



Annual Town Hall Meeting

Ways to submit your questions:

1. Via paper forms available in the auditorium
2. Via the Question feature of the webinar app
3. Via Twitter using #ForestGroveATM



2017 Annual Town Hall Meeting

January 28, 2017

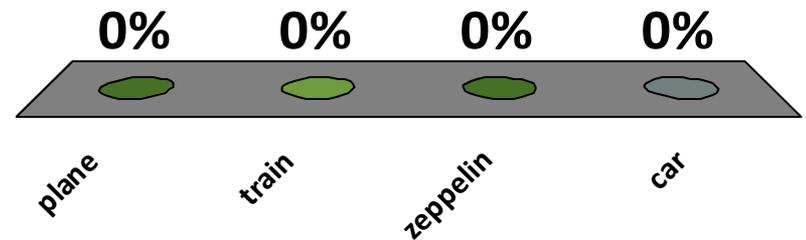
Jon Holan, Community Development Director
Paul Downey, Director of Administrative Services

Purpose of Presentation

- What is a full-service city?
- How much does it cost?
- What is the local option levy?
- As we go through the presentation, please reflect on how you value the delivery and cost of services.

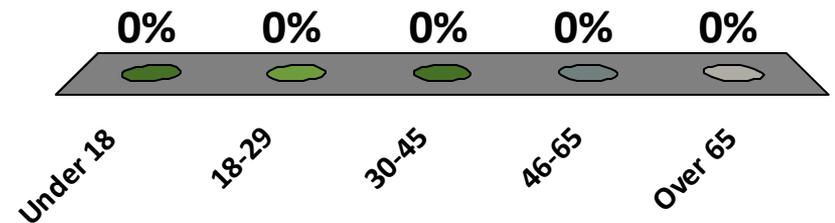
TEST: Titanic – ship, Hindenburg - ?

- A. plane
- B. train
- C. zeppelin
- D. car



What age group do you fall within?

- A. Under 18
- B. 18-29
- C. 30-45
- D. 46-65
- E. Over 65



A place where businesses and families thrive.

What neighborhood do you currently reside in?

- 0% **A. David Hill/West of Thatcher Park**
- 0% **B. Goff Road Farms**
- 0% **C. High School area/Lincoln Park**
- 0% **D. Town Center/Old Town**
- 0% **E. Willamina/26th**
- 0% **F. Ballard Town area**
- 0% **G. East of Old Town**
- 0% **H. North Industrial Area**
- 0% **I. South Pacific Ave/TTM area**
- 0% **J. Outside of Forest Grove city limits**

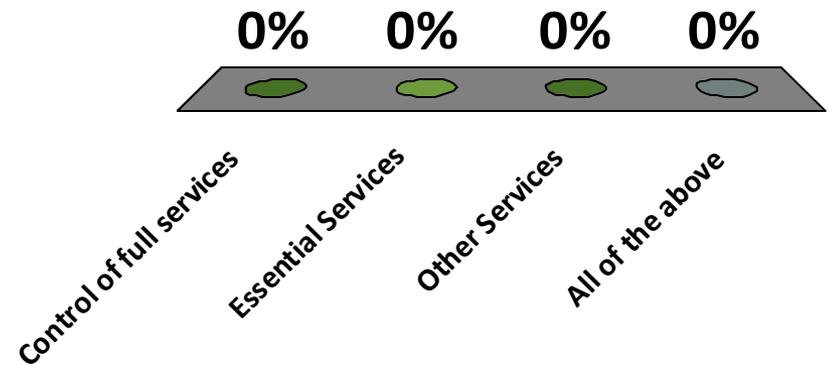
What is a “Full Service” City?

It depends on Two Things:

- 1) Who delivers the services, and
- 2) What services are delivered

What do you think when you hear “full service”?

- A. Local (city) delivery of services
(City provides vs. Special Districts e.g. TVF&R *)
- B. Essential Services
(e.g. Police, Fire, Public Works, etc.)
- C. Other Services
(e.g. Light & Power, Library, Parks & Recreation)
- D. All of the above



Example: Forest Grove and Tualatin

Service	Forest Grove	Tualatin
Administrative	X	X
Police	X	X
Fire	X	TVF&R
Development	X	X
Library	X	X
Parks & Rec	X	X
Aquatics	X	Aquatics District
Municipal Court	X	X
Roads, Water, Sewer	X	X
Water	X	City of Portland
Electrical Power	X	PGE

Why does it matter?

Again, Two things:

- 1) It can impact how much the service costs, and
- 2) It can impact who controls the services

Example: How much it costs

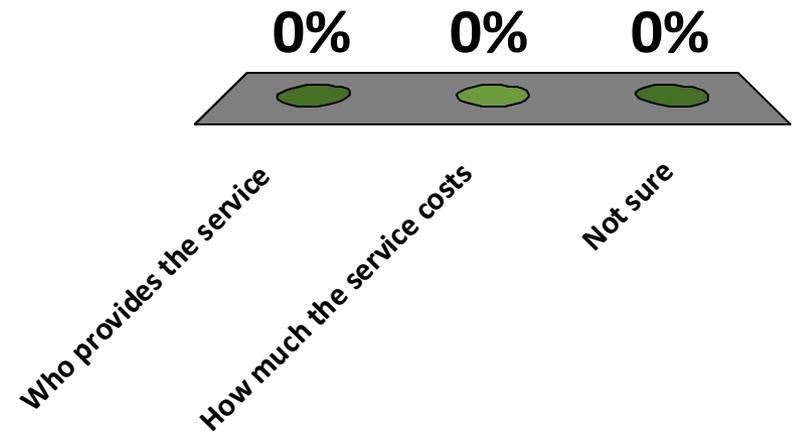
- Forest Grove's Fire Department costs approximately \$2.00/\$1,000 to operate and has no bonds for a total price of \$2.00/\$1,000.
- Tualatin Valley Fire & Rescue costs approximately \$1.97/\$1,000 to operate and has \$.11 in bonds for a total price of \$2.08/\$1,000.

