



CITY COUNCIL MEETING

Monday, May 11, 2026
Community Auditorium, 1915 Main Street

Malynda Wenzl, Mayor

Mariana Valenzuela, Council President
Angel Falconer, Councilor
Donna Gustafson, Councilor

Michael Marshall, Councilor
Karen Martinez, Councilor
Brian Schimmel, Councilor

[TVCTV Livestream](#)

[Zoom Webinar](#) Meeting ID: 850 7572 2488 Passcode: 97116

5:30 - CITY COUNCIL WORK SESSIONS

No public comment will be taken. The Council will take no formal action.

Downtown Placemaking

Staff: Jesse VanderZanden, City Manager

City Water and Fluoridation

Staff: Gregory Robertson, Public Works Director

7:00 - CITY COUNCIL MEETING

A. Call to Order

1. Roll Call
2. Land Acknowledgement
3. Pledge of Allegiance
4. **National Preservation Month**
5. **Eric Stewart Award: Skip Buhler**

B. Public Comment: Time provided for anyone wishing to speak to City Council on an item not on the agenda or on the agenda but not scheduled for a public hearing. Comments are limited to 2 minutes unless additional time is granted by the Presiding Officer. The public comment period shall not exceed 30 minutes unless a majority of Councilors present vote to extend the time. Zoom attendees may use the “Raise Hand” option to be called on.

C. Consent Agenda: Items considered routine, that are adopted with a single motion without discussion. Councilors may remove items prior to the motion to adopt. Any removed items are discussed and acted upon following the approval of the remaining items.

D. Additions/Deletions

1. City Manager
2. Proposed by Councilors

E. 7:15 Presentations: The Council will hold questions until the end of each presentation.

1. **Historic Landmarks Board Annual Report**
Tim Orr, Chair; Bryan Pohl, Community Development Director
2. **Emergency Operations Plan**
Jim Geering, Fire Chief
3. **IT Update**
Kim Ezell, Assistant City Manager

F. 8:00 Public Hearings, Ordinances, and Resolutions

1. **RESOLUTION 2026-13 AUTHORIZING CITY MANAGER TO ENDORSE COMMUNITY ENHANCEMENT GRANT PROGRAM INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FOREST GROVE AND METRO**
Staff: Kim Ezell, Assistant City Manager
2. **RESOLUTION 2026-14 ADOPTING REVISED INVESTMENT POLICY FOR THE CITY OF FOREST GROVE AND REPEALING RESOLUTION NO. 2025-40**
Staff: Kim Ezell, Assistant City Manager

G. 8:20 Council Communications:

1. Councilor Reports
 - a. Mariana Valenzuela (LC, CDBGPAB)
 - b. Angel Falconer (HLB, JWC, CCESC, Chamber of Commerce)
 - c. Donna Gustafson (PAC, RWPCB, WCCCA)
 - d. Michael Marshall (CFC, P&R)
 - e. Karen Martinez (FGRFPD, SCC, FGSCC)
 - f. Brian Schimmel (CCE, EDC, TVHSC)
2. City Manager's Report
3. Mayor's Report (WCCC, R1ACT, MMC, WCC&MG, WCMG, MYAC)

H. 9:00 Adjournment

Americans with Disabilities Act (ADA) Notice: The City is committed to providing equal access to public meetings. Requests for accommodation can be submitted to the City Recorder at least 48 hours before the meeting at: mwoods@forestgrove-or.gov or 503-992-3235



DOWNTOWN PLACEMAKING

Jesse VanderZanden | City Manager

Kim Ezell | Assistant City Manager

Bryan Pohl | Community Development Director

Work Session May 11, 2026

City of Forest Grove

AGENDA

Purpose

Recap: Parking

Placemaking Attributes

Placemaking Options

Council Comments

PURPOSE

- Council reached consensus at the April 13 work session on parking to have a focused work session on placemaking
- Purpose of tonight's work session is:
 - Raise awareness and seek feedback on placemaking attributes
 - Raise awareness and seek feedback on downtown placemaking options
- Pending feedback, staff will schedule another work session to assist Council in further defining placemaking option(s)

2040 PLAN



2040 GOAL AREA: ECONOMY

- 1.6 Strengthen partnerships with local small businesses
- 1.11 Encourage and attract more events downtown to promote foot traffic
- 1.13 Increase wayfinding signage for downtown parking

2040 GOAL AREA: COMMUNITY GROWTH

- 2.37 Enhance and add wayfinding signage in downtown and along arterials

2040 GOAL AREA: COMMUNITY CONNECTION

- 4.2 Explore opportunities to create a central community gathering space
- 4.5 Develop a festival street/pedestrian mall in downtown Forest Grove

RECAP: PARKING

During the April 13 work session, Council reached consensus on:

- Prioritizing parking code enforcement
- Install new, consistent, and recognizable wayfinding signs to all parking lots
- Retain existing parking hourly limits
- Prioritize resources/improvements for the Central City lot (Lot 2)
- Install and pilot a “fast stop” 15-minute parking stall on Main Street
 - If successful, consider another stall on Pacific
- Restripe downtown parking to increase parking by approximately 16 stalls

RECAP: PARKING

Staff progress:

- Code enforcement has been prioritized. Compliance and stall turnover is up
- Public Works is assembling a wayfinding bid package
 - Estimated cost \$5,000. Does not require a budget amendment
 - Must comply with MUTCD standards
 - Funded by CIP Excise Tax. Cannot use Street Fund revenues for parking lots
- Public Works is assembling a striping bid package
 - Estimated cost \$25,000. Budget adjustment to Street Fund being sought
 - Cannot stripe stalls West of Jesse Quinn on Pacific due to road geometry
- “Fast Stop” sign will be ordered and installed on Main Street

RECAP: PARKING STUDY SUMMARY

7

- Main and 21st (“T”)
 - Busier during evening than during the day / busier on weekends than weekdays
- College
 - Busier in the day than during the evening / not busy during weekends
- Central Lot
 - Busier weekdays then frees up after 4 p.m. / not as busy during weekends
 - All other city parking lots under 85% capacity
- Summary: localized congestion with little to no parking at peak times, however, congestion is limited to small areas and “downtown as a whole has ample parking supply to accommodate demand, even during the busiest times.” Underutilization exists that can be improved upon to manage and possibly reduce parking congestion during peak times.

CURRENT CLOSURES: SUMMER UPDATES

- 21ST between Main and Alley will see less usage due to discontinuance of Festival of Arts
- When the size of the event allows, city staff is encouraging use of 21st between College and Main over Main between Pacific and 21st due to less parking and business impact.

END OF MEETING DISCUSSION

- Attributes
 - Each Councilor identify top 3-4 attributes
- Identify other attributes, if any
- Locations to consider further
 - Each Councilor identify 3-4 options for further consideration
- Identify other locations, if any
- Locations to take off the table
 - Each Councilor identify options to take off the table
- Staff will use information to prepare recommendations for Council consideration at a future work session

PLACEMAKING: ATTRIBUTES

Key attributes to consider:

- Size: square footage and configuration
- Parking displacement: amount, type, and timing
- Business impact: amount, type, and timing
- Usage pattern: displacement, road closures, access impacts, expandability
- Fiscal Impact: impact on property taxes and assessed value
- Environmental: gravel/paved, tree/sun coverage, hilly/flat
- Location: walking distance, parking proximity, accessibility, other amenities close by
- Longevity: can sustain in that location for the foreseeable future

PLACEMAKING: OPTIONS

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1

- The 2040 Vision Plan points toward creating community connections by providing a central, recognizable, and accessible gathering place that brings people together.
- Options for consideration include Council-identified options as well as other options that have been identified over the years:
 - Main Street
 - 21st Avenue
 - College Way
 - Central City Lot
 - URA Site B
 - City Gravel Lot
 - URA Woodfold Lot

PLACEMAKING OPTIONS

1
2



Site	Area SF	Parking Stalls	Road Closure	# of Bus.	Surface	Fiscal Impact
1.	12,000	32	Yes	19	paved	N
2.	6,000	14	Yes	1	paved	N
3.	5,500	11	Yes	5	paved	N
4.	8,500	15	Yes	5	paved	N
5.	28,000	73	Yes	0	paved	N
6.	12,000	35	Yes	1	paved	N
7.	55,000	N/A	No	0	gravel	Y
8.	20,000	64	No	0	paved	Y
9.	35,000	N/A	No	0	gravel	Y
10.	15,000	N/A	No	0	gravel	Y

OPTION 1: MAIN STREET (PACIFIC TO 21ST)

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- Size: 12,000 SF
- Displaces 32 parking stalls in high demand day/night/weekend location
- Impacts 22 storefronts and 19 businesses with daytime hours
- If expanded to 21st between College and Main, no additional road closures. If expanded to 21st between Main and Alley, requires N. Main to be closed
- No fiscal impact to city
- Paved, protected from sun in evenings, gently sloping S to N
- Proximal to amenities, parking, walkable, visible from couplet
- Area held events for many years during weekdays, evenings and weekends. Currently primary location for Farmers Market and several annual events.



OPTION 2 : 21ST AVE (COLLEGE TO MAIN)

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4

- Size: 6,000 SF
- Displaces 14 parking stalls in medium demand location
- Impacts 4 storefronts and 1 business with morning/lunch hours
- If expanded to College Way, requires all of College Way be closed. If expanded onto Pacific U., College can remain open. If expanded across Main, Main can remain open.
- No fiscal impact to city
- Paved surface, protected from sun in afternoon, flat
- Proximal to amenities, parking, walkable
- Area held events for many years during weekdays, evenings and weekends. Currently used as first expansion area of Main.
- Areas 2, 3 and 4, in priority, comprise the Festival Street concept.



OPTION 3 : 21ST AVE (MAIN TO ALLEY)

- Size: 5,500 SF
- Displaces 11 parking stalls in high demand day/night/weekend location
- Impacts 5 businesses with daytime hours
- If expanded to Main, 21st between College and Main must remain open or requires additional closure of N Main. If expanded to 21st between Alley and A, blocks N access to Central Lot. If expanded to 21st between College and Main, Main can remain open
- No fiscal impact to city
- Paved, protected from sun in afternoons, flat
- Proximal to amenities, parking, walkable
- Area has not held events by itself. Often used as second expansion of Main after 21st between College and Main to form the “T”



OPTION 4 : 21ST AVE (ALLEY TO A)

- Size: 8,500 SF
- Displaces 15 parking stalls in high demand day/night/weekend location
- Impacts 5 businesses with daytime hours
- Requires re-routing westbound traffic through Central City lot. If expanded to 21st between Main and Alley, blocks N access to Central City lot.
- No fiscal impact to city
- Paved, protected from sun in afternoons, flat
- Proximal to amenities, parking, walkable
- Area has not held events by itself. Used as third expansion after other two sections of 21st and Main closed.



OPTION 5 : COLLEGE WAY (21st to UNIV)

- Size: 28,000 SF
- Displaces 73 parking stalls in high demand day / low demand evening and weekend location. Blocks access to 2 parking lots and emergency access to Pacific U.
- No business impacts. Impacts access to several Pacific University services
- Does not require additional closures if used on its own. If expanded to College between Pacific and 21st, also requires closure of 21st between College and Main.
- No fiscal impact to city.
- Paved surface, shaded by trees, flat and walkable
- Proximal to amenities, parking, walkable
- Area has infrequently been used by itself or during the week. Normally used on weekend in conjunction with closing 21st between College and Main and S College Way.



OPTION 6 : COLLEGE WAY (PACIFIC to 21ST)

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8

- Size: 12,000 SF
- Displaces 35 parking stalls in high demand day / low demand evening weekend location
- Impacts 1 business with daytime hours
- No fiscal impact to city
- Due to one-way, requires closure of 21st between College and Main and College between 21st and University
- Paved surface, shaded by trees, gently sloping S to N
- Proximal to amenities, parking, walkable, visible from couplet
- Area has infrequently been used by itself or during the week. Normally used on weekend in conjunction with closing 21st between College and Main and N College Way.



OPTION 7 : URA WOODFOLD LOT

- Size: 55,000 SF
- Displaces incidental parking / no organized parking
- Food carts currently operating in area
- Does not require road closures / not expandable
- Fiscal impact: owned by URA with intent to redevelop.
- Gravel surface, exposed to sun, flat, visible from couplet
- Ample adjacent parking during evenings and weekends
- Has not been used for events. Use would be interim until developed



OPTION 8 : CENTRAL CITY LOT

- Size: 20,000 SF
- Displaces 64 parking stalls in high demand weekday and weekend all day / low demand weekday evenings location
- Does not displace storefront/on-street parking, however, is used by employees and customers during above times
- Does not require road closures.
- Fiscal impact due to small section of lot being owned by URA
- Gravel and paved, partially shaded, flat
- Proximal to amenities, would lead to more on-street parking if available during time of event, walkable.
- Area has been used partially and sporadically for smaller weekend events associated with adjacent entities



OPTION 9 : URA SITE B

- Size: 35,000 SF
- Displaces incidental parking / no organized parking
- No business impacts
- Does not require road closures / not expandable
- Fiscal impact: owned by URA with intent to redevelop.
- Gravel surface, exposed to sun, sloping S to N
- Farther from amenities, limited adjacent parking
- Little to no lead time and signage to set up
- Has not been used for events. If sufficient space, a gathering area could be part of redevelopment.



