

MEETING AGENDA



2019 Wood Village City Council Strategic Planning Retreat

Date & Time: 8:00-4:30, Saturday Feb 2, 2019
Location: Wood Village City Hall
Expected Attendees: Mayor, Council and Senior Staff
Attendees: Mayor Clark and Mark Clark to join 10:00-12:00

Meeting Goals:

1. Councilors and Staff get to know one another better
2. Review Progress on 2018 Annual Performance Plan
3. Create Draft 2019 APP

Time	Topic/Activity	Leader
8:00	Refreshments & Conversation	All
8:30	Introductions: <ul style="list-style-type: none">• Name• Responsibilities with City• Amount of time in position• Question: what is your favorite thing about Wood Village?	All
8:50	Activity: Fun Fact! <p>I have collected interesting tidbits of info from everyone. I am handing you each a scoresheet. As I read each one, guess who is the source of this fun fact. There will be a prize to the winner who guesses the most correctly.</p>	Mike
9:10	Review Ground Rules: <ol style="list-style-type: none">1. Be prompt and help us all stay on time2. Listen to understand, not to reply3. Everyone fully participates, but no one dominates4. Be brief, be clear, be done5. Disagree without being disagreeable6. Think the best of others7. Be a bird, not a worm: keep your thinking large, broad and expansive – stay out of the weeds and details!8. Staff, defer to Councilors9. Laugh frequently, especially at yourself!	Mike

Time	Topic/Activity	Leader
9:10	Review Mission Statement, Motto and Strategic Goals : Is anything missing or are any changes needed?	Mike
10:00	BREAK	
10:15	Review Interview Findings from Council and Staff	Mike
10:15	List of Council Accomplishments	
10:30	Upcoming Opportunities: Council, Staff	
10:45	Upcoming Challenges: Council, Staff	
11:15	Master Plan Summaries	John
12:00	LUNCH	All
12:30	Lunch Activity: Salt & Pepper I have taped one half of a great pair on your back. everyone mingle and try to figure out the word on their back. The rule: you can only ask each other yes or no questions. Once you figure out your word, you need to find the other half of your pair. When you find each other, sit down and find three things you and your partner have in common. Write them down and be prepared to share them	All
1:00	5 Year Fiscal Projection	Bill
1:45	2018 Annual Performance Report Status Update 1. Review 2018 Items by Strategic Goal 2. Discuss Progress and status of completion for each item. 3. Identify incomplete items from 2018 APP to carry forward to 2019	Greg
2:00	BREAK	

Time	Topic/Activity	Leader
2:15	2019 APP Discussion: 2:15 Review list of items developed during interviews with staff and Councilors – authors can share their thinking briefly	Mike
	2:45 Identify New Items to add to the list for 2019	
	3:00 Dot Exercise 1: Identify Items from this combined list to warrant further discussion	
	3:15 Discuss each new item in detail necessary to better understand idea and relative merits	
	3:45 Dot Exercise 2: determine relative priorities of items	
	4:00 Identify the Draft List of APP for 2019 – identify further information needed for each item	
4:15	Recap and Next Steps	Bill
4:30	Adjourn	

MISSION STATEMENT

A unique, small city with exemplary public services, fiscal responsibility, and progressive leadership providing a safe, livable community while promoting business vitality and growth.

MOTTO

The City That Cares

C – Courtesy

A – Action

R – Respect

E – Enthusiasm

S - Services

STRATEGIC GOALS

- GOAL 1: A safe, clean, livable community with a sense of pride, quality housing, and strong identity.
- GOAL 2: Excellent police, fire and building services.
- GOAL 3: High Quality, cost-effective public utilities, parks and events.
- GOAL 4: Long-term financial stability, economic vitality and growth.
- GOAL 5: A work environment that develops and encourages employees and rewards their creativity and innovation.
- GOAL 6: Effective local, state and regional partnerships.
- GOAL 7: Environmental Responsibility.

City Council Retreat

February 2, 2019

Wood Village City

Hall

Retreat Topic: Masterplan Status and Updates

Parks Master Plan

Update Prepared by Conservation Technix and adopted September, 2018.

