agency does not allocate indirect expenses. Program revenues include grants and contributions that are restricted to meeting operational requirements. Revenues that are not classified as program revenues, including property taxes, earnings on investments and the gain on sale of property, are presented as general revenues.

Fund financial statements

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The General Fund accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas.

D. Measurement focus and basis of accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Agency considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent they have been incurred. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt are reported as other financing sources.

E. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The Agency begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The governing body adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over expended.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The governing body established the levels of budgetary control at the personnel services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The governing body must authorize all appropriation transfers and supplementary budgetary appropriations.

F. Property taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments following the lien date on November 15, February 15 and May 15 each year.

Uncollected property taxes are reported in the governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred inflows of resources. Property taxes which are collected within 60 days of the end of the current period are considered available and recognized as revenue.

G. Land held for sale

Fund financial statements

In the fund financial statements, capital assets (including land held for resale) acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Government-wide statements

Land held for sale is recorded at historical cost or estimated historical cost. Upon disposition the Agency recognizes a gain or loss on the sale in the statement of activities.

H. Long-term obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

I. Equity classification

Government-wide statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position — Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position — All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide financial statements when both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Governmental fund type fund balance reporting

Governmental type fund balances are to be reported within the fund balance categories listed below:

Nonspendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the city council. The city council is the highest level of decision making authority for the Agency. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the city council.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The city council has granted authority to the Director of Administrative Services to assign fund balance amounts.

Unassigned — The residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the city council has provided otherwise in its commitment or assignment actions.

2. Cash, cash equivalents and investments

The Agency's cash, cash equivalents and investments at June 30, 2020 are as follows:

Cash and cash equivalents	
Deposits with financial institutions	\$ 80,191
State of Oregon Local Government Investment Pool	<u>109,987</u>
Total cash and cash equivalents	<u>\$ 190,178</u>
Investments	
Certificates of deposit	\$ 1,049
US government agency securities	<u>72,301</u>
Total investments	<u>\$ 73,350</u>

The Agency's cash, cash equivalents and investments are pooled with the City of Forest Grove's. The City maintains a pool of cash, cash equivalents and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents and investments. Interest earned on pooled cash, cash equivalents and investments is allocated to participating funds based upon their combined cash and cash equivalents and investment balances.

A. Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2020, none of the Agency's bank balances were exposed to custodial credit risk.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Cash, cash equivalents and investments (continued)

B. State of Oregon Local Government Investment Pool

Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the Agency's position in the LGIP is the same as the value of the pool shares.

C. Investments

As of June 30, 2020, the Agency had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Risk Concentration</u>	<u>Weighted Average Maturity (in months)</u>
Certificates of deposits	Not rated	\$ 1,049	1.43%	1.00
US government agencies	Not rated	<u>72,301</u>	98.57%	12.80
Total investments		<u>\$ 73,350</u>		

Credit Risk. Oregon statutes authorize the Agency to invest in obligations of the U. S. Treasury and U. S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Concentration of Credit Risk: The Agency does not have a formal policy that places a limit on the amount that may be invested in any one insurer.

Interest Rate Risk: The Agency does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Portfolio Credit Rating: The Agency does not have a formal policy that establishes a minimum average credit rating for its investment portfolio.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the Agency will not be able to recover the value of its investments that are in the possession of an outside party. The Agency does not have a policy which limits the amount of investments that can be held by counterparties.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Cash, cash equivalents and investments (continued)

Fair Value Measurements. The Agency categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Agency's investment in U.S agencies, corporate and municipal bonds are measured using level 2 inputs.

3. Land held for sale

The Agency purchased property for \$1,100,000 from the City of Forest Grove. Approximately two-thirds of the property was sold during 2016-17 for \$10 pursuant to a disposition and development agreement. The remainder of the property continues to be held by the Agency for sale.

4. Long-term obligations

A. Transactions for the governmental activities for the year ended June 30, 2020 were as follows:

	Outstanding June 30, 2019	Additions	Reductions	Outstanding June 30, 2020	Balances Due Within One Year
Notes from direct borrowings and direct placements					
City of Forest Grove	<u>\$ 2,062,561</u>	<u>\$ -</u>	<u>\$ 277,439</u>	<u>\$ 1,785,122</u>	<u>\$ 282,988</u>

B. Governmental activities long-term debt obligations

City of Forest Grove – the Agency borrowed \$2,062,561 from the City of Forest Grove to purchase land held for sale and to provide financial assistance to a developer for a mixed-use development. Interest only payments are due annually for three years. Principal and interest payments are due for seven years beginning June 15, 2020. Interest is accrued and paid on the loan at 2 percent. The loan contains a provision that in the event of default, The City may declare all payments immediate due.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Long-term obligations (continued)

C. Future maturities are as follows:

Fiscal Year	City of Forest Grove	
	Principal	Interest
2021	\$ 282,988	\$ 20,712
2022	288,648	35,743
2023	294,421	30,158
2024	300,309	24,460
2025	306,315	18,648
2026	312,441	16,056
	<u>\$ 1,785,122</u>	<u>\$ 145,777</u>

5. Tax abatements

Washington County has established an Enterprise Zone under ORS 285C.175 that abates property taxes on new business development within the zone. As a result, the property taxes that the Agency received for the year ended June 30, 2020 have been reduced by \$16,000.

Washington County has established a Low Income Property Tax Exemption program under ORS 307.541 to make rental housing units affordable for income-restricted tenants. As a result, the property taxes that the Agency received for the year ended June 30, 2020 have been reduced by \$2,000.

Washington County has established a Vertical Housing Development Zone under ORS 307.864 as an incentive for the development of higher density mixed use residential development with ground floor non-residential uses in areas well served by transit services. As a result, the property taxes that the Agency received for the year ended June 30, 2020 have been reduced by \$480.

COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Agency Officials
Forest Grove Urban Renewal Agency
Forest Grove, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Forest Grove Urban Renewal Agency (the "Agency") as of and for the year ended June 30, 2020, and have issued our report thereon dated March 12, 2021.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-100 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions and repayment
- Budgets legally required (ORS Chapter 294)
- Insurance and fidelity bonds in force or required by law
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing, nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-100 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-230 Internal Control

In planning and performing our audit, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Agency Officials
Forest Grove Urban Renewal Agency
Independent Auditor's Report Required By
Oregon State Regulations
March 12, 2021
Page Two

Restriction on Use

This report is intended solely for the information and use of the Agency Officials and management of the Forest Grove Urban Renewal Agency, and the Oregon Secretary of State, and is not intended to be and should not be used by anyone other than these parties.

Singer Lewak LLP

March 12, 2021

By:



Bradley G. Bingenheimer,
Partner



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 5. C.

MEETING DATE: 04/12/2021

FINAL ACTION: Presentation

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: April 12, 2021

PROJECT TEAM: Dan Riordan, Senior Planner/Community Forestry Commission Staff Liaison;
Mark Nakajima, Community Forestry Commission Chair
Bryan Pohl, Community Development Director

SUBJECT TITLE: Community Forestry Commission Annual Report for Calendar Year 2020

ACTION REQUESTED:

☐	Ordinance	☐	Order	☐	Resolution	☐	Motion	☒	Informational
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X all that apply

ISSUE STATEMENT: The Council's template for board and commission bylaws adopted in 2019 requires that the boards and commission present an annual report to City Council on accomplishments for the prior calendar year. Accomplishments for the Calendar Year 2020 are provided below for Council's consideration.

BACKGROUND:

Community Forestry Commission Accomplishments for Calendar Year 2020

- In January 2020, the Community Forestry Commission, acting as the official tree board for Tree City USA® certification, acknowledged the Arbor Day Foundation's certification of Forest Grove as Tree City USA® during 2019 for the 30th consecutive year.
- On April 13, 2020, City Council reviewed the City proclamation commemorating national Arbor Day on April 24th and the month of April as Arbor Month in Oregon.
- In August, City Council approved Ordinance 2020-04, approving the Commission's updated bylaws. The updated bylaws formally recognizes the Commission's role as the designated tree board for Tree City USA qualification and the Commission's role hosting the annual Arbor Day celebration.
- In December, the Commission submitted the annual Tree City USA recertification application for review and approval by the Oregon Department of Forestry and Arbor Day Foundation. Calendar Year 2020 marks the 31st year the City qualifies as a Tree City USA.

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COMMUNITY FORESTRY COMMISSION

ANNUAL REPORT CALENDAR YEAR 2020

COUNCILOR KOTTKEY, COUNCIL LIAISON

MARK NAKAJIMA, COMMISSION CHAIR

DAN RIORDAN, STAFF LIASON

BRYAN POHL, CD DIRECTOR



COMMUNITY FORESTRY COMMISSION

- ☐ Councilor Kottkey, Council Liaison
- ☐ Mark Nakajima, Chair
- ☐ Michael Howell, Vice Chair
- ☐ Bruce Countryman
- ☐ David Hunter
- ☐ Declan Lynch, Student Advisor
- ☐ Jeremy Sapp
- ☐ Lance Schamberger
- ☐ Jen Warren

COMMUNITY FORESTRY COMMISSION

- ❑ Commission purpose (City Code §§35.090):
 - ❑ *Encourage broad-based representation and to advise City Council on public policy issues affecting Council goals and objectives related to the urban forest.*
 - ❑ *Serve as the City's tree board for Tree City USA® qualification.*

COMMUNITY FORESTRY COMMISSION

- ❑ Commission powers and duties (City Code §§35.096):
 - ❑ *Maintain the City's Significant Tree Register.*
 - ❑ *Promote protection and care of Register trees.*
 - ❑ *Review proposed activities by the City that may affect protected trees and advise City Council, Planning Commission and staff.*
 - ❑ *Consider appeals of staff decisions related to tree removal and pruning permits*

COMMUNITY FORESTRY COMMISSION

- ❑ Commission powers and duties (City Code §§35.096):
 - ❑ *Advise other City boards on tree care and best management practices.*
 - ❑ *Recommend revisions to the City's tree protection ordinance*
 - ❑ *Assist with preparation and implementation of the City's Urban Forest Management Plan.*
 - ❑ *Coordinate the City's annual Arbor Day celebration.*

COMMUNITY FORESTRY COMMISSION

☐ Calendar Year 2020 Accomplishments:

- ☐ *In January 2020, the Commission acting as the City's tree board acknowledged the Arbor Day Foundation's certification of Forest Grove as a Tree City USA® during Calendar Year 2019.*
- ☐ *2019 is the 30th consecutive year the City qualified as a Tree City USA®.*



COMMUNITY FORESTRY COMMISSION

☐ Calendar Year 2020 Accomplishments:

- ☐ *On April 13, 2020, City Council reviewed the City proclamation commemorating national Arbor Day on April 24, 2020 and the month of April as Arbor Month in Oregon.*
- ☐ *Due to the COVID-19 pandemic, reviewing the proclamation served as the annual Arbor Day celebration.*

COMMUNITY FORESTRY COMMISSION

☐ Calendar Year 2020 Accomplishments:

- ☐ *In August, City Council approved Ordinance 2020-04, approving the Commission's updated bylaws. The updated bylaws now recognize the Commission's role as the City Tree City USA® tree board and the Commission's role hosting the annual Arbor Day celebration.*

COMMUNITY FORESTRY COMMISSION

☐ Calendar Year 2020 Accomplishments:

- ☐ *In December, the Commission submitted the annual Tree City USA® recertification application for review and approval by the Oregon Department of Forestry and national Arbor Day Foundation.*



THE END



AMERICAN RESCUE PLAN Initial Briefing

Paul Downey, Adm. Services
Director

Purpose

- Brief Council on City's Funding from the American Rescue Plan
 - Amount and timing of funding
 - Allowable uses of funding
- Status of staff efforts

Amount and Timing

- The City is scheduled to receive \$5,208,567 in ARP funding.
- One-half of the funds should be received by June 30, 2021, with the other half of the funds being received a year later. The State will receive the funds within 60 days of the law's enactment (3/11/2021) and have 30 days to distribute the funds to the City.
- The City has until December 31, 2024, to expend the funds. Any unused funds have to be returned to the Federal government.

Allowable Uses

- The statute lists general allowable uses.
- Guidance for the use of ARP funds will come from the Federal government. Timing for that guidance is not known. The known allowable uses are:
 - For the provision of government services to the extent of the reduction in revenue of the city due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.
 - To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.

Allowable Uses (cont.)

- The allowable uses are:
 - To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the city that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.
 - To make necessary investments in water, sewer, or broadband infrastructure.

Uses Not Allowable

- The statute lists specific uses that are not allowed.
- The City is not allowed:
 - To reduce taxes by legislation, regulation or administration. The City cannot lower property taxes and use ARP funds to offset that reduction.
 - To deposit into pension funds. The City cannot deposit ARP funds into its Defined Benefit Pension Plan to lower the Plan's Unfunded Accrual Actuarial Liability.

Actions to Date

- Staff is continuing to monitor LOC and other government websites for further guidance on the uses of the funds.
- Staff is setting up a separate Fund to account for the receipt and expenditure of ARP funds.
- Currently, staff is:
 - Tracking eligible expenses for reimbursement.
 - Tracking lost revenue eligible for reimbursement, i.e., aquatic center, utility billing, various rates and fees.
 - Reviewing infrastructure projects including water, sewer, and broadband for ARP eligibility. Examples include water treatment plant and broadband.

Next Steps

- Staff will brief the Budget Committee on known expenses and lost revenue.
- Staff anticipates additional work sessions after receiving additional guidance to review and determine how to use the balance of ARP funds once the expenses, lost revenues, and city infrastructure projects are known.
- Questions and Feedback

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *April 12, 2021*

PROJECT TEAM: *Jesse VanderZanden, City Manager
Sara Wilson, Owner, SSW Consulting*

SUBJECT TITLE: *Resolution: Council Goals and Objectives*

ACTION REQUESTED:

☐	Ordinance	☐	Order	☒	Resolution	☐	Motion	☐	Informational
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X all that apply

BACKGROUND:

Pursuant to the City Council Rules of Procedure, Section 16.1, the City Council sets goals and objectives annually for adoption at a regular City Council meeting no later than March. This process is the primary way Council provides guidance to staff regarding resource allocation and annual work plans.