Example: Who controls services

- Forest Grove's Fire Department is governed by the Forest Grove City Council who is elected by the citizens of Forest Grove.
- Tualatin Valley Fire & Rescue is governed by a Board of Directors who is elected by citizens within a District, some of whom may not live in Tualatin.

O.k. Now you know what a full-service city is. What do you value more?

- A. Who provides the service
- B. How much the service costs
- C. Not sure



LET'S DESCRIBE THE CHARACTERISTICS
OF FOREST GROVE COMPARED TO
SIMILAR SIZED COMMUNITIES SUCH AS
NEWBERG, SHERWOOD, AND TUALATIN

(get ready for some statistics 🌟👍!)

Community Characteristics

	Forest Grove	Newberg	Sherwood	Tualatin
Population (2016) ¹	23,375	23,465	19,145	26,840
Housing Units	8,374	8,158	6,702	11,166
Med. House Income	\$48,411	\$50,039	\$80,107	\$66,384
Median Age	34.1	38.1	36.2	38.1
Poverty Rate	16.9%	11.7%	5.9%	11.7%
Businesses ²	1,240	1,712	1,390	2,865

Data compiled from American Community Survey, 2015

¹Estimate for July 1, 2016 from Portland State University Population Research Center

²2012 Survey of Business Owners, US Census Bureau

Community Characteristics

	Forest Grove	Newberg	Sherwood	Tualatin
Size (acres)	2,033	2,398	2,023	5,486
Composed of:				
Residential	1,576	1,800	1,430	2,891
Commercial	251	411	168	617
Industrial	206	187	425	1,978

NOW, LET'S COMPARE THE ECONOMICS
OF FOREST GROVE TO NEWBERG,
SHERWOOD, AND TUALATIN

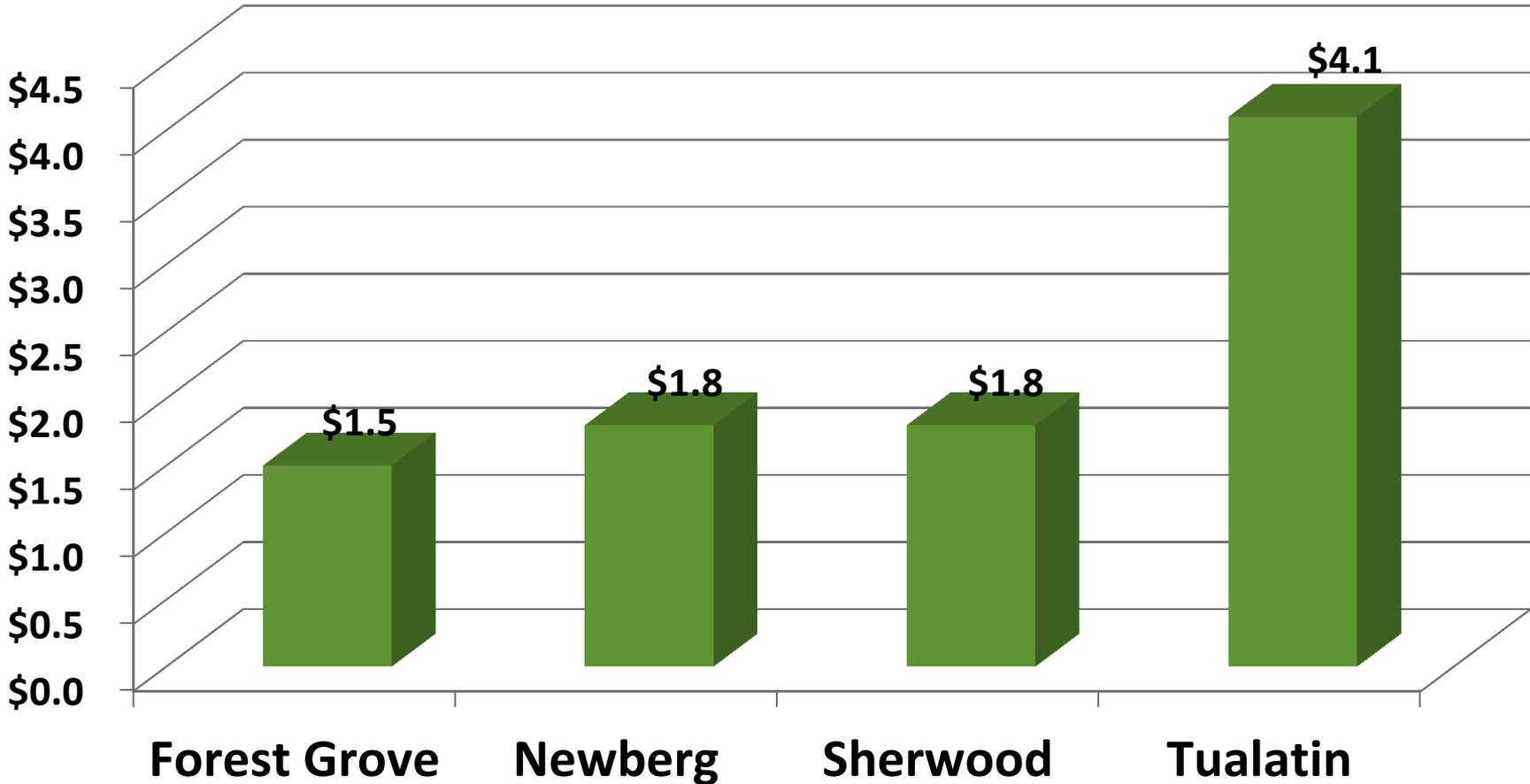
(get ready for MORE statistics 🙄)

Total Assessed Value (TAV)

Question: What is Total Assessed Value?

