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CITY COUNCIL MEETING AGENDA – RETREAT WORK SESSION

SATURDAY, MARCH 3, 2018
L&P CONFERENCE ROOM, 1818 B STREET

This is an informal Council Goal-Setting Retreat. The Council will take no formal action during the retreat. The public is invited to attend and observe; however, no public comment will be taken. Pursuant to Council Rules of Procedure, the Council shall set its short and long-term goals and objectives annually no later than the second Council meeting in March. The City Council has a Work Session scheduled prior to the regular meeting on March 19, 2018, to refine the Goals and Objectives for eventual adoption at City Council Meeting on March 19, 2018.

8:30 am	1.	Breakfast Buffet	Council, City Manager and Directors
8:50 am	2.	Call to Order and Roll Call	Mayor Truax
9:00 am	3.	Department Accomplishments 2017 and Draft Priorities 2018 (PPT)	Jesse VanderZanden, City Manager
9:30 am	4.	Council Goals & Objectives 2018-19 (PPT)	
		• Council Key Goals	Mayor Truax
		• Status and Update of Objectives	Jesse VanderZanden, City Manager
		• Remove, carryover and clarify Objectives	Mayor Truax & Councilors
		• Add new Objectives	Mayor Truax & Councilors
10:30 am		Break	
10:40 am	5.	Council Goals & Objectives (continued) (PPT)	Mayor Truax & Councilors
11:30 am	6.	Focus Discussion; Affordable Housing (PPT)	Bryan Pohl, CD Director
Noon		Working Lunch Buffet	
12:15 pm	7.	Focus Discussion; Financial Reserve Policy (PPT)	Jesse VanderZanden, City Manager Paul Downey, Admin Director
12:45 pm	8.	Open Council Discussion	Mayor Truax & Councilors
1:45 pm	9.	Council Team Agreement	Mayor Truax & Councilors
2:00 pm	10.	Adjournment	

Vision Statement: Forest Grove is a friendly, twenty-first century, small, full-service city. It was settled in 1841 by pioneers who valued respect for education, faith, enterprise, service to humanity, and the bountiful resources of the Tualatin Plain. Those values persist to inspire a common vision for a high quality of life in a thriving and progressive community that reaches from its historical commercial core around Pacific University to a horizon of forests, farms, vineyards, and the Coast Range. As an engaged and diverse people, we assure sustainability in our economy and our environment, thus supporting a community that nurtures our youth, educates all residents, and attracts and welcomes visitors. Forest Grove is itself a destination that thrives by design and is our home.

CITY OF FOREST GROVE P. O. BOX 326 FOREST GROVE, OR 97116 503-992-3200 www.forestgrove-or.gov

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CITY RECORDER USE ONLY:	
AGENDA ITEM #:	Item 3, 4 & 5
MEETING DATE:	03/03/2018
FINAL ACTION:	Council Goal-Setting Retreat

CITY COUNCIL RETREAT STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *March 3, 2018*

MEETING LOCATION: *Light and Power Conference Room*

SUBJECT TITLE: *City Council Retreat*

Background:
The Council Retreat is an annual Work Session and opportunity for Council to review goals and objectives from past years and refine and establish existing and new Council goals and objectives for the coming year. It is also an opportunity to do likewise with staff's work objectives, and in doing so, find commonality and alignment with Council's Objectives and budget resources.

The Retreat Agenda is composed of four main parts this year:

- Department Accomplishments and Priorities: Please refer to the attached PowerPoint listing the Department's major Accomplishments and Priorities. The accomplishments are listed but will not be reviewed at the retreat so time can be focused on the priorities. Many items identified by Directors as priorities for the coming year dovetail with Council's objectives. Please review these carefully. The Directors will be at the Retreat and available to answer any questions you may have during this portion of the meeting.

- Council Goals and Objectives: This is the bulwark of the meeting. As with last year, this will be an open discussion about each Goal and Objective. Please note that next to each Objective in the PowerPoint is a column titled "Potential Next Steps" for your notes beforehand to facilitate discussion at the Retreat. Any comments listed in this column are suggestions to stimulate thoughts. The discussion typically consists of reviewing the status of each Goal and Objective and then "circling back" to remove, refine, and add new Objectives. Please refer to the same attached PowerPoint noted above listing the Council's Goals and Objectives.

- After the Goals and Objectives are complete, there will be two focused discussions on two Objectives already listed. The first focus is 45 minutes on Affordable Housing. This discussion will follow up the Work Session on February 26 on the same topic. Therefore, there is no PowerPoint with this report; however, staff will bring slides to refer to. The second focus is 30 minutes on Financial Reserves. Attached is PowerPoint for review.

- The last hour of the meeting is for open Council discussion and will be facilitated by the Mayor. This is an opportunity for the Council to learn more about each other and grow as a team. While the discussion is generally free-flowing, it has included such topics as the role of the Council Liaison, Council Team Agreement, Council Agenda, Council relations, City Charter and Council Rules, Board and Commissions, and the like. Often times this discussion links back to the Council Goals and Objectives.

Meeting Preparation:
Attached are two PowerPoint documents. The first lists Departmental and Council goals, objectives, and priorities. The second PowerPoint provides a framework for the Financial Reserves discussion. Please review both beforehand and come prepared to discuss what the Council wants to achieve in the coming year.