OPTION 10 : CITY GRAVEL LOT

- Size: 15,000 SF
- Displaces incidental parking / no organized parking
- No business impacts. Currently designated as homeless camping area from 7 PM – 7 AM
- Does not require additional road closures. Possible expansion to northern city parking lot, depending on timing
- Potential fiscal impact to city
- Gravel surface, shaded in most areas, flat, visible from couplet
- Adjacent to 2 and proximal to 1 city parking lot with high weekday / low evening and weekend demand
- Has not been used for events. Long-term use undetermined



DISCUSSION

- Attributes
 - Each Councilor identify top 3-4 attributes
- Identify other attributes, if any
- Locations to consider further
 - Each Councilor identify 3-4 options for further consideration
- Identify other locations, if any
- Locations to take off the table
 - Each Councilor identify options to take off the table
- Staff will use information to prepare recommendations for Council consideration at a future work session

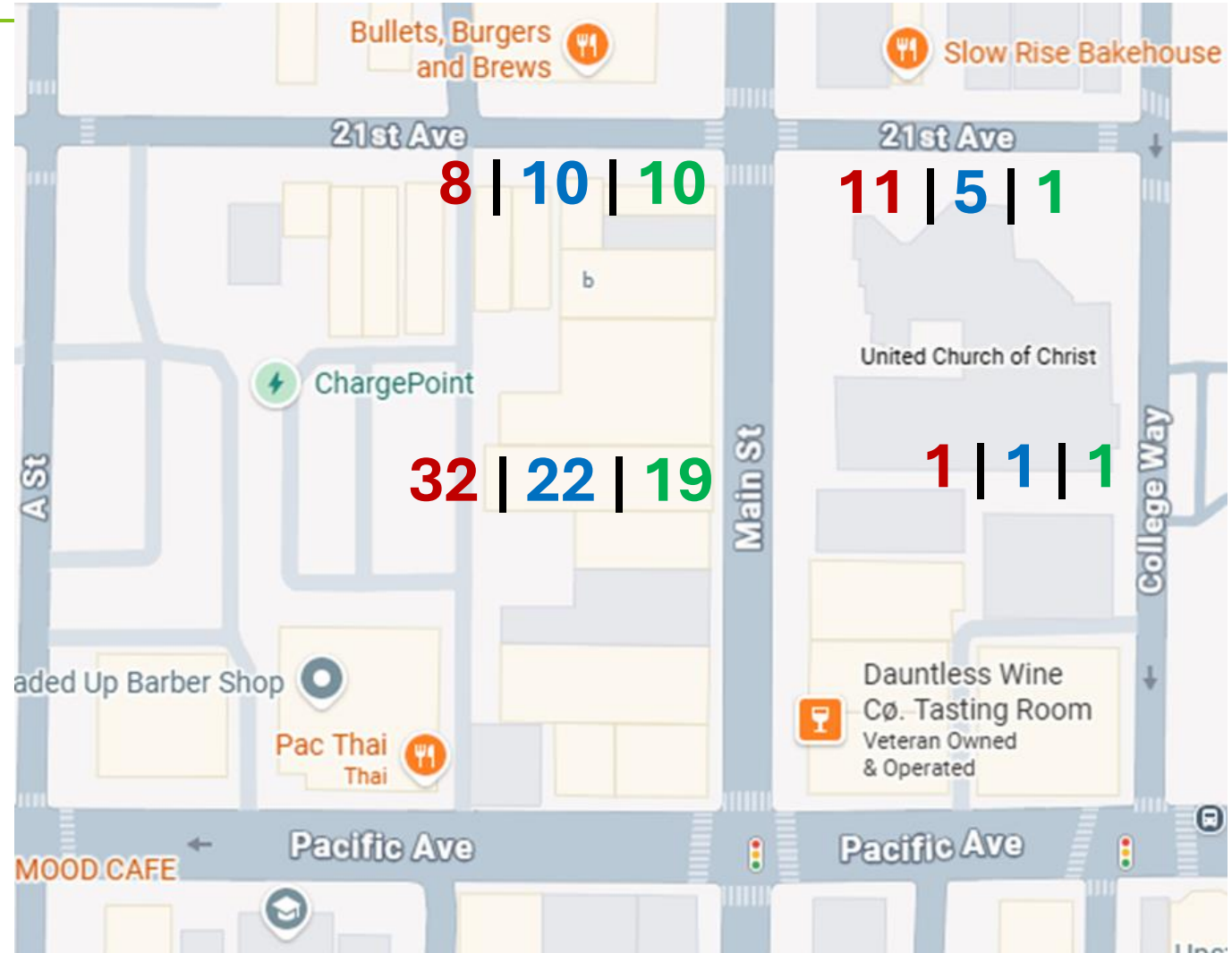
THANK YOU!

BACK UP SLIDES

CURRENT CLOSURES

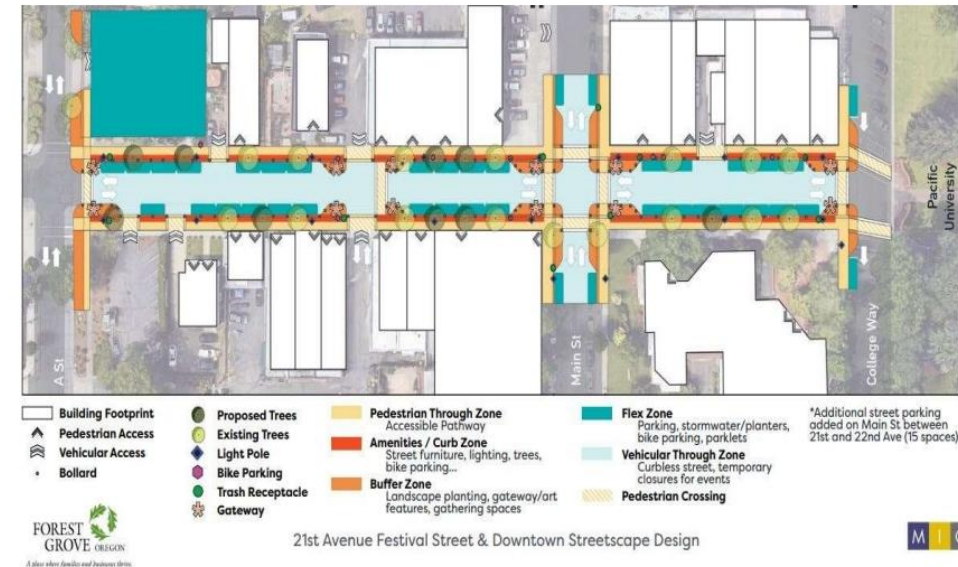
This map shows the total number of:

- # = days the street was closed for an event for six hours or more
- # = storefronts on that section of street
- # = small businesses on that section of street



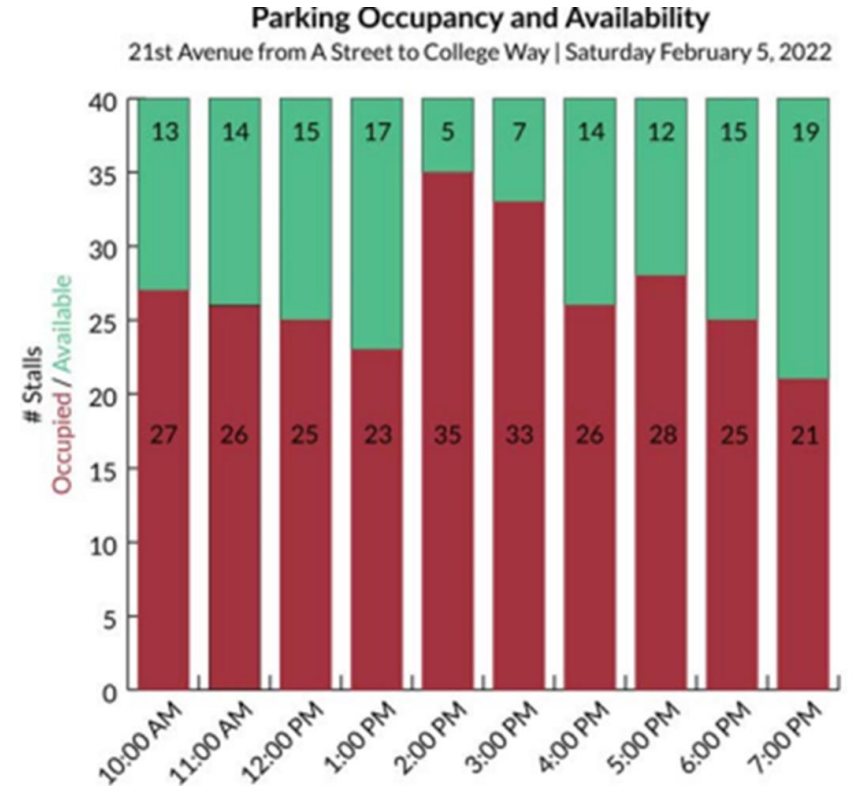
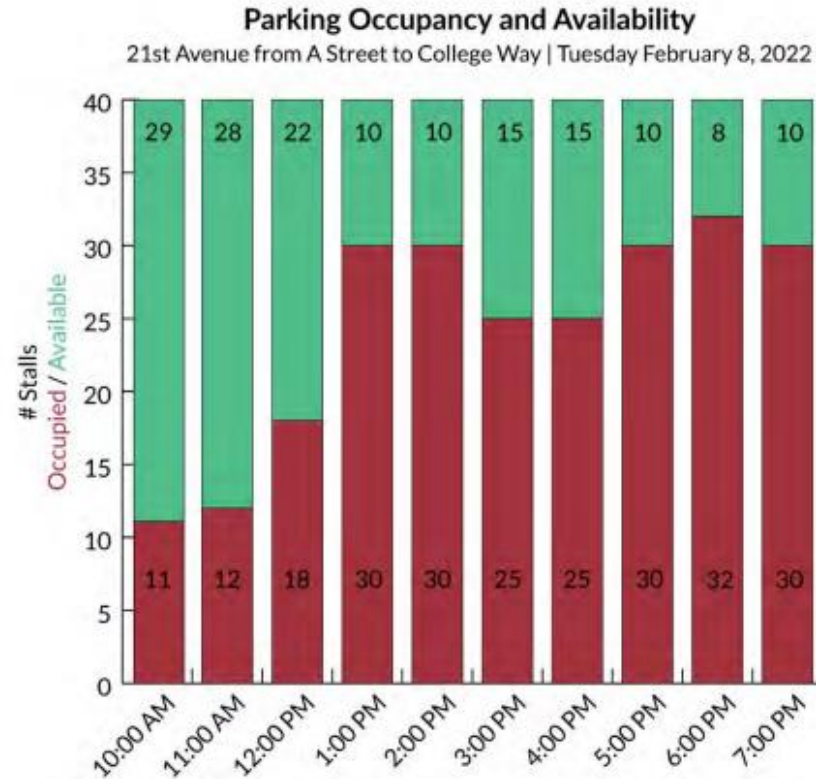
FESTIVAL STREET

- Concept only
- Size: scalable from 6,000 to 20,000 SF
- Primary is 21st from College to Main, secondary is from Main to Alley, and third is from Alley to A
- Two-way
- When closed, displaces 14, 11, and 15 parking stalls respectively
- Impacts 1, 5, and 5 businesses respectively
- College, Main, and A remain open
- Fiscal impact contingent upon amount of area and type of improvements
- Paved surface, sun exposure in evening, flat and walkable
- Portions have been used frequently. Concept offered to aid in long-term consideration of community space

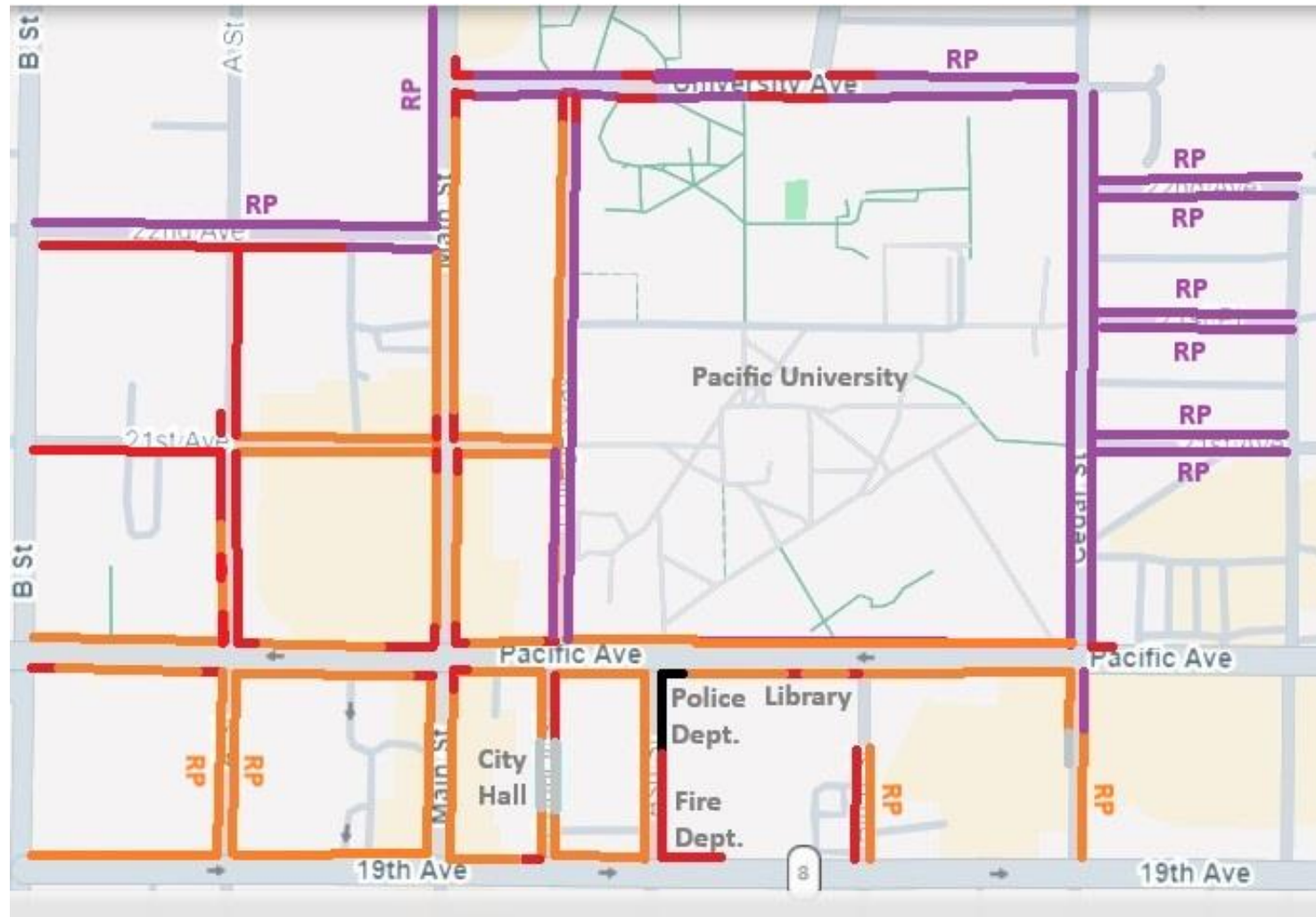








21st AVENUE PARKING OCCUPANCY

- These graphs show parking availability on 21st Avenue between A and College.