The goals and objectives were initially established at the Retreat on February 20, 2021. The Retreat was held via Zoom and facilitated by Sara Wilson, owner of SSW Consulting. The Retreat was preceded by a Council work session on February 8, 2021, and by individual meetings between Sara and each Councilor and Director to inform the common themes, agenda, structure, and expected outcomes.

The goals and objectives were refined and prioritized during a work session on March 15 facilitated by Sara Wilson. Staff has assigned each objective to a department and listed the Boards or Commissions the objective may pertain to should the Council decide to involve them. Further, staff assigned a time frame to each objective, recognizing the objective may be completed sooner. As with last year, the goals and objectives are contextualized with graphic notes, roles and responsibilities, and discussion notes. Pending approval, staff will release the document to the media and post on the website.

Last year the Council approved 7 Goals and 34 Objectives, significantly up from the prior year's total of 3 Goals and 21 Objectives. This year there are 7 proposed Goals and 26 proposed Objectives. Some objectives from 2020 were removed because they were completed, or community needs have shifted.

STAFF RECOMMENDATION:

Staff recommends the Council consider and approve the resolution adopting the 2021 City Council Goals and Objectives, attached as Exhibit A. If the Council wants to modify Exhibit A, each amendment is done separately by its own motion and a second to amend. Once the motion(s) are dispensed of by a vote, the original motion as amended is dispensed by a vote.

ATTACHMENT(s):

1. Resolution & Exhibit A: 2021 City Council Goals and Objectives

RESOLUTION NO. 2021-20

**RESOLUTION OF THE CITY OF FOREST GROVE CITY COUNCIL
ADOPTING CITY COUNCIL 2021 GOALS AND OBJECTIVES
AND REPEALING RESOLUTION NO. 2020-36**

WHEREAS, pursuant to City Council Rules of Procedure, the City Council must set its goals and objectives annually; and

WHEREAS, the City Council met in a pre-Retreat work session on February 8, held the full-day Retreat on February 20, and held a post-Retreat work session on March 15, 2021, to refine and prioritize the goals and objectives; and

WHEREAS, there was consensus to adopt 7 City Council Goals and 26 Objectives for 2021; as shown in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City of Forest Grove City Council hereby adopts its City Council 2021 Goals and Objectives as shown in Exhibit A.

Section 2. Resolution No. 2020-36 is hereby repealed.

Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 12th day of April, 2021.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 12th day of April, 2021.

Peter B. Truax, Mayor



A place where families and businesses thrive.

2021 City Council Goals

April 12, 2021



Introduction

The City of Forest Grove is pleased to present the summary of their annual goal-setting retreat. The City Council and Management Team conducted a one-day virtual retreat on February 20, 2021 to discuss the progress on the 2020 goals, review the current community context, identify goals and priorities for the year ahead, and discuss the roles and responsibilities of the team in moving the goals forward. The City hired Sara Singer Wilson of SSW Consulting to facilitate the discussion and assist the team in identifying and prioritizing shared goals for the coming years. In advance of the retreat, City staff presented an update on the progress of the 2020 Council goals at a Council Work Session to provide additional context for the workshop. SSW Consulting conducted outreach with the Council and staff ahead of the workshop to identify and discuss their goals and expected outcomes for the session. The agenda for the discussion was based on the following outcomes identified during the outreach process:

- » Review and orient the team to the goal-setting process.
- » Identify goals and objectives for 2021 with a focus on building on the goals from 2020 and identifying ways to support the community in COVID recovery efforts.
- » Review the roles of Council and Administration and build a unified team to move forward on the goals established for 2021.

The City Council and staff recognized the many challenges presented in 2020 related to the pandemic, public safety reform work, wildfires and more. The team worked closely to identify goals that would address these challenges and aid the community in recovery while also building on the work and success of previous years. The goals outlined in this report will guide the work of the Council, define the organization's work plan, and inform the City's budget process. The City will work on these goals in addition to maintaining the City's high-quality core services.

The team's engagement and participation in this process were much appreciated, and we look forward to working together with the community and our partners as we set out to advance these goals.

Sincerely,

City of Forest Grove City Council + Management Team

Table of
Contents



Introduction Page 02

Our Team Page 04

Community Vision Page 05

Setting the Context Page 06

2021 Goals Page 09

Council + Administration Roles + Responsibilities Page 14

Our Team

City Council

Peter B. Truax, Mayor
Malynda Wenzl, Council President
Donna Gustafson, City Councilor
Kristy L. Kottkey, City Councilor
Timothy A. Rippe, City Councilor
Elena Uhing, City Councilor
Mariana E. Valenzuela, Councilor

Management Team

Jesse VanderZanden, City Manager
Brenda Camilli, Human Resources Manager
Paul Downey, Administrative Services Director
Patrick Fale, Fire Chief
Tom Gamble, Parks and Recreation Director
Keith Hormann, Light and Power Director
Jeff King, Economic Development Manager
Bryan Pohl, Community Development Director
Henry Reimann, Police Chief
Greg Robertson, Public Works Director
Anna Ruggles, City Recorder
Colleen Winters, Library Director

Facilitated By

Sara Singer Wilson, Principal/Owner
SSW Consulting

Community

Vision



Vision

Forest Grove is a friendly, twenty-first century, small, full-service city. It was settled in 1841 by pioneers who valued respect for education, faith, enterprise, service to humanity, and the bountiful resources of the Tualatin Plain. Those values persist to inspire a common vision for a high quality of life in a thriving and progressive community that reaches from its historical commercial core around Pacific University to a horizon of forests, farms, vineyards, and the Coast Range. As an engaged and diverse people, we assure sustainability in our economy and our environment, thus supporting a community that nurtures our youth, educates all residents, and attracts and welcomes visitors. Forest Grove is itself a destination that thrives by design and is our home.



The City has embarked on a process to create a Diversity, Equity and Inclusion (DEI) plan to guide us in delivering City services in a more equitable and inclusive way. Following the completion of this plan, we will use this DEI lens in updating the City's vision and values.

Setting

The Context

All organizations work in a context; there are larger environmental forces and trends that shape what is and is not possible just as much as the internal capacities and capabilities of a group. Below the team has highlighted the accomplishments, challenges, and opportunities on the horizon to provide a shared understanding of Forest Grove's current environment and increase the team's comprehension of the complex challenges that need to be addressed through the goal setting.



- » City's communication plan is underway and significant progress has been made so far.
- » The City began the process of developing a Diversity, Equity and Inclusion plan.
- » The City shifted to provide a community-wide COVID response including support for small businesses, utility assistance, and keeping City services open, accessible, and safe for the public and our employees.
- » The City has continued to see business growth amid the pandemic with businesses occupying vacant spaces as well as new development.
- » The Library shifted services to virtual activities and curbside pickup, and circulation is only down 38% from

last year while providing services without a building.

- » City began the design of the Development Services Annex and City Hall remodel.
- » Significant progress has been made on the City's tourism plan. The infrastructure has been put in place with the development of a marketing plan, strategic plan, social media strategy, and website to begin promoting Forest Grove as tourism rebounds.
- » Our utility a 99.97% reliability rate.
- » We responded during the wildfires to the fire that occurred around Haag Lake.
- » For the first time, the City's Urban Renewal Agency implemented a public art program.
- » We broadened our outreach to businesses through the lens of diversity, equity and inclusion.
- » We've sustained our economy without catastrophe and unemployment rates have remained stable.
- » The City reconstructed and improved Rogers Park by adding Anna and Abby's playground, inclusive play equipment, and refinished court surfaces.
- » Changes were made at the City's recreation facilities to keep parks and facilities open and safe. During closures at the Aquatic Center, the City made major facility improvements.



- » The City is seeing revenue challenges as a result of the pandemic.
 - » Working in a virtual environment has created challenging dynamics and makes collaboration and communication more difficult.
 - » Our changing team dynamics poses both challenges and new opportunities.
 - » Westside infrastructure development.
 - » Determining what the City will look like over the next 20 years.
 - » Addressing urban reserves.
 - » Determining the City's role in addressing homelessness. How can the City make a reasonable impact?
- » Addressing new community expectations and changes following the pandemic.
 - » Determining and funding the City's long-term infrastructure needs to support future growth (Water, stormwater, neighborhood traffic improvements, etc.).
 - » Understanding the meaning of diversity, equity, and inclusion (DEI) and why it's important.
 - » Addressing the need for power rate increases to continue supporting our City Light and Power infrastructure.
 - » Funding and staff support for the maintenance of our current parks and recreation assets and meeting community demands for more amenities and recreation.
 - » How do we effectively engage the community? We need to effectively engage over 24,000 people, how do we reach everyone and build capacity for ongoing engagement? How can we increase transparency with the community and provide opportunities for people to have a voice in their own governance?
 - » Addressing ongoing emergency preparedness needs to be prepared for fires, pandemics and other emergencies.
 - » Supporting the community through COVID recovery, determining the impacts to our local economy, supporting small business, and supporting those who have been significantly impacted by the pandemic.
 - » Providing other types of housing to meet the broader housing needs of the community. Creating awareness of activity at the State Legislature and how it might impact housing in Forest Grove.



- » Our new team dynamics offer opportunities for fresh perspectives.
- » In approaching DEI, do it in a way centered on city services. How do we ensure the services we offer are offered in an equitable way?
- » Have a listening session related on DEI related to the services we offer.
- » We've been outpacing population growth in the region – this trend means more opportunities and continued growth.
- » Bringing back the fire task force will assist us in determining a path forward on future fire protection services.

- » SDC structure with the West Side Plan will offer opportunity for the city.
- » The completion of the Oak Street Plan will open new opportunities for the City.
- » Great opportunities with the new Community Police Advisory Committee (CPAC). This creates a chance to make positive changes in the police department with the broader needs of the community in mind.
- » We have a footprint of Latinx and Asian-owned businesses, and we can continue to work on ensuring opportunities are accessible.

2021

Goals

The team worked together reviewing the City's current context and considering challenges and opportunities on the horizon as they identified goals and objectives that would address these challenges, aid the community in recovery, and also build on the work and success of previous years.

The Council also participated in a prioritization exercise to inform staff of the team's highest priorities. The results of this exercise are reflected in the listing of the goals. Staff also considered these priorities along with costs, available resources, and work currently in progress as they determined the proposed timeline for each objective.

The City's Boards and Commissions will be involved in implementing, advising, or reviewing the work as it progresses. These advisory groups have been identified in the corresponding objectives as noted in the key below.

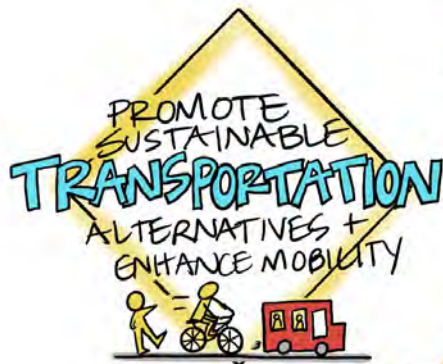
Key:

PC	Planning Commission	ADM	Administration
CC	City Council	CD	Community Development
P&R	Parks and Recreation	ED	Economic Development
EDC	Economic Development Commission	POL	Police
BC	Budget Committee	LIB	Library
CCI	Committee for Community Involvement	PW	Public Works
LC	Library Commission	PARKS	Parks, Recreation, and Aquatics

Goal	Objectives	Staff Lead	Timeline (Years)	Board or Commission
Goal 1: Support DEI in the delivery of City services and operations	1.1 Develop a DEI plan that includes an assessment of hiring practices and equitable delivery of City services and operations.	ADM	1 Year	Multiple
	1.2 Continue DEI Advisory Team and internal DEI assessment work.	ADM	2 Years	NA
	1.3 Support training for DEI Advisory Team, Directors, and Council. Explore additional DEI training for Boards and Commissions.	ADM	1 Year	NA
Goal 2: Support housing stability and mitigation of homelessness	2.1 Implement middle housing legislation (HB2001).	CD	1 Year	PC
	2.2 Partner with other agencies and non-profits to address homelessness needs and access to wraparound services in Forest Grove. Monitor legislation and advocate to meet the needs of homelessness population.	ADM	1 Year	CCI
	2.3 Evaluate recommendations from the Housing Needs Analysis to incentivize affordable and middle housing to focus on ADUs and SDCs.	CD	2 Years	PC/P&R
	2.4 Monitor legislation and work with agencies including Washington County, Metro, Federal and State governments to advocate for policies that support affordable housing options in Forest Grove.	CD	1 Year	CCI
	2.5 Develop the Oak Street plan in accordance with our long-term commercial and industrial supply goals and in alignment with the City's Economic Opportunities Analysis.	CD	1 Year	EDC/PC

Goal	Objectives	Staff Lead	Timeline (Years)	Board or Commission
Goal 3: Support Community Recovery from the Pandemic	3.1 Work with community organizations to communicate available resources to assist with COVID recovery.	ADM	1 Year	EDC/BC
	3.2 Provide information and management tools as small business pivots, and be flexible in how the City supports small business through policy decisions.	ED	1 Year	EDC/BC
	3.3 Continue to offer modified service delivery in addition to in-person post-pandemic services (virtual, online, curbside, etc.).	ADM	1 Year	NA
Goal 4: Maintain financial and organizational sustainability	4.1 Continue exploration of fire district governance.	ADM	1 Year	BC
	4.2 Conduct a needs analysis for the upcoming levy renewal.	ADM	1 Year	BC
	4.3 Refine the West Side Plan Financial Plan.	CD	2 Years	PC
	4.4 Plan for a future police facility.	POL	3 Years	NA
Goal 5: Improve communications and engagement	5.1 Develop an engagement strategy that provides structure for equitably engaging the community.	ADM	1 Year	CCI
	5.2 Develop the community vision and values following the completion of the equity plan.	ADM	2 Years	ALL
	5.3 Complete and implement the Communications Plan.	ADM	1 Year	CCI
	5.4 Develop partnerships between the City, the school district and Pacific University.	PARKS / LIB	3 Years	P & R / LC
	5.5 Collaborate with community partners to plan for the City's 150th anniversary/ sesquicentennial.	ADM	1 Year	CCI

Goal	Objectives	Staff Lead	Timeline (Years)	Board or Commission
Goal 6: Promote sustainable transportation alternatives and enhance mobility	6.1 Assess areas with limited transportation alternatives and identify options to enhance mobility.	PW	2 Years	NA
	6.2 Address high use areas with no sidewalks. Make improvements in coordination with other public works projects.	PW	3 Years	NA
	6.3 Prioritize Transportation Development Tax (TDT) projects.	PW	3 Years	NA
Goal 7: Expand recreation opportunities	7.1 Complete feasibility analysis for preferred alternative for Eastside Park.	PARKS	1 Year	P & R
	7.2 Partner with the School District, Pacific University, and non-profits to enhance coordination of recreation and sports activities, explore opportunities for shared recreation space, and make information accessible so all can access programs and facilities.	PARKS	1 Year	P & R
	7.3 Support the Council Creek Regional Corridor.	PW	3 Years	P & R



2021 CITY COUNCIL GOALS



Council + Administration

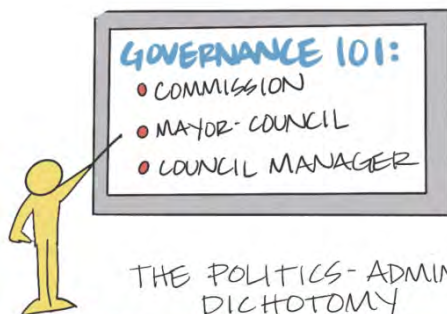
Roles + Responsibilities

The Team reviewed the background information regarding the Council-Manager form of government, and roles and expectations of Council and Administration. This discussion provided context for the goal setting discussion as well as assisting the team in thinking about how they will work together to advance the goals.