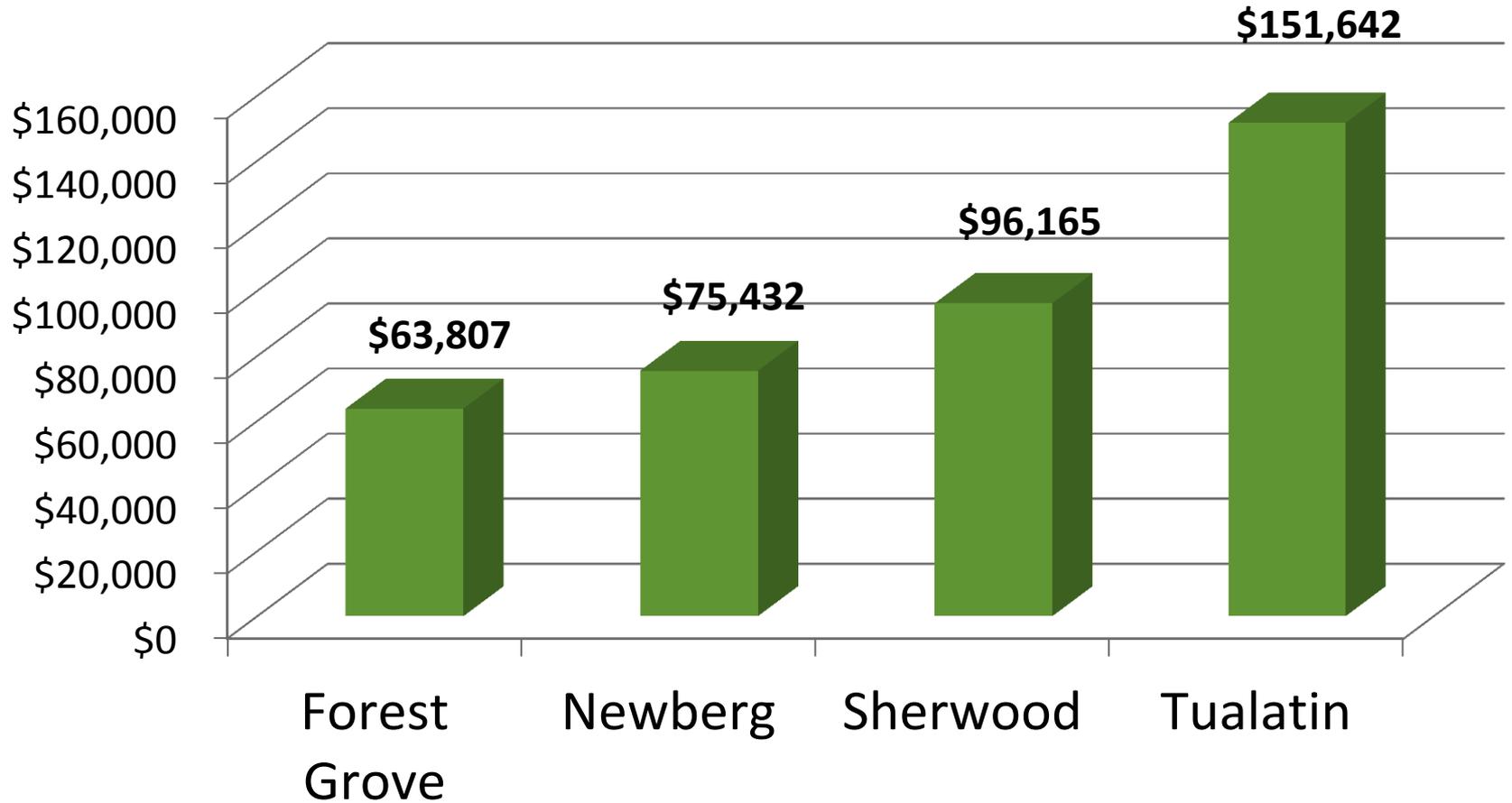
Answer: It is the total value of all property – residential, commercial, and industrial – within the city limits for the purpose of levying property taxes.

Total Assessed Value 2016-17



*Numbers are in billions

Total Assessed Value Per Person



Question: O.k. Now that I know what Total Assessed Value is, why does it matter?



Answer: Because generally speaking, the lower the assessed value, the higher cost per person to deliver services.

