FOREST GROVE OREGON

LEVY NEEDS ASSESSMENT

WORK SESSION

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9/13/2021

PURPOSE

- Respond to Council Objective 4.2 to conduct a needs assessment for the upcoming levy renewal.

PURPOSE

Staff will present:

- 5-year General Fund financial plan. This will show what happens to the General Fund balance assuming no additional staff are added during the levy period.

- Departmental needs assessment. Each Director was asked to provide a 5-year staffing needs assessment based on commonly accepted metrics and services. The levy scenario's are based on this assessment.

- Potential additional services.

ASSUMPTIONS

To compose forecasts and scenario's, assumptions must be made. These assumptions will change over time and adjustments will be made to respond. Assumptions include:

- Population Growth of 2% per year equal to 30,000 in 2028.
- Property Tax Growth of 4% per year.
- Expenses based on projected trends and historical averages.
- Revenues and Expenditures have been "COVID" adjusted to reflect a "normal" year.
- Forecasts include all currently authorized General Fund staff.
- Maintaining the Council-approved General Fund reserves (rainy-day fund) of 25% of Operating Expenditures.

WHAT TO EXPECT

- Recap of levy history and timeline
- Review staffing history
- Review financial forecasts
- Review staffing metrics and needs assessment
- Forecast three scenarios:
  - Existing Levy Rate
  - Maintain Existing Services
  - Enhance Services

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RECAP

- Work Session in February, 2021.
- Local Option Levy (LOL) expires June 30, 2023
- LOL contributes $2.8 million to the General Fund or 14% of the General Fund’s $20.4 million budget.
- The LOL is for police, fire, parks/rec and library.
- Police and fire account for 80% of the LOL revenues.

TAX COMPARISONS

	Adjusted City Tax Rate
Tualatin	$ 4.96
Tigard	$ 4.58
Hillsboro	$ 5.39
Beaverton	$ 6.24
Sherwood	$ 5.36
Forest Grove	$ 5.56
Cornelius	$ 3.99

ASSESSED VALUE

As of July 1, 2020

	7/1/2020 Population	Assessed Value (AV)	AV per Capita	AV Per Capita $ to FG
Tualatin	27,195	4,943,725,336	181,788	$ 2.49
Tigard	54,520	7,379,472,203	135,353	$ 1.86
Hillsboro	104,670	14,177,589,366	135,450	$ 1.86
Beaverton	99,225	11,067,130,448	111,536	$ 1.53
Sherwood	19,885	2,216,239,431	111,453	$ 1.53
Forest Grove	25,435	1,854,294,530	72,903	$ 1.00
Cornelius	12,635	781,235,221	61,831	$ 0.85