Attachments:
1) PowerPoint: Accomplishments, Priorities, Goals and Objectives
2) PowerPoint: Financial Reserves Policy

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Accomplishments, Priorities, Goals and Objectives

Council Retreat, March 3, 2018

Light and Power Conference Room

Jesse VanderZanden, City Manager

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Purpose and Intent

- Establish a foundation that allows Council to identify, clarify, add and remove short and long-term objectives.
- This foundation consists of:
  - Review of 2017 Dept. Accomplishments and Priorities (30 min)
  - Review of 2017 Council Goals and Objectives (30 min)
  - Clarify, add, remove 2018 Council Goals and Objectives (1.5 hrs)

Department Accomplishments and Priorities

Department Accomplishments: ADMIN

- Implemented 3 year defined benefit plan for all affected funds
- AFSCME contract negotiations (July)
- IBEW contract negotiations (November)
- Sexual harassment and supervisory training
- Studied virtual desktops and decided not to implement
- Implemented new Financial information system
- Light and Power rate review and update of load forecasts
- Local Option Levy analysis and education

Department Priorities: ADMIN

- Complete Financial/Operating Reserves Policy
- Continued implementation of GIS
- Implement new HR information system
- Manage Pre-Design of Police Facility, including potential re-use
- Assist Public Works with financial portions of Master Plans
- Work with Light and Power on rate updates including load forecasts
- Replace Network Switches throughout city facilities
- Firefighter and Police contract negotiations

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Department Accomplishments: FIRE

- Sent resources to six conflagrations throughout Oregon and California in the busiest fire season in history
- Emergency Preparedness presentation
- Ladder Truck designed and ordered, to be delivered mid-year
- Designed new rescue unit and in process of placing order
- Completed two volunteer fire academies in the spring and fall training over 40 new firefighters
- Received grant for mobile digital repeater system to improve communications in large facilities such as FGHS, equipment is on order

Department Priorities: FIRE

- Place new Ladder Truck into service
- Fire Authority IGA
- Update Strategic Plan
- Prepare for ISO evaluation and rating
- EMS System Advisory Council Chair
- Self Contained Breathing Apparatus (SCBA) replacement program
- Implementation of Washington County Consolidated Communications Agency (WCCCA) new communication system

Department Accomplishments: ED

- Facilitated TLT Ad-Hoc Group and drafted TLT for Council approval. TLT Fund established
- CEP/Metro Storefront Grant Program. Completed Improvements to 5 downtown storefronts
- URA Storefront Grant Program Established. 10 Applications received
- Henningsen Site approved by state as Certified Industrial Shovel Ready Site; Evers Trust and Haworth sites Pre-Certified.
- Sited MGC Pure on a 19-acre site. $32.5M investment and 25 high paying jobs
- Assisted 5 companies with Enterprise Zone resulting in over $25M in new investment and 86 new jobs

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Department Priorities: ED

- Fully certify two shovel-ready industrial sites
- Update Commercial Site Development Material
- Implement TLT Administration and Program Activation
- Workforce support: Complete CEP Latino ESL program for food processing companies
- Complete CDBG funded FGS&CC Kitchen Rehabilitation Project
- Enhance bike tourism

Department Accomplishments: CD

- Completed Marijuana Requirements
- Completed Planned Development Requirements
- Developed design guidelines for newly created Neighborhood Mixed Use zone
- Completed Westside Refinement Plan
  - Transportation System Plan updates
  - Financing analysis and recommendations
  - Land Use plan
- Completed Affordable Housing Report
- Hired Building Inspector
- Development Code update
- Four LUBA appeals
- Tree City USA certification (27th consecutive year)
- Awarded first round of store front improvement grants through URA
- Reviewed and issued permits for Jesse Quinn project

Department Priorities: CD

- Affordable Housing Implementation
- Town Center Crosswalks, Streetscapes, and Parking
- West Side Infrastructure and Financial Plan
- Vertical Housing Program Implementation
- RMH Density Increase and other code amendments
- Pacific Avenue Boulevard Plan
- Oak Street Plan
- Update Economic Opportunity Analysis
- Transportation System Plan Update
- Update Land Use Inventory
- Finish Pacific University Master Plan
- Urban Renewal Agency Strategic Plan
- RPT Update working group participation
- Implement Urban Forestry Mgmt Plan recommendations
- Buildable Lands Inventory and Urban Growth Report

Department Accomplishments: PARKS

- Completed Outside Loop Trail
- Examined Aquatic program and revenue opportunities
- Expanded recreational partnerships with FGREC
- Implemented SDC's stemming from 2016 Master Plan
- Partnered with Friends of Historic Forest Grove at A.T. Smith House

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Department Priorities: PARKS

- Explore Land Expansion Opportunities
- Complete Rogers Park Renovation & Anna and Abby Playgroun
- Evaluate Parks SDC indexing
- Review Lincoln Park agreement with Pacific University
- Design Stites Park and A.T. Smith property (RFP)

Department Accomplishments: LIBRARY

- Replaced self checkout machines and purchased additional checkout machine
- Completed renovation of Children's Area
- Open hours expanded and implemented in November
- Reviewed and passed revised Behavior Policy

Department Priorities: LIBRARY

- Review History Room Policies &Procedures
- Review Programming Policies &Procedures
- Implement Strategic Plan for Teens, Tech, Latino Outreach and Community
- Develop new programs including Ted Talks, civil discourse, and tech training
- Complete furnishings acquisition; sense of arrival feature; and memorial garden installation
- Inventory and review of all library policies
- Refurbish bathrooms, signage, wiring, light fixture replacement, painting
- Space usage evaluation e.g. computer area, collections, public desks, back entrance
- Develop Alternative Collections (based on Library of Things)

Department Accomplishments: POLICE

- Further Trust Coalition: Developed innovative ways for relationships with Latino community
- Community Outreach: YOU "Year of Unity" hosted and participated in more events than in any year to date
- Staff Management: Completed 10 Year look back study
- OR School Safety Task Force: completed floor plan database and incident terminology
- Conducted de-escalation training for sworn staff in response to mental health crisis

Department Priorities: POLICE

- Continue Police Facility Planning
- Implement OR School Safety Task Force objectives
- Continue Body Worn Camera Pilot Project
- Complete RFP for Police Department Strategic Plan and bring a consultant on board to begin study.
- Staffing Stabilization: Focus on the newly conceived Professional Development Program for staff, complete a study on Comparative Cities to see where Forest Grove ranks, and develop an internal recruiting team.

