

CITY COUNCIL MONTHLY MEETING CALENDAR

February-19						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 FGS&CC 1st Friday	2 Council Retreat 8:30am - 2:30pm PU Berglund Hall
3 Planning Comm 7pm		4 CCI 5:30pm (Canceled)	5 Municipal Court	6 EDC Noon	7	8 Habitat Gala 6pm
10 CITY COUNCIL 5:30 PM - CEP COMMITTEE MEETING 6:15 PM - WORK SESSION (QJ Hearings) 7:00 PM - REGULAR COUNCIL MEETING 8:00 PM - WORK SESSION (Council Goals) COMMUNITY AUDITORIUM PAC Subcomm 1pm	11 Red Cross Blood Drive 1pm-6pm, Comm Aud North Plains Address, 11:30am PAC Subcomm 5pm Library Comm 6:30pm	12	13 Sister Cities 4:45pm	14 PAC moved to 02/21	15	16 FGS&CC Dinner, 6pm
17 Library Closed Planning Comm 7pm	18	19 Municipal Court P&R 7am CFC 5:15pm	20	21 PAC 5pm	22	23
Council President Johnston out until Feb 24 / Councilor Rippe out until March 4						
24 Chamber Luncheon Mayor's State of City Address, Noon - RSVP CITY COUNCIL 5:30 PM - WORK SESSION (Small Cells) 6:30 PM - WORK SESSION (Council Goals) 7:00 PM - REGULAR COUNCIL MEETING 8:15 PM - WORK SESSION (Council Goals) 9:00 PM - URA Work Session (Goals&Obj) COMMUNITY AUDITORIUM Johnston returns	25	26	27 PSAC 7:30am	28 Lunch & Disaster Training Noon - Fire Station Sustainability 6pm		
Councilor Rippe out until March 4						
March-19						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 FGS&CC 1st Friday	2 Grand Lodge 97th 2pm
3 Planning Comm 7pm		4 Red Cross Blood Drive 1pm-6pm, Comm Aud Banks Address, Noon CCI 5:30pm	5 Municipal Court	6 EDC Noon WC Wasteshed Comm 8:30am - Comm Aud	7	8
Councilor Rippe Returns						
10 NO CITY COUNCIL MEETING SCHEDULED Next Council Meeting 03/18	11	12 Library Comm 6:30pm	13 Sister Cities 4:45pm	14 PAC 5pm	15	16
National League of Cities Conference - Washington, DC						
17 Chamber Luncheon CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM Planning Comm 7pm TBD	18	19 WC Fire Task Force 6pm	20 P&R 7am CFC 5:15pm	21 Sustainability 6pm	22	23
Councilor Rippe out until March 23						
24 NO CITY COUNCIL MEETING SCHEDULED Next Council Meeting 04/08	25	26 HLB 6:30pm	27 PSAC 7:30am	28 Metro/Chehalem Ridge Comm 10am - Comm Aud	29	30 Chamber Auction 6pm
Councilor Rippe out until March 31						
31						
April-19						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2 Municipal Court	3	4 EDC Noon	5 LOC Board Mtg FGS&CC 1st Friday
	7 CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM Planning Comm 7pm	8 Red Cross Blood Drive 1pm-6pm, Comm Aud Library Comm 6:30pm	9	10 Sister Cities 4:45pm TBD Tigard's City Address 6pm	11 Budget Committee Informational Meeting 6pm - Comm Aud	12 JWC Noon
14 Chamber Luncheon Planning Comm 7pm	15	16	17 Municipal Court P&R 7am CFC 5:15pm	18 CEP Comm Presentations Mtg 6pm - Comm Aud	19	20
Governor's Conference - Eugene						
21 CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM Truax returns	22	23 HLB 6:30pm	24 PSAC 7:30am	25 Sustainability 6pm	26 State Forestry/ODF Mtg 8am-4pm - Comm Aud	27
Mayor Truax out until April 21st						
28	29	30				

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CITY COUNCIL MEETING AGENDA

MONDAY, FEBRUARY 25, 2019

- 5:30 PM – Work Session (Small Cell Wireless)**
- 6:30 PM – Work Session (Council Goals Refinement Part I)**
- 7:00 PM – City Council Regular Meeting**
- 8:15 PM – Work Session (Council Goals Refinement Part II)**
- 9:00 PM – URA Work Session (URA Goals & Objectives)**

**Community Auditorium
1915 Main Street
Forest Grove, OR 97116**

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PETER B. TRUAX, MAYOR

Thomas L. Johnston, Council President
Timothy A. Rippe
Ronald C. Thompson

Elena Uhing
Adolph “Val” Valfre, Jr.
Malynda H. Wenzl

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

- ➔ **Public Hearings** – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will review the complete hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.
- ➔ **Citizen Communications** – Anyone wishing to address the Council on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Citizen Communications is limited to two minutes unless the presiding officer grants an extension.

The public may not address items on the agenda unless the item is a public hearing. Routinely, members of the public speak during Citizen Communications and Public Hearings. If you have questions about the agenda or have an issue that you would like to address to the Council, please contact the City Recorder, aruggles@forestgrove-or.gov, 503-992-3235.

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

(PowerPoint Presentations)
 Joel Peterson, Light & Power
 Engineering Manager
 Keith Hormann, Light and Power
 Director
 Paul Downey, Administrative
 Services Director
 Jesse VanderZanden, City Manager

5:30

WORK SESSION: SMALL CELL WIRELESS FEES & CONSTRUCTION STANDARDS

The City Council will convene in the Community Auditorium – Conference Room to conduct the above work session(s). The public is invited to attend and observe the work session(s); however, no public comment will be taken. The Council will take no formal action during the work session(s).

Peter Truax, Mayor
 Jesse VanderZanden, City Manager

6:30

WORK SESSION: COUNCIL GOALS AND OBJECTIVES REFINEMENT – PART I

The City Council will convene in the Community Auditorium – Conference Room to conduct the above work session(s). The public is invited to attend and observe the work session(s); however, no public comment will be taken. The Council will take no formal action during the work session(s).

7:00

1. **REGULAR MEETING:** Roll Call and Pledge of Allegiance
2. **CITIZEN COMMUNICATIONS:** Anyone wishing to speak to Council on an item not on the agenda may be heard at this time. *Please sign-in before the meeting on the Citizen Communications form posted in the foyer.* In the interest of time, please limit comments to two minutes. Thank you.
3. **CONSENT AGENDA:** See Page 4
4. **ADDITIONS/DELETIONS:**
5. **PRESENTATIONS:**

(PowerPoint Presentations)
 Paul Downey, Administrative
 Services Director

7:10
 15mins

5. A.
 - 1) *City of Forest Grove Annual Financial Audit Report for Year Ending June 30, 2018; and*
 - 2) *Forest Grove Urban Renewal Agency (URA) Annual Financial Audit Report for Year Ending June 30, 2018, Brad Bingenheimer, Partner of Boldt, Carisle & Smith*

(PowerPoint Presentation)
 Jesse VanderZanden, City Manager

7:25
 15mins

5. B.
 - *2018 Citizen Survey Results*

City Councilors

7:40

6. **CITY COUNCIL COMMUNICATIONS:**

Jesse VanderZanden, City Manager

8:00

7. **CITY MANAGER'S REPORT:**

Peter Truax, Mayor

8:05

8. **MAYOR'S REPORT:**

8:10

9. **ADJOURNMENT:**

(PowerPoint Presentation)
Peter Truax, Mayor
Jesse VanderZanden, City Manager

8:15

**WORK SESSION: COUNCIL GOALS AND OBJECTIVES
REFINEMENT – PART II**

The City Council will convene in the Community Auditorium to conduct the above work session(s). The public is invited to attend and observe the work session(s); however, no public comment will be taken. The Council will take no formal action during the work session(s).

8:55

ADJOURNMENT:

(PowerPoint Presentation)
Dan Riordan, Senior Planner
Bryan Pohl, Community
Development Director
Jesse VanderZanden, City Manager

9:00

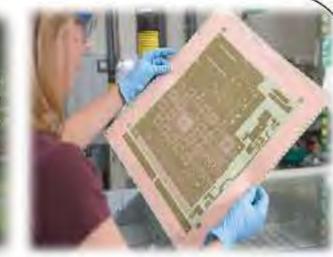
URBAN RENEWAL AGENCY WORK SESSION:

The Forest Grove Urban Renewal Agency Board will convene in the Community Auditorium to conduct an Urban Renewal Agency Work Session. *(Refer to separate meeting agenda and packet)*

9:30

ADJOURNMENT:

3. **CONSENT AGENDA:** Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s).
- A. Approve City Council Work Session (Council Goal-Setting Retreat) Meeting Minutes of February 2, 2019.
 - B. Approve City Council Work Session (Quasi-Judicial Hearings) Meeting Minutes of February 11, 2019.
 - C. Approve City Council Regular Meeting Minutes of February 11, 2019.
 - D. Approve City Council Work Session (Council Goals and Objectives) Meeting Minutes of February 11, 2019.
 - E. Accept Economic Development Commission Meeting Minutes of January 10, 2019.
 - F. Accept Library Commission Meeting Minutes of January 15, 2019.
 - G. Deem Vacancy on Sustainability Commission (L. Kate Grandusky, FG School District, voting representative, Term Expiring December 31, 2021).
 - H. **Endorse Liquor License Renewal Applications for Year 2019:**
 - 1) Aramark Educational Services, Pacific University, 2043 College Way, Limited On-Premises Sales
 - 2) Boxer's Pub N Grub, 1919 Pacific Avenue, Full On-Premises Sales
 - 3) Buffet Dynasty, 2834 Pacific Avenue, Suite E, Limited On-Premises Sales
 - 4) Cornerstone Pub & Grill, 2307 Pacific Avenue, Limited On-Premises and Off-Premises Sales
 - 5) Elks Lodge #2440, 2810 Pacific Avenue, Full-On Premises Sales
 - 6) Forest Grove Tobacco, 3034 Pacific Avenue, Suite B, Off-Premises Sales
 - 7) Forest Theater, 1911 Pacific Avenue, Limited On-Premises Sales
 - 8) Grampy's Deli & Pub, 1918 Main Street, Full On-Premises and Off-Premises Sales
 - 9) My Place, 1930 21st Avenue, Full On-Premises Sales
 - 10) Pizza Schmizza, 2042 Main Street, Limited On-Premises Sales
 - 11) Prime Time Sports Bar & Restaurant, 4450 Pacific Avenue, Full On-Premises Sales
 - 12) Rainbow Lanes, 2748 19th Place, Full On-Premises Sales
 - 13) Smoke 4 Less, 3010 Pacific Avenue, Suite A, Off-Premises Sales
 - 14) Super Mercado La Montana, 1905 Mountain View Lane, Suite 100, Off-Premises Sales
 - 15) The Masonic Grand Lodge of Oregon, 2300 Masonic Way, Full On-Premises Sales
 - 16) Waltz Brewing, 1900 A Street, Brewery Public House



Small Cell Construction Standards

Keith Hormann, Light & Power Director
Joel Peterson, Light & Power Engineering Manager

2/25/19

Locations

Street Priorities

- Principle Arterials
- Arterials
- Collectors
- Neighborhood Routes



Locations

Pole Priorities

- Utility Poles
- Street Light Poles
- Monopoles

Restrictions

- May not impede roadway, walkway, or bicycle lane
- Equipment may not be located near entrance of a business or residence
- Facilities must maintain a minimum 250' separation

Utility Pole Installation

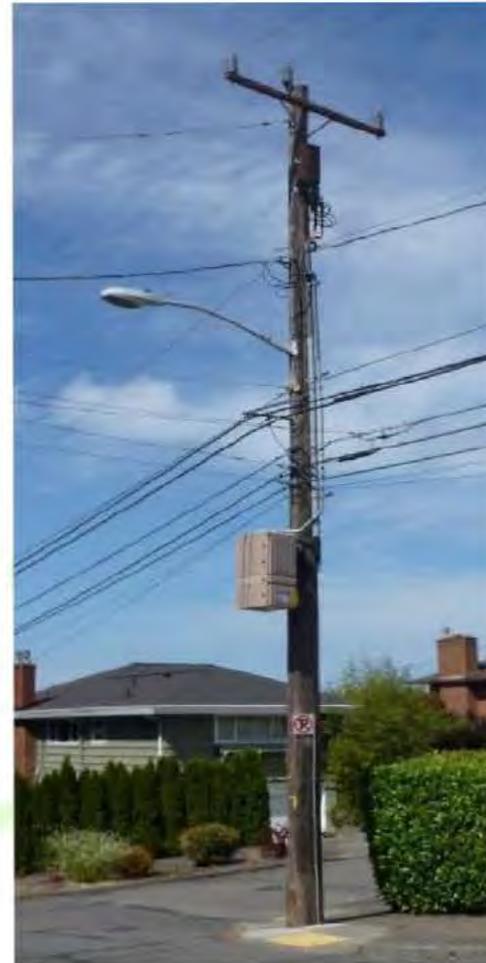
Requirements

- Install in power or communications space
- Maximum of two antennas
- Equipment Cabinet located 16 feet above ground

Size Limitations

- Equipment Cabinet
 - Maximum: 2 ft wide x 3 ft tall x 1.5 ft deep
- Antenna
 - Maximum: 2 ft in any direction and 2.5 cubic ft

Examples



Street Light/Monopole Install

Requirements

- New pole installation
- Antenna mounted on top
- Cabinet incorporated into the base
- Color and style must match surrounding structures

Size Limitations

- Cabinet
 - Maximum: 3 ft diameter and 4 ft tall
- Antenna
 - Maximum: 4 ft tall and 1.5 ft diameter

Examples



Safety

Normal Conditions

- RF warning stickers near antenna
- All installations must comply with FCC regulations
- No small cell equipment installed above high voltage lines

Emergency Situations

- Lockable disconnect accessible to lineman
 - Disconnects all AC as well as DC backup feeds
- 24-hour contact information tag on pole
- Ability to disconnect small cells to restore power



Questions?

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Small Cell Wireless Fees

Paul Downey, Admin. Services Director

Keith Hormann, L&P Director

Purpose

- To present to Council potential application fees and annual attachment fees that the City will assess for small cell wireless facilities located in the right-of-way
- Goal is to:
 - Establish fees that recover the City's cost of administering small cell wireless facilities in the public's right-of-way
 - Provide a mechanism for expedited review of applications including fees to cover costs when additional help is necessary to review applications

Status

- City currently has no small cell wireless facilities located in the right-of-way
- City has not received any applications to locate small cell wireless facilities in the right-of-way. One carrier has had preliminary discussions with the City.
- City is considering design standards and fees related to such facilities to comply with FCC order

FCC Order on Fees

- Per the FCC Order to use fees other than the fee listed in the Order, the fees must be:
 - A reasonable approximation of the local government's costs to process the application and manage the right-of-way
 - Only objectively reasonable costs can be factored into fees
 - Not higher than fees charged to similarly-situated competitors in similar situations

FCC Order on Fees

- Per the FCC Order, fees can be based on the following costs:
 - Staff review of application
 - Provider's use of the right-of-way
 - Maintaining the right-of-way
 - Maintaining structures in the right-of-way

Proposed Fee

- Staff is proposing fee types similar to what other cities in Washington County are establishing:
 - One-time application fee, per attachment
 - Expedited review fee
 - Pass-through consultant fee
 - Annual attachment fee, per attachment per year
- Staff will also be proposing a fee if City staff have to do repair work due to an attachment or provide assistance that is beyond regular maintenance. That fee will be actual labor costs, equipment, and material costs.

Application Fee

- Staff is proposing an application fee of \$760 per application based on staff time (salaries and benefits) and overhead
- Staff is estimating 8 hours per application with tasks to potentially include:
 - Coordination with utility providers during application process
 - Review of application – first and second reviews if changes
 - Site visits including construction overview and inspection
 - Coordination with pole owner if pole is not owned by City
 - Various administrative tasks

Expedited Review Fee

- Staff has 60 days to review an application for an existing pole and 90 days if a new pole is required
- If faster review is requested, staff is proposing an additional \$500 fee per application
- This fee would be voluntary and would allow providers to request a faster timeframe for review. Staff is proposing to complete the review in no more than $\frac{1}{2}$ of the days allowed by the FCC Order.
- Fees would pay for the accelerated review and the administrative burden of rescheduling other work assignments.

Consultant Fee

- Pass through cost incurred by City – consultant fee plus staff time to manage consultant contract
- This fee would allow the City to recover all cost incurred to hire and manage a consultant to meet review timelines required by law
- Consultants may be required when the volume of applicants is greater than staff capacity

Annual Attachment Fee

- Staff is proposing an annual attachment fee of \$810 per application based on staff time (salaries and benefits) and overhead
- Staff is estimating 8.5 hours per attachment with tasks to include:
 - Maintaining the right of way itself (hardscaping and landscaping)
 - Maintenance of poles
 - Tree trimming around aerial lines
 - Tracking attachments in the right of way
 - Coordination with the utility provider regarding facilities in ROW
 - Coordinate potential traffic impacts when maintenance is done

Summary of Proposed Fees

- Proposed Application Fees:
 - Application Fee: \$760 per application
 - Expedited Review Fee: \$500 per application
 - Consultant Fee: Cost incurred plus 20% to manage consultant
- Proposed Attachment Fees:
 - Annual Attachment Fee: \$810 per attachment
 - Preparing Poles, Repairs or Assistance Beyond Regular Maintenance: Actual labor, equipment, and material costs incurred.

Questions





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<u>CITY RECORDER USE ONLY:</u>	
AGENDA ITEM #:	_____
MEETING DATE:	_____
FINAL ACTION:	_____

MEMORANDUM

WORK SESSION:

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *February 25, 2019*

SUBJECT TITLE: *Work Session: Council Goals & Objectives FY2019-20*

PURPOSE OF WORK SESSION:

Per Section 16.1 of the City Council Rules of Procedure, the purpose of the Work Session is to continue planning City Council's short and long-term goals and objectives.

BACKGROUND:

The City Council held a Retreat on Saturday, February 2, 2019, and a Goal-Setting Work Session on February 11, 2019. The result of these was consideration of all 2018 Goal and Objectives and the addition of new Objectives for 2019. Staff has scheduled .5 hours prior to the meeting and 1.25 hour after (including URA).

The attachments represent staff's best effort to capture the intent of City Council. They include revised Goals and Objectives and a Work Plan to provide a clear picture of next steps, timing, responsible Department, and applicable Board/Commission. This will be the last Work Session to comment on all Goals and Objectives. Per Council Rule 16.1.2, Council will consider the adoption of its Goals and Objectives at the March 18, 2019, Council Meeting.

Please note there are two attachments; one for City Council and the other for the Urban Renewal Agency (URA). Because the URA is legally distinct from the City Council, staff felt it appropriate to reflect the URA's Goals and Objectives separately. The URA's Goals and Objectives were copied from the URA Plan that was passed by the Board in 2014. As with the City Council, the URA Work Plan reflects specific actions to be taken this year in accordance with the Goals and Objectives.

Please also note that due to the new format and the amount of changes, it was very difficult to implement track changes from last year's document in the new document. In response, the new document contains a list of Objectives that were removed denotes those that were added. If an objective was modified from last year, it was not listed as either removed or added. Lastly, also attached are the 2018 Goals and Objectives to allow for additional comparison.

RECOMMENDATION: Staff recommends the Council be prepared to comment on all Goals and Objectives.

ATTACHMENTS:

- DRAFT: City Council Goals and Objectives, 2019-2020+
- DRAFT: Urban Renewal Agency Goals and Objectives, 2019-2020+
- City Council Goals and Objectives, 2018

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GOAL 1



Provide Safe, Livable,
and Sustainable
Neighborhoods

OBJECTIVES

- ✦ Implement Conservation Measures
- ✦ Develop Oak Street Area Concept Plan
- ✦ Implement Parks Master Plan
- ✦ Implement Town Center Program
- ✦ Equity Assessment and Education
- ✦ Develop Police Strategic Plan
- ✦ Partner to Increase Affordable Housing
- ✦ Partner to Address Homelessness

GOAL 2



Manage an Effective
Financial Plan to
Provide Quality
Service Levels

OBJECTIVES

- ✦ Plan for Local Option Levy
- ✦ Study Fire Governance Options
- ✦ Plan for Future Police Facility
- ✦ Develop Staff Succession Plan
- ✦ Prioritize TDT Projects

GOAL 3



Advance the Interests
of Forest Grove in
Local, State, and
National Affairs

OBJECTIVES

- ✦ Update Vision Statement and Develop Core Values
- ✦ Develop Communications Plan
- ✦ Develop Tourism Program
- ✦ Update Economic Development Strategic Plan
- ✦ Complete Boards and Commissions Review
- ✦ Investigate Federal Grant Opportunities
- ✦ Review Council Rules and Team Agreement
- ✦ Plan for City Sesquicentennial

GOAL 1 – PROVIDE SAFE, LIVABLE, AND SUSTAINABLE NEIGHBORHOODS

OBJECTIVE	DEPT	B/C	ACTION
1.1 Implement Conservation Measures	PW LP	Sustainability	Continue Streetlight LED Replacement Program (Year 2 of 4). Complete feasibility study for solar on city land. Implement low-flow toilet program.
1.2 Develop Oak Street Area Concept Plan	CD	Planning EDC	Initiate in January 2020.
1.3 Implement Parks Master Plan	PR	Parks and Recreation	Complete public outreach and schematic design for Stites, N. Lincoln, and A.T. Smith. Parks & Rec review of East Side Park. Parks & Rec review of Veterans Memorial park.
1.4 Implement Town Center Program	CD	URA Planning Public Arts CFC EDC	Addend URA Plan. Complete downtown parking study. Complete street trees assessment and develop policy recommendations. Develop URA downtown installation art program. Initiate festival street alternatives analysis and concept design. Develop and implement Parklet Pilot Program (1 parklet). Develop concept design for downtown crosswalks.
1.5 Equity Assessment and Education	ADM	CCI Sustainability	Research and define framework for equity discussion.

WORK PLAN 2019 DRAFT

CITY COUNCIL OBJECTIVES



GOAL 1 – PROVIDE SAFE, LIVABLE, AND SUSTAINABLE NEIGHBORHOODS

OBJECTIVE	DEPT	B/C	ACTION
1.6 Develop Police Strategic Plan	Police	PSAC	Complete workload analysis and determine Phase II scope.
1.7 Promote Affordable Housing Strategies	CD	Planning	Complete housing needs analysis. Collaborate with County on affordable housing projects in Forest Grove. Land review: Metro TOD, ODOT, County. Conduct annual severe rent burden meeting.
1.8 Partner to Address Homelessness	ADM	TBD	Departmental participation in non-profit Community Coalition to clarify City assistance.

WORK PLAN 2019 DRAFT

CITY COUNCIL OBJECTIVES



GOAL 2 – MANAGE AN EFFECTIVE FINANCIAL PLAN TO PROVIDE QUALITY SERVICE LEVELS

OBJECTIVE	DEPT	B/C	ACTION
2.9 Plan for Local Option Levy	ADM	PSAC	No action necessary.
2.10 Study Fire Governance Options	ADM Fire	PSAC	Participate in monthly Fire Task Force meetings. Council consideration of Fire Governance Foundational Principles.
2.11 Plan for Future Police Facility	ADM Police	PSAC	Finalize scope and budget for Council consideration. Develop and implement public outreach plan.
2.12 Develop Staff Succession Plan	ADM	City Council	Complete Executive Summary.
2.13 Prioritize TDT Projects	Engineering Planning	Planning	Establish TDT project priorities, funding, and timelines.

WORK PLAN 2019 DRAFT

CITY COUNCIL OBJECTIVES



GOAL 3 – ADVANCE THE INTERESTS OF FOREST GROVE IN LOCAL, STATE, AND NATIONAL AFFAIRS

OBJECTIVE	DEPT	B/C	ACTION
3.14 Update Vision Statement and Develop Core Values*	ADM	City Council	Develop scope and process.
3.15 Develop Communications Plan	ADM	City Council	Develop scope, budget, and initiate planning.
3.16 Develop Tourism Program	ADM	EDC	Inventory and assess existing tourism marketing efforts. Draft tourism marketing plan.
3.17 Update Economic Development Strategic Plan	ED	EDC	Include roles and responsibilities of City, EDC, and Chamber of Commerce. Include section on Urban Renewal Agency. Include section on Tourism.
3.18 Complete Boards and Commissions Review	ADM	City Council	Reconcile B/C comments and consider Council Rule changes. Develop bylaw template and update bylaws.

*New objective

WORK PLAN 2019 DRAFT

CITY COUNCIL OBJECTIVES



GOAL 3 – ADVANCE THE INTERESTS OF FOREST GROVE IN LOCAL, STATE, AND NATIONAL AFFAIRS

OBJECTIVE	DEPT	B/C	ACTION
3.19 Investigate Federal Grant Opportunities*	ADM		Feasibility analysis to determine if outside assistance is needed.
3.20 Review Council Rules and Team Agreement*	ADM	City Council	Compose review committee and initiate meetings.
3.21 Plan for City Sesquicentennial*	ADM	CCI	Every 150 years. Appoint sesquicentennial committee and hold first meeting.

*New objective

WORK PLAN 20+⁺ DRAFT

CITY COUNCIL OBJECTIVES



GOAL 1 – PROVIDE SAFE, LIVABLE, AND SUSTAINABLE NEIGHBORHOODS

OBJECTIVE	DEPT	B/C	ACTION
1.1 Implement Conservation Measures	PW LP	Sustainability	Implement Streetlight LED Replacement Program (Year 3 of 4). Determine solar array on City land.
1.2 Develop Oak Street Area Concept Plan	CD	Planning EDC	Initiate and complete concept plan. Council consideration of concept plan.
1.3 Implement Parks Master Plan	PR	Parks and Recreation	Complete implementation plan for Stites, N. Lincoln, A.T. Smith, and East Side Park.
1.4 Implement Town Center Program	CD	URA Planning Public Arts CFC EDC	Implement downtown parking study. Implement street tree policy. Purchase installation art. Complete festival street alternatives analysis and select concept design. Assess impacts of Parklet Pilot Program. Construct one downtown crosswalk.
1.5 Equity Assessment and Education	ADM	CCI Sustainability	Consider results of framework discussion. Examples could include: training for Council and staff, public outreach, B/C reform, additional bilingual collateral materials.
1.6 Develop Police Strategic Plan	Police	PSAC	Complete Phase II and implement improvements.

WORK PLAN 20+ CITY COUNCIL OBJECTIVES 20+ DRAFT



GOAL 1 – PROVIDE SAFE, LIVABLE, AND SUSTAINABLE NEIGHBORHOODS

OBJECTIVE	DEPT	B/C	ACTION
1.7 Promote Affordable Housing Strategies	CD	Planning	Housing needs analysis comprehensive plan amendments. Collaborate with County on affordable housing projects in Forest Grove.
1.8 Partner to Address Homelessness	ADM	TBD	Continue partnerships/participation toward goals.

GOAL 2 – MANAGE AN EFFECTIVE FINANCIAL PLAN TO PROVIDE QUALITY SERVICE LEVELS

OBJECTIVE	DEPT	B/C	ACTION
2.9 Plan for Local Option Levy	ADM	PSAC	Establish timeline for May 2022 ballot measure.
2.10 Study Fire Governance Options	ADM Fire	PSAC	Council consideration of Fire Task Force recommendations.
2.11 Plan for Future Police Facility	ADM Police	PSAC	Finalize amount and timing of potential bond. Continue public outreach.
2.13 Prioritize TDT Projects	Engineering	Planning	Modify TSP and RTP, if needed, to accommodate. Construct projects in accordance with established priorities.

GOAL 3 – ADVANCE THE INTERESTS OF FOREST GROVE IN LOCAL, STATE, AND NATIONAL AFFAIRS

OBJECTIVE	DEPT	B/C	ACTION
3.14 Update Vision Statement and Develop Core Values*	ADM	City Council	Complete process and finalize Vision Statement and Core Values.
3.15 Develop Communications Plan	ADM	City Council	Complete plan and implement recommendations.
3.16 Develop Tourism Program	ADM	EDC	Finalize tourism marketing plan and implement recommendations.
3.17 Update Economic Development Strategic Plan	ED	EDC	Implement strategic plan.
3.18 Complete Boards and Commissions Review	ADM	City Council	Continue to implement changes.

*New objective

WORK PLAN 20+ CITY COUNCIL OBJECTIVES 20+ DRAFT



GOAL 3 – ADVANCE THE INTERESTS OF FOREST GROVE IN LOCAL, STATE, AND NATIONAL AFFAIRS

OBJECTIVE	DEPT	B/C	ACTION
3.20 Review Council Rules and Team Agreement*	ADM	City Council	Complete review and make recommendations to Council.
3.21 Plan for City Sesquicentennial*	ADM	CCI	Establish recommendations for City Council.

*New objective

The following 2018 objectives were removed:

- 1.1 Watershed Land Acquisition Financial Plan
- 1.5 Residential High Density Incentives
- 2.15 Forest Grove Senior and Community Center
- 3.18 Legislative Priorities: Local, State, Regional & National
- 3.21 Youth Advisory Council

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CITY COUNCIL GOALS AND OBJECTIVES: 2018

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

#	OBJECTIVE	START	DEPT.	COUNCIL DIRECTION
1.1	Watershed land acquisition financial plan	2016	PW	Conduct a Work Session to review viability of reserving a portion of timber sales to acquire lands within the watershed.
1.2	Energy Reduction Programs	2016	L&P	1) Discuss water conservation strategies (e.g. low-flow toilets) with the Sustainability Commission, 2) Inform Sustainability Commission on LED replacement project, 3) Guide Sustainability Commission on alternate power objectives, and 4) educate public on existing energy reduction programs.
1.3	Industrial Area Planning	2016	ECD	Review Comprehensive Plan to determine if supply of industrial lands is appropriate, continue State certification process, and report back to Council.
1.4	Parks, Rec and Open Space Master Plan	2017	P&R	Implement Master Plan including consideration of SDC indexing. Initiate planning and design for Stites and A.T. Smith properties, including feasibility of establishing an East Side Park.
1.5	Residential High Density Incentives	2017	CD	Hold Joint Work Session with Planning Commission to consider residential high density code amendments.
1.6	Town Center Concept Program	2017	CD	Compose Town Center Concept program including parking, crosswalks, streetscapes, street trees, and plaza.
1.7	Staff Succession Planning	2016	ADM	Draft 1-2 page executive summary outlining guidelines for staff succession planning including a strategy to maintain continuity of knowledge and operations for "one-deep" positions.
1.8	Latino and Ethnic Outreach	2017	L&E	Work closely with CCI to establish a long-term dialogue with the Latino community.
1.9	Police Strategic Plan	2017	POL	Initiate and develop a strategic plan for police operations, including analysis of workload, community feedback, support services, staffing levels, and operational focus.
1.10	Affordable Housing	2017	CD	Conduct land inventory (including other government agencies and non-profits), examine property tax exemptions, monitor County and Regional funding efforts, and consider financial impacts of a CET.
1.11	Homelessness	2017	CD	Obtain legal advice on code compliance of temporary shelters, develop strategy, and report back to Council.

1.12	Transportation	2016	PW	Develop prioritized list of TDT projects for Council Work Session.
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GOAL 2: PROMOTE A PRUDENT FINANCIAL PLAN TO MAINTAIN EFFECTIVE SERVICE LEVELS OF A FULL-SERVICE CITY

OBJECTIVE		START	DEPT.	COUNCIL DIRECTION
2.13	Pre-Planning for Local Option Levy	2018	ADM	Conduct staffing needs assessment to determine future staffing levels and draft a timeline for the next levy election cycle.
2.14	Fire Authority IGA	2016	FD	Participate in a Task Force of potential members to consider the financial, legal, and operational aspects of intergovernmental fire service delivery.
2.15	Forest Grove Senior and Community Center	2016	ADM	Conduct Work Session to discuss contract highlights and Senior Center reserves policy.
2.16	Police Facility	2016	ADM	1) Conduct focus groups to determine public support and report back to Council; 2) Council to finalize site selection.

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

OBJECTIVE		START	DEPT.	COUNCIL DIRECTION
3.17	Communications Plan	2018	ADM	Hire consultant to develop a Communications Plan and Policies regarding public information processes.
3.18	Legislative Priorities: Local, State, Regional & National	2016	L&E	Continue supporting legislative-related efforts, i.e., NLC and LOC annual attendance.
3.19	Tourism	2016	ECD	Continue collaboration efforts with FG/Cornelius Chamber. Define process and programs for administering TLT funds.
3.20	Economic Development	2018	L&E	Define roles and responsibilities of economic development for the City/EDC; working with the Chamber of Commerce, City Club, and other applicable parties.
3.21	Youth Advisory Council (YAC)	2018	L&E	Conduct Work Session to discuss YAC models, resources, and vision.
3.22	Boards and Commissions	2018	L&E	Review appointment (including re-appointment) process, procedural consistencies re: Council interaction, and Commission/Board makeup, including size, number, and composition.



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URBAN RENEWAL AGENCY WORK SESSION AGENDA MONDAY, FEBRUARY 25, 2019

**9:00 PM – Urban Renewal Agency (URA) Work Session
(Goals & Objectives)**

**Community Auditorium
1915 Main Street
Forest Grove, OR 97116**

PETER B. TRUAX, DIRECTOR BOARD CHAIR

Thomas L. Johnston, Vice Chair
Timothy A. Rippe
Ronald C. Thompson

Elena Uhing
Adolph “Val” Valfre, Jr.
Malynda H. Wenzl

All meetings of the Urban Renewal Agency Board are open to the public and all persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the Urban Renewal Agency Board as follows:

➔ **Public Hearings** – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will review the complete hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Board, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Board action.

➔ **Citizen Communications** – Anyone wishing to address the Board on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Board, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Citizen Communications is limited to two minutes unless the presiding officer grants an extension.

The public may not address items on the agenda unless the item is a public hearing. Routinely, members of the public speak during Citizen Communications and Public Hearings. If you have questions about the agenda or have an issue that you would like to address to the Urban Renewal Agency Board, please contact the City Recorder, aruggles@forestgrove-or.gov, 503-992-3235.

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

(PowerPoint Presentation)
Dan Riordan, Senior Planner
Bryan Pohl, Community
Development Director
Jesse VanderZanden, City Manager

9:00

1. **URBAN RENEWAL AGENCY (URA) WORK SESSION:**
(Goals and Objectives)

The Urban Renewal Agency will convene in the Community Auditorium – Conference Room to conduct the above work session(s). The public is invited to attend and observe the work session(s); however, no public comment will be taken. The Urban Renewal Agency Board of Directors will take no formal action during the work session(s).

9:30

2. **ADJOURNMENT:**

URBAN RENEWAL AGENCY

GOALS AND OBJECTIVES
ADOPTED 2014

GOAL 1



Provide Opportunities
For Public Participation
in the Preparation and
Adoption of Urban
Renewal Plans, Plan
Amendments, and
Policies

GOAL 2



Adopt a Prudent
Annual Budget to
Minimize Financial
Risk to the Urban
Renewal Agency and
the City of Forest
Grove

GOAL 3



Improve the Local
Investment Climate by
Reducing Financial
Barriers to Development
and Redevelopment
Within the Urban
Renewal Area

GOAL 4



Promote a Vibrant
Forest Grove Town
Center Through
Strategic Urban
Renewal
Investments

GOAL 5



Promote Commercial
and Mixed-Use
Redevelopment of Sites
Along the Pacific
Avenue Corridor



GOAL 1 – PROVIDE OPPORTUNITIES FOR PUBLIC PARTICIPATION IN THE PREPARATION AND ADOPTION OF URBAN RENEWAL PLANS, PLAN AMENDMENTS, AND POLICIES

OBJECTIVE

ACTION

1.1 Establish an Urban Renewal Advisory Committee.

GOAL 2 – ADOPT A PRUDENT ANNUAL BUDGET TO MINIMIZE FINANCIAL RISK TO THE URBAN RENEWAL AGENCY AND THE CITY OF FOREST GROVE

OBJECTIVE

ACTION

2.1 Establish policies to guide strategic financial investments in the urban renewal area based on public benefit, documented financial need, scale of the project, and accepted underwriting principles.

Addend URA plan to implement Town Center Program.

2.2 Evaluate tax increment revenue collections annually to minimize long term impacts to overlapping taxing districts.

2.3 Secure grant funding from regional, state, federal agencies, and private organizations to implement the urban renewal program and supplement tax increment revenue.

Pursue matching grants for Town Center Program.

GOAL 3 – IMPROVE THE LOCAL INVESTMENT CLIMATE BY REDUCING FINANCIAL BARRIERS TO DEVELOPMENT AND REDEVELOPMENT WITHIN THE URBAN RENEWAL AREA

OBJECTIVE

ACTION

- 3.1 Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land.

GOAL 4 – PROMOTE A VIBRANT FOREST GROVE TOWN CENTER THROUGH STRATEGIC URBAN RENEWAL INVESTMENTS

OBJECTIVE

ACTION

4.1 Establish a program to encourage the preservation, conservation, and adaptive reuse of designated and contributing historic resources through improvements to the exterior and interior of buildings.

Continue storefront improvement grant program.

4.2 In conjunction with the Economic Development Commission, assist business retention and expansion efforts in the Forest Grove Town Center.

4.3 Identify a location and assist with funding construction of a public gathering place in the Town Center.

Initiate festival street alternatives analysis and concept design.

GOAL 4 – PROMOTE A VIBRANT FOREST GROVE TOWN CENTER THROUGH STRATEGIC URBAN RENEWAL INVESTMENTS

OBJECTIVE	ACTION
<p>4.4 Purchase property from willing sellers to implement the urban renewal program.</p>	
<p>4.5 Encourage the construction of needed housing and mixed use development in the Town Center.</p>	
<p>4.6 Encourage uses and amenities that support increased residential uses in the Town Center.</p>	<p>Complete downtown parking study. Complete street trees assessment and develop policy recommendations. Develop URA downtown installation art program. Develop and implement Parklet Pilot Program (I Parklet). Develop concept design for downtown crosswalks.</p>

GOAL 5 – PROMOTE COMMERCIAL AND MIXED-USE REDEVELOPMENT OF SITES ALONG THE PACIFIC AVENUE CORRIDOR

OBJECTIVE

ACTION

5.1 Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

5.2 Work with the Economic Development Commission to market redevelopment opportunity sites to prospective developers.

Consider disposition alternatives for Site B.

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City Council Work Session Minutes
Council Goal-Setting Retreat

Saturday, February 2, 2019
8:55 a.m., Pacific University, Berglund Hall

Minutes are unofficial until approved by Council.

1. **CALLED TO ORDER AND ROLL CALL:**

Mayor Peter Truax called the City Council Goal-Setting Retreat to order at 8:58 a.m.

2. **ROLL CALL: COUNCIL PRESENT:** Thomas Johnston, Council President; Timothy Rippe; Ronald Thompson; Elena Uhing; Adolph "Val" Valfre; Malynda Wenzl; and Mayor Peter Truax.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Tom Gamble, Parks and Recreation Director; Keith Hormann, Light and Power Director; Michael Kinkade, Fire Chief; Bryan Pohl, Community Development Director; Gregory Robertson, Public Works Director; J. F. Schutz, Police Chief; Colleen Winters, Library Director; Jeff King, Economic Development Manager; Elizabeth Stover, Program Coordinator; and Anna Ruggles, City Recorder.

3. **COUNCIL GOALS FISCAL YEAR 2019-20:**

Mayor Truax facilitated this exercise and VanderZanden presented a PowerPoint presentation overview. Mayor Truax opened the floor and roundtable discussion ensued as Councilmembers had an opportunity to review and discuss their existing goals. At conclusion of the above-noted exercise, Council collectively concurred to amend their key goals as noted below:

Goal 1: Promote Provide Safe, Livable, and Sustainable Neighborhoods and a Prosperous Dynamic, Green City

Goal 2: Promote a Prudent Implement an Effective Financial Plan to Maintain Effective Provide Effective Service Levels of a Full-Service to a Growing City

At conclusion of the above-noted discussion, Council collectively concurred instead to amend Goal 2 as noted below:

Goal 2: Manage an Effective Financial Plan to Provide Quality Services Levels

Goal 3: Promote Advance the Interests and Needs of Forest Grove in Local, State, and National Affairs

Mayor Truax opened the floor and roundtable discussion ensued as Councilmembers had an opportunity to review and discuss the Mayor's proposed new Goal 4 as noted below.