Forest Grove: Council + Administration

POLITICS + ADMINISTRATION

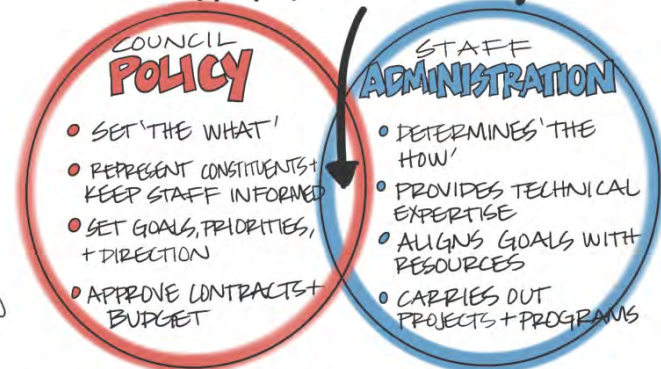
● HOW THE ROLES EVOLVED



THE POLITICS- ADMINISTRATION
DICHOTOMY

THE THEORY THAT CONSTRUCTS THE
BOUNDARIES OF PUBLIC ADMINISTRATION
+ ASSERTS THE NORMATIVE RELATIONSHIPS
BETWEEN ELECTED OFFICIALS + ADMINISTRATORS
IN A DEMOCRATIC SOCIETY

PARTNERSHIP!



EXPECTATIONS:

Council:

- Make decisions
- Communicate with City manager. Not our job to micro-manage or administer
- Monitor progress - ensure things move in the right direction in alignment with values of City. Sometime course correction.
- Minimize ambiguity - ask good questions.
- Run interference with members of the community - take some of the heat
- ONE body

Administration:

- Provide the Council with trustworthy information - accurate, thorough, timely - Technical expertise
- Neutral advice - explore and provide all options.
- Keep the Council informed
- Implement the goals and objectives outlined by Council. Deadlines, RFPs, stakeholder outreach, etc.
- Staff remains open in expressing their workload to Jesse to plan work accordingly.
- High performing organization

Team Expectations

- We respect the roles and the process
- Staff and Council are open and accessible to each other to support the partnerships
- We are ONE TEAM



**City of
Forest Grove**

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97116-0326
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www.forestgrove-or.gov

Prepared by:



SSW CONSULTING

www.sarasingerwilson.com



A place where families and businesses thrive.

CITY MANAGER'S REPORT TO COUNCIL

April 12, 2021

UPCOMING EVENTS:

- | | |
|--------------------------------------|--|
| • Tuesday, April 13, 6 pm | CEP project presentations |
| • Tuesday, April 20, 6 pm | Informational Budget Committee Meeting |
| • Saturday, April 24, 10 am to 2 pm: | National Drug Takeback Day |
| • Week of May 10 – 14: | Curbside Spring Cleanup |
| • Saturday, May 15, 9 to Noon | Shredding Event, City Hall parking lot |
| • Saturday, May 15, 9 am to 2 pm | Furniture/Appliance/Tires drop off at Transfer Station |

CITY HALL / ADMINISTRATIVE SERVICES:

- **Diversity, Equity, and Inclusion (DEI) Plan:** The DEI consultant, MIG, has completed the 1:1 interviews with community organization leaders and the City Boards/Commissions Focus Groups. The Spanish-language focus group is scheduled for April 20 and the community-wide focus group will be scheduled after the consultant reviews the expressed interest responses from community members which are due to the consultant by April 12. The survey of City staff will be coming in the next few weeks as well as a comprehensive look at the City's current inventory of DEI projects and programs.
- **Budget:** Reviews of department's requested budget has begun with the first round of reviews scheduled to be completed by April 16. Staff is preparing for the Informational Budget Committee meeting on Tuesday, April 20, 2021, which will include the presentation of the five-year general fund financial projection and the process to begin preparing for the renewal or replacement of the City's Local Option Levy which expires June 30, 2023. Staff is also reviewing the American Rescue Plan and the allowable uses of the funding that the City will receive.
- **Permits:** Administration, Police, and Public Works collaborated to combine several permit applications into one, making it easier for residents to apply and easier to process. The permits that were combined include event, parades, street closures, and noise variance. The permit is now .pdf fillable to allow for online applications.
- **Tourism Logo:** The City applied for a patent on the wording and logo for "Branch Out in Forest Grove" in August, 2020. The U.S. Patent and Trademark Office (USPTO) reviewed the application and requested some minor clarifications and additional items. Those items have been provided and the USPTO is expected to re-review the application in a month.
- **Tourism Coordinator Contract:** The City received two proposals to provide tourism coordinator services. A notice of intent was sent to the Forest Grove/Cornelius Chamber of Commerce of the City's intent to negotiate a contract with the Chamber to provide those services. Staff has begun drafting a proposed contract with a tentative effective date of May 1, 2021. City staff are working with Court Carrier, the current tourism coordinator, to finalize the marketing plan as part of the transition to the new contractor.
- **Proposed Development Services Annex (DSA):** Architects and staff have been discussing schematic designs for the proposed DSA and the remodel of City Hall. The architect is having cost estimates prepared based on those schematic designs. Staff will propose how to pay for the project as part of the FY 2021-22 Proposed Budget for the Budget Committee and Council to consider.

- **CM/GC:** The City received five proposals for the Construction Manager/General Contractor (CM/GC) services. A committee reviewed the proposals and a notice of intent to negotiate a contract was sent to Lease Crutcher Lewis. A draft contract is being prepared.
- **Police Station:** City staff and Mackenzie, the architect, held a meeting to commence the study of putting an annex behind the existing police station and remodeling the interior of the police station as an alternative to building the new police station. The study is scheduled to be completed in late June or July.
- **Electric Rate Review Update:** A kick-off meeting to update the rate model was held and staff is getting information to the consultants. The model needs to be updated for the effect of not increasing rates and adding cost changes to determine the potential effects on the projected rate changes over the next five years. If a rate change will be proposed, staff is targeting October, 2021, as the time to propose a rate change.
- **Clean Water Service (CWS) Proposed Rate Increases:** CWS has proposed a 4.5% increase to sewer rates and a \$0.50 per month increase to surface water management rates effective July 1, 2021. Sewer System Development Charges will increase by \$285 or 4.9% to \$6,085 per Equivalent Dwelling Unit (EDU).
- **Recruitments:** Police Officer, Firefighter, Public Works Utility Worker, Adult Services Librarian, Part-time Library Assistant, and Part-time Parks Utility Worker.

COMMUNITY DEVELOPMENT

- **Festival Street:** The third Technical Advisory Committee meeting for the Festival Street took place on April 8 online. MIG will be presenting options at the URA Board meeting on April 12.
- **Housing:** The Planning Commission, on a 6-1 vote, approved the Forest Grove Family Housing project, subject to two additional conditions, which included moving the clubhouse building three feet to the north to provide additional setback to the south-abutting property owner, and to limit exiting onto A Street to right-only. It does not appear it will be appealed to the City Council.
- **Oak Street Plan:** Work on the Oak Street Plan continued on April 7 when the team met to discuss a preferred alternative after having gathered feedback from the Technical Advisory Committee and the general public. Staff is planning a work session with Council in the near future.

URBAN RENEWAL AGENCY (URA)

- **Art Installation:** City Staff have determined the locations of four plinths, which will support the Open Air Rotating Art Gallery. Underground locates have been conducted and have cleared each of the locations of any conflicts. The plan will be to install a plinth at each location in May.

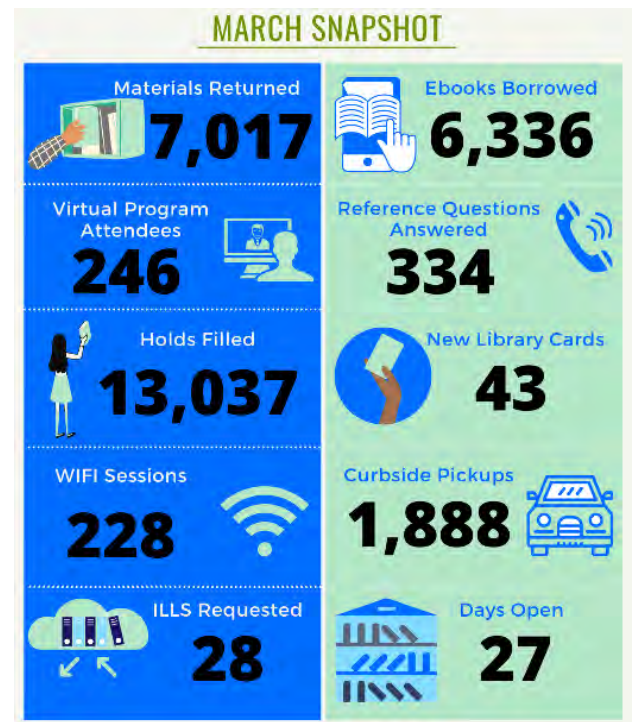
ENGINEERING AND PUBLIC WORKS:

- **Thatcher Road and Gales Creek Road Intersection Improvements:** Washington County has developed a draft IGA for this project, which is currently under review. The financial implications of this project will be discussed during the budget process. The current schedule is to bid the project this fall with construction beginning thereafter, depending on weather.
- **Martin Road and Highway 47 Intersection Roundabout:** Washington County is currently conducting an Online Open House for the Martin Road project in order to inform interested parties on the project status and to solicit comments. The project is scheduled to bid in the fall of 2021, with construction to start in the spring/fall of 2022.

- **Annual Pavement & Curb Ramp Improvements:** Engineering and Public Works are coordinating with the contractor to finish up the weather-delayed 2020 pavement overlay contract. The remaining work includes several curb ramps and an overlay of 26th Avenue between Hawthorne and Sunset. The 2021 pavement overlay bid documents are currently being reviewed internally, with anticipation to bid in late April or early May.
- **Civil Engineering Cooperative Program (CECOP):** Katelin Vandehey started on April 5 and will be with the City through September 13, 2021.

LIBRARY:

- **National Library Week:** The Friends of the Library purchased a new street banner to honor National Library Week/National Library Worker's Day.
- **STEM Youth Programs:** The Library has partnered with the Museum of Natural and Cultural History in Eugene and Friends of the Forest Grove Library to provide STEM-focused, youth programs this spring.
- **El día de los niños/El día de los libros (Children's Day/Book Day), April 30:** Commonly known as Día, this celebration of children, families, and reading culminates yearly on April 30. The celebration emphasizes the importance of literacy for children of all linguistic and cultural backgrounds. A Take & Make Luchador mask craft for young children will be available.
- **Asian American and Pacific Islander (AAPI) Heritage Month: Tuesday, May 11, 2021, 6:30 PM, Oregon Chinese Diaspora Project:** live-streamed program with Don Hann, Forest Service archeologist and co-principal investigator on the Oregon Chinese Diaspora Project (OCDP), a multi-agency partnership that has been excavating in rural locations to better understand the lived experiences of Oregon's early Chinese residents.
- **Tuesday, May 18, 2021, 6:30 PM, Kawai Strong Washburn:** partnering with the Student Multicultural Center at Pacific University for a special live-streamed event at Minneapolis-based writer Kawai Strong Washburn, whose groundbreaking first novel, *Sharks in the Time of Saviors*, was named one of the best books of the year for 2020.



ECONOMIC DEVELOPMENT

- **Local Retail Updates:** On Pacific Avenue, Biscuitology opened in late-March and a café serving Indian cuisine had a soft opening; Bull Run Cider is opening a tasting room on 21st Avenue. Other projects are Popeye's and Starbucks on the south side of Pacific Avenue east of Highway 47. Kama Aina has extended their lease for the time being to remain in Forest Grove as they work through the Pandemic impacts.
- **Tourism:** Contract signed to complete 10 new wayfinding signs using new tourism logo to replace older signs; will be completed in April. New tourism "Welcome" banners are also now being completed. Printed and distributed an updated Dining Guide.
- **Unemployment:** February unemployment rate for Forest Grove jumped up to 7.1%. Washington County at 5.4%, Portland metro region at 6.2%, and State of Oregon at 6.1% are all lower.