Department Accomplishments: L&P

- Completed Thatcher and FG Substation Design
- Completed portions of Thatcher Substation construction
- Installed power to Purdin, Verboort, Quince, David Hill, and A St.
- Installed power to Silverstone Phase I, 2,& 4
- Installed power to Cedar Manor & Forest Place Apartments
- Established P & P's for Conservation Program

Department Priorities: L&P

- Install power and circuit upgrade to Old Trapper building expansion
- Construct major portions of Forest Grove Substation
- Complete LED rental light replacements
- Timely completion of all new business service requests
- System Reliability: replace aging underground cable
- System Reliability: replace again power poles
- System Reliability: install buffering equipment to protect from outages
- Investigate viability of internal LED Street Light replacement program

Department Accomplishments: PW

- Completed David Hill Road construction
- Completed OR 8 and Hwy 47 intersection improvements
- Completed HWY 47 Trail Repair
- Completed Firwood Septic System
- Oak Street Water Line upgraded to City standard 8"
- Purchased emergency water trailer
- Decommissioned Deep Creek Road
- Installed Firwood storm drainage

Department Priorities: PW

- 26th Avenue Concept Design
- 19th Avenue Concept Design
- Willamina Concept Design
- Hwy 47 at Martin Road Improvements
- Hwy 47 at Fernhill Intersection improvements
- ADA curb ramp study
- Contract for a Pavement Condition Index (PCI) Survey
- Town Center Decorative Crosswalks Plan
- TDT & MSTIP Plan
- Sewer Master Plan Update
- I & I Repair Schedule
- Water System Seismic Study
- Water Master Plan Update
- Forest Grove Water Treatment Plant Repair (5 mg tank)
- Replace Hawthorne culvert to avoid frequent road closures
- Forest Glen Park Slide Stabilization Conceptual Design
- Update SWM Master Plan

Any questions so far?

Council Goals

Council Goals

- GOAL 1: PROMOTE SAFE, LIVABLE AND SUSTAINABLE NEIGHBORHOODS AND A PROSPEROUS DYNAMIC, GREEN CITY

- GOAL 2: PROMOTE A PRUDENT FINANCIAL PLAN TO MAINTAIN EFFECTIVE SERVICE LEVELS OF A FULL-SERVICE CITY

- GOAL 3: PROMOTE THE INTERESTS AND NEEDS OF FOREST GROVE IN LOCAL, STATE, AND NATIONAL AFFAIRS

Completed Council Objectives

Completed Council Objectives

OBJECTIVE	COUNCIL DIRECTION	ACTION
Multiplex Ballfields	Determine economic feasibility for multiplex ballfields. Conduct economic feasibility analysis and/or incorporate concept analysis as part of Parks Recreation and Open Space Master Plan	Incorporated concept in Parks MP. Parks MP approved October, 2016.
Parks, Rec and Open Space Master Plan	Continue efforts and draft brochure listing parks/open spaces by location.	Brochure finalized for distribution. Parks MP passed by ordinance October, 2016.
Neighborhood Watch Program	Prepare map showing established neighborhoods and1-2 page annual executive summary report.	Completed annual report and prepared map for annual update and distribution.

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Completed Council Objectives

Rogers Park Upgrades	Complete renovation efforts in FY16-17. Issue an RFP for renovations including, but not limited to, new restroom facilities and playground equipment.	Phase I construction (playground, landscaping, restrooms, tennis court) planned for summer-fall 2017
URA Downtown Storefront Revitalization Program	Draft downtown storefront revitalization program. Hold URA Work Session	Program created by resolution October 2016.
Community Services Local Option Levy Renewal.	Prep for local option levy renewal. Draft 1-2 page executive summary report outlining process and potential election dates for submitting local option levy to voters and schedule Council work session.	Executive summary completed and Work Session w/ Budget Committee held January 9, 2017.

Completed Council Objectives

Affordable Housing	1) Participate in local and regional efforts; 2) draft white paper; and 3) review code for tiny houses.	Formed CAC, TAC and scope of project by Resolution in November. Held TAC and CAC meetings.
City Success Stories	Boast City success stories. Review and revamp City website.	New website finalized and launched January 9, 2017.
Tourism	Enhance collaboration efforts with FG/Cornelius Chamber. Establish a private-public work group for tourism collaboration efforts with FG/Cornelius Chamber.	Established Transient Lodging Tax Ad-Hoc Group and project scope by resolution in November, 2017.

Review, clarify and add/remove Council Objectives

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GOAL 1: PROMOTE SAFE, LIVABLE AND SUSTAINABLE NEIGHBORHOODS AND A PROSPEROUS DYNAMIC, GREEN CITY. 10 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
1.1	Land Acquisition Process for Watershed	2016		PW	Reserve a portion of timber sales for acquisition of land parcels in watershed drainage areas. Develop land acquisition process. Determine percentage of reserves as part of budget process FY2016-17.	Land acquisition selection process approved by CC, March, 2017.	Establish a financial plan?
1.2	Energy Reduction Programs	2016		L&P	1) Conduct analysis for residential rebate programs for high efficiency toilets and solar, 2) Continue LED replacement project, 3) Conduct a wind analysis in watershed, and 4) educate public on existing energy reduction programs.	Educate Public: utility bill insert, CC presentation, and FGNT ads in Dec-Jan re: L&P conservation incentive programs. LED: retrofitted all city security lights (300+).	Establish LED street light retrofit program and initiate retrofits? Conduct solar performance study to establish cost/benefit?

GOAL 1: PROMOTE SAFE, LIVABLE AND SUSTAINABLE NEIGHBORHOODS AND A PROSPEROUS DYNAMIC, GREEN CITY. 10 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
1.3	Industrial Area Planning	2016		ECD	Complete feasibility study for industrial area site planning. Complete area planning.	CC presentation in February regarding status of FG industrial lands. Attained Tier I certification for Henningson site (14 acres). Attained Tier II certification for Haworth (34 acres) and Evers' (14 acres) sites.	Attain higher certifcation for Oak Street (60 acres) Tier III site?
1.4	Parks, Rec and Open Space Master Plan	2017		P&R	Implement Parks Master Plan including consideration of SDC's and Recreation Coordinator.	Revised SDC passed by CC in August.	Complete Rogers Park and identify next SDC-eligible park project?