Combined Tax Rate Comparison

FY 2016/2017

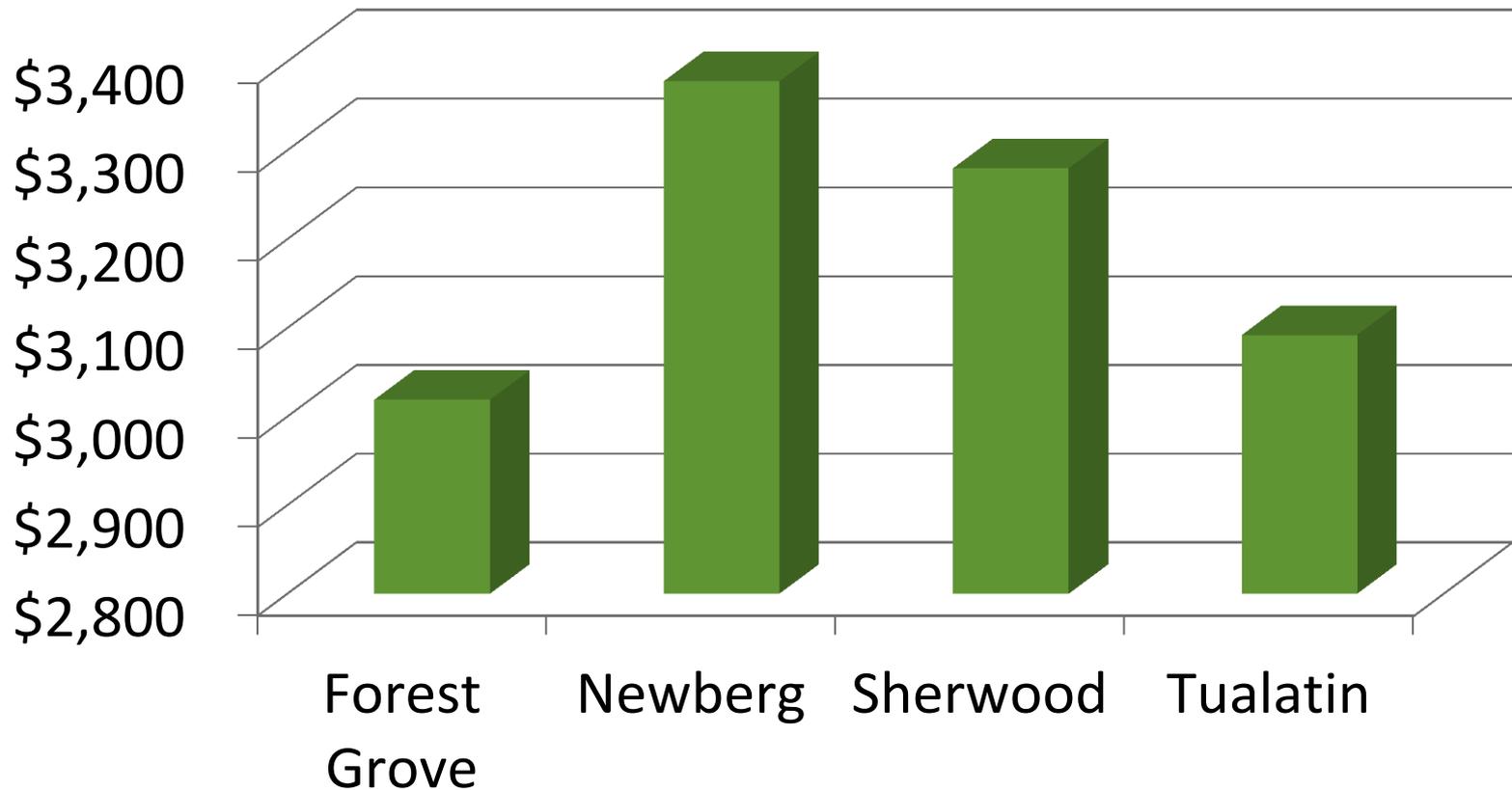
	Forest Grove	Newberg	Sherwood	Tualatin
Permanent Rate	\$3.96	\$4.39	\$3.30	\$2.27
Local Option Levy	\$1.60			
TVF&R			\$1.97	\$1.97
Aquatics District				\$0.09
Parks and Rec District		\$0.45		
Combined Rate	\$5.56	\$4.84	\$5.27	\$4.33

Question: O.k. So Forest Grove has the highest combined tax rate. But does that tell the full story of what it costs to live in Forest Grove?

Answer: No! If you add the cost of water and power, which the City of Forest Grove provides but Newberg, Sherwood and Tualatin do not (it is provided by a special district or PGE), then Forest Grove is less expensive.

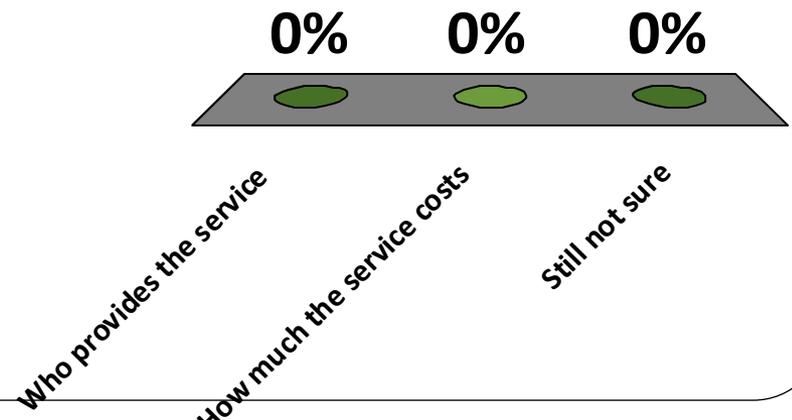


Annual Costs for General Services for \$250,000 Home



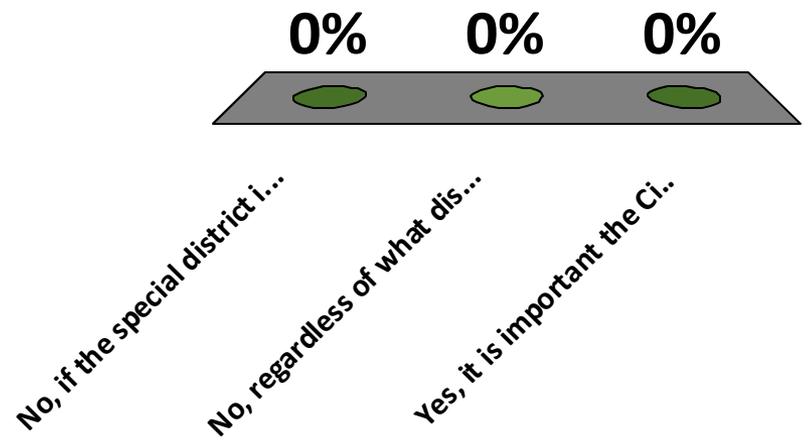
O.k. Now you know what a full-service city is and what it costs. Let's ask the same question again: What do you value more?