Proposed Goal 4: Create a Culture of Compassion and Inclusion Where Everyone is Welcome

At conclusion of the above-noted discussion, Council collectively concurred instead to consider *Updating the City's Vision Statement and implementing Core Values*.

A Council work session is tentatively scheduled for Monday, February 11, 2019, at which time, Council will finalize the Goals and Objectives as part of their decision-making process.

Council recessed at 9:58 a.m. for a break and reconvened at 10:10 a.m.

4. GOAL 1 OBJECTIVES YEAR 2018 STATUS UPDATE:

Mayor Truax facilitated this exercise and VanderZanden presented a PowerPoint presentation overview. Mayor Truax opened the floor and roundtable discussion ensued as Councilmembers had an opportunity to discuss and review the statuses and comments pertaining to Goal 1 Objectives as outlined below. At conclusion of the above-noted exercise, Council collectively concurred with the following:

Goal 1 Existing Objectives (Removed/Retained/Modified):

1.1 Watershed Land Acquisition (new proposed Objective 8)

1) 1.2 Energy Reduction Programs

- *Retained/Modified; i.e., water conservation programs and alternative power.*

2) 1.3 Industrial Area Planning

- 1) *Retained/Modified; i.e., develop concept plan.*

3) 1.4 Parks, Recreation and Open Space Master Plan (new proposed Objectives 11 and 12).

- *Retained/Modified; i.e., East Side Park and Veteran Memorial/Peace Park and schedule meetings with Forest Grove School District Board of Directors on an annual basis.*

1.5 Residential High-density Incentives Removed/Completed.

4) 1.6 Town Center Concept Program (new proposed Objective 13)

- *Retained/Modified; i.e., festive space and pedestrian safety crossing (4-way stop) 21st Avenue/Main Street.*

5) 1.7 Staff Succession Planning (moved under Key Goal 2)

- *Retained/Modified; i.e., pre-retirement planning and complete executive summary.*

1.8 Latino Ethnic Outreach Removed/Renamed (new proposed Objective 1); i.e.,

Latinx, equity strategic plan and core values.

6) 1.9 Police Strategic Plan

- *Retained/Modified; i.e., develop strategic plan.*

7) 1.10 Affordable Housing (Affordable Housing handout was distributed)

- *Retained/Modified; i.e., Metro Bond; collaboration with Washington County and other governmental agencies; and develop 5-Year Action Plan.*

8) 1.11 Homelessness

- *Retained/Modified; i.e., review zoning regulations and establish Ad-hoc Committee*

9) 1.12 Transportation (moved under Key Goal 2)

- *Retained/Modified; i.e., prioritize TDT projects.*

Council recessed at 11:28 p.m. for a break and reconvened at 11:47 a.m.

5. GOAL 2 OBJECTIVES YEAR 2018 STATUS UPDATE:

Mayor Truax facilitated this exercise and VanderZanden presented a PowerPoint presentation overview. Mayor Truax opened the floor and roundtable discussion ensued as Councilmembers had an opportunity to discuss and review the statuses and comments pertaining to Goal 2 Objectives as outlined below. At conclusion of the above-noted exercise, Council collectively concurred with the following:

Goal 2 Existing Objectives (Removed/Retained/Modified):

10) 2.13 Pre-Planning for Local Option Levy

- *Retained/Modified; i.e., plan for local levy.*

11) 2.14 Fire Authority IGA

- *Retained/Modified; governance options.*

~~2.15 Forest Grove Senior and Community Center – Removed/Completed.~~

12) 2.16 Police Facility

- *Retained/Modified; i.e., finalize scope and budget; consider hiring a capital campaign consultant; and create an aggressive public outreach and engagement strategy.*

Council recessed at 1:21 p.m. for a break and reconvened at 1:31 p.m.

6. GOAL 3 OBJECTIVES YEAR 2018 STATUS UPDATE:

Mayor Truax facilitated this exercise and VanderZanden presented a PowerPoint presentation overview. Mayor Truax opened the floor and roundtable discussion ensued as Councilmembers had an opportunity to discuss and review the statuses and comments pertaining to Goal 3 Objectives as outlined below. At conclusion of the above-noted exercise, Council collectively with the following:

Goal 3 Existing Objectives (Removed/Retained/Modified):

13) 3.17 Communications Plan

- *Retained/Modified; develop communication plan, i.e., identify duties and responsibilities for social media platforms and policies for Council, boards/commissions, and staff.*

~~3.18 Legislative Priorities: Local, State, Regional and National~~ *Removed as it is already identified as a key goal.*

14) 3.19 Tourism

- *Retained/Modified; formalize process for evaluating Request for Proposals.*

3.20 Economic Development (City/Chamber Roles and Responsibilities handout was distributed) *(related to new proposed Objective 15)*

- *Pending Review*

3.21 Youth Advisory Council

- *Pending Review*

3.22 Boards/Commissions

- *Pending Review*

Due to time limitation, VanderZanden postponed the above-noted Goal 3 Objectives (pending review) to the Council work session tentatively scheduled for Monday, February 11, 2019, at which time, Council will finalize the Goals and Objectives as part of their decision-making process.

7. A. COUNCIL NEW OBJECTIVES PROPOSED YEAR 2019-20 (in no specific order):

- 1) Equity Assessment and Education *(renamed/related to existing Objective 1.8)*
- 2) Increase Training Budget
- 3) Develop a City Vision as a part of the 150th Anniversary/Sesquicentennial
- 4) Create Urban Renewal Strategic Plan
- 5) Create City Public Arts Program
- 6) Grant Assistance (Federal grant funding handout was distributed)
- 7) Consultants
- 8) Review City Charter (LOC Model Charter for Oregon Cities handout was distributed)
- 9) Watershed
- 10) Review Zoning Affecting Historic Districts
- 11) Develop Policy and/or Priorities to Promote Public Safety
- 12) Establish East Side Park *(related to existing Objective 1.4)*
- 13) Create Forest Grove Veterans Memorial Park *(related to existing Objective 1.4)*
- 14) Establish Town Center Flexible Plaza Concept *(related to existing Objective 1.6)*
- 15) Develop Policy and/or Priorities to Promote Economic Development *(related to existing Objective 3.20)*
- 16) Police Strategic Community Engagement Plan
- 17) Watershed Land Acquisition 5-Year Strategy *(related to existing Objective 1.1)*

Due to time limitation, VanderZanden postponed the above-noted new proposed Objectives to the Council work session tentatively scheduled for Monday, February

11, 2019, at which time, Council will finalize the Goals and Objectives as part of their decision-making process.

7. B. DEPARTMENT ACCOMPLISHMENTS 2018 AND DRAFT PRIORITIES 2019:

VanderZanden referenced the PowerPoint presentation highlighting the significant department accomplishments for 2018 and draft Department Priorities for 2019, noting Department Directors were asked to identify their top department-related priorities to present to Council as part of Council's goal-setting exercise for FY2019-20 as referenced in the packet. No discussion occurred.

8. COUNCIL TEAM AGREEMENT:

Due to time limitation, Mayor Truax postponed the above-noted agenda item to the Council work session tentatively scheduled for Monday, February 11, 2019, at which time, Council will finalize their team agreement.

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

9. ADJOURNMENT:

Hearing no further discussion from the Council, Mayor Truax adjourned the Council Retreat at 2:40 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Peter Truax called the Work Session to order at 6:09 p.m.

ROLL CALL: COUNCIL PRESENT: Timothy Rippe; Ronald Thompson; Elena Uhing; Adolph "Val" Valfre; Malynda Wenzl; and Mayor Peter Truax. **COUNCIL ABSENT:** Thomas Johnston, Council President, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Chris Crean, City Attorney; Paul Downey, Administrative Services Director; Bryan Pohl, Community Development Director; and Anna Ruggles, City Recorder.

2. WORK SESSION: QUASI-JUDICIAL LAND USE HEARINGS

Pohl and VanderZanden facilitated the above-noted work session, noting Chris Crean, City Attorney, was invited to provide a refresher session to Council on the conduct of quasi-judicial land use hearings and the appeal process [as specified in Development Code §10.1.640, Appeals, and Council Rules of Procedures §8, Hearings]. In conclusion of the above-noted report, Pohl advised staff will not be discussing any facts or merits of the Planning Commission's decision, which has been appealed by the applicant and will be scheduled for a legislative appeal hearing at a later date.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued pertaining to the conduct of quasi-judicial land use hearings. In response to various Council inquiries and scenarios pertaining to hearing procedures and disclosure of ex parte contacts, bias and conflicts of interest, Crean advised the appeal hearing is conducted on the record, meaning only issues in the record at the Planning Commission hearing submitted in writing or orally can be appealed to the Council, and the Council hearing is limited only to those issues raised in the appeal petition. Quasi-judicial decisions must be supported by findings based on evidence in the records of proceedings. Findings should be based on the relevant decision criteria, the basic facts discovered in the hearing, and a complete statement of reasons justifying the decision. The required final action must be made within 120 days of the application being deemed completed unless the applicant waives the 120-day rule (pursuant to ORS 215.427, Final action). In addition, Crean outlined the conduct of quasi-judicial hearing requirements as noted below:

- Open hearing and summarize hearing script/procedures.

- Disclose any ex parte contacts, bias or conflicts of interest. (Impartiality). [ORS Chapter 244]. Anyone may challenge Councilor's impartiality.
- Staff Report [criteria that applies to the application are contained in the staff report], staff recommendation and questions of staff.
- Applicant/Appellant Testimony.
- Testimony in support of the application.
- Testimony in opposition of the application.
- Neutral testimony.
- Rebuttal (if any) by Applicant/Appellant.
- Close public testimony portion, or continue hearing (if closed, continue on; if continued, refer below).
- Staff's response to testimony (if any).
- Questions of staff (if any) from the Council.
- Council discussion/deliberation.

Council may make a final decision on the matter or may continue the matter to a time and date certain in the future. If continuing the matter, announce the time and date of the continued hearing to avoid having to publish notice.

- Motion, ask for a second to approve/deny the Order [application].
- Restate motion.
- Call for the vote.

If there are any amendments to the Order, the presiding officer asks for a motion to amend; if yes, read amendment in full, ask for a second to amend and Council votes on the amendment. If decision requires an Order and it is prepared, introduce it using the adoption procedure. If an Order is not prepared, announce the Order, with necessary findings, will be before the Council at its next meeting. Note: It is not necessary to hold the record open on request. The City Council may decide to do so, but it is not required. In conclusion of the above-noted discussion, VanderZanden advised if Councilors have any additional concerns to please see him.

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

3. ADJOURNMENT

Mayor Truax adjourned the work session at 6:35 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

30

Minutes are unofficial until approved by Council.

1. **CALLED TO ORDER AND ROLL CALL:**

Mayor Peter Truax called the regular City Council meeting to order at 7:05 p.m. and led the Pledge of Allegiance.

ROLL CALL: COUNCIL PRESENT: Timothy Rippe; Ronald Thompson; Elena Uhing; Adolph "Val" Valfre; Malynda Wenzl; and Mayor Peter Truax. **COUNCIL ABSENT:** Thomas Johnston, Council President, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Chris Crean, City Attorney; Paul Downey, Administrative Services Director; Bryan Pohl, Community Development Director; Dan Riordan, Senior Planner; Michael Kinkade, Fire Chief (in the audience); and Anna Ruggles, City Recorder.

2. **CITIZEN COMMUNICATIONS:** None.

3. **CONSENT AGENDA:**

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

- A. Approve City Council Work Session (B/C Interviews) Meeting Minutes of January 28, 2019.
- B. Approve City Council Regular Meeting Minutes of January 28, 2019.
- C. Approve City Council Work Session (Police Facility) Meeting Minutes of January 28, 2019.
- D. Accept Committee for Community Involvement Meeting Minutes of November 6, 2018. *(Minor correction on Page 1 was made)*
- E. Accept Economic Development Commission Meeting Minutes of November 1 and December 6, 2018.
- F. Accept Public Safety Advisory Commission Meeting Minutes of November 28, 2018.
- G. Community Development Department Monthly Building Activity Informational Report for Report January 2019.
- H. **RESOLUTION NO. 2019-10 MAKING APPOINTMENTS TO COMMITTEE**

FOR COMMUNITY INVOLVEMENT (APPOINTING CHARLENE MURDOCK AND APPOINTING PAMELA SPRAGUE, TERMS EXPIRING JANUARY 31, 2023).

- I. **Endorse New Liquor License Application** (Full On-Premises Sales) for Coaster's Deli & Pub (FG Landing LLC), 1918 Main Street, Suite 200 (Applicant: Steven Ung).
- J. **Endorse New Liquor License Application** (Limited On-Premises and Off-Premises Sales) for The Growler Garage, LLC, 1837 Pacific Avenue (Applicant: Ryan Thompson).
- K. **Endorse Liquor License Renewal Applications for Year 2019:**
 - 1) 7-Eleven Store #20715d, 2001 Yew Street, Off-Premises Sales
 - 2) A-Framer's Touch, 1920 21st Avenue, Limited On-Premises Sales/Off-Premises Sales
 - 3) Bi-Mart, 3225 Pacific Avenue, Off-Premises Sales
 - 4) Bites Restaurant, 2014 Main Street, Full On-Premises Sales
 - 5) Circle Inn, 3007 Pacific Avenue, Full On-Premises Sales
 - 6) Diamond Palace Restaurant, 1921 Main Street, Full On-Premises Sales
 - 7) Forest Grove Senior and Community Center, 2037 Douglas Street, Limited On-Premises Sales
 - 8) Forest Grove Sushi, 1905 Birch Street, Limited On-Premises Sales
 - 9) Godfather's Pizza/Players Pub, 2834 Pacific Avenue, Full On-Premises Sales
 - 10) Hello Market, 1917 19th Avenue, Off-Premises Sales
 - 11) Jade Green Palace, 3018 Pacific Avenue, Full On-Premises Sales
 - 12) La Sierra Cantina & Mexican Restaurant, 2331 Pacific Avenue, Full On-Premises Sales
 - 13) Mama Jiah's Market, 2248 Main Street, Off-Premises Sales
 - 14) Mandarin China Restaurant, 2338 Pacific Avenue, Limited On-Premises Sales
 - 15) Mini Mart 2705 Pacific Avenue, Off-Premises Sales
 - 16) Pac Thai, 1923 Pacific Avenue, Limited On-Premises Sales
 - 17) Plaid Pantry #20, 2436 19th Avenue, Off-Premises Sales
 - 18) Plaid Pantry #99, 2901 Thatcher Avenue, Off-Premises Sales
 - 19) Ridgewalker Brewing, 1921 21st Avenue, Brewery/Full On-Premises Sales
 - 20) Shriji Food Mart/FG Arco, 2710 19th Avenue, Off-Premises Sales
 - 21) Urban Decanter, 2030 Main Street, Suite B, Full On-Premises Sales/Off-Premises Sales

MOTION: Councilor Rippe moved, seconded by Councilor Wenzl, to approve the Consent Agenda as presented. **ABSENT:** Council President Johnston.
MOTION CARRIED 6-0 by voice vote.

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

5. PRESENTATIONS:

5. A. Tualatin Valley (TV) Highway Improvement Project

Riordan and Pohl presented a PowerPoint presentation overview on the TV Highway Improvement Project, noting the City's Transportation System Plan includes a project to improve the TV Highway corridor. Riordan and Pohl noted the City applied and was successful in receiving funding from the Oregon Department of Transportation (ODOT) to develop an improvement plan focused on safety. Riordan reported ODOT selected the consultants who toured the project area with staff on January 17, 2019, noting the study will be ongoing through 2019 and possibly early 2020. In addition, Riordan and Pohl outlined the following project scopes: 1) Community Engagement (identify and engage key stakeholders and meaningful engagement opportunities); 2) Problem Definition (gather background information including crash data); 3) Design (prepare streetscape vision and cost estimates); and 4) Implementation Plan (identify and prioritize projects for construction), noting staff will bring back the proposed TV Highway Corridor Plan for Council consideration at a later date. In conclusion of the above-noted presentation, Riordan and Pohl addressed various Council inquiries pertaining to pedestrian crossings, sidewalk improvements, reducing posted speed zones, installing red light cameras, streetscape visioning to reinforce the corridor as a gateway into the city and consulting with stakeholders and the business community, noting staff will provide periodic updates to Council as the project gets underway. The next update will occur after the ODOT issues notice to proceed and project schedule is prepared by the consultants.

6. PUBLIC HEARING AND ORDER NO. 2019-01 ESTABLISHING BOUNDARIES OF TERRITORY PROPOSED FOR WITHDRAWAL FROM THE CITY LIMITS AND CLEAN WATER SERVICES BOUNDARY LOCATED IN SOUTHEAST ONE-QUARTER OF SECTION 35 AND SOUTHWEST ONE-QUARTER OF SECTION 36, TOWNSHIP 1 NORTH, RANGE 4 WEST WILLAMETTE MERIDIAN AND SETTING A TIME AND PLACE FOR FINAL PUBLIC HEARINGS AND ADOPTION OF AN ORDINANCE; FILE NUMBER 311-18-000033-PLNG

Staff Report:

Riordan and Pohl presented the above-proposed order, noting the proposed order is establishing boundaries of territory for withdrawal from the city limits and Clean Water Services boundary a certain tract of land and setting a time and date for the final Public Hearing and adoption of an ordinance; File No. 311-18-000033-PLNG. Riordan reported on January 14, 2019, Council adopted a resolution declaring the city's intent to withdraw the territory and scheduled February 11, 2019, as the first hearing date to consider the adoption of the order. In conclusion of the above-noted staff report, Riordan advised staff is recommending Council consider adopting the proposed order as outlined in Exhibit A, noting ORS 222.460 describes the process that must be followed for withdrawal of territory from the city. In addition, Riordan advised to

adhere to the requirements, staff is recommending holding the final hearings on the adoption of the proposed ordinance on March 18th for first reading and April 8, 2019, for second reading.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Order No. 2019-01.

VanderZanden read Order No. 2019-01 by title.

MOTION: Councilor Valfre moved, seconded by Council Rippe, to adopt Order No. 2019-01 Establishing Boundaries of Territory Proposed for Withdrawal from the City Limits and Clean Water Services Boundary Located in Southeast One-Quarter of Section 35 and Southwest One-Quarter of Section 36, Township 1 North, Range 4 West Willamette Meridian and Setting a Time and Place for Final Public Hearings and Adoption of an Ordinance; File Number 311-18-000033-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

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

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Uhing, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston. MOTION CARRIED 6-0.

7. CITY COUNCIL COMMUNICATIONS:

Council President Johnston was absent.

Rippe reported attending Economic Development Commission (EDC) meeting, noting

EDC is working on its strategic plan. Rippe noted as part of the Boards and Commissions reform discussion, EDC voted to reduce its membership from 19 to 15 members. In addition, Rippe reported attending other community-related events, reported on other related matters of interest and upcoming meetings he was planning to attend.

Thompson reported on Ride Connection and state public transportation budget cuts. In addition, Thompson reported on other related matters of interest and upcoming meetings he was planning to attend.

Uhing reported Sustainability Commission (SC) canceled its January meeting. In addition, Uhing reported on other related matters of interest and upcoming meetings she was planning to attend.

Valfre reported attending community-related events, reported on county-related matters of interest and upcoming meetings he was planning to attend.

Wenzl reported Committee for Community Involvement canceled its February meeting. Wenzl reported Forest Grove School District is working on its strategic plan, noting she has been attending the meetings. In addition, Wenzl reported on other related matters of interest and upcoming meetings she was planning to attend.

8. City Manager's Report:

VanderZanden had nothing to report.

9. MAYOR'S REPORT:

Mayor Truax announced dates of various upcoming activities, events and meetings as noted in the Council Calendar. Mayor Truax reported on his plans to attend the National League of Cities Conference in Washington, D. C., which is held in March, noting Council has one meeting in March, which is scheduled March 18, 2019. In addition, Mayor Truax reported on various legislation and local, regional, Metro, and Washington County-related meetings he attended and upcoming community-related events and meetings he was planning to attend.

10. ADJOURNMENT:

Mayor Truax adjourned the regular Council meeting at 7:57 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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Minutes are unofficial until approved by Council.

1. **CALLED TO ORDER AND ROLL CALL:**

Mayor Peter Truax called the Work Session to order at 6:40 p.m. and adjourned the first portion of the Work Session at 6:57 p.m. and reconvened the second portion of the Work Session at 8:03 p.m.

2. **ROLL CALL: COUNCIL PRESENT:** Timothy Rippe; Ronald Thompson; Elena Uhing; Adolph "Val" Valfre; Malynda Wenzl; and Mayor Peter Truax. **COUNCIL ABSENT:** Thomas Johnston, Council President, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; and Anna Ruggles, City Recorder.

3. **WORK SESSION: COUNCIL GOALS AND OBJECTIVES FISCAL YEAR 2019-20:**

Mayor Truax facilitated this exercise and VanderZanden presented a PowerPoint presentation overview. Mayor Truax opened the floor and roundtable discussion ensued as Councilmembers had an opportunity to discuss and review the statuses and comments pertaining to existing Goal 3 Objectives that Council was unable to cover at the Council Retreat, held on Saturday, February 2, 2019, as outlined below. At conclusion of the above-noted exercise, Council collectively concurred with the following:

Goal 3 Existing Objectives (Removed/Retained/Modified):

(15) 3.20 Economic Development (related to new proposed Objective 14)

- Retained/Modified, i.e., develop a strategic plan.

~~3.21 Youth Advisory Council~~ Removed/Completed.

(16) 3.22 Boards/Commissions

- Retained/Modified; i.e., boards/commissions review.

Mayor Truax opened the floor and roundtable discussion ensued as Councilmembers had an opportunity to discuss and review comments pertaining to the existing Objectives that Council modified and carried over (16) and proposed five (5) new Objectives as outlined below, which Council identified at the Council Retreat, held on Saturday, February 2, 2019. At conclusion of the above-noted exercise, Council collectively concurred with the following Objectives for Year 2019-20 (in no specific order):

Goal 1 – Objectives	Goal 2 – Objectives	Goal 3 – Objectives
(1) Implement Conservation Plan	(8) Plan for Local Option Levy	Update Vision Statement and Develop Core Values (new)
(2) Develop Oak Street Area Concept Plan	(9) Study Fire Governance Options	(13) Develop Communications Plan
(3) Implement Parks Master Plan	(10) Plan for Future Police Facility	(14) Develop Tourism Program
(4) Implement Town Center Program	(11) Develop Staff Succession Plan	(15) Update Economic Development Strategic Plan
Equity Assessment & Education (new)	(12) Prioritize TDT Projects	(16) Complete Boards & Commissions Review
(5) Develop Police Strategic Plan		Investigate Federal Grant Opportunities (new)
(6) Partner to Increase Affordable Housing		Review Council Rules and Team Agreement (new)
(7) Partner to Address Homelessness		City's Sesquicentennial (150th) Anniversary (new)

In addition, VanderZanden referenced the draft spreadsheet (Attachment 1), noting the spreadsheet includes Department Assigned; B/C Assigned and Actions for each of the Objectives pending Council acceptance, noting each Objective will be integrated into Department Work Plans and briefed in detail to Council prior to the budget process to enable discussion and budget priorities. A Council work session is tentatively scheduled for Monday, February 25, 2019, at which time, Council will finalize the Goals and Objectives as part of their decision-making process. A proposed resolution adopting the Council Goals and Objectives for Year 2019-20 will be presented for Council consideration at the March 18, 2019, Council Meeting.

Council Team Agreement:

Mayor Truax opened the floor and roundtable discussion ensued as Councilmembers had an opportunity to discuss and review the Council's Team Agreement. At conclusion of the above-noted exercise, Council collectively concurred to:

- ~~Delete: No. 6. Put a time limit on audience testimony and ask them not to repeat previous speakers.~~
- **Add: Council Member Conduct, Council Members agree to: "Cordial, courteous behavior in and outside of meetings".**

A proposed resolution adopting the Council Team Agreement as amended will be presented for Council consideration at the March 18, 2019, Council Meeting.

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

session.

4. **ADJOURNMENT:**

Hearing no further discussion from the Council, Mayor Truax adjourned the work session at 9:45 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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3E

APPROVED

1. **CALL TO ORDER:**

The meeting was called to order at 12:03 p.m. by EDC Chair, James Draznin.

ROLL CALL: EDC MEMBERS PRESENT: Brad Bafaro; Tim Budelman; Kevin Emerick; Lois Hornberger; Mark Nakajima; Thomas Raabe; Guy Storms; Howard Sullivan; Javier Camacho Urenda; Jonathan Yawson and James Draznin, Chair.

EDC MEMBERS ABSENT (EXCUSED): Steve Krautscheid; Jennifer Prickett; Jill Verboort; Christopher Wilmeth; and Kevin Yamada.

OTHERS PRESENT: Wanda Frazier; Sarah Saucy; Dave Warner, Bruce McVean, Dick Stinson, Kelsey Lewis, Pacific University student intern.

COUNCIL LIAISON: Councilor Rippe, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Jeffery King, Economic Development Manager; and Shannon Reynolds, Administrative Specialist

2. **CITIZEN COMMUNICATION:**

None

3. **APPROVAL OF ECONOMIC DEVELOPMENT COMMISSION MINUTES:**

James Draznin asked for a correction to the minutes, the correction was noted. Guy Storms moved to accept the December meeting minutes as amended. Brad Bafaro seconded. The motion passed unanimously.

4. **ADDITIONS/DELETIONS:**

None

5. **BUSINESS:**

A. McMenamins – Host Update: None

Jeff King provided a handout with the new banquet menu changes at McMenamins.

B. Forest Grove Chamber Update:

Howard Sullivan provided a Forest Grove Chamber of Commerce update.

The second session of Junior Achievement at the Forest Grove Highs School will be starting soon. A mentorship program called "Aspire" will be starting soon as well.

February 23, "Stars in the Grove" at Taylor Meade.

March 30, The Forest Grove Chamber Auction will take place at the Armory.

Two new businesses opened: Guiddetti's Kitchen and U.S. Market.

C. Council Update: Jesse VanderZanden gave an update in Councilor Rippe's absence.

There are still ongoing discussions for the proposed new police facility.

An inventory of city land for affordable housing is being reviewed.

Council is still in the process of reviewing the current Boards and Commissions bylaws as well as reviewing feedback that has been received from each Board or Commission. An upcoming city council work session will be held sometime in March.

Jeff King gave an update on the Jesse Quinn building. There are approximately 10 units left to fill. A copy of the Portland Relocation Guide blog was passed out. The guide is able to capture the current downtown information as well as new businesses.

Travel Oregon continues to give good advertisement with the mural as well as their website.

D. Board Member Size Update: None

E. Strategic Plan: Review of 2015-2018 plan, current conditions, SWOT

Jeff King read and reviewed the current goals and target areas of the 2015-2018 Strategic Plan.

Members of the EDC would like to see some result indicators for each of these goals in order to implement and determine the new 2019-2021 Strategic Plan. Jeff King pointed out that not all of the goals are necessarily able to be measured; however, he will compile data that may help determine any key performance indicators for some of the prior strategic goals and targets. It was also noted that not all goals or targets will need updated as some are ongoing.

The next EDC meeting will be a "working meeting" to establish the new Strategic Plan for 2019-2021. Prior to the meeting, Jeff King will provide a staff report of some of the measurable performance indicators of the last goals. Members will review the report and come to the meeting with ideas for the next Strategic Plan. The normal agenda will be put aside to allow ample time to develop this plan and work on the S.W.O.T. Analysis. The Strategic plan will develop the goal, list some kind of indicator and leave an area for the results of that goal.

6. STAFF AND BOARD MEMBER COMMUNICATIONS:

January 17 will be the Boards and Commission dinner at 5:30 p.m. at the Forest Grove Senior & Community Center.

7. ANNOUNCEMENT OF NEXT MEETING:

James Draznin announced that the next meeting of the EDC will be on Thursday, February 7, at **12:00** noon in the Alice Inkley Room at McMenemy's Grand Lodge

8. ADJOURNMENT: James Draznin adjourned the meeting at 1:25 p.m. by consensus.

Respectfully submitted by:

Shannon Reynolds
Administrative Specialist
City of Forest Grove

Approved by the Forest Grove EDC:

Date: February 7, 2019

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APPROVED

3F

Library Commission approved minutes as presented on Feb 12, 2019.

1. **CALLED TO ORDER AND ROLL CALL:**

Pamela Bailey, Chair, called the meeting of the Library Commission to order at 6:30PM on Tuesday Jan 15, 2019.

Members Present: Pamela Bailey, Chair; Kathleen Poulsen, Vice-Chair; Jon Youngberg, Secretary; Elizabeth Beechwood; Kirsten Beier; Nickie Augustine; Matthew Hampton, Student;

Members Absent: Valyrie Ingram (excused);

Staff: Colleen Winters, Library Director

Council Liaison: Adolph "Val" Valfre

Others: None.

2. **ADDITIONS/DELETIONS:** Kathleen had an early idea for a possible Staff Appreciation gift in 2019.

3. **APPROVE LIBRARY COMMISSION MEETING MINUTES OF Dec 11, 2018:**

MOTION: Nickie moved, seconded by Kathleen, to approve the December 11, 2018 minutes as amended. **MOTION CARRIED** by all.

4. **CITIZEN COMMUNICATIONS:** None.

5. **INFORMATIONAL ITEMS:**

5a. **FOUNDATION REPORT:** Colleen Winters shared comments about the activities of the Library Foundation of Forest Grove:

- a) The Foundation Board has met this week.
- b) Work on the Garden Project is on hold until Spring 2019. Plant selection is continuing. A subcommittee meets to consider the Ginsburg Memorial portion.
- c) A long-time library patron has left the Foundation a sizable amount in their will, with no strings attached as to how it can be spent.
- d) The Foundation Board wants a current list of ideas and wishes for library projects, from Colleen and the library staff.
- e) There will not be a "Friends & Family Night" at McMenam's in 2019.
- f) See the Library Foundation of Forest Grove's web site at: www.fglf.org.

5b. FRIENDS REPORT: Colleen Winters shared comments about the activities of the Friends of the Forest Grove Library:

- a) The Friends Board will meet this week
- b) The Spring 2019 Used Book Sale is scheduled for the week of April 15 – 20, 2019. Set-up for the sale will begin on Apr 10, with take-down scheduled for April 22, 2019. The normal call for volunteers can be expected.
- c) The Friends web site is at: fglibraryfriends.org.

5c. COUNCIL LIAISON REPORT: Adolph “Val” Valfre shared comments about the recent activities of the Forest Grove City Council:

- a) City Public Works director Rob Foster has retired, replaced by Greg Robertson.
- b) Listened to Housing Needs Analysis presentation. Grant from state to pay for the study.
- c) Downtown Forest Grove to be nominated as a “Downtown Historic District”.
- d) Inventory of city-owned properties (only a few) that could be donated for low-cost housing.
- e) Reminder of B&C Recognition dinner Thursday night this week.
- f) Upcoming 26th Annual Town Meeting (ATM) at the Forest Grove High School. Theme this year: “Emergency Preparedness”. A “fair” with booths and tables with information. ATM to be held Saturday Jan 26, 2019, from 9am to noon.
- g) Next CPO meeting: Jan 30, 2019 in the Library’s Rogers Room. Theme: “Eating Smart & Wasting Less”.
- h) Presentation about early poll for new Police Station funding measure. Early thinking. Proposed dates discussed in 2019 and 2020. Need to educate citizens of Forest Grove of need for new Police Station.

5d. LIBRARY DIRECTOR’S REPORT: Colleen Winters reported these items:

- a) Colleen presented a report to the City Council, listing Library accomplishments in 2018, and Top Priorities for 2019.

The library’s accomplishments for 2018 were:

1. Added 4.5 open hours per week to the library schedule.
2. Library Listening Tour and Patron Survey, assisted by Library Commission.
3. Restructuring of current staff to facilitate and promote Latino and Community Outreach programs.
4. Awarded 1,961 free books to youth and teen summer readers.
5. Digitization Project – of Forest Grove newspapers onto microfilm.
6. Successful hiring of a Youth Services Librarian and an Adult Services Librarian.

The library's top priorities for 2019 are:

1. Completion of the Ginsburg Memorial Garden, a joint project of the Library Foundation and the City.
2. Refurbishing bathrooms: signage, wiring, light fixtures, painting.
3. Strategic Plan follow-up re: identified priorities: Teens, Technology, Latino Outreach, Community, and Library of Things.
4. Listening Tour/Survey follow-up: signage, customer service, publicity, programs.

b) Colleen reported discouraging news that the large window structure by the computers continues to leak, despite all the major repair efforts of 2018. The library is waiting for an inspection and report before anything further can be done.

c) The WCCLS catalog upgrade (or update) was done very quickly, in much less than the planned 2 days. Colleen suggested that the members of the Library Commission should try the new WCCLS catalog interface website.

d) New library staff person Jillian will come to a future Library Commission meeting to discuss Teen Room ideas.

e) January is BEAR month at the library – 40th Anniversary - series of events, including Jan 23, 2019 event Oregon Shadow Theatre – “The Green Bird”.

f) January program “Celebrate Diversity” will be held Sat Jan 26, 2019 from 1-3PM instead of the Star Wars big event.

g) A new series of events “The Generous Listener” (where adults read aloud) will begin Sat Jan 26, 2019 at 10:30am in the Rogers Room.

h) Cultural Series Event – “Celebrating Oregon's Wild & Scenic Rivers” event was held Jan 8, 2019 at 6:30PM in the Rogers Room.

i) Upcoming Cultural Series Event – “Craft of Sake with Sake One Brewing” – Tues Feb 5, 2019 at 6:30pm in the library's Rogers Room.

j) The Library Commission's annual “retreat” could be held as our March meeting.

6. DISCUSSION OF ITEMS:

a) **Pamela's speech at the B&C Recognition Dinner.** Pamela wanted us to review her short speech for the upcoming B&C Recognition dinner.

b) Kathleen showed the Library Commission a possible type of **Staff Appreciation gift** for events in the next few months: Decorative fan-shaped books with attractively folded pages.

c) **B&C Review.** The Library Commission has been asked to review proposed rule changes to Forest Grove's Boards and Commissions, starting in Dec 2018 and ending in Feb 2019. The Library Commission generally agreed on most of the proposed items. Three items, though, received significant comments and questions:

1. Limiting Chairperson's Appointment to 24 consecutive months, but with no other

limit on lifetime terms that a person can serve as a B&C officer. The Library Commission is requesting that it be allowed to consider this item as a “suggestion” or a “recommendation”, and that it is allowed flexibility on the maximum number of consecutive months that the Chairperson and Vice-Chair of the Library Commission can serve.

2. Concern about the Staff Liaison’s role of “Minute Preparation” of meetings.

The Library Commission does not have a city employee available to take notes at its meetings, or to produce the minutes of meetings (although it does have volunteers and commission members available).

So, the Library Commission would like to suggest a more flexible wording for this item. We feel it would be better if the Staff Liaison is asked to “supervise minute preparation” rather than have the role of “minute preparation”, and that the Staff Liaison be allowed to choose either a city employee, a volunteer, or a board or commission member to take meeting notes and prepare meeting minutes (with the supervision, review, and approval of the Staff Liaison).

We feel that this change will allow for flexibility for the various boards and commissions, and that it will still achieve the desired goals for the proposed change.

3. Re-interviewing B&C members seeking reappointment every 4 years. The Library Commission suggests allowing the City Council the flexibility (if possible) of being able to choose whether to re-interview a B&C member or not. One example where the City Council might not want to re-interview an existing B&C member seeking reappointment would be if there are no other applicants for the position.

During this second discussion of the Library Commission’s requested review of its comments and recommendations for the B&C Review no further changes were made.

Approve Library Commission’s Response to B&C Review:

MOTION: Elizabeth moved, seconded by Nickie, to approve the three comments above as the Library Commission’s response to the B&C Review. **MOTION CARRIED** by all.

d) “Survey and Listening Tour Results”: Colleen said that Library Staff have done a lot of work looking at and summarizing comments received from the now-completed Survey and Listening Tour of 2018. She also continued to recommend that Library Commissioners read the large packet of comments received, to look for insight. Kirsten volunteered to digitize the Survey and Listening Tour comments and send them to us via e-mail.

Colleen mentioned that efforts at better signage will begin right away. An Open/Closed sign for the back parking-lot area might come first. Other signs are a possibility, including “Sandwich boards” and “Reader boards” that might advertise events and programs.

Colleen noted that, overall, the comments received are positive, supportive, and helpful, but that a few negative comments were also received. Some of the negative comments were about perceived bad customer service experiences. Colleen wants library patrons to know that library staff are working on a variety of other library duties and are not just sitting at a desk waiting for the library patron to come to the desk. The library does not have the budget to have employees sit and wait for a customer interaction. The library staff members look busy, because they are busy.

So, how can the Library Staff make the customer be more welcome, receive more focus, etc.? How to get the Library Staff to be even more about friendly customer service? With increased focus on customer service and solving customer problems at the various desks? Colleen asked if it would be a good idea to have a volunteer stationed at the library's front entrances, as a first contact with library patrons?

Colleen mentioned a daily staff meeting held just before the library opens. Schedule for the day, recent problems and incidents, news about volunteers, and customer service concerns are all discussed at the daily meeting.

There will also be a Mon Feb 18, 2019 all-day "President's Day" in-service meeting for Library Staff. Relevant questions that will be considered will include: "How to get Library Staff to be even more about friendly customer service?" and "How to better focus on customer service and solving customer problems, at the library's service desks"?

7. ANNOUNCEMENT OF NEXT MEETING:

The next Library Commission meeting will be held on Tuesday February 12, 2019 at 6:30PM, in the library's Rogers Room.

8. ADJOURNMENT:

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

Minutes respectfully submitted by:

Jon Youngberg, Library Commission Secretary

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<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	
MEETING DATE:	3G
FINAL ACTION:	

CITY COUNCIL MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Paul Downey, Administrative Services Director*

DATE: *February 25, 2019*

SUBJECT: *Deem Seat Vacant on Sustainability Commission*

The Sustainability Commission (SC) approved to recommend that the City Council consider the removal of L. Kate Grandusky, FG School District, voting representative, Term Expiring December 31, 2021, due to lack of attendance. An e-mail notification was sent to Grandusky and cc'd to FG School District on January 30, 2019 (attached) instructing the member to notify the City Recorder no later than February 15, 2019, if wanting to uphold her position on the SC. No response was received. The SC has been experiencing difficulty with its quorum requirement.

This recommendation is based on Council Resolution 2006-10 which in part states:
"Any member who has three absences in a twelve month period may be removed from the board, committee, or commission by City Council action. The position will be declared vacant, and the member will need to reapply to be reconsidered for appointment."

STAFF RECOMMENDATION:

Staff is recommending the City Council accept the above-noted recommendation and deem the seat vacant, effective immediately, term expiring December 31, 2021.

Anna Ruggles

From: Anna Ruggles
Sent: Wednesday, January 30, 2019 2:04 PM
To: [REDACTED]@gsd.k12.or.us'
Cc: Bahnsen, Kathy
Subject: Sustainability Commission Member Status

Dear L. Kate Grandusky, Forest Grove School District Board Member,

This e-mail is to inform you that the City Council will be vacating your advisory position on the City's Sustainability Commission (SC), effective February 25, 2019. You were appointed as the FG School District's voting representative.