The Parks Master Plan includes a Capital Facilities Plan that includes projects over the life of the master plan. These projects range from improvements at the Donald Robertson Park, to adding new park spaces to the system, and a proposed new trail connection at or near the Town Center. The projects are not categorized by any priority, and total \$4,244,400. Annual repair and maintenance is estimated at \$5,000 a year not including normal grounds keeping work such as mowing, trail maintenance, trash removal, and other basic daily maintenance needs.

An update to the plan was adopted September 2018, adding a futsal court, skate park, wetland enhancements, and new entry features to the Donald Robertson Park.

Other than Park System Development Charges which can only be used for park expansion projects, all other funding comes from the General Fund. Grants and in-kind donations can be used to help offset some of the costs of improvements, and all other funds will have to come from the General Fund. There is not an annual recommended investment amount for project accumulation.

Streets

In 2015, the City of Wood Village decided to restart its Pavement Management Program (PMP) in conjunction with Multnomah County Department of Community Services. The report identified and assisted with the implementation of a multi-year road rehabilitation and maintenance program. The City's paved road network is comprised of 9 lane miles, all designated as local/residential. The last Pavement Management Program update was produced in 2016. This was based on a 3-year condition inspection plan. One of the upcoming

year tasks will be to train the City's Engineer Tech to provide a city-wide inspection and produce the Pavement Management Program report.

The NE Stanley Street project was identified in the 2016 report. This project incorporated utility upgrades and resurfacing. Cedar Lane is also identified in the report as needing future resurfacing. This will be accomplished during the utility upgrade project Spring 2019. Other mentioned road segments are: NE 236th & NE 237th. Both road segments are falling from fair to poor.

The cost to maintain the City's road network in the "Good" category was estimated at \$279,000 or \$56,000 annually. Treatments include crack sealing, slurry sealing, and overlay/reconstruct. The City's overall PCI is 74----GOOD per the 2016 report.

Transportation System Plan

Prepared by WSP Parsons Brinckerhoff and adopted June, 2017.

The Transportation System plan was recently updated to include projects and priorities based on regional transportation system plans. The identified capital projects do not identify specific years when the City should construct the project, but rather prioritizes projects for the city to develop within near-term (1-5 year) and long-term (6-20 year) horizons. These projects are also a mix of City, County and ODOT owned facilities. In addition to projects that expand or enhance the roadways system, there are also a series of identified projects that improve and add connections within the City.

Funding for transportation related projects primarily comes from the Street Fund, which is funded by a combination of the state gas tax, and the City's transportation utility fee. The City's Transportation Utility fee is also the driver behind the annual amounts reinvested into the system. This amount is approximately \$200,000 a year to reinvest in the maintenance and reconstruction of City owned roadways. Maintenance priorities include crack sealing, slurry sealing, and reconstruction of City owned roadways. The construction of new roadways was not included in the development of the fee.

Upcoming projects include the reconstruction of Cedar Lane, and the development of a pedestrian pathway from Glisan to Arata Road in the Town Center.

Storm Water System Facility Plan Update

Prepared by Keller Associates and adopted March 2012.

The storm water CIP study is divided into three priorities. Priority 1 is to eliminate problems that create flooding at a 2-year storm event. There is only one such project which increases the size of pipe from 18" to a new 30" pipe directing storm water north from Arata Rd. to Halsey. The line currently belongs to Multnomah County. This has been addressed by Multnomah County within their Arata Road Project.

Priority 2 is the Cedar Ln. project, will be constructed Spring 2019, which abandons the existing line at rear lot lines between Cedar Ln. and Maple Blvd. and creates a new line in Cedar Ln. The bid award was \$791,713.30, for a total project cost of \$851,169.30. The second project indicated in the plan is an isolated, seasonal problem at the end of Holladay Pl. The location is on private property, could be easily rectified and perhaps done by city crews. Estimate cost: \$61,300 (2012).

Priority 3 projects are all Multnomah County owned facilities and streets. Specifically, the study points out deficiencies at 244th Ave's crossing to the wetlands to the east, and a larger sized culvert crossing at the driveway entrance on 244th. Estimated costs are \$160,300 and \$51,800 respectively (2012).