- A. Who provides the service
- B. How much the service costs
- C. Still not sure



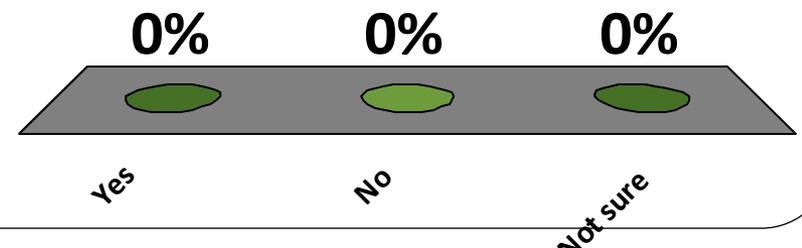
Is Forest Grove any less of a “full service City” if a service is provided by a special district?

- A. No, if the special district is local (Forest Grove area)
- B. No, regardless of what district provides the service
- C. Yes, it is important the City provide the service.



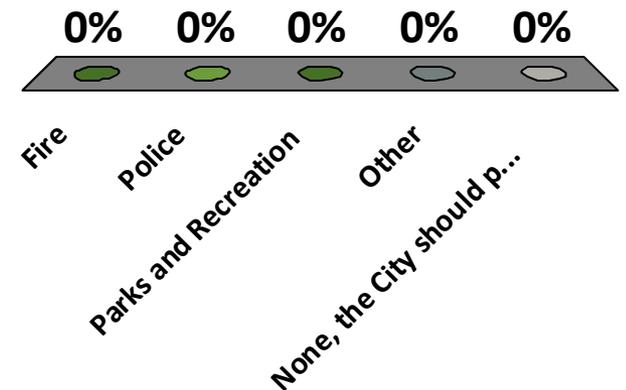
If a service could be delivered to residents cheaper by a special district, would you be in favor of doing so?

- A. Yes
- B. No
- C. Not sure



What services, if any, might the City explore to have a special district (or other agency) provide?

- A. Fire
- B. Police
- C. Parks and Recreation
- D. Other
- E. None, the City should provide all



LOCAL OPTION LEVY

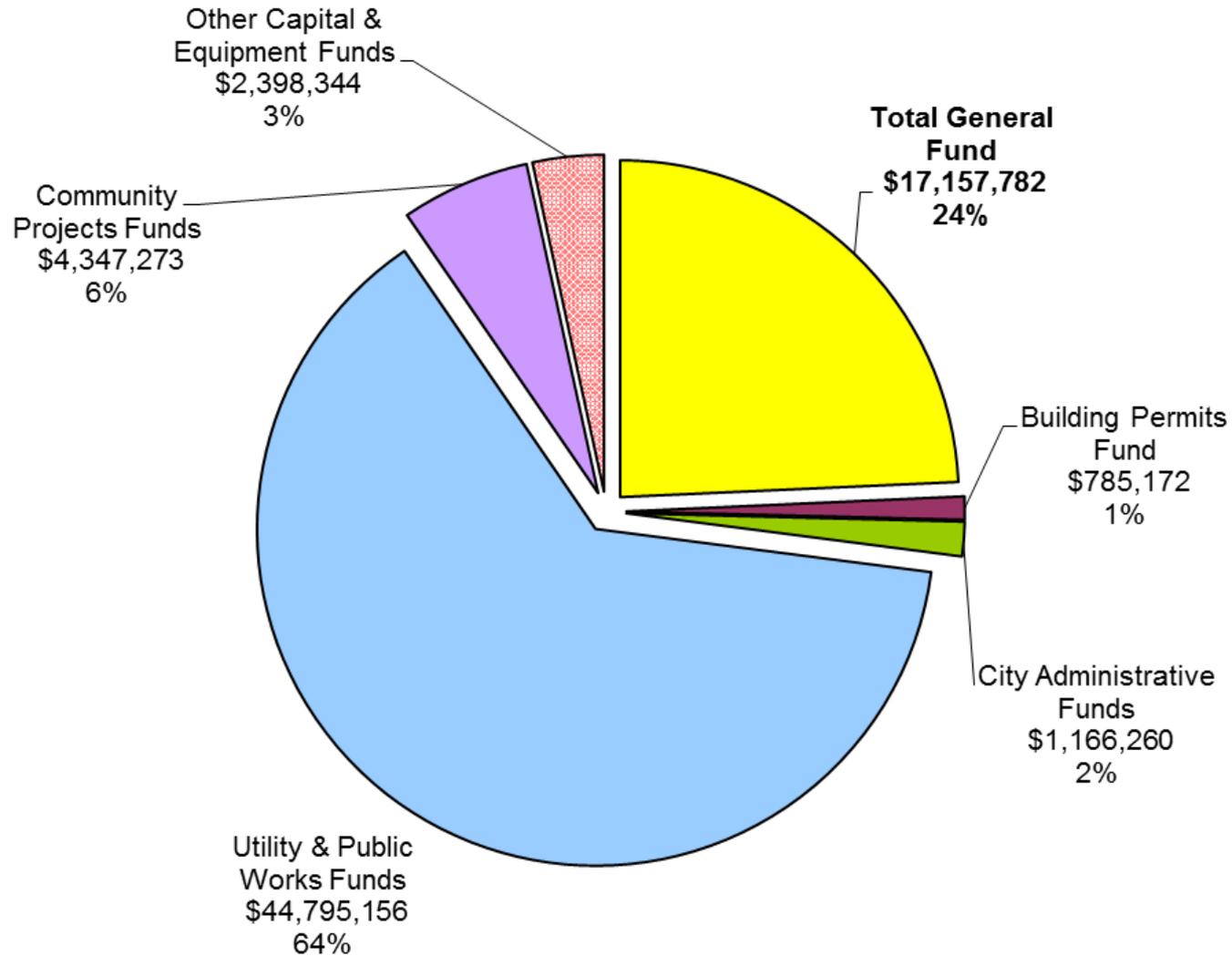
(get ready for
EVEN MORE statistics 🙄)

Question: What is a local option levy?

Answer:

- It is not an income tax (that's State and Federal)
- It is an additional property tax that affects property owners
- Forest Grove's current local option levy rate is \$1.60/\$1,000 of assessed value. This tax is in addition to the City's permanent property tax rate of \$3.9554 per \$1,000 of assessed value.
- A home of \$250,000 pays local option levy taxes of \$400 per year.