The Commission has been experiencing difficulty with its quorum requirements. As a result, this recommendation is based on Council Resolution 2006-10, which in part states:

"Any member who has three absences in a 12-month period may be removed from the board, committee, or commission by City Council action. The position will be declared vacant, and the member will need to reapply to be reconsidered for appointment."

No further action is required from you unless you desire to uphold your position on the Sustainability Commission. If so, please notify me no later than February 15th, 5pm. The Sustainability Commission meetings are held on the fourth Thursday at 6pm, in the Community Auditorium, 1915 Main St.

Take care, and we hope you are doing well.

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



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<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	3H
MEETING DATE:	
FINAL ACTION:	

CITY COUNCIL MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

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

DATE: *February 25, 2019*

SUBJECT TITLE: *Annual Liquor License Renewals for 2019*

BACKGROUND:

The Oregon Liquor Control Commission (OLCC) has notified the City of the eligible liquor licenses seeking renewal for 2019. ORS 471.166 establishes the process for local government to make recommendation to the OLCC concerning the suitability of liquor license renewal application(s).

City Code, §110.071-110.073, requires any business requesting City Council endorsement for a liquor license renewal application to submit to a criminal background check and have a valid City business license in accordance with City Code. The Police Chief has reviewed the applicable criminal records check of the licensee and responsible parties and has made recommendation to forward for Council's consideration the attached liquor license renewal application(s), along with one of the following recommendations:

- ***Forward with Approval – No legal basis for denial.***
- ***Forward with Approval, Supporting Documentation.*** A criminal record exists; however, the record does not contain valid basis for denial as provided by Oregon liquor laws (i.e., felony drug or alcohol-related convictions). *(Dissemination of criminal record checks is prohibited by State law and is exempted from public disclosure).*
- ***Reject Application, Memorandum required.*** There is substantial evidence and opposition that warrants a Public Hearing before the City Council to hear testimony and to be used in the City's decision-making process.

STAFF RECOMMENDATION:

Staff recommends City Council authorize endorsement of the attached liquor license renewal application(s). The City's endorsement will be submitted to OLCC and OLCC approves, denies, restricts, or makes recommendations to OLCC Commissioners. If the application(s) is approved, the OLCC will renew the license(s). If the application is denied or restricted, there is a process to contest the decision.

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CITY RECORDER USE ONLY:

AGENDA ITEM #: 347

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: ARAMARK Educational Services

BUSINESS LOCATION ADDRESS: 2043 College Way

LIQUOR LICENSE TYPE: Limited On-Premises Limited On-Premises

CITY BUSINESS LICENSE: BL-001054

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales	<input checked="" type="checkbox"/>	L – Limited On-Premises Sales	\$100.00 New Application
F-CAT – Full ON-Premises Sales, Caterer	<input type="checkbox"/>	O – Off-Premises Sales	\$ 75.00 Change of License
F-FPC/F-CLU – Full On-Premises, Private	<input type="checkbox"/>	SEW – Special Event Winery	\$ 35.00 Temporary Sales
F-PL – Full On-Premises Public Location	<input type="checkbox"/>	SEG – Special Event Grower	<input checked="" type="checkbox"/> \$ 35.00 Annual Renewal
TSL – Temporary Sales License	<input type="checkbox"/>	SED – Special Event Distillery	\$ 20.00 Event License
BP – Brewery Public House	<input type="checkbox"/>		\$ No Charge: Temp Annual Use
FULL ON-PREMISES SALES	<input checked="" type="checkbox"/>	LIMITED ON-PREMISES SALES	OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	
BREWERY – PUBLIC			
Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.			

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz, Chief of Police/Designee

2/5/19
Date



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CITY RECORDER USE ONLY:

AGENDA ITEM #: 342

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Boxer's Pub N Grub

BUSINESS LOCATION ADDRESS: 1919 Pacific Avenue

LIQUOR LICENSE TYPE: F-COM Full On-Premises F-COM Full On-Premises

CITY BUSINESS LICENSE: _____

1. TYPE OF LICENSE:		2. LICENSE FEE:	
X	F-COM – Full On-Premises Sales	L – Limited On-Premises Sales	\$100.00 New Application
	F-CAT – Full ON-Premises Sales, Caterer	O – Off-Premises Sales	\$ 75.00 Change of License
	F-FPC/F-CLU – Full On-Premises, Private	SEW – Special Event Winery	\$ 35.00 Temporary Sales
	F-PL – Full On-Premises Public Location	SEG – Special Event Grower	X \$ 35.00 Annual Renewal
	TSL – Temporary Sales License	SED – Special Event Distillery	\$ 20.00 Event License
	BP – Brewery Public House		\$ No Charge: Temp Annual Use
X	FULL ON-PREMISES SALES	LIMITED ON-PREMISES SALES	OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz
J. F. Schutz, Chief of Police/Designee

2/16/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 34.3

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Buffet Dynasty

BUSINESS LOCATION ADDRESS: 2834 E Pacific Avenue

LIQUOR LICENSE TYPE: Limited On-Premises Limited On-Premises

CITY BUSINESS LICENSE: BL-001845

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales	<input checked="" type="checkbox"/>	L – Limited On-Premises Sales	\$100.00 New Application
F-CAT – Full ON-Premises Sales, Caterer		O – Off-Premises Sales	\$ 75.00 Change of License
F-FPC/F-CLU – Full On-Premises, Private		SEW – Special Event Winery	\$ 35.00 Temporary Sales
F-PL – Full On-Premises Public Location		SEG – Special Event Grower	<input checked="" type="checkbox"/> \$ 35.00 Annual Renewal
TSL – Temporary Sales License		SED – Special Event Distillery	\$ 20.00 Event License
BP – Brewery Public House			\$ No Charge: Temp Annual Use
FULL ON-PREMISES SALES	<input checked="" type="checkbox"/>	LIMITED ON-PREMISES SALES	OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

Jamie Schutz
J. F. Schutz, Chief of Police/Designee

2/6/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3.H.4

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Cornerstone Pub & Grill

BUSINESS LOCATION ADDRESS: 2307 Pacific Avenue

LIQUOR LICENSE TYPE: Off-Premises & Limited On-Premises

CITY BUSINESS LICENSE: BL-000276

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales	<input checked="" type="checkbox"/>	L – Limited On-Premises Sales	\$100.00 New Application
F-CAT – Full ON-Premises Sales, Caterer	<input checked="" type="checkbox"/>	O – Off-Premises Sales	\$ 75.00 Change of License
F-FPC/F-CLU – Full On-Premises, Private		SEW – Special Event Winery	\$ 35.00 Temporary Sales
F-PL – Full On-Premises Public Location		SEG – Special Event Grower	X \$ 35.00 Annual Renewal
TSL – Temporary Sales License		SED – Special Event Distillery	\$ 20.00 Event License
BP – Brewery Public House			\$ No Charge: Temp Annual Use
FULL ON-PREMISES SALES	<input checked="" type="checkbox"/>	LIMITED ON-PREMISES SALES	<input checked="" type="checkbox"/> OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL REJECT APPLICATION (Memorandum Required)

J. F. Schutz, Chief of Police/Designee

2/6/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3.H.5

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Elks Lodge #2440

BUSINESS LOCATION ADDRESS: 2810 Pacific Avenue

LIQUOR LICENSE TYPE: F-CLU Full-On Premises F-CLU Full-On Premises

CITY BUSINESS LICENSE: BL-000516

1. TYPE OF LICENSE:		2. LICENSE FEE:	
<input checked="" type="checkbox"/>	F-COM – Full On-Premises Sales	<input type="checkbox"/>	L – Limited On-Premises Sales
<input type="checkbox"/>	F-CAT – Full ON-Premises Sales, Caterer	<input checked="" type="checkbox"/>	O – Off-Premises Sales
<input type="checkbox"/>	F-FPC/F-CLU – Full On-Premises, Private	<input type="checkbox"/>	SEW – Special Event Winery
<input type="checkbox"/>	F-PL – Full On-Premises Public Location	<input type="checkbox"/>	SEG – Special Event Grower
<input type="checkbox"/>	TSL – Temporary Sales License	<input type="checkbox"/>	SED – Special Event Distillery
<input type="checkbox"/>	BP – Brewery Public House	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	FULL ON-PREMISES SALES	<input type="checkbox"/>	LIMITED ON-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	
		<input checked="" type="checkbox"/> OFF-PREMISES SALES	
		Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.	
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz, Chief of Police/Designee

2/6/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 346

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: FG Tobacco

BUSINESS LOCATION ADDRESS: 3034 Pacific Avenue, Suite B

LIQUOR LICENSE TYPE: Off-PremisesOff-Premises

CITY BUSINESS LICENSE: BL-000482

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales		L – Limited On-Premises Sales	\$100.00 New Application
F-CAT – Full ON-Premises Sales, Caterer	X	O – Off-Premises Sales	\$ 75.00 Change of License
F-FPC/F-CLU – Full On-Premises, Private		SEW – Special Event Winery	\$ 35.00 Temporary Sales
F-PL – Full On-Premises Public Location		SEG – Special Event Grower	X \$ 35.00 Annual Renewal
TSL – Temporary Sales License		SED – Special Event Distillery	\$ 20.00 Event License
BP – Brewery Public House			\$ No Charge: Temp Annual Use
FULL ON-PREMISES SALES		LIMITED ON-PREMISES SALES	X OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz, Chief of Police/Designee

2/12/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3H7

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Forest Theater

BUSINESS LOCATION ADDRESS: 1911 Pacific Avenue

LIQUOR LICENSE TYPE: Limited On-Premises Limited On-Premises

CITY BUSINESS LICENSE: BL-000419

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales	<input checked="" type="checkbox"/>	L – Limited On-Premises Sales	\$100.00 New Application
F-CAT – Full ON-Premises Sales, Caterer		O – Off-Premises Sales	\$ 75.00 Change of License
F-FPC/F-CLU – Full On-Premises, Private		SEW – Special Event Winery	\$ 35.00 Temporary Sales
F-PL – Full On-Premises Public Location		SEG – Special Event Grower	<input checked="" type="checkbox"/> \$ 35.00 Annual Renewal
TSL – Temporary Sales License		SED – Special Event Distillery	\$ 20.00 Event License
BP – Brewery Public House			\$ No Charge: Temp Annual Use
FULL ON-PREMISES SALES	<input checked="" type="checkbox"/>	LIMITED ON-PREMISES SALES	OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz
J. F. Schutz, Chief of Police/Designee

2/6/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 348

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Grampy's Deli & Pub

BUSINESS LOCATION ADDRESS: 1918 Main Street

LIQUOR LICENSE TYPE: Off-Premises & F-COM Full-On Premises Off-Premises & F-COM Full-On Premises

CITY BUSINESS LICENSE: BL-000216

1. TYPE OF LICENSE:		2. LICENSE FEE:		
<input checked="" type="checkbox"/>	F-COM – Full On-Premises Sales	<input type="checkbox"/>	L – Limited On-Premises Sales	\$100.00 New Application
<input type="checkbox"/>	F-CAT – Full ON-Premises Sales, Caterer	<input checked="" type="checkbox"/>	O – Off-Premises Sales	\$ 75.00 Change of License
<input type="checkbox"/>	F-FPC/F-CLU – Full On-Premises, Private	<input type="checkbox"/>	SEW – Special Event Winery	\$ 35.00 Temporary Sales
<input type="checkbox"/>	F-PL – Full On-Premises Public Location	<input type="checkbox"/>	SEG – Special Event Grower	<input checked="" type="checkbox"/> \$ 35.00 Annual Renewal
<input type="checkbox"/>	TSL – Temporary Sales License	<input type="checkbox"/>	SED – Special Event Distillery	\$ 20.00 Event License
<input type="checkbox"/>	BP – Brewery Public House	<input type="checkbox"/>		\$ No Charge: Temp Annual Use
<input checked="" type="checkbox"/>	FULL ON-PREMISES SALES	<input type="checkbox"/>	LIMITED ON-PREMISES SALES	<input checked="" type="checkbox"/> OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.
		BREWERY – PUBLIC		
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.		

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz, Chief of Police/Designee

2/6/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3.H.9

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: My Place

BUSINESS LOCATION ADDRESS: 1930 21st Avenue

LIQUOR LICENSE TYPE: F-COM Full On-Premises F-COM Full On-Premises

CITY BUSINESS LICENSE: BL-000481

1. TYPE OF LICENSE:		2. LICENSE FEE:	
<input checked="" type="checkbox"/>	F-COM – Full On-Premises Sales	<input type="checkbox"/>	L – Limited On-Premises Sales
<input type="checkbox"/>	F-CAT – Full ON-Premises Sales, Caterer	<input type="checkbox"/>	O – Off-Premises Sales
<input type="checkbox"/>	F-FPC/F-CLU – Full On-Premises, Private	<input type="checkbox"/>	SEW – Special Event Winery
<input type="checkbox"/>	F-PL – Full On-Premises Public Location	<input type="checkbox"/>	SEG – Special Event Grower
<input type="checkbox"/>	TSL – Temporary Sales License	<input type="checkbox"/>	SED – Special Event Distillery
<input type="checkbox"/>	BP – Brewery Public House	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	FULL ON-PREMISES SALES	<input type="checkbox"/>	LIMITED ON-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	
		OFF-PREMISES SALES	
		Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.	
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz, Chief of Police/Designee

2/15/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3H.10

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Pizza Schmizza - Forest Grove

BUSINESS LOCATION ADDRESS: 2042 Main Street

LIQUOR LICENSE TYPE: Limited On-Premises Limited On-Premises

CITY BUSINESS LICENSE: BL-000483

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales	X	L – Limited On-Premises Sales	\$100.00 New Application
F-CAT – Full ON-Premises Sales, Caterer		O – Off-Premises Sales	\$ 75.00 Change of License
F-FPC/F-CLU – Full On-Premises, Private		SEW – Special Event Winery	\$ 35.00 Temporary Sales
F-PL – Full On-Premises Public Location		SEG – Special Event Grower	X \$ 35.00 Annual Renewal
TSL – Temporary Sales License		SED – Special Event Distillery	\$ 20.00 Event License
BP – Brewery Public House			\$ No Charge: Temp Annual Use
FULL ON-PREMISES SALES	X	LIMITED ON-PREMISES SALES	OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.
BREWERY – PUBLIC			
Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.			

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz
J. F. Schutz, Chief of Police/Designee

2/12/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 34-11

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Prime Time Sports Bar & Restaurant

BUSINESS LOCATION ADDRESS: 4450 Pacific Avenue

LIQUOR LICENSE TYPE: F-COM Full On-Premises F-COM Full On-Premises

CITY BUSINESS LICENSE: BL-000025

1. TYPE OF LICENSE:		2. LICENSE FEE:	
<input checked="" type="checkbox"/> F-COM – Full On-Premises Sales		L – Limited On-Premises Sales	\$100.00 New Application
<input type="checkbox"/> F-CAT – Full ON-Premises Sales, Caterer		O – Off-Premises Sales	\$ 75.00 Change of License
<input type="checkbox"/> F-FPC/F-CLU – Full On-Premises, Private		SEW – Special Event Winery	\$ 35.00 Temporary Sales
<input type="checkbox"/> F-PL – Full On-Premises Public Location		SEG – Special Event Grower	<input checked="" type="checkbox"/> \$ 35.00 Annual Renewal
<input type="checkbox"/> TSL – Temporary Sales License		SED – Special Event Distillery	\$ 20.00 Event License
<input type="checkbox"/> BP – Brewery Public House			\$ No Charge: Temp Annual Use
<input checked="" type="checkbox"/> FULL ON-PREMISES SALES		LIMITED ON-PREMISES SALES	OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.	
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz, Chief of Police/Designee

2/5/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3 H. 10

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Rainbow Lanes

BUSINESS LOCATION ADDRESS: 2748 19th Place

LIQUOR LICENSE TYPE: F-COM Full On-Premises F-COM Full On-Premises

CITY BUSINESS LICENSE: BL-001916

1. TYPE OF LICENSE:		2. LICENSE FEE:			
<input checked="" type="checkbox"/>	F-COM – Full On-Premises Sales	<input type="checkbox"/>	L – Limited On-Premises Sales	\$100.00 New Application	
<input type="checkbox"/>	F- CAT – Full ON-Premises Sales, Caterer	<input type="checkbox"/>	O – Off-Premises Sales	\$ 75.00 Change of License	
<input type="checkbox"/>	F-FPC/F-CLU – Full On-Premises, Private	<input type="checkbox"/>	SEW – Special Event Winery	\$ 35.00 Temporary Sales	
<input type="checkbox"/>	F-PL – Full On-Premises Public Location	<input type="checkbox"/>	SEG – Special Event Grower	X \$ 35.00 Annual Renewal	
<input type="checkbox"/>	TSL – Temporary Sales License	<input type="checkbox"/>	SED – Special Event Distillery	\$ 20.00 Event License	
<input type="checkbox"/>	BP – Brewery Public House	<input type="checkbox"/>		\$ No Charge: Temp Annual Use	
<input checked="" type="checkbox"/>	FULL ON-PREMISES SALES	<input type="checkbox"/>	LIMITED ON-PREMISES SALES	<input type="checkbox"/>	OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.	
		BREWERY – PUBLIC			
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.			

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz
J. F. Schutz, Chief of Police/Designee

2/12/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3. H. 13

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Smoke 4 Less

BUSINESS LOCATION ADDRESS: 3010 Pacific Ave, Suite A

LIQUOR LICENSE TYPE: Off-PremisesOff-Premises

CITY BUSINESS LICENSE: BL-001465

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales		L – Limited On-Premises Sales	\$100.00 New Application
F-CAT – Full ON-Premises Sales, Caterer	X	O – Off-Premises Sales	\$ 75.00 Change of License
F-FPC/F-CLU – Full On-Premises, Private		SEW – Special Event Winery	\$ 35.00 Temporary Sales
F-PL – Full On-Premises Public Location		SEG – Special Event Grower	X \$ 35.00 Annual Renewal
TSL – Temporary Sales License		SED – Special Event Distillery	\$ 20.00 Event License
BP – Brewery Public House			\$ No Charge: Temp Annual Use
FULL ON-PREMISES SALES		LIMITED ON-PREMISES SALES	X OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz
J. F. Schutz, Chief of Police/Designee

2/6/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3.4.14

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Super Mercado La Montana

BUSINESS LOCATION ADDRESS: 1905 Mountain View Lane, Suite 100

LIQUOR LICENSE TYPE: Off-PremisesOff-Premises

CITY BUSINESS LICENSE: BL-000319

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales		L – Limited On-Premises Sales	\$100.00 New Application
F- CAT – Full ON-Premises Sales, Caterer	X	O – Off-Premises Sales	\$ 75.00 Change of License
F-FPC/F-CLU – Full On-Premises, Private		SEW – Special Event Winery	\$ 35.00 Temporary Sales
F-PL – Full On-Premises Public Location		SEG – Special Event Grower	X \$ 35.00 Annual Renewal
TSL – Temporary Sales License		SED – Special Event Distillery	\$ 20.00 Event License
BP – Brewery Public House			\$ No Charge: Temp Annual Use
FULL ON-PREMISES SALES		LIMITED ON-PREMISES SALES	X OFF-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz
J. F. Schutz, Chief of Police/Designee

2/13/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3.H.15

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: The Masonic Grand Lodge of Oregon

BUSINESS LOCATION ADDRESS: 2300 Masonic Way

LIQUOR LICENSE TYPE: F-CLU Full-On Premises F-CLU Full-On Premises

CITY BUSINESS LICENSE: BL-002046

1. TYPE OF LICENSE:		2. LICENSE FEE:	
<input checked="" type="checkbox"/>	F-COM – Full On-Premises Sales	<input type="checkbox"/>	L – Limited On-Premises Sales
	F-CAT – Full ON-Premises Sales, Caterer	<input type="checkbox"/>	O – Off-Premises Sales
	F-FPC/F-CLU – Full On-Premises, Private	<input type="checkbox"/>	SEW – Special Event Winery
	F-PL – Full On-Premises Public Location	<input type="checkbox"/>	SEG – Special Event Grower
	TSL – Temporary Sales License	<input type="checkbox"/>	SED – Special Event Distillery
	BP – Brewery Public House		
<input checked="" type="checkbox"/>	FULL ON-PREMISES SALES	<input type="checkbox"/>	LIMITED ON-PREMISES SALES
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.		Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	
		BREWERY – PUBLIC	
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	OFF-PREMISES SALES
		Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz, Chief of Police/Designee

2/5/19
Date



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: 3. H. 16

MEETING DATE: _____

FINAL ACTION: _____

LIQUOR LICENSE RECOMMENDATION

BUSINESS NAME / INDIVIDUAL: Waltz Brewing

BUSINESS LOCATION ADDRESS: 1900 A Street

LIQUOR LICENSE TYPE: Brewery - Public House Brewery - Public House

CITY BUSINESS LICENSE: BL-001658

1. TYPE OF LICENSE:		2. LICENSE FEE:	
F-COM – Full On-Premises Sales	L – Limited On-Premises Sales	\$100.00	New Application
F-CAT – Full ON-Premises Sales, Caterer	O – Off-Premises Sales	\$ 75.00	Change of License
F-FPC/F-CLU – Full On-Premises, Private	SEW – Special Event Winery	\$ 35.00	Temporary Sales
F-PL – Full On-Premises Public Location	SEG – Special Event Grower	X \$ 35.00	Annual Renewal
TSL – Temporary Sales License	SED – Special Event Distillery	\$ 20.00	Event License
X BP – Brewery Public House		\$ No Charge:	Temp Annual Use
FULL ON-PREMISES SALES	LIMITED ON-PREMISES SALES	OFF-PREMISES SALES	
Allows sale and service of distilled spirits, malt beverages, wine and cider for consumption on licensed premises and required to have dining seating. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows sale and service of malt beverages, wine and cider for consumption on licensed premises. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises. Also allows applying for temporary use of annual license for special events off-premises.	Allows the sale of malt beverages, wine and cider in factory sealed containers for consumption off licensed premises. Also allows applying for sample tasting on premises.	
<input checked="" type="checkbox"/> BREWERY – PUBLIC			
		Allows manufacturing malt beverages and to sell and distribute to patrons and wholesalers. Allows sale of malt beverages, wine and cider in securely covered container (growler) for consumption off licensed premises.	

APPLICABLE CRIMINAL RECORDS CHECK:

NONE

SUPPORTING DOCUMENTATION ATTACHED

RECOMMENDED ACTION:

FORWARD WITH APPROVAL

REJECT APPLICATION (Memorandum Required)

J. F. Schutz
J. F. Schutz, Chief of Police/Designee

2/22/19
Date



City of Forest Grove
Forest Grove, Oregon

Dear City Council:

We have audited the financial statements of the City of Forest Grove and Forest Grove Urban Renewal Agency as of and for the year ended June 30, 2018, and have issued our report thereon dated January 30, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 5, 2018, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Forest Grove solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Forest Grove is included in Note 1 to the financial statements. The City of Forest Grove adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (GASB 75) during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the depreciation expense which is based on management's estimate of the economic useful life of capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, deferred outflows and deferred inflows are based on an actuarial valuation performed on the City of Forest Grove Retirement Plan and on PERS. We evaluated the key factors and assumptions used in the actuarial valuation in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other postemployment benefits liability which is based on an actuarial valuation performed on the City's plan that benefits retirees. We evaluated the key factors and assumptions used in the actuarial valuation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. The following are uncorrected financial statement misstatements whose effects in the current period, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit:

Management did not reduce the year-end property tax receivable \$61,285 for the Comcast settlement amounts actually received.

Management did not accrue \$52,136 of franchise tax and \$119,054 of state gas tax received in July 2018 for June 2018.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Forest Grove's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested and received certain written representations from management in the letter dated January 30, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Forest Grove, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Forest Grove's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

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

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 30, 2019



**ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018**

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**CITY OF FOREST GROVE
OFFICERS AND MEMBERS OF THE GOVERNING BODY
For the Year Ended June 30, 2018**

CITY MANAGER

Jesse VanderZanden

MAYOR

Peter Truax
3131 Forest Gale Drive
Forest Grove, OR 97116

CITY COUNCIL

Timothy Rippe
3334 Edgeview Lane
Forest Grove, OR 97116

Thomas Johnston
2323 15th Avenue
Forest Grove, OR 97116

Malynda Wenzl
2519 Heather Way
Forest Grove, OR 97116

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

Ronald Thompson
3231 Lavina Drive
Forest Grove, OR 97116

Elena Uhing
1633 Pacific Avenue
Forest Grove, OR 97116

CITY ADDRESS

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

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CITY OF FOREST GROVE

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INDEPENDENT AUDITOR’S REPORT

www.bcsllc.com

Honorable Mayor and Members
of the City Council
CITY OF FOREST GROVE
Forest Grove, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of CITY OF FOREST GROVE, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hillsboro-Forest Grove-Beaverton-Tualatin Valley Water District Joint Water Commission and the Barney Reservoir Joint Ownership Commission, which represent 8 percent of the assets of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hillsboro-Forest Grove-Beaverton-Tualatin Valley Water District Joint Water Commission and the Barney Reservoir Joint Ownership Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of CITY OF FOREST GROVE, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Street, and Urban Renewal Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Emphasis of Matter

As discussed in Note 1(P) to the financial statements, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 30, 2019 on our consideration of the City's compliance with certain provisions of laws and regulation, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 30, 2019

By:



Bradley G. Bingenheimer, Member

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

- Total assets of the City exceeded its liabilities by \$115.7 million at June 30, 2018. Of this amount, \$15.1 million is reported as unrestricted net position which may be used to meet the City's obligations.
- During the year, the City's net position increased by \$3.62 million in governmental activities and increased by \$4.44 million in business-type activities for a total increase of \$8.06 million.
- The General Fund reported an ending fund balance at June 30, 2018, of \$7,673,758 which is an increase of \$748,345 from the prior fiscal year. Ending fund balance at June 30, 2018 was 42% of the General Fund expenditures for the fiscal year ending June 30, 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Statements

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

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

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

Fund Financial Statements

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

The City has the following types of funds:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

**NET POSITION – As of JUNE 30, 2018 and 2017
(In thousands of dollars)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and other assets	\$ 32,591	\$ 27,504	\$ 35,056	\$ 32,713	\$ 67,647	\$ 60,217
Capital assets, net	<u>31,064</u>	<u>30,190</u>	<u>49,364</u>	<u>46,624</u>	<u>80,428</u>	<u>76,184</u>
Total assets	<u>63,655</u>	<u>57,694</u>	<u>84,420</u>	<u>79,337</u>	<u>148,075</u>	<u>137,031</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	\$ 6,550	\$ 7,987	\$ 2,581	\$ 3,083	\$ 9,131	\$ 11,070
OPEB Items	44	-	15	-	59	-
Deferred charge	-	-	24	28	24	28
Total Deferred Outflows of Resources	<u>6,594</u>	<u>7,987</u>	<u>2,620</u>	<u>3,111</u>	<u>9,214</u>	<u>11,098</u>
LIABILITIES						
Current and other liabilities	\$ 847	\$ 861	\$ 2,259	\$ 2,221	\$ 3,106	\$ 3,082
Long-term obligations	<u>22,984</u>	<u>22,070</u>	<u>15,288</u>	<u>15,186</u>	<u>38,272</u>	<u>37,256</u>
Total liabilities	<u>23,831</u>	<u>22,931</u>	<u>17,547</u>	<u>17,407</u>	<u>41,378</u>	<u>40,338</u>
DEFERRED INFLOW OF RESOURCES						
Pension related items	\$ 58	\$ 94	\$ 23	\$ 35	\$ 81	\$ 129
OPEB Items	<u>75</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>100</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>133</u>	<u>94</u>	<u>48</u>	<u>35</u>	<u>181</u>	<u>129</u>
NET POSITION						
Net investment in capital assets	\$ 31,064	\$ 30,190	\$ 42,964	\$ 39,965	\$ 74,028	\$ 70,155
Restricted	19,253	14,897	7,320	6,099	26,573	20,996
Unrestricted	<u>(4,032)</u>	<u>(2,431)</u>	<u>19,161</u>	<u>18,942</u>	<u>15,129</u>	<u>16,511</u>
Total net position	<u>\$ 46,285</u>	<u>\$ 42,656</u>	<u>\$ 69,445</u>	<u>\$ 65,006</u>	<u>\$ 115,730</u>	<u>\$ 107,662</u>

Total governmental assets are up about \$6.0 million or 10% from previous fiscal year. Funds received from system development charges and the purchase of property for a proposed new police facility represent a significant portion of the increase.

Business-type capital assets represent 58.5% of the total business-type assets and increased by \$2.7 million from the prior year. Multi-year projects to renovate two of the City's three electric substations and continued improvements at the City's water treatment plant and distribution system continue to be the principal reasons for the increase in business-type capital assets.

The increase in net position is due primarily to the purchase of the above capital assets and funds received from system development charges on new development.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

STATEMENT OF ACTIVITIES for FISCAL YEARS ENDING JUNE 30, 2018 and 2017

(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES:						
Program revenues:						
Charges for services	\$ 9,816	\$ 8,951	\$ 26,265	\$ 24,777	\$ 36,081	\$ 33,728
Operating grants	1,654	131	-	240	1,654	371
Capital grants	4,637	2,520	1,753	890	6,390	3,410
General revenues:						
Taxes	9,404	10,952	-	-	9,404	10,952
Other	1,502	298	2,273	1,373	3,775	1,671
Total revenues	<u>27,013</u>	<u>22,852</u>	<u>30,291</u>	<u>27,280</u>	<u>57,304</u>	<u>50,132</u>
EXPENSES:						
General government	9,520	10,279	-	-	9,520	10,279
Public safety	10,834	10,323	-	-	10,834	10,323
Highways and streets	2,405	2,730	-	-	2,405	2,730
Culture and recreation	1,632	1,617	-	-	1,632	1,671
Power services	-	-	17,289	16,259	17,289	16,259
Sewer services	-	-	1,326	1,328	1,326	1,328
Water services	-	-	4,672	4,330	4,672	4,330
Surface water management	-	-	826	737	826	737
Interest on long-term debt	41	21	-	-	41	21
Total expenses	<u>24,432</u>	<u>24,970</u>	<u>24,113</u>	<u>22,564</u>	<u>48,545</u>	<u>47,624</u>
Change in net position before transfers	2,581	(2,118)	6,178	4,626	8,759	2,508
Transfers	1,560	1,359	(1,560)	(1,359)	-	-
Change in net position	4,141	(739)	4,618	3,267	8,759	2,508
Net position at beginning of year	42,656	43,415	65,006	61,739	107,662	105,154
Prior period adjustment	(512)	-	(179)	-	(691)	-
Net position at end of year	<u>\$ 46,285</u>	<u>\$ 42,656</u>	<u>\$ 69,445</u>	<u>\$ 65,006</u>	<u>\$ 115,730</u>	<u>\$ 107,662</u>

The City's total revenues were \$57.3 million which increased by 14.3% from 2017. The major sources of revenues are business-type activity charges for services and taxes, which account for 63.0% and 16.4% of total revenues, respectively. The total cost of all programs was \$48.5 million which is a 1.9% increase from 2017. Net position increased by \$8 million or 7.5% from 2017 indicating an increase in the City's overall financial position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental fund balances totaled \$28,940,371 at June 30, 2018, for an increase of \$5,192,955. Proprietary net position totaled \$69,444,858 at June 30, 2018, for an overall increase of \$4,438,373. The principal reasons for the changes are explained in the preceding section. A summary of changes in governmental and proprietary fund balances is as follows:

CHANGE IN GOVERNMENTAL FUND BALANCES

<u>Fund</u>	<u>Balance at June 30, 2018</u>	<u>Balance at June 30, 2017</u>	<u>Change</u>
General	\$ 7,673,758	\$ 6,925,413	\$ 748,345
Street	1,359,004	1,471,316	(112,312)
Urban Renewal Agency	(1,872,099)	(1,971,754)	99,655
Transportation Development Tax	9,145,906	6,373,308	2,772,598
Non-major governmental	<u>12,633,802</u>	<u>10,949,133</u>	<u>1,684,669</u>
Totals	<u>\$ 28,940,371</u>	<u>\$ 23,747,416</u>	<u>\$ 5,192,955</u>

CHANGE IN PROPRIETARY NET POSITION

<u>Fund</u>	<u>Balance at June 30, 2018</u>	<u>Balance at June 30, 2017</u>	<u>Change</u>
Light	\$ 20,994,191	\$ 20,424,172	\$ 570,019
Sewer	11,839,198	11,394,425	444,773
Water	22,369,025	20,360,726	2,008,299
Surface Water Management	6,922,621	6,727,576	195,045
Non-major proprietary	<u>7,319,823</u>	<u>6,099,586</u>	<u>1,220,237</u>
Totals	<u>\$ 69,444,858</u>	<u>\$ 65,006,475</u>	<u>\$ 4,438,373</u>

City Fund's Highlights

The fund balance in the General Fund increased by \$748,345 as reimbursement from other governments and interest revenue were higher than expected, and operating departments spent less than budgeted appropriations. Other increases in governmental fund balances was primarily due to system development fees collected for parks and traffic impact.

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

CAPITAL ASSETS

At June 30, 2018, the City had \$80,428,372 invested in a broad range of capital assets, including land, buildings, equipment, utility systems, and intangible water rights. The City's capital assets, net of accumulated depreciation increased by \$3,613,978. More detailed information about the City's capital assets is presented in the notes to the financial statements.

LONG TERM DEBT

At June 30, 2018, the City had \$6,036,933 in outstanding notes and contracts payable. The City has had no change in its credit rating of Aa3 from Moody's. Moody's last credit review was of the June 30, 2016, financial statements. More detailed information about the City's long term debt is presented in the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Factors considered in preparing the City's General Fund budget for the 2018-19 fiscal year were, but not limited to the following:

- Residential development including multi-family housing continues to occur at good pace allowing the City's taxable assessed value to increase at 5.7% resulting in higher than projected property tax revenue. Smaller industrial development whose enterprise zone benefits are expired also helped the increase in taxable assessed value again this fiscal year.
- The City is seeing an increase in multi-family and commercial development after years of little activity. The development is bringing in significant system development charges but not a significant increase in General Fund property taxes as most of this development is occurring in the City's urban renewal area.
- The City's five-year local option property tax levy is at the same rate for the remaining four years through June 30, 2023. The renewal of this levy will help the City to maintain current service levels but does not provide new funding for increased services.
- The largest impact on the City's operating budget continues to be the costs of the City's private defined benefit retirement plan. Contributions to this plan will continue to increase significantly as the City continues to implement changes to the Plan's actuarial assumptions recommended by the actuary. The current contribution to that plan is approximately \$3.7 million per year which is an increase from \$2.3 million from three fiscal years ago. The City has lowered the assumed rate of return from 7.25% to 6.50% over the past three years and the actuary is recommending the City lower the assumed rate of return to 5.75% or 6.00%. The City is reviewing the costs of this recommendation and if and how it will be implemented.
- Electric and water rates are expected to increase for the next several years as the City continues to address updating aging infrastructure for both of those utilities. The City is currently updating its Water Master Plan and will review the results of the plan and what effect the implementation of the plan will have on water rates. The City is going to be updating its Electric Master Plan update as well now that the substation upgrades are substantially complete.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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CITY OF FOREST GROVE

**STATEMENT OF NET POSITION
June 30, 2018**

	Governmental Activities	Business-type Activities	Totals
<u>ASSETS</u>			
Cash and cash equivalents	\$ 29,420,440	\$ 23,198,476	\$ 52,618,916
Investments	1,821,501	1,442,737	3,264,238
Receivables, net	1,083,033	3,213,169	4,296,202
Inventory	-	714,526	714,526
Prepaid items	266,336	1,065	267,401
Investment in joint ventures	-	6,486,238	6,486,238
Capital assets:			
Land and construction in progress	9,393,429	4,247,495	13,640,924
Other capital assets, net	21,670,623	45,116,825	66,787,448
TOTAL ASSETS	63,655,362	84,420,531	148,075,893
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related items	6,549,898	2,580,838	9,130,736
Other postemployment benefit related items	44,387	14,739	59,126
Excess of reacquisition price over carrying amount of refunded long-term obligations	-	24,024	24,024
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,594,285	2,619,601	9,213,886
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	604,708	2,066,477	2,671,185
Payroll related liabilities	235,232	85,105	320,337
Accrued interest payable	-	48,763	48,763
Deposits	7,418	59,301	66,719
Long-term obligations:			
Due within one year	844,271	944,534	1,788,805
Due in more than one year:	22,140,141	14,343,620	36,483,761
TOTAL LIABILITIES	23,831,770	17,547,800	41,379,570
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related items	58,146	22,551	80,697
Other postemployment benefit related items	75,058	24,923	99,981
TOTAL DEFERRED INFLOWS OF RESOURCES	133,204	47,474	180,678
<u>NET POSITION</u>			
Net investment in capital assets	31,064,052	42,964,199	74,028,251
Restricted for:			
Highways and streets	1,439,881	-	1,439,881
Building operations	2,327,032	-	2,327,032
Community enhancement	92,893	-	92,893
Tourism	53,544	-	53,544
Capital projects	15,291,338	7,319,823	22,611,161
Other purposes	47,772	-	47,772
Unrestricted	(4,031,839)	19,160,836	15,128,997
TOTAL NET POSITION	\$ 46,284,673	\$ 69,444,858	\$ 115,729,531

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Totals
			Grants and Contributions	Grants and Contributions			
Governmental activities							
General government	\$ 9,519,481	\$ 7,691,056	\$ 11,644	\$ 360,939	\$ (1,455,842)		\$ (1,455,842)
Public safety	10,833,908	1,440,644	12,714	-	(9,380,550)		(9,380,550)
Highways and streets	2,405,058	184,770	1,576,048	3,109,322	2,465,082		2,465,082
Culture and recreation	1,632,350	499,523	53,357	1,166,771	87,301		87,301
Interest on long-term obligations	41,252	-	-	-	(41,252)		(41,252)
Total governmental activities	24,432,049	9,815,993	1,653,763	4,637,032	(8,325,261)		(8,325,261)
Business-type activities							
Light	17,289,683	18,843,812	-	-		\$ 1,554,129	1,554,129
Sewer	1,325,519	1,493,035	-	421,949		589,465	589,465
Water	4,671,691	4,813,678	-	1,259,600		1,401,587	1,401,587
Surface water management	826,262	1,114,187	-	71,726		359,651	359,651
Total business-type activities	24,113,155	26,264,712	-	1,753,275		3,904,832	3,904,832
Totals	\$48,545,204	\$36,080,705	\$ 1,653,763	\$ 6,390,307	(8,325,261)	3,904,832	(4,420,429)
General revenues							
Property taxes, levied for:							
General purposes					8,451,760	-	8,451,760
Other					163,428	-	163,428
Franchise taxes					675,650	-	675,650
Transient room tax					113,424	-	113,424
Grants and contributions not restricted to specific programs					751,758	-	751,758
Unrestricted investment earnings					529,713	317,193	846,906
Rents					-	36,050	36,050
Miscellaneous					220,417	1,746,816	1,967,233
Income from investment in joint ventures					-	173,010	173,010
Transfers					1,560,752	(1,560,752)	-
Total general revenues and transfers					12,466,902	712,317	13,179,219
Change in net position					4,141,641	4,617,149	8,758,790
Net position - beginning					42,655,555	65,006,485	107,662,040
Prior period adjustment					(512,523)	(178,776)	(691,299)
Net position - ending					\$46,284,673	\$69,444,858	\$115,729,531