BACKGROUND: TIMED PARKING MAP



-  4 hour 8 am to 5 pm
-  2 hour 8 am to 5 pm
-  No Parking
-  Authorized Vehicles
-  Residential Permit Zone
-  Residential Permit Zone

BACKGROUND: PARKING STUDY AREA

- Study area was downtown where the highest demand occurs and where timed parking, i.e., 2-hour and 4-hour exist.
- City public parking lots were also included in the study and are in yellow.

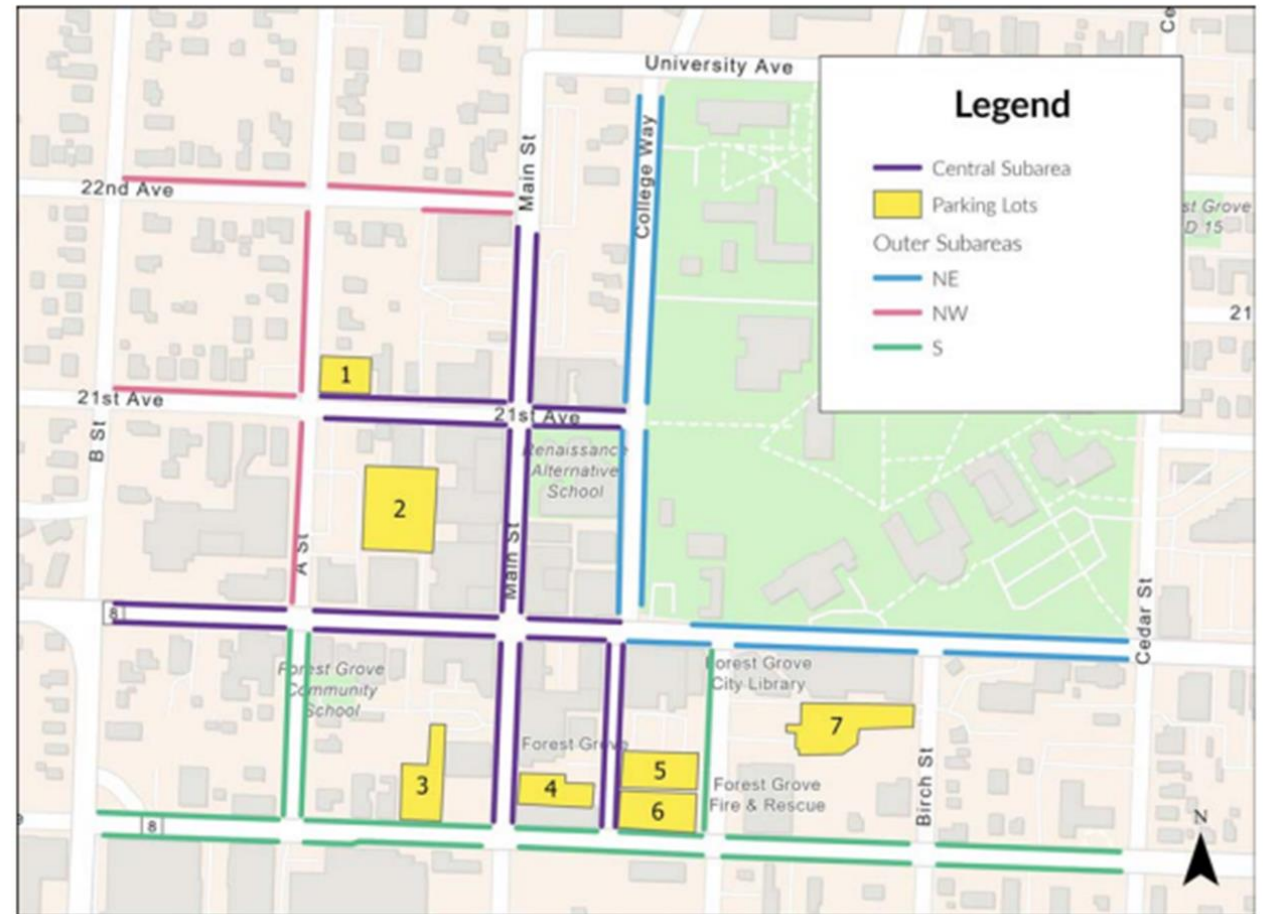


Figure 6: Study area for a parking study in Forest Grove. Hourly turnover data were collected for “Central Blocks;” hourly occupancy data were collected for parking lots; and periodic occupancy data were collected for “Outer Blocks.”

STUDY RESULTS: TUESDAY 1:00 PM

Occupancy Map | Tuesday February 8, 2022 1:00 pm

- This graph shows where the parking occupancy issues occur at 1:00 p.m. on a Tuesday.
- The graph denotes parking is crowded along College due to Pacific U. being in session and that both city parking Lots 1, 2 and 3 are crowded or full.
- City parking lots 4 and 6 have available occupancy.

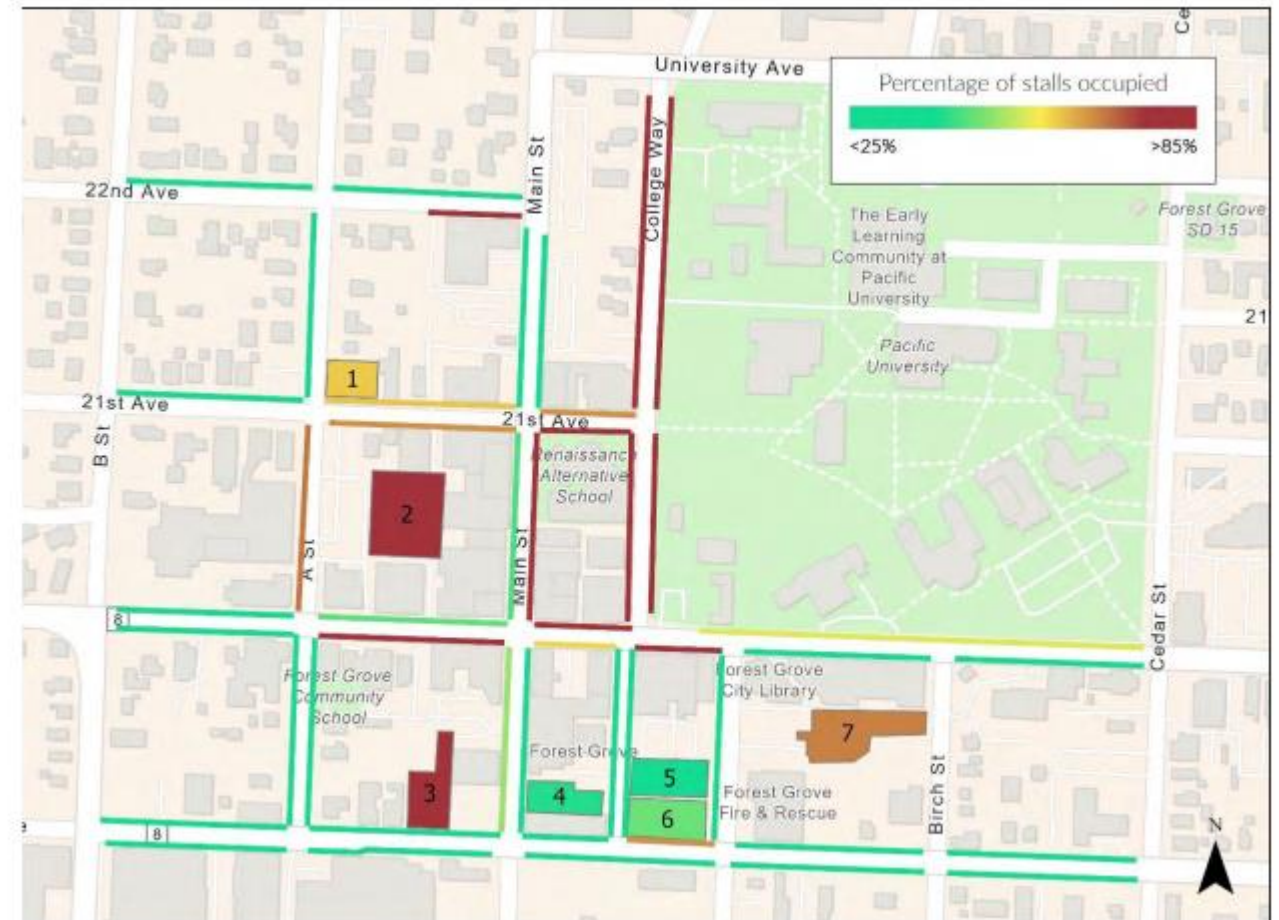


Figure 3: Percentage of stalls occupied for each blockface and parking lot in the study area at 1pm on the midweek study day

STUDY RESULTS: TUESDAY 5:00 PM

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- This graph shows where the parking occupancy issues occur at 5:00 p.m. on a Tuesday.
- The graph denotes the opposite of daytime. College Way has parking due to Pacific U. being out of session, however, Main Street is crowded due to business.
- City parking lots 1-7 have available occupancy.

Occupancy Map | Tuesday February 8, 2022 5:00 pm

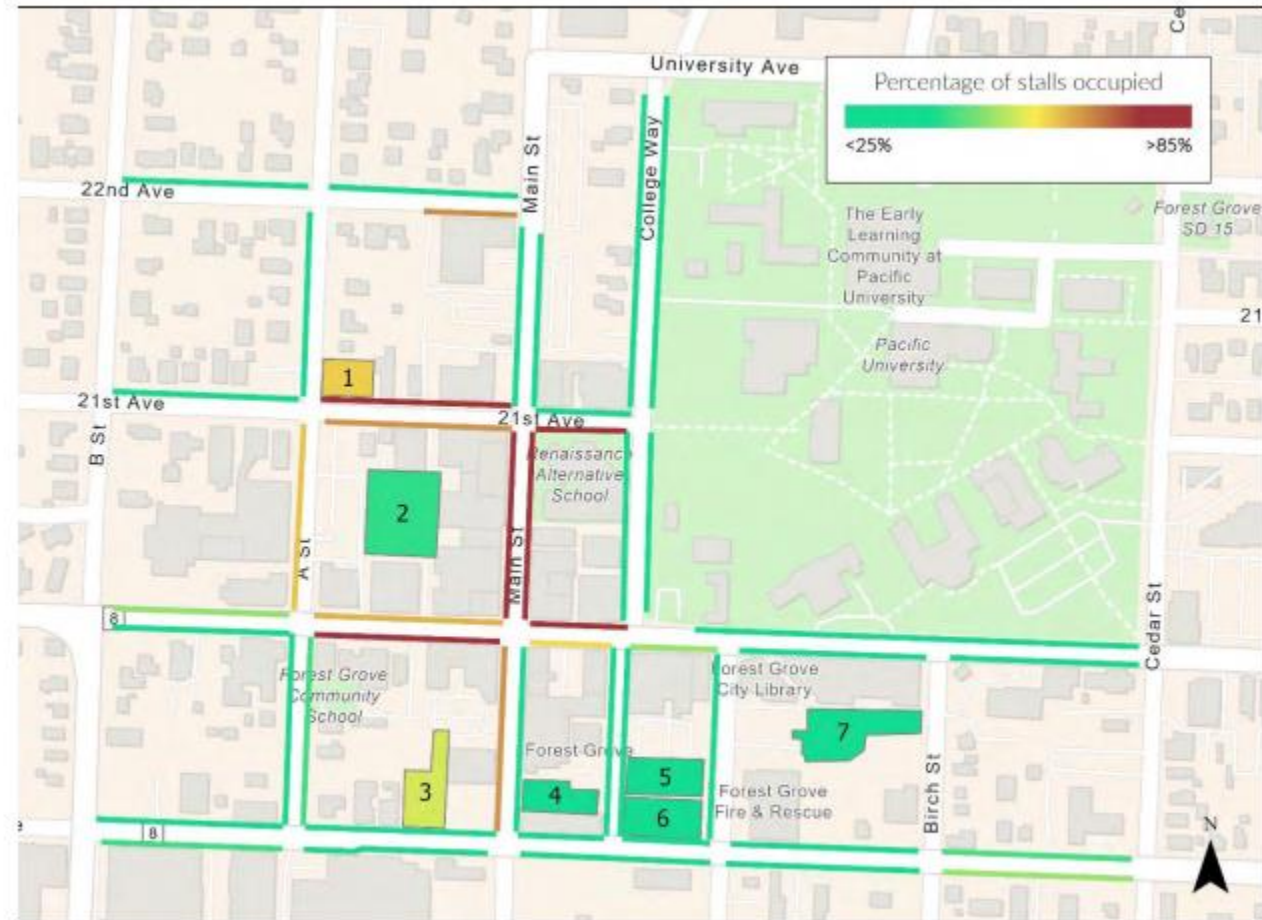


Figure 4: Percentage of stalls occupied for each blockface and parking lot in the study area at 5pm on the midweek study day

STUDY RESULTS: SATURDAY 12:00 PM

- This graph shows where the parking occupancy issues occur at Noon on a Saturday.
- The graph denotes parking on Main Street both South and North of Pacific Avenue is crowded, however, parking is open a block or two away.
- Parking Lot 2 is full, however, parking lots 1, 3-7 have available occupancy.