Forest Grove 2nd lowest assessed value per capita

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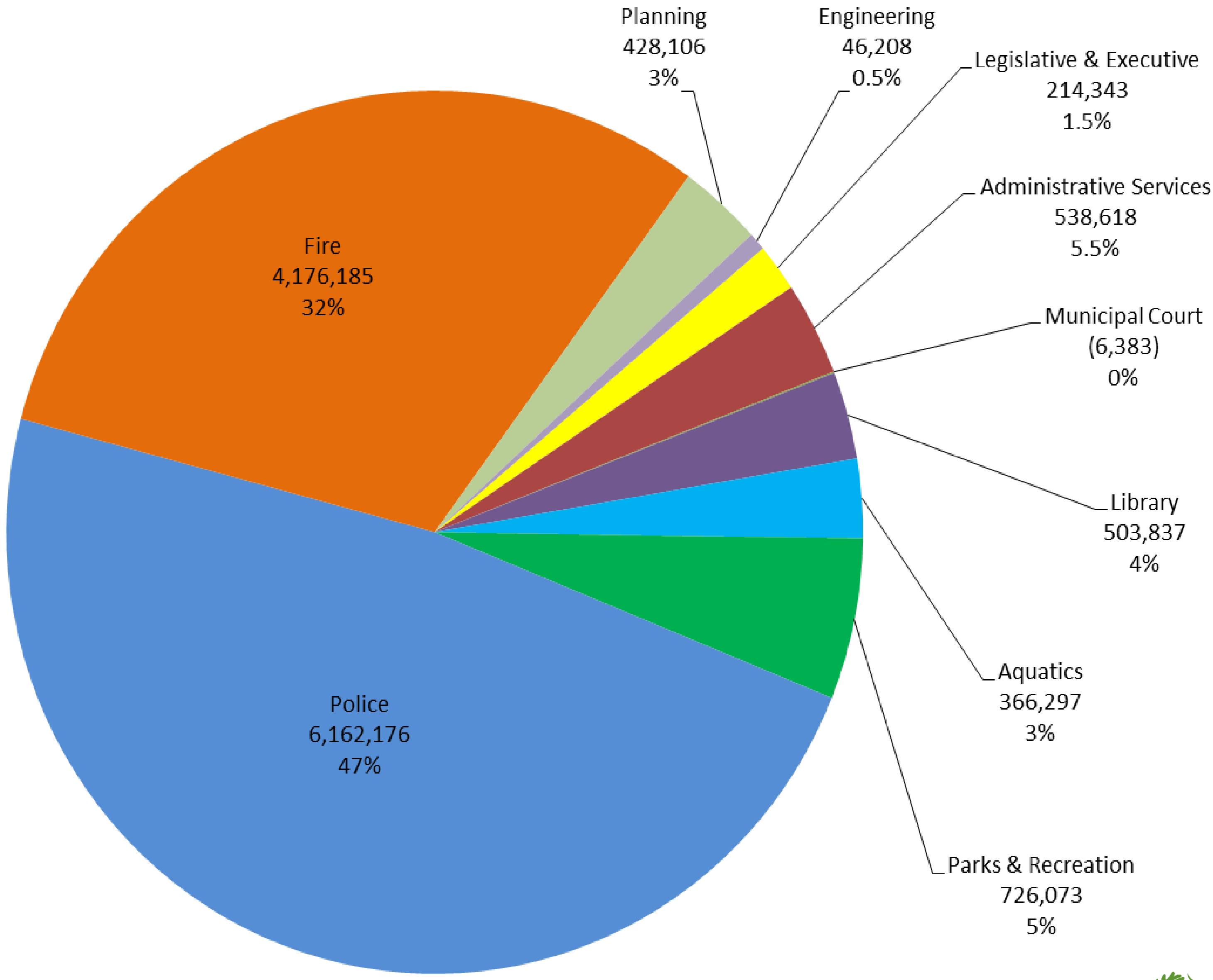
FY 2020-21 GENERAL FUND DISCRETIONARY USES



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TIMELINE

- Recommend submitting LOL at least 2 election cycles prior to expiration.
- Elections where double majority does not apply:
  - May, 2022
  - November, 2022
  - May, 2023
  - Levy Expires June, 2023

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TIMELINE

Tentative Work Sessions assuming May, 2022 Election:

September 27	What rate and messages to poll.
November 22	Review poll results.
December 13	Consensus on timing, rate, message
January 10	Consensus on timing, rate, message
January 30	Annual Town Meeting (?)
February 14 or 28	Approve Levy
March, 2022	Filing deadline
May, 2022	Election

If November, 2022, timeline bumps back 6 months.