See accompanying notes

CITY OF FOREST GROVE

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	General	Street	Urban Renewal	Transpor- tation Development	Total Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents	\$ 7,154,796	\$ 1,294,677	\$ 185,517	\$ 8,610,414	\$ 10,019,745	\$ 27,265,149
Investments	445,741	80,517	11,538	535,492	614,174	1,687,462
Receivables, net	724,740	19,028	2,925	-	336,340	1,083,033
Prepaid items	136,431	-	-	-	-	136,431
Advances to other funds	12,476	-	-	-	-	12,476
Due from other funds	-	-	-	-	2,062,561	2,062,561
TOTAL ASSETS	\$ 8,474,184	\$ 1,394,222	\$ 199,980	\$ 9,145,906	\$ 13,032,820	\$ 32,247,112
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 226,944	\$ 12,022	\$ 7,500	\$ -	\$ 317,451	\$ 563,917
Payroll related liabilities	218,566	4,168	-	-	9,082	231,816
Deposits	-	-	-	-	7,418	7,418
Advances from other funds	-	-	-	-	12,476	12,476
Due to other funds	-	-	2,062,561	-	-	2,062,561
TOTAL LIABILITIES	445,510	16,190	2,070,061	-	346,427	2,878,188
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	354,916	19,028	2,018	-	52,591	428,553
TOTAL DEFERRED INFLOWS OF RESOURCES	354,916	19,028	2,018	-	52,591	428,553
<u>FUND BALANCES</u>						
Nonspendable	136,431	-	-	-	41,186	177,617
Restricted	-	1,359,004	-	9,145,906	8,687,336	19,192,246
Committed	-	-	-	-	621,216	621,216
Assigned	900,000	-	-	-	3,284,064	4,184,064
Unassigned	6,637,327	-	(1,872,099)	-	-	4,765,228
TOTAL FUND BALANCES	7,673,758	1,359,004	(1,872,099)	9,145,906	12,633,802	28,940,371
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,474,184	\$ 1,394,222	\$ 199,980	\$ 9,145,906	\$ 13,032,820	

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

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	31,064,052
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	428,553
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	\$ 4,422,996
Plus: Compensated absences of the internal service fund included below	10,642
Plus: Pension related liabilities, deferred outflows and deferred inflows	107,974
Plus: Other postemployment benefit related liabilities, deferred outflows and deferred inflows	20,936
Less: Capital assets of the internal service fund included above	(2,187,520)
Deferred outflows related to the City's pension plan and other postemployment benefits plan are not current financial resources and therefore are not reported in the funds	6,594,285
Some liabilities, including compensated absences, net pension liability and other postemployment benefit liability, are not due and payable in the current period and, therefore, are not reported in the funds.	(22,984,412)
Deferred inflows related to the City's pension plan and other postemployment benefit plan are reported in the statement of net position but are not reported in the funds	(133,204)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 46,284,673

See accompanying notes

CITY OF FOREST GROVE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	General	Street	Urban Renewal	Transpor- tation Development	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 8,447,185	\$ -	\$ 163,428	\$ -	\$ -	\$ 8,610,613
Other taxes	134,443	-	-	2,651,160	53,357	2,838,960
Licenses and permits	308,813	24,657	-	-	1,359,688	1,693,158
Intergovernmental	2,581,901	1,561,153	-	-	735,169	4,878,223
System development charges	-	-	-	-	1,094,000	1,094,000
Fees and fines	546,499	-	-	-	-	546,499
Franchise fees	675,650	-	-	-	-	675,650
Interest	185,836	13,303	3,121	121,438	178,474	502,172
Grants	13,948	-	-	-	94,416	108,364
Charges for services	4,338,567	159,635	-	-	355,153	4,853,355
Miscellaneous	351,301	2,096	100	-	89,087	442,584
TOTAL REVENUES	<u>17,584,143</u>	<u>1,760,844</u>	<u>166,649</u>	<u>2,772,598</u>	<u>3,959,344</u>	<u>26,243,578</u>
EXPENDITURES						
General government	6,205,394	-	25,742	-	899,500	7,130,636
Public safety	10,014,710	-	-	-	-	10,014,710
Highways and streets	-	1,301,701	-	-	490,512	1,792,213
Culture and recreation	1,359,094	-	-	-	670	1,359,764
Capital outlay	665,542	571,455	-	-	709,116	1,946,113
Debt service	-	-	41,252	-	-	41,252
TOTAL EXPENDITURES	<u>18,244,740</u>	<u>1,873,156</u>	<u>66,994</u>	<u>-</u>	<u>2,099,798</u>	<u>22,284,688</u>
Excess (deficiency) of revenues over expenditures	<u>(660,597)</u>	<u>(112,312)</u>	<u>99,655</u>	<u>2,772,598</u>	<u>1,859,546</u>	<u>3,958,890</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,431,768	-	-	-	167,000	1,598,768
Transfers out	(22,826)	-	-	-	(341,877)	(364,703)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,408,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,877)</u>	<u>1,234,065</u>
Net change in fund balances	748,345	(112,312)	99,655	2,772,598	1,684,669	5,192,955
Fund balances at beginning of year	<u>6,925,413</u>	<u>1,471,316</u>	<u>(1,971,754)</u>	<u>6,373,308</u>	<u>10,949,133</u>	<u>23,747,416</u>
Fund balances at end of year	<u>\$ 7,673,758</u>	<u>\$ 1,359,004</u>	<u>\$ (1,872,099)</u>	<u>\$ 9,145,906</u>	<u>\$ 12,633,802</u>	<u>\$ 28,940,371</u>

See accompanying notes

CITY OF FOREST GROVE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 5,192,955

Amounts reported for governmental activities in the statement of activities are different because of the following:

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

Capitalized expenditures	\$ 2,671,508	
Depreciation	<u>(1,439,613)</u>	1,231,895

The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (505,612)

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

Property taxes	4,575	
Assessments	(88,750)	
Fees	1,651	
Other	<u>942</u>	(81,582)

In the statement of activities, the changes in net pension liability, deferred inflows of resources, and deferred outflows of resources related to the City's defined benefit retirement plan and PERS are reported as additional expenses for increases and a reduction of expenses for decreases (1,955,508)

In the statement of activities, the changes in other postemployment benefit liability, deferred inflows of resources and deferred outflows of resources related to the City's other postemployment benefit plan are reported as additional expenses for increases and a reduction of expenses for decreases (72,958)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Compensated absences		120,409
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Net income of internal service funds after eliminating transfers and income reported above		<u>212,042</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,141,641

See accompanying notes

CITY OF FOREST GROVE

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 8,353,182	\$ 8,353,182	\$ 8,447,185	\$ 94,003
Transient room tax	105,000	105,000	113,424	8,424
Licenses and permits	149,765	149,765	308,813	159,048
Intergovernmental	2,082,444	2,313,332	2,581,901	268,569
Construction excise tax	12,500	12,500	21,019	8,519
Fees and fines	505,400	505,400	546,499	41,099
Franchise fees	632,500	632,500	675,650	43,150
Interest	145,000	145,000	185,237	40,237
Grants	94,933	94,933	13,948	(80,985)
Charges for services	4,315,485	4,315,485	4,329,655	14,170
Miscellaneous	334,868	334,868	351,301	16,433
TOTAL REVENUES	<u>16,731,077</u>	<u>16,961,965</u>	<u>17,574,632</u>	<u>612,667</u>
EXPENDITURES				
Legislative and executive	581,306	581,306	559,950	21,356
Administrative services	2,945,945	3,615,945	3,372,122	243,823
Library	1,187,425	1,187,425	1,169,091	18,334
Planning	589,157	589,157	436,953	152,204
Fire	4,169,894	4,575,782	4,362,525	213,257
Engineering	933,504	933,504	901,875	31,629
Police	6,119,389	6,119,389	5,662,185	457,204
Aquatics	694,573	694,573	673,766	20,807
Parks and recreation	775,888	775,888	685,328	90,560
Municipal court	421,121	421,121	420,945	176
Contingency	1,000,000	155,000	-	155,000
TOTAL EXPENDITURES	<u>19,418,202</u>	<u>19,649,090</u>	<u>18,244,740</u>	<u>1,404,350</u>
Excess (deficiency) of revenues over expenditures	<u>(2,687,125)</u>	<u>(2,687,125)</u>	<u>(670,108)</u>	<u>2,017,017</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,433,575	1,433,575	1,431,768	(1,807)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,433,575</u>	<u>1,433,575</u>	<u>1,431,768</u>	<u>(1,807)</u>
Net change in fund balance	(1,253,550)	(1,253,550)	761,660	2,015,210
Fund balance at beginning of year	<u>6,459,675</u>	<u>6,459,675</u>	<u>6,912,098</u>	<u>452,423</u>
Fund balance at end of year	<u>\$ 5,206,125</u>	<u>\$ 5,206,125</u>	<u>\$ 7,673,758</u>	<u>\$ 2,467,633</u>

See accompanying notes

CITY OF FOREST GROVE

**STREET FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Licenses and permits	\$ -	\$ -	\$ 24,657	\$ 24,657
Intergovernmental	1,431,634	1,431,634	1,561,153	129,519
Interest	7,500	7,500	13,303	5,803
Charges for services	150,000	150,000	159,635	9,635
Miscellaneous	-	-	2,096	2,096
TOTAL REVENUES	<u>1,589,134</u>	<u>1,589,134</u>	<u>1,760,844</u>	<u>171,710</u>
EXPENDITURES				
Street services	1,862,963	1,962,963	1,873,156	89,807
Contingency	100,000	-	-	-
TOTAL EXPENDITURES	<u>1,962,963</u>	<u>1,962,963</u>	<u>1,873,156</u>	<u>89,807</u>
Net change in fund balance	(373,829)	(373,829)	(112,312)	261,517
Fund balance at beginning of year	<u>1,472,570</u>	<u>1,472,570</u>	<u>1,471,316</u>	<u>(1,254)</u>
Fund balance at end of year	<u>\$ 1,098,741</u>	<u>\$ 1,098,741</u>	<u>\$ 1,359,004</u>	<u>\$ 260,263</u>

See accompanying notes

CITY OF FOREST GROVE

**URBAN RENEWAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 118,889	\$ 163,428	\$ 44,539
Interest	2,000	3,121	1,121
Miscellaneous	<u>-</u>	<u>100</u>	<u>100</u>
 TOTAL REVENUES	 <u>120,889</u>	 <u>166,649</u>	 <u>45,760</u>
 EXPENDITURES			
Materials and services	157,484	25,742	131,742
Debt service	<u>41,252</u>	<u>41,252</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>198,736</u>	 <u>66,994</u>	 <u>131,742</u>
 Net change in fund balance	 (77,847)	 99,655	 177,502
Fund balance at beginning of year	<u>77,847</u>	<u>90,807</u>	<u>12,960</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 190,462	 <u><u>\$ 190,462</u></u>

Reconciliation to generally accepted accounting principles

Advances from other funds	<u>(2,062,561)</u>
	<u><u>\$ (1,872,099)</u></u>

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018**

	Business-type Activities					Governmental Activities	
	Light	Sewer	Water	Surface Water Management	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<u>ASSETS</u>							
Current assets							
Cash and cash equivalents	\$ 4,165,509	\$ 3,170,682	\$ 8,333,983	\$ 615,567	\$ 6,912,735	\$ 23,198,476	\$ 2,155,291
Investments	259,057	197,188	503,103	38,283	445,106	1,442,737	134,039
Receivables, net	1,825,558	615,527	614,257	156,742	1,085	3,213,169	-
Inventory	556,323	8,250	149,953	-	-	714,526	-
Prepaid expense	900	-	165	-	-	1,065	129,905
Total current assets	<u>6,807,347</u>	<u>3,991,647</u>	<u>9,601,461</u>	<u>810,592</u>	<u>7,358,926</u>	<u>28,569,973</u>	<u>2,419,235</u>
Investment in joint ventures	-	-	6,486,238	-	-	6,486,238	-
Capital assets and intangibles							
Land	721,723	81,022	473,614	-	-	1,276,359	-
Construction in progress	2,971,136	-	-	-	-	2,971,136	-
Other capital assets and intangibles, net	19,274,754	8,747,614	10,454,064	6,640,393	-	45,116,825	2,187,520
Total capital assets	<u>22,967,613</u>	<u>8,828,636</u>	<u>10,927,678</u>	<u>6,640,393</u>	<u>-</u>	<u>49,364,320</u>	<u>2,187,520</u>
TOTAL ASSETS	<u>29,774,960</u>	<u>12,820,283</u>	<u>27,015,377</u>	<u>7,450,985</u>	<u>7,358,926</u>	<u>84,420,531</u>	<u>4,606,755</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Pension related items	1,727,056	186,837	479,095	187,850	-	2,580,838	47,303
Other postemployment benefit related items	8,415	1,267	3,487	1,570	-	14,739	687
Excess of reacquisition price over carrying amount of refunded long-term obligations	-	-	24,024	-	-	24,024	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,735,471</u>	<u>188,104</u>	<u>506,606</u>	<u>189,420</u>	<u>-</u>	<u>2,619,601</u>	<u>47,990</u>
<u>LIABILITIES</u>							
Current liabilities							
Accounts payable and accrued liabilities	865,331	3,565	605,097	4,094	-	1,478,087	40,791
Payroll related liabilities	52,826	3,292	21,447	6,820	-	84,385	3,416
Accrued interest payable	20,846	-	27,917	-	-	48,763	-
Customer deposits	59,301	-	-	-	-	59,301	-
Due to Clean Water Services	-	509,154	-	40,853	39,103	589,110	-
Current portion of long-term obligations	416,982	-	527,552	-	-	944,534	10,642
Total current liabilities	<u>1,415,286</u>	<u>516,011</u>	<u>1,182,013</u>	<u>51,767</u>	<u>39,103</u>	<u>3,204,180</u>	<u>54,849</u>
Long-term obligations							
Bonds and loans	3,167,000	-	2,288,587	-	-	5,455,587	-
Other postemployment benefit liability	250,513	37,726	103,792	46,729	-	438,760	20,461
Net pension liability	5,654,120	611,676	1,568,484	614,993	-	8,449,273	154,864
Total long-term obligations	<u>9,071,633</u>	<u>649,402</u>	<u>3,960,863</u>	<u>661,722</u>	<u>-</u>	<u>14,343,620</u>	<u>175,325</u>
TOTAL LIABILITIES	<u>10,486,919</u>	<u>1,165,413</u>	<u>5,142,876</u>	<u>713,489</u>	<u>39,103</u>	<u>17,547,800</u>	<u>230,174</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Pension related items	15,091	1,633	4,186	1,641	-	22,551	413
Other postemployment benefit related items	14,230	2,143	5,896	2,654	-	24,923	1,162
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>29,321</u>	<u>3,776</u>	<u>10,082</u>	<u>4,295</u>	<u>-</u>	<u>47,474</u>	<u>1,575</u>
<u>NET POSITION</u>							
Net investment in capital assets	19,576,613	8,828,636	7,918,557	6,640,393	-	42,964,199	2,187,520
Restricted for capital projects	-	-	-	-	7,319,823	7,319,823	-
Unrestricted	1,417,578	3,010,562	14,450,468	282,228	-	19,160,836	2,235,476
TOTAL NET POSITION	<u>\$ 20,994,191</u>	<u>\$ 11,839,198</u>	<u>\$ 22,369,025</u>	<u>\$ 6,922,621</u>	<u>\$ 7,319,823</u>	<u>\$ 69,444,858</u>	<u>\$ 4,422,996</u>

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2018**

	Business-type Activities					Governmental	
	Light	Sewer	Water	Surface Water Management	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES							
Charges for services	\$ 18,562,355	\$ 1,476,722	\$ 4,807,498	\$ 1,111,112	\$ -	\$ 25,957,687	\$ 1,735,019
Conservation incentive	223,662	-	-	-	-	223,662	-
Licenses, permits, and fees	57,795	6,620	6,180	3,075	9,693	83,363	-
TOTAL OPERATING REVENUES	<u>18,843,812</u>	<u>1,483,342</u>	<u>4,813,678</u>	<u>1,114,187</u>	<u>9,693</u>	<u>26,264,712</u>	<u>1,735,019</u>
OPERATING EXPENSES							
System operation and maintenance	3,986,698	92,170	1,947,332	268,502	519,589	6,814,291	1,623,067
Electricity purchases	10,195,015	-	-	-	-	10,195,015	-
General fund administration charges	1,441,969	644,499	1,173,354	369,205	-	3,629,027	3,655
General and administrative costs	433,104	30,756	757,779	12,614	-	1,234,253	-
Depreciation and amortization	741,114	270,901	443,584	175,491	-	1,631,090	295,538
TOTAL OPERATING EXPENSES	<u>16,797,900</u>	<u>1,038,326</u>	<u>4,322,049</u>	<u>825,812</u>	<u>519,589</u>	<u>23,503,676</u>	<u>1,922,260</u>
OPERATING INCOME (LOSS)	<u>2,045,912</u>	<u>445,016</u>	<u>491,629</u>	<u>288,375</u>	<u>(509,896)</u>	<u>2,761,036</u>	<u>(187,241)</u>
NONOPERATING REVENUES (EXPENSES)							
Interest earned	55,056	42,692	118,876	2,774	97,795	317,193	28,353
Interest	(86,159)	(3,642)	(105,304)	-	-	(195,105)	-
Rents	-	-	36,050	-	-	36,050	-
Miscellaneous	87,364	-	1,659,452	-	-	1,746,816	66,671
Gain (loss) on sale of capital assets	(405,624)	(8,750)	-	-	-	(414,374)	(22,428)
Income on investment in joint ventures	-	-	173,010	-	-	173,010	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(349,363)</u>	<u>30,300</u>	<u>1,882,084</u>	<u>2,774</u>	<u>97,795</u>	<u>1,663,590</u>	<u>72,596</u>
Income (loss) before capital contributions and transfers	1,696,549	475,316	2,373,713	291,149	(412,101)	4,424,626	(114,645)
Capital contributions	-	-	-	-	1,753,275	1,753,275	-
Transfers in	-	119,537	-	-	-	119,537	366,687
Transfers out	(1,049,440)	(122,678)	(317,130)	(70,104)	(120,937)	(1,680,289)	(40,000)
Change in net position	647,109	472,175	2,056,583	221,045	1,220,237	4,617,149	212,042
Net position at beginning of year	20,424,172	11,394,425	20,360,726	6,727,576	6,099,586	65,006,485	4,237,239
Prior period adjustment	(77,090)	(27,402)	(48,284)	(26,000)	-	(178,776)	(26,285)
Net position at end of year	<u>\$ 20,994,191</u>	<u>\$ 11,839,198</u>	<u>\$ 22,369,025</u>	<u>\$ 6,922,621</u>	<u>\$ 7,319,823</u>	<u>\$ 69,444,858</u>	<u>\$ 4,422,996</u>

See accompanying notes

CITY OF FOREST GROVE

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2018**

	Business-type Activities					Governmental	
	Light	Sewer	Water	Surface Water Management	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$ 18,759,487	\$ 1,754,828	\$ 4,730,203	\$ 1,126,792	\$ 8,608	\$ 26,379,918	\$ 1,735,019
Cash paid to employees	(3,259,814)	(315,304)	(1,065,432)	(488,091)	-	(5,128,641)	(209,489)
Cash paid to suppliers	(12,039,471)	(675,667)	(2,250,379)	(100,152)	(812,131)	(15,877,800)	(1,428,501)
Net cash provided by (used in) operating activities	3,460,202	763,857	1,414,392	538,549	(803,523)	5,373,477	97,029
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES							
Transfers in	-	-	-	-	-	-	215,295
Transfers out	(1,049,440)	(122,678)	(317,130)	(70,104)	(1,400)	(1,560,752)	(40,000)
Net cash provided by (used in) non-capital financing activities	(1,049,440)	(122,678)	(317,130)	(70,104)	(1,400)	(1,560,752)	175,295
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Transfers in	-	-	-	-	-	-	151,392
Sale of capital assets	-	-	-	-	-	-	28,631
System development charges received	-	-	-	-	1,753,275	1,753,275	-
Grants	-	-	-	-	240,000	240,000	-
Other	87,364	-	1,695,502	-	-	1,782,866	66,671
Acquisition of capital assets	(3,383,695)	(369,505)	(609,214)	(423,029)	-	(4,785,443)	(494,313)
Principal paid on long-term obligations	(218,000)	-	(342,867)	-	(115,896)	(676,763)	-
Interest paid on long-term obligations	(87,500)	-	(89,045)	-	(3,641)	(180,186)	-
Net cash provided by (used in) capital and related financing activities	(3,601,831)	(369,505)	654,376	(423,029)	1,873,738	(1,866,251)	(247,619)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest	55,056	42,692	118,876	2,774	97,795	317,193	28,353
Purchases of investments	(228,737)	(180,538)	(465,116)	(34,981)	(411,347)	(1,320,719)	(121,845)
Net cash provided by (used in) investing activities	(173,681)	(137,846)	(346,240)	(32,207)	(313,552)	(1,003,526)	(93,492)
Net increase (decrease) in cash and cash equivalents	(1,364,750)	133,828	1,405,398	13,209	755,263	942,948	(68,787)
Cash and cash equivalents at beginning of year	5,530,259	3,036,854	6,928,585	602,358	6,157,472	22,255,528	2,224,078
Cash and cash equivalent at end of year	\$ 4,165,509	\$ 3,170,682	\$ 8,333,983	\$ 615,567	\$ 6,912,735	\$ 23,198,476	\$ 2,155,291
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating income (loss)	\$ 2,045,912	\$ 445,016	\$ 491,629	\$ 288,375	\$ (509,896)	\$ 2,761,036	\$ (187,241)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation and amortization	741,114	270,901	443,584	175,491	-	1,631,090	295,538
Decrease (increase) in assets and deferred outflows							
Receivables, net	(85,576)	(33,345)	(83,475)	(11,705)	(1,085)	(215,186)	-
Inventory	55,687	(653)	14,654	-	-	69,688	-
Prepaid expense	(900)	-	(165)	-	-	(1,065)	49,949
Pension related items	233,400	24,707	55,528	20,988	-	334,623	65,655
Increase (decrease) in liabilities and deferred inflows							
Accounts payable and accrued liabilities	(44,579)	(299,735)	326,476	(22,806)	(331,645)	(372,289)	12,167
Payroll related liabilities	17,761	898	7,504	1,610	-	27,773	721
Customer deposits	1,251	-	-	-	-	1,251	-
Due to Clean Water Services	-	304,831	-	24,310	39,103	368,244	-
Compensated absences payable	41,414	-	6,008	-	-	47,422	5,076
Net pension liability	449,472	50,066	149,158	60,570	-	709,266	(145,019)
Other postemployment benefit liability	(181)	(27)	(75)	(34)	-	(317)	(15)
Pension related items	(8,803)	(945)	(2,330)	(904)	-	(12,982)	(964)
Other postemployment benefit items	14,230	2,143	5,896	2,654	-	24,923	1,162
Net cash provided by (used in) operating activities	\$ 3,460,202	\$ 763,857	\$ 1,414,392	\$ 538,549	\$ (803,523)	\$ 5,373,477	\$ 97,029
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS							
Transfers in	\$ -	\$ 119,537	\$ -	\$ -	\$ -	\$ 119,537	\$ -
Transfers out	-	-	-	-	(119,537)	(119,537)	-
Total noncash transactions	\$ -	\$ 119,537	\$ -	\$ -	\$ (119,537)	\$ -	\$ -

See accompanying notes

CITY OF FOREST GROVE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2018

	City of Forest Grove Retirement Plan	
	Trust Fund	Agency Fund
<u>ASSETS</u>		
Cash and cash equivalents	\$ 345,977	\$ 177,827
Investments	43,390,614	-
TOTAL ASSETS	43,736,591	177,827
<u>LIABILITIES</u>		
Amounts held in trust	-	\$ 177,827
<u>NET POSITION</u>		
Restricted for pension	\$ 43,736,591	

CITY OF FOREST GROVE

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

For the Year Ended June 30, 2018

	City of Forest Grove Retirement Plan Trust Fund
ADDITIONS	
Employer contributions	\$ 3,277,014
Investment earnings	<u>3,346,917</u>
Total additions	<u>6,623,931</u>
DEDUCTIONS	
Benefits	2,709,084
Administrative expenses	<u>86,736</u>
Total deductions	<u>2,795,820</u>
Change in net position	3,828,111
Net position - beginning of year	<u>39,908,480</u>
Net position - end of year	<u>\$ 43,736,591</u>

CITY OF FOREST GROVE

NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2018

1. Summary of significant accounting policies

A. Organization (reporting entity)

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

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

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

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

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

B. Government-wide financial statements and financial statement presentation

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

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

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

Enterprise – accounts for the operations of predominately self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

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

D. Budget policies and budgetary control

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

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

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

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

E. Cash and cash equivalents

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

F. Property taxes

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

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

G. User charges and fines

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

The City has uncollected municipal court fines and fees, however due to the uncertainty of collection these amounts are not reported in the financial statements. The City maintains a listing of receivables they believe are uncollectible as of June 30, 2018.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

H. Inventory

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

I. Capital assets

Fund financial statements

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

Government-wide statements

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

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

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

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

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

J. Long-term obligations

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

K. Compensated absences

i. Vacation leave

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

ii. Sick leave

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

L. Deferred outflows / inflows of resources

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

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

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

M. Retirement plans

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

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

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

N. Other postemployment benefits

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

O. Equity classification

Government-wide and proprietary fund financial statements

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Governmental fund type fund balance reporting

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

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

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

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

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

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

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

P. New accounting standards implemented

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as amended and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures. This statement also identifies the actuarial methods and assumptions that are required to be used and enhances note disclosures and required supplementary information. The specific accounts impacting the City are detailed below.

Total other postemployment benefits liability – Previous standards defined other postemployment benefits (OPEB) liabilities in terms of the Annually Required Contribution. Statement No. 75 defines the Total OPEB liability as the portion of projected benefit payments that is attributed to past periods of employee service provided through a defined benefit OPEB plan that is not administered through a trust.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Deferred inflows of resources and deferred outflows of resources – Statement No. 75 includes recognition of deferred inflows and outflows of resources associated with changes of assumptions. This difference is to be recognized in OPEB expense using a closed period equal to the average expected remaining service lives of all covered active and inactive participants.

Statement No. 75 is effective for financial statement periods beginning after June 15, 2017 with the effects of the accounting change to be applied retroactively by restating the financial statements. The City adopted this new pronouncement in the current year and, accordingly, has restated amounts of effected balances within the financial statements as of June 30, 2017 as shown in Note 22.

2. Reconciliation of generally accepted accounting principles to budgetary basis

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

	<u>General</u>
Net change in fund balances - generally accepted accounting principles basis	\$ 748,345
Revenues:	
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(9,511)
Other financing sources (uses):	
Transfers out of separately budgeted funds which are included in the general fund on the governmental fund statements	<u>22,826</u>
Net change in fund balances - budgetary basis	<u>\$ 761,660</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

	<u>General</u>	<u>Urban Renewal</u>
Beginning fund balances - generally accepted accounting principles basis	\$ 6,925,413	\$ (1,971,754)
Beginning balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(13,315)	-
Interfund loan	<u>-</u>	<u>2,062,561</u>
Beginning fund balance - budgetary basis	<u>\$ 6,912,098</u>	<u>\$ 90,807</u>
Ending fund balances - generally accepted accounting principles basis	\$ 7,673,758	\$ (1,872,099)
Interfund loan	<u>-</u>	<u>2,062,561</u>
Ending fund balance - budgetary basis	<u>\$ 7,673,758</u>	<u>\$ 190,462</u>

3. Cash, cash equivalents and investments

The City's cash, cash equivalents and investments at June 30, 2018 are as follow:

Cash and cash equivalents	
Deposits with financial institutions	\$ 6,177,971
State of Oregon Local Government Investment Pool	46,617,182
Cash on hand	1,590
Money markets	<u>345,977</u>
Total cash and cash equivalents	<u>\$ 53,142,720</u>
Investments	
Certificates of deposit	\$ 265,235
US government agencies	2,999,003
Mutual funds	<u>43,390,614</u>
Total investments	<u>\$ 46,654,852</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Cash, cash equivalents and investments (continued)

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

A. Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2018, \$5,698,213 of the City's bank balances were exposed to custodial credit risk.

B. State of Oregon Local Government Investment Pool

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

C. Investments

As of June 30, 2018 the City had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Risk Concentration</u>	<u>Weighted Average Maturity (in months)</u>
Certificates of deposits	Not Rated	\$ 265,235	0.57%	5
Mutual Fund 5100	Not Rated	43,390,614	93.00%	N/A
US government agencies	Not Rated	<u>2,999,003</u>	6.43%	24
Total investments		<u>\$ 46,654,852</u>		

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Cash, cash equivalents and investments (continued)

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

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

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

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Receivables

	Governmental Activities/Funds				Business-type Activities/Enterprise Funds					Totals
	General	Street	Urban Renewal	Nonmajor	Light	Sewer	Water	Surface Water Management	Nonmajor	
Property taxes	\$ 401,331	\$ -	\$ 2,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,256
Accounts	322,278	-	-	327,209	95,075	6,620	5,064	-	1,085	757,331
Assessments	1,067	-	-	8,191	-	-	-	-	-	9,258
User charges	-	19,028	-	-	1,877,215	625,790	639,791	161,169	-	3,322,993
Interest	64	-	-	940	-	-	-	-	-	1,004
Allowance for doubtful accounts	-	-	-	-	(146,732)	(16,883)	(30,598)	(4,427)	-	(198,640)
	<u>\$ 724,740</u>	<u>\$ 19,028</u>	<u>\$ 2,925</u>	<u>\$ 336,340</u>	<u>\$ 1,825,558</u>	<u>\$ 615,527</u>	<u>\$ 614,257</u>	<u>\$ 156,742</u>	<u>\$ 1,085</u>	<u>\$ 4,296,202</u>

5. Capital assets

A. Activity for governmental activities for the year ended June 30, 2018 was as follows:

	Balances July 1, 2017	Additions	Deletions	Balances June 30, 2018
Capital assets not being depreciated				
Land and land improvements	\$ 8,349,773	\$ 655,052	\$ -	\$ 9,004,825
Construction in progress	620,282	261,802	(493,480)	388,604
Total capital assets not being depreciated	<u>8,970,055</u>	<u>916,854</u>	<u>(493,480)</u>	<u>9,393,429</u>
Capital assets being depreciated				
Buildings and improvements	12,279,325	202,737	-	12,482,062
Machinery and equipment	8,414,798	1,183,085	(219,899)	9,377,984
Infrastructure	27,754,323	863,150	-	28,617,473
Total capital assets being depreciated	<u>48,448,446</u>	<u>2,248,972</u>	<u>(219,899)</u>	<u>50,477,519</u>
Less accumulated depreciation				
Buildings and improvements	7,598,271	214,646	-	7,812,917
Machinery and equipment	4,813,047	578,022	(156,703)	5,234,366
Infrastructure	14,817,130	942,483	-	15,759,613
Total accumulated depreciation	<u>27,228,448</u>	<u>1,735,151</u>	<u>(156,703)</u>	<u>28,806,896</u>
Total capital assets being depreciated, net	<u>21,219,998</u>	<u>513,821</u>	<u>(63,196)</u>	<u>21,670,623</u>
Governmental activities capital assets, net	<u>\$ 30,190,053</u>	<u>\$ 1,430,675</u>	<u>\$ (556,676)</u>	<u>\$ 31,064,052</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Capital assets (continued)

B. Activity for business-type activities for the year ended June 30, 2018 was as follows:

	Balances July 1, 2017	Additions	Deletions	Balances June 30, 2018
Capital assets not being depreciated				
Land	\$ 1,276,359	\$ -	\$ -	\$ 1,276,359
Work in progress	2,775,880	2,992,682	(2,797,426)	2,971,136
Total capital assets not being depreciated	<u>4,052,239</u>	<u>2,992,682</u>	<u>(2,797,426)</u>	<u>4,247,495</u>
Capital assets, being depreciated and amortized				
Buildings and improvements	10,323,147	1,404,929	(791,209)	10,936,867
Machinery and equipment	27,946,139	1,904,074	(488,138)	29,362,075
Infrastructure	43,334,506	1,281,183	-	44,615,689
Intangible-water rights	1,707,484	-	-	1,707,484
Total capital assets, being depreciated and amortized	<u>83,311,276</u>	<u>4,590,186</u>	<u>(1,279,347)</u>	<u>86,622,115</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	5,649,175	181,984	(510,278)	5,320,881
Machinery and equipment	12,731,349	690,383	(354,696)	13,067,036
Infrastructure	21,096,756	715,947	-	21,812,703
Intangible-water rights	1,261,894	42,776	-	1,304,670
Total accumulated depreciation and amortization	<u>40,739,174</u>	<u>1,631,090</u>	<u>(864,974)</u>	<u>41,505,290</u>
Total capital assets, being depreciated and amortized, net	<u>42,572,102</u>	<u>2,959,096</u>	<u>(414,373)</u>	<u>45,116,825</u>
Business-type activities capital assets, net	<u>\$ 46,624,341</u>	<u>\$ 5,951,778</u>	<u>\$ (3,211,799)</u>	<u>\$ 49,364,320</u>

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

Governmental activities:	
General government	\$ 409,030
Public safety	137,476
Highways and streets	876,332
Culture and recreation	312,313
Total governmental activities	<u>\$ 1,735,151</u>
Business-type activities:	
Light	\$ 741,114
Sewer	270,901
Water	443,584
Surface water management	175,491
Total business-type activities	<u>\$ 1,631,090</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Unavailable revenue

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

	Governmental Funds				Totals
	General	Street	Urban Renewal	Nonmajor	
Property taxes	\$ 343,854	\$ -	\$ 2,018	\$ -	\$ 345,872
Accounts	9,931	19,028	-	43,460	72,419
Interest	-	-	-	940	940
Assessments	1,131	-	-	8,191	9,322
	<u>\$ 354,916</u>	<u>\$ 19,028</u>	<u>\$ 2,018</u>	<u>\$ 52,591</u>	<u>\$ 428,553</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations

A. Changes in long-term obligations for the year ended June 30, 2018 were as follows:

	Balances July 1, 2017	Additions	Reductions	Balances June 30, 2018	Balances Due Within One Year
<u>Governmental activities</u>					
Other long-term obligations					
Compensated absences	\$ 959,604	\$ 844,271	\$ 959,604	\$ 844,271	\$ 844,271
Other postemployment benefit liability	1,322,341	-	953	1,321,388	-
Net pension liability	<u>19,914,181</u>	<u>904,572</u>	<u>-</u>	<u>20,818,753</u>	<u>-</u>
Total long-term obligations	<u>\$22,196,126</u>	<u>\$1,748,843</u>	<u>\$ 960,557</u>	<u>\$ 22,984,412</u>	<u>\$ 844,271</u>
<u>Business-type activities</u>					
Long-term debt obligations					
Loans					
Capital One Public Financing, LLC	\$ 1,975,000	\$ -	\$ 305,000	\$ 1,670,000	\$ 315,000
Premium	18,928	-	3,155	15,773	3,155
US Department of the Interior	998,027	-	37,867	960,160	39,191
Clean Water Services - Sunset sewer	115,895	-	115,895	-	-
Columbia State Bank	<u>3,609,000</u>	<u>-</u>	<u>218,000</u>	<u>3,391,000</u>	<u>224,000</u>
Total long-term debt obligations	6,716,850	-	679,917	6,036,933	581,346
Other long-term obligations					
Compensated absences	315,766	363,188	315,766	363,188	363,188
Other postemployment benefit liability	439,076	-	316	438,760	-
Net pension liability	<u>7,740,007</u>	<u>709,266</u>	<u>-</u>	<u>8,449,273</u>	<u>-</u>
Total long-term obligations	<u>\$15,211,699</u>	<u>\$1,072,454</u>	<u>\$ 995,999</u>	<u>\$ 15,288,154</u>	<u>\$ 944,534</u>

B. Business-type activities long-term debt obligations

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

Clean Water Services – Sunset sewer – The City borrowed \$987,835 to finance sewer system improvements. Semi-annual payments of \$60,997 include interest at 4.20 percent.

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

C. The future maturities for business-type activities long-term debt obligations as of June 30, 2018 are as follows:

Fiscal Year	Capital One Public Financing LLC		US Dept. of the Interior Scoggins Dam		Columbia State Bank		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 315,000	\$ 45,758	\$ 39,191	\$ 33,606	\$ 224,000	\$ 81,975	578,191	161,339
2020	325,000	37,127	40,562	32,234	229,000	76,312	594,562	145,673
2021	335,000	28,222	41,982	30,815	235,000	70,513	611,982	129,550
2022	345,000	19,043	43,452	29,345	241,000	64,563	629,452	112,951
2023	350,000	9,590	44,972	27,825	247,000	58,463	641,972	95,878
2024-2028	-	-	249,604	114,380	1,332,000	195,300	1,581,604	309,680
2029-2033	-	-	296,452	67,533	883,000	33,487	1,179,452	101,020
2034-2035	-	-	203,945	14,440	-	-	203,945	14,440
	<u>\$1,670,000</u>	<u>\$ 139,740</u>	<u>\$ 960,160</u>	<u>\$ 350,178</u>	<u>\$3,391,000</u>	<u>\$ 580,613</u>	<u>\$6,021,160</u>	<u>\$1,070,531</u>

D. The City has pledged revenue from timber sales and available water revenues for repayment of the note to Capital One Public Financing, LLC.

E. Funds used to liquidate other long-term obligations

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

8. Conduit debt

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Conduit debt (continued)

- A. On March 20, 2014, the City issued \$38,640,000 in revenue bonds to refinance the 2009 revenue bonds originally issued for Pacific University to fund capital improvement projects and to provide additional resources for capital improvement projects on the campus. At June 30, 2018, \$34,405,000 was outstanding. The bonds mature May 1, 2039.
- B. On April 22, 2015, the City issued \$35,425,000 in revenue bonds to refinance the 2005 revenue bonds originally issued for Pacific University to fund capital improvement projects and to provide additional resources for capital improvement projects on the campus. \$32,330,000 of the 2015 revenue bonds were to refinance the 2005 revenue bonds and \$3,095,000 of the 2015 revenue bonds were to provide resources for additional capital improvement projects on campus. The 2015 revenue bonds were assigned to Pacific University. At June 30, 2018, \$32,135,000 was outstanding. The bonds mature May 1, 2045.
- C. On October 19, 2016, the City issued \$17,800,000 in revenue bonds to refinance the 2013 revenue bonds originally issued for Pacific University to fund capital improvement projects. The 2016 revenue bonds were assigned to Pacific University. At June 30, 2018, \$16,351,753 was outstanding. The bonds mature October 1, 2038.
- D. On April 27, 2017, the City issued \$26,805,000 in revenue bonds to refinance the 2007 revenue bonds originally issued to fund student housing construction. The original 2007 revenue bonds were assigned to the Oak Tree Foundation, Inc., a nonprofit corporation. The 2017 revenue bonds funded the remaining \$26,965,000 in 2007 revenue bonds plus costs of issuing the 2017 revenue bonds. The 2017 revenue bonds were assigned to Oak Tree Foundation, Inc. At June 30, 2018, \$26,190,000 was outstanding. The bonds mature March 1, 2037.

9. Defined benefit pension plan

A. Plan description

Substantially all employees are participants in either the defined benefit retirement plan of City of Forest Grove (the Plan), a single employer defined benefit public employment, or the defined contribution plan (DC Plan) that was effective as of July 1, 2011. Police officers and firefighters hired on or after February 1, 2016 are provided with pensions through the Oregon Public Employment Retirement Systems (OPERS). Footnote 10 describes the DC Plan and footnotes 11 and 12 describe the OPERS.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

B. Plan membership

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

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

As of July 1, 2017, plan membership consisted of 98 retirees and beneficiaries, 29 vested terminated participants, 3 nonvested terminated participants, and 99 active participants.

C. Description of benefit terms

Normal retirement

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

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

Early retirement

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

Late retirement

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

Disability

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

Death benefits

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

D. Contributions

The City is required by the Plan's provisions to pay the employees' contribution to the Plan of seven percent of covered salaries (six percent if monthly base pay is less than \$1,500). In addition the City will contribute additional amount necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. City contributions to the plan for the year ended June 30, 2018 were \$2,768,496.