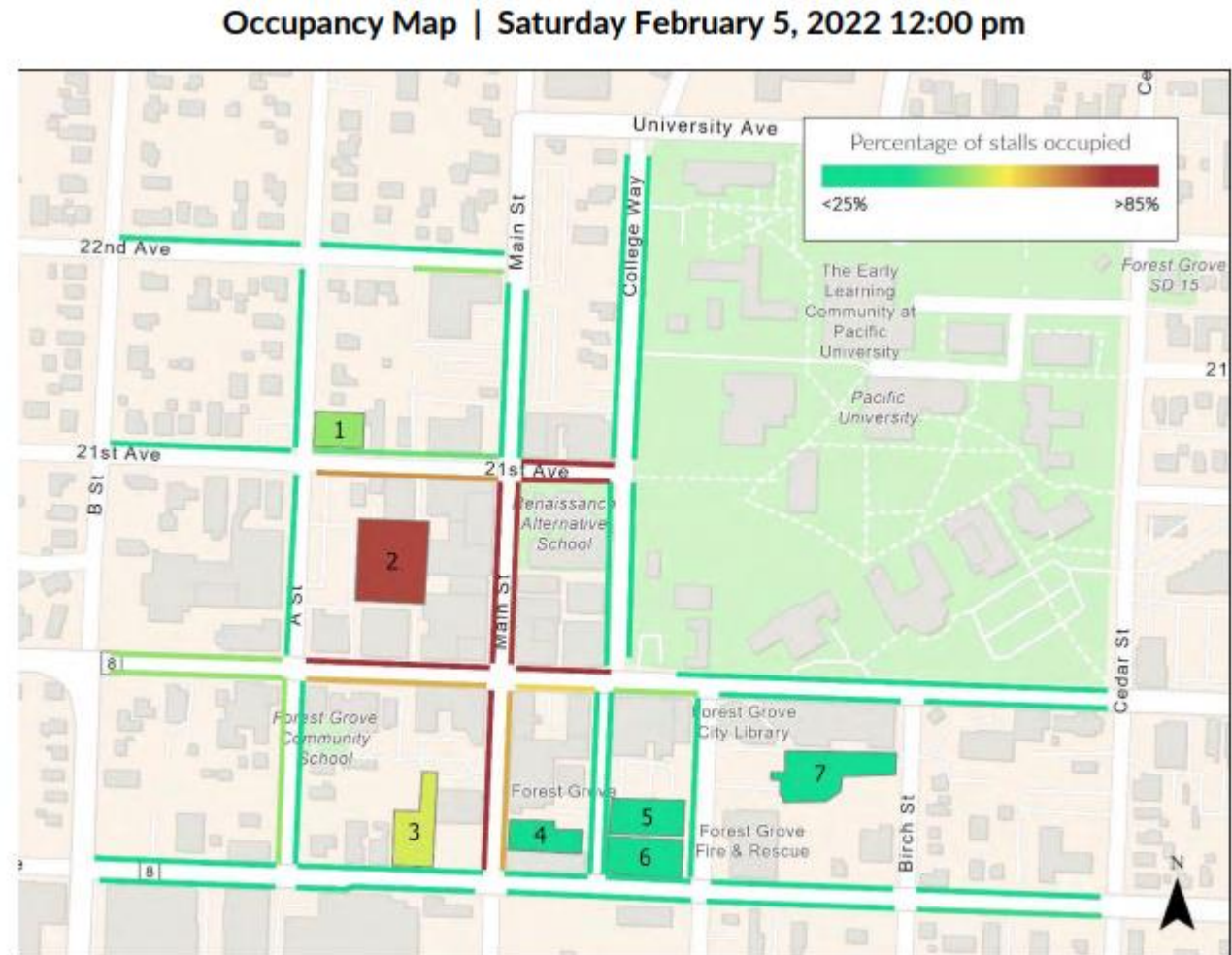


Figure 5: Percentage of stalls occupied for each blockface and parking lot in the study area at 12pm on the weekend study day

STUDY RESULTS: SATURDAY 6:00 PM

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- This graph shows where the parking occupancy issues occur at 6:00 p.m. on a Saturday.
- The graph denotes parking on Main Street, 21st, and A is crowded, however, parking is open a block or two away.
- Parking lots 1 and 2 are crowded, however, parking lots 3-7 have available occupancy.

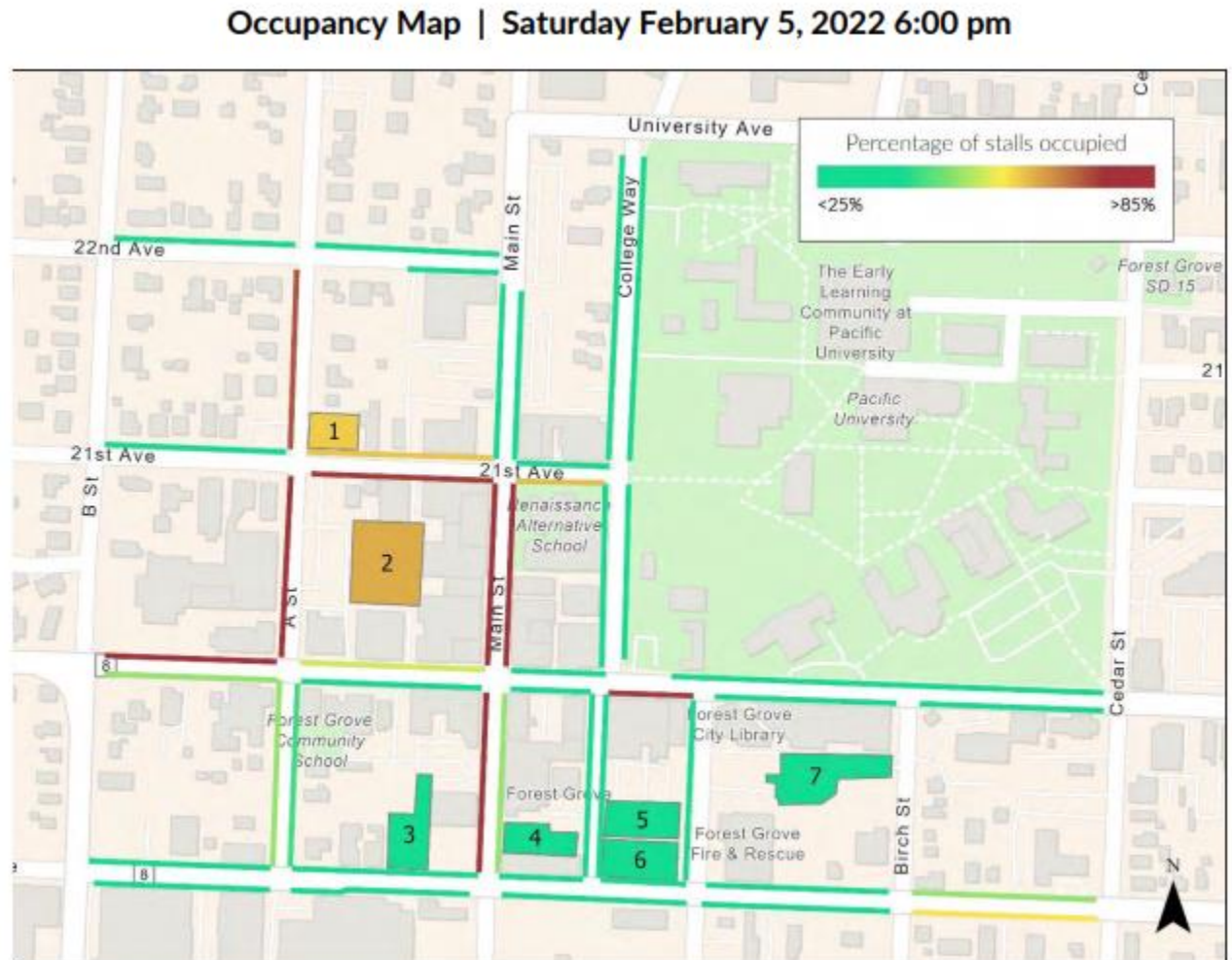


Figure 7: Percentage of stalls occupied for each block face and parking lot in the study area at 6pm on the weekend study day

STUDY RESULTS: TUESDAY

- This graph shows the parking occupancy of the entire city center study area on Tuesday.
- Occupancy ranges from 40%-65% indicating no additional demand management is needed.
- The reason 85% is not reached is because of the parking pattern noted on the previous two slides.



Figure 8: Percentage of stalls occupied by hour in Central Forest Grove during midweek study day

STUDY RESULTS: SATURDAY

- This graph shows the parking occupancy of the entire city center study area on Saturday.
- Occupancy ranges from 50%-70% indicating no additional demand management is needed.
- 85% is not reached likely because Pacific U. is out of session.



Figure 9: Percentage of stalls occupied by hour in Central Forest Grove during weekend study day

STUDY RESULTS: TUESDAY

- This graph shows the parking occupancy of the Central “T” or Main and 21st on Tuesday.
- Occupancy ranges from 45%-90% with the peak period between 5:30-6:00 p.m.
- 85% and above is reached because the study area was limited to Main and 21st and did not include available parking a block or two away.



PARKING STUDY RESULTS: SATURDAY

- This graph shows the parking occupancy of Main and 21st on Saturday.
- Occupancy ranges from 60%-85% indicating higher overall demand throughout the day than the city center area, with the peak period between 1-3 p.m.



PARKING LOTS: CAPACITY

- The City has 7 public parking lots comprised of:
 - 202 total stalls
 - 37 of which are timed in Lots 4 & 5 during the weekday (Comm. Aud. and City Hall).
 - All other lots are unregulated meaning there is no permit, no time limits and no fee to park.

Table 1: Locations, numbers, and types of stalls in the downtown study area

Location	Stall Counts by Type					Total
	Unregulated	Timed	ADA	EV	School	
On-Street						
Central Subarea	0	169	2	0	0	171
Northeast Subarea	0	180	1	4	0	185
Northwest Subarea	46	24	0	0	0	70
South Subarea	69	73	0	0	0	142
Lots						
Lot #1	18	0	1	0	0	19
Lot #2	49	0	3	3	0	55
Lot #3	22	0	2	0	7	31
Lot #4	0	22	1	0	0	23
Lot #5	0	15	1	0	0	16
Lot #6	30	0	2	1	0	33
Lot #7	22	0	3	0	0	25

PARKING LOTS: OCCUPANCY

- The Central lot (Lot 2) is comprised of 55 stalls and has the highest occupancy.
- The graph shows parking for a Thursday and a Saturday in February.
- Occupancy is between 85-90% during weekday working hours indicating it is used for employee parking. This relieves demand from nearby on-street parking.
- During all other times, including weekends, occupancy ranges from 50%-80%.



Figure 16: Hourly occupancy of Parking Lot #2 during both study days

PARKING LOTS: OCCUPANCY

- The next busiest is Lot 3 located North of 19th between A and Main Street. It indicates the same pattern as the Central Lot where it goes above 85% during weekday working hours indicating it is used for employee parking.
- All other lots are consistently below 85% occupancy.

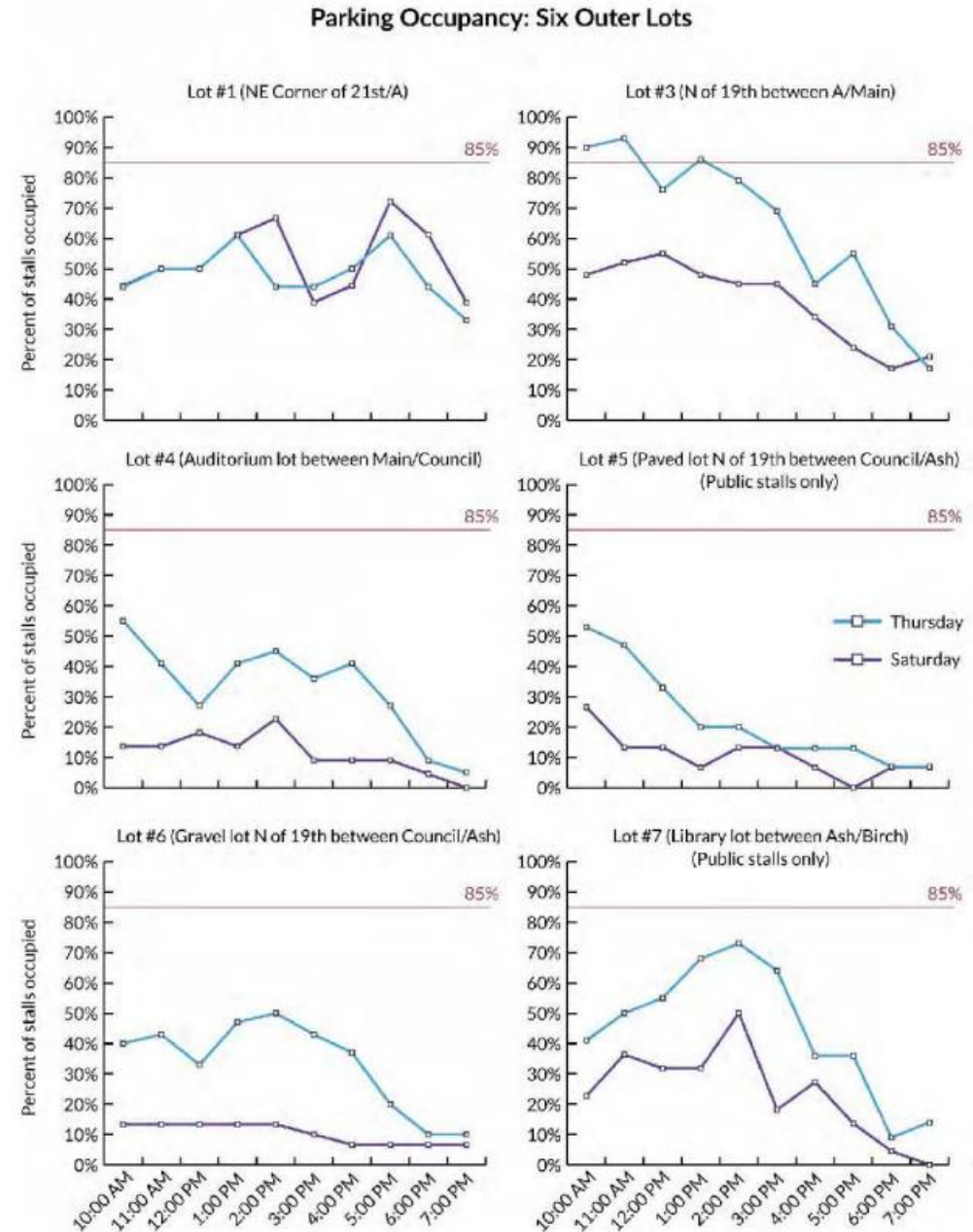


Figure 17: Hourly occupancy of Lot #1 and Lots 3-7



CITY WATER AND FLUORIDATION

Gregory Robertson, P.E., AICP | Director of Public Works
City Council Work Session: May 11, 2026

City of Forest Grove

AGENDA

Purpose

Background

Budget

Current Practice

Discussion

PURPOSE

- Summarize for City Council the history and current practice of finished water fluoridation by the City of Forest Grove.
- Responds to correspondence received from residents expressing concern about fluoridation and City Council's request for a work session on the subject.