GOAL 1: PROMOTE SAFE, LIVABLE AND SUSTAINABLE NEIGHBORHOODS AND A PROSPEROUS DYNAMIC, GREEN CITY. 10 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
1.5	Planned Residential Developments	2017		CD	1) Draft a simple flow chart showing the steps of the PRD process in sequential order and 2) Consider code amendments to PRD process.	PDR code amendments better defining PRD objectives and process passed by CC in November. High density portions remanded back to Planning Commission for further consideration.	Planning Commission re-consideration of PDR high density in February-March.
1.6	Town Center Concept Program	2017		CD	Compose Town Center Concept program. Include parking and plaza.	CC Work Session in October. CC Presentation in November. Program divided into four categories: crosswalks, streetscapes, parking, and street trees.	
1.7	Staff Succession Planning	2016		ADM	Draft staff succession planning guidelines for staff. Draft 1-2 page exec. summary report outlining procedural guidelines for staff succession planning efforts.	CC Work Session in February to discuss guidelines and objectives for succession planning.	

GOAL 1: PROMOTE SAFE, LIVABLE AND SUSTAINABLE NEIGHBORHOODS AND A PROSPEROUS DYNAMIC, GREEN CITY. 10 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
1.8	Urban Renewal Agency Downtown Storefront Revitalization Program	2017		CD	Create brochure outlining program and conduct extensive outreach in preparation of July 1, 2017 grant awards.	Brochure, application, grant agreement and outreach all completed by July 1, 2017. Two grants awarded by January. Additional program funding approved January following URA presentation and work session.	
1.9	Latino and Ethnic Outreach	2017		L&E	Develop a plan to educate existing efforts, increase civic engagement (Library, Latino Summit, Farmers Market, National Night Out, demographic study, increased involvement in Boards, Commissions, faith-based communities, and Council, etc.), and conduct training consistent with community demographics.	Latino Summit transferred to CCI. Staff attended Adelante Mujeres Department Directors tour in June. Published additional materials (levy, conservation programs, CEP program) in spanish. Continued staff participation in Coaltion for Communities of Color study. Reviewed other city outreach programs for potential ideas.	
1.10	Police Strategic Plan	2017		POL	Initiate and develop strategic plan for police operations, including analysis of workload, community feedback, support services, staffing levels, and operational focus.	CC Work Session in September to refine and establish scope. Reviewed proposed scope with PSAC in January.	Draft and bid RFP and establish consultant selection committee.

GOAL 2: PROMOTE A PRUDENT FINANCIAL PLAN TO MAINTAIN EFFECTIVE SERVICE LEVELS OF A FULL-SERVICE CITY. 4 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
2.11	Implement levy renewal election process	2017	2017	ADM	Create additional conceptual financial models to illustrate rate impacts if savings are not used and services are increased. Conduct polling. Compose and implement outreach program.	Levy passed 80/20 in November. Debriefings held about how to improve next levy cycle. Concensus was to start planning 6 months earlier.	Recommend to CC this be moved to completed objectives.
2.12	Fire Authority IGA	2016		FD	Draft Fire Authority IGA. Compare costs to TVF&R. Hold Work Session in September.	CC Work Session held in February. Affirmed as ATM topic by CC in October. Subject of ATM meeting in January.	

GOAL 2: PROMOTE A PRUDENT FINANCIAL PLAN TO MAINTAIN EFFECTIVE SERVICE LEVELS OF A FULL-SERVICE CITY. 4 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
2.13	Forest Grove Senior and Community Center	2016		ADM	Review Senior Center financial request as part of budget process. Educate Council on contractual requirements and other city comparisons.	Two presentations re: non-profits/FGSCC made in April. Budget amendment directed work session on non-profit/FGSCC funding, held in December. CC Concensus to help FGSCC establish a long-term fiscal reserve policy and to review contract. Staff has held two meetings with FGSCC and has recommended updates to contract.	
2.14	Police Facility	2016		ADM	Continue request for proposal (RFP) for planning and design. Release RFP. Continue work session discussions with Council.	Planning and design consultant selected. Concept designs, site selection criteria, and project management structure complete. CC Work Session held in February. Concensus to further discuss concepts prior to considering outreach, i.e., focus group or polling.	

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GOAL 3: PROMOTE THE INTERESTS AND NEEDS OF FOREST GROVE IN LOCAL, STATE, AND NATIONAL AFFAIRS. 9 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
3.15	Affordable Housing	2017		CD	1) Participate in local and regional efforts; 2) draft white paper; and 3) review code for tiny houses. Continue Technical and Citizen Advisory Committee meetings and project scope. Present findings to Council in Summer/Fall.	Seven TAC/CAC meetings held Jan-May. Findings and report presented and accepted by CC in Aug-Sept. CC Work Sessions held in November and February to consider action items.	
3.16	Homelessness	2017		CD	Participate in discussions regarding homelessness and characterize existing conditions to Council via a presentation or work session.	CC presentations in July, August, and September. CC Work Sessions in August and September. City Manager served on Washington County ad-hoc committee. CC attendance at Vision Action Network summitt in January.	
3.17	City Charter Review	2016		L&E	Conduct Charter review. Hold work session for the purpose of seeking direction from Council.	Work session regarding City Charter and Council Rules in August. Passed new Council rules in October.	

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GOAL 3: PROMOTE THE INTERESTS AND NEEDS OF FOREST GROVE IN LOCAL, STATE, AND NATIONAL AFFAIRS. 9 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
3.18	City Success Stories	2016		ADM	Boast City success stories. Use utility billing, social media, and FGNT insert to share message.	Conducted internal review of communications including social media. Increased number of press releases. Improved coordination re: utility billing. Reviewing position for possible budget request. Examples for press included library hours, grocery study, substation project, OLCC compliance.	
3.19	Emergency Preparedness	2017		FIRE	Amalgamate City's preparedness efforts, make presentation to Council, and conduct targeted outreach (utility billing, FGNT).	Extensive outreach including CC presentation in October, UB insert, FGNT ads, social media, and Chamber of Commerce presentation, among other civic groups.	
3.20	Fernhill Wetlands Research & Education Center	2016		L&E	Council liaison and staff participation in CWS' strategic planning effort.	Recognizing CWS's ownership and management, CC did not confirm a Council liasion. Staff continues to work closely with CWS on Fernhill management.	