- **COVID-Related Activity:** Forest Grove EDC is beginning to research current needs of businesses related to ongoing COVID 19 impacts. Information will inform program approaches should state, county or city funds for small business become available from the American Rescue Plan Act.

FIRE:

- **COVID Planning:** All Washington County Fire Departments continue to operate under COVID protocols, but are preparing reopening plans.
- **Grants:** The first of the Self Contained Breathing Apparatus grant shipments have started to arrive. The specific shipment for Forest Grove will arrive around April 16. A plan is in place to inventory and distribute from there.
- **New Engine:** The new Pierce Quantum Type 1 Engine was delivered approximately two weeks ago. Staff is going through the in-service process to get it ready for training.
- **Task Force:** The fire task force met last week and are moving forward with additional consulting to determine next steps. A City Council work session is planned for April 26.
- **Staffing:** Matt Rawls was promoted to Lieutenant on April 1. Matt is a longtime resident of Forest Grove and grew up in Cornelius.

POLICE:

- **Training:** The department will be attending bias based police training on April 28; CPAC members are also invited to attend.
- **Code Enforcement:** Issued 223 parking citations; 10 verbal warnings; 6 vehicle impounds; 0 vehicle boots; 7 reports; 10 supplemental reports and 2 in-process abatement. Delivered 7 medical prescriptions and working on two clean-up situations on Sunset Drive and Douglas Street. Assisted with traffic control for Cornelius industrial fire and responded to 2 graffiti calls (owners are painting over graffiti).
- **Community Outreach:** Gained 50 followers on Facebook and 56 new members on NextDoor in March. Highlighting various code enforcement issues via social media and a Friday Fraud Alert in addition to promoting the #9pmroutine that encourages residents to make basic safety home and vehicle safety precautions part of their daily habits. Attending the Westside Crime Prevention Coalition's monthly Landlord Forum – will host in May. Will be participating in First Wednesday's at the Farmers Market beginning May 5. Planning a modified National Night Out to be held on Tuesday, August 3, on a much smaller scale than previous years. Planning an outdoor "Coffee with a Cop" style event for June at the station; and National Drug Takeback Day is scheduled for Saturday, April 24.

PARKS & RECREATION:

- **Harpers Playground Contribution:** The Parks Department is pleased to report that it accepted a contribution of \$407,000 from Harpers Playground. This completes the relationship between Harpers and the City of Forest Grove related to the Rogers Park Renovation. Harpers is still interested in the ongoing operations of the park and will continue to support the ongoing mission of accessibility and inclusion.
- **New Parks and Recreation Director Anne Lane:** Begins work for the City on Monday, April 12. Her orientation schedule is being coordinated by former Director Tom Gamble. She is being introduced to the Department's stakeholders during the transition.
- **Stites Park:** Design development is nearing completion. Staff is reviewing cost assumptions to proceed with construction documents.

LIGHT & POWER:

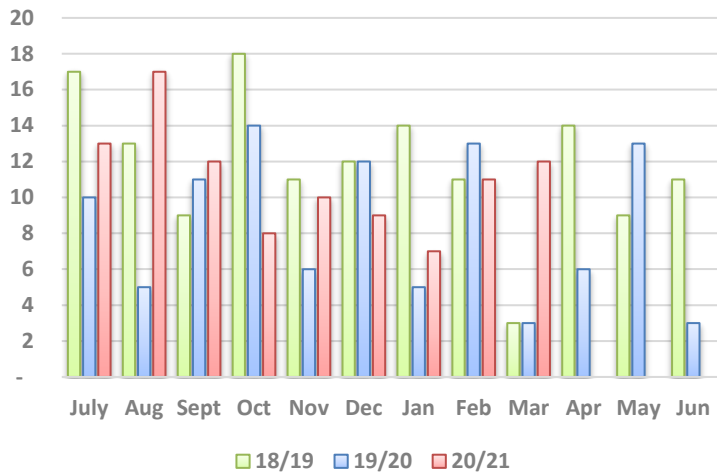
- **New installations:** Electrical substructure installation has been completed at Gales Creek Terrace Subdivision Phase 4 and at the new Starbucks location on Pacific Avenue. Power installation will begin in coordination with the developer's schedule. Electrical substructure installation at the Reserve Apartment Complex is to begin soon.
- **Transmission Loop Line:** Most all crew focus has been on construction of the Filbert to Thatcher Substation transmission loop line. B Street construction is near completion and crews are moving onto 18th Avenue & C Street.

CONSTRUCTION PROJECTS IN FOREST GROVE: More information at www.forestgrove-or.gov/projects

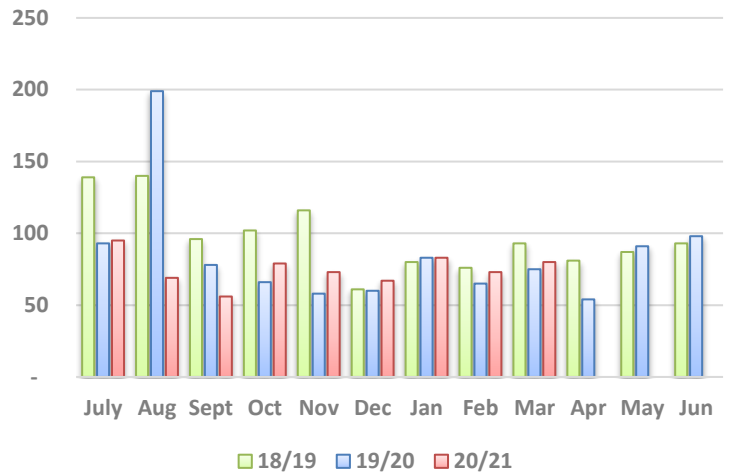
NAME	LOCATION	DESCRIPTION	LAND USE PERMIT STATUS	BLDG PERMIT STATUS	CONST. STATUS
Kidd Court	22 nd Place	Subdivision 7 units	Approved	7 permits issued	Under Construction
Gales Creek Terrace	Pacific Ave/ 19 th Ave	Subdivision (197 lots)	Approved	78 lots issued	Under construction
Green Grove	Thatcher Rd	Co-Housing (9 lots)	Approved	6 lots issued	Under construction
Forest Grove Apartments	2838 - 19 th Avenue	Apartments (10 units)	Approved	N/A	N/A
Hawthorne Gardens Apartments	2560 Hawthorne St	Apartments (18 units)	Approved	N/A	N/A
Brooke Meadows	3601 Brooke Street	Subdivision (6 lots)	Approved	6 lots issued	Under construction
Pacific Woods	2345 – 26 th Avenue	Subdivision (21 lots)	Approved	13 lots issued	Under construction
La Mota Marijuana Dispensary	3139 Pacific Ave	Commercial/Tenant Improvement	Approved	Permits Issued	Temp Cert of Occupancy Issued
Pacific Grove Retail Building	3420 Pacific Ave	Comm New (6000 sf)	Approved	Permits issued	Under construction
The Reserve at Fernhill	3510 Pacific Ave, et al.	Apartments (196 units)	Approved	Grading Permit issued	Plans ready to Issue
Old Trapper Dist & Office Buildings	4115 24 th Avenue	Industrial New (144,000 sf)	Approved	N/A	N/A
State Street Homes	2828 22 nd Ave	Apartments (3 Bldgs / 15 units)	Approved	3 building permits issued	Under construction
Farmstead Crossing Annexation/PUD	3385 NW Hwy 47	Planned Unit Development (131 lots)	Approved	Site Development Plans in Review	N/A
Cannabis Processing Facility	3700 24 th Ave, Building A	Conditional Use Application	Approved	N/A	N/A
Apartment Conversion	2320 Pacific Ave	Apartments (3 units)	Approved	Ready to Issue	N/A
Kingwood Commons Subdivision	2344 Kingwood St	Planned Unit Development (20 units)	Approved	Grading plans ready to issue	N/A
Forest Grove Family Housing Project	2525 A Street / 2508 Main St	Affordable Housing (36 units)	Approved	N/A	N/A
Popeye's Louisiana Kitchen Fast Food Restaurant	3510 Pacific Ave	Site Plan & Design Review	In Review	N/A	N/A
Pacific Crossing No. 5	Goff Place	Subdivision (11 lots)	In Review	Site Development Plans in Review	N/A

Forest Grove Activity Report

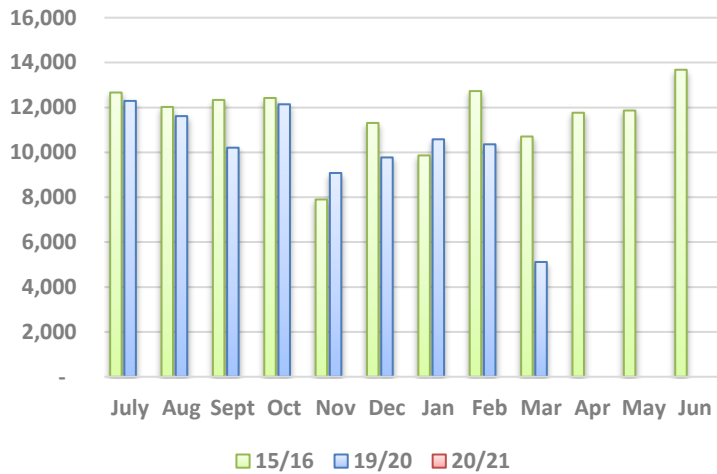
New Business Licenses



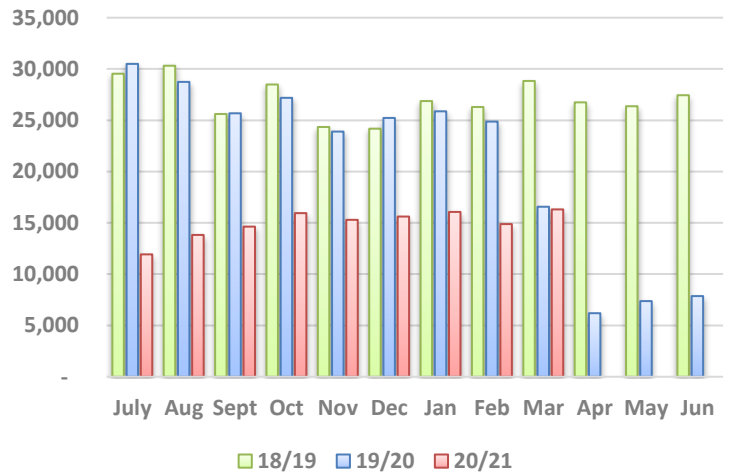
Total Building Permits



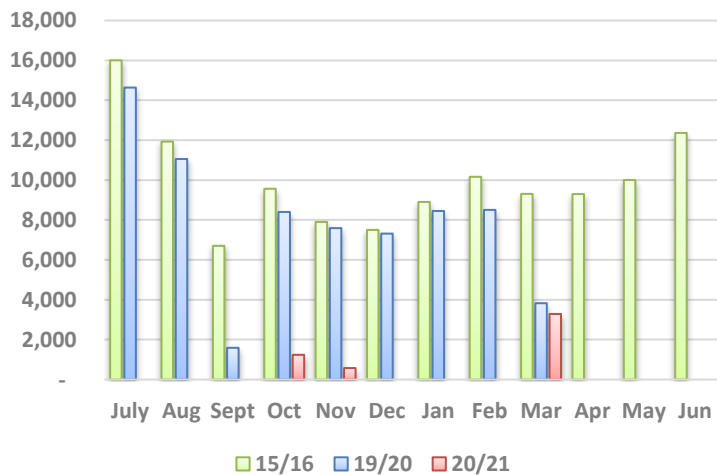
Library Walk-Ins



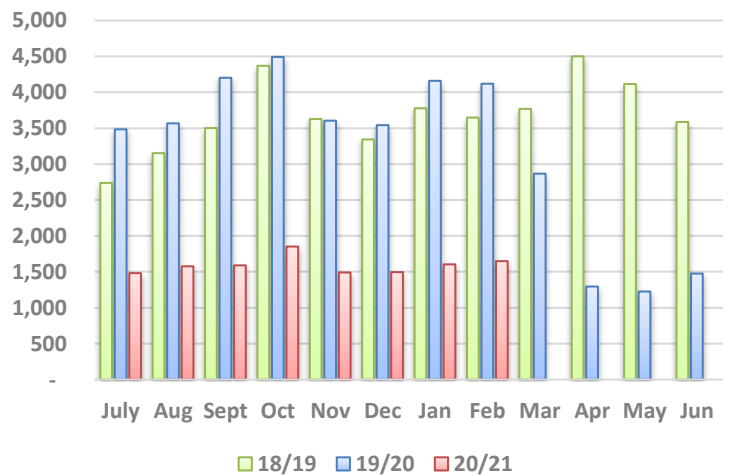
Library Circulation



Aquatic Center Attendance

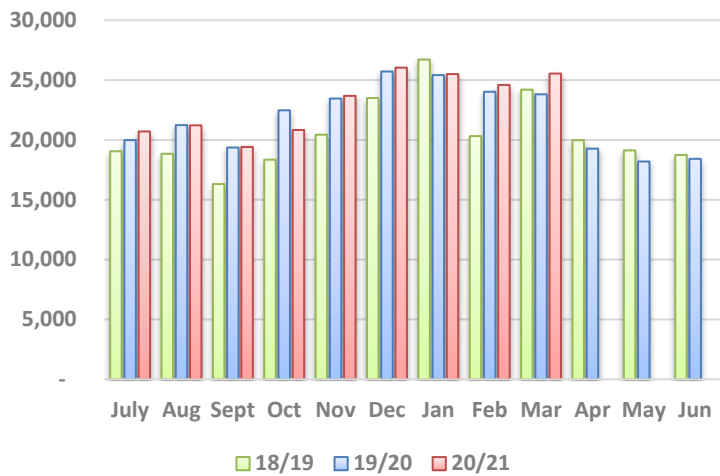


Grove Link Riders

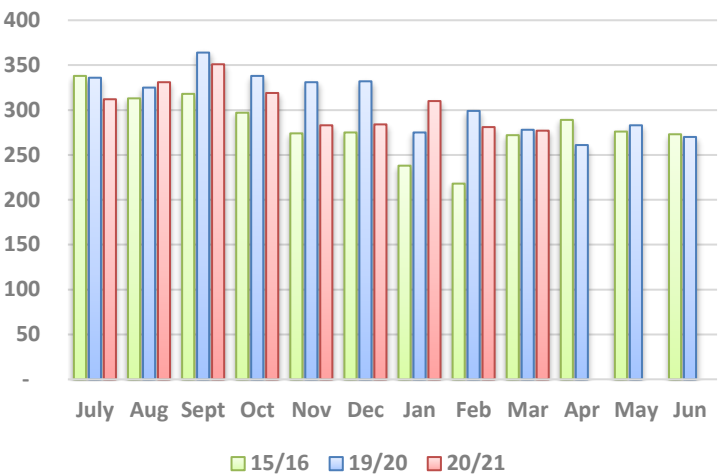


Forest Grove Activity Report

Light & Power Total MWh



Fire Department Calls



Police Dispatch Calls



URBAN RENEWAL AGENCY MEETING AGENDA

Zoom Video Conferencing

Public Webinar ID: 925 2578 8997

Pass Code: 04122021

Click Link: <https://zoom.us/j/92525788997?pwd=YzRGdW0rREJ1OUNBRzV1TG50ZU0yQT09>

MONDAY, APRIL 12, 2021

5:30 PM – ZOOM WEBINAR

COMMUNITY AUDITORIUM, 1915 MAIN STREET

During the pandemic, all public meetings are held in a “hybrid” format allowing the public to attend meetings both virtual and in-person. The Community Auditorium is open and has limited availability and social distancing measures. The public can observe the meetings **LIVE** on **Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming or **LIVE Channel 30** on their website: <http://208.71.205.11/CablecastPublicSite/?channel=15>. Written comments may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov.