BACKGROUND

- Forest Grove City Council adopted a resolution on September 24, 1952, directing City Staff to take the necessary steps to fluoridate its finished drinking water.
- Forest Grove has been fluoridating its drinking water since then (approximately 74 years) with no gaps in between.

RESOLUTION

WHEREAS, the City of Forest Grove has investigated the procedure for the installation of equipment with which to undertake the fluoridation of the city water supply, and

WHEREAS, the City of Forest Grove has solicited the professional opinion of medical and dental authorities relative to the desirability and merits of fluoridation of the domestic water supply, and

WHEREAS, there has been a showing of public interest and desire for the establishment of fluoridation of the City of Forest Grove's water supply, and

WHEREAS, the Common Council has investigated and found that upon competent professional and technical authority ~~the~~ the increase of fluorides in the domestic water supply of the City of Forest Grove will be beneficial in protection against dental caries in children and

WHEREAS, based upon competent authority and professional opinion the Common Council of the City of Forest Grove finds that the fluoridation of the water supply will not be harmful or injurious in any manner to the users of the City of Forest Grove's water.

NOW, THEREFORE, BE IT RESOLVED by the City of Forest Grove that the City undertake, with the approval of the Oregon State Board of Health, the installation of equipment with which to augment the fluoride content of the City's water supply, and

BE IT FURTHER RESOLVED that the City Manager be and he hereby is empowered to engage such technical assistance as may be required for the installation, inspection, testing and operation of said equipment and upon approval of said installation the fluoridation of the water supply shall proceed.

Presented by the Ordinance Committee this 24th day of September, 1952.

Percy A. Lasselle
Walter Hanzly
D. E. Brigham

Passed by the Common Council this 24th day of September, 1952.

G. E. Richards, Recorder

Approved by the Mayor, September 24, 1952.

Lester S. Hughes, Mayor

BUDGET

- The annual budget for fluoridation is approximately \$28,000.
- Breakdown of expenditures:

Chemical Procurement	\$25,000
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Operation and Maintenance	\$3,000
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- The expense is paid by the Water Fund

CURRENT PRACTICE

- The City receives non-fluoridated water from two sources:
 - Forest Grove Watershed
 - Joint Water Commission
- The City employs fluoride at the Water Treatment Plant and the Joint Water Commission entry point to the distribution system on 10th Avenue.



CURRENT PRACTICE - continued

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- Each fluoride feed station is monitored in real time around the clock by a Certified Water Treatment Operator.
- The Supervisory Control and Data Acquisition (SCADA) System includes alarms to alert the Operator when parameters are exceeded.
- When an alert is received, the Operator can remotely manipulate the plant treatment processes to correct the situation.
- The delivery and real time monitoring systems are tested daily to ensure they are functioning properly.
- Test results and additional water samples are sent to OHA for compliance and validation, respectively.



CURRENT PRACTICE - continued

- The City's target fluoridation level is 0.7 mg/Liter, consistent with the U.S. Department of Health and Human Services recommendation that the concentration of fluoride in drinking water to be 0.7 mg/Liter.
- Plans, equipment, instrumentation and the Certified Water Operator qualifications must be approved by the Oregon Health Authority (OHA) prior to beginning fluoridation.
- Approximately 25% of community water systems in Oregon are fluoridated and 75% are not fluoridated. Approximately 73% of the community water supply in the nation is fluoridated.



CURRENT PRACTICE - continued

- An Oregon Health Authority Drinking Water Services Survey indicates that there are approximately 37 systems that fluoridate serving an Oregon population of 915,000.
- In the Portland metro region, in addition to the City of Forest Grove, the City of Beaverton and the Tualatin Valley Water District (TVWD) fluoridate their drinking water. Hillsboro and the Joint Water Commission, who provides water to TVWD, Cornelius, Banks, and North Plains, does not fluoridate.
- For more information about fluoridation of water, visit the U.S. Centers for Disease Control and Prevention (CDC).



DISCUSSION



PROCLAMATION

WHEREAS, the National Trust for Historic Preservation created Preservation Month to spotlight grassroots preservation efforts in America; and

WHEREAS, Preservation Month provides an opportunity to celebrate the diverse and unique heritage of our county's cities and states and enable more Americans to become involved in the preservation movement; and

WHEREAS, historic preservation is an effective tool for managing growth and sustainable development, revitalizing neighborhoods, fostering local pride and maintain community character while enhancing livability; and

WHEREAS, historic preservation is relevant for communities across the nation, both urban and rural, and for Americans of all ages, walks of life, and ethnic backgrounds; and

WHEREAS, it is important to celebrate the role of history in our lives and the contributions made by dedicated individuals to help preserve the tangible aspects of the heritage that has shaped us as a people.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FOREST GROVE DOES HEREBY PROCLAIM THE MONTH OF MAY 2026, AS

NATIONAL PRESERVATION MONTH

In Forest Grove, Oregon and calls upon the people to join their fellow citizens across the United States in recognizing and participating in this special observance.



IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Forest Grove, Oregon, to be affixed this 11th day of May, 2026.

Malynda H. Wenzl, Mayor, City of Forest Grove

PROCLAMACIÓN

CONSIDERANDO QUE, el Fondo Nacional para la Preservación Histórica creó el Mes de la Preservación para destacar los esfuerzos comunitarios de preservación en Estados Unidos; y

CONSIDERANDO QUE, el Mes de la Preservación brinda la oportunidad de celebrar el patrimonio diverso y único de las ciudades y estados de nuestro país y permitir que más estadounidenses se involucren en el movimiento de preservación; y

CONSIDERANDO QUE, la preservación histórica es una herramienta eficaz para gestionar el crecimiento y el desarrollo sustentable, revitalizar vecindarios, fomentar el orgullo local y mantener el carácter comunitario al tiempo que mejora la habitabilidad; y

CONSIDERANDO QUE, la preservación histórica es relevante para las comunidades de todo el país, tanto urbanas como rurales, y para los estadounidenses de todas las edades, todos los ámbitos de la vida y todos los orígenes étnicos; y

CONSIDERANDO QUE, es importante celebrar el papel de la historia en nuestras vidas y las contribuciones hechas por personas dedicadas para ayudar a preservar los aspectos tangibles del patrimonio que nos ha moldeado como pueblo.

AHORA, POR LO TANTO, EL AYUNTAMIENTO DE LA CIUDAD DE FOREST GROVE POR LA PRESENTE PROCLAMA AL MES DE MAYO 2026, COMO

Mes Nacional de la Preservación

En Forest Grove, Oregon, y hace un llamado a la gente de Forest Grove a unirse a sus conciudadanos de todo Estados Unidos para reconocer y participar en esta celebración especial.



EN TESTIMONIO DE LO CUAL, he suscrito la presente y he hecho que el sello de la Ciudad de Forest Grove, Oregon, se emplace en este día 11 de mayo de 2026.

Malynda Wenzl, Alcalde, Ciudad de Forest Grove

ERIC G. STEWART AWARD

Awarded to

Skip Buhler

In Recognition of Outstanding Commitment
To the Preservation of the City of Forest Grove's History



Tim Orr

Historic Landmarks Board Chair

May 11, 2026



HISTORIC LANDMARKS BOARD 2026 UPDATE

Bryan Pohl | Community Development Director

Tim Orr | Chair

City Council Meeting 5|11|26

City of Forest Grove

VISION 2040 PLAN

2



- **2040 GOAL STATEMENT:** Community Connection
- **2040 OUTCOME:** Active civic engagement and increased collaboration among community organizations, volunteers, and the City
- **2040 ACTION 4.8:** Seek ongoing feedback on City projects and programs (Historic Downtown Standards)

WHO WE ARE

- Appointed advisory board serving the City of Forest Grove. Members are appointed to serve by the City Council.
- Comprised of residents with expertise/ interest in historic preservation.
- Works in partnership with city staff to oversee preservation of the City's architectural and cultural heritage.
- Acts as a resource for education and public awareness on historic preservation.

WHAT WE DO

- Review new development, alterations, restorations, and demolitions of properties within our historic districts.
- Recommend properties for landmark designation.
- Advise on preservation-related ordinances, incentives, and policies.
- Promote historic education through events, signage, and outreach programs.
- Collaborate with state preservation agencies and local organizations.

2025 EVENTS

WINDOW RESTORATION WORKSHOP

A historic window restoration workshop, held by Brian Petrowski from The Historic Preservation program of Clatsop Community College, shared hands-on techniques for repairing and maintaining original windows. Participants learned practical skills such as sash repair, glazing, and weatherproofing, all while emphasizing the importance of preserving historic character. The workshop was held at the City Auditorium and highlighted how restoration can be both cost-effective and more sustainable than replacement.

BOARD MEMBER TRAINING

The HLB received legal training on how to properly conduct public hearings and make decisions in a quasi-judicial capacity. The training focused on maintaining an unbiased record and applying clear approval criteria to ensure defensible decisions. This training helps strengthen the Board's consistency, transparency, and legal compliance in its decision-making processes.

FUTURE PLANS

The HLB's adopted work plan includes:

- Complete Downtown Historic Standards and Guidelines.
- Collaborate with CCE and Arts Commission on other downtown projects and initiatives.
- Evaluate options for next year's grant cycle with Oregon Heritage.

QUESTIONS



EMERGENCY OPERATIONS PLAN PRESENTATION

Jim Geering | Fire Chief

May 11, 2026

City of Forest Grove

AGENDA

Vision 2040 Plan

Purpose & Project Objectives

Background

Discuss Emergency Operations Plan

Future Work and Next Steps

Questions

VISION 2040 PLAN



- **2040 GOAL STATEMENT:** Community Growth
- **2040 OUTCOME:** Improve Public Safety Response in Forest Grove
- **2040 ACTION:** Update the City’s emergency preparedness plan in coordination with regional planning efforts

PURPOSE

Part of the National Response Framework (NRF) which guides how the Nation responds to all types of disasters and emergencies. The NRF is built on scalable, flexible, and adaptable concepts identified in the National Incident Management System (NIMS).

The City of Forest Grove is required to comply with all directives specified within the National Incident Management (NIMS) system as defined in the Homeland Security Presidential Directive.

The Incident Command System (ICS), as prescribed by NIMS ensures interoperability across multijurisdictional or multiagency incident management activities through a unified command.

PROJECT OBJECTIVES

Compliance with ORS 401.032:

Declared policy of the Legislative Assembly that preparations for emergencies and governmental responsibility for responding to emergencies be placed at the local level.

Revise, update, and put into practice the EOP:

The Forest Grove Emergency Operations Plan provides guidance and procedures for the City to respond to emergency situations resulting from natural disasters, human caused incidents, and other events that overwhelm the resources or require a coordinated response.

BACKGROUND

- **EOP Process**

- The City created a Request for Proposal which was posted in November 2023.
- The City received five proposals in the process.
- The City interviewed each vendor and selecting the highest scorer - Stacy M. Burr Consulting.
- Stacy M. Burr Consulting has published over 250 emergency plans, managed and led numerous response operations nationally, and has broad experience providing services to numerous cities in Oregon as well as Washington County.

BACKGROUND

- **EOP Process**

- The current EOP was adopted by Council in 2014.
- The current EOP is jointly operated with the City of Cornelius under primary direction of Forest Grove Fire and Rescue through a previous Intergovernmental Agreement (IGA) between the cities.
- Since the dissolution of the IGA, updated EOP's for each city will be approved by their respective governing bodies.
- City of Cornelius EOP approval took place on March 2, 2026.
- The proposed updated Forest Grove EOP will ensure clarity in roles, proper oversight and execution of emergency response in each community.