In addition to the capital projects, the Master Plan outlines and identifies annual appropriations for the maintenance and replacement of current facilities. This includes the replacement of current storm lines at 260 lineal feet per year, and 3-4 catch basins per year. There is also annual facility cleaning and inspections of the system. In total, the annual recommended appropriation is \$104,000 for these activities. The Council elected not to fund these maintenance and repair items in full with the Street Utility fee. The current allocation is about \$30,000 annually to handle reporting and spot cleaning activities. At some point in the future, larger allocations will be needed to handle minimum maintenance requirements (Federal and State) and the repair/replacement of storm water facilities.

Water Master Plan

Prepared by Keller Associates and adopted July, 2014.

This master plan is divided into four priority lists based on completion dates from 2014 through 2034. Priority 1 lists 10 projects to be completed by 2019. All but two remain. A seismic evaluation of Cherry Park reservoirs has not been addressed (\$30,000, 2014) nor have drain improvements been done to reservoir 1 (\$38,000, 2014). It must be mentioned that the drain improvement project to reservoir 1 has been discussed between the PWD and the engineers and deemed of low value to cost.

Priority 2 improvements include the repair/rehabilitation of all the wells, and reservoirs 2&3. The target date for the completion of these items is between 2020 and 2025. The estimated cost for these items is about \$650,000.

In addition to the shorter-term capital projects, the Master Plan outlines replacement and preventative maintenance items that have an annual appropriation. These items include the replacement of 645 lineal feet of water line a year, water meter and fire hydrant replacement, and cleaning and inspection of the water storage facilities. The Cedar Lane project will replace 1,400 lineal feet of PVC with Ductile Iron water line. In all, the recommended annual appropriation is \$140,580 for maintenance and replacement.

Wastewater Collection System Master Plan

Prepared by Murray, Smith & Associates, Inc. and adopted July, 2015

The Capital Improvement Program as written is organized into three categories based on project type and prioritized.

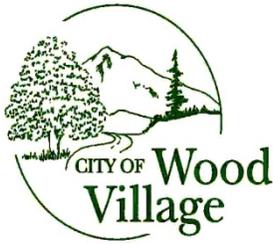
- Existing System Capacity Upgrades
 1. Halsey St. upsizing
 2. Wood Village trunk sewer upsizing
 3. Additional Sanitary Sewer Capacity Purchase
- Condition Based Improvement
 1. Annual I&I reduction
 2. Shea Ln. LS rehabilitation
 3. 238th LS rehabilitation
 4. Sandy Blvd. LS rehabilitation
 5. Sandy Blvd. Trunk Sewer improvements
- Operational Improvements
 1. Raise LID overflow elevation
 2. Remove Sandy Blvd. LS diversion stop logs

Prioritization (0-5 years, 6-10 years, and 11-20 years)

The priorities of the 0-5 years since the Wastewater Collection System Master Plan was written have been completed, specifically the NE Halsey trunk sewer upsizing which also included the reduction of I&I in that same line. In addition to that project we have cctv'd and cleaned the entire sanitary sewer system in Wood Village, have completed a gravel road allowing access to the main sanitary sewer interceptor between Wood Village and Fairview, we have continued I&I reduction with the spot repairs done during the Stanley St. improvements and will continue that activity annually. Nothing untoward was found during the inspections that would warrant full- scale reconstruction of sewer lines in the city. Only spot repairs.

The next set of upcoming projects include upsizing the Wood Village Trunk line at an estimated cost of \$1,379,000, and continue the reduction of inflow and infiltration at \$100,000 a year. Not included in the Master Plan is the need to expand treatment capacity with the City of Gresham with an estimated addition of 150,000 gallons. The reduction of I&I is planned to occur as the City rebuilds roadway sections, and repairs to sewer lines will

occur during that process. The Cedar Lane Project is a good example, minor repairs are identified for this project. In addition, spot cleaning will occur as a regularly occurring maintenance item. The operating margin is needed to reinvest into the system for annual maintenance needs, as well as accumulating for the upcoming capital projects and treatment capacity purchase.