Levy History

Levy Year	Rate per $1,000 Assessed Value	Promotional Material:	Message:	Outcome
Nov, 2002	$0.99	▸ Community Safety Levy ▸ Not expand services ▸ Add 3 police officers ▸ Add 2 firefighters	▸ 911 calls on the rise ▸ Meth labs, child abuse; ('01 FG busted the most meth labs in Wash Co.) ▸ Taxes not enough; using contingency funds	▸ Levy passed 58% to 41% ▸ Added 3 police officers and 2 firefighters.
Nov, 2006	$1.35	▸ Community Safety Levy ▸ Not expand services ▸ No new staff positions	▸ Increasing costs ▸ Continue services ▸ Respond to simultaneous fire calls	▸ Levy failed by 50 votes; ▸ Citizen survey indicated there were too many money measures on the ballot and the need was not clearly communicated.
May, 2007	$1.35	▸ Safety First...and a livable community. ▸ Reduce 3 police officers ▸ Reduce 2 firefighters ▸ Broken park equipment, more trash & weeds ▸ Close pool on weekends ▸ Fewer library hours	▸ Reduce police personnel ▸ Police presence decreases ▸ Meth labs return ▸ Response times increase ▸ Daily park maintenance will stop ▸ Not enough resources to maintain pool & library hours	▸ Levy failed due to lack of double majority (not enough voters voted). ▸ Among those that voted it passed 73% to 27% ▸ Reduced 2 police ▸ Reduced 2 fire ▸ Reduced 1 parks ▸ Reduced 1 library ▸ Reduced 1.23 aquatics ▸ Reduced 1.25 planning

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Levy History

Levy Year	Rate per $1,000 Assessed Value	Promotional Material:	Message:	Outcome
Nov, 2007	$1.35	▸ Public Safety/ Community Services Levy ▸ Restore 2 police officers ▸ Restore 2 firefighters ▸ Restore Parks staff ▸ Reopen pool on weekends ▸ Restore library hours ▸ Maintain 2002 services	▸ Replace the 2002 levy ▸ City reduced 2 police positions, 2 firefighters, 1 parks, 1 library, 1 aquatic & 1 planning staff. ▸ Restore weekend hours at both the pool & library	▸ Levy passed 63% to 37% ▸ Restored 2 police. ▸ Restored 2 firefighters. ▸ Restored 1 parks. ▸ Restored 1 library. ▸ Restored 1.23 aquatics. ▸ Planning did not change.
2008-2009	Worst recession since the Great Depression. City takes conservative budget approach in light of decreasing fines and franchise revenues and slowing property tax revenues.			▸ TriMet pays for one police. ▸ Retiring Fire Division Chief attritioned, now reinstated.
May, 2012	$1.60	▸ Public Safety/ Community Services Levy ▸ Keep pace with inflation on existing services	▸ Keep Forest Grove a "Full Service City"	▸ Levy passed 61% to 39%
Nov, 2017	$1.60	▸ Maintain service and programs for police, fire, parks, and library. ▸ Keep pace with inflation.	▸ Maintain City services	▸ Levy passed 80% to 20%

GENERAL FUND STAFFING

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
L&E	3.00	3.00	3.00	3.00	3.00
Admin. Services	19.75	20.25	20.25	20.25	21.25
Municipal Court	2.00	2.00	2.00	2.00	2.00
Library	12.53	12.53	12.53	12.33	12.33
Aquatics	9.90	9.90	9.90	10.03	10.03
Parks & Recreation	6.00	6.00	6.00	6.00	6.50
Police	36.50	36.50	37.00	37.00	38.00
Fire	21.50	22.50	23.00	24.00	24.00
Planning	2.70	2.70	2.70	2.70	2.70
Engineering	6.05	6.05	6.05	6.30	6.30
	119.93	121.43	122.43	123.60	126.10

In Full-Time Equivalents (FTE)

(blue)	Last Year of Prior Local Option Levy
(green)	Staffing Changes of 0.50 FTE or more

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Explanation – Staffing Changes

Police

- Moved Tri-Met funded position to General Fund to add to patrol staff.
- Added 0.50 FTE to make Code Enforcement 1.0 FTE
- Added a 1.0 FTE Police Officer for Mental Health Response duties

Fire

- Added a 1.0 FTE Firefighter Position
- Added 0.50 FTE to make Logistics Technician 1.0 FTE. Position increase funded by other agencies
- Added a 1.0 FTE Firefighter funded by a SAFER Grant

Explanation – Staffing Changes

Administrative Services (AS)

- Added 1.0 FTE GIS Coordinator
- Transferred 1.0 FTE Program Coordinator from L&P & PW
- Changed Admin. Specialist from 0.5 FTE to Full-Time
- Split 1.0 FTE Communications/Program into 2 FTE's