EMERGENCY OPERATIONS PLAN

- **What is the EOP?**
- The EOP:
 - Provides guidance and procedure
 - Provides a base framework defining operational priorities...
 - Describes roles and responsibilities of City Departments
 - Establishes operating guidelines that support implementation of NIMS

EMERGENCY OPERATIONS PLAN

- **What's in the EOP?**
- The EOP is composed of three main elements:
 - Basic Plan
 - Functional Support Annexes
 - Hazard Planning Annex

EMERGENCY OPERATIONS PLAN

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EMERGENCY OPERATIONS PLAN

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EMERGENCY OPERATIONS PLAN

1
2

- **What's in the EOP?**
- The EOP is composed of three main elements:
 - Basic Plan
 - Functional Support Annexes
 - Hazard Planning Annex

EMERGENCY OPERATIONS PLAN

- **What the EOP is not**
- The EOP is not:
 - The EOP is not a disaster prevention guide for residents or visitors
 - The EOP is not an emergency readiness guide for residents or visitors
 - The EOP is not a step-by-step recipe for disaster response

EMERGENCY OPERATIONS PLAN

1
4

- **What's Different About the Updated EOP?**
- The new updated EOP:
 - The proposed EOP is organized differently
 - Separate “stand alone” documents for the Base Plan as well as each of the 5 annexes
 - Also provides a separate document on the Incident Command System (ICS) and Emergency Operation Center (EOC) position checklists

EMERGENCY OPERATIONS PLAN

- **Council Roles and Responsibilities**
- Have not changed:
 - “Set the Tone” and direction in the community for prevention, mitigation, preparedness, response, and recovery activities
 - General understanding of the City’s emergency operations framework
 - Create and/or adopt local ordinances and plans that contribute to the emergency management mission
 - Collaborate with community leadership and establish partnerships

EMERGENCY OPERATIONS PLAN

- **Council Roles and Responsibilities**
- Perhaps the most important role of Council:
 - Declare a State of Emergency
 - Act on emergency funding needs

EMERGENCY OPERATIONS PLAN:

- **More work ahead**
- Emergency Operations Center (EOC):
 - Create a roster of designated EOC workers
 - Ensure minimum EOC training is completed
 - Create an emergency EOC callback procedure
 - Create opportunities for position specific EOC training
 - Update EOC position descriptions and checklists
 - Ensure the EOC is operationally ready to open
 - Conduct internal training exercises

EMERGENCY OPERATIONS PLAN

- **Summary**

- The updated Emergency Operations Plan:
 - Provide a long overdue update to the City's EOP (last update 2014)
 - Dissolves the current joint operation of the Plan with Cornelius
 - Meets Federal, State, and Local requirements
 - Consists of three main plan elements (Base Plan, Functional Support Annexes, Hazard Planning Annex)
 - Allows the City to continue the planning process through internal City preparation

NEXT STEPS:

- Promulgation of the EOP :
 - Place on May 25, 2026, Council agenda
 - Approve Resolution adopting the Emergency Operations Plan

QUESTIONS or DISCUSSION



EMERGENCY OPERATIONS PLAN WORKSHOP

END OF PRESENTATION

ALL HAZARD PLANNING PROCESS

- ALL HAZARD PLANNING
 - Mitigate
 - Prepare
 - Recover
 - Respond





IT UPDATE

Kim Ezell | Assistant City Manager
Presentation | May 11, 2026

City of Forest Grove

AGENDA

Purpose

Vision 2040

Background

Progress Report

Next Steps

Questions / Comments

PURPOSE

3

Provide an update to Council on the City's IT Program and plans for the future.

VISION 2040 PLAN

2040 GOAL AREAS: COMMUNITY CONNECTION

We envision an engaged and connected Forest Grove community with inclusive spaces for all ages, where strong partnerships, active civic participations, and shared information foster collaboration and belonging.

Outcome – Increased partnership and collaboration among community organizations and the City.

2026-2028 Council Action Plan – Complete deferred IT maintenance

BACKGROUND

In 2025, after the IT Manager resigned – the City had difficulty recruiting for the IT Manager role.

To manage the City's IT needs, the City hired the IT services firm Structured. This limited solicitation procurement was approved by the Local Contract Review Board in June 2025.

The Structured contract expires in October 2026.

PROGRESS REPORT

Since Structured was hired in 2025, IT services have stabilized and backlogged IT maintenance has been addressed including:

- Updated workstations for employees
- Most computers updated to Windows 11
- Critical cybersecurity updates
- Servers updated and entered into a regular patching cycle
- Future projects identified

NEXT STEPS

Staff has evaluated paths forward for stable, consistent, and sustainable IT management after the current Structured contract ends.

Three identified options are:

- Reestablish the IT Manager role internally
- Contract for private sector IT services
- Enter into an Intergovernmental Agreement for IT services with another municipal government

NEXT STEPS: OPTIONS

Internal Staffing	Contract	IGA
<ul style="list-style-type: none">• Full control of all IT services	<ul style="list-style-type: none">• Deep bench of expertise• Contractor responsible for continuing service during employee transitions	<ul style="list-style-type: none">• Deep bench of expertise• Greater knowledge of best practices and uniqueness of government IT
<ul style="list-style-type: none">• Difficult to hire• Vulnerable during employee transitions• Hard to develop all the required expertise in a small team	<ul style="list-style-type: none">• Most expensive option• Decreased internal control of IT services	<ul style="list-style-type: none">• Decreased internal control of IT services

NEXT STEPS: STAFF RECOMMENDATION

9

Based on evaluation of options and conversations with neighboring jurisdictions – Staff is developing an IGA with the City of Tigard to provide critical IT services.

Why the City of Tigard?

- Recent projects completed in Tigard are next on Forest Grove's list
 - Phone system upgrade
 - Standardize employee workstation roll-outs
 - Cybersecurity upgrades
- Same Enterprise system – Tyler EERP
- Available staff bandwidth
- Mutual understanding to pilot shared municipal IT services

Questions or Comments?



Thank you!



STAFF REPORT TO CITY COUNCIL

TO: City Council

FROM: Joyce Phillips, Communications and Programs Assistant

CC: Kim Ezell, Assistant City Manager
Jesse VanderZanden, City Manager

MEETING DATE: May 11, 2026

SUBJECT TITLE: Resolution 2026-13 Intergovernmental Agreement with Metro for the Community Enhancement Program through December 31, 2030

ACTION REQUESTED: Ordinance Order Resolution Motion Informational

2040 VISION PLAN

Goal: Economy – We envision a thriving, inclusive Forest Grove community with a vibrant downtown, a diverse economy offering high-paying jobs, and a strong sense of identity and place.

Goal: Community Connection – We envision an engaged and connected Forest Grove community with inclusive spaces for all ages, where strong partnerships, active civic participation, and shared information foster collaboration and belonging.

BACKGROUND

Metro Code Chapter 5.06 created the Solid Waste Community Enhancement Program (CEP) to enhance the communities that host waste management facilities. Under this Code, waste management facilities remit funding to Metro, who distributes the funding back to host communities to administer the local CEP.

The purpose of this Intergovernmental Agreement (IGA) is to implement the provisions of Metro Code Chapter 5.06 related to the administration of the CEP in Forest Grove for the Forest Grove Transfer Station (Facility).

For Forest Grove, Metro collects a solid waste community enhancement fee (CEF) of \$1.00 per ton of putrescible waste and a community investment fee (CIF) of \$0.50 per ton of putrescible waste. Metro transfers the collected funds to the City which is responsible for administering a CEP by issuing grants to eligible entities.

The program operates under an IGA between the City and Metro that will expire on June 30, 2026. Metro has prepared a new IGA to continue the program through December 31, 2030, which the City must adopt to continue to accept the revenue from Metro.

The program requirements under the proposed IGA are essentially the same as the current IGA, except for the following amendments:

1. All CEP grant committees are required to include three community members.
2. Combines Community Enhancement Fee (CEF) and Community Investment Fee (CIF) into one IGA.
3. The IGA will begin July 1, 2026, and expire December 31, 2030, a 4.5-year agreement, rather than a 5-year agreement.

The City will need to add one community member to the CEP committee to meet the first amendment. If Council approves the IGA, the full CEP Committee will be briefed at the next Committee meeting, tentatively scheduled for August 24th, to discuss the process for implementing this change.

FISCAL IMPACT

The IGA has no direct fiscal impact as the fiscal impact for the CEP is dependent upon the tonnage of waste disposed of at the Forest Grove Transfer Station. If the proposed IGA is not renewed, the City would lose up to \$100,000 per year in anticipated grant funding for community programs and services.

RECOMMENDATION

Staff recommends the City Council approve the resolution approving the proposed IGA with Metro and authorizing the City Manager to execute the IGA.

ATTACHMENTS:

- Resolution 2026-13
- Exhibit A: Intergovernmental Agreement between Metro and the City of Forest Grove

RESOLUTION NO. 2026-13

**RESOLUTION AUTHORIZING CITY MANAGER TO ENDORSE
COMMUNITY ENHANCEMENT GRANT PROGRAM INTERGOVERNMENTAL
AGREEMENT BETWEEN THE CITY OF FOREST GROVE AND METRO**

WHEREAS, Metro provides funding to the City of Forest Grove (City) through a solid-waste community enhancement fee (CEF) of \$1.00 per ton of putrescible waste and a community investment fee (CIF) of \$0.50 per ton of putrescible waste at the Forest Grove Transfer Station to manage a Community Enhancement Grants Program (Program); and

WHEREAS, the Program operates under Chapter 5.06 of the Metro Code and Administrative Procedures for Code Section 5.06; and

WHEREAS, the current Intergovernmental Agreement (IGA) between the City and Metro for the Program is expiring on June 30, 2026; and

WHEREAS, Metro has approved a new 4.5-year IGA for the Program, and the City must approve the IGA to receive and allocate CEP funds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City Council hereby approves the Intergovernmental Agreement (IGA) between the City and Metro for the Community Enhancement Grant Program (Exhibit A) and authorizes the City Manager to execute the IGA on behalf of the City.

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of May, 2026.

Mariah S. Woods, City Recorder

APPROVED by the Mayor this 11th day of May, 2026.

Malynda H. Wenzl, Mayor

Community Enhancement Grant Program Services Intergovernmental Agreement



Metro Contract No. XXXX

attachment

THIS AGREEMENT, entered into under the provisions of ORS Chapter 190, is between Metro, a Metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, Oregon 97232-2736 (“Metro”), and the City of Forest Grove (the “City”) an Oregon municipal corporation, whose address is 1924 Council Street, P.O. Box 326 Forest Grove, Oregon 97116.

Section 1: Purpose

The purpose of this Agreement is to implement the provisions of Metro Code Chapter 5.06 related to the administration of the Solid Waste Community Enhancement Program (“Program”) for Forest Grove Transfer Station (“Facility”).

Section 2: Term

This Agreement begins on July 1, 2026 and terminates on December 31, 2030. The parties may mutually terminate this Agreement earlier. Metro may terminate this Agreement under Section 8. The parties may mutually extend the term of the Agreement by written amendment.

Section 3: Collection and Distribution of Community Enhancement Fee Funds

- A. In accordance with Metro Code, the Facility must collect and remit to Metro a solid waste community enhancement fee (“CEF”) of \$1.00 on each ton of putrescible solid waste, including yard debris mixed with food waste, received at the Facility. If the Facility seeks to collect additional fees for community enhancement, the parties will amend this Agreement so the additional funds are distributed in compliance with the Agreement.
- B. As part of Metro’s goals-based tonnage allocation criteria, the Facility may voluntarily collect and remit to Metro: (1) a community investment fee (“CIF”) of \$0.50 per ton on all putrescible solid waste, including yard debris mixed with food waste received by the Facility; or (2) a community investment fee of \$1.00 per ton on all types of waste received that are not subject to any Solid Waste Community Enhancement Fees. If the Facility seeks to collect additional fees for community investment, the parties will amend this Agreement so the additional funds are distributed in compliance with the Agreement.
- C. Metro will remit to Forest Grove the CEF funds and any CIF funds (“Funds”) collected in A and B above on the second Friday of the second month following each quarter-end (February, May, August, and November).
- D. At the request of Forest Grove, Metro will provide quarterly reports of activity at the Facility, including data on (1) the gross weight of solid waste received in vehicles that are weighed as they enter the facility; (2) the number of other vehicles assessed fees on an estimated volume basis; and (3) the tonnage of solid waste transferred from the Facility.
- E. At the request of Forest Grove, Metro will reasonably assist with the administration of the Program.

Section 4: City/County Obligations

- A. Forest Grove must administer a Program that complies with Metro Code Chapter 5.06 (Exhibit A), and Metro Administrative Rules 5.06 (Exhibit B). Exhibits A and B are incorporated into this Agreement and are binding on Forest Grove.

Community Enhancement Grant Program Services Intergovernmental Agreement



Metro Contract No. XXXX

B. Solid Waste Community Enhancement Committee

- i. Forest Grove will establish a solid waste community enhancement program advisory committee ("Committee") for the purpose of implementing the Program that complies with Exhibit A and Exhibit B.
- ii. The Committee must be made up of at least five members, including three citizen representatives appointed by the mayor, city manager, or county administrator, and, at Metro's option, must include the Metro Councilor representing the district where the Facility is located. In lieu of appointing a separate Committee, the City may designate itself plus the Metro Councilor representing the district where the Facility is located to perform the function of the Committee. In either case, the Metro Councilor may serve as co-chair to the Committee at Metro's option.
- iii. All Committee members must disclose any conflict of interest before participating in a grant decision, and must sign a conflict of interest form provided by Forest Grove and approved by the attorney representing Forest Grove.
- iv. The City of Forest Grove, through the Committee, is responsible for:
 - Establishment of the enhancement area boundary.
 - Adoption of Committee bylaws.
 - Development of a process for soliciting and selecting solid waste community enhancement projects.
 - Compliance with the eligibility criteria set forth in Section 5.06.070 and the goals set forth in Metro Code Section 5.06.080 and creation of additional criteria and goals where appropriate.
 - Annually reviewing the enhancement program revenue estimates provided by Metro staff and propose how these funds will be allocated for the upcoming fiscal year or funding cycle.
 - Upon request of Metro's COO, presenting an annual report to the Metro Council on all projects approved for funding.
 - Providing an open, public process for project review and selection.
 - Ensuring that funding decisions are made by a majority vote of the Committee.

C. Program Administration

- i. Develop program materials and communications including a grant application, applicant instructions/handbook, a project website, and Committee evaluation criteria.
- ii. Promote the Program within the Program boundary area. Forest Grove must publish information about the Program on its website, including without limitation: funding criteria, goals, application process, and timeline.
- iii. Designate a staff person who is responsible for the administration of the Program and this Agreement. This person must have authority to make decisions regarding this Agreement.
- iv. Forest Grove designated Program staff will attend periodically scheduled grant administrator's learning cohort meetings.
- v. Promote the grant program solicitations to community stakeholders to recruit applicants.
- vi. Meet annually with grantees to get updates on grant activities and grantee needs.
- vii. Promote grantee and grant program accomplishments to community stakeholders.
- viii. No later than July 10 of each year, Forest Grove must provide a written report to Metro on the Program that includes revenues and expenditures of the program Funds, including the total amount of awarded Funds that have been paid by June 30. The report must also include an

Community Enhancement Grant Program Services Intergovernmental Agreement



Metro Contract No. XXXX

accounting of any funding expended for program administration and the fund balance carried forward, if any.