City Council Retreat

February 2, 2019

Wood Village City Hall

Retreat Topic: Five Year Financial Projection 2019-2024

Background

We are updating the forecast of financial position for the next five years. We have continuously prepared this forecast since 2011, updating and delivering the material at the annual City Council retreat. A financial forecast is designed to make a set of assumptions, predict as accurately as possible the probable financial future, and make recommendations on strategies and approaches to ensure the long term financial condition of our local government.

A forecast is only as good as its ability to be accurate in predicting relative position over time. For Wood Village, the five year projections have been fairly accurate for the next two years, with relative accuracy fading after that time period, and the reliability of the data becoming more problematic.

Short of major policy changes or new initiatives (such as the street utility), the forecast is a reliable, better in shorter terms and somewhat weaker as we reach beyond 3 years.

Assumptions

Each revenue source has an historical pattern, or a relationship to dependent variables. Using these tools the future revenues can be anticipated based on a combination of historic performance, assumptions about conditions in the future, and reliance on experts for their predictions.

This report is structured to predict the financial outcome of actual operations in the current budget (FY 18-19), and then make predictions about status for the periods FY 19-20, 20-21, 21-22, 22-23 and 2023-24. ***All work is completed with the assumption that one time revenues, grants, and similar revenue or expenditure requirements will not be included in the analysis, and we will predict based on the operating revenues and operating expenses, and where it is known, capital outlay requirements. Where capital outlay is tied to expected grants, only the "non-grant" or local share of the expense is included in the projections. It is also critical to note that the predictions are for budgetary levels, not anticipated actual expenditures.***

Margin analysis will be conducted between budgeted operating revenues and expenditures in each fund to provide the indication of funding available for capital

outlay. In the general fund, no capital needs are predicted in future years to permit maximum potential discretion for the City Council.

We are introducing a capital outlay fund that will tie together the costs of a municipal building, and the impacts that may have on our other balances and capacities. We will be borrowing from the General Fund to finance the early work in the Urban Renewal Agency, so there is a short term impact on predicted fund balances that appears to be a negative impact, when in fact, it is simply a way to return to the General Fund a greater level of interest return for an investment, and is not an “expenditure” of funds.

In those funds where adopted master plans are in place with investment levels identified (Water, Sewer, Streets), evaluation of operating margins and net results of operations with anticipated capital are both provided.

In general, the key general economic assumptions for this report are as follows:

1. Economic activity in Portland will continue to outperform the national economy, with key indexes reflecting full employment, continued in migration, and a slowing, but healthy, housing market. Economic downturns predicted for Q3 and Q4 of 2019 are anticipated not to impact any key City revenue stream.
2. Building activity is predicted at specifically identified quantities based on known projects pending for entitlements. Projects for 7 single family on Halsey, 61 unit mixed use, 4,000 square foot commercial, and 173 multifamily and 10,000 commercial are all anticipated and phased over the next two years.
3. The Redevelopment Agency has been separately presented to the Council and the Agency Board. Predicted revenue streams for the Agency will not impact the predictions of General, Water, Sewer or Street funds, and are separately stated in this report.
4. City employment levels are predicted to be unchanged through the period. While part time City Management will significantly decrease the actual cost in 2018-19 and a part of 19-20, the projections and the budget include a full time employee at market rate with full benefits to permit the City Council to act as they wish to replace the position. New Department Directors hired in 2018-19 are tracked through with steps into future years.
5. Fire service contract costs are projected based on total assessed value predictions, with the prediction for 2019-20 set at 2.9%, and trending to maximum potential (4.5%) thereafter.
6. Recreation Program costs are as anticipated in the initial 3 year authorization through 2019-20, then trended at 4%.
7. All personnel expenditures are projected with a 2.5% COLA, steps available to employees proceeding through the step system, and bonus provisions for employees at the “top end” of the compensation for their position.
8. Materials and Supplies are projected at the specific trend for the expenditure area, except where known modifications have been made to alter future costs

(i.e. the decline in cost due to street lighting changes, increases in testing costs, etc.).