GOAL 3: PROMOTE THE INTERESTS AND NEEDS OF FOREST GROVE IN LOCAL, STATE, AND NATIONAL AFFAIRS. 9 OBJECTIVES

#	OBJECTIVE	START	FINISH	DEPT.	COUNCIL DIRECTION	STATUS	POTENTIAL NEXT STEPS
3.21	Legislative Priorities: Local, State, Regional & National	2016		L&E	Continue supporting legislative-related efforts, i.e., NLC and LOC annual attendance.	Staff and Councilors attended NLC and LOC. Forest Grove has high attendance.	
3.22	Tourism	2016		ECD	Enhance collaboration efforts with FG/Cornelius Chamber. Continue TLT Advisory Group meetings and present findings to Council in Spring/Summer.	TLT findings presented to CC in work sessions in August and October. TLT ordinance establishing 2.5% tax, city tourism fund, and collection agreement passed in November.	
3.23	Transportation	2016		PW	1) Draft list of strategically important transportation projects; and 2) Conduct economic feasibility of transferring county roads to city jurisdiction.	David Hill Road transferred from County to City in November. Staff reviewing TDT list for upcoming CC work session.	

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Affordable Housing Options
February 26, 2018

Project Team:

Bryan W. Pohl, CD Director

Dan Riordan, Senior Planner

Background: Region/County

- Portland Affordable Housing Bond (Approved).
- Metro bond (discussion).
- Washington County Discussion of County-wide Construction Excise Tax.
- Washington County HOME and Community Development Block Grant (CDBG) Program.
- Section 8 Project Placed Vouchers.

Background: City

- Affordable housing density bonus in the Town Center.
- Increase to the target density in the Community Commercial zone from 20 units per acre to 30 units per acre.
- Allow accessory dwelling units in all residential zoning districts.
- City utility assistance program (CAPE)
- Tax exempt affordable housing such as Bienestar and Habitat for Humanity.

Background: City

Jurisdiction	Regulated Subsidized Units (2015)	Subsidized Per Capita (per 1000 persons)
Forest Grove	652	28.2
Tualatin	604	25.5
Hillsboro	2,337	24.0
Tigard	695	14.1
Wash Co. (uninc.)	1,863	7.8
Beaverton	670	7.1
Cornelius	36	3.0

Background

- Ad Hoc Committee – 2016-17
  - Provided a list of recommendations to address the affordable housing issue in Forest Grove
- Council Work Sessions – 2016-17
- Development Code Update (fall 2017)
  - RMH density bonus referred back to Planning Commission for further consideration. Scheduled for March.
- Council Work Session – 11/27/17
  - Council reviewed Ad Hoc Committee's report and made recommendations for staff to move forward with certain elements

Temporary Committees

Priority Recommendations

- Promote accessory dwelling units by providing incentives through reduced costs and fees;
- Adopt an affordable housing tax exemption program;
- Establish a security deposit/rent assistance program;
- Adopt an inclusionary housing ordinance
- Adopt an ordinance establishing a construction excise tax for affordable housing;
- Identify/set-aside land for a manufactured home village;
- Expand City partnerships with affordable housing providers
- Adopt a system development charge (SDC) waiver/offset for affordable housing
- Adopt micro-housing village regulations
- Implement a streamlined development approval process/identify an affordable housing point person to shepherd projects.

Background

- This presentation will distill council comments from the 11/27/17 meeting and provide a suite of options where council suggestions intersected with the Ad-Hoc Committee's recommendations in the following categories:
  - Tax exemptions
  - ADU incentives
  - SDC waivers
- The goal is to enable focused City Council consideration at the March Retreat.

Category 1: Property Tax Exemptions

For-profit Low Income Rental Housing Tax Exemption

- Enabled by ORS 307.515-537
- City ordinance that offers a 20 year tax exemption for 60% MFI or below
- City has authority to terminate contracts by resolution
- Approximate fiscal impact for 50 unit development at $10 million assessed value is $55,600 per year in city property taxes.

Non-profit Low Income Rental Housing Tax Exemption

- Enabled by ORS 307.540-548
- City ordinance that offers an annual tax exemption for 60% MFI or below
- Must apply for exemption every year with certification of occupant income levels, description of how the exemption benefits occupants, and declaration of 501(c)(3) status.
- City has authority to terminate contracts by resolution
- Only for non-profits
- Currently used in Washington County

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Multi-family Exemption

- Enabled by ORS 307.600 – 650
- City ordinance that offers up to a 10 year tax exemption for any form of multi-family development. It is not specific to affordable housing
- Transit areas, light rail areas, and city core areas
  - City designates these areas
  - Can designate entire city for low income
- Portland (Multnomah County) has rolled this out as the Multiple Unit Limited Tax Exemption (MULTE) program