PETER B. TRUAX, DIRECTOR BOARD CHAIR

Malynda H. Wenzl, Director Board President

Donna Gustafson, Director

Kristy L. Kottkey, Director

Timothy A. Rippe, Director

Elena Uhing, Director

Mariana Valenzuela, Director

All regular meetings of the Urban Renewal Agency are open to the public and persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the Urban Renewal Agency Board as follows:

Public Hearings: Hearings are held on each matter required by state law or City policy. Sign in before the meeting on the Public Hearing form posted in the foyer. The presiding officer will review the hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Board, please use the witness table (center front of the room), provide your full name and please limit your remarks to three (3) minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Board action. All testimony is electronically recorded. Written testimony may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov.

Public Comment: This is a time provided for anyone wishing to speak to the Board on an item not on the agenda or on the agenda, and not scheduled for a public hearing. Sign in before the meeting on the form posted in the foyer. The presiding officer will review the instructions prior to public comment. The presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Board, please use the witness table (center front of the room), provide your full name. Please limit your comments to two (2) minutes unless the presiding officer grants an extension. All testimony is electronically recorded. Written comments may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov.

Accommodations: In accordance with the Americans with Disabilities Act, the City of Forest Grove will make reasonable accommodations for participation in the meeting. Request for assistance can be made by contacting City Recorder's Office, aruggles@forestgrove-or.gov, 503-992-3235, at least 48-hours advance notice of the meeting.

FOREST GROVE URBAN RENEWAL AGENCY AGENDA
APRIL 12, 2021
Page 2 of 2

5:30	1.	<u>URBAN RENEWAL AGENCY REGULAR MEETING:</u> Call to Order and Roll Call.
5:35 5mins	2.	<u>PUBLIC COMMENT:</u> Anyone wishing to speak to the Board on an item not on the agenda or on the agenda but not scheduled for a public hearing may be heard at this time. Please limit comments to two (2) minutes. Written comment may be submitted by 3:00 p.m. the day of the meeting to: CityCouncilors@forestgrove-or.gov .
5:40 5mins	3.	<u>CONSENT AGENDA:</u> Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion. Board members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s). A. Approve Urban Renewal Agency Meeting Minutes of July 13, 2020. B. Approve Urban Renewal Agency Work Session (Rotating Outdoor Public Art Gallery) Meeting Minutes of January 25, 2020. C. Approve Urban Renewal Agency Work Session (Goals and Objectives Refinement) Meeting Minutes of March 15, 2021.
	4.	<u>ADDITIONS/DELETIONS:</u>
Bryan Pohl, Community Development Director Jesse VanderZanden, City Manager	5:45 5mins	5. <u>URA RESOLUTION NO. 2021-01 ADOPTING URBAN RENEWAL AGENCY 2021 WORK PLAN</u>
	5:50	6. <u>ADJOURNMENT:</u>

Bryan Pohl, Community Development Director Jesse VanderZanden, City Manager	5:50	<u>URBAN RENEWAL AGENCY (URA) WORK SESSION: FESTIVAL STREET, MIG CONSULTING</u>
	6:20	<u>ADJOURNMENT:</u>



Monday, July 13, 2020

Urban Renewal Agency Meeting Minutes

9:05 p.m., Community Auditorium

Minutes are unofficial until approved by the Urban Renewal Agency.

1. **CALLED TO ORDER AND ROLL CALL:**

Peter Truax, Urban Renewal Agency (URA) Director Chair, called the URA meeting to order at 10:10 p.m. via Webex Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the URA Board limited in-person contact and social distancing. **The Board conducted the URA meeting remotely by video conferencing.** The meeting was remotely video conferenced by City Recorder Ruggles and televised live from the projector screen at the Community Auditorium by Tualatin Valley Community Television (TVCTV) Government Access Programming LIVE Channel 30 and Live Streamed on MACC TVCTV YouTube Channel 30. The public was allowed to attend and observe in the Community Auditorium as space allowed. The URA Board accepted written comments on items not on the agenda submitted by July 13, 2020, 3 pm, to the City Recorder.

ROLL CALL: URA DIRECTORS PRESENT ATTENDED BY WEBEX REMOTELY:

Kristy Kottkey; Timothy Rippe; Elena Uhing; Mariana Valenzuela; Adolph "Val" Valfre; Malynda Wenzl, Vice Chair; and Peter Truax, Chair.

STAFF PRESENT ATTENDED BY WEBEX REMOTELY: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Henry Riemann; and Anna Ruggles, City Recorder (in the Community Auditorium).

2. **CITIZEN COMMUNICATIONS:** None.

3. **CONSENT AGENDA:**

A. Approve Urban Renewal Agency Regular Meeting Minutes of June 22, 2020.

MOTION: Director Valfre moved, seconded by Director Rippe, to approve the Consent Agenda as presented. **ROLL CALL VOTE:** AYES: Directors Kottkey, Rippe, Uhing, Valenzuela, Valfre, Wenzl, and Director Chair Truax. NOES: None. **MOTION CARRIED 7-0.**

4. **ADDITIONS/DELETIONS:** None.

5. **PRESENTATIONS:** None.

6. **URA RESOLUTION NO. 2020-06 OF THE FOREST GROVE URBAN RENEWAL**

AGENCY AUTHORIZING APPROVAL OF EXCLUSIVE NEGOTIATING AGREEMENT WITH WELSHCORP, LLC, FOR THE PROPERTY KNOWN AS SITE B ON THE FORMER TIMES LITHO PROPERTY AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE URBAN RENEWAL AGENCY

Staff Report:

Downey presented the above-proposed resolution for Urban Renewal Agency (URA) Board consideration, noting the resolution is authorizing the Executive Director to execute and finalize an Exclusive Negotiating Agreement (draft ENA) between the URA and WelshCORP, LLC, Jonathan Welsh, President (FreshFoods and MFF Properties, LLC) for the pre-development work on Site B. Downey advised the City Attorney reviewed Exhibit A (draft ENA) and staff is finalizing the ENA with the developer. Downey reported the URA issued a Request for Proposal (RFP) for Redevelopment of Agency-owned Site B (Times-Litho), a 0.96-acre site located in downtown at the corner of Pacific Avenue and B Street, west of Jesse Quinn development. The URA received one proposal for development of an approximately 20,000 square-foot grocery store with 12 apartment units built above the grocery store. The Urban Renewal Advisory Committee approved the conceptual proposal and forwarded its recommendation to the URA Board. The URA Board at its work session on May 11, 2020, directed staff to pursue an ENA as the next steps in the process. In addition, Downey reported if the pre-development work performed under the ENA is successful and both parties agree, the ultimate goal is to negotiate a Disposition and Development Agreement (DDA). In conclusion of the above-noted staff report, Downey advised staff is recommending the URA Board approve the proposed resolution as outlined in Exhibit A, noting the pre-development costs are estimated to be a total of \$31,500 in URA financial assistance, which funding was discussed during FY2020-21 Adopted Budget under Undesignated Projects. Downey noted a separate line item will be established in the URA Budget to separately track all direct financial assistance by the URA.

Before proceeding with Board discussion, Director Chair Truax asked for a motion to adopt URA Resolution No. 2020-06.

VanderZanden read URA Resolution No. 2020-06 by title.

MOTION: Director Rippe moved, seconded by Director Valfre, to approve URA Resolution No. 2020-06 Authorizing Approval of Exclusive Negotiating Agreement with WelshCORP, LLC for the Property Known as Site B on the Former Times Litho Property and Authorizing the Executive Director to Execute the Agreement on Behalf of the Urban Renewal Agency.

Board of Directors Discussion:

In response to Rippe's concerns pertaining to land purchase, Downey advised land negotiations will be held in Executive Session (real property transactions) while negotiating

the DDA, noting the DDA will require URA Board approval. If City assistance is provided, the DDA will also require Council approval.

Hearing no further concerns from the Board, Director Chair Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Directors Kottkey, Rippe, Uhing, Valenzuela, Valfre, Wenzl, and Director Chair Truax. NOES: None. MOTION CARRIED 7-0.

7. **ADJOURNMENT:**

Director Chair Truax adjourned the URA regular meeting at 10:19 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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**Urban Renewal Agency Work Session Minutes
Rotating Outdoor Public Art Gallery**

**Monday, January 25, 2021
8:45 p.m., Community Auditorium**

Minutes are unofficial until approved by the Urban Renewal Agency.

1. CALLED TO ORDER AND ROLL CALL:

Peter Truax, Urban Renewal Agency (URA) Director Chair, called the URA work session to order at 9:27 p.m. via Webex Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the URA Board limited in-person contact and social distancing. **The City Council conducted the Council meeting remotely by video conferencing.** The meeting was televised live by Tualatin Valley Community Television (TVCTV) Government Access Programming LIVE Channel 30. The public was allowed to attend and observe in the Community Auditorium as space allowed.

ROLL CALL: URA DIRECTORS PRESENT ATTENDED BY WEBEX

REMOTELY: Donna Gustafson; Kristy Kottkey; Timothy Rippe; Elena Uhing; Mariana Valenzuela; Malynda Wenzl, Vice Chair; and Peter Truax, Chair.

STAFF PRESENT ATTENDED BY WEBEX REMOTELY: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Bryan Pohl, Community Development Director; Colleen Winters, Library Director; and Anna Ruggles, City Recorder (in the Community Auditorium).

2. WORK SESSION: ROTATING OUTDOOR PUBLIC ART

Pohl and VanderZanden facilitated the work session, noting the purpose of the work session was to seek feedback from the URA Board on a program proposal from the Public Arts Commission (PAC) to establish a rotating public outdoor art gallery, which supports URA's Goal 4, Objective 4.6. Pohl introduced Dana Eytzen, Public Arts Commission Chair, who was present. Pohl reported the PAC approved the program at its meeting held on September 17, 2020, and submitted its recommendation to the Urban Renewal Advisory Committee who approved the program at its meeting held on December 3, 2020. Pohl presented a PowerPoint presentation overview of the proposed program and a map overview of the six locations proposed by the PAC for the outdoor installation art in the Urban Renewal Agency (URA) Area, noting the program consists of:

- Locations and Descriptions:
 1. Location 1 – 21st Avenue and Main Street (Specific location/corner to be

determined with Festival Street planning; coordinate theme with Festival Street)

2. Location 2 – Community Auditorium (center parking lot couplet with tree)
 3. Location 3 – Library (small area with river rock)
 4. Location 4 – Library Parking Lot (grass area south of parking area)
 5. Location 5 – 19th Avenue and Council Street (near gravel lot)
 6. Location 6 – 21st Avenue and A Street (east of musical bench)
- Six plinths (bases) of varying sizes would be installed in the URA Area to display pieces of art, i.e., three-dimensional original sculptures installed and displayed on the concrete bases.
 - Six art pieces would be procured through a Call for Art and selected by PAC.
 - Art pieces would be on loan to the City for a period of two years, artists receive a \$500 stipend. Pieces would be for sale for the duration of the two years. PAC receives a 20% commission on the sale of any piece of art that is subject to the program. Any art sold will not be removed until the two-year period is over.

Program Budget:

- \$20,000:
 - \$6,500 for installation of plinths (bases)
 - \$3,000 for artists' stipends
 - \$5,000 for purchase of one piece of art
 - \$5,500 miscellaneous expenses

Pohl summarized the program's eligibility, procedure and requirements, and selection criteria as outlined in Attachment A – Call for Art, noting the program is for installation art only, not murals or other forms of art. In conclusion of the above-noted staff report, Pohl advised staff recommends the URA Board approve the proposed program, noting staff was uncertain if public art programs required approval by a URA Board resolution. Pohl noted the URA Board allocated \$100,000 to support public arts programs within the URA Area over a five-year period, \$30,000 was funded for the banner poles and the remaining balance is \$70,000. The PAC intends to submit a Call for Art to have installations done by summer 2021 and end by summer 2023.