Parks

- Combined Multiple Part-Time UW Positions into a 1.0 FTE
- Added 0.50 FTE to make a 1.0 FTE UW Position

General Fund Financial Forecast

	Actual 2020-21	Budget 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	Forecast 2027-28
TOTAL RESOURCES	**20,987,487**	**21,232,056**	**22,122,716**	**22,918,684**	**23,638,876**	**24,350,015**	**25,254,046**	**26,193,679**
TOTAL EXPENDITURES	**20,427,204**	**21,387,703**	**22,092,621**	**22,857,059**	**23,610,032**	**24,326,674**	**25,065,357**	**25,826,771**
SURPLUS / (DEFICIT)	**560,283**	**(155,647)**	**30,096**	**61,624**	**28,844**	**23,342**	**188,689**	**366,907**
Beginning Fund Balance	**7,332,522**	**7,892,805**	**7,537,158**	**7,567,253**	**7,628,878**	**7,657,721**	**7,681,063**	**7,869,751**
Transfers of Fund Balance		200,000						
Ending Fund Balance	**7,892,805**	**7,537,158**	**7,567,253**	**7,628,878**	**7,657,721**	**7,681,063**	**7,869,751**	**8,236,659**
Target Fund Balance	**5,106,801**	**5,346,926**	**5,523,155**	**5,714,265**	**5,902,508**	**6,081,668**	**6,266,339**	**6,456,693**
Target % of Expenditures	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Actual % of Expenditures	38.6%	35.2%	34.3%	33.4%	32.4%	31.6%	31.4%	31.9%

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Forecasted Revenues

	Actual 2020-21	Budget 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	Forecast 2027-28
RESOURCES								
1. Property Taxes	6,893,214	7,151,187	7,422,932	7,719,849	8,028,643	8,349,789	8,683,781	9,031,132
2. Local Option Levy	2,849,762	2,970,669	3,096,922	3,220,799	3,349,631	3,483,616	3,622,961	3,767,879
3. All Other Taxes	918,484	927,933	937,575	947,415	957,459	967,712	978,181	988,871
4. Intergovtl Rev	3,425,742	2,749,610	2,796,609	2,859,379	2,951,217	3,046,123	3,144,203	3,245,563
5. Charges for Services	4,428,907	4,951,038	5,211,930	5,423,995	5,644,883	5,874,963	6,114,621	6,364,259
6. Licenses, Permits, Fees	202,460	144,600	172,009	179,874	188,329	197,427	207,229	217,800
7. Fines	475,961	440,255	485,564	492,885	500,319	507,867	515,529	523,309
8. Miscellaneous	239,737	134,600	159,350	164,350	169,550	174,958	180,582	186,432
9. Transfer & Reimbursements	1,553,220	1,762,164	1,839,825	1,910,137	1,848,845	1,747,559	1,806,958	1,868,434
TOTAL RESOURCES	**20,987,487**	**21,232,056**	**22,122,716**	**22,918,684**	**23,638,876**	**24,350,015**	**25,254,046**	**26,193,679**

Forecasted Expenditures

	Actual 2020-21	Budget 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	Forecast 2027-28
EXPENDITURES								
Legislative & Executive	588,049	620,038	638,639	656,967	675,827	695,236	715,210	735,766
Administrative	3,368,860	3,590,098	3,725,031	3,860,635	3,971,877	4,086,341	4,204,122	4,325,317
Municipal Court	363,550	391,562	404,493	416,257	427,118	438,272	449,728	461,493
Library	1,304,581	1,396,608	1,376,972	1,416,541	1,457,262	1,499,169	1,542,297	1,586,682
Aquatics	554,971	661,112	685,960	710,933	731,418	752,497	774,187	796,505
Parks & Recreation	814,411	942,027	976,846	1,008,088	1,040,349	1,070,011	1,100,524	1,131,913
Police	6,376,210	6,932,651	7,215,024	7,472,845	7,739,901	7,983,552	8,234,971	8,494,408
Fire	5,193,306	5,349,308	5,518,157	5,715,645	5,920,220	6,107,242	6,300,251	6,499,442
Planning	618,771	506,929	524,207	541,597	557,355	573,573	590,265	607,445
Engineering	986,045	997,370	1,027,291	1,057,551	1,088,705	1,120,780	1,153,802	1,187,800
Non-Dept	258,450		-	-	-	-	-	-
TOTAL EXPENDITURES	**20,427,204**	**21,387,703**	**22,092,621**	**22,857,059**	**23,610,032**	**24,326,674**	**25,065,357**	**25,826,771**