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

At June 30, 2018, the City reported a net pension liability of \$29,259,419. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date as follows:

Total pension liability	\$ 69,230,919
Plan fiduciary net position	<u>39,971,500</u>
Net pension liability	<u>\$ 29,259,419</u>
Fiduciary net position as a percentage of total pension liability	57.74%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

Changes in the net pension liability is as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Beginning balances	\$ 63,076,881	\$ 35,434,205	\$ 27,642,676
Changes for the year:			
Service cost	1,265,073	-	1,265,073
Interest on total pension liability	4,274,175	-	4,274,175
Effect of economic/demographic losses	617,091	-	617,091
Effect of assumption changes or inputs	2,039,393	-	2,039,393
Benefit payments	(2,041,694)	(2,041,694)	-
Administrative expenses	-	(115,315)	115,315
Net investment income	-	3,917,965	(3,917,965)
Employer contributions	-	2,776,339	(2,776,339)
	<u> </u>	<u> </u>	<u> </u>
Ending balances	<u>\$ 69,230,919</u>	<u>\$ 39,971,500</u>	<u>\$ 29,259,419</u>

For the year ended June 30, 2018, the City recognized pension expense of \$6,319,913. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 511,851	\$ 78,095
Changes of assumptions or inputs	5,377,984	--
Net difference between projected and actual earnings on pension plan investments	278,984	--
City's contributions subsequent to the measurement date	<u>2,768,496</u>	<u>--</u>
	<u>\$ 8,937,315</u>	<u>\$ 78,095</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

City contributions subsequent to the measurement date in the amount of \$2,768,496 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ends June 30,	
2019	\$ 3,174,545
2020	2,736,448
2021	480,780
2022	<u>(301,049)</u>
Total	<u>\$ 6,090,724</u>

F. Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. Under this method, a normal cost is determined for each active member. The normal cost is the annual contribution determined as a level percentage of base salary with would be paid from year of entry to year of retirement to fund the projected retirement benefit. The normal cost for the Plan is the sum of the individuals' normal costs. The actuarial accrued liability for active plan members is an accumulated of the normal costs from entry to the valuation date. The actuarial accrued liability for inactive members is the actuarial present value of the accrued benefits. The actuarial accrued liability for the Plan is the sum of the individual actuarial accrued liabilities. The unfunded actuarial liability is the difference between the actuarial accrued liability and the actuarial value of assets, which is amortized over 20 years on a closed level dollar basis.

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

Valuation Date	July 1, 2017
Actuarial Cost Method	Entry Age Normal, Level Percentage of Pay
Amortization Method	Amortized as a level dollar over a closed period of 20.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2 percent
Investment rate of return	6.50 percent
Projected Salary Increases	Salaries for individuals are assumed to grow at 3.75 percent per annum
Mortality	Healthy retirees and beneficiaries: RP-2014 Sex-distinct, generational per Unisex Social Security Data Scale, with collar adjustments and setbacks Participants with disabilities: RP-2014 Sex-distinct, generational per Unisex Social Security Data Scale

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion date projection

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

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

Long-term expected rate of return

The long-term expected rate of return assumption of 6.50 percent is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

Change in assumptions

The discount rate and long-term expected rate of return was decreased from 6.75 percent to 6.50 percent as of the July 1, 2017 valuation.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

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

The following presents the City of Forest Grove's net pension liability calculated using the discount rate of 6.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
Net pension liability	\$ 39,616,128	\$ 29,259,419	\$ 20,805,975

10. Defined contribution plan

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

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

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

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

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

Contributions to the plan for the year ended June 30, 2018 were \$286,800.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan - PERS

A. Plan description

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

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

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: www.oregon.gov/pers/Documents/Financials/CAFR/2017-CAFR.pdf

B. Description of benefit terms

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

Tier One/Tier Two retirement benefit (Chapter 238)

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

Pension benefits

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

Death benefits

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

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

Disability benefits

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

Benefit changes after retirement

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

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

Pension benefits

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

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

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

Death benefits

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

Disability benefits

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

Benefit changes after retirement

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

C. Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation.

Tier One/Tier Two employer contribution rates are 21.9 percent and the OPSRP employer contribution rates are 14.64 percent for public safety employees. Employer contributions for the year ended June 30, 2018 were \$147,279.

D. Actuarial valuations – Tier One/Tier Two

The December 31, 2015 actuarial valuation used the following actuarial methods and valuation procedures in determining the Tier One/Tier Two contribution rates.

Actuarial cost method

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. Under this actuarial cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

Unfunded actuarial accrued liability amortization

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

Retiree healthcare unfunded actuarial accrued liability amortization

The UAL for Retiree Health Care as of December 31, 2007 is amortized as a level percentage of combined valuation payroll (Tier One/ Tier Two plus OPSRP payroll) over a closed 10 year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over a closed 10 year period from the valuation in which they are first recognized.

Asset valuation method

The actuarial value of assets equals the market value of assets, excluding the Contingency and Capital Preservation Reserves, and the Rate Guarantee Reserve when it is in positive surplus status. Market values are reported to the actuary by PERS. Real estate and private equity investments are reported on a three-month lag basis.

Contribution rate stabilization method

Contribution rates for a rate pool (e.g. Tier One/Tier Two SLGRP, Tier One/Tier Two School Districts, OPSRP) are confined to a collared range based on the prior contribution rate (prior to application of side accounts, pre-SLGRP liabilities, and 6 percent Independent Employer minimum). The new contribution rate will generally not increase or decrease from the prior contribution rate by more than the greater of 3 percentage points or 20 percent of the prior contribution rate. If the funded percentage excluding side accounts drops below 60 percent or increases above 140 percent, the size of the collar doubles. If the funded percentage excluding side accounts is between 60 percent and 70 percent or between 130 percent and 140 percent, the size of the rate collar is increased on a graded scale.

Allocation of liability for service segments

For active Tier One/Tier Two members who have worked for multiple PERS employers over their career, the calculated actuarial accrued liability is allocated among the employers based on a weighted average of the Money Match methodology, which uses account balance, and the Full Formula methodology, which uses service. The allocation is 25 percent based on account balance with each employer and 75 percent based on service with each employer. The entire normal cost is allocated to the current employer.

Allocation of benefits-in-force reserve

The reserve is allocated to each rate pool in proportion to the retiree liability attributable to the rate pool.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

Economic assumptions

Investment return	7.50% compounded annually
Interest crediting	7.50% compounded annually
Inflation	2.50% compounded annually
Payroll growth	3.50% compounded annually
Healthcare cost trends	Ranges from 6.3% in 2016 to 4.4% in 2094

Demographic assumptions

Mortality tables

Healthy retirees	RP 2000, Generational (Scale BB) Combined Active/Healthy Annuitant, Sex Distinct
Disabled retirees	RP 2000, Generational (Scale BB), Combined Disabled, No Collar, Sex Distinct. Male 70% and Female 95% of disabled table
Non-annuitants	Ranges from 55% to 70% of healthy retired mortality tables depending upon sex and employment type

Retirement assumptions

Probability tables based on age of member, years of service and employment type with all police and fire retired by age 65 and all others retired by age 70. Dormant members are assumed to retire at Normal Retirement Age or at the first unreduced retirement age. Members retiring may elect to receive a full or partial lump sum at retirement with a partial lump sum estimated to be elected 4.5 percent of the time and a total lump sum elected 3 percent for 2015 and declining by 0.5 percent per year until reaching zero.

Salary increase assumptions

Salary increase assumptions, in addition to general payroll growth, include merit increase, unused sick leave and vacation pay adjustments.

E. Actuarial valuations – OPSRP

The December 31, 2015 actuarial valuation for OPSRP generally used the same actuarial methods and valuation procedures as Tier One/Tier Two contribution rates except as follows:

OPSRP unfunded actuarial accrued liability amortization

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

Economic assumptions

An additional amount for administrative expenses is added to the normal cost.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

Retirement assumptions

Probability tables are different but still based on age of member, years of service and employment type with all police and fire retired by age 65 and all others retired by age 70. Dormant members are assumed to retire at Normal Retirement Age or at the first unreduced retirement age. Members retiring may elect to receive a full or partial lump sum at retirement with a partial lump sum estimated to be elected 4.5 percent of the time and a total lump sum elected 3 percent for 2015 and declining by 0.5 percent per year until reaching zero.

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

Net pension liability

At June 30, 2018, the City reported a liability of \$8,607 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Employers' long-term contribution efforts are based on projected rates that have two major components:

Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier One/Tier Two payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is equal to the Unfunded Actuarial Liability (UAL). The UAL represents the portion of the projected long-term contribution effort related to past service.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

The UAL has Tier One/Tier Two and OPSRP pieces. The Tier One/Tier Two piece is based on the employer's Tier One/Tier Two pooling arrangement. If an employer participates in one of the two large Tier One/Tier Two rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier One/Tier Two UAL is their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier One/Tier Two pooling arrangement, who are referred to as "Independent Employers", have their Tier One/Tier Two UAL tracked separately in the actuarial valuation.

The projected long-term contribution effort is the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2017, the City's proportion was .00006384 percent, which was a decrease of .00001284 percent from its proportion measured as of June 30, 2016.

Pension expense

For the year ended June 30, 2018, the City recognized pension expense of \$10,466.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2017, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 417	\$ --
Changes of assumptions	1,569	--
Net difference between projected and actual earnings on pension plan investments	89	--
Changes in proportionate share	12	1,841
Difference between contributions and proportionate share of system contributions	44,055	761
Contributions subsequent to the measurement date	<u>147,279</u>	<u>--</u>
Total	<u>\$ 193,421</u>	<u>\$ 2,602</u>

\$147,279 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ends June 30,	
2019	\$ 9,953
2020	10,717
2021	10,572
2022	9,431
2023	<u>2,867</u>
Total	<u>\$ 43,540</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

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

The total pension liability measured as of June 30, 2017 was based on an actuarial valuation as of December 31, 2015 using the following methods and assumptions:

Experience study report	2014, published September 2015
Inflation rate	2.5 percent
Long-term expected rate of return	7.5 percent
Discount rate	7.5 percent
Projected salary increases	3.5 percent
	Cost of living adjustments (COLA) blend of 2.00 percent COLA and graded COLA (1.25 percent/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70 percent for males, 95 percent for females) of the RP-2000 Sex-distinct generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Discount rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. On July 28, 2017, the PERS Board adopted a discount rate of 7.2 percent. The new rate will be effective January 1, 2018.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both the actuaries capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Commodities/Other	9.37%	7.01%
Assumed Inflation - Mean		2.50%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Defined benefit pension plan – PERS (continued)

Depletion date projection

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

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

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

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

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$ 14,666	\$ 8,607	\$ 3,538

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Defined contribution plan - PERS

A. Plan description

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

B. Pension benefits

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

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

C. Death benefits

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

D. Contributions

The City makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2018 were \$54,007.

E. Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Other postemployment benefits

A. Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003 are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

B. Plan membership

As of June 30, 2018, there were 160 active employees, 5 eligible retirees, and 4 spouses of eligible retirees for a total of 169 plan members.

C. Contributions

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

For retirees	\$	670
For spouses of retirees		723

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

At June 30, 2018, the City reported a total OPEB liability of \$1,760,148. The total OPEB liability was measured as of June 30, 2017 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balances at June 30, 2017	\$ 1,761,417
Changes for the year:	
Service cost	128,201
Interest	52,872
Changes in assumptions or other inputs	(112,965)
Benefit payments	<u>(69,377)</u>
Balances at June 30, 2018	<u>\$ 1,760,148</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Other postemployment benefits (continued)

For the year ended June 30, 2018, the City recognized an OPEB expense of \$157,838. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ --	\$ 99,981
City's contributions subsequent to the Measurement date	<u>59,126</u>	<u>--</u>
	<u>\$ 59,126</u>	<u>\$ 99,981</u>

Deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date in the amount of \$59,126 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	
2019	\$ (12,984)
2020	(12,984)
2021	(12,984)
2022	(12,984)
2023	(12,984)
Thereafter	<u>(35,061)</u>
Total	<u>\$ (99,981)</u>

E. Actuarial valuation

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Other postemployment benefits (continued)

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

Valuation Date	July 1, 2016
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Projected Salary Increases	3.5 percent
Mortality	Healthy retirees and beneficiaries: RP-2000 white collar male and female set back one year for male, generational per Scale BB for males and females

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

Discount rate

The discount rate used to measure the total OPEB liability was 3.58 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.85 percent.

Healthcare cost trend rate

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

Year	Pre-65 Trend
2016	7.00%
2017	7.50%
2018	6.00%
2019	5.50%
2020-2025	5.25%
2026	5.00%
2027-2029	5.25%
2030	5.75%
2031-2035	6.25%
2036-2040	6.00%
2041-2043	5.75%
2044-2052	5.50%
2053-2063	5.25%
2064+	5.00%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Other postemployment benefits (continued)

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

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

The following presents the City’s total OPEB liability calculated using the discount rate of 3.58 percent, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
City's total OPEB liability	\$ 1,918,616	\$ 1,760,148	\$ 1,615,849
	1 Percentage Point Lower	Current Trend Rate	1 Percentage Point Higher
City's total OPEB liability	\$ 1,570,522	\$ 1,760,148	\$ 1,981,938

14. Joint ventures and intergovernmental agreements

A. Joint Water Commission

The City is a party to the Joint Water Commission (the Commission) with the City of Hillsboro, City of Beaverton, and the Tualatin Valley Water District. The Commission is an entity organized under ORS 190. The City owns a 13.3 percent interest in the Joint Water Commission. The City's investment in the Commission at June 30, 2018 is \$5,900,165. The Commission issues a publicly available financial report which may be obtained by writing to the City of Hillsboro, 123 West Main Street, Hillsboro, OR 97123.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. Joint ventures and intergovernmental agreements (continued)

B. Barney Reservoir Joint Ownership Commission

The City is a party to the Barney Reservoir Joint Ownership Commission (the Reservoir Commission) with the City of Hillsboro, City of Beaverton, the Unified Sewerage Agency, and the Tualatin Valley Water District. The Reservoir Commission is an entity organized under ORS 190. The parties have agreed to establish joint ownership of an expanded Trask Reservoir also known as the "J.W. Barney Reservoir," located on the middle fork of the north fork of the Trask River, partially in Yamhill County and partially in Washington County. The agreement requires each of the original owners of the Trask Reservoir to exchange their equity interest in the reservoir for equity in the expanded "J.W. Barney Reservoir." As a member of the Commission, the City owns a 2.5 percent interest in the reservoir. The City's investment in the Commission at June 30, 2018 is \$586,073. The Barney Reservoir Joint Ownership Commission issues a publicly available financial report which may be obtained by writing the City of Hillsboro, 123 West Main Street, Hillsboro, OR 97123.

C. Clean Water Services of Washington County

The City collects charges for treatment of the City sewage and surface water management on behalf of the Clean Water Services of Washington County (CWS) and remits all collections to CWS except for 15.1 percent of sewer service charges collected, 20 percent of connection charges collected, and 75 percent of surface water management fees collected in accordance with agreements between the City and CWS. The amount collected on behalf of and remitted to CWS during the fiscal year ending June 30, 2018 was \$6,056,013. The amount due to and payable to CWS at June 30, 2018 is \$589,110.

15. Contingency - sick leave

Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2018, employees of the City had accumulated 9,948 days of sick leave.

16. Risk management

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

17. Segment information

The City has borrowed from Capital One Public Financing, LLC to finance major water system improvements. The sewer utility and the water utility are each accounted for in two separate funds.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

17. Segment information (continued)

Summary financial information for sewer and water activities for the year ended June 30, 2018 is as follows:

Condensed statement of net position	Sewer	Water
<u>Assets</u>		
Current assets	\$ 4,808,655	\$ 15,633,165
Investment in joint venture	-	6,486,238
Capital assets, net	8,828,636	10,927,678
Total assets	13,637,291	33,047,081
<u>Deferred outflows of resources</u>	188,104	506,606
<u>Liabilities</u>		
Current liabilities	555,114	1,182,013
Noncurrent liabilities	649,402	3,960,863
Total liabilities	1,204,516	5,142,876
<u>Deferred inflows of resources</u>	3,776	10,082
<u>Net position</u>		
Net investment in capital assets	8,828,636	7,918,557
Restricted	777,905	6,031,704
Unrestricted	3,010,562	14,450,468
Total net position	\$ 12,617,103	\$ 28,400,729
 Condensed statement of revenues, expenses and changes in net position		
Operating revenue	\$ 1,493,035	\$ 4,813,678
Depreciation and amortization expense	270,901	443,584
Other operating expenses	1,042,226	4,122,803
Operating income (loss)	179,908	247,291
Non operating revenues (expenses)	35,063	1,968,111
Income (loss) before capital contributions and transfers	214,971	2,215,402
Capital contributions	421,949	1,259,600
Transfers	(122,678)	(318,530)
Change in net position	514,242	3,156,472
Net position - beginning	12,130,263	25,292,541
Prior period adjustment	(27,402)	(48,284)
Net position - ending	\$ 12,617,103	\$ 28,400,729
 Condensed statement of cash flows		
Net cash provided by (used in):		
Operating activities	\$ 206,222	\$ 1,170,054
Non-capital financing activities	(122,678)	(318,530)
Capital and related financing	172,907	1,913,976
Investing activities	(176,349)	(600,782)
Net increase (decrease) in cash	80,102	2,164,718
Cash and cash equivalents - beginning of year	3,858,731	11,833,508
Cash and cash equivalents - end of year	\$ 3,938,833	\$ 13,998,226

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

18. Interfund transfers and balances

<u>Fund</u>	Transfers	
	In	Out
General	\$ 1,431,768	\$ 22,826
Nonmajor governmental	167,000	341,877
Light	-	1,049,440
Sewer	-	122,678
Sewer - non-cash	119,537	-
Water	-	317,130
Surface water management	-	70,104
Nonmajor enterprise funds	-	1,400
Nonmajor enterprise funds - non-cash	-	119,537
Internal service funds	366,687	40,000
	<u>\$ 2,084,992</u>	<u>\$ 2,084,992</u>

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

Noncash transfers occur when a fund 1) acquires capital assets which will be used in the operation of a different fund's activities, 2) issues long-term obligations which will be repaid out of a different fund's resources or 3) pays principal on long-term obligations reported in a different fund.

A loan from the Capital Projects Fund to the Urban Renewal Fund is being repaid in annual installments of interest only for three years followed by six annual payments of \$175,000, including interest, and one annual payment of \$161,754. At June 30, 2018, the balance is \$2,062,561.

Advances from the General Fund to the nonmajor governmental funds in the amount of \$12,476 were made during the year to cover deficit cash balances. These advances will be repaid in the subsequent year.

19. Net position restricted through enabling legislation

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

Governmental activities – capital projects

Transportation impact fees and transportation development tax are restricted for transportation infrastructure expansion	\$ 12,281,424
System development charges (SDC) are restricted for the purposes as specified in the implementing ordinances:	
Park acquisition and development	1,960,770
City transient lodging tax is restricted for tourism	53,544
Trail system sponsorship is restricted for trail construction or maintenance	26,694

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

19. Net position restricted through enabling legislation (continued)

Business-type activities – capital projects

System development charges (SDC) are restricted for purposes as specified in the implementing ordinances:

Sewer system improvement and expansion	\$ 777,905
Water system improvement and expansion	6,031,704
Surface water management system improvement and expansion	510,214

20. Governmental fund balances

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

Categories	General	Street	Urban Renewal	Transportation Development Tax	Total Nonmajor Funds	Total Governmental Funds
Nonspendable:						
Library endowment	\$ -	\$ -	\$ -	\$ -	\$ 41,186	\$ 41,186
Prepaid items	136,431	-	-	-	-	136,431
Restricted for:						
Building operations	-	-	-	-	2,327,032	2,327,032
Street services	-	1,359,004	-	-	61,849	1,420,853
Community enhancement	-	-	-	-	52,937	52,937
Capital projects	-	-	-	9,145,906	6,145,432	15,291,338
Tourism	-	-	-	-	53,544	53,544
Trail systems	-	-	-	-	26,694	26,694
Other purposes	-	-	-	-	19,848	19,848
Committed for:						
Street services	-	-	-	-	55,538	55,538
Capital projects	-	-	-	-	565,678	565,678
Assigned for:						
Facilities	-	-	-	-	690,153	690,153
Capital projects	-	-	-	-	2,593,911	2,593,911
Retirement contributions	900,000	-	-	-	-	900,000
Unassigned	<u>6,637,327</u>	<u>-</u>	<u>(1,872,099)</u>	<u>-</u>	<u>-</u>	<u>4,765,228</u>
Total fund balances	<u>\$ 7,673,758</u>	<u>\$ 1,359,004</u>	<u>\$ (1,872,099)</u>	<u>\$ 9,145,906</u>	<u>\$ 12,633,802</u>	<u>\$ 28,940,371</u>

21. Tax abatements

Washington County has established an Enterprise Zone under ORS 285C.050-250 that abates property taxes on new business development within the zone. As a result, the property taxes that the City received for the year ended June 30, 2018 have been reduced by \$88,510.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

22. Prior period adjustment

A prior period adjustment of \$598,787 was made to correct employer-paid employee contributions reported as a deferred outflow of resources – pension related items in prior periods. Under GASB 68 *Accounting and Financial Reporting for Pensions*, employee contributions should not be shown as deferred outflows of resources.

Additionally, the City adopted GASB 75 in the current year and, accordingly, has restated amounts of affected balances within the financial statements as of June 30, 2017 for total prior period adjustment as follows:

	As Originally <u>Reported</u>	As <u>Restated</u>	Effect of <u>Change</u>
Statement of Net Position			
<u>Governmental activities</u>			
Deferred outflows of resources – pension items	\$ 7,987,254	\$ 7,556,128	\$ (431,126)
Deferred outflows of resources – OPEB items	--	44,387	44,387
Other postemployment benefits liability	--	1,322,341	(1,322,341)
Net other postemployment benefits obligation	1,196,557	--	1,196,557
Net position	42,655,555	42,143,032	512,523
<u>Business-type activities</u>			
Deferred outflows of resources – pension items	\$ 3,083,121	\$ 2,915,460	\$ (167,661)
Deferred outflows of resources – OPEB items	--	14,739	14,739
Other postemployment benefits liability	--	439,076	(439,076)
Net other postemployment benefits obligation	413,222	--	413,222
Net position	65,006,485	64,827,709	178,776

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FOREST GROVE

**SCHEDULE OF NET PENSION LIABILITY AND
CHANGES IN NET PENSION LIABILITY
Last 10 Plan Years***

	For the Year Ended June 30, 2017	For the Year Ended June 30, 2016	For the Year Ended June 30, 2015	For the Year Ended June 30, 2014
<u>Beginning of year</u>				
Total pension liability	\$ 63,076,881	\$ 57,742,433	\$ 47,195,326	\$ 42,881,808
Fiduciary net position	<u>35,434,205</u>	<u>34,146,282</u>	<u>34,577,249</u>	<u>29,632,905</u>
Net pension liability	<u>\$ 27,642,676</u>	<u>\$ 23,596,151</u>	<u>\$ 12,618,077</u>	<u>\$ 13,248,903</u>
<u>Changes in total pension liability</u>				
Service cost	\$ 1,265,073	\$ 1,329,863	\$ 1,171,434	\$ 1,061,458
Interest on total pension liability	4,274,175	3,927,162	3,445,279	3,131,813
Effect of economic/demographic losses	617,091	32,324	(224,525)	269,909
Effect of assumption changes or inputs	2,039,393	1,829,323	7,846,254	1,342,042
Benefit payments	<u>(2,041,694)</u>	<u>(1,784,224)</u>	<u>(1,691,335)</u>	<u>(1,491,704)</u>
Net change in total pension liability	<u>\$ 6,154,038</u>	<u>\$ 5,334,448</u>	<u>\$ 10,547,107</u>	<u>\$ 4,313,518</u>
<u>Changes in fiduciary net position</u>				
Employer contributions	\$ 2,776,339	\$ 2,101,422	\$ 1,386,509	\$ 1,291,829
Member contributions	-	-	611,460	603,325
Investment income net of expenses	3,917,965	1,140,618	(674,943)	4,626,488
Benefit payments	(2,041,694)	(1,784,224)	(1,691,335)	(1,491,704)
Administrative expenses	<u>(115,315)</u>	<u>(169,893)</u>	<u>(62,658)</u>	<u>(85,594)</u>
Net change in fiduciary net position	<u>\$ 4,537,295</u>	<u>\$ 1,287,923</u>	<u>\$ (430,967)</u>	<u>\$ 4,944,344</u>
<u>End of year</u>				
Total pension liability	\$ 69,230,919	\$ 63,076,881	\$ 57,742,433	\$ 47,195,326
Fiduciary net position	<u>39,971,500</u>	<u>35,434,205</u>	<u>34,146,282</u>	<u>34,577,249</u>
Net pension liability	<u>\$ 29,259,419</u>	<u>\$ 27,642,676</u>	<u>\$ 23,596,151</u>	<u>\$ 12,618,077</u>
Fiduciary net position as a percent of total pension liability	57.7%	56.2%	59.1%	73.3%
Covered payroll	\$ 8,548,461	\$ 8,616,353	\$ 8,714,723	\$ 8,618,932
Net pension liability as a percent of covered payroll	342.3%	320.8%	270.8%	146.4%

*Information will be accumulated until 10 years are presented.

CITY OF FOREST GROVE

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Plan Years
(Amounts in thousands)**

	June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 3,252	\$ 2,707	\$ 2,094	\$ 1,987	\$ 1,888	\$ 1,763	\$ 1,731	\$ 1,747	\$ 1,669	\$ 1,361
Actual employer contribution	3,277	2,776	2,101	1,998	1,895	1,762	1,731	1,747	1,669	1,496
Contribution deficiency (excess)	(25)	(69)	(7)	(11)	(7)	1	-	-	-	(135)
Covered payroll	7,553	8,548	8,616	8,715	8,619	8,559	8,570	8,607	8,646	7,913
Contribution as a percent of covered payroll	43.39%	32.48%	24.38%	22.93%	21.99%	20.59%	20.20%	20.30%	19.30%	18.91%
Valuation date	7/1/2016	7/1/2015	7/1/2014	7/1/2013	7/1/2012	7/1/2011	7/1/2010	7/1/2009	7/1/2008	7/1/2007
Assumed investment rate of return	6.50%	6.75%	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%	7.50%	7.50%

NOTES TO SCHEDULE

Methods and assumptions used to determine contribution rates:

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

CITY OF FOREST GROVE

**SCHEDULE OF INVESTMENT RATE OF RETURN
Last 10 Plan Years**

<u>Year Ended June 30,</u>	<u>Rate of Return</u>
2018	10.39%
2017	3.28%
2016	-1.96%
2015	-1.85%
2014	15.56%
2013	7.30%
2012	1.83%
2011	13.35%
2010	10.58%
2009	-9.22%

CITY OF FOREST GROVE

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Last 10 Years Ended June 30, *

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the collective net pension liability (asset)	0.00006384%	0.00007668%	0.00010017%
Proportionate share of the collective net pension liability (asset)	\$ 8,607	\$ 11,512	\$ 5,751
Covered payroll	\$ 1,275,279	\$ 363,955	\$ 20,240
Proportionate share of the collective net pension liability (asset) as a percentage of the covered payroll	1%	3%	28%
Pension plan's fiduciary net position as a percentage of the total pension liability	83%	81%	92%

* Information will be accumulated annually until 10 years is presented

CITY OF FOREST GROVE

**SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Years Ended June 30, ***

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 147,279	\$ 59,307	\$ 4,302
Contractually required contributions recognized by the pension plan	<u>147,279</u>	<u>59,307</u>	<u>4,302</u>
Difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,275,279</u>	<u>\$ 363,955</u>	<u>\$ 20,240</u>
Contractually required contributions as a percentage of covered payroll	<u>11.55%</u>	<u>16.30%</u>	<u>21.25%</u>

* Information will be accumulated annually until 10 years is presented

CITY OF FOREST GROVE

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
Last 10 Plan Fiscal Years**

	<u>June 30, 2018</u>
Service cost	\$ 128,201
Interest on total OPEB liability	52,872
Effect of assumptions changes or inputs	(112,965)
Benefit payments	<u>(69,377)</u>
Net change in total OPEB liability	(1,269)
Total OPEB liability - beginning of year	<u>1,761,417</u>
Total OPEB liability - end of year	<u><u>\$ 1,760,148</u></u>
Covered payroll	\$ 12,729,783
Total OPEB liability as a percentage of covered payroll	13.8%

NOTES TO SCHEDULE

Information will be accumulated until 10 years are presented.

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

**COMBINING FINANCIAL STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF FOREST GROVE
COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2018

	General	Special Public Works Debt Service	Total General Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,154,796	\$ -	\$ 7,154,796
Investments	445,741	-	445,741
Receivables, net	723,609	1,131	724,740
Prepaid items	136,431	-	136,431
Advances from other funds	12,476	-	12,476
 TOTAL ASSETS	 \$ 8,473,053	 \$ 1,131	 \$ 8,474,184
 <u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 226,944	\$ -	\$ 226,944
Payroll related liabilities	218,566	-	218,566
 TOTAL LIABILITIES	 445,510	 -	 445,510
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	353,785	1,131	354,916
 TOTAL DEFERRED INFLOWS OF RESOURCES	 353,785	 1,131	 354,916
 <u>FUND BALANCES</u>			
Nonspendable	136,431	-	136,431
Assigned	900,000	-	900,000
Unassigned	6,637,327	-	6,637,327
 TOTAL FUND BALANCES	 7,673,758	 -	 7,673,758
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 8,473,053	 \$ 1,131	 \$ 8,474,184

CITY OF FOREST GROVE

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

GENERAL FUNDS

For the Year Ended June 30, 2018

	General	General Debt Service	Special Public Works Debt Service	Total General Funds
REVENUES				
Property taxes	\$ 8,447,185	\$ -	\$ -	\$ 8,447,185
Other taxes	134,443	-	-	134,443
Licenses and permits	308,813	-	-	308,813
Intergovernmental	2,581,901	-	-	2,581,901
Fees and fines	546,499	-	-	546,499
Franchise fees	675,650	-	-	675,650
Interest	185,237	-	599	185,836
Grants	13,948	-	-	13,948
Charges for services	4,329,655	-	8,912	4,338,567
Miscellaneous	351,301	-	-	351,301
TOTAL REVENUES	<u>17,574,632</u>	<u>-</u>	<u>9,511</u>	<u>17,584,143</u>
EXPENDITURES				
General government	6,205,394	-	-	6,205,394
Public safety	10,014,710	-	-	10,014,710
Culture and recreation	1,359,094	-	-	1,359,094
Capital outlay	665,542	-	-	665,542
TOTAL EXPENDITURES	<u>18,244,740</u>	<u>-</u>	<u>-</u>	<u>18,244,740</u>
Excess (deficiency) of revenues over expenditures	<u>(670,108)</u>	<u>-</u>	<u>9,511</u>	<u>(660,597)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,431,768	-	-	1,431,768
Transfers out	-	(1,570)	(21,256)	(22,826)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,431,768</u>	<u>(1,570)</u>	<u>(21,256)</u>	<u>1,408,942</u>
Net change in fund balances	761,660	(1,570)	(11,745)	748,345
Fund balances at beginning of year	<u>6,912,098</u>	<u>1,570</u>	<u>11,745</u>	<u>6,925,413</u>
Fund balances at end of year	<u>\$ 7,673,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,673,758</u>

CITY OF FOREST GROVE

**GENERAL DEBT SERVICE - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	\$ (1,500)	\$ (1,570)	\$ (70)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,500)</u>	<u>(1,570)</u>	<u>(70)</u>
Net change in fund balance	(1,500)	(1,570)	(70)
Fund balance at beginning of year	<u>1,500</u>	<u>1,570</u>	<u>70</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FOREST GROVE

**SPECIAL PUBLIC WORKS DEBT SERVICE - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 10,377	\$ 8,912	\$ (1,465)
Interest	<u>2,512</u>	<u>599</u>	<u>(1,913)</u>
TOTAL REVENUES	<u>12,889</u>	<u>9,511</u>	<u>(3,378)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(24,634)</u>	<u>(21,256)</u>	<u>3,378</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(24,634)</u>	<u>(21,256)</u>	<u>3,378</u>
Net change in fund balance	(11,745)	(11,745)	-
Fund balance at beginning of year	<u>11,745</u>	<u>11,745</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FOREST GROVE

**TRANSPORTATION DEVELOPMENT TAX
CAPITAL PROJECTS FUND (A MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Other taxes	\$ 710,472	\$ 2,651,160	\$ 1,940,688
Interest	<u>40,000</u>	<u>121,438</u>	<u>81,438</u>
 TOTAL REVENUES	 <u>750,472</u>	 <u>2,772,598</u>	 <u>2,022,126</u>
 EXPENDITURES			
Capital outlay	<u>6,977,557</u>	<u>-</u>	<u>6,977,557</u>
 TOTAL EXPENDITURES	 <u>6,977,557</u>	 <u>-</u>	 <u>6,977,557</u>
 Net change in fund balance	 (6,227,085)	 2,772,598	 8,999,683
Fund balance at beginning of year	<u>6,227,085</u>	<u>6,373,308</u>	<u>146,223</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 9,145,906</u></u>	 <u><u>\$ 9,145,906</u></u>

CITY OF FOREST GROVE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue	Capital Projects	Permanent Library Endowment	Totals
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,382,302	\$ 7,596,834	\$ 40,609	\$ 10,019,745
Investments	143,041	468,608	2,525	614,174
Receivables, net	237,985	98,355	-	336,340
Due from other funds	-	2,062,561	-	2,062,561
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 2,763,328</u>	<u>\$ 10,226,358</u>	<u>\$ 43,134</u>	<u>\$ 13,032,820</u>
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 191,576	\$ 125,875	\$ -	\$ 317,451
Payroll related liabilities	9,082	-	-	9,082
Deposits	7,418	-	-	7,418
Advances from other funds	12,476	-	-	12,476
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>220,552</u>	<u>125,875</u>	<u>-</u>	<u>346,427</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	9,131	43,460	-	52,591
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>9,131</u>	<u>43,460</u>	<u>-</u>	<u>52,591</u>
<u>FUND BALANCES</u>				
Nonspendable	-	-	41,186	41,186
Restricted	2,478,107	6,207,281	1,948	8,687,336
Committed	55,538	565,678	-	621,216
Assigned	-	3,284,064	-	3,284,064
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>2,533,645</u>	<u>10,057,023</u>	<u>43,134</u>	<u>12,633,802</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,763,328</u>	<u>\$ 10,226,358</u>	<u>\$ 43,134</u>	<u>\$ 13,032,820</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018**

	Special	Capital	Permanent	
	Revenue	Projects	Library	
	<u>Revenue</u>	<u>Projects</u>	<u>Endowment</u>	<u>Totals</u>
REVENUES				
Other taxes	\$ 53,357	\$ -	\$ -	\$ 53,357
Licenses and permits	1,359,688	-	-	1,359,688
Intergovernmental	586,167	149,002	-	735,169
System development charges	-	1,094,000	-	1,094,000
Interest	27,091	150,649	734	178,474
Grants	35,869	58,547	-	94,416
Charges for services	-	355,153	-	355,153
Miscellaneous	11,816	77,271	-	89,087
	<u>2,073,988</u>	<u>1,884,622</u>	<u>734</u>	<u>3,959,344</u>
EXPENDITURES				
General government	899,500	-	-	899,500
Public safety	-	-	-	-
Highways and streets	490,512	-	-	490,512
Culture and recreation	670	-	-	670
Capital outlay	2,400	706,716	-	709,116
	<u>1,393,082</u>	<u>706,716</u>	<u>-</u>	<u>2,099,798</u>
Excess (deficiency) of revenues over expenditures	<u>680,906</u>	<u>1,177,906</u>	<u>734</u>	<u>1,859,546</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	167,000	-	167,000
Transfers out	(55,485)	(286,392)	-	(341,877)
	<u>(55,485)</u>	<u>(119,392)</u>	<u>-</u>	<u>(174,877)</u>
Net change in fund balance	625,421	1,058,514	734	1,684,669
Fund balance at beginning of year	1,908,224	8,998,509	42,400	10,949,133
Fund balance at end of year	<u>\$ 2,533,645</u>	<u>\$ 10,057,023</u>	<u>\$ 43,134</u>	<u>\$ 12,633,802</u>

CITY OF FOREST GROVE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2018

	Building Permits	Street Tree	Forfeiture Sharing
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,207,499	\$ 52,286	\$ 12,056
Investments	137,287	3,252	-
Receivables, net	-	-	-
TOTAL ASSETS	<u>\$ 2,344,786</u>	<u>\$ 55,538</u>	<u>\$ 12,056</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 8,672	\$ -	\$ -
Payroll related liabilities	9,082	-	-
Deposits	-	-	7,418
Advances from other funds	-	-	-
TOTAL LIABILITIES	<u>17,754</u>	<u>-</u>	<u>7,418</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>			
Restricted	2,327,032	-	4,638
Committed	-	55,538	-
TOTAL FUND BALANCES	<u>2,327,032</u>	<u>55,538</u>	<u>4,638</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,344,786</u>	<u>\$ 55,538</u>	<u>\$ 12,056</u>

<u>Community Enhancement</u>	<u>Trail System</u>	<u>Transportation Services</u>	<u>Public Arts Donation</u>	<u>Assessment</u>	<u>Transient Lodging Tax</u>	<u>Totals</u>
\$ 56,960	\$ -	\$ -	\$ 13,262	\$ -	\$ 40,239	\$ 2,382,302
-	-	-	-	-	2,502	143,041
-	26,694	191,357	-	9,131	10,803	237,985
<u>\$ 56,960</u>	<u>\$ 26,694</u>	<u>\$ 191,357</u>	<u>\$ 13,262</u>	<u>\$ 9,131</u>	<u>\$ 53,544</u>	<u>\$ 2,763,328</u>
\$ 4,023	\$ -	\$ 178,881	\$ -	\$ -	\$ -	\$ 191,576
-	-	-	-	-	-	9,082
-	-	-	-	-	-	7,418
-	-	12,476	-	-	-	12,476
<u>4,023</u>	<u>-</u>	<u>191,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,552</u>
-	-	-	-	9,131	-	9,131
-	-	-	-	9,131	-	9,131
52,937	26,694	-	13,262	-	53,544	2,478,107
-	-	-	-	-	-	55,538
<u>52,937</u>	<u>26,694</u>	<u>-</u>	<u>13,262</u>	<u>-</u>	<u>53,544</u>	<u>2,533,645</u>
<u>\$ 56,960</u>	<u>\$ 26,694</u>	<u>\$ 191,357</u>	<u>\$ 13,262</u>	<u>\$ 9,131</u>	<u>\$ 53,544</u>	<u>\$ 2,763,328</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2018**

	Building Permits	Street Tree	Forfeiture Sharing
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Licenses and permits	1,302,296	57,392	-
Intergovernmental	-	-	-
Interest	26,847	57	-
Grants	-	-	-
Miscellaneous	<u>11,816</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>1,340,959</u>	<u>57,449</u>	<u>-</u>
EXPENDITURES			
General government	772,667	-	-
Highways and streets	-	32,350	-
Culture and recreation	-	-	-
Capital outlay	<u>2,400</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>775,067</u>	<u>32,350</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>565,892</u>	<u>25,099</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(46,485)</u>	<u>(1,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(46,485)</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balance	519,407	24,099	-
Fund balance at beginning of year	<u>1,807,625</u>	<u>31,439</u>	<u>4,638</u>
Fund balance at end of year	<u>\$ 2,327,032</u>	<u>\$ 55,538</u>	<u>\$ 4,638</u>