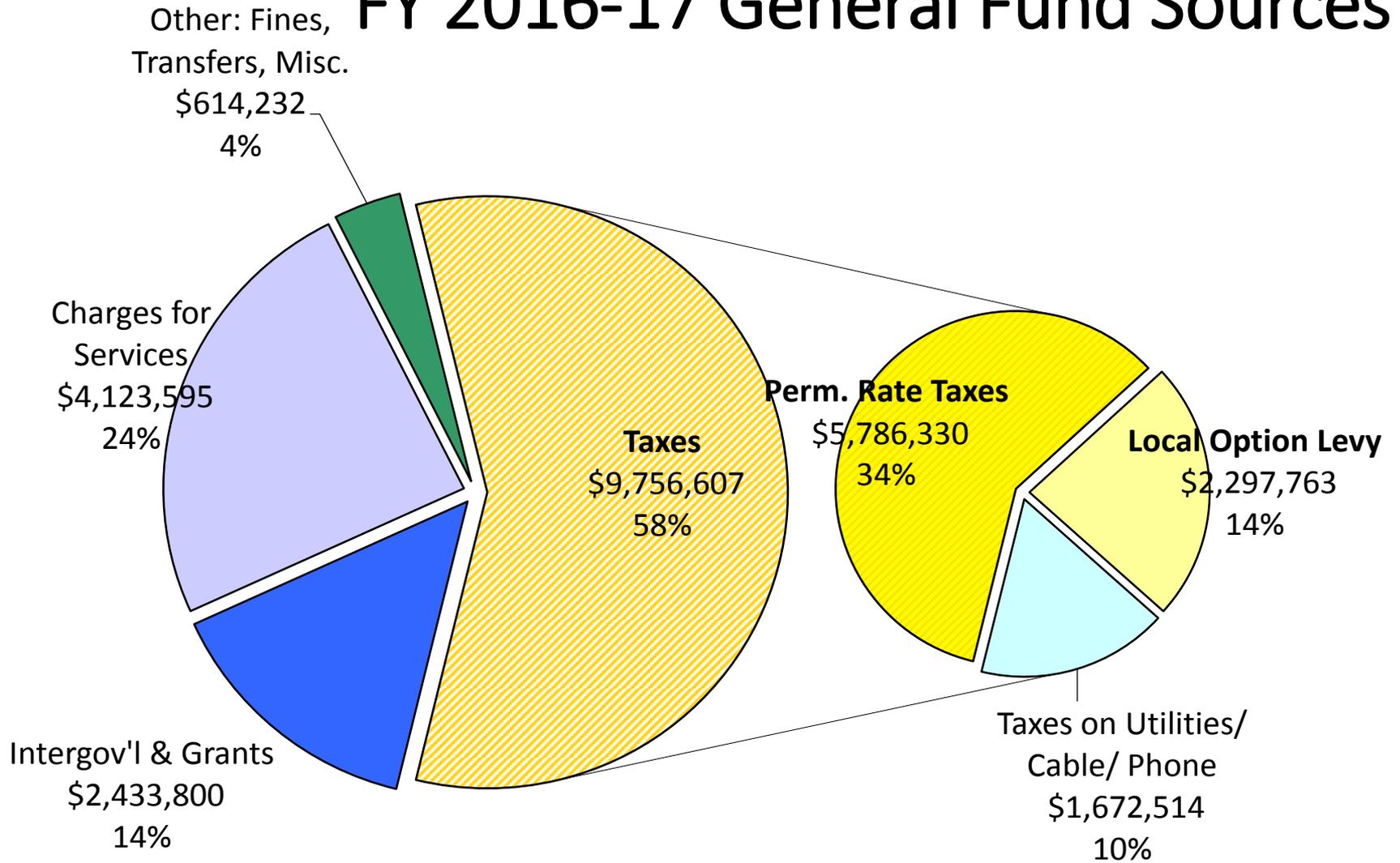
TOTAL CITY BUDGET 2016-17



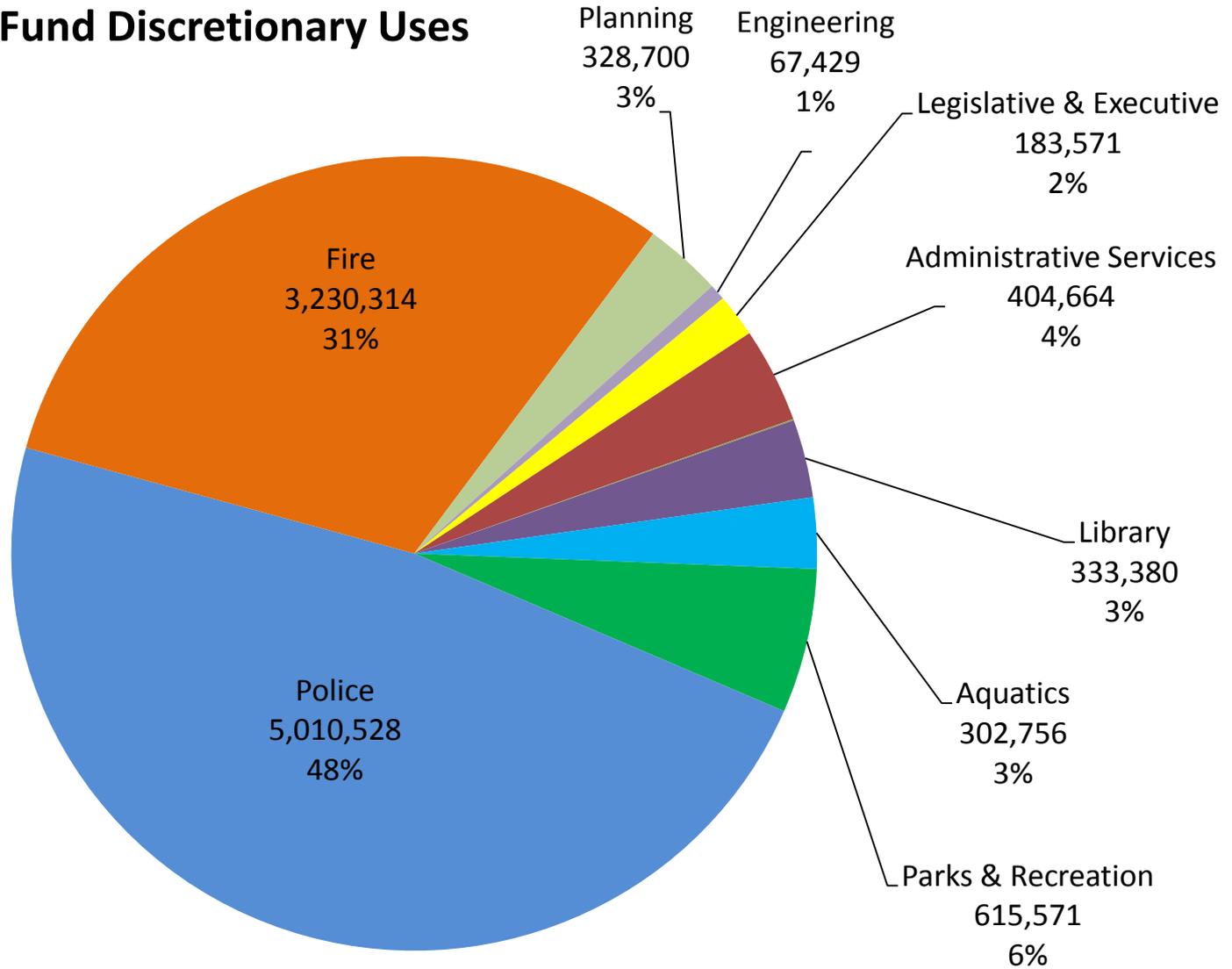
General Fund Services Provided

Department	% Discretionary Funding	Function
Police	47.9	Public safety, police patrol, investigation, etc.
Fire	30.8	Public safety, fire suppression, medical calls, etc.
Parks & Recreation	5.9	Manage & maintain City parks and City grounds
Administrative Services	3.9	Finance, budget, HR, payroll, accounting, utility billing, facilities, info tech, risk management
Library	3.2	Manage library, circulation, reference questions, etc.
Planning	3.1	Developing & updating the Comprehensive Plan, process land use permits, state mandated planning
Aquatics	2.9	Manage swimming pool and aquatic programs
Legislative & Executive	1.8	City Manager, City Council, records management
Engineering	0.6	Engineer various projects, regional water & sewer coordination