POLICE

Staffing Metrics:

1. Per Capita: sets staffing at officer-to-population ratio. Very common method due to ease of comparison. Does not consider demand levels, i.e., calls for service.

2. Work Load Model: a point-in-time model that considers operational factors such as response times to priority 1 and 2 calls, calls per officer, size of city, amount and type of roads, expected visibility in community, time for directed patrolling, etc. Provides a more complete picture.

POLICE

Staffing Metrics:

1. Response Times: time to respond to a call compared to other municipalities. Forest Grove is at the median.

2. Priority 1 and 2 calls per officer: Forest Grove is at the median.

3. Total calls: notwithstanding COVID, calls increasing slightly consistent with increased population.

POLICE

Forest Grove Present:	1.26/1,000 residents 32 sworn staff
Comparable Average:	1.36/1,000 residents 34.5 sworn staff
Work Load Equivalent:	1.4/1,000 residents 36 sworn staff

Comparable's included West Linn, Sherwood, Newberg, Tualatin, Milwaukie, Woodburn

POLICE

Projected Staff through 2028:

Assumes dispatch calls, infrastructure, and response times increase proportionally with population.

At current per capita ratio:	38
At average per capita ratio:	41
Work load equivalent:	42

FIRE

Staffing Metrics:

- Response Reliability: percentage of time the city can respond to a call without mutual aid.
  - Currently 83% with 17% of all calls requiring mutual aid. The industry standard is approximately 95%.
  - To achieve 95% response reliability would require 21 firefighters. This would staff two apparatus 24-7-365 to respond to simultaneous calls.
- Response reliability has declined the past decade. The reason is an increase in calls of 200 per year with a current call volume of 3,800 or 10 per shift.

FIRE

Projected Staffing through 2028:

Assumes calls increase at existing pace and response reliability continues to fall.

Present staffing:	17
Fire Safer Grant (+2):	19

- Applied for Fire Safer Grant to fully fund 2 firefighters for 3 years. City pays 100% after.

Response Reliability Model (+2):	21

PARKS/REC

Staffing Metrics:

- Increase in developed acreage from 158 to 169.
  - Increase is Stites Park of 11 acres. Construction anticipated in Spring 2022.
- Increase in facilities / amenities from 68 to 76.
  - Trails, picnic shelters, playground, and courts.
- If Eastside Park built:
  - Acreage and amenities will increase.
- Director's Assessment of Maintenance Levels:
  - Overall maintenance of parks–average
  - Overall maintenance of public space–below average

PARKS/REC

Projected Staffing Through 2028

Assumes Eastside Park developed during levy period and potential new recreation coordination service.

Present staffing:	6.5
Reallocate L/P expense to Parks to allow .6 Parks Maintenance to increase to 1 FTE	
Add Recreation Coordinator/Supervisor	7.5

- Talks ongoing with FGSD and Cornelius

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LIBRARY

Service Level Considerations:

- Plan to maintain inside service at current levels
  - Open hours, collection, reference
- Plan to maintain curbside service
- Plan to restore in-house programming, COVID permitting
- Plan to expand virtual and offsite visits to reach wider audiences and community engagement

LIBRARY

Projected Staffing Through 2028

Assumes current level of service and expansion of programming services.

Present staffing:	12.33
Increase .625 Library Assoc. to 1 FTE	12.7

Increase dedicated to community outreach, programs, and patron assistance. Require bilingual proficiency.