URA Board Discussion:

Director Chair Truax opened the floor and roundtable discussion ensued pertaining to the program proposal from the PAC to establish a rotating public outdoor art gallery. Eytzen addressed various inquiries pertaining to the program's maintenance and upkeep, noting the program allocates \$500 for maintenance and requires a maintenance plan from the artist for upkeep and in case of vandalism. Roundtable discussion ensued pertaining to the City's commitment to diversity, equity, and inclusion for all and looking at all programs through an equity lens. The Board suggested the PAC consider one or two of the public art locations be relocated

within the east end of the URA Area, which is unserved. Eytzen explained the six locations were selected because the locations were within walking distance of each other and located within the Town Center. The Board discussed particularly Locations 4 or 5 as being suitable for installation of public arts within the east end of the URA Area, i.e., walking trail at Quince Street, Ace Hardware, and Wauna Credit Union and/or near the new residential development. Chair Truax advised he preferred the PAC making a determination as to which of the public art locations would be more suitable for the east end of the URA Area (within the city's public rights-of-way), to which the Board concurred that the PAC make the final selection. Eytzen advised she would ask the PAC to reexamine the proposed locations, to which the URA Board concurred. In conclusion of the above-noted URA Board discussion, Pohl advised staff could bring back a proposed resolution for URA Board consideration at the February 8, 2021, meeting; however, the Board voiced support of the overall program and made no formal request. Subsequently, the URA Board concurred staff keep the Board informed once the PAC finalizes the public art locations.

The URA Board took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT:

Director Chair Truax adjourned the URA work session meeting at 9:51 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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Urban Renewal Agency Work Session Minutes **Monday, March 15, 2021**
URA Goals and Objectives & 2021 URA Work Plan **8:45 p.m., Community Auditorium**

Minutes are unofficial until approved by the Urban Renewal Agency.

1. CALLED TO ORDER AND ROLL CALL:

Peter Truax, Urban Renewal Agency (URA) Director Chair, called the URA work session to order at 9:15 p.m. via Webex Video Conference.

COVID-19: Due to the emergency declaration resulting from COVID-19 (Coronavirus disease) and protocols, the Work Session was conducted in a “hybrid” format allowing the public to attend virtually via **Zoom Webinar** and in-person in the Community Auditorium. Members of the public could observe the work session **LIVE** on **Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming Channel 30.

ROLL CALL: URA DIRECTORS PRESENT ATTENDED BY WEBEX

REMOTELY: Donna Gustafson; Kristy Kottkey; Timothy Rippe; Mariana Valenzuela; Malynda Wenzl, Vice Chair; and Peter Truax, Chair. **ABSENT:** Elena Uhing.

STAFF PRESENT ATTENDED BY WEBEX REMOTELY: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Bryan Pohl, Community Development Director; and Anna Ruggles, City Recorder (in the Community Auditorium).

2. WORK SESSION: URA GOALS AND OBJECTIVES AND 2021 URA WORK PLAN

Pohl and VanderZanden facilitated the work session, noting the purpose of the work session was to refine and prioritize the proposed 2021 URA Work Plan. Pohl presented a PowerPoint presentation overview of the URA and its functions, noting the URA Board approved the URA Plan in 2014. The Plan established Goals (5) and Objectives (13). The Goals and Objectives are changed infrequently and must be approved through an ordinance amending the URA Plan. In 2018, the Board adopted a Work Plan delineating specific Actions to accomplish the URA Goals and Objectives. The Work Plan is updated annually and approved by the URA Board by resolution. Pohl recapped the 2020 URA Work Plan Accomplishments and summarized each of the proposed Actions listed in the 2021 URA Work Plan (Attachment A to the staff report). Pohl reported one major item the URA accomplished this year that was not listed in the Work Plan was the creation and

implementation of a Small Business Assistance Grant Program administered through CARES Act grant funding, noting the URA Board-approved program not only administered URA funds to struggling businesses early in the COVID-19 pandemic, it also served as a platform to administer two subsequent small business assistance grant programs. In conclusion of the above-noted report, Pohl advised staff is recommending the URA Board approve the proposed 2021 URA Work Plan, noting the Work Plan informs the budget process and staff priorities.

URA Board Discussion:

Director Chair Truax opened the floor and roundtable discussion ensued pertaining to the 2020 URA Work Plan Accomplishments and each of the proposed Actions listed in the 2021 URA Work Plan (Attachment A to the staff report). Pohl and VanderZanden addressed concerns pertaining to the status of Objective 1.1, Development and Disposition Agreement (DDA) for the Redevelopment of Agency-owned Site B (Times-Litho), a 0.96-acre site located in downtown at the corner of Pacific Avenue and B Street, west of Jesse Quinn development, noting the URA Board approved an Exclusive Negotiating Agreement on July 13, 2020, between the URA and WelshCORP, LLC, Jonathan Welsh, President (FreshFoods and MFF Properties, LLC) for the pre-development work on Site B. Staff is currently negotiating the DDA with the developer to construct an approximately 20,000 square-foot grocery store and affordable housing units, which will be reviewed by the Urban Renewal Advisory Committee and forwarded to the URA Board for consideration and approval. VanderZanden advised staff will meet with the developer to discuss areas of assistance by the URA, noting the developer is actively working with Washington County on the affordable housing aspects. In conclusion of the above-noted Board discussion, the Board had no proposed changes to the Actions listed in the 2021 URA Work Plan, to which VanderZanden advised staff will bring back a proposed resolution for consideration at the next URA meeting.

The URA Board took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT:

Director Chair Truax adjourned the URA work session meeting at 9:37 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder



CITY RECORDER USE ONLY:

AGENDA ITEM #: 5.

MEETING DATE: 04/12/2021

FINAL ACTION: URA RESO 2021-01

URBAN RENEWAL AGENCY STAFF REPORT

TO: *Urban Renewal Agency (URA) Board of Directors*

FROM: *Jesse VanderZanden, Executive Director*
Bryan Pohl, Community Development Director

MEETING DATE: *April 12, 2021*

SUBJECT TITLE: *Urban Renewal Agency 2021 Work Plan*

ACTION REQUESTED:

☐	☐	☐	☒	☐	☐	☐	☐
Ordinance	Order	X	Resolution	Motion	Informational		

X all that apply

BACKGROUND:

The URA Board of Directors passed the URA Plan in 2014. The primary purpose of the Plan is to eliminate blight and blighting influences, improve the utilization of land within the Urban Renewal Area, encourage private investment and job creation, and increase the taxable value of property within the City to benefit all taxing districts. The Plan is consistent with the Comprehensive Plan and zoning regulations adopted by the Forest Grove City Council.

The Plan established 5 Goals and 13 Objectives. The Goals and Objectives are changed infrequently and must be done through an ordinance amending the URA Plan. In 2018, the Board passed a Work Plan delineating specific Actions to accomplish the Goals and Objectives. Similar to the City Council's goals setting process, the Work Plan is updated annually and approved by resolution. The Work Plan informs the budget process and staff priorities and is approved at a regular Board meeting in April.

The URA Board held a work session March 15, 2021, to refine and prioritize the 2021 Proposed URA Work Plan. One major item the URA accomplished this year not listed in the Work Plan is the creation and implementation of a small business assistance grant program. The Board-approved program not only administered URA funds to struggling businesses early in the pandemic, it also served as a platform to administer two subsequent small business assistance grant programs.

STAFF RECOMMENDATION:

Staff recommends the URA Board consider and approve the resolution adopting the URA 2021 Work Plan, attached as Exhibit A. If the Board wants to modify Exhibit A, each amendment is done separately by its own motion and a second to amend. Once the motion(s) are dispensed of by a vote, the original motion as amended is dispensed by a vote.

ATTACHMENT(s):

- 1) URA Resolution & Exhibit A: URA 2021 Work Plan

URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE

URA RESOLUTION NO. 2021-01

**RESOLUTION ADOPTING URBAN RENEWAL AGENCY
2021 WORK PLAN**

WHEREAS, the Urban Renewal Agency (URA) Board of Directors adopted the URA Plan in 2014 pursuant to URA Resolution No. 2014-01; and

WHEREAS, the URA Plan established 5 Goals and 13 Objectives; and

WHEREAS, there are no changes to the Goals and Objectives therefore passage of this Resolution will not require an amendment to the URA Plan, and

WHEREAS, the URA Board met in a work session on March 15, 2021, to consider changes to the 2020 Work Plan, and

WHEREAS, Exhibit A contains the 2021 Work Plan that requires approval by Resolution of the URA Board.

**NOW, THEREFORE, BE IT RESOLVED BY THE URBAN RENEWAL AGENCY
AS FOLLOWS:**

Section 1. The Urban Renewal Agency hereby adopts the 2021 URA Work Plan as shown in Exhibit A.

Section 2. This resolution is effective immediately upon its enactment by the Urban Renewal Agency of the City of Forest Grove.

PRESENTED AND PASSED this 12th day of April, 2021.

Jesse VanderZanden,
Urban Renewal Agency Executive Director

APPROVED by the URA Board at a regular meeting thereof this 12th day of April 2021, and filed with the Forest Grove City Recorder this date.

Peter B. Truax,
Urban Renewal Agency Chair

URBAN RENEWAL AGENCY

GOALS AND OBJECTIVES

WORK PLAN 2021



GOAL 1



Provide Opportunities
For Public Participation
in the Preparation and
Adoption of Urban
Renewal Plans, Plan
Amendments, and
Policies

GOAL 2



Adopt a Prudent
Annual Budget to
Minimize Financial
Risk to the Urban
Renewal Agency and
the City of Forest
Grove

GOAL 3



Improve the Local
Investment Climate by
Reducing Financial
Barriers to Development
and Redevelopment
Within the Urban
Renewal Area

GOAL 4



Promote a Vibrant
Forest Grove Town
Center Through
Strategic Urban
Renewal
Investments

GOAL 5



Promote Commercial
and Mixed-Use
Redevelopment of Sites
Along the Pacific
Avenue Corridor

WORK PLAN 2021

URBAN RENEWAL AGENCY



GOAL 1 – PROVIDE OPPORTUNITIES FOR PUBLIC PARTICIPATION IN THE PREPARATION AND ADOPTION OF URBAN RENEWAL PLANS, PLAN AMENDMENTS, AND POLICIES

OBJECTIVE

ACTION

1.1 Establish an Urban Renewal Advisory Committee.

Approve URAC bylaws.

Negotiate Disposition & Development Agreement (DDA) to construct grocery store and affordable housing for URAC review and URA Board approval.

GOAL 2 – ADOPT A PRUDENT ANNUAL BUDGET TO MINIMIZE FINANCIAL RISK TO THE URBAN RENEWAL AGENCY AND THE CITY OF FOREST GROVE

OBJECTIVE

ACTION

- | | | |
|-----|---|--|
| 2.1 | Establish policies to guide strategic financial investments in the urban renewal area based on public benefit, documented financial need, scale of the project, and accepted underwriting principles. | |
| 2.2 | Evaluate tax increment revenue collections annually to minimize long term impacts to overlapping taxing districts. | Part of annual budget process. |
| 2.3 | Secure grant funding from regional, state, federal agencies, and private organizations to implement the urban renewal program and supplement tax increment revenue. | Pursue grants for URA programs.

Review stimulus programs for applicability. |

GOAL 3 – IMPROVE THE LOCAL INVESTMENT CLIMATE BY REDUCING FINANCIAL BARRIERS TO DEVELOPMENT AND REDEVELOPMENT WITHIN THE URBAN RENEWAL AREA

OBJECTIVE

ACTION

3.1 Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land.

Consider disposition alternatives for Site B.

GOAL 4 – PROMOTE A VIBRANT FOREST GROVE TOWN CENTER THROUGH STRATEGIC URBAN RENEWAL INVESTMENTS

OBJECTIVE

ACTION

- | | | |
|-----|---|--|
| 4.1 | Establish a program to encourage the preservation, conservation, and adaptive reuse of designated and contributing historic resources through improvements to the exterior and interior of buildings. | Continue Storefront Improvement Program, Parklet Pilot Program, and Installation Art Program, pending available funding. |
| 4.2 | In conjunction with the Economic Development Commission, assist business retention and expansion efforts in the Forest Grove Town Center. | Work with EDC on consideration of Main Street Program. |
| 4.3 | Identify a location and assist with funding construction of a public gathering place in the Town Center. | Select preferred alternative for the Festival Street, identify funding, complete design on preferred alternative. |

GOAL 4 – PROMOTE A VIBRANT FOREST GROVE TOWN CENTER THROUGH STRATEGIC URBAN RENEWAL INVESTMENTS

OBJECTIVE

ACTION

4.4 Purchase property from willing sellers to implement the urban renewal program.

4.5 Encourage the construction of needed housing and mixed use development in the Town Center.

4.6 Encourage uses and amenities that support increased community uses in the Town Center.

Consider disposition alternatives for Site B.

Consider disposition alternatives for Site B.

Continue Storefront Improvement Program, Parklet Pilot Program, and Installation Art Program, pending available funding.

GOAL 5 – PROMOTE COMMERCIAL AND MIXED-USE REDEVELOPMENT OF SITES ALONG THE PACIFIC AVENUE CORRIDOR

OBJECTIVE

ACTION

5.1 Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Consider disposition alternatives for Site B.

5.2 Work with the Economic Development Commission to market redevelopment opportunity sites to prospective developers.

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URBAN RENEWAL AGENCY BOARD STAFF REPORT

TO: *Urban Renewal Agency Board of Directors*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *April 12, 2021*

PROJECT TEAM: *Bryan Pohl, Community Development Director
 Alex Dupey, MIG Consulting*

SUBJECT TITLE: *URA Presentation to Solicit Feedback on Festival Street Concepts*

ACTION REQUESTED:

	Ordinance		Order		Resolution		Motion	X	Informational
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X all that apply

BACKGROUND: Goal 4 of the City of Forest Grove's Urban Renewal Plan is to, "Promote a vibrant Forest Grove Town Center through strategic urban renewal investments." As part of that goal, in 2020 and 2021, the Urban Renewal Agency's work plan included Objective 4.3 to select a preferred alternative for the Festival Street, identify funding, and to complete the design on the preferred alternative.