- ix. Maintain complete and accurate records related to the administration of the Program (including solicitation materials, grant applications, and records of Committee decision making) and all organizational expenses related to administration of the grant program. Forest Grove will make these records available to Metro upon request for inspection, auditing, and copying.

D. Funding Administration

- i. **i.** Maintain separate accounting for the CEF and CIF (if any) funds collected under Section 3. City/County must ensure that CEF and CIF funds are tracked and accounted for separately and are not commingled for budgeting or reporting purposes. Upon receipt from Metro of the Program's Funds for each grant cycle, City/County will account for the Funds in a manner that clearly distinguishes CEF funds from CIF funds.
- ii. Forest Grove must provide all necessary support to administer the program. Forest Grove may charge no more than 20% of the annual budget for the Funds, not to exceed \$50,000, for the direct costs of administering the Program. Direct costs include staff time and materials.
- iii. Prepare an annual budget. The budget must identify the expected distribution of Funds for projects during a fiscal year. The Committee may propose that there be no distribution of Funds during a fiscal year, for a maximum of three consecutive years. Forest Grove must notify Metro within 14 days if the Committee determines that no Funds will be distributed in a given Program year.
- iv. Determine each funding year's grant awards no later than December. Funds must be spent within three years of the program funding cycle in which the Funds were collected.
- v. Grant funds awarded to a local government must not exceed 15% of the Program's annual grant funding budget or funding cycle. If the Committee is recommending an award of more than 15% of the funding budget to the local government then Forest Grove program manager shall contact the Metro program manager before funds are awarded to provide further details on the funding recommendation. Approval for such exceedances may be given by the Metro program manager by email.
- vi. Forest Grove must ensure that only projects chosen by a majority of the Committee receive the Funds. Forest Grove must carry forward any Funds not expended during a budget year to the following year Forest Grove must not use the Funds for general government purposes.
- vii. Notify Metro immediately if Forest Grove expects it will not fully expend annual Funds within three years of the funding cycle in which the Funds were collected.
- viii. Repay to Metro any Funds unexpended after three years or Funds not spent in accordance with this Agreement.

Section 5: Notices

Legal notice provided under this Agreement must be delivered personally or by certified mail to the following individuals:

For Forest Grove:

Office of the City: Counsel
City of Forest Grove
1924 Council Street

For Metro:

Office of Metro Attorney
Metro
600 NE Grand Avenue

Community Enhancement Grant Program Services Intergovernmental Agreement



Metro Contract No. XXXX

P.O. Box 326
Forest Grove, OR 97116

Portland, OR 97232-2736

Management of this Agreement will be conducted by the following designated Project Managers:

For the City:
Stephanie Fleischer
City of Forest Grove
1924 Council Street
P.O. Box 326
Forest Grove, OR 97116

For Metro:
Noelle Dobson
Metro
600 NE Grand Avenue
Portland, OR 97232-2736

Parties may change the above-designated Project Manager by written notice to the other party (email is sufficient).

Section 6: Indemnification

Subject to the limits of the Oregon Constitution and Oregon Tort Claims Act, Forest Grove shall hold harmless Metro, its officers and employees from any claims or damages or property or injury to persons or for any penalties or fines, for Forest Grove's actions related to this Agreement.

Section 7: Dispute Resolution

The parties will attempt to negotiate in good faith resolutions to all disputes arising out of this Agreement.

Section 8: Termination

During the term of this Agreement, each party retains the right to terminate the Agreement by written notice delivered to the other party no later than 60 days prior to the anniversary date.

If Metro determines that Forest Grove is in breach of this Agreement, Metro will give 30 days' written notice to Forest Grove describing the nature of the breach and will give City/County an opportunity to cure the breach before taking any further action. Metro may, in its discretion, extend the cure period. If City/County fails to cure the breach, Metro may terminate this Agreement at the end of the cure period without further notice.

Section 9: Insurance

Forest Grove agrees to maintain insurance levels, or self-insurance in accordance with ORS 30.282, for the duration of this Agreement to levels necessary to protect against public body liability as specified in ORS 30.270. Forest Grove also agrees to maintain for the duration of this Agreement, Workers' Compensation Insurance coverage for all its employees as a self-insured employer, as provided by ORS chapter 656, or disability coverage under its Disability, Retirement and Death Benefits Plan.

Section 10: Integration and Amendment

This writing contains the entire Agreement between the parties, and may only be amended by written instrument, signed by both parties.

Community Enhancement Grant Program Services Intergovernmental Agreement



Metro Contract No. XXXX

Section 11: Severability

If any portion of this Agreement is found to be illegal or unenforceable, this Agreement nevertheless remains in full force and effect and the offending provision will be stricken or revised to the parties' satisfaction.

Section 12: Counterparts; Signatures

This Agreement may be executed in counterparts or multiples, any one of which has the full force of an original. Metro and Forest Grove may conduct this transaction, including any amendments, by electronic means, including the use of electronic signature. The undersigned represent that they are authorized to execute this Agreement on behalf of the entity for whom they are signing.

Forest Grove

Metro

By: _____

By: _____

Print name and title

Print name and title

Date

Date

STAFF REPORT TO CITY COUNCIL

TO: City Council

FROM: Jesse VanderZanden, City Manager

CC: Kim Ezell, Assistant City Manager
Sally, Cicerchi, Assistant Finance Director

MEETING DATE: May 11, 2026

SUBJECT TITLE: Resolution 2026-14 Adopting Revised Investment Policy

ACTION REQUESTED: Ordinance Order Resolution Motion Informational

2040 VISION PLAN

Value: Sustainable

Together, we strive toward a sustainable future – where our commitment to environmental care, responsible financial choices, thoughtful community growth, and resilient infrastructure ensures a thriving, inclusive community for generations to come.

BACKGROUND

The City last reviewed and adopted its current Investment Policy on June 23, 2025. To keep the policy current and in line with best practices, and in compliance with ORS 294.135(a), the policy requires annual review and adoption by City Council. This Policy does not apply to the City’s Defined Benefit Plan investments, which are covered by a separate policy.

The City’s outside investment advisor has reviewed the Policy and has no recommended changes. The City’s outside investment advisor also had no recommended changes last year. There have been no changes in state investment laws or investment best practices since the Policy was last reviewed, and so staff is recommending re-adoption with no changes.

FISCAL IMPACT

The fiscal impact is dependent on the interest environment at the time funds are available to invest.

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution.

ATTACHMENTS

- Government Portfolio Advisors Investment Policy Review Memo
- Resolution No. 2026-14
- Exhibit A: Investment Policy

MEMO

To: Sally Cicerchi and Jesse VanderZanden – City of Forest Grove
From: Frank McDonnell and Amphaphone Mar – GPA
Date: April 24, 2026
Re: Investment Policy Review and Update 2026

ORS 294.135(a) requires local governments investing in securities with maturities longer than 18 months to annually adopt their investment policies. The policy was last reviewed and adopted in June 2025. After reviewing the City's policy this year, we have no recommended changes to the City Council for re-adoption for 2026.

RESOLUTION NO. 2026-14

**RESOLUTION ADOPTING REVISED INVESTMENT POLICY FOR
THE CITY OF FOREST GROVE AND REPEALING RESOLUTION NO. 2025-40**

WHEREAS, the City adopted its current Investment Policy in 2025 in Resolution 2025-40; and

WHEREAS, the Policy and ORS 294.135(a) require annual review by staff and re-adoption by City Council; and

WHEREAS, staff and the City's investment consultant has reviewed the current Investment Policy and is not recommending any changes.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE
AS FOLLOWS:**

Section 1. That the City Council hereby adopts the revised Investment Policy for the City of Forest Grove, attached hereto as Exhibit A.

Section 2. Resolution No. 2025-40 is repealed upon enactment of this resolution.

Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of May, 2026.

Mariah S. Woods, City Recorder

APPROVED by the Mayor this 11th day of May, 2026.

Malynda H. Wenzl, Mayor



INVESTMENT POLICY

DATE ADOPTED:
Original August 22, 2022
Re-adopted May 11, 2026

CITY OF FOREST GROVE
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CITY OF FOREST GROVE INVESTMENT POLICY

1. Purpose

This Investment Policy defines the parameters within which funds are to be invested by the City of Forest Grove (hereafter, "City"). This policy also formalizes the framework, pursuant to ORS 294.135, for the City's investment activities to ensure effective and judicious management of funds within the scope of this policy.

These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets

2. Governing Authority

The City's investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to laws established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

3. Scope

This policy applies to all cash related assets included within the scope of the City of Forest Grove's audited financial statements and held directly by the City. The City pools funds to provide for a more efficient investment program. Funds held in trust for the pension portfolios and deferred compensation funds for the employees of the City, which have separate rules, are excluded from these policies. In addition, funds held by trustees or fiscal agents are excluded from these policies, however all funds are subject to Oregon Law. The amount of funds falling within the scope of this policy over the next three years is expected to range between \$30 million and \$80 million.

4. General Objectives

The primary objectives, in order of priority, of the City's investment activities are as follows:

4.1 Preservation of Invested Capital: The City's investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk. In investing public funds, the City will not assume unreasonable investment risk to obtain current investment income.

4.2 Liquidity: The City's investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon Short Term Fund which offers next-day liquidity. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.

4. General Objectives, continued

4.3 Return: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

5. Standards of Care

5.1 Prudence: The standard of prudence to be used by the investment officer in the context of managing financial resources shall be the prudent investor rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probably safety of their capital as well as the probable income to be derived."

The investment officer and staff, acting in accordance with this policy and exercising due diligence, will not be held personally responsible for a specific security's credit risk, market price changes, or loss of principal if securities are liquidated prior to maturity provided that these deviations and losses are reported as soon as practical action is taken to control these adverse developments.

5.2 Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program, or may impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to City Administrator any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

5. Standards of Care, continued

5.3 Delegation of Authority and Responsibilities:

- i. **Governing Body:** The City Council will retain ultimate fiduciary responsibility for invested funds. The governing body will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.085 and 294.155.
- ii. **Delegation of Authority:** Authority to manage investments within the scope of this policy and operate the investment program in accordance with written procedures and internal controls is granted to the Assistant City Manager/Finance Director under review of the City Manager, or his/her designee (herein after referred to as Investment Officer), and derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

- iii. **Investment Committee:** The City Council may seek to establish an investment committee to provide guidance to the Investment Officer(s) and monitor investment policy compliance.
- iv. **Investment Advisor:** The Investment Officer may engage the services of one or more external investment managers to assist in the management of The City investment portfolio in a manner consistent with this investment policy. Investment advisors may be hired on a non-discretionary basis. If The City hires an investment advisor to provide investment management services, the advisor is authorized to transact with its direct dealer relationships on behalf of the City.

6. Transaction Counterparties

6.1 Broker/Dealers: The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives.

The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

- i. Broker/Dealer firms must meet the following minimum criteria:
 - a. Be registered with the Securities and Exchange Commission (SEC)
 - b. Be registered with the Financial Industry Regulatory Authority (FINRA)
 - c. Provide most recent audited financials
 - d. Provide FINRA Focus Report filings
- ii. Approved broker/dealer employees who execute transactions with The City must meet the following minimum criteria:
 - a. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - b. Be licensed by the state of Oregon;
 - c. Provide certification (in writing) of having read, understood, and agreed to comply with the most current version of this investment policy.
- iii. The Investment Officer may want to establish policy for engaging broker/dealer firms and registered representatives that are more restrictive than stated in this policy. Additional requisites or due diligence items may include:
 - a. Positive references from at least three other local government clients.
 - b. As part of the periodic due diligence review, inquiries with other local government clients with regard to their recent experiences with broker/dealer firms or registered representatives and any change in relationship status.
 - c. Requirement that approved registered representatives provide notification within 30 days of any formal investigations or disciplinary actions initiated by federal or state regulators.
 - d. Requirement that prospective registered representatives have an established history of advising local governments with similar amounts of assets under management.

6. Transaction Counterparties, continued

6.1 Broker/Dealers: continued

- iv. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Factors to consider would be:
 - a. Pending investigations by securities regulators
 - b. Significant changes in net capital
 - c. Pending customer arbitration cases
 - d. Regulatory enforcement actions
- v. The Investment Officer shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with The City for investment purposes.

The Investment Officer or designee may utilize the investment advisor's approved broker/dealer list in lieu of The City's own approved list. The advisor must submit the approved list to The City annually and provide updates throughout the year as they occur. The advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures should include:

- a. FINRA Certification check
 - Firm Profile
 - Firm History
 - Firm Operations
 - Disclosures of Arbitration Awards, Disciplinary and Regulatory Events
 - State Registration Verification
- b. Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

The advisors must provide The City with any changes to the list prior to transacting on behalf of The City.

The advisor may be authorized through the contracted agreement to open accounts on behalf of The City with the broker/dealers on the approved list. The City will receive documentation directly from the brokers for account verification and regulatory requirements.

6. Transaction Counterparties, continued

6.2 Investment Advisors: A list will be maintained of approved advisors selected by conducting a process of due diligence.

- i. The following items are required for all approved Investment Advisors:
 - a. The investment advisor firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon (Note: Investment advisor firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon).
 - b. All investment advisor firm representatives conducting investment transactions on behalf of The City must be registered representatives with FINRA.
 - c. All investment advisor firm representatives conducting investment transactions on behalf of The City must be licensed by the state of Oregon.
 - d. Certification, by all of the advisor representatives conducting investment transactions on behalf of this entity, of having read, understood and agreed to comply with this investment policy.
- ii. A periodic (at least annual) review of all authorized investment advisors under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. The investment Advisor must notify The City immediately if any of the following issues arise while serving under a The City contract:
 - a. Pending investigations by securities regulators.
 - b. Significant changes in net capital.
 - c. Pending customer arbitration cases.
 - d. Regulatory enforcement actions.

6.3 Depositories: All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

6. Transaction Counterparties, continued

6.4 Competitive Transactions:

- i. The Investment Officer shall obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
- ii. In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.
- iii. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price. However, the Investment Officer is encouraged to document quotations on comparable securities.
- iv. If an investment advisor provides investment management services, the advisor must retain documentation of competitive pricing execution on each transaction and provide upon request.