<u>Community Enhancement</u>	<u>Trail System</u>	<u>Transportation Services</u>	<u>Public Arts Donation</u>	<u>Transient Lodging Tax</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ 53,357	\$ 53,357
-	-	-	-	-	1,359,688
128,005	-	458,162	-	-	586,167
-	-	-	-	187	27,091
-	26,694	-	9,175	-	35,869
-	-	-	-	-	11,816
<u>128,005</u>	<u>26,694</u>	<u>458,162</u>	<u>9,175</u>	<u>53,544</u>	<u>2,073,988</u>
126,833	-	-	-	-	899,500
-	-	458,162	-	-	490,512
-	-	-	670	-	670
-	-	-	-	-	2,400
<u>126,833</u>	<u>-</u>	<u>458,162</u>	<u>670</u>	<u>-</u>	<u>1,393,082</u>
<u>1,172</u>	<u>26,694</u>	<u>-</u>	<u>8,505</u>	<u>53,544</u>	<u>680,906</u>
<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,485)</u>
<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,485)</u>
(6,828)	26,694	-	8,505	53,544	625,421
<u>59,765</u>	<u>-</u>	<u>-</u>	<u>4,757</u>	<u>-</u>	<u>1,908,224</u>
<u>\$ 52,937</u>	<u>\$ 26,694</u>	<u>\$ -</u>	<u>\$ 13,262</u>	<u>\$ 53,544</u>	<u>\$ 2,533,645</u>

CITY OF FOREST GROVE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2018

	<u>Traffic Impact</u>	<u>Park Acquisition and Development</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,992,781	\$ 2,835,161	\$ 508,880
Investments	186,124	176,322	31,648
Receivables, net	-	-	-
Due from other funds	-	-	<u>2,062,561</u>
TOTAL ASSETS	<u>\$ 3,178,905</u>	<u>\$ 3,011,483</u>	<u>\$ 2,603,089</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	<u>\$ 43,387</u>	<u>\$ 1,569</u>	<u>\$ 9,178</u>
TOTAL LIABILITIES	<u>43,387</u>	<u>1,569</u>	<u>9,178</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>			
Restricted	3,135,518	3,009,914	-
Committed	-	-	-
Assigned	-	-	<u>2,593,911</u>
TOTAL FUND BALANCES	<u>3,135,518</u>	<u>3,009,914</u>	<u>2,593,911</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,178,905</u>	<u>\$ 3,011,483</u>	<u>\$ 2,603,089</u>

Fire Equipment Replacement	Bike and Pedestrian Pathways	CIP	Excise	Facility Major Maintenance	Totals
\$ 344,348	\$ 61,849	\$ 204,070	\$ 649,745	\$ 7,596,834	
21,415	-	12,691	40,408	468,608	
54,895	-	43,460	-	98,355	
-	-	-	-	2,062,561	
<u>\$ 420,658</u>	<u>\$ 61,849</u>	<u>\$ 260,221</u>	<u>\$ 690,153</u>	<u>\$ 10,226,358</u>	
\$ 71,741	\$ -	\$ -	\$ -	\$ 125,875	
71,741	-	-	-	125,875	
-	-	43,460	-	43,460	
-	-	43,460	-	43,460	
-	61,849	-	-	6,207,281	
348,917	-	216,761	-	565,678	
-	-	-	690,153	3,284,064	
348,917	61,849	216,761	690,153	10,057,023	
<u>\$ 420,658</u>	<u>\$ 61,849</u>	<u>\$ 260,221</u>	<u>\$ 690,153</u>	<u>\$ 10,226,358</u>	

CITY OF FOREST GROVE

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2018**

	Traffic	Park	Capital
	Impact	Acquisition and	Projects
	<u> </u>	<u>Development</u>	<u> </u>
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
System development charges	-	1,094,000	-
Interest	50,942	34,980	48,387
Grants	-	-	58,547
Charges for services	-	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>77,271</u>
 TOTAL REVENUES	 <u>50,942</u>	 <u>1,128,980</u>	 <u>184,205</u>
 EXPENDITURES			
Capital outlay	<u>63,461</u>	<u>79,836</u>	<u>91,556</u>
 TOTAL EXPENDITURES	 <u>63,461</u>	 <u>79,836</u>	 <u>91,556</u>
 Excess (deficiency) of revenues over expenditures	 <u>(12,519)</u>	 <u>1,049,144</u>	 <u>92,649</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net change in fund balance	 (12,519)	 1,049,144	 92,649
Fund balance at beginning of year	<u>3,148,037</u>	<u>1,960,770</u>	<u>2,501,262</u>
 Fund balance at end of year	 <u>\$ 3,135,518</u>	 <u>\$ 3,009,914</u>	 <u>\$ 2,593,911</u>

<u>Fire Equipment Replacement</u>	<u>Bike and Pedestrian Pathways</u>	<u>CIP Excise</u>	<u>Facility Major Maintenance</u>	<u>Totals</u>
\$ 134,107	\$ 14,895	\$ -	\$ -	\$ 149,002
-	-	-	-	1,094,000
2,295	-	615	13,430	150,649
-	-	-	-	58,547
-	-	355,153	-	355,153
-	-	-	-	77,271
<u>136,402</u>	<u>14,895</u>	<u>355,768</u>	<u>13,430</u>	<u>1,884,622</u>
<u>123,964</u>	<u>-</u>	<u>60,449</u>	<u>287,450</u>	<u>706,716</u>
<u>123,964</u>	<u>-</u>	<u>60,449</u>	<u>287,450</u>	<u>706,716</u>
<u>12,438</u>	<u>14,895</u>	<u>295,319</u>	<u>(274,020)</u>	<u>1,177,906</u>
167,000	-	-	-	167,000
-	-	(286,392)	-	(286,392)
<u>167,000</u>	<u>-</u>	<u>(286,392)</u>	<u>-</u>	<u>(119,392)</u>
179,438	14,895	8,927	(274,020)	1,058,514
<u>169,479</u>	<u>46,954</u>	<u>207,834</u>	<u>964,173</u>	<u>8,998,509</u>
<u>\$ 348,917</u>	<u>\$ 61,849</u>	<u>\$ 216,761</u>	<u>\$ 690,153</u>	<u>\$ 10,057,023</u>

CITY OF FOREST GROVE

**BUILDING PERMITS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 984,851	\$ 1,302,296	\$ 317,445
Interest	15,000	26,847	11,847
Miscellaneous	<u>-</u>	<u>11,816</u>	<u>11,816</u>
 TOTAL REVENUES	 <u>999,851</u>	 <u>1,340,959</u>	 <u>341,108</u>
 EXPENDITURES			
Building permit services	868,338	775,067	93,271
Contingency	<u>132,000</u>	<u>-</u>	<u>132,000</u>
 TOTAL EXPENDITURES	 <u>1,000,338</u>	 <u>775,067</u>	 <u>225,271</u>
 Excess (deficiency) of revenues over expenditures	 <u>(487)</u>	 <u>565,892</u>	 <u>566,379</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	<u>(46,485)</u>	<u>(46,485)</u>	<u>-</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(46,485)</u>	 <u>(46,485)</u>	 <u>-</u>
 Net change in fund balance	 (46,972)	 519,407	 566,379
Fund balance at beginning of year	<u>1,493,108</u>	<u>1,807,625</u>	<u>314,517</u>
 Fund balance at end of year	 <u>\$ 1,446,136</u>	 <u>\$ 2,327,032</u>	 <u>\$ 880,896</u>

CITY OF FOREST GROVE

**STREET TREE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 25,410	\$ 57,392	\$ 31,982
Interest	<u>30</u>	<u>57</u>	<u>27</u>
TOTAL REVENUES	<u>25,440</u>	<u>57,449</u>	<u>32,009</u>
EXPENDITURES			
Materials and services	<u>43,544</u>	<u>32,350</u>	<u>11,194</u>
TOTAL EXPENDITURES	<u>43,544</u>	<u>32,350</u>	<u>11,194</u>
Excess (deficiency) of revenues over expenditures	<u>(18,104)</u>	<u>25,099</u>	<u>43,203</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balance	(19,104)	24,099	43,203
Fund balance at beginning of year	<u>19,104</u>	<u>31,439</u>	<u>12,335</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 55,538</u>	<u>\$ 55,538</u>

CITY OF FOREST GROVE

**FORFEITURE SHARING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Materials and services	<u>\$ 4,638</u>	<u>\$ -</u>	<u>\$ 4,638</u>
TOTAL EXPENDITURES	<u>4,638</u>	<u>-</u>	<u>4,638</u>
Net change in fund balance	(4,638)	-	4,638
Fund balance at beginning of year	<u>4,638</u>	<u>4,638</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 4,638</u>	<u>\$ 4,638</u>

CITY OF FOREST GROVE

**COMMUNITY ENHANCEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 127,518	\$ 128,005	\$ 487
TOTAL REVENUES	<u>127,518</u>	<u>128,005</u>	<u>487</u>
EXPENDITURES			
Materials and services	<u>141,600</u>	<u>126,833</u>	<u>14,767</u>
TOTAL EXPENDITURES	<u>141,600</u>	<u>126,833</u>	<u>14,767</u>
Excess (deficiency) of revenues over expenditures	<u>(14,082)</u>	<u>1,172</u>	<u>15,254</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
Net change in fund balance	(22,082)	(6,828)	15,254
Fund balance at beginning of year	<u>48,573</u>	<u>59,765</u>	<u>11,192</u>
Fund balance at end of year	<u>\$ 26,491</u>	<u>\$ 52,937</u>	<u>\$ 26,446</u>

CITY OF FOREST GROVE

**TRAIL SYSTEM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	<u>\$ -</u>	<u>\$ 26,694</u>	<u>\$ 26,694</u>
 TOTAL REVENUES	 <u>-</u>	 <u>26,694</u>	 <u>26,694</u>
 Net change in fund balance	 -	 26,694	 26,694
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 26,694</u>	 <u>\$ 26,694</u>

CITY OF FOREST GROVE

**TRANSPORTATION SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 480,000	\$ 458,162	\$ (21,838)
TOTAL REVENUES	<u>480,000</u>	<u>458,162</u>	<u>(21,838)</u>
EXPENDITURES			
Materials and services	<u>480,000</u>	<u>458,162</u>	<u>21,838</u>
TOTAL EXPENDITURES	<u>480,000</u>	<u>458,162</u>	<u>21,838</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FOREST GROVE

**PUBLIC ARTS DONATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	\$ 10,000	\$ 9,175	\$ (825)
Interest	45	-	(45)
TOTAL REVENUES	<u>10,045</u>	<u>9,175</u>	<u>(870)</u>
EXPENDITURES			
Materials and services	<u>14,430</u>	<u>670</u>	<u>13,760</u>
TOTAL EXPENDITURES	<u>14,430</u>	<u>670</u>	<u>13,760</u>
Net change in fund balance	(4,385)	8,505	12,890
Fund balance at beginning of year	<u>4,385</u>	<u>4,757</u>	<u>372</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 13,262</u>	<u>\$ 13,262</u>

CITY OF FOREST GROVE

**TRANSIENT LODGING TAX - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Transient lodging tax	\$ -	\$ 53,357	\$ 53,357
Interest	-	187	187
TOTAL REVENUES	<u>-</u>	<u>53,544</u>	<u>53,544</u>
Net change in fund balance	-	53,544	53,544
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 53,544</u>	<u>\$ 53,544</u>

CITY OF FOREST GROVE

**TRAFFIC IMPACT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ 18,000</u>	<u>\$ 50,942</u>	<u>\$ 32,942</u>
TOTAL REVENUES	<u>18,000</u>	<u>50,942</u>	<u>32,942</u>
EXPENDITURES			
Capital outlay	<u>3,148,177</u>	<u>63,461</u>	<u>3,084,716</u>
TOTAL EXPENDITURES	<u>3,148,177</u>	<u>63,461</u>	<u>3,084,716</u>
Net change in fund balance	(3,130,177)	(12,519)	3,117,658
Fund balance at beginning of year	<u>3,130,177</u>	<u>3,148,037</u>	<u>17,860</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,135,518</u>	<u>\$ 3,135,518</u>

CITY OF FOREST GROVE

**PARK ACQUISITION AND DEVELOPMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System development charges	\$ 684,000	\$ 1,094,000	\$ 410,000
Interest	<u>9,000</u>	<u>34,980</u>	<u>25,980</u>
TOTAL REVENUES	<u>693,000</u>	<u>1,128,980</u>	<u>435,980</u>
EXPENDITURES			
Park system construction	<u>2,768,622</u>	<u>79,836</u>	<u>2,688,786</u>
TOTAL EXPENDITURES	<u>2,768,622</u>	<u>79,836</u>	<u>2,688,786</u>
Net change in fund balance	(2,075,622)	1,049,144	3,124,766
Fund balance at beginning of year	<u>2,075,622</u>	<u>1,960,770</u>	<u>(114,852)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,009,914</u>	<u>\$ 3,009,914</u>

CITY OF FOREST GROVE

**CAPITAL PROJECTS - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 45,252	\$ 48,387	\$ 3,135
Grants	251,000	58,547	(192,453)
Miscellaneous	-	77,271	77,271
	296,252	184,205	(112,047)
EXPENDITURES			
Capital outlay	705,913	91,556	614,357
	705,913	91,556	614,357
Net change in fund balance	(409,661)	92,649	502,310
Fund balance at beginning of year	409,661	438,701	29,040
Fund balance at end of year	\$ -	531,350	\$ 531,350

Reconciliation to generally accepted accounting principles

Due from other funds	2,062,561
	\$ 2,593,911

CITY OF FOREST GROVE

**FIRE EQUIPMENT REPLACEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 204,020	\$ 134,107	\$ (69,913)
Interest	<u>1,200</u>	<u>2,295</u>	<u>1,095</u>
TOTAL REVENUES	<u>205,220</u>	<u>136,402</u>	<u>(68,818)</u>
EXPENDITURES			
Capital outlay	408,040	123,964	284,076
Contingency	<u>61,000</u>	<u>-</u>	<u>61,000</u>
TOTAL EXPENDITURES	<u>469,040</u>	<u>123,964</u>	<u>345,076</u>
Excess (deficiency) of revenues over expenditures	<u>(263,820)</u>	<u>12,438</u>	<u>276,258</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	50,000	-	(50,000)
Transfers in	<u>167,000</u>	<u>167,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>217,000</u>	<u>167,000</u>	<u>(50,000)</u>
Net change in fund balance	(46,820)	179,438	226,258
Fund balance at beginning of year	<u>179,845</u>	<u>169,479</u>	<u>(10,366)</u>
Fund balance at end of year	<u>\$ 133,025</u>	<u>\$ 348,917</u>	<u>\$ 215,892</u>

CITY OF FOREST GROVE

**BIKE AND PEDESTRIAN PATHWAYS - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 14,316	\$ 14,895	\$ 579
TOTAL REVENUES	<u>14,316</u>	<u>14,895</u>	<u>579</u>
EXPENDITURES			
Capital outlay	<u>61,725</u>	<u>-</u>	<u>61,725</u>
TOTAL EXPENDITURES	<u>61,725</u>	<u>-</u>	<u>61,725</u>
Net change in fund balance	(47,409)	14,895	62,304
Fund balance at beginning of year	<u>47,409</u>	<u>46,954</u>	<u>(455)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 61,849</u>	<u>\$ 61,849</u>

CITY OF FOREST GROVE

**CIP EXCISE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 450	\$ 615	\$ 165
Charges for services	<u>346,000</u>	<u>355,153</u>	<u>9,153</u>
TOTAL REVENUES	<u>346,450</u>	<u>355,768</u>	<u>9,318</u>
EXPENDITURES			
Capital outlay	<u>255,047</u>	<u>60,449</u>	<u>194,598</u>
TOTAL EXPENDITURES	<u>255,047</u>	<u>60,449</u>	<u>194,598</u>
Excess of revenues over expenditures	<u>91,403</u>	<u>295,319</u>	<u>203,916</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(286,392)</u>	<u>(286,392)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(286,392)</u>	<u>(286,392)</u>	<u>-</u>
Net change in fund balance	(194,989)	8,927	203,916
Fund balance at beginning of year	<u>194,989</u>	<u>207,834</u>	<u>12,845</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 216,761</u>	<u>\$ 216,761</u>

CITY OF FOREST GROVE

**FACILITY MAJOR MAINTENANCE - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 25,000	\$ -	\$ (25,000)
Interest	<u>4,500</u>	<u>13,430</u>	<u>8,930</u>
 TOTAL REVENUES	 <u>29,500</u>	 <u>13,430</u>	 <u>(16,070)</u>
 EXPENDITURES			
Capital outlay	<u>500,000</u>	<u>287,450</u>	<u>212,550</u>
 TOTAL EXPENDITURES	 <u>500,000</u>	 <u>287,450</u>	 <u>212,550</u>
 Net change in fund balance	 (470,500)	 (274,020)	 196,480
Fund balance at beginning of year	<u>964,383</u>	<u>964,173</u>	<u>(210)</u>
 Fund balance at end of year	 <u><u>\$ 493,883</u></u>	 <u><u>\$ 690,153</u></u>	 <u><u>\$ 196,270</u></u>

CITY OF FOREST GROVE

**LIBRARY ENDOWMENT - PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ 325</u>	<u>\$ 734</u>	<u>\$ 409</u>
TOTAL REVENUES	<u>325</u>	<u>734</u>	<u>409</u>
EXPENDITURES			
Materials and services	<u>1,381</u>	<u>-</u>	<u>1,381</u>
TOTAL EXPENDITURES	<u>1,381</u>	<u>-</u>	<u>1,381</u>
Net change in fund balance	(1,056)	734	1,790
Fund balance at beginning of year	<u>42,243</u>	<u>42,400</u>	<u>157</u>
Fund balance at end of year	<u>\$ 41,187</u>	<u>\$ 43,134</u>	<u>\$ 1,947</u>

CITY OF FOREST GROVE

**LIGHT - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 17,546,216	\$ 18,562,355	\$ 1,016,139
Conservation incentive	266,000	223,662	(42,338)
Licenses and permits	17,500	57,795	40,295
Sale of materials	21,550	75,195	53,645
Interest	35,000	55,056	20,056
Miscellaneous	<u>-</u>	<u>12,169</u>	<u>12,169</u>
TOTAL REVENUES	<u>17,886,266</u>	<u>18,986,232</u>	<u>1,099,966</u>
EXPENDITURES			
Electric services	18,657,126	18,655,262	1,864
Debt service	305,501	305,500	1
Contingency	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
TOTAL EXPENDITURES	<u>19,962,627</u>	<u>18,960,762</u>	<u>1,001,865</u>
Excess (deficiency) of revenues over expenditures	<u>(2,076,361)</u>	<u>25,470</u>	<u>2,101,831</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,049,440)</u>	<u>(1,049,440)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,049,440)</u>	<u>(1,049,440)</u>	<u>-</u>
Net change in fund balance	(3,125,801)	(1,023,970)	2,101,831
Fund balance at beginning of year	<u>5,859,393</u>	<u>6,297,536</u>	<u>438,143</u>
Fund balance at end of year	<u>\$ 2,733,592</u>	<u>5,273,566</u>	<u>\$ 2,539,974</u>

Reconciliation to generally accepted accounting principles

Inventory	556,323
Capital assets, net	22,967,613
Deferred outflows of resources	1,735,471
Accrued interest payable	(20,846)
Other postemployment benefit liability	(250,513)
Net pension liability	(5,654,120)
Long-term obligations	(3,583,982)
Deferred inflows of resources	<u>(29,321)</u>
Net position - ending	<u>\$ 20,994,191</u>

CITY OF FOREST GROVE

**SEWER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 5,412,621	\$ 1,459,519	\$ (3,953,102)
Interest	25,000	42,692	17,692
Licenses and permits	-	6,620	6,620
Miscellaneous	<u>5,000</u>	<u>17,203</u>	<u>12,203</u>
 TOTAL REVENUES	 <u>5,442,621</u>	 <u>1,526,034</u>	 <u>(3,916,587)</u>
 EXPENDITURES			
Sewer services	5,500,984	1,061,639	4,439,345
Contingency	<u>750,000</u>	<u>-</u>	<u>750,000</u>
 TOTAL EXPENDITURES	 <u>6,250,984</u>	 <u>1,061,639</u>	 <u>5,189,345</u>
 Excess (deficiency) of revenues over expenditures	 <u>(808,363)</u>	 <u>464,395</u>	 <u>1,272,758</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(142,478)</u>	<u>(122,678)</u>	<u>19,800</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(142,478)</u>	 <u>(122,678)</u>	 <u>19,800</u>
 Net change in fund balance	 (950,841)	 341,717	 1,292,558
Fund balance at beginning of year	<u>3,059,914</u>	<u>3,125,669</u>	<u>65,755</u>
 Fund balance at end of year	 <u>\$ 2,109,073</u>	 3,467,386	 <u>\$ 1,358,313</u>

Reconciliation to generally accepted accounting principles

Inventory	8,250
Capital assets, net	8,828,636
Deferred outflows of resources	188,104
Other postemployment benefit liability	(37,726)
Net pension liability	(611,676)
Deferred inflows of resources	<u>(3,776)</u>
 Net position-ending	 <u>\$ 11,839,198</u>

CITY OF FOREST GROVE

**WATER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 5,000	\$ 6,180	\$ 1,180
Charges for services	4,609,534	4,807,498	197,964
Rents	36,050	36,050	-
Interest	45,000	118,876	73,876
Miscellaneous	<u>1,000,000</u>	<u>1,659,452</u>	<u>659,452</u>
TOTAL REVENUES	<u>5,695,584</u>	<u>6,628,056</u>	<u>932,472</u>
EXPENDITURES			
Water services	4,324,228	4,258,840	65,388
Debt service	431,999	431,912	87
Contingency	<u>1,276,150</u>	<u>-</u>	<u>1,276,150</u>
TOTAL EXPENDITURES	<u>6,032,377</u>	<u>4,690,752</u>	<u>1,341,625</u>
Excess (deficiency) of revenues over expenditures	<u>(336,793)</u>	<u>1,937,304</u>	<u>2,274,097</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(317,130)</u>	<u>(317,130)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(317,130)</u>	<u>(317,130)</u>	<u>-</u>
Net change in fund balance	(653,923)	1,620,174	2,274,097
Fund balance at beginning of year	<u>7,339,904</u>	<u>7,204,790</u>	<u>(135,114)</u>
Fund balance at end of year	<u>\$ 6,685,981</u>	8,824,964	<u>\$ 2,138,983</u>

Reconciliation to generally accepted accounting principles

Inventory	149,953
Investment in joint ventures	6,486,238
Capital assets, net	10,927,678
Deferred outflows of resources	506,606
Accrued interest payable	(27,917)
Bond premium, net	(12,618)
Other postemployment benefit liability	(103,792)
Net pension liability	(1,568,484)
Long-term obligations	(2,803,521)
Deferred inflows of resources	<u>(10,082)</u>
Net position - ending	<u>\$ 22,369,025</u>

CITY OF FOREST GROVE

**SURFACE WATER MANAGEMENT - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget	Actual	Variance
REVENUES			
Licenses and permits	\$ -	\$ 3,075	\$ 3,075
Charges for services	1,450,000	1,111,112	(338,888)
Interest	500	2,774	2,274
TOTAL REVENUES	1,450,500	1,116,961	(333,539)
EXPENDITURES			
SWM services	1,371,942	990,076	381,866
Contingency	75,000	-	75,000
TOTAL EXPENDITURES	1,446,942	990,076	456,866
Excess (deficiency) of revenues over expenditures	3,558	126,885	123,327
OTHER FINANCING SOURCES (USES)			
Transfers out	(83,304)	(70,104)	13,200
TOTAL OTHER FINANCING SOURCES (USES)	(83,304)	(70,104)	13,200
Net change in fund balance	(79,746)	56,781	136,527
Fund balance at beginning of year	643,658	702,044	58,386
Fund balance at end of year	\$ 563,912	758,825	\$ 194,913

Reconciliation to generally accepted accounting principles

Capital assets, net	6,640,393
Deferred outflows of resources	189,420
Other postemployment benefit liability	(46,729)
Net pension liability	(614,993)
Deferred inflows of resources	(4,295)
Net position - ending	\$ 6,922,621

CITY OF FOREST GROVE

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

June 30, 2018

	Sewer System Development Charges	Water System Development Charges	Surface Water Management System Development Charges	Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 768,151	\$ 5,664,243	\$ 480,341	\$ 6,912,735
Investments	47,772	367,461	29,873	445,106
Receivables, net	<u>1,085</u>	<u>-</u>	<u>-</u>	<u>1,085</u>
TOTAL ASSETS	<u>817,008</u>	<u>6,031,704</u>	<u>510,214</u>	<u>7,358,926</u>
LIABILITIES				
Current liabilities				
Due to Clean Water Services	<u>39,103</u>	<u>-</u>	<u>-</u>	<u>39,103</u>
TOTAL LIABILITIES	<u>39,103</u>	<u>-</u>	<u>-</u>	<u>39,103</u>
NET POSITION				
Restricted for capital projects	<u>777,905</u>	<u>6,031,704</u>	<u>510,214</u>	<u>7,319,823</u>
TOTAL NET POSITION	<u>\$ 777,905</u>	<u>\$ 6,031,704</u>	<u>\$ 510,214</u>	<u>\$ 7,319,823</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2018**

	Sewer System Development Charges	Water System Development Charges	Surface Water Management System Development Charges	Totals
OPERATING REVENUES				
Licenses, permits, and fees	\$ 9,693	\$ -	\$ -	\$ 9,693
TOTAL OPERATING REVENUES	9,693	-	-	9,693
OPERATING EXPENSES				
System operation and maintenance	274,801	244,338	450	519,589
TOTAL OPERATING EXPENSES	274,801	244,338	450	519,589
Operating income (loss)	(265,108)	(244,338)	(450)	(509,896)
NONOPERATING REVENUES (EXPENSES)				
Interest earned	4,763	86,027	7,005	97,795
TOTAL NONOPERATING REVENUES (EXPENSES)	4,763	86,027	7,005	97,795
Income (loss) before capital contributions and transfers	(260,345)	(158,311)	6,555	(412,101)
Capital contributions	421,949	1,259,600	71,726	1,753,275
Transfers out	(119,537)	(1,400)	-	(120,937)
Change in net position	42,067	1,099,889	78,281	1,220,237
Net position at beginning of year	735,838	4,931,815	431,933	6,099,586
Net position at end of year	\$ 777,905	\$ 6,031,704	\$ 510,214	\$ 7,319,823

CITY OF FOREST GROVE

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2018**

	Sewer System Development Charges	Water System Development Charges	Surface Water Management System Development Charges	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 8,608	\$ -	\$ -	\$ 8,608
Cash paid to suppliers	<u>(566,243)</u>	<u>(244,338)</u>	<u>(1,550)</u>	<u>(812,131)</u>
Net cash provided by (used in) operating activities	<u>(557,635)</u>	<u>(244,338)</u>	<u>(1,550)</u>	<u>(803,523)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out	<u>-</u>	<u>(1,400)</u>	<u>-</u>	<u>(1,400)</u>
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>(1,400)</u>	<u>-</u>	<u>(1,400)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	421,949	1,259,600	71,726	1,753,275
Grants	240,000	-	-	240,000
Principal paid on long-term obligations	(115,896)	-	-	(115,896)
Interest paid on long-term obligations	<u>(3,641)</u>	<u>-</u>	<u>-</u>	<u>(3,641)</u>
Net cash provided by (used in) capital and related financing activities	<u>542,412</u>	<u>1,259,600</u>	<u>71,726</u>	<u>1,873,738</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	4,763	86,027	7,005	97,795
Purchases of investments	<u>(43,266)</u>	<u>(340,569)</u>	<u>(27,512)</u>	<u>(411,347)</u>
Net cash provided by (used in) investing activities	<u>(38,503)</u>	<u>(254,542)</u>	<u>(20,507)</u>	<u>(313,552)</u>
Net increase (decrease) in cash and cash equivalents	(53,726)	759,320	49,669	755,263
Cash and cash equivalents at beginning of year	<u>821,877</u>	<u>4,904,923</u>	<u>430,672</u>	<u>6,157,472</u>
Cash and cash equivalent at end of year	<u>\$ 768,151</u>	<u>\$ 5,664,243</u>	<u>\$ 480,341</u>	<u>\$ 6,912,735</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (265,108)	\$ (244,338)	\$ (450)	\$ (509,896)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Decrease (increase) in assets				
Accounts receivable	(1,085)	-	-	(1,085)
Increase (decrease) in liabilities				
Accounts payable	(330,545)	-	(1,100)	(331,645)
Due to Clean Water Services	<u>39,103</u>	<u>-</u>	<u>-</u>	<u>39,103</u>
Net cash provided by (used in) operating activities	<u>\$ (557,635)</u>	<u>\$ (244,338)</u>	<u>\$ (1,550)</u>	<u>\$ (803,523)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS				
Transfers out	<u>\$ (119,537)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (119,537)</u>

CITY OF FOREST GROVE

**SEWER SYSTEM DEVELOPMENT CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fees and fines	\$ -	\$ 9,693	\$ 9,693
System development charges	445,200	421,949	(23,251)
Interest	<u>2,000</u>	<u>4,763</u>	<u>2,763</u>
 TOTAL REVENUES	 <u>447,200</u>	 <u>436,405</u>	 <u>(10,795)</u>
 EXPENDITURES			
Sewer infrastructure construction	941,160	274,801	666,359
Debt service	119,537	119,537	-
Contingency	<u>15,457</u>	<u>-</u>	<u>15,457</u>
 TOTAL EXPENDITURES	 <u>1,076,154</u>	 <u>394,338</u>	 <u>681,816</u>
 Net change in fund balance	 (628,954)	 42,067	 671,021
Fund balance at beginning of year	<u>628,954</u>	<u>735,838</u>	<u>106,884</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 777,905</u>	 <u>\$ 777,905</u>

CITY OF FOREST GROVE

**WATER SYSTEM DEVELOPMENT CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS)- BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System development charges	\$ 470,064	\$ 1,259,600	\$ 789,536
Interest	<u>17,000</u>	<u>86,027</u>	<u>69,027</u>
TOTAL REVENUES	<u>487,064</u>	<u>1,345,627</u>	<u>858,563</u>
EXPENDITURES			
Water infrastructure construction	1,310,117	244,338	1,065,779
Contingency	<u>150,000</u>	<u>-</u>	<u>150,000</u>
TOTAL EXPENDITURES	<u>1,460,117</u>	<u>244,338</u>	<u>1,215,779</u>
Excess (deficiency) of revenues over expenditures	<u>(973,053)</u>	<u>1,101,289</u>	<u>2,074,342</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(1,400)</u>	<u>(1,400)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,400)</u>	<u>(1,400)</u>	<u>-</u>
Net change in fund balance	(974,453)	1,099,889	2,074,342
Fund balance at beginning of year	<u>4,686,180</u>	<u>4,931,815</u>	<u>245,635</u>
Fund balance at end of year	<u>\$ 3,711,727</u>	<u>\$ 6,031,704</u>	<u>\$ 2,319,977</u>

CITY OF FOREST GROVE

**SURFACE WATER MANAGEMENT SYSTEM DEVELOPMENT
CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System development charges	\$ 24,750	\$ 71,726	\$ 46,976
Interest	<u>1,900</u>	<u>7,005</u>	<u>5,105</u>
 TOTAL REVENUES	 <u>26,650</u>	 <u>78,731</u>	 <u>52,081</u>
 EXPENDITURES			
SWC infrastructure construction	310,000	450	309,550
Contingency	<u>114,895</u>	<u>-</u>	<u>114,895</u>
 TOTAL EXPENDITURES	 <u>424,895</u>	 <u>450</u>	 <u>424,445</u>
 Net change in fund balance	 (398,245)	 78,281	 476,526
Fund balance at beginning of year	<u>398,245</u>	<u>431,933</u>	<u>33,688</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 510,214</u>	 <u>\$ 510,214</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018**

	Information Systems	Equipment	Risk Management	Totals
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	\$ 748,122	\$ 1,239,463	\$ 167,706	\$ 2,155,291
Investments	46,526	77,083	10,430	134,039
Prepays	-	-	129,905	129,905
Total current assets	<u>794,648</u>	<u>1,316,546</u>	<u>308,041</u>	<u>2,419,235</u>
Capital assets				
Other capital assets, net	-	2,187,520	-	2,187,520
Total capital assets	<u>-</u>	<u>2,187,520</u>	<u>-</u>	<u>2,187,520</u>
TOTAL ASSETS	<u>794,648</u>	<u>3,504,066</u>	<u>308,041</u>	<u>4,606,755</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension related items	-	47,303	-	47,303
Other postemployment benefit related items	-	687	-	687
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>47,990</u>	<u>-</u>	<u>47,990</u>
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable	13,368	25,921	1,502	40,791
Accrued payroll liabilities	-	3,416	-	3,416
Current portion of long-term obligations	-	10,642	-	10,642
Total current liabilities	<u>13,368</u>	<u>39,979</u>	<u>1,502</u>	<u>54,849</u>
Long-term obligations				
Other postemployment benefit liability	-	20,461	-	20,461
Net pension liability	-	154,864	-	154,864
Total long-term obligations	<u>-</u>	<u>175,325</u>	<u>-</u>	<u>175,325</u>
TOTAL LIABILITIES	<u>13,368</u>	<u>215,304</u>	<u>1,502</u>	<u>230,174</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related items	-	413	-	413
Other postemployment benefit related items	-	1,162	-	1,162
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>1,575</u>	<u>-</u>	<u>1,575</u>
<u>NET POSITION</u>				
Net investment in capital assets	-	2,187,520	-	2,187,520
Unrestricted	781,280	1,147,657	306,539	2,235,476
TOTAL NET POSITION	<u>\$ 781,280</u>	<u>\$ 3,335,177</u>	<u>\$ 306,539</u>	<u>\$ 4,422,996</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018**

	<u>Information Systems</u>	<u>Equipment</u>	<u>City Utility</u>	<u>Risk Management</u>	<u>Totals</u>
OPERATING REVENUES					
Charges for services	\$ 337,342	\$ 886,646	\$ -	\$ 511,031	\$ 1,735,019
Total operating revenues	<u>337,342</u>	<u>886,646</u>	<u>-</u>	<u>511,031</u>	<u>1,735,019</u>
OPERATING EXPENSES					
Systems operation and maintenance	314,809	479,441	215,295	613,522	1,623,067
General fund administrative charges	-	3,655	-	-	3,655
Depreciation	<u>-</u>	<u>295,538</u>	<u>-</u>	<u>-</u>	<u>295,538</u>
Total operating expenses	<u>314,809</u>	<u>778,634</u>	<u>215,295</u>	<u>613,522</u>	<u>1,922,260</u>
Operating income (loss)	<u>22,533</u>	<u>108,012</u>	<u>(215,295)</u>	<u>(102,491)</u>	<u>(187,241)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earned	9,674	16,126	-	2,553	28,353
Miscellaneous	-	3,761	-	62,910	66,671
Gain (loss) on sale of capital assets	<u>-</u>	<u>(22,428)</u>	<u>-</u>	<u>-</u>	<u>(22,428)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>9,674</u>	<u>(2,541)</u>	<u>-</u>	<u>65,463</u>	<u>72,596</u>
Income (loss) before transfers	32,207	105,471	(215,295)	(37,028)	(114,645)
Transfers in	-	151,392	215,295	-	366,687
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Change in net position	32,207	256,863	-	(77,028)	212,042
Net position at beginning of year	749,073	3,104,599	-	383,567	4,237,239
Prior period adjustment	<u>-</u>	<u>(26,285)</u>	<u>-</u>	<u>-</u>	<u>(26,285)</u>
Net position at end of year	<u>\$ 781,280</u>	<u>\$ 3,335,177</u>	<u>\$ -</u>	<u>\$ 306,539</u>	<u>\$ 4,422,996</u>

CITY OF FOREST GROVE

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018**

	Information		City	Risk	
	Systems	Equipment	Utility	Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services provided	\$ 337,342	\$ 886,646	\$ -	\$ 511,031	\$ 1,735,019
Cash paid to employees	-	(209,489)	-	-	(209,489)
Cash paid to suppliers	<u>(309,082)</u>	<u>(333,092)</u>	<u>(215,295)</u>	<u>(571,032)</u>	<u>(1,428,501)</u>
Net cash provided by (used in) operating activities	<u>28,260</u>	<u>344,065</u>	<u>(215,295)</u>	<u>(60,001)</u>	<u>97,029</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	215,295	-	215,295
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Net cash provided by (used in) non-capital financial activities	<u>-</u>	<u>-</u>	<u>215,295</u>	<u>(40,000)</u>	<u>175,295</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers in	-	151,392	-	-	151,392
Sale of capital assets	-	28,631	-	-	28,631
Other	-	3,761	-	62,910	66,671
Acquisition of capital assets	<u>-</u>	<u>(494,313)</u>	<u>-</u>	<u>-</u>	<u>(494,313)</u>
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(310,529)</u>	<u>-</u>	<u>62,910</u>	<u>(247,619)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	9,674	16,126	-	2,553	28,353
Purchase of investments	<u>(42,400)</u>	<u>(70,175)</u>	<u>-</u>	<u>(9,270)</u>	<u>(121,845)</u>
Net cash provided by (used in) investing activities	<u>(32,726)</u>	<u>(54,049)</u>	<u>-</u>	<u>(6,717)</u>	<u>(93,492)</u>
Net increase (decrease) in cash and cash equivalents	(4,466)	(20,513)	-	(43,808)	(68,787)
Cash and cash equivalents at beginning of year	<u>752,588</u>	<u>1,259,976</u>	<u>-</u>	<u>211,514</u>	<u>2,224,078</u>
Cash and cash equivalent at end of year	<u>\$ 748,122</u>	<u>\$ 1,239,463</u>	<u>\$ -</u>	<u>\$ 167,706</u>	<u>\$ 2,155,291</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 22,533	\$ 108,012	\$ (215,295)	\$ (102,491)	\$ (187,241)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	-	295,538	-	-	295,538
Decrease (increase) in assets and deferred outflows					
Prepaid expenses	-	-	-	49,949	49,949
Pension related items	-	65,655	-	-	65,655
Increase (decrease) in liabilities and deferred inflows					
Accounts payable	5,727	13,899	-	(7,459)	12,167
Payroll related liabilities	-	721	-	-	721
Compensated absences payable	-	5,076	-	-	5,076
Net pension liability	-	(145,019)	-	-	(145,019)
Other postemployment benefit liability	-	(15)	-	-	(15)
Pension related items	-	(964)	-	-	(964)
Other postemployment benefit related items	<u>-</u>	<u>1,162</u>	<u>-</u>	<u>-</u>	<u>1,162</u>
Net cash provided by (used in) operating activities	<u>\$ 28,260</u>	<u>\$ 344,065</u>	<u>\$ (215,295)</u>	<u>\$ (60,001)</u>	<u>\$ 97,029</u>

CITY OF FOREST GROVE

**INFORMATION SYSTEMS - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 337,236	\$ 337,342	\$ 106
Interest	<u>2,800</u>	<u>9,674</u>	<u>6,874</u>
TOTAL REVENUES	<u>340,036</u>	<u>347,016</u>	<u>6,980</u>
EXPENDITURES			
Information system services	650,865	314,809	336,056
Contingency	<u>40,000</u>	<u>-</u>	<u>40,000</u>
TOTAL EXPENDITURES	<u>690,865</u>	<u>314,809</u>	<u>376,056</u>
Net change in fund balance	(350,829)	32,207	383,036
Fund balance at beginning of year	<u>772,468</u>	<u>749,073</u>	<u>(23,395)</u>
Fund balance at end of year	<u><u>\$ 421,639</u></u>	<u><u>\$ 781,280</u></u>	<u><u>\$ 359,641</u></u>

CITY OF FOREST GROVE

**EQUIPMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 969,245	\$ 886,646	\$ (82,599)
Interest	10,000	16,126	6,126
Miscellaneous	22	3,761	3,739
TOTAL REVENUES	979,267	906,533	(72,734)
EXPENDITURES			
Vehicle services	1,085,210	1,051,514	33,696
Contingency	250,000	-	250,000
TOTAL EXPENDITURES	1,335,210	1,051,514	283,696
Excess (deficiency) of revenues over expenditures	(355,943)	(144,981)	210,962
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	17,000	28,631	11,631
Transfers in	184,392	151,392	(33,000)
TOTAL OTHER FINANCING SOURCES (USES)	201,392	180,023	(21,369)
Net change in fund balance	(154,551)	35,042	189,593
Fund balance at beginning of year	1,199,424	1,252,167	52,743
Fund balance at end of year	\$ 1,044,873	1,287,209	\$ 242,336

Reconciliation to generally accepted accounting principles

Capital assets, net	2,187,520
Deferred outflows of resources	47,990
Net pension liability	(154,864)
Other postemployment benefit liability	(20,461)
Long-term obligations	(10,642)
Deferred inflows of resources	(1,575)
Net position-ending	\$ 3,335,177

CITY OF FOREST GROVE

**CITY UTILITY - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Materials and services	\$ 215,295	\$ 215,295	\$ -
TOTAL EXPENDITURES	<u>215,295</u>	<u>215,295</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>215,295</u>	<u>215,295</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>215,295</u>	<u>215,295</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF FOREST GROVE

**RISK MANAGEMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 535,837	\$ 511,031	\$ (24,806)
Interest	4,000	2,553	(1,447)
Miscellaneous	<u>-</u>	<u>62,910</u>	<u>62,910</u>
TOTAL REVENUES	<u>539,837</u>	<u>576,494</u>	<u>36,657</u>
EXPENDITURES			
Risk management services	709,117	613,522	95,595
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL EXPENDITURES	<u>759,117</u>	<u>613,522</u>	<u>145,595</u>
Excess (deficiency) of revenues over expenditures	<u>(219,280)</u>	<u>(37,028)</u>	<u>182,252</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balance	(259,280)	(77,028)	182,252
Fund balance at beginning of year	<u>401,414</u>	<u>383,567</u>	<u>(17,847)</u>
Fund balance at end of year	<u><u>\$ 142,134</u></u>	<u><u>\$ 306,539</u></u>	<u><u>\$ 164,405</u></u>

CITY OF FOREST GROVE

**UNSEGREGATED TAX AND INTEREST AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2018**

	<u>Balances</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2018</u>
Assets				
Cash and cash equivalents	<u>\$ 189,878</u>	<u>\$ 188,379</u>	<u>\$ 200,430</u>	<u>\$ 177,827</u>
Liabilities				
Amounts held in trust	<u>\$ 189,878</u>	<u>\$ 188,379</u>	<u>\$ 200,430</u>	<u>\$ 177,827</u>

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COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and Members
of the City Council
CITY OF FOREST GROVE
Forest Grove, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the **CITY OF FOREST GROVE** as of and for the year ended June 30, 2018, and have issued our report thereon dated January 30, 2019.