Also requesting to convert Friends of Library annual donation of $25,000 for operating funds to General Fund to assure existing services secure.

SCENARIO'S

- Scenario's are for planning purposes only and intended to highlight fiscal trade-offs.
- Assumptions are for modeling only. Actual staffing decisions dependent on operating conditions at time.
- Models assume Police and Fire are presently deficit-staffed compared to industry metrics.
- Staffing positions and timing subject to change based on City Council priorities.
- Three scenario's are presented for discussion:
  - Renew LOL at $1.60
  - Maintain existing services
  - Enhance services

SCENARIO'S

Renew at $1.60

- Hire 3 additional staff through 2028

Maintain Service

- Hire 6 additional staff through 2028
- Increase levy rate to $1.76

Enhanced Service

- Hire 11.8 additional staff through 2028
- Increase levy rate to $2.04

SCENARIO #1

Renew Levy at $1.60

- Assumptions: call volume trends continue and park facilities and library services remain the same.
- Allows for 3 additional staff through 2028. The model assumes 2 Police officers and 1 Firefighter.
- Depending upon metrics such as call volume, response time, response reliability, additional park and library demands, and population increases, this may result in a decreased level of service during the levy period.

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SCENARIO #2

Maintain Service

- Assumptions: call volume trends continue and park facilities and library services remain the same. Continue to address deficit positions in police and fire.
- Allows for 6 additional staff through 2028. Actual service levels would depend on demand metrics. Model assumes 2 Firefighters and 4 Police officers.
- Approximate levy rate of $1.76

SCENARIO #3

Enhanced Service

- Assumptions: call volume trends continue, 1 additional park facility, implement recreation coordination, and expand library programming.
- Allows for 12 additional staff as follows:
  - 1 FTE Recreation Coordinator
  - .42 Parks maintenance
  - .375 Library Associate
  - 4 Firefighters (total of 21)
  - 6 Police Officers (total of 38)
- Approximate levy rate of $2.04

Scenarios

							Additional
	-------------------------Next Levy Cycle--------------------------						Levy Rate
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total Costs	(cents)
Within $1.60 Levy Rate							
Add 2 Police Officers	228,924	243,820	263,072	295,108	317,226	1,348,150	-
Add Firefighter			153,961	163,407	173,296	490,664	-
Total Costs Within Current Levy Rate						1,838,814	
Maintain Existing Services - $1.75 Levy Rate							
Add Firefighter	145,992	154,936	164,978	174,678	184,848	825,432	7.78
Add Police Officer		117,892	126,070	142,428	151,864	538,254	5.00
Add Police Officer			120,924	128,789	145,542	395,255	3.62
Additional Levy to Maintain Services						1,758,941	16.41
Enhance Services - $2.04 Levy Rate							
Add Firefighter			153,961	163,407	173,296	490,664	4.50
Add Firefighter			153,961	163,407	173,296	490,664	4.50
Add Police Officer				124,030	132,394	256,424	2.32
Add Police Officer				124,030	132,394	256,424	2.32
Recreation Coordinator	106,044	112,748	119,905	127,548	135,710	601,955	5.68
Recreation Supplies	50,000	51,000	52,020	53,060	54,122	260,202	2.46
Add 0.42 Parks UW	44,249	45,577	46,944	48,352	49,803	234,924	2.22
Add 0.375 to Library Asst. - Bilingual	36,045	48,214	50,603	53,134	55,783	243,779	2.29
Programming Expenses	25,000	25,500	26,010	26,530	27,061	130,101	1.23
Additional Levy to Enhance Services						2,965,137	27.52
Total Additional Levy						4,724,078	43.93

DISCUSSION

1. Renew or Replace
   - Staffing and Rates
   - Other funding options
2. Timing
   - May or November, 2022
   - Lower turnout in May tends to favor levy's
   - Impact of COVID not clear
3. Hire pollster to determine:
   - Voter support for renew or replace.
   - What additional services voters would support.
   - Identify facts/messages most useful in determining how voters will vote.

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