7. Administration and Operations

7.1 Delivery vs. Payment: All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in The City safekeeping institution prior to the release of funds.

7.2 Third Party Safekeeping: Securities will be held by an independent third-party safekeeping institution selected by the City. All securities will be evidenced by safekeeping receipts in the City of Forest Grove's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

7.3 Internal Controls: The Investment officer and City Council are jointly responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this Investment policy and, protected from loss, theft or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the Investment Officer.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points at a minimum:

- i. Compliance with Investment Policy
- ii. Control of collusion
- iii. Separation of transaction authority from accounting and record keeping
- iv. Custodial safekeeping
- v. Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary
- vi. Clear delegation of authority to subordinate staff members
- vii. Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form
- viii. Dual authorizations of wire and automated clearing house (ACH) transfers
- ix. Staff training
- x. Review, maintenance and monitoring of security procedures both manual and automated

7.4 External Auditor: An external auditor shall provide an annual independent review to assure compliance with Oregon state law and City of Forest Grove policies and procedures.

7.5 Accounting Method: The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including, but not necessarily limited to, the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), the American Institute of Certified Public Accountants (AICPA), and the Securities and Exchange Commission (SEC).

8. Authorized and Suitable Investments

8.1 Permitted Investments: All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (*Investment of surplus funds of political subdivisions; approved investments*), ORS 294.040 (*Restriction on investments under ORS 294.035*), ORS 294.135 (*Investment maturity dates*), ORS 294.145 (*Prohibited conduct for custodial officer including not committing to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement*), and ORS 294.805 to 294.895 (*Local Government Investment Pool*). If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this Policy has been amended and the amended version adopted by the City Council. Minimum credit ratings and percentage limitations apply to the time of purchase.

8.2 Suitable Investments:

The following lists allowable investment types:

US Treasury Obligations: Direct obligations of the United States Treasury whose payment is guaranteed by the United States. [ORS Section 294.035(3)(a)]

US Agency Obligations: Federal agency and instrumentalities of the United States or enterprises sponsored by the United States Government (GSE) and whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government. [ORS Section 294.035(3)(a)]

Municipal Debt: Lawfully issued debt obligations of the States of Oregon, California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating on the settlement date of AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization, or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. [ORS Section 294.035(3)(c)]

Corporate Indebtedness: Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933. Corporate indebtedness must be rated on the settlement date AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization. [ORS Section 294.035(3)(i)]

Commercial Paper: Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Commercial Paper must be rated A1 by Standard and Poor's or P1 by Moody's or equivalent rating by any nationally recognized statistical rating organization. Issuer constraints for commercial paper combined with corporate notes will be limited by statute to 5% of market value per issuer. [ORS Section 294.035(3)(i)]

8. Authorized and Suitable Investments, continued

8.2 Suitable Investments:

Certificates of Deposit: Certificates of deposit in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

Bank Time Deposit/Savings Accounts: Time deposit open accounts or savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)(e)].

Bankers' Acceptances: A short-term credit investment created by a non-financial firm and guaranteed by a qualified financial institution whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally recognized statistical rating organization. For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon. [ORS 294.035(3)(h)]

Local Government Investment Pool: State Treasurer's local short-term investment fund up to the statutory limit per ORS Section 294.810.

8.3 Collateralization: Time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the state collateral pool for any excess over the amount insured by an agency of the United States government in accordance with ORS 295.018. All depositories must be on the State of Oregon's qualified list. Additional collateral requirements may be required if the Investment Officer deems increased collateral is beneficial to the protection of the monies under The City's management.

8.4 Approval of Permitted Investments: If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this Policy has been amended and the amended version adopted by the City.

8. Authorized and Suitable Investments, continued

8.5 Prohibited Investments:

- i. The City shall not invest in “144A” private placement securities, this includes commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
- ii. The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- iii. The City shall not purchase mortgage-backed securities.
- iv. The City shall not purchase, per ORS 294.040, any bonds of issuers listed in ORS 294.035(3)(a) to (c) that have a prior default history.
- v. No commitment to buy or sell securities may be made more than 14 days prior to the anticipated settlement date.

9. Investment Parameters

9.1 Credit Risk

- i. Diversification: It is the policy of The City to diversify its investments. Where appropriate, exposures will be limited by security type; maturity; issuance, issuer, and security type, Allowed security types and Investment exposure limitations are detailed in the table below.
- ii. Credit Ratings: Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations (NRSRO): Moody's Investors Service; Standard & Poor's; and Fitch Ratings Service as detailed in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.
- iii. The minimum weighted average credit rating of the portfolio's rated investments shall be AA-/Aa3/AA- by Standard & Poor's; Moody's Investors Service; and Fitch Ratings Service respectively.
- iv. Diversification and Credit Exposure Constraints: The following table limits exposures among investments permitted by this policy.

Total Portfolio Diversification Constraints

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P, Moody's, or Equivalent NRSRO	Maximum Maturity
US Treasury Obligations	100%	None	N/A	5.25 years
US Agency Obligations	100%	35%	N/A	5.25 years
Municipal Bonds (OR, CA, ID, WA)	25%	5%	AA- / Aa3 Short Term*	5.25 years
Corporate Notes	35%**	5%***	AA- / Aa3	5.25 years
Commercial Paper			A1 / P1	270 days
Bank Time Deposits/Savings	20%	None	Oregon Public Depository	N/A
Certificates of Deposit	10%	5%	Oregon Public Depository	5.25 years
Banker's Acceptance	10%	5%	A1 / P1	180 days
Oregon Short Term Fund	Maximum allowed per ORS 294.810	None	N/A	N/A

*Short Term Ratings: Moody's - P1/MIG1/VMIG1. S&P - A-1/SP-1, Fitch F1

**35% maximum combined corporate and commercial paper per ORS.

***Issuer constraints apply to the combined issues in corporate and commercial paper holdings.

9. Investment Parameters, continued

9.2 Investment Maturity: The City will not directly invest in securities maturing more than five and a quarter (5.25) years* from the date of purchase.

- i. The maximum weighted maturity of the total portfolio shall not exceed 2.5 years. This maximum is established to limit the portfolio to excessive price change exposure.
- ii. Liquidity funds will be held in the state pool or in bank money market instruments. Liquidity funds shall, at a minimum represent 2 months budgeted outflows.
- iii. Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5.25 years and will only be invested in high quality and liquid securities.

Total Portfolio Maturity Constraints

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5.25 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2.5 years
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

*Exception to 5.25 year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding five and a quarter (5.25) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

10. Investment of Proceeds from Debt Issuance

Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. The investments will be made in a manner to match cash flow expectations based on managed disbursement schedules.

Liquidity for bond proceeds will be managed through the OSTF Pool or Bank deposit balances.

Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and maturity matched with expected outflows.

Information will be maintained for arbitrage rebate calculations.

11. Investment of Reserve or Capital Improvements

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities with a maturity of 5.25 years at the maximum when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the governing body of the county, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used. Reserve or Capital Improvement Project monies may be invested in securities exceeding 5.25 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

12. Guideline Measurement and Adherence

12.1 Guideline Measurement: Guideline measurements will use market value of investments.

12.2 Guideline Compliance:

- i. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
- ii. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the City Council.
- iii. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

13. Reporting and Disclosure

13.1 Compliance: The Investment Officer shall prepare a report at least quarterly that allows the City Council to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment oversight body. The report will include, at a minimum, the following:

- i. A listing of all investments held during the reporting period showing: par/face value; accounting book value; market value; type of investment; issuer; credit ratings; and yield to maturity (yield to worst if callable).
- ii. Average maturity of the portfolio at period-end
- iii. Maturity distribution of the portfolio at period-end
- iv. Average portfolio credit quality of the portfolio at period-end
- v. Average weighted yield to maturity (yield to worst if callable investments are allowed) of the portfolio
- vi. Distribution by type of investment
- vii. Transactions since last report
- viii. Violations of portfolio guidelines or non-compliance issues that occurred during the prior period or that are outstanding. This report should also note actions (taken or planned) to bring the portfolio back into compliance.

13. Reporting and Disclosure, continued

13.2 Performance Standards/Evaluation:

- i. The City yields will be compared to the OST Pool rates.
- ii. The portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum effective duration and will have the objective to achieve market rates of returns over long investment horizons. The purpose of the benchmark is to appropriately manage the risk in the portfolio given interest rate cycles. The core portfolio is expected to provide similar returns to the benchmark over interest rate cycles but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a 0-3 year or 0-5 year standard market index and comparisons will be calculated monthly and reported quarterly.
- iii. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.
- iv. The mark to market pricing will be calculated monthly and be provided in a monthly report.

13.3 Audits: Management shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

14. Policy Maintenance and Considerations

14.1 Review: The investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

The annual report should also serve as a venue to suggest policies and improvements to the investment program, and shall include an investment plan for the coming year.

14.2 Exemptions: Any investment held prior to the adoption of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested as provided by this policy.

14.3 Policy Adoption and Amendments: This Investment Policy and any modifications to this policy must be formally approved in writing by the City Council. Regardless of whether this policy is submitted to the OSTF Board for comment, this policy shall be re-submitted not less than annually to the City Council for approval.

15. Glossary of Terms

Accrued Interest: The interest accumulated on a security since the issue date or since the last coupon payment. The buyer of the security pays the market price plus accrued interest.

Agency Securities: Government sponsored enterprises of the US Government.

Basis Point: One-hundredth of 1 percent. One hundred basis points equals 1 percent.

Bond: An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and it is usually secured by specific assets. Most bonds have a maturity of greater than one year and generally pay interest semiannually. See Debenture.

Bond Discount: The difference between a bond's face value and a selling price, when the selling price is lower than the face value.

Broker: An intermediary who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

Call: An option to buy a specific asset at a certain price within a certain period of time.

Callable: A bond or preferred stock that may be redeemed by the issuer before maturity for a call price specified at the time of issuance.

Call Date: The date before maturity on which a bond may be redeemed at the option of the issuer.

Collateral: Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short-term, unsecured, negotiable promissory notes issued by businesses.

Commission: Broker's or agent's fee for purchasing or selling securities for a client.

Core Fund: Core funds are defined as operating fund balance which exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

Coupon Rate: The annual rate of interest that the issuer of a bond promises to pay to the holder of the bond.

Coupon Yield: The annual interest rate of a bond divided by the bond's face value and stated as a percentage. This usually is not equal to the bond's current yield or its yield to maturity.

Current Maturity: The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

Current Yield: The coupon payments on a security as a percentage of the security's market price. In many instances the price should be gross of accrued interest, particularly on instruments where no coupon is left to be paid until maturity.

CUSIP: The Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

Dealer: An individual or firm that ordinarily acts as a principal in security transactions. Typically, dealers buy for their own account and sell to a customer from their inventory. The dealer's profit is determined by the difference between the price paid and the price received.

15. Glossary of Terms, continued

Delivery: Either of two methods of delivering securities: delivery vs. payment and delivery vs. receipt (also called “free”). Delivery vs. payment is delivery of securities with an exchange of money for the securities. Delivery vs. receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The reduction in the price of a security; the difference between its selling price and its face value at maturity. A security may sell below face value in return of such things as prompt payment and quantity purchase. “At a discount” refers to a security selling at less than the face value, as opposed to “at a premium” when it sells for more than the face value.

Fannie Mae: Trade name for Federal National Mortgage Association (FNMA).

Freddie Mac: Trade name for Federal Home Loan Mortgage Corporation (FHLMC).

Full Faith and Credit: Indicator that the unconditional guarantee of the United States government backs the repayment of a debt.

General Obligation Bonds (GOs): Bonds secured by the pledge of the municipal issuer’s full faith and credit, which usually includes unlimited taxing power.

Government Bonds: Securities issued by the federal government; they are obligations of the U.S. Treasury; also known as “governments.”

Interest: Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

Interest Rate: The interest payable each year on borrowed funds, expressed as a percentage of the principal.

Investment Portfolio: A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

Investment Securities: Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

Investor: A person who purchases securities with the intention of holding them to make a profit.

Liquidity: The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

Liquidity Component: A percentage of the total portfolio that is dedicated to providing liquidity needs for the CITY.

Mark to Market: Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

Municipals: Securities, usually bonds, issued by a state or its agencies. The interest on “munis” is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency’s taxation powers.

National Association of Securities Dealers (NASD): A self-regulatory organization that regulates the over-the-counter market.

Par Value: The value of a security expressed as a specific dollar amount marked on the face of the security or the amount of money due at maturity. Par value should not be confused with market value.

Portfolio: A collection of securities held by an individual or institution.

Prudent Man Rule: A long-standing common-law rule that requires a trustee who is investing for another to behave in the same way as a prudent individual of reasonable discretion and intelligence who is seeking a reasonable income and preservation of capital.

15. Glossary of Terms, continued

Quotation or Quote: The highest bid to buy or the lowest offer to sell a security in any market at a particular time. See Bid and Asked.

Spread: The difference between two figures or percentages. For example, the difference between the bid and asked prices of a quote or between the amount paid when a security is bought and the amount received when it is sold.

Trade Date: The date when a security transaction is executed.

Trader: Someone who buys and sells securities for a personal account or a firm's account for the purpose of short-term profit.

Trading Market: The secondary market for bonds that have already been issued. See Secondary Market.

Treasury Bill (T-Bill): An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

Treasury Bonds and Notes: Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

Yield: The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

Ratings Table – Long-Term

Three Highest Rating Categories	S&P	Moody's	Fitch	Definition
	AAA	Aaa	AAA	Highest credit quality
	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-	Very high credit quality
	A+, A, A-	A1, A2, A3	A+, A, A-	High credit quality
	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-	Good credit quality
	BB+, BB, BB-	Ba1, Ba2, Ba3	BB+, BB, BB-	Non-investment grade

Ratings Table – Short-Term

Highest Rating Category	S&P	Moody's	Fitch	Definition
	A1+, A1	P1+, P1	F1+, F1	Highest credit quality
	Municipal Commercial Paper			
A-1, A-1+, SP-1+, SP-1	P1, MIG1, VMIG1	F1+, F1	Highest credit quality	