Compliance

As part of obtaining reasonable assurance about whether the City of Forest Grove's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS (Continued)**

A. Budgets legally required (ORS Chapter 294)

1. Resources as presented in the 2017-18 budget detail for the General Fund do not equal requirements.
2. Transfers in of \$2,000,262 and transfers out of \$2,001,763 were budgeted in the 2017-18 budget. Transfers in should equal transfers out.
3. Total resources and requirements on budget detail for the year 2017-18 do not equal the financial summary LB-1 totals.
4. In the budget detail for 2018-19, the excess of actual revenues over actual expenditures in the 2015-16 year do not equal the beginning balance of the 2016-17 year in the General Fund by \$48,030 and in the Capital Projects Fund by \$2,200,000.
5. Total resources and requirements for 2016-17 actual and 2017-18 adopted amounts on budget detail for the year 2018-19 do not equal the financial summary LB-1 totals.

OAR 162-10-0230 Internal Control

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

Restriction on Use

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

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 30, 2019

By:



Bradley G. Bingenheimer, Member

FOREST GROVE URBAN RENEWAL AGENCY
Forest Grove, Oregon

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018

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**FOREST GROVE URBAN RENEWAL AGENCY
OFFICERS AND MEMBERS OF THE GOVERNING BODY
For the Year Ended June 30, 2018**

BOARD OF DIRECTORS

Peter Truax
3131 Forest Gale Drive
Forest Grove, OR 97116

Timothy Rippe
3334 Edgeview Lane
Forest Grove, OR 97116

Thomas Johnston
2323 15th Avenue
Forest Grove, OR 97116

Malynda Wenzl
2519 Heather Way
Forest Grove, OR 97116

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

Ronald Thompson
3231 Lavina Drive
Forest Grove, OR 97116

Elena Uhing
1633 Pacific Avenue
Forest Grove, OR 97116

CONTACT PERSON

Paul Downey
1924 Council Street
Forest Grove, OR 97116

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FOREST GROVE URBAN RENEWAL AGENCY

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INDEPENDENT AUDITOR'S REPORT

Agency Officials
FOREST GROVE URBAN RENEWAL AGENCY
Forest Grove, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the FOREST GROVE URBAN RENEWAL AGENCY, a component unit of the City of Forest Grove, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the FOREST GROVE URBAN RENEWAL AGENCY, as of June 30, 2018, the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 29, 2019, on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 29, 2019

By:



Bradley Bingenheimer, Member

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2018

This discussion and analysis presents the highlights of financial activities and financial position for the Forest Grove Urban Renewal Agency (Agency), component unit of the City of Forest Grove, Oregon (City). The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes, and variances from the budget, and specific issues related to funds and the economic factors affecting the Agency.

Management's discussion and analysis (MD&A) focuses on the current year activities and resulting changes from the prior year. Please read it in conjunction with the Agency's financial statements (beginning on page 1).

FINANCIAL HIGHLIGHTS

- The Total Assets of the Agency were \$617,980 and the Net Position was \$(1,452,081) at June 30, 2018, which was the end of the Agency's third fiscal year.
- Overall, expenditures were \$66,994 and overall revenue was \$167,286. The primary expenditure for 2017-18 was \$41,252 in interest expense paid to the City for debt owed to the City.

REPORT LAYOUT

The Agency's annual financial report consists of several sections. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview, and economic factors affecting the Agency.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

REPORT LAYOUT (continued)

Basic Financial Statements. Includes statement of net position, statement of activities, fund financial statements, and notes to the financial statements. Statements of net position and activities focus on entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Agency.

The statement of net position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the Agency owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on Agency revenues and expenditures, the net of which equals change in net assets.

Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The Agency's General Fund is presented here along with budgetary comparisons.

The notes to the basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Agency's financial condition.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

AGENCY AS A WHOLE

Government-wide financial statements

Statement of Net Position at June 30:

Table 1
Net Position at Fiscal Year End
Governmental Activities

	<u>2018</u>	<u>2017</u>
Assets		
Cash and investments	\$ 197,055	\$ 216,342
Receivables	2,925	1,950
Land held for sale	<u>418,000</u>	<u>418,000</u>
Total assets	<u>617,980</u>	<u>636,292</u>
Liabilities		
Current liabilities	7,500	126,104
Long-term liabilities	<u>2,062,561</u>	<u>2,062,561</u>
Total liabilities	<u>2,070,061</u>	<u>2,188,665</u>
Net position:		
Unrestricted	<u>\$ (1,452,081)</u>	<u>\$ (1,552,373)</u>

As of June 30, 2018, the Agency had long-term liabilities of \$2,062,561 which consists of a loan from the City for the URA to provide assistance to a private developer for a mixed-use development project. Major asset is the remaining land held for sale. The URA plans on starting to market this property in the coming fiscal year.

Governmental Activities

The Agency's net position is negative \$1,452,081 which is essentially the difference between the long-term debt to the City of Forest Grove and the acquisition cost of the remaining land owned by the URA and cash and investments held by the URA.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Statement of Activities for the Year Ended June 30:

**Table 2
Governmental Activities for Fiscal Year Ending**

	<u>2018</u>	<u>2017</u>
General revenues		
Taxes	\$ 164,065	\$ 116,018
Investment earnings	3,121	1,630
Miscellaneous	100	-
Special item - gain (loss) on sale of capital asset	-	(682,000)
	<u>167,286</u>	<u>(564,352)</u>
Total general revenues and special items		
Program expenses		
General government	25,742	975,805
Interest on long-term obligations	41,252	20,626
	<u>66,994</u>	<u>996,431</u>
Total program expenses		
Change in net position	100,292	(1,560,783)
Net position - beginning	<u>(1,552,373)</u>	<u>8,410</u>
Net position - ending	<u>\$ (1,452,081)</u>	<u>\$ (1,552,373)</u>

Nearly all of the general revenue in FY 2017-18 was property tax revenue based on the incremental increase in the URA's taxable assessed value. The remainder was from investment earnings. General Government Program Expenses consisted principally of small storefront improvement grants and administrative expenses.

DEBT ADMINISTRATION

As of June 30, 2018, the Agency had \$2,062,561 of outstanding debt in the form of a note payable to the City for the purchase of land and funds loaned to URA in order for the URA to provide development assistance for a private development that has now been completed. The note is interest only for the first three years with the principal repayment to begin in FY 2020 with the note fully repaid by the end of FY 2026.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS

Like all municipalities in Oregon, the Agency is operating under Measure 50, the tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of 3 percent, with permitted allowances for increasing valuations based on new construction and annexations. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions.

As an urban renewal agency, the Agency receives tax increment revenues; calculated on the assessed value over the frozen base, which was set at the time the urban renewal district was formed. When the Agency completes projects, it is actually investing in itself; as the value of property increases in the district, the tax increment revenues increases.

The Agency expects the tax revenues to begin increasing significantly in FY 2019-20 as a large apartment complex, a smaller apartment complex and some commercial development was completed during FY 2017-18. Some smaller commercial projects are also expected to be built over the next year. None of those projects received any assistance from the Agency.

REQUEST FOR INFORMATION

The Agency's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with the general overview of the Agency's finances and to demonstrate the Agency's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Administrative Services Department at the City of Forest Grove. Our address is: PO Box 326, Forest Grove, Oregon 97116.

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BASIC FINANCIAL STATEMENTS

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FOREST GROVE URBAN RENEWAL AGENCY

STATEMENT OF NET POSITION

June 30, 2018

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 185,517
Investments	11,538
Receivables	2,925
Land held for sale	<u>418,000</u>
 TOTAL ASSETS	 <u>617,980</u>
<u>LIABILITIES</u>	
Accounts payable and accrued liabilities	7,500
Long-term obligations:	
Due in more than one year	<u>2,062,561</u>
 TOTAL LIABILITIES	 <u>2,070,061</u>
<u>NET POSITION</u>	
Unrestricted	<u>(1,452,081)</u>
 TOTAL NET POSITION	 <u>\$ (1,452,081)</u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

	<u>Governmental Activities</u>
PROGRAM EXPENSES	
General government	\$ 25,742
Interest on long-term obligations	<u>41,252</u>
TOTAL PROGRAM EXPENSES	<u>66,994</u>
GENERAL REVENUES	
Property taxes, levied for debt service	164,065
Miscellaneous	100
Unrestricted investment earnings	<u>3,121</u>
TOTAL GENERAL REVENUES	<u>167,286</u>
Change in net position	100,292
NET POSITION - beginning	<u>(1,552,373)</u>
NET POSITION - ending	<u><u>\$ (1,452,081)</u></u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

**BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2018**

	<u>General</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 185,517
Investments	11,538
Receivables	<u>2,925</u>
 TOTAL ASSETS	 <u>\$ 199,980</u>
<u>LIABILITIES</u>	
Accounts payable	<u>\$ 7,500</u>
 TOTAL LIABILITIES	 <u>7,500</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenue	<u>2,018</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>2,018</u>
<u>FUND BALANCES</u>	
Unrestricted	\$ 190,462
 RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION	
<i>Amounts reported for governmental activities in the statement net position are different because:</i>	
Land held for sale is not reported in the fund	418,000
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	2,018
Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund	<u>(2,062,561)</u>
 NET POSITION OF GOVERNMENTAL ACTIVITIES	 <u>\$ (1,452,081)</u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Year Ended June 30, 2018**

	<u>General</u>
REVENUES	
Property taxes	\$ 163,428
Miscellaneous	100
Interest	<u>3,121</u>
TOTAL REVENUES	<u>166,649</u>
EXPENDITURES	
Current	
General government	25,742
Debt service	<u>41,252</u>
TOTAL EXPENDITURES	<u>66,994</u>
Net change in fund balances	99,655
Fund balances at beginning of year	<u>90,807</u>
Fund balances at end of year	<u><u>\$ 190,462</u></u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 118,889	\$ 163,428	\$ 44,539
Miscellaneous	-	100	100
Interest	2,000	3,121	1,121
TOTAL REVENUES	<u>120,889</u>	<u>166,649</u>	<u>45,760</u>
EXPENDITURES			
Materials and services	157,484	25,742	131,742
Debt service	41,252	41,252	-
TOTAL EXPENDITURES	<u>198,736</u>	<u>66,994</u>	<u>131,742</u>
Net change in fund balance	(77,847)	99,655	177,502
Fund balance at beginning of year	<u>77,847</u>	<u>90,807</u>	<u>12,960</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 190,462</u>	<u>\$ 190,462</u>

See accompanying notes

FOREST GROVE URBAN RENEWAL AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

1. Summary of significant accounting policies

A. Organization

The Agency, a component unit of the City of Forest Grove, was organized in May 2014 under ORS 457 and is a municipal corporation created by the City of Forest Grove to facilitate urban renewal within the boundaries of the City. The city council serves as the governing body and is accountable for the fiscal matters of the Agency.

B. Urban renewal areas

Tax allocation bonds for urban renewal plan areas are authorized by state law to 1) "...eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas."

Projects are financed in urban renewal plan areas as follows:

- The Agency (city council) selects an urban renewal plan area and defines its boundaries.
- The county assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.
- Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance urban renewal projects.
- Urban renewal tax increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency's activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$15,000,000.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

C. Basis of presentation, measurement focus, and basis of accounting

Government-wide financial statements

The statement of net position and the statement of activities display information about the Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and proceeds from borrowings.

The statement of activities presents a comparison between direct expenses and program revenues for the Agency's program. The Agency does not allocate indirect expenses. Program revenues include grants and contributions that are restricted to meeting operational requirements. Revenues that are not classified as program revenues, including property taxes, earnings on investments and the gain on sale of property, are presented as general revenues.

Fund financial statements

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The General Fund accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas.

D. Measurement focus and basis of accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Agency considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent they have been incurred. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt are reported as other financing sources.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

E. Budget policies and budgetary control

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

The Agency begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The governing body adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over expended.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The governing body established the levels of budgetary control at the personnel services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

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

F. Property taxes

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

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

G. Land held for sale

Fund financial statements

In the fund financial statements, capital assets (including land held for resale) acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Government-wide statements

Land held for sale is recorded at historical cost or estimated historical cost. Upon disposition the Agency recognizes a gain or loss on the sale in the statement of activities.

H. Long-term obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Equity classification

Government-wide statements

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

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

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

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

In the government-wide financial statements when both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Governmental fund type fund balance reporting

Governmental type fund balances are to be reported within the fund balance categories listed below:

Non-spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

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

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

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

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the city council has provided otherwise in its commitment or assignment actions.

2. Cash, cash equivalents and investments

The Agency's cash, cash equivalents and investments at June 30, 2018 are as follows:

Cash and cash equivalents	
Deposits with financial institutions	\$ 21,705
State of Oregon Local Government Investment Pool	<u>163,812</u>
Total cash and cash equivalents	<u>\$ 185,517</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Cash, cash equivalents and investments (continued)

Investments	
Certificates of deposit	\$ 959
US government agency securities	<u>10,579</u>
Total investments	<u>\$ 11,538</u>

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

A. Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2018, none of the Agency's bank balances were exposed to custodial credit risk.

B. State of Oregon Local Government Investment Pool

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Cash, cash equivalents and investments (continued)

C. Investments

As of June 30, 2018, the Agency had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Risk Concentration</u>	<u>Weighted Average Maturity (in months)</u>
Certificates of deposits	Not rated	\$ 959	8.31%	5.00
US government agencies	Not rated	<u>10,579</u>	91.69%	24.00
Total investments		<u>\$ 11,538</u>		

Credit Risk. Oregon statutes authorize the Agency to invest in obligations of the U. S. Treasury and U. S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Concentration of Credit Risk: The Agency does not have a formal policy that places a limit on the amount that may be invested in any one insurer.

Interest Rate Risk: The Agency does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

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

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

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

The Agency's investment in U.S Agencies, corporate and municipal bonds are measured using level 2 inputs.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Land held for sale

The Agency purchased property for \$1,100,000 from the City of Forest Grove. Approximately two-thirds of the property was sold during 2016-17 for \$10 pursuant to a disposition and development agreement. The remainder of the property continues to be held by the Agency for sale.

4. Long-term obligations

A. Transactions for the governmental activities for the year ended June 30, 2018 were as follows:

	Outstanding June 30, 2017	Additions	Reductions	Outstanding June 30, 2018	Balances Due Within One Year
Loans					
City of Forest Grove	<u>\$ 2,062,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,062,561</u>	<u>\$ -</u>

B. Governmental activities long-term debt obligations

City of Forest Grove – the Agency borrowed \$2,062,561 from the City of Forest Grove to purchase land held for sale and to provide financial assistance to a developer for a mixed-use development. Interest only payments are due annually for three years. Principal and interest payments are due for seven years beginning June 15, 2020. Interest is accrued and paid on the loan at 2 percent.

C. Future maturities are as follows:

Fiscal Year	City of Forest Grove	
	Principal	Interest
2019	\$ -	\$ 41,252
2020	291,730	20,712
2021	276,698	35,743
2022	282,283	30,158
2023	287,981	24,460
2024-26	<u>923,869</u>	<u>34,704</u>
	<u>\$ 2,062,561</u>	<u>\$ 187,029</u>

5. Tax abatements

Washington County has established an Enterprise Zone under ORS 285C.050-250 that abates property taxes on new business development within the zone. As a result, the property taxes that the Agency received for the year ended June 30, 2018 have been reduced by \$2,010.

COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Agency Officials
FOREST GROVE URBAN RENEWAL AGENCY
Forest Grove, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the **FOREST GROVE URBAN RENEWAL AGENCY** as of and for the year ended June 30, 2018, and have issued our report thereon dated January 29, 2019.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS (Continued)**

OAR 162-10-0230 Internal Control

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

Restriction on Use

This report is intended solely for the information and use of the Agency Officials and management of the FOREST GROVE URBAN RENEWAL AGENCY and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 29, 2019

By:



Bradley G. Bingenheimer, Member



A place where families and businesses thrive

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	513
MEETING DATE:	
FINAL ACTION:	

CITY COUNCIL MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Jesse VanderZanden, City Manager
Bev Maughan, Executive Assistant*

DATE: *February 25, 2019*

SUBJECT TITLE: *2018 CITIZEN SURVEY RESULTS*

Background:

The City has conducted a Citizen Survey every two years since 1998. The survey is posted online and included in the utility billing insert to be returned with the utility bill.

The Survey contains two main sections. The first section lists all city services on a 1 to 7 scale and asks citizens to rank the quality of service with "7" being the highest. To allow for long-term tracking and quality assurance, the services listed and the measurement scale have remained the same since 2006. Prior to 2006, the scale was Very Poor to Excellent and does not correspond to the numeric scale used today.

The second section asks a few survey questions about current issues based on feedback from Councilors and staff. The intent of the questions is to help inform public policy. The questions this year were regarding visiting downtown, a potential town plaza project, backyard burning, and new police facility.

Staff Recommendation:

The presentation is for informational purposes and to recognize the time and effort each citizen took to complete the survey.

Attachments:

- 1) 2018 Citizen Survey Summary
- 2) 2018 Citizen Survey Results PowerPoint

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**CITY OF FOREST GROVE
2018 CITIZEN ATTITUDE SURVEY
SUMMARY REPORT**

Response Rate and Demographics

There were a total of 683 respondents to the 2018 Citizen Attitude Survey which included 230 online responses. The total number of responses in 2016 was 676 and 2014 was 738 responses.

The demographics were found to be similar to previous years with the larger group of respondents coming from persons over 55 and long-time residents as indicated below:

Age

Age	2018 Percent	2016 Percent	2014 Percent
Under 30	4	6	8
31 to 45	20	26	20
46 to 55	19	16	17
Over 55	56	51	55

Residency in Forest Grove

Years of Residency	2018 Percent	2016 Percent	2014 Percent
Less than 1 yr	4	5	6
1 to 3 years	14	12	13
4 to 6 years	11	9	11
7 to 10 years	8	11	10
10+ years	62	63	60

Place of Residency	2018 Percent	2016 Percent	2014 Percent
Homeowner	84	83	81
Rent Apartment	9	7	12
Lease home	5	7	6
Live w/family	1	1	1
Live on campus	0	0	0.1
Rent a room	0.6	0.3	0.4

Primary Information Source regarding City of Forest Grove government:

Source	2018 Percent	2016 Percent	2014 Percent
Utility Bills	81	78	48
News Times	45	48	26
Website	19	19	4
OregonLive	4	7	4
Oregonian	8	11	5
Facebook	29	27	4
Cable TV	2	2	2
Word of mouth	5	7	3

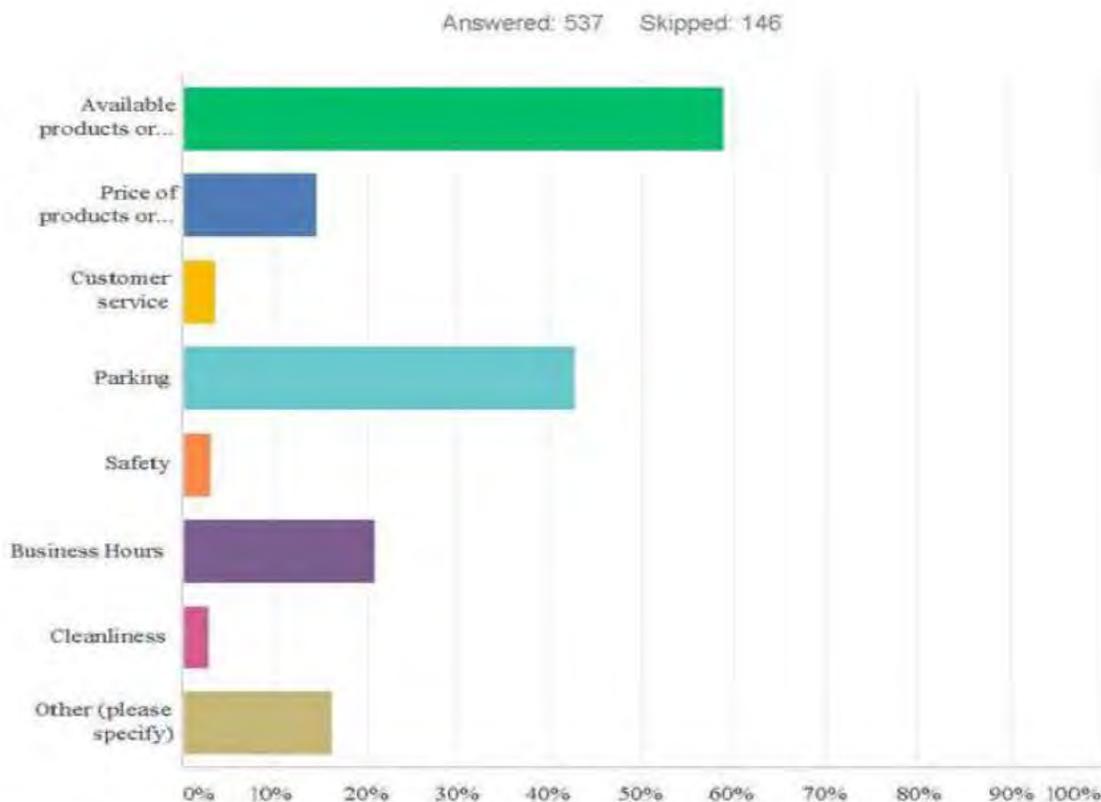
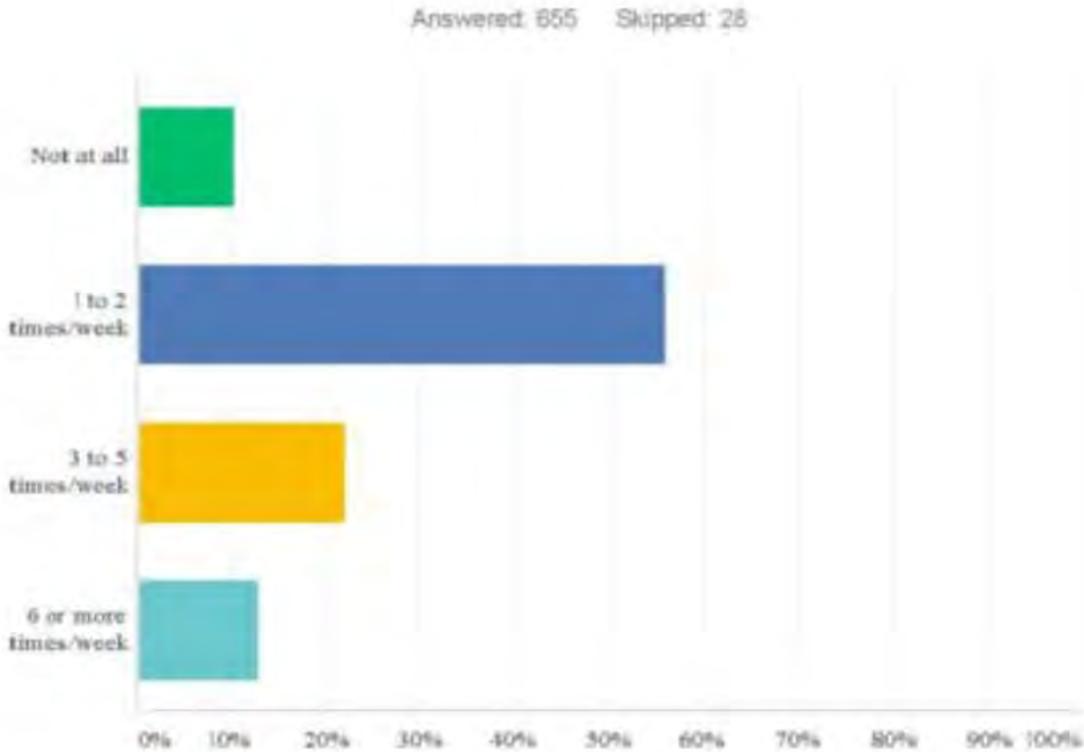
City Service Responses

The following is a summary of the response data for City Services. Respondents were asked to rank how well they believe the City is doing in providing the service. The ranking scale is from 1 (very poorly) to 7 (very well). Respondents may also indicate “don’t know” on an item. The results indicate the total number of respondents ranking each item and the item’s average score compared to the 2016 average score.

SERVICE / FACILITY ITEM	# Responses	2018 Average	2016 Average
Quality of fire response	358	6.35	6.31
Timeliness of emergency medical response	382	6.23	6.22
Electricity	629	6.09	6.13
Utility billing customer service	530	6.00	5.99
Sanitary sewer	564	5.99	5.98
Drinking water	626	5.98	5.97
Library customer service	490	5.94	5.89
Library materials available for checkout	488	5.84	5.93
Fire prevention programs	344	5.83	5.92
Timeliness of police response	379	5.67	5.63
Quality of police response	394	5.62	5.68
Library open hours	489	5.62	5.62
Street cleaning	649	5.62	5.60
Passport services	195	5.59	5.74
Storm drainage; localized flooding prevention/followup	543	5.58	5.29
Street lighting	646	5.48	5.42
Leaf pickup	602	5.46	5.47
Communication (website, facebook, utility bill inserts, newspaper ads, etc.)	585	5.44	5.40
Aquatic Center programs	355	5.39	5.56
Traffic control (signs, pavement markings, signals)	637	5.33	5.36
Parks and trails	545	5.28	5.33
Parking signs and markings	601	5.23	5.42
Landscaping and street tree trimming	614	5.13	5.23
Aquatic Center open hours	349	5.12	5.22
Municipal court	114	5.04	5.38
Crime prevention programs	293	5.01	5.00
Bike lanes	517	4.92	4.84
Street repair and surfaces	645	4.65	4.56
Parking enforcement	336	4.57	4.84
Other permits & licenses (business license, parking permits, etc)	157	4.41	4.68
Downtown parking	625	4.37	4.85
Building permits, planning permits, other development assistance	210	4.29	4.36
Enforcement of codes (e.g. junk cars, noise, zoning and nuisance)	456	4.03	4.34

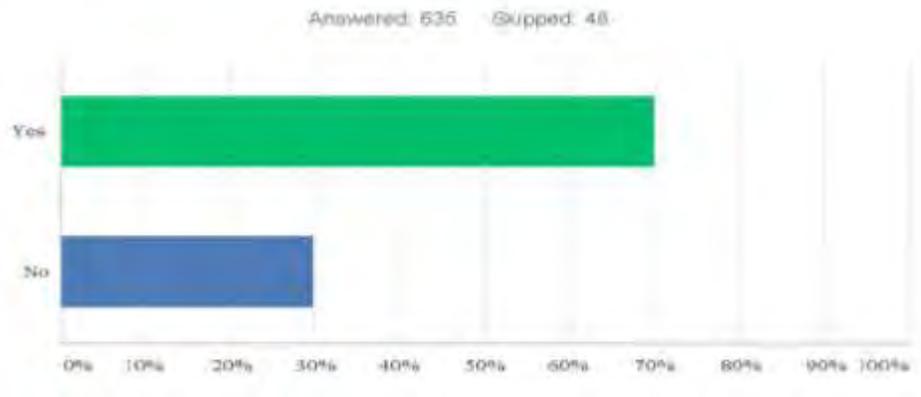
SURVEY QUESTIONS

VISITING DOWNTOWN : Out of 655 respondents, 90% visit downtown Forest Grove 1 to 2 times per week or more. The top three responses that deter visiting downtown Forest Grove were 1) available products or services, 2) parking, and 3) business hours.



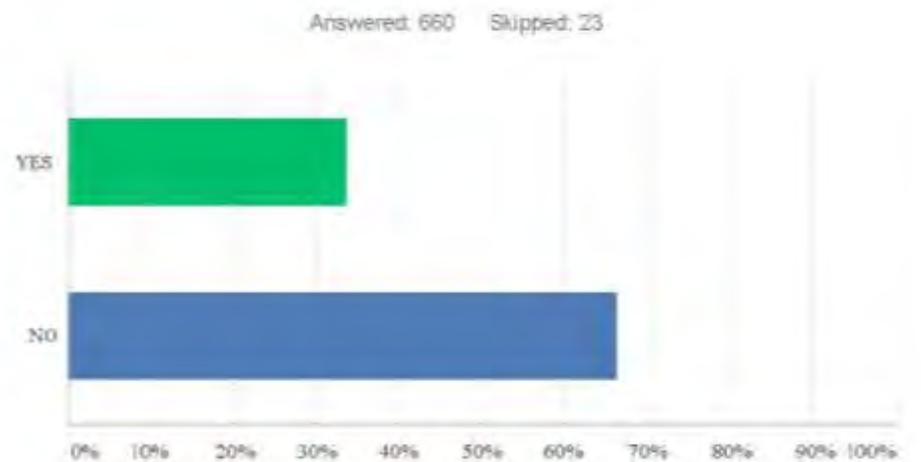
TOWN PLAZA PROJECT:

Out of 635 responses, 70% supported the vision of a flexible town plaza on 21st Avenue between “A” Street and College Way.



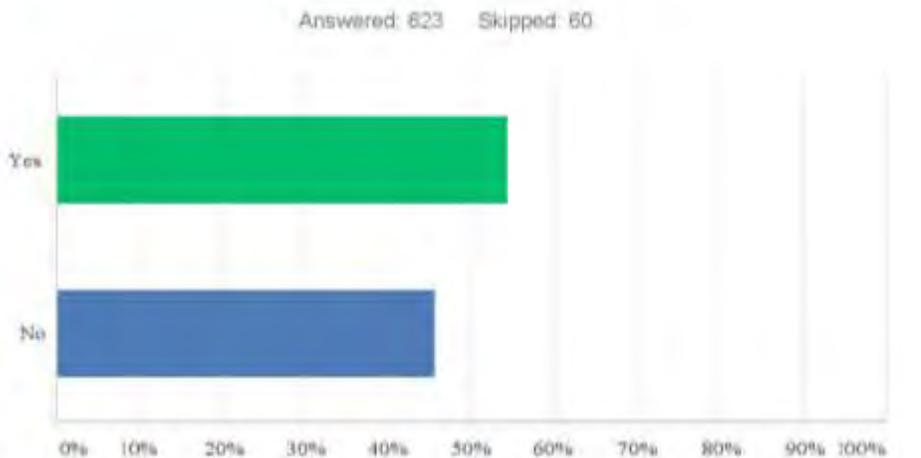
BACKYARD BURNING:

Citizens continue to not support a total ban on backyard burning. Out of 660 respondents, 66.36% did not want the City to ban backyard burning totally compared to 33.64% in favor of the total ban.

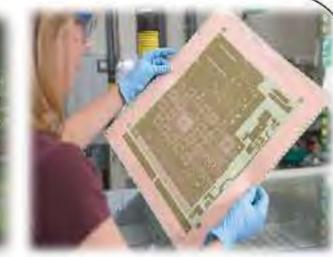


NEW POLICE FACILITY:

Out of 623 respondents, 54.41% would support an \$18 million bond for a police facility that would cost about \$0.80 per \$1,000 assessed value or \$180 per year for a house with an assessed value of \$225,000.



The City of Forest Grove appreciates the responses received from the citizens and will continue to strive to make Forest Grove a place where families and businesses thrive.



2018 CITIZEN SURVEY SUMMARY

Forest Grove City Council Meeting
February 25, 2019
7:00 PM

Survey History

- Utilized to gather feedback on city services and livability
- Initial survey distributed in 1998 with 699 responses
- Survey distributed every two years
- 2018 survey received 683 responses
 - 453 returned with utility bills
 - 230 completed online
- Responses in 2016: 676

DEMOGRAPHICS

- The majority of responses continue to come from persons over 55 (56%)

Age	2018 Percent
Under 30	4
31 to 45	20
46 to 55	19
Over 55	56

DEMOGRAPHICS

- The majority of responses continue to come from long-time residents of 10+ years (62%) and homeowners (84%)

Years of Residency	2018 Percentage	Place of Residency	2018 Percentage
Less than 1 year	4	Homeowner	84
1 to 3 years	14	Rent Apartment	9
4 to 6 years	11	Lease home	5
7 to 10 years	8	Live w/family	1
10+ years	62	Live on campus	0
		Rent a room	0.6

PRIMARY INFORMATION SOURCE

- Top two sources of information regarding City of Forest Grove government continue to be:
 - Utility Bill inserts
 - News Times
- Social Media was at the same level as last year.

Source	2018 Percentage
Utility Bills	81
News Times	45
Website	19
OregonLive	4
Oregonian	8
Facebook	29
Cable TV	2
Word of mouth	5

CITY SERVICES RANKING

Respondents asked to rank how well they believe the City is doing in providing services.

- Services/Facilities ranked from 1 (very poorly) to 7 (very well)
- 2018 Average Overall Ranking: 5.36
 - 2006 – 5.39
 - 2008 – 5.47
 - 2010 – 5.45
 - 2012 – 5.49
 - 2014 – 5.47
 - 2016 – 5.43

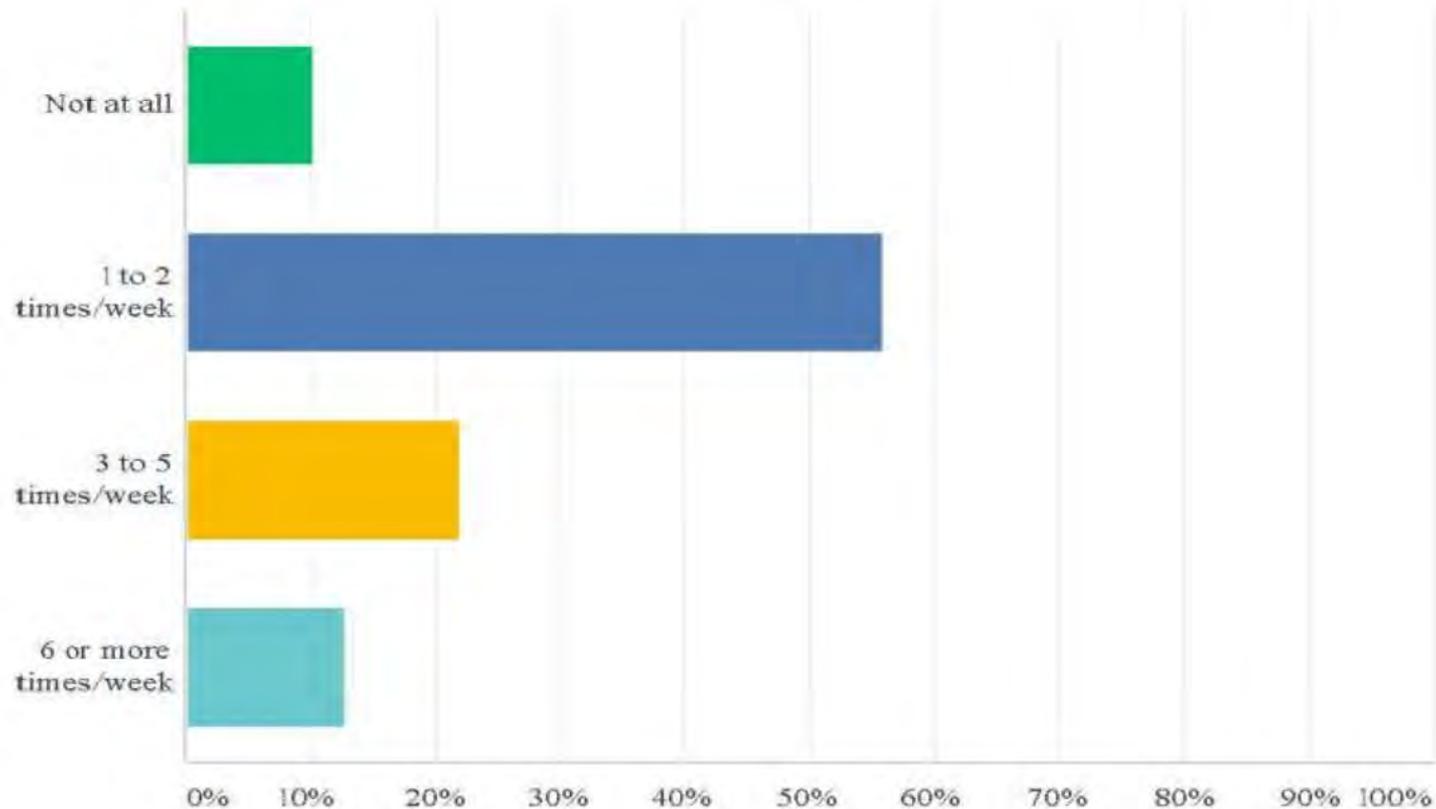
CITY SERVICES RANKING

- There are 33 City Service Ranking Categories
 - 14 services ranked higher, 18 services ranked lower, 1 tied
- The largest drops were in:
 - Downtown Parking
 - Municipal Court
 - Code Enforcement
 - Parking Enforcement
- Possible explanations include:
 - Parking changes around Pacific U.
 - Vacancy in Code Enforcement Officer position

VISITING DOWNTOWN

How often do you visit downtown Forest Grove?