FY 2016-17 General Fund Sources



FY 2016-17 General Fund Discretionary Uses

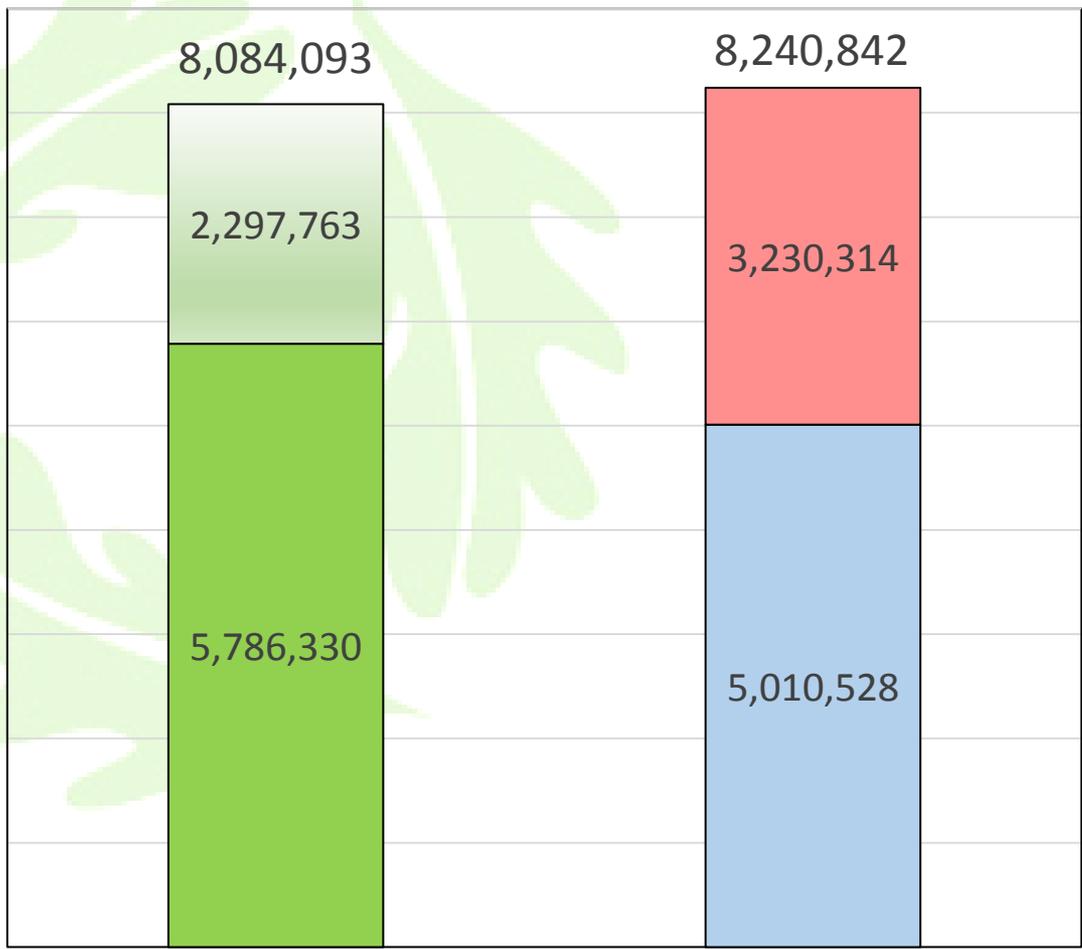


Property Taxes Compared to Police & Fire Costs

2017 Revenues

2017 Expenditures

- Local Option Levy
- Permanent Rate Taxes
- Fire*
- Police*



*Net of other revenue

Five-Year GF Forecast

- The Local Option Levy of \$1.60 per \$1,000 of assessed value, which will provide about \$2.3 million of the General Fund's total budgeted operating revenue of \$16.9 million in FY 2016-17, will expire on June 30, 2018.
- Next few slides will present the five-year financial forecast with the levy renewed at the current rate of \$1.60 and the levy increased by \$0.30 per thousand of assessed value
- A major assumption of the forecasts is that no new services or staffing are added during the next levy cycle.
- A prudent level of reserves (savings) is maintained.

Forecast with Levy Renewed at \$1.60

	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
RESOURCES							
Permanent Rate Property Tax	5,661,330	5,887,783	6,123,295	6,368,226	6,622,955	6,887,874	7,163,389
Local Option Levy Property Tax	2,297,763	2,389,674	2,485,260	2,584,671	2,688,058	2,795,580	2,907,403
All Other Operating Revenue	8,969,141	9,143,448	9,349,186	9,488,970	9,633,140	9,781,843	9,934,826
TOTAL RESOURCES	16,928,234	17,420,904	17,957,741	18,441,868	18,944,153	19,465,297	20,005,618

Forecast with Levy Renewed at \$1.60

	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
EXPENDITURES							
Legislative & Executive	548,787	566,903	591,343	607,161	623,456	640,243	657,539
Administrative	2,706,969	2,792,671	2,911,335	2,989,957	3,071,024	3,154,623	3,240,845
Municipal Court	375,708	385,584	399,877	410,411	421,265	432,448	443,974
Library	1,224,811	1,214,071	1,265,667	1,301,225	1,337,900	1,375,732	1,414,763
Aquatics	644,756	664,509	690,632	708,430	726,725	745,532	764,866
Parks & Recreation	758,499	786,013	825,750	848,028	870,983	894,637	919,014
Police	5,611,199	5,818,474	6,149,795	6,339,841	6,536,270	6,739,310	6,949,194
Fire	3,926,045	4,107,996	4,331,004	4,466,725	4,607,070	4,752,207	4,902,306
Planning	468,016	485,822	512,932	525,789	539,009	552,603	566,586
Engineering	892,992	911,719	957,872	983,203	1,009,288	1,036,152	1,063,821
TOTAL EXPENDITURES	17,157,782	17,733,763	18,636,208	19,180,770	19,742,989	20,323,487	20,922,908

Forecast with Levy Renewed at \$1.60

SUMMARY