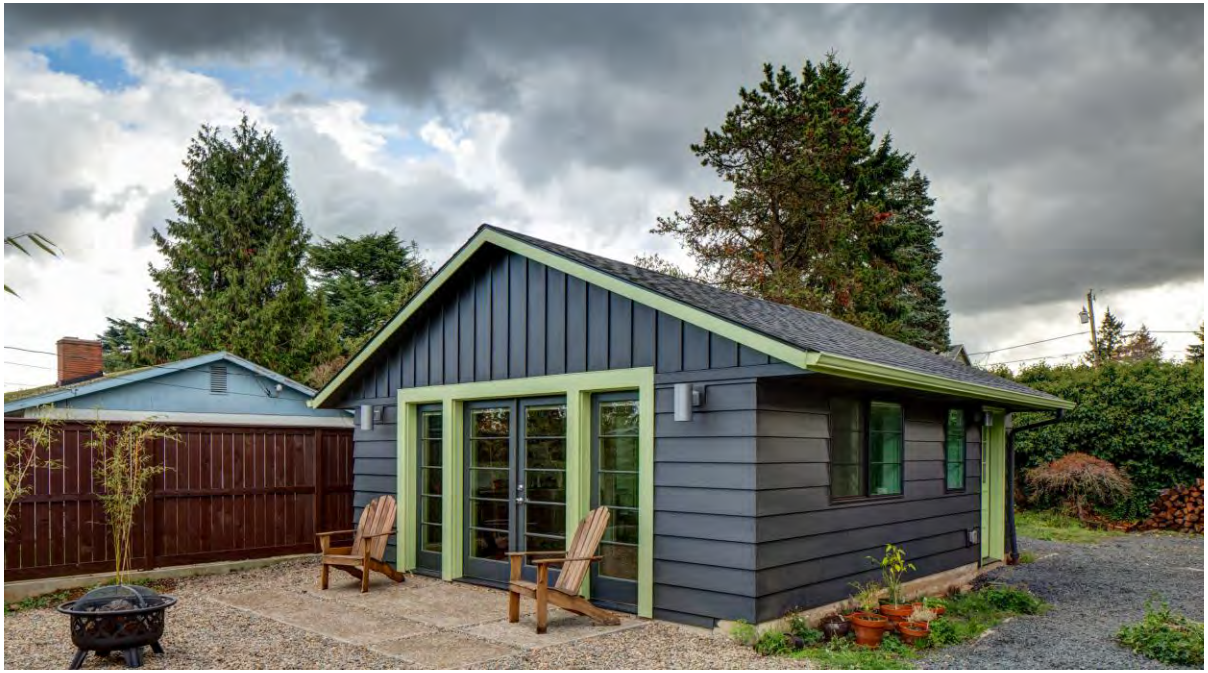
Single-Family Exemption

- ORS 307.651-687
- City ordinance that offers up to a 10 year tax exemption for any form of single-family development. It is not specific to affordable housing
- Intended for "distressed urban areas" (infill single-family)
- City must adopt median sales price every year

HB 2377 (2017)

- Creates a new optional property tax exemption program that cities can use to incentivize the inclusion of workforce or low-income units in multifamily developments
- Limited to 10 years
- By ordinance – allows proration based on percentage of units rented at or below 80% AMI
- For improvements undertaken after the ordinance (only once for rehab)
- City can define AMI and "affordable"
- Must define affordable yearly and provide notice to owners

Category 2: Accessory Dwelling Unit (ADU) Incentives



SDC Waivers for ADU's

Detached ADU:

City SDC Fees:

- ¾" Water meter — $5,596
- Parks SDC — $4,000 (increases $1,000/yr until $6,000)

Non-City SDC Fees:

- Sewer — $5,500
- Surface Water — $500
- Trans Development Tax — $5,533

Total — $21,129

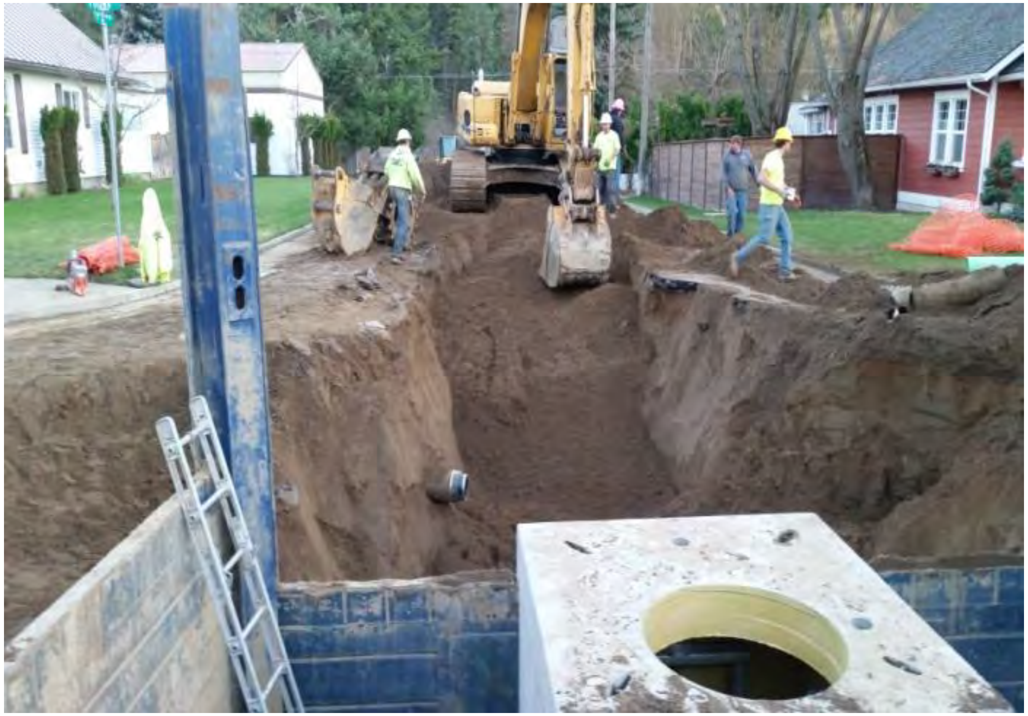
Attached ADU

- Same as above, except water meter
- Total = ~ $14,000

Models

- City of Portland
  - Waives all SDCs for ADU construction
  - Sunsets July 31, 2018
- City of Springfield
  - Waives transportation, storm water, and wastewater SDCs
  - July 1, 2017 through June 30, 2019
- Fiscal impact:
  - Waiving City SDC fees results in foregone revenue
  - Waiving non-City SDC fees requires City to compensate other entity's foregone revenue
  - Example: impact of waiving all SDC's for 100 ADU's = $956,000 in foregone city revenues and $1.2 million in city payments to other entities.
- Property taxes waived for ADUs?
  - Currently, no models of this, but is possible

Category 3: SDC Waivers



SDC Fee Comparisons: WA County

Source: Multi-Jurisdiction Permit Fee and SDC Comparison prepared for Washington County Housing Department by Mackenzie, 2017-18