Answered: 655 Skipped: 28

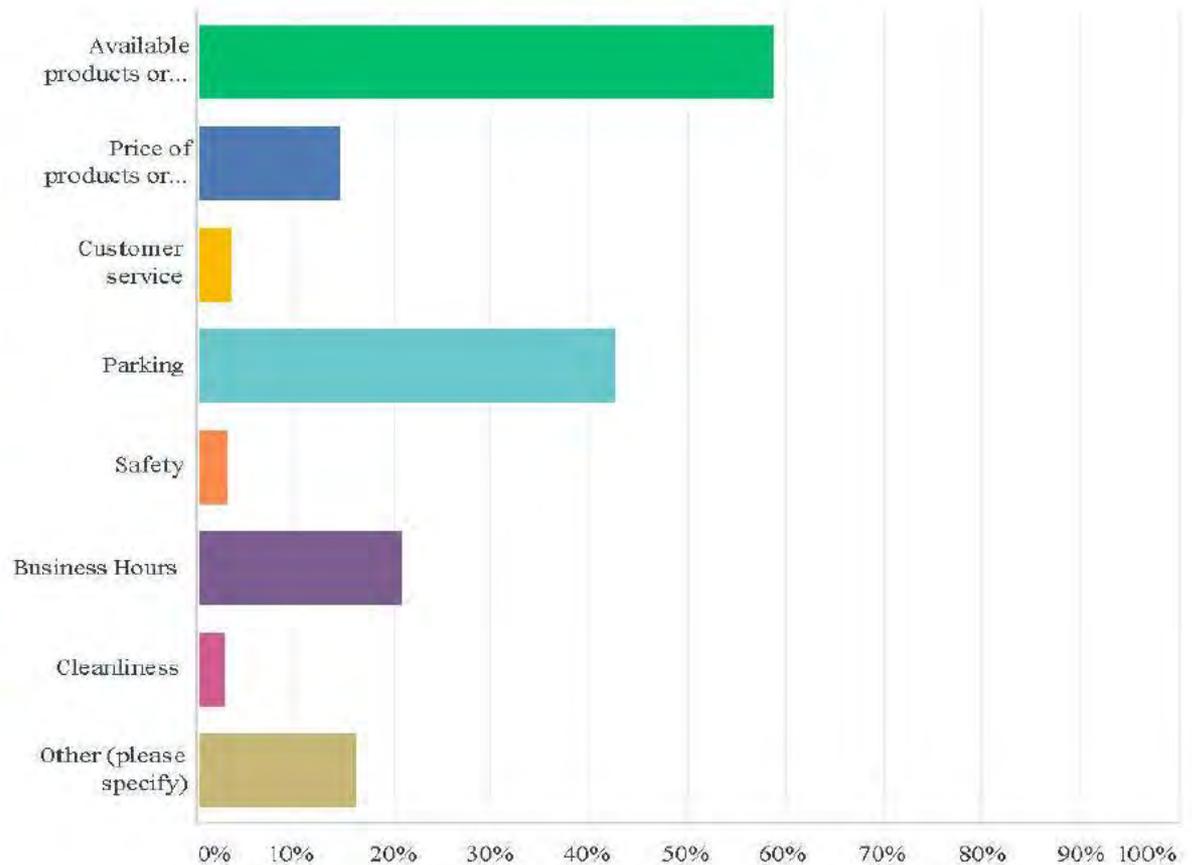


WHAT KEEPS YOU FROM VISITING THE DOWNTOWN AREA?

Answered: 537 Skipped: 146

The top three responses that deter respondents from visiting downtown were:

- 1) Available Products or Services,
- 2) Parking
- 3) Business Hours

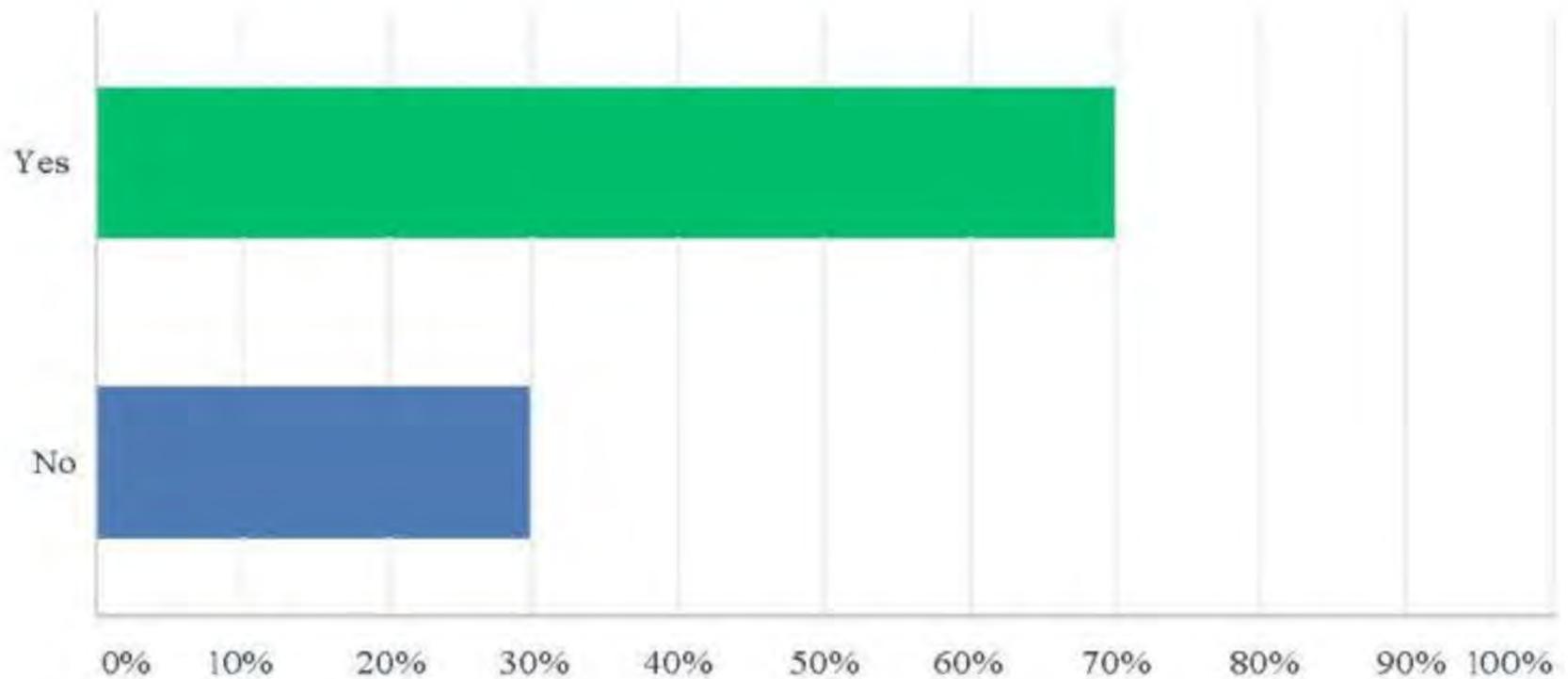


FLEXIBLE TOWN PLAZA

Do you think this would be a valuable addition to downtown?

- 70% supported the vision of a flexible town plaza on 21st Avenue between “A” Street and College Way.

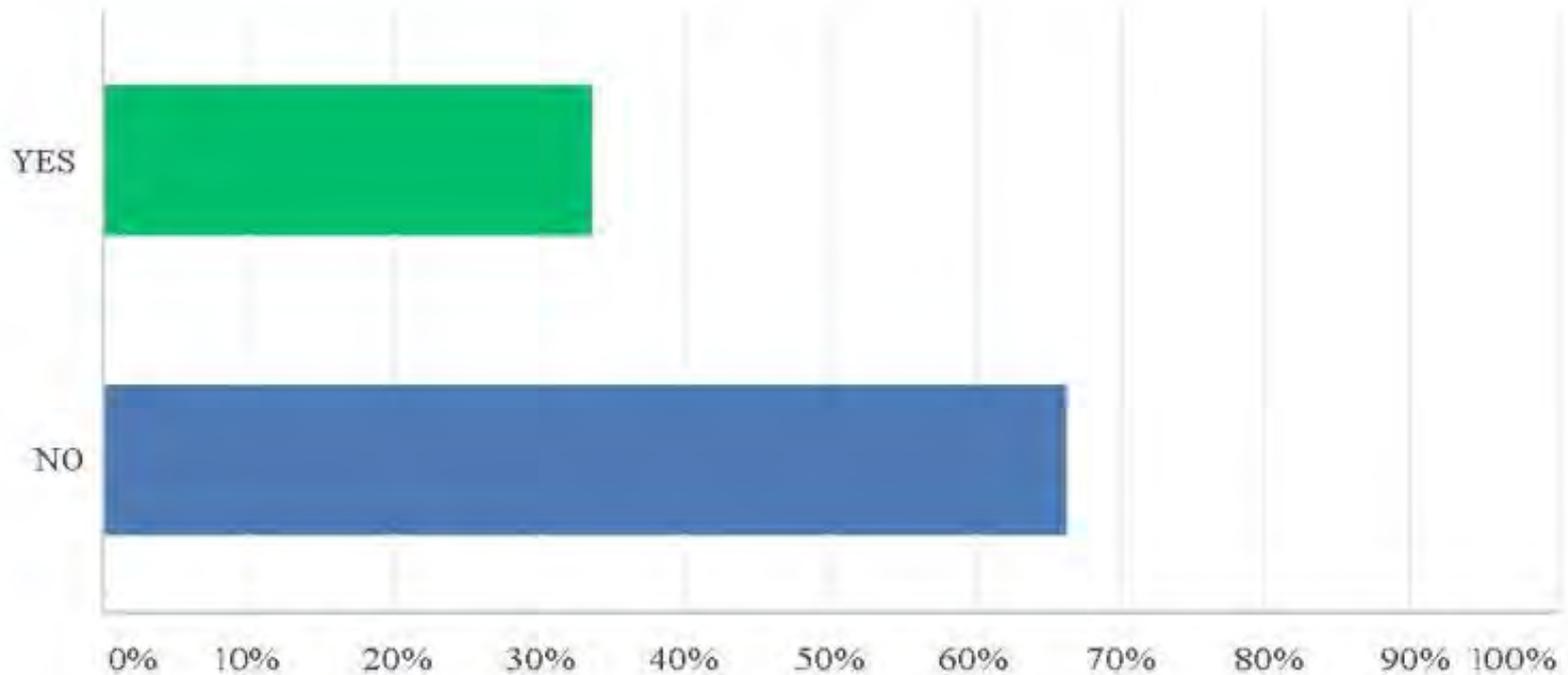
Answered: 635 Skipped: 48



BACKYARD BURNING

**The City allows backyard burning from March 1 to June 15.
Should the City ban backyard burning totally?**

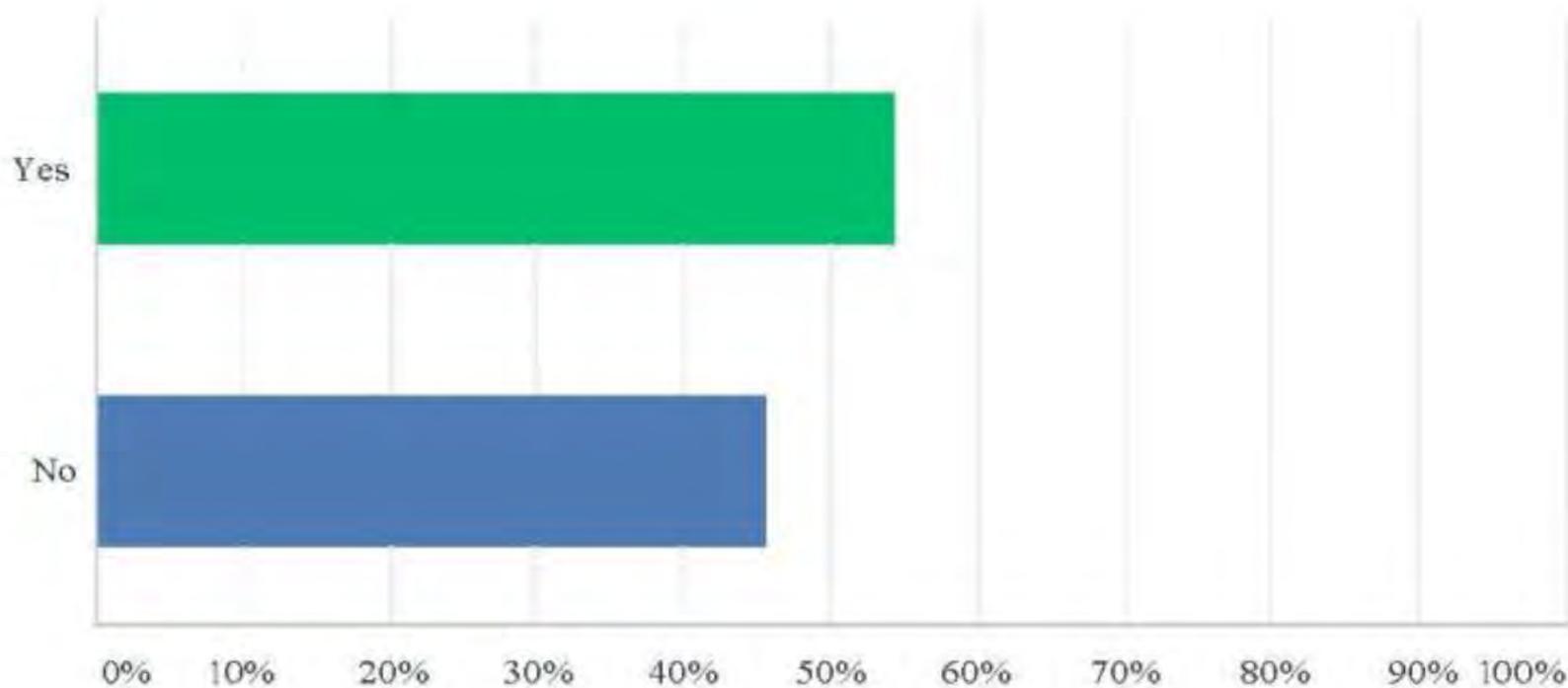
Answered: 660 Skipped: 23



NEW POLICE FACILITY

Are you willing to support funding for a new police facility that would cost approximately \$18 million and \$0.80 per \$1,000 assessed value?

Answered: 623 Skipped: 60



UPCOMING EVENTS:

- February 25:** State of the City Address, 11:30, Community Auditorium
- February 28:** Disaster Training Class & Lunch, 12 to 1 pm, Fire Station Training Room
- March 5:** City of Banks State of the City Address, Noon, Banks Fire District #13
- March 9-13:** NLC Conference, Washington, DC.
- March 18:** City Council Meeting (only meeting in March)
- March 25-29:** Spring Break

ADMINISTRATIVE SERVICES:

- **FY 2019-20 Budget Preparation:** Departments are preparing their FY 2018-19 year-end projections and their draft FY 2019-2024 Capital Improvement Plans. Staff is calculating projected salaries and benefits for FY 2019-20. Departments will begin preparing their Requested FY 2019-20 Budgets later this month with internal budget reviews scheduled to start the first week of April.
- **Defined Benefit Retirement Plan:** Staff asked Milliman, the City's Defined Benefit Retirement Plan actuarial firm, to prepare the annual valuation of the plan using a 6.00% assumed rate of return which is the higher of the two options for the revised rate of return proposed by the actuaries. This rate of return will increase contributions to the Defined Benefit Plan by approximately \$421,000 starting July 1, 2019. Staff will present information about this change to the Budget Committee on April 11, 2019.
- **Police Facility:** Staff has met and is developing a plan on informing the public of the need for a new police facility. Staff will be reviewing elements of the concept design with the architects starting in early April to prepare answers for Council questions on the concept design regarding evidence, firing range, training room, and lobby. Staff is working on the process timeline for a potential May 2020 election.
- **Elevator Upgrade:** Construction on the elevator upgrade will commence on March 18, 2019. The contractor may be in before that date to do some preliminary work. This is the soonest the contractor could commence work. To assure ADA compliance, staff is scheduling meetings and conferences in the Community Auditorium until the elevator is repaired.
- **City Hall:** A downstairs file storage room was cleared out to make room for a staff office so a staff person located temporarily in the Community Auditorium can move into City Hall.
- **Ongoing assistance to other departments:**
 - **Tourism RFP:** a consultant was selected and contract negotiations are commencing
 - **Parks Design RFP:** a consultant was selected and contract negotiations will be commencing
 - **L&P Cost of Service Study:** staff and the consultant reviewed information for portions of the updated cost of service study in mid-December. Information will be presented to the Council at the March 18, 2019, meeting. Other work on line extension credits for installation of infrastructure for development and net solar metering billing projects is also continuing.
- **Police Negotiations:** Negotiations with the Police Association are continuing.
- **Current recruitments underway include:** Police Officer and Reserve Police Officer.

COMMUNITY DEVELOPMENT:

- **Housing Needs Analysis:** The first project advisory committee meeting was held on February 13. Staff presented an overview of the project. The committee reviewed housing trends and existing housing unit estimates. The next committee meeting is on April 10.
- **Town Center Parking Study:** the project consultant will begin field work during the week of February 25.
- **Town Center Street Tree Inventory:** The consulting arborist will conduct a site visit on March 4.

- Annexation: The Haworth annexation near the Taylor Way Industrial Park was accepted by the Oregon Secretary of State's office on February 6. This completes the annexation process.
- Tree City USA: The City's application for 2018 was approved by the Arbor Day Foundation. This marks the 29th year Forest Grove received Tree City USA recognition.

ECONOMIC DEVELOPMENT:

- Working with three new businesses who have signed leases in the downtown.
- MCPA has now received most of their permits. Goal is to be operating by end of April 2019.
- Two more businesses have completed work under the Storefront Façade Program: Knotty Lamb and The Department Store. New Chinese Cuisine is half complete. Dance Academy is securing bids.
- Preparing an educational power point documenting economic growth in Forest Grove.
- Completed OPB radio and digital ads and advertisement in statewide Travel Oregon Guide and on website to market Forest Grove for economic development, tourism and new business. Working with partners on 2019 Discover Forest Grove Guide.
- Assisted TTM with sources to assist them in training and searching for employees. They recently hired thirty employees.
- Second half of the Junior Achievement Program now being taught in middle and high school.
- The 2019 Dining Guide is now being printed.
- Haworth and Evers industrial sites have been pre-certified; working on steps to make both fully certified.
- Jesse Quinn has 4 live-work businesses operating. The Growler Garage, slated for commercial only space, is expected to be open in March.

ENGINEERING AND PUBLIC WORKS:

- Highway 47 and Martin Rd: City staff met with Washington County, ODOT, and the consultant on February 6 to select an alternative option. All agencies agreed the roundabout alternative located at the existing intersection was preferred. The County agreed to advance the design and ready it for bid.
- Highway 47 and Maple St./Fern Hill Rd: This project centers on intersection improvement options Highway 47 at Maple St. and Fern Hill Rd. A consultant has been hired to analyze and identify intersection control improvement options; up to five improvement alternatives will be analyzed. A kickoff meeting was held with the consultant to review the scope of the project, which includes preliminary design and cost estimates, and will conclude with an alternatives analysis report. Traffic counts and data collection have been completed. The report is expected to be complete by mid-year. After further analysis, Washington County will provide an update to the City Council.
- Safe Routes to School (SRTS) Grant Application: City recently learned that the grant application submitted to ODOT for improvements to the Thatcher Rd. and Gales Creek Rd. intersection was not awarded. There was significant competition for this grant program, with over 112 applicants requesting a total of \$85 million and only 24 grants totaling \$16 million being awarded. Public Works staff will be working with the County to see if there are other funds for this project.
- All Roads Transportation Safety Program (ARTS): ODOT will soon begin the consultant selection process for this project.
- Annual Paving and Curb Ramp Improvements: Curb ramp work has started. Hwy 47 pathway work is over 50% complete. Paving work anticipated to start this spring.
- Road improvements:
 - 19th Avenue: 90% design complete
 - 26th Avenue: 30% design complete
 - Willamina Avenue: 30% design complete
 - Hawthorne Drainage Improvements: 90% design complete. This project will solve flooding problems where an existing open channel floods over Hawthorne St. during significant storm events. This project also incorporates regional storm water treatment improvements. Currently, the project team is securing permits and finalizing

construction plans. It is anticipated that the project will be ready for bid late spring and constructed in this summer.

PARKS, RECREATION, AND AQUATICS:

- Staff is finalizing an agreement with PLACE Landscape Architecture to begin work on design services for Stites Park, AT Smith Park, and North Lincoln Park. Additionally, the study will provide information on current and future water space needs for the aquatic center. The study will incorporate the needs of various user groups including the Friends of Historic Forest Grove, the Community Garden Organization and others. The studies are expected to be completed in early fall 2019.
- Bids for the restroom improvements at Rogers Park will be opened on February 27th at 2:00 p.m.
- Construction Documents for the Anna and Abby's Playground improvements at Rogers Park are 75% complete.

FIRE:

- The Western Washington County Task Force, comprised of representatives from the City of Cornelius, City of Forest Grove, the Gaston Rural Fire Protection District, the Forest Grove Rural Fire Protection District, and the Cornelius Rural Fire Protection District, was formed to consider different fire governance models for Western Washington County and make recommendations to their respective governing bodies. To guide these discussions, the Task Force approved Foundational Principles at their February meeting (copied in its entirety below) for consideration by all of the participating governing entities in March-April. The Foundational Principles are tentatively scheduled for a City Council Work Session on April 8th.

POLICE:

- Captain Hall and Sgt. Smith attended a 40-hour Command-level course.
- Officers Martino and Aguilar have completed Crisis Intervention Training (C.I.T.) through Washington County Mental Health. This is a 40-hour course spread over five weeks. The department has certified several officers at three officers per quarter with a goal of 100% for the Patrol Division.
- Det. Pomeroy was commended for a presentation on Autism at the C.I.T. and was asked to return to other sessions as a presenter.
- The department is moving ahead with a slow roll out of new Panasonic Toughbooks to replace Getac Tablets. Four of ten patrol cars have been equipped.
- The department is continuing to conduct DUII saturation patrols under a grant from Oregon Impact. This grant will continue through Labor Day weekend 2019 with several important dates. Several officers took part in an OLCC Compliance mission where one vendor sold to an underage decoy.
- The annual Citizen's Academy commenced and will run through 4/17/2019.
- Code Enforcement: Issued 60 parking citations with 5 vehicles impounded and 1 vehicle booted during this report period. Two City Ordinance violations were cited and two abatements are pending.
- Community Outreach: COS Quinsland with support of a Patrol Sergeant, represented the Police Department at the Annual Town Meeting and Emergency Preparedness Fair; continues to coordinate and support the annual Citizen's Academy that started on 1/30 and will run through 4/17/19; participated as a role player at the Washington County Crisis Intervention Training; Conducted a scam presentation at the Elms Retirement Community for 21 residents; and represented the police department at Pacific University's Meet the Professionals event.

LIBRARY:

- Approximately 40 persons attended the library's first "Celebration of Diversity." Families attending enjoyed sweet breads, crafts, Loteria and music. The next major family event will be Dia de los Niño's on Friday, March 11.
- The library staff held an all-day in-service on Monday, February 18. The morning session included a review of the Library's Service Philosophy and a discussion of the patron experience at the library. Topics included signage, customer service, communication, consistency and accessibility. The afternoon included four break-out sessions

on these issues: collection development; service to seniors; publicity; open hours; west entrance; study rooms; and family bathrooms. Many thanks to Elizabeth Stover for helping to record the morning session.

- The Library celebrated its 40th anniversary of B.E.A.R. month (Be Excited About Reading) in January. On January 23, Oregon Shadow Theatre presented *Green Bird, A Mexican Story* to an audience of 67 people. Then on January 29 and 30, Ann Dondero (former Youth Services Librarian) came out of retirement to co-present two storytimes and lead the Teddy Bear Parades (77 participants). Through our recent community survey, we learned that special programs like this one are in high demand in Forest Grove. Respondents told us that it is important that each age group (children, teens, and adults) can see something for themselves at their local public Library.
- The library's Teen Library Council has decided to start meeting twice each month. They are working on creating a new Mission Statement. They are also planning their first library program, a Star Wars event, date TBA.
- The Library Foundation received \$100,000 bequest from long-time patron Rae Ann Campbell.
- The Library hosted Forest Grove's own SakeOne Brewing for their Cultural Series on February 5. SakéOne, America's first craft saké producer, has been brewing saké in Forest Grove for more than two decades.
- Thanks to Cecilia Warner, Recycler Extraordinaire, for presenting a great recycling program to 32 people on a snowy February Saturday afternoon.
- On Tuesday, March 5, at 6:30 p.m., the Friends Cultural Series hosts Chayag en Familia. Attendees will experience the roots of Latino-American folk music through song, traditional instruments, and colorful interpretive and traditional dance with the Chayag Family.
- On Wednesday, March 20, the library will host a community conversation on grief. The discussion will be led by three presenters: Steve Dehner, Forest Grove Chaplain Dexter Danielson and counselor William Feldman.
- Friends of the Library Book Sale will be held April 15 – 20. Volunteers and book donations are needed.

LIGHT & POWER:

- Crews have been able to focus almost all of their time and efforts on both underground and overhead maintenance projects.
- Replacement work has been completed on several problem areas where high voltage underground cable has been failing. Crews will be continuing on multiple other locations that have been identified for immediate replacement.
- Multiple aging & deteriorated poles have been replaced in various locations around the City. Transformers and associated hardware is also replaced as part of the process and where needed, existing conductor is replaced with insulated tree wire.
- Street light LED upgrades continue in the east portion of the City and anywhere other luminaires require a maintenance visit.
- We have had no weather related power outages thru this stretch of winter weather except a momentary outage caused by a landslide/tree event on the Bonneville Power transmission line feeding from Forest Grove to Tillamook. This affected approximately 4,000 customers located on the west and north side of the City who are fed from our Thatcher Substation. These customers saw two momentary outages each lasting around 30 seconds.
- Our crews performed mutual aid assistance at West Oregon Electric in Vernonia where their customers were experiencing power outages lasting multiple days.

COUNTY-WIDE:

Washington County Cooperative Library Services (WCCLS):

- WCCLS has embarked on a Strategic Plan and started planning efforts their 5-year levy.

Joint Water Commission (JWC):

- Greg Robertson, new Public Works Director, toured the JWC water treatment facility and Hagg Lake. The water treatment plant expansion from 75 to 85 MGD is slated for completion in October, 2019.

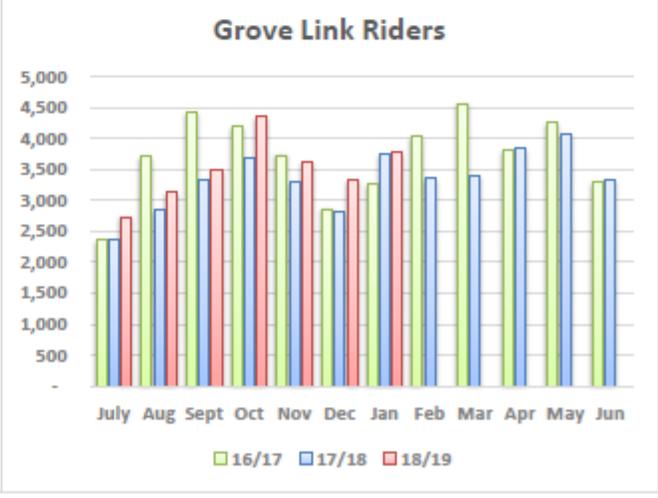
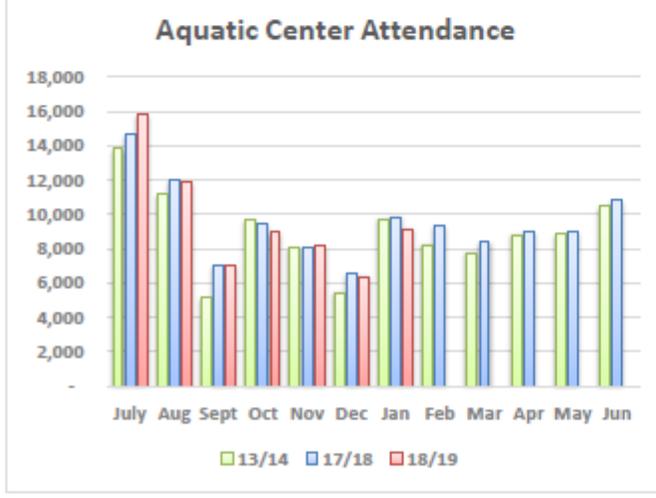
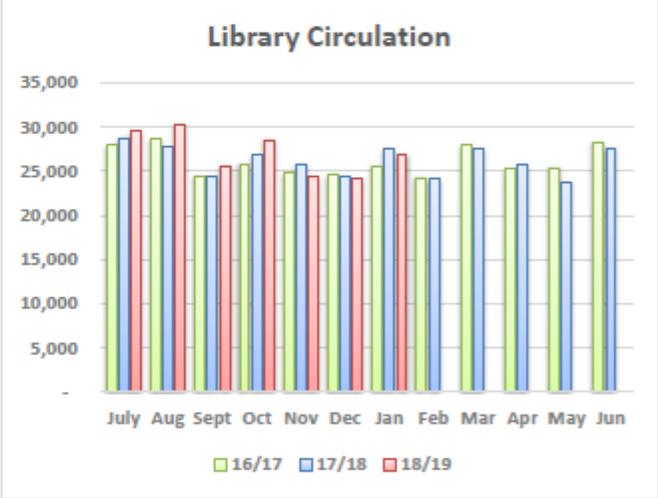
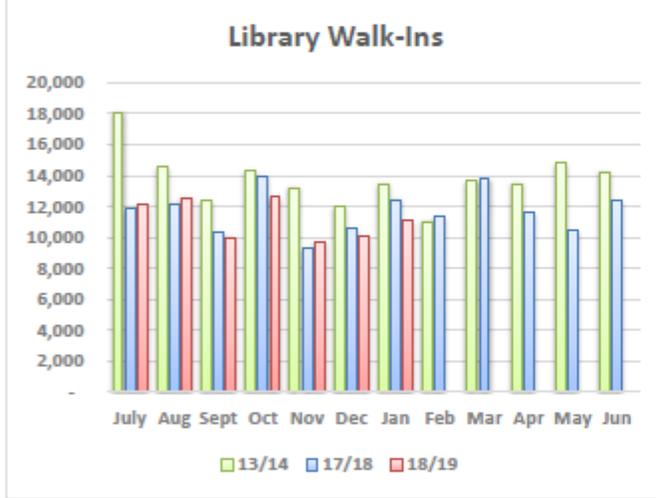
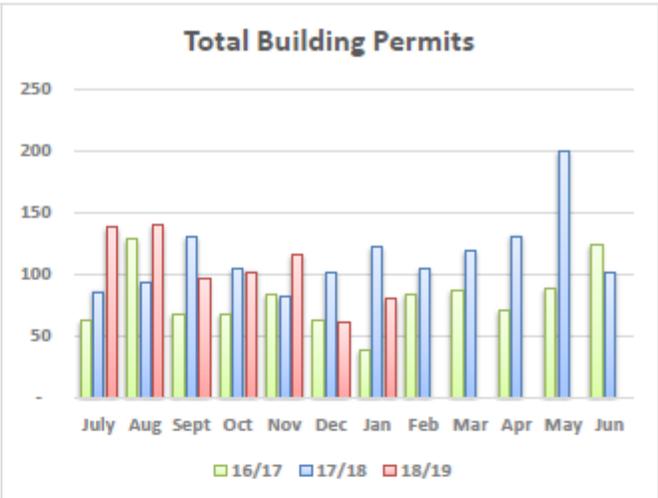
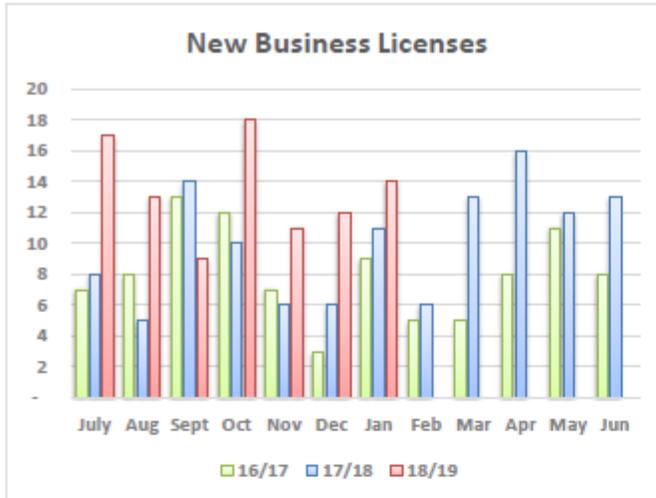
WCCA:

- No update

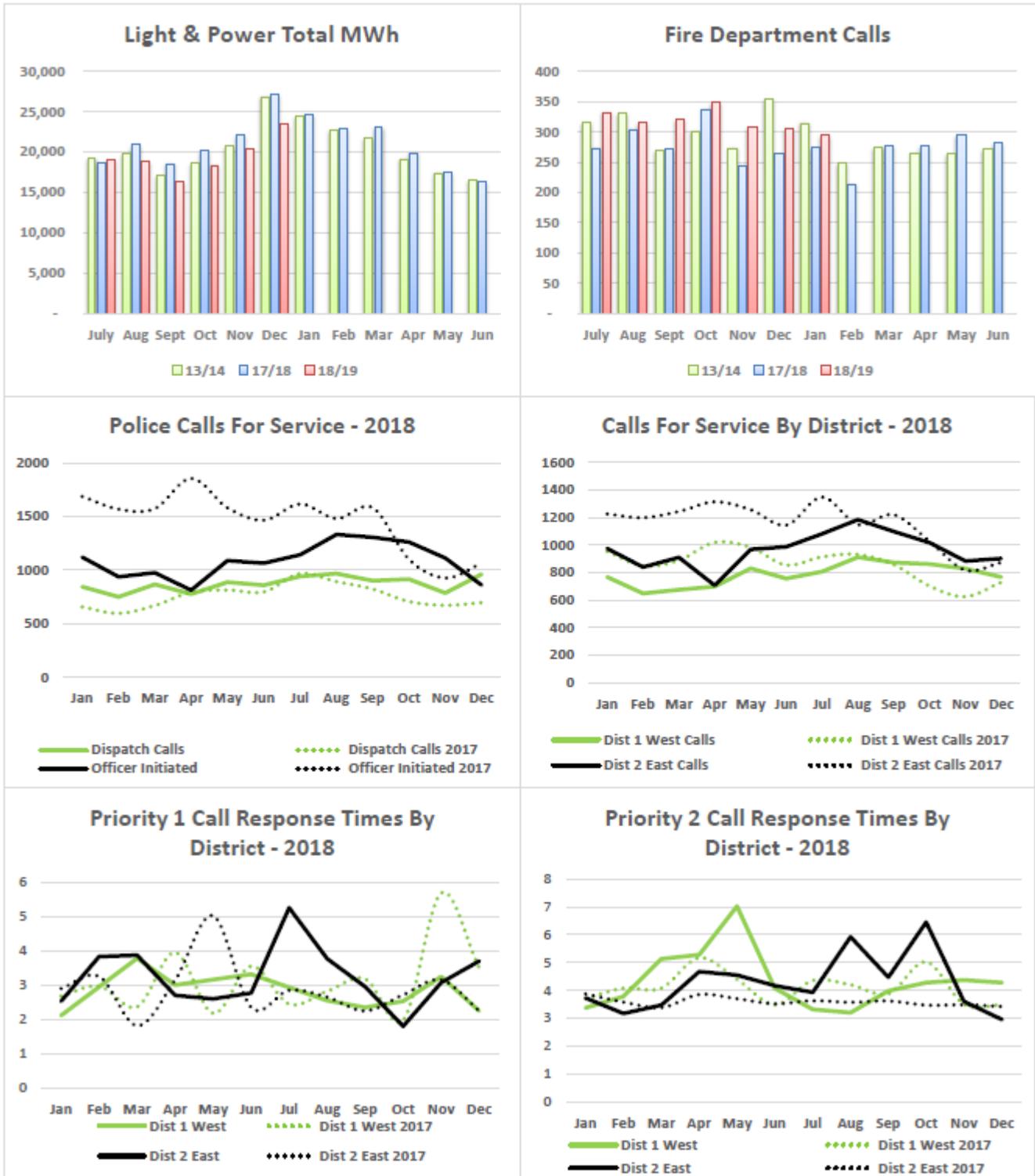
CONSTRUCTION PROJECTS IN FOREST GROVE:

NAME	LOCATION	DESCRIPTION	LAND USE PERMIT STATUS	BLDG PERMIT STATUS	CONST. STATUS
Raines Dialysis Clinic	19 th and Maple	Medical Clinic (12,215 sf)	Approved	Finalized	Finalized
Kidd Court	22 nd Place	Subdivision 7 units	Approved	3 permits issued	Under Construction
Silverstone	David Hill Rd	Subdivision (200 lots)	Approved	161 lots issued	Under construction
Hawthorne Gardens	Hawthorne and 26 th Ave	Subdivision (29 lots)	Approved	29 lots issued	Under construction
Gales Creek Terrace	Pacific Ave/19 th Ave	Subdivision (197 lots)	Approved	N/A	In grading
Green Grove	Thatcher Rd	Co-Housing (9 lots)	Approved	3 lots issued	Under construction
Smith Orchard	Gales Way and B Street	Subdivision (8 lots)	Approved	N/A	In grading
Sunset Crossing	Sunset Ave	Subdivision (32 lots)	Approved	N/A	In Grading
MGC Pure Chemicals of America	Elm St	Ind New (45,817 sf total)	Approved	Permits issued (Tank Yard; Building 1 & 2; Guardhouse)	In review; Under construction
Bank of America at Stonewood Center	Pacific Ave	Comm TI	Approved	Tenant revising plans	N/A
Wauna Credit Union	Pacific/Hwy 47	Comm New	In review	N/A	N/A
Nectar Marijuana Dispensary	Pacific Ave/Oak St	Comm TI	Approved	In review	N/A
Inserta Tee Storage Building	24 th Ave	Ind New	Approved	Permit issued	Under construction
Richmond Library	Masonic Way	Comm New	Approved	Permit issued	Under construction
Rose Grove Park Expansion	Pacific Ave	Manufactured Home Park	Denied. Appealed to City Council	N/A	N/A
Adelante Mujeres	Main St	Comm TI	Approved	Permit issued	Under construction

Forest Grove Activity Report



Forest Grove Activity Report





Western Washington County Fire Task Force

FOUNDATIONAL PRINCIPLES
APPROVED BY FIRE TASK FORCE FEBRUARY 19, 2019

DRAFT

Service to the Community

- The fire and rescue system is designed, organized, governed and funded to provide effective, efficient and reliable services to the community.
- The fire and rescue system recognizes an interdependent service area that spans the City of Forest Grove, City of Cornelius, Forest Grove Rural Fire, Cornelius Rural Fire and Gaston Rural Fire.

Governance and Identity

- The fire and rescue system is unified and locally governed and managed.
- The fire and rescue system delivers services and service levels as determined by community and stakeholder needs and interests.
- The fire and rescue system reflects the values and spirit of the community served.

Operationally Effective and Responsive

- The fire and rescue system provides coordinated and comprehensive response throughout the unified service area.
- The fire and rescue system is managed to optimize resource deployment and ensure consistent and appropriate response capabilities.
- In coordination with other emergency management agencies, the fire and rescue system will be prepared and equipped to respond during disaster related events.

Professional

- The fire and rescue system attracts and retains a qualified and professional workforce.
- The fire and rescue system provides standardized and regular training and development opportunities.
- The fire and rescue system actively recruits, engages and trains volunteers and provides opportunities for advancement.

Fiscally Responsible

- The fire and rescue system will exemplify operational excellence in a fiscally responsible manner.
- The fire and rescue system will procure and maintain the resources necessary for unified deployment and response.
- The fire and rescue system will be funded by an equitable finance strategy that can accommodate current and future service demands.
- The fire and rescue system will be supported by viable, sustainable and stable funding.