	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total Operating Resources	16,928,234	17,420,904	17,957,741	18,441,868	18,944,153	19,465,297	20,005,618
Total Operating Expenditures	17,157,782	17,733,763	18,636,208	19,180,770	19,742,989	20,323,487	20,922,908
SURPLUS / (DEFICIT)	(229,548)	(312,858)	(678,466)	(738,902)	(798,835)	(858,190)	(917,290)
Beginning Reserves	6,102,748	5,873,200	5,560,342	4,881,875	4,142,973	3,344,138	2,485,948
Ending Reserves	5,873,200	5,560,342	4,881,875	4,142,973	3,344,138	2,485,948	1,568,658
Target % of Reserves	20%	20%	20%	20%	20%	20%	20%
Actual % of Reserves	34%	31%	26%	22%	17%	12%	7%

Forecast with \$0.30 LOL Increase

	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
RESOURCES							
Permanent Rate Property Taxes	5,661,330	5,887,783	6,123,295	6,368,226	6,622,955	6,887,874	7,163,389
Local Option Levy Property Taxes	2,297,763	2,389,674	2,485,260	2,584,671	2,688,058	2,795,580	2,907,403
All Other Operating Revenue	8,969,141	9,143,448	9,349,186	9,488,970	9,633,140	9,781,843	9,934,826
\$0.30 Increase in Local Option Levy			465,986	484,625	504,010	524,171	545,138
TOTAL RESOURCES	16,928,234	17,420,904	18,423,727	18,926,493	19,448,164	19,989,468	20,550,756

Forecast with \$0.30 LOL Increase

SUMMARY							
	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total Operating Resources	16,928,234	17,420,904	18,423,727	18,926,493	19,448,164	19,989,468	20,550,756
Total Operating Expenditures	17,157,782	17,733,763	18,636,208	19,180,770	19,742,989	20,323,487	20,922,908
SURPLUS / (DEFICIT)	(229,548)	(312,858)	(212,480)	(254,277)	(294,825)	(334,019)	(372,152)
Beginning Reserves	6,102,748	5,873,200	5,560,342	5,347,861	5,093,585	4,798,759	4,464,741
Ending Reserves	5,873,200	5,560,342	5,347,861	5,093,585	4,798,759	4,464,741	4,092,588
Target % of Reserves	20%	20%	20%	20%	20%	20%	20%
Actual % of Reserves	34%	31%	29%	27%	24%	22%	20%

Levy Summary

- A \$0.30 increase in the levy means that a homeowner would pay an additional \$0.30 for each \$1,000 in assessed value over what the homeowner is currently paying
- For a home with an assessed value of \$250,000, a \$0.30 increase in the levy would result in additional property taxes of \$75 per year

Would you support a \$0.30 increase of the Local Option Levy in order to maintain the current level of General Fund services and savings?

A. Yes

B. No



The End (No more statistics 🧐 !)