		BEAVERTON	CORNELIUS	FOREST GROVE	HILLSBORO	TIGARD	TUALATIN	WASH. COUNTY
ASSUMPTIONS								
A	Building Floor Area (SF):	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	Occupancy: R-2 - Residential/Apartment	96,300	96,300	96,300	96,300	96,300	96,300	96,300
	Occupancy: B - Business (e.g. leasing office)	3,700	3,700	3,700	3,700	3,700	3,700	3,700
B	Site Area (SF):	60,000	60,000	60,000	60,000	60,000	60,000	60,000
B	Impervious Site Area (SF):	40,000	40,000	40,000	40,000	40,000	40,000	40,000
C	Building Valuation (ICC or Jurisdiction):	$12,519,282	$12,519,282	$12,519,282	$12,519,282	$12,519,282	$12,519,282	$11,385,000
D	Residential Units:	120	120	120	120	120	120	120
D	Equivalent Dwelling Units:	120	N/A	N/A	102	102	N/A	N/A
E	Trips - ADT 7.32/Residential Unit (ITE 220):	878	878	878	878	878	878	878
E	Lineal Feet of Street Frontage:	400	400	400	400	400	400	400
F	Water Meter Size:	3"	3"	3"	3"	3"	3"	3"
LAND USE REVIEW								
	DEVELOPMENT / DESIGN REVIEW							
G	Pre-Application Conference:	$358	$100	$0	$0	$303	$220	$268
H	Land Use Review Fee:	$2,687	$3,000	$15,627	$5,775	$14,351	$2,950	$17,810
H	Additional Land Use Fees:	N/A	N/A	N/A	N/A	N/A	N/A	$1,774
SYSTEM DEVELOPMENT CHARGES								
I	Transportation SDC:	N/A	N/A	N/A	N/A	$406,920	N/A	N/A
I	Wash. County Transportation Development Tax:	$663,960	$663,960	$663,960	$663,960	$663,960	$663,960	$663,960
J	Stormwater SDC:	$8,030	$15,917	$8,030	$7,727	$8,030	$8,030	$8,030
J	Other:	$16,788	$13,023	N/A	N/A	N/A	N/A	N/A
K	Sanitary Sewer SDC:	$660,000	$660,000	$660,000	$542,919	$563,406	$660,000	$660,000
K	Other:	$45	$27,840	N/A	N/A	N/A	N/A	N/A
L	Water SDC:	$280,755	$62,137	$89,541	$353,014	$181,319	$61,367	$280,755
L	Other:	$475	$228,249	N/A	N/A	N/A	N/A	$475
M	Parks SDC:	$1,034,280	$536,520	$480,000	$557,640	$707,640	$620,400	$1,034,280
BUILDING PERMIT FEES								
	BUILDING PERMIT							
N	Building Permit Fee:	$44,075	$32,099	$32,099	$40,248	$41,467	$35,145	$40,169
N	Building Plan Review:	$30,853	$20,864	$20,864	$26,161	$26,953	$22,844	$26,110
N	Fire/Life Safety Plan Review:	$19,834	$12,840	$12,840	$16,099	$16,587	$15,815	$16,068
N	Fire Plan Review and/or Permit:	N/A	N/A	N/A	N/A	N/A	$270	N/A
O	Planning Plan Review:	$75	N/A	N/A	N/A	$361	N/A	N/A
P	State Surcharge:	$5,289	$3,852	$3,852	$4,830	$4,976	$4,217	$4,820
Q	Inclusionary Housing Construction Excise Tax:	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R	Metro Construction Excise Tax:	$0	$0	$0	$0	$0	$0	$0
S	School Construction Excise Tax:	$121,338	$121,338	$96,300	$25,000	$121,338	$115,560	$121,338
T	City of Cornelius Construction Excise Tax:	N/A	$93,895	N/A	N/A	N/A	N/A	N/A
	ENGINEERING/SITE PLAN REVIEW							
U	Engineering Plan Review or Site Plan Review:	$75	N/A	N/A	N/A	N/A	$955	N/A
V	Erosion Control/Grading Review and/or Permit Fee:	$15,674	$1,077	$1,077	$950	$9,476	$325	$531
W	Additional Permit Fees:	$25	N/A	N/A	N/A	N/A	$191	N/A
TOTAL COST:		$2,904,615	$2,496,709	$2,084,189	$2,244,322	$2,767,087	$2,212,250	$2,876,388
	COST PER UNIT:	$24,205	$20,806	$17,368	$18,703	$23,059	$18,435	$23,970
	COST PER SF:	$29.05	$24.97	$20.84	$22.44	$27.67	$22.12	$28.76
		BEAVERTON	CORNELIUS	FOREST GROVE	HILLSBORO	TIGARD	TUALATIN	WASH. COUNTY

SDC Waivers

- General concept is to waive SDC's for regulated affordable housing
- Most notable example– Portland SDC exemption program for affordable housing Home ownership
    - Units must sell for below $375k
    - Buyers at or below 100% AMI
  - Rental
    - Affordable to renters below 60% AMI
    - Can prorate for number of units below 60% AMI
- This comes with costs (if no additional revenue stream attached)
  - Infrastructure system still must be developed
  - Can be offset with CET

Other Council Comments

- Develop partnerships: Bienestar example.
- Do not pursue CET at this time due to Metro bond.
- Conduct land inventory to identify potential city parcels
- Expedited approval process / “toolkit” / pointperson
- Parking requirements for affordable housing

Council Discussion

- Recall the goal is to enable focused City Council consideration at the March Retreat.
- Potential Action Items:
  - Property Tax Exemptions
  - ADU Incentives
  - SDC Waivers
  - Land Inventory

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FOREST GROVE OREGON

General Fund Reserves Policy

Paul Downey, Director of Administrative Services

Jesse VanderZanden, City Manager

City Council Retreat

March 3, 2018

A place where families and businesses thrive.

Purpose of Presentation

- To lay the groundwork for discussions toward generating a General Fund fiscal reserves policy.
  - This discussion is focused only on the General Fund. Eventually reserves for the Enterprise Funds will be discussed.
  - On setting a minimum amount of reserves.
  - If reserves are over the targeted level, can the reserves over the targeted amount be spent? And if they can be spent, what can the reserves be used for?
  - If reserves go below the targeted level of reserves, will reserves be brought back up to the targeted amount? If so, how and over what time frame?

Defining Reserves

- What is meant by the term "reserves?"
  - Reserves are essentially a term used to describe the unrestricted fund balance (in this case the General Fund) that is measured at a particular point in time. Fund Balance is the correct technical term but the term "reserves" is more understandable.
  - Simply put – after paying operational expenses, how much money is there in the General Fund's "savings".