In summer of 2020, staff issued a Request for Proposals (RFP) to hire a consultant to manage the project, draft preliminary design alternatives, and engage the public in the process. After a competitive process to secure the contract, the selection committee chose MIG Consulting, a local Portland-based firm. They began work in fall of 2020, and have steadfastly collected public input, engaged with the Technical Advisory Committee (TAC), and drafted some preliminary designs.

OBJECTIVE: Tonight's work session will be focused on received URA feedback on preliminary designs. Alex Dupey from MIG will be presenting, and all comments and questions are welcome.

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21st AVE. FESTIVAL STREET & DOWNTOWN STREETScape DESIGN CONCEPTS



URAB

PROJECT EXTENT



ONLINE SURVEY RESULTS

+400 Participants
Dec. 1st - Jan. 15th

Amenities + Features

- Flex space for businesses
- Public seating/gathering
- Variety of pedestrian amenities

Open Comments

- Parking
- Pedestrian friendly, lighting amenities
- Event programming

Planting

- Street tree canopy
- Native plants
- Movable planters

Seating

- Movable furniture
- Temporary/flex space
- Social seating

Lighting

- Pedestrian scale - extended hours/seasons

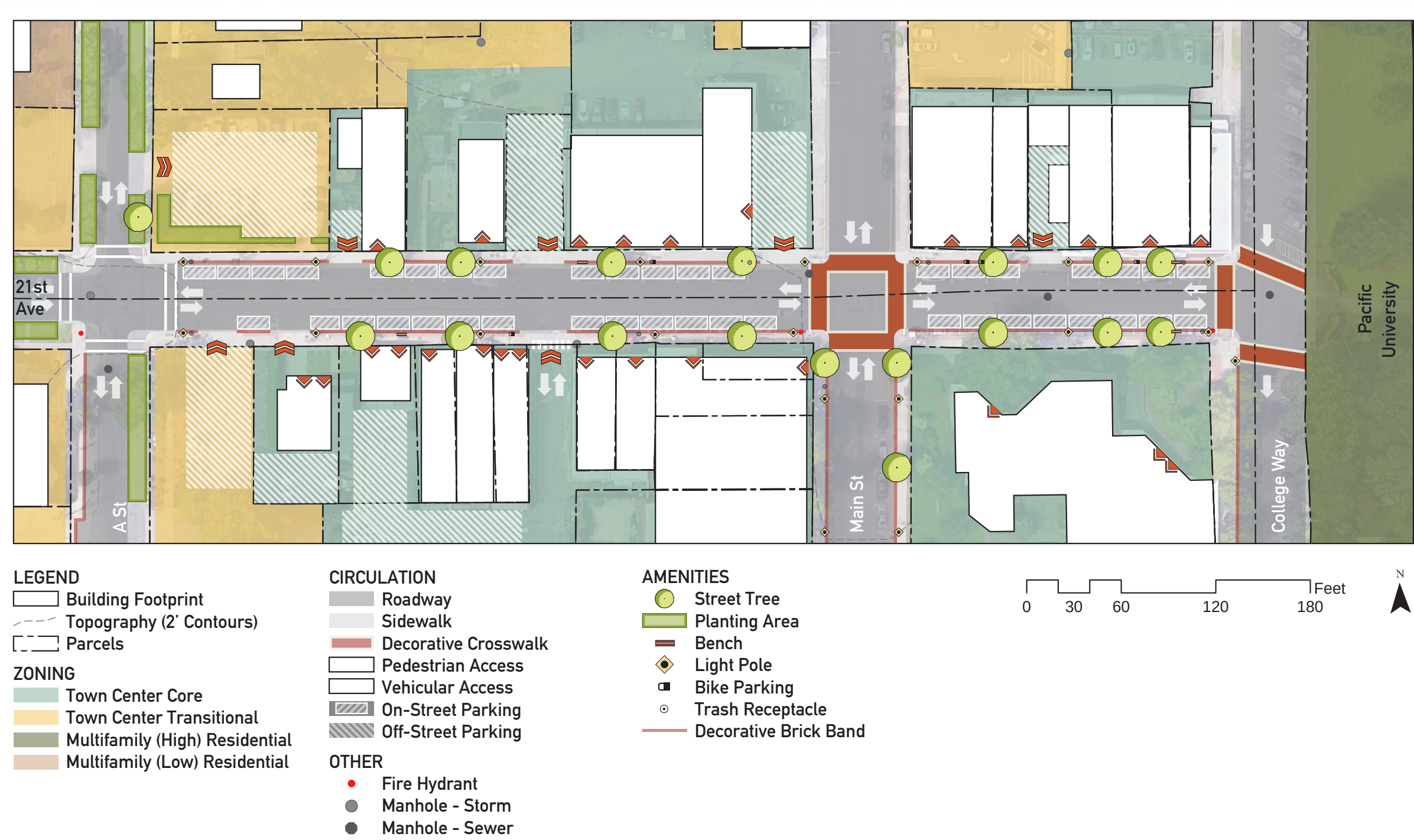
Art

- Chalk art festivals
- Wall murals
- Temporary/rotating exhibits

Events

- Outdoor markets
- Food truck festival
- Arts festival
- Live music/dancing
- Food/drink events
- University events
- Cultural/history festival

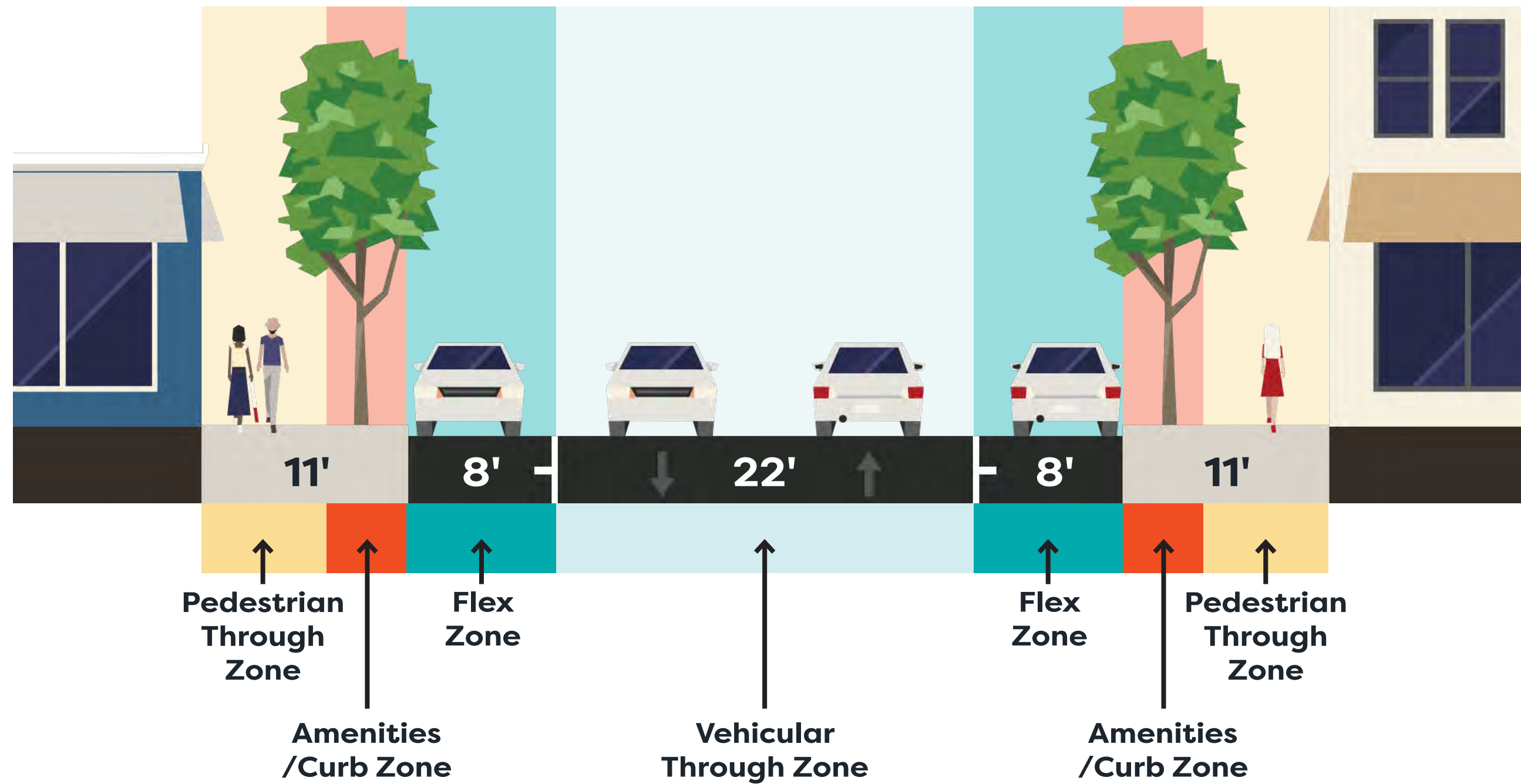
EXISTING CONDITIONS



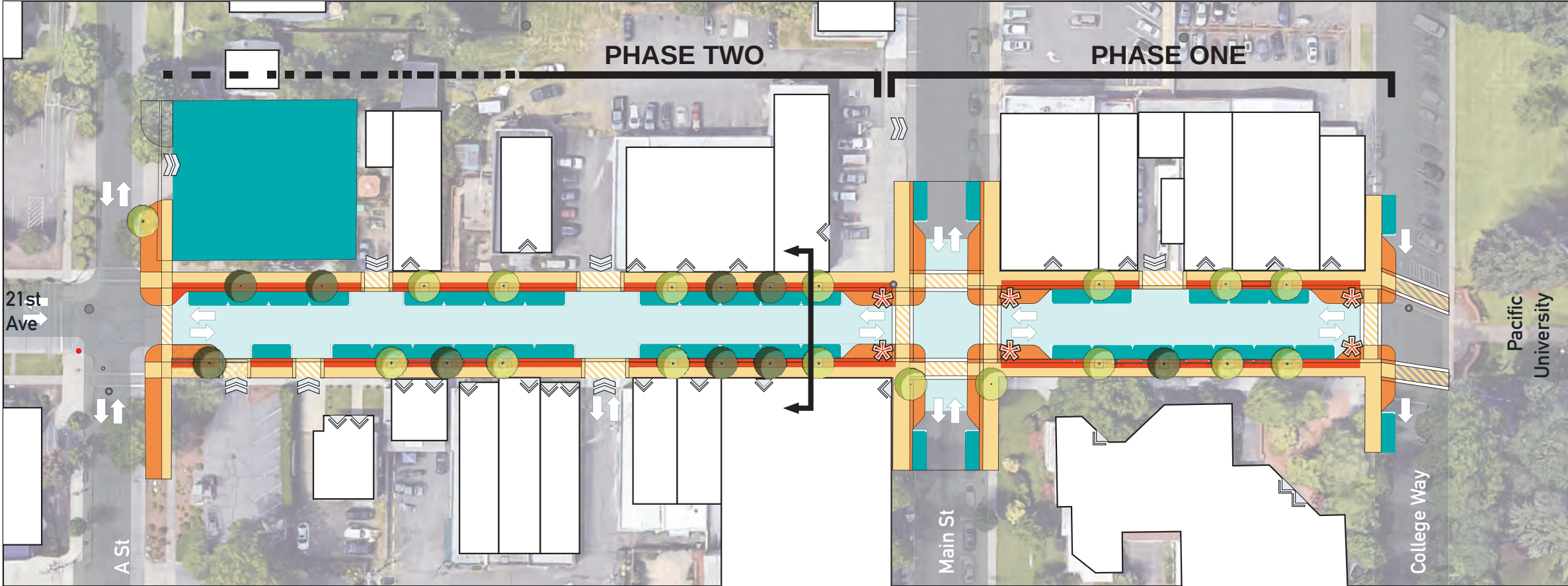
STREET ZONES

Pedestrian Through Zone	Amenities /Curb Zone	Buffer Zone	Flex Zone	Vehicular Through Zone
Accessible route	Street furniture, lighting, trees, bike parking...	Landscape planting, gateway/art, gathering	Parking, temporary seating, pop-up amenities/features	Curbless street, temporary closures for events