Why Have Reserves

- The Government Finance Officer Officers Association (GFOA) has published a best practice titled Fund Balance Guidelines for the General Fund that states it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (revenue shortfalls and unanticipated expenditures).
- GFOA recommends that governments establish a policy on the level of unrestricted fund balance that should be maintained in the General Fund for budgetary and generally accepted accounting principals (GAAP) purposes.

Reserve Balance History

Beginning Fund Balances

Fiscal Year	Amount	% of Expenditures
2005-06	$ 2,325,557	22%
2006-07	$ 2,492,045	22%
2007-08	$ 2,602,689	23%
2008-09	$ 3,160,112	26%
2009-10	$ 3,645,834	29%
2010-11	$ 4,373,806	33%
2011-12	$ 4,434,289	34%
2012-13	$ 4,764,277	32%
2013-14	$ 4,238,415	30%
2014-15	$ 6,189,715	40%
2015-16	$ 6,156,805	38%
2016-17	$ 6,359,048	38%

Moody's Comments on City's Finances

- Moody's is the rating agency that rates City's bonds
- Current bond rate is Aa3 which is equivalent to median rating of Aa3 for cities nationwide
- Moody's stated the City has a robust financial position which is a strength for its Aa3 rating and comments:
  - The City's fund balance as percent of operating revenue (38.5%) is slightly above other Moody's-rated cities nationwide
  - Cash balance as a percent of operating revenues (41.6%) is slightly stronger than the US median
  - However, the pension liability of Forest Grove is higher than other cities and is unfavorable in comparison to the assigned rating of Aa3

Level of Reserves

- Amount should take into account a government's own circumstances.
  - Factors include volatility of revenue sources, vulnerability to natural disasters, and potential cuts in state aid and/or federal grants.
- The GFOA recommends that at a minimum, general-purpose governments, such as Forest Grove, maintain reserves in their general fund of not less than two months (16%) of regular general fund operating expenditures or regular general fund operating revenues.

Level of Reserves

- GFOA further recommends that level of reserves should be applied within the context of long-term forecasting to avoid placing too much emphasis upon the level of reserves in the general fund at any one time.
- Factors to consider in setting reserves should include
  - Predictability of revenue or volatility of its expenditures
  - Perceived exposure to significant one-time outlays
  - Helping meet cash flow needs until major revenues come in each fiscal year
  - Potential impact on bond ratings and corresponding costs of borrowing
  - Have any commitments or assignments of fund balance or revenues been made

Levels of Reserves

- Using best practices, at a minimum, general fund reserves should be 16% of regular operating revenues or expenditures.
- Should reserves have an additional amount for operational contingencies on an annual basis?
- Currently, the City’s General Fund’s Reserves are at 38% of annual regular operating expenditures.
- Reserve policies should include policies for using reserves in excess of the minimum and policies for replenishing reserves if they fall below the minimum amount.

Level of Reserves: Excess Reserves

- City should be able to articulate the reason(s) for the level of reserves established
- For spending reserves in excess, some of the factors to consider include:
  - Over time, expenditures will increase resulting in higher level of reserves required on an annual basis.
  - Can reserves be used to fund ongoing expenditures? If this is allowed, the City needs to have a plan for new revenue when reserves are no longer usable.
  - GFOA recommends prohibiting the use of reserves as a funding source for ongoing recurring expenditures.
  - Predictability of future increases – defined benefit costs are continuing to increase.
  - Are expenditures such as facility maintenance occurring or being deferred?

Level of Reserves: Deficit Reserves

- If reserves fall below the minimum, policy should how reserves will be replenished including:
  - Time frame to replenish reserves – GFOA recommends replenishment over one to three years
  - Consideration for reasons for falling below minimum – for example, recovering from an extreme event or a structural change in revenues or expenditures
  - Long-term forecasts and economic conditions
  - How will reserves be replenished – for example, non-recurring revenues, budget surpluses, or excess resources in other funds (if legally defensible and there is a defensible rationale).

Discussion Points

- Level of Reserves
- Use of Excess Reserves
- Replenishment of Reserves

FOREST GROVE OREGON

A place where families and businesses thrive.

CITY COUNCIL TEAM AGREEMENT

Pursuant to Resolution No. 2017-27, the Agreement for Conducting City Council Meetings and Business

1. Attendance at Council meetings is first priority; if unable to attend, please contact the City Recorder.
2. Be on time to meetings and read the packet prior to the meeting - be prepared to work.
3. Mayor will take the lead in keeping the meeting and discussion focused.
4. Distribute information in advance of Council discussion.
5. Mayor will recognize Councilors when indicating they wish to speak.
6. Put a time limit on audience testimony and ask them not to repeat previous speakers.
7. Use formal procedure (point of order, call for question, etc.) to focus the meeting. Formal procedure may be used when necessary for effective discussion in lieu of Council's usual, more informal, process. Individuals should use procedure appropriately and courteously.
8. Council meetings are televised live; this requires Council to act professionally by:
    - Treating the public and each other with courtesy;
    - Speaking in turn and on the issue;
    - No interrupting;
    - No engaging in side conversations; and
    - No personal communication on electronic devices while conducting business at the dais.
9. Refrain from personal attacks, including to presenters, staff, and Council.
10. Agree to be diplomatic about disagreement; leave disagreement at the dais and do not try to polarize other Councilors.
11. Call the City Manager or designee with questions and requests prior to the meeting.
12. Information available to one council member will be available to all, in a timely manner.
13. Every effort shall be made to adjourn meetings by 9:30 p.m. Council recess shall be called if meeting extends past 9:30 p.m.
14. Councilors may request on their own accordance one-on-one meetings with the Mayor.

Individual Council Member Conduct Agreements

Council Members agree to:

- Be straightforward about goals and issues.
- Cultivate exchange of views with other councilors.
- Avoid saying or doing anything that would discredit or harm the City.

Commitments as a Council

Council strives to:

- Continue to improve citizen involvement, awareness and participation.
- Improve follow-up and resolution of citizen concerns or complaints.
- Act as an advocate for the City.

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