STREET ZONES: EXISTING



STREET ZONES: TWO-WAY OPTION



LEGEND

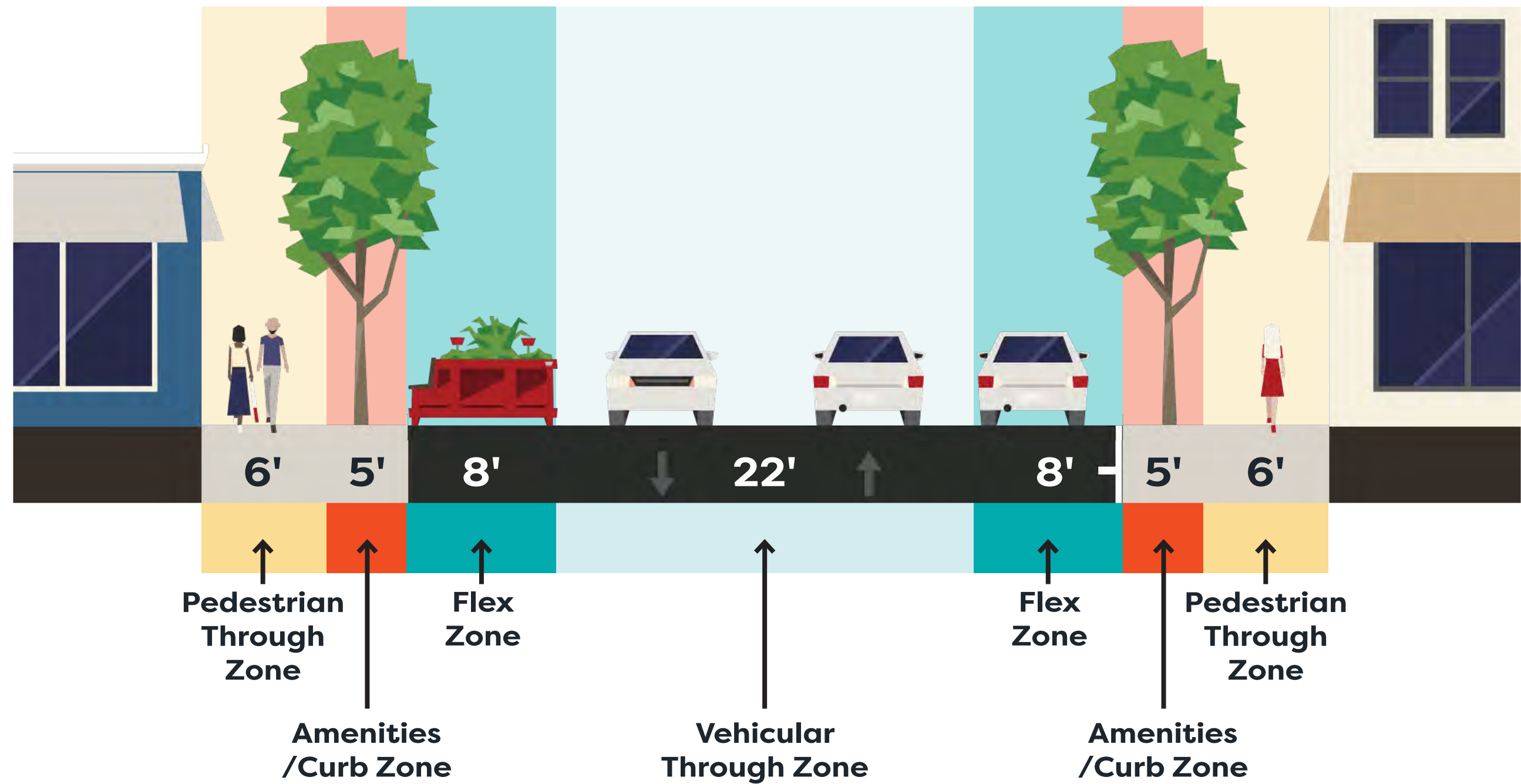
- Building Footprint
- Pedestrian Access
- Vehicular Access

STREET ZONES

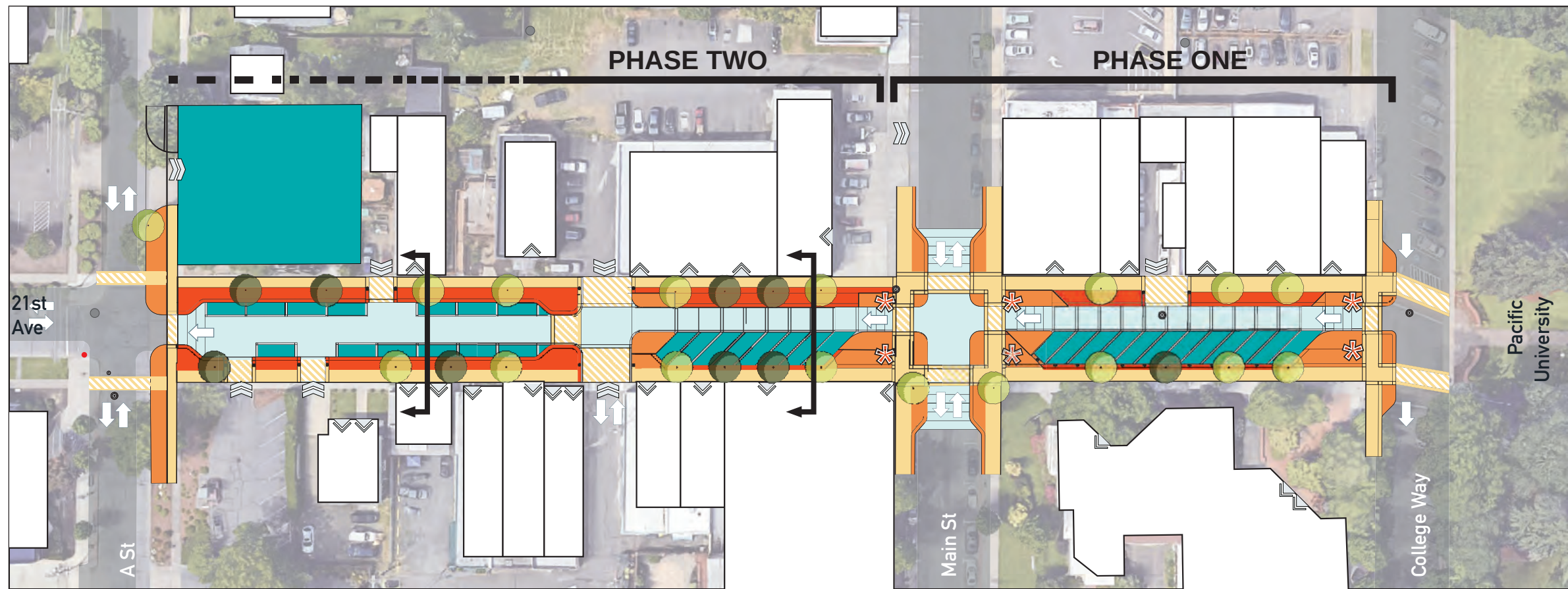
- Pedestrian Through Zone
Accessible pathway
- Amenities / Curb Zone
Street furniture, lighting, trees, bike parking...
- Buffer Zone
Landscape planting, gateway/art features, gathering spaces

- Flex Zone
Parking, stormwater/planters, bike parking, parklets
- Vehicular Through Zone
Curbless street, temporary closures for events
- Pedestrian Crossing

STREET ZONES: TWO-WAY OPTION (PARALLEL)



STREET ZONES: ONE-WAY OPTION



LEGEND

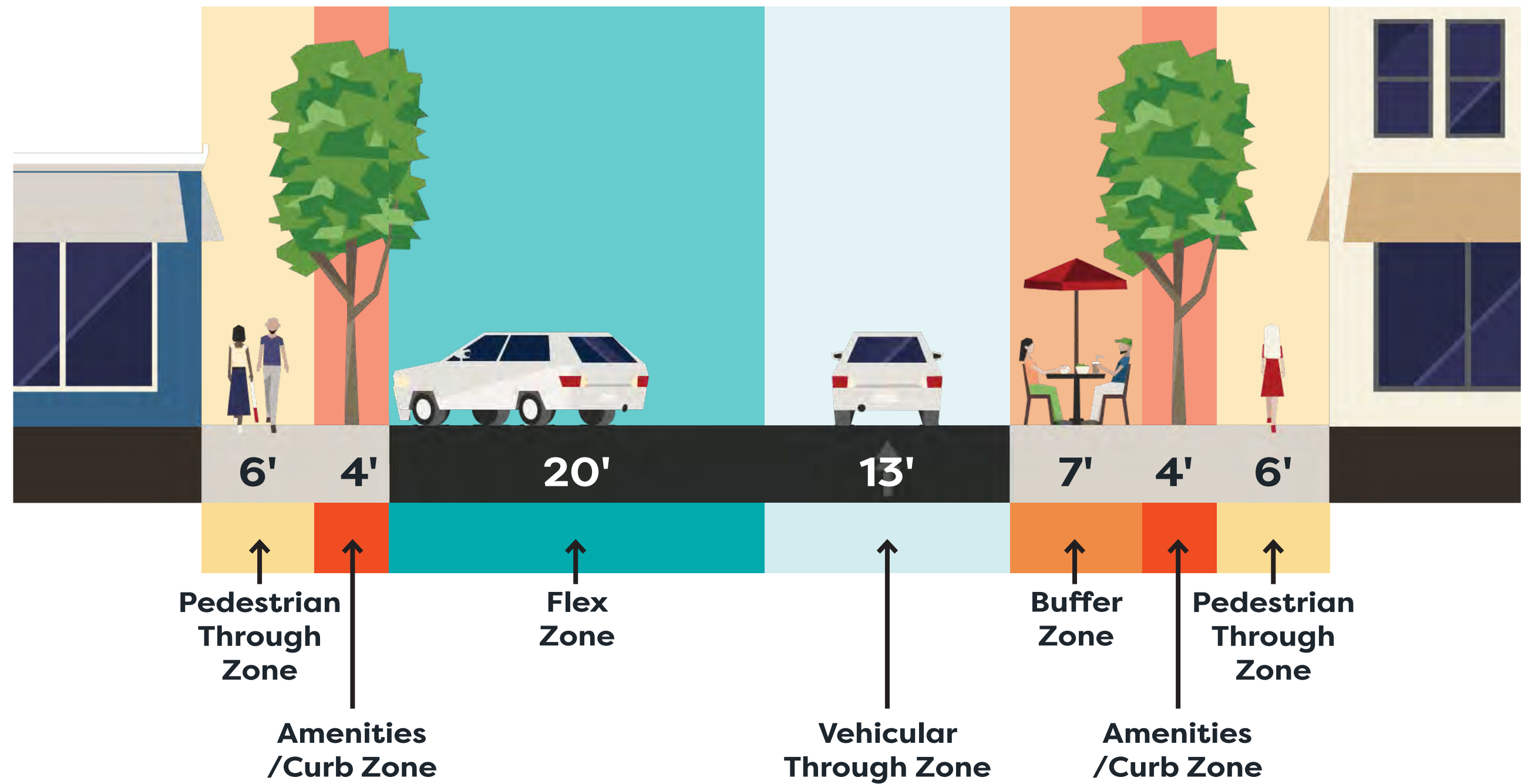
- Building Footprint
- Pedestrian Access
- Vehicular Access

STREET ZONES

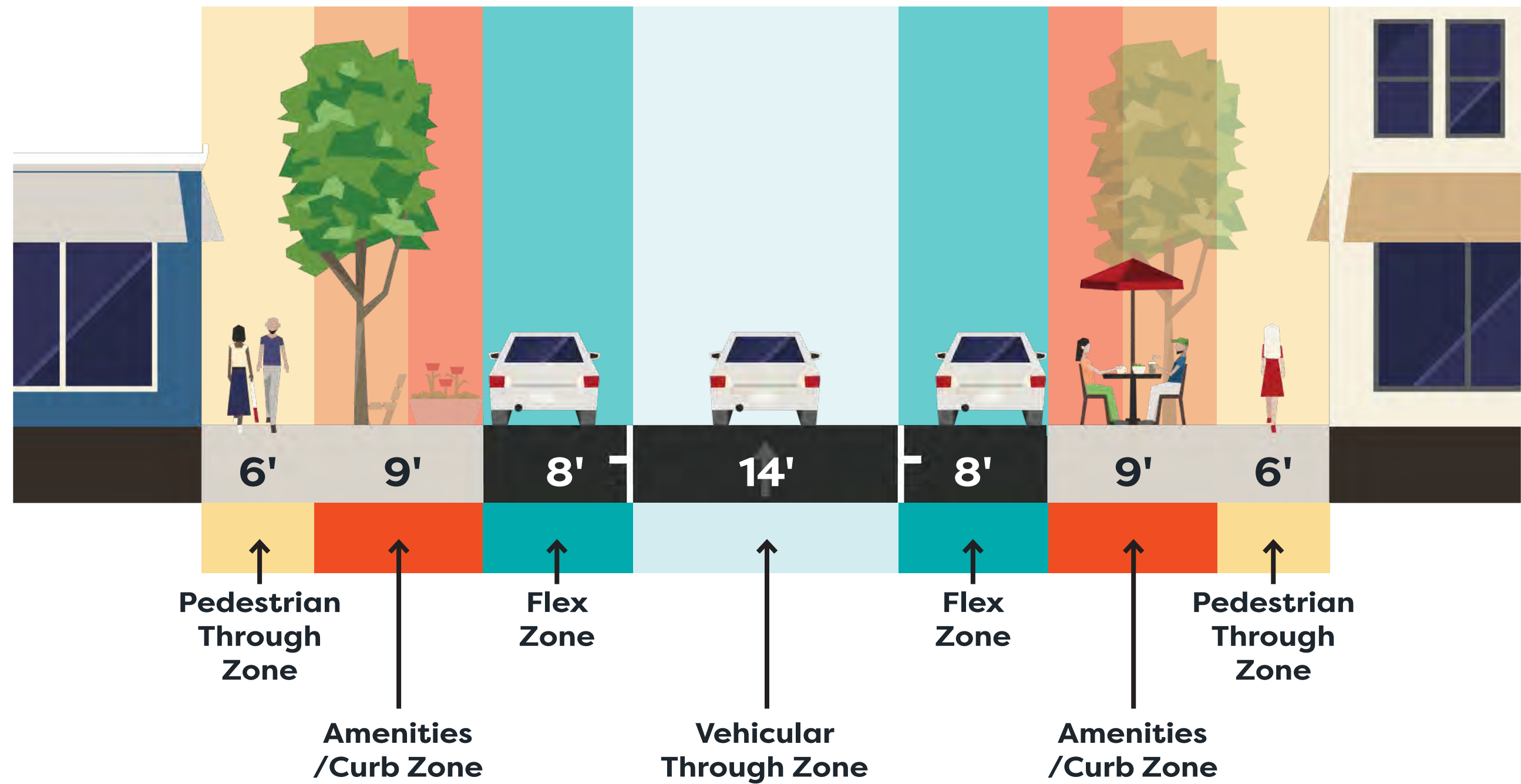
- Pedestrian Through Zone
Accessible pathway
- Amenities / Curb Zone
Street furniture, lighting, trees, bike parking...
- Buffer Zone
Landscape planting, gateway/art features, gathering spaces

- Flex Zone
Parking, stormwater/planters, bike parking, parklets
- Vehicular Through Zone
Curbless street, temporary closures for events
- Pedestrian Crossing

STREET ZONES: ONE-WAY OPTION (DIAGONAL)



STREET ZONES: ONE-WAY OPTION (PARALLEL)



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