9. Building Services were predicted at “net zero” through the period, projecting revenues and expenses to be equal in each projected year, while permit numbers are expected to raise significantly, and costs for Gresham permit inspection will increase, the process will set revenue and expense as offsets for this evaluation.
10. No single major private sector project will be initiated in the projection period that will directly impact the overall municipal values (development will occur in the urban renewal area). Enterprise Zone benefits expiration are predicted for Pressure Safe, and Grovtec at the close of their benefit periods. Community fees required in year 3 and beyond for each of the companies are treated as property tax revenue.
11. New construction starts are predicted throughout the period, with the expectation that the development will be generally as follows:

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Single Family	6	0	0	0	0	0
Multifamily	68	100	68	10	40	10
Commercial	1	1	3	1	1	1
Total Connections	75	101	71	11	41	11

12. Cost of Living adjustments will be made to the user rates in water and sewer as well as the SDC rates in years 18-19 and thereafter, each occurring on January 1 of the fiscal period.
13. Throughout the projections, the expenditure increases are predicted based on budgeted outlays from prior years. No adjustment has been made to reflect the historic actual expenditure levels of 93% of the appropriations. Such an adjustment would make a MAJOR difference in this projection, and is in fact what has historically occurred. To be conservative in this estimate, we are not adjusting by this factor.

It is very important to note that we have not attempted to predict the specific cost of living in each of the periods ahead, and any significant change in the cost of living above the 2.5% we have utilized in this analysis will have significant impacts on personnel costs as well as projected revenue returns in our utilities. In general, the cost of living drives costs up in the general fund, and as long as passed through to the consumer in the water and sewer funds, has a negligible impact on our utilities. The cost of living has almost no impact on the revenue side of the general fund, hence, the greater the cost of living increase, the narrower the gap between operating revenues and operating expenses, and at some level of expense increase with relatively static revenues, can result in significantly different results than are predicted in this projection.

The General Fund

The predicted operating revenue in the General Fund for the current Budget is \$2,234,263 for our current budget (18-19). This projection is based on the recurring annual revenues, exclusive of grants, one time revenues, or fund balances. This

projection is based on the operating revenues to the General Fund and the operating expense.

The overall prediction for operating revenues for the next five years is as follows:

	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Total Ops Rev	1,860,922	1,831,432	2,038,624	2,234,263	2,247,045	2,345,533	2,405,550	2,422,824	2,461,239
Amount Change	110,460	-29,490	207,192	195,639	12,782	98,488	60,018	17,274	38,415
Percentage	6.31%	-1.58%	11.31%	9.60%	0.57%	4.38%	2.56%	0.72%	1.59%

The Urban Renewal debt amortization is an operating revenue, and when that debt is repaid in 20-21, it appears also as an operating revenue. This distorts the percentages and makes the trend appear odd, so for the annual averages calculations, we have removed all interaction with the Urban Renewal District for longer term trend data.

Expenditure predictions are similarly structured, eliminating one-time expenses, grant projects, or capital expenditures. We have, however, included the anticipated fund transfers into the Municipal Building Fund and the interactions with Urban Renewal. Our goal is to assure the Council that all projected costs associated with the municipal building can be met as they are currently understood, and still leave the City in great position overall.

The predictions of expense are as follows:

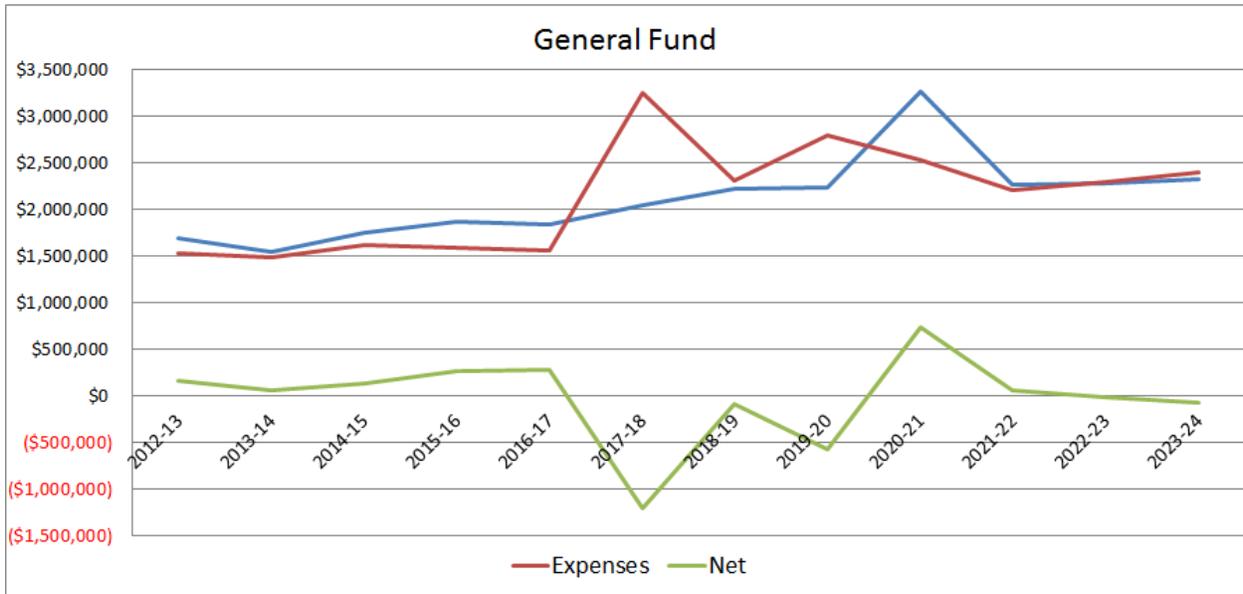
	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Total Ops Exp	1,594,757	1,554,991	1,935,395	2,300,263	2,043,606	2,127,404	2,210,114	2,299,163	2,392,928
Amount Change	111,127	-39,765	380,404	364,868	-256,657	83,798	82,710	89,049	93,764
Percentage	6.89%	-2.49%	24.46%	18.85%	-11.16%	4.10%	3.89%	4.03%	4.08%

Overall through the five year projection period, the net compounded annual increase in revenues is just below 3%, and expenditure trends at 3.4%. With revenue trends continuing to have lower marginal increases than expense, the operating margin in the General Fund will continue to narrow. It is very important to remember here that these are budgetary projections, and revenues will be slightly better than the projections, and expenditures will be slightly below the appropriations.

The net result of budget operations in the projected years is as follows:

	Actual 2015-16	Actual 2016-17	Budget 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Revenues	1,860,922	1,831,432	2,031,133	2,251,609	2,264,533	2,362,093	2,422,245	2,439,655	2,478,207
Expenses	1,594,757	1,554,991	2,239,825	2,300,263	2,043,606	2,127,404	2,210,114	2,299,163	2,392,928
Net	266,166	276,441	(208,691)	(48,654)	220,927	234,689	212,131	140,491	85,279

Graphically, this looks like the following:

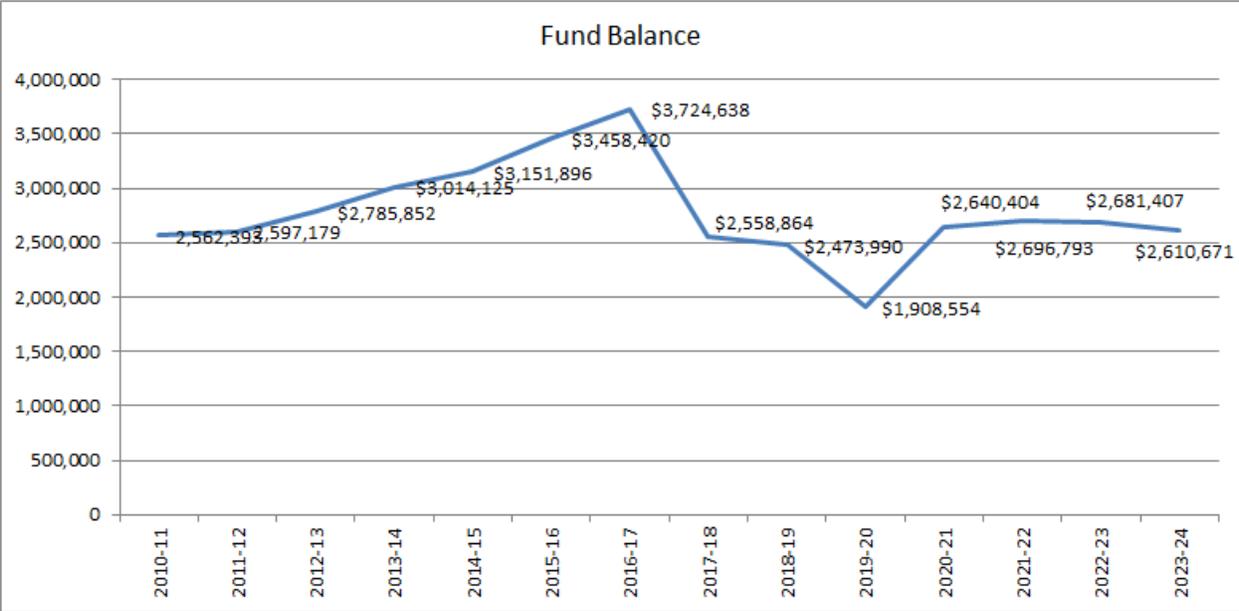


We begin our projection with an audited General Fund balance of \$2,558,864. With this projection, the ability for our local government to continue to operate is not in question through this period. Any capital outlay beyond that associated with the City Hall project will be limited to the marginal available revenues for the period, or will be drawn from reserves. It must be noted that this is all based on budgetary projections, meaning that the actual costs incurred in the periods will be less than those predicted, and the revenues will be slightly higher than predicted.

The general fund balance projection is as follows:

Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
\$ 3,724,638	\$2,558,864	\$2,473,990	\$1,908,554	\$1,707,808	\$1,884,370	\$1,989,156	\$2,038,593

Some level of replacement of equipment and other issues such as the Park System plan implementation may all arise in this period. To the extent that the capital outlay is incurred in excess of the annual operating margin, the fund balance will be reduced.



The General Fund represents 48% of the total operating costs of our local government, with well over half of that amount in Public Safety Services. As in each year for the last six, Public Safety costs exceed the total property tax revenues to our local government.

Capital Expenditure Fund: City Hall

This projection includes the sale of the property at the corner of Halsey and 238, relocating for a short term to the Pressure Safe Building, and building a municipal building.

The operating costs for leasing and short term costs are all contained in the General Fund. The projected capital outlay for the municipal building is as follows:

Revenues	2017-18	2018-19	2019-20	2020-21	Total
Sale of Asset as Beginning Balance		3,775,000	0		3,775,000
General Fund		300,000	750,000	400,000	1,450,000
Urban Renewal		0		1,500,000	1,500,000
Total	0	4,075,000	750,000	1,900,000	6,725,000
Expenses					
Legal	35,000	15,000	5,000	5,000	60,000
Permits and Inspections		0	5,000	15,000	20,000
Office Furniture		0	0	300,000	300,000
Office Equipment		0	0	85,000	85,000
Site Improvements		365,000			365,000

Building Improvements		1,617,500	600,000	1,487,500	3,705,000
Land Acquisition		500,000	0		500,000
Architectural Services	70,000	500,000	0	100,000	670,000
Title, Insurance, Escrow, Close		15,000	0		15,000
Real Estate Commission		187,500	0		187,500
Contingency		150,000	667,500	0	817,500
Total Budget	105,000	3,350,000	1,277,500	1,992,500	6,725,000

This analysis relies only on the General Fund and the Urban Renewal allocation. While an Urban Renewal Full Faith and Credit debt will be issued (repaying loan from the GF and providing funding for this building and other Urban Renewal Costs), no direct debt will be required to undertake this building project. The Utility funds are not asked to contribute to the City Hall project in this analysis, and it may be wise to allocate a portion of the costs for the investment in the building to Water, Sewer and Street funds in proportion to their utilization of a central office building.

Street Fund

The projections for the Street fund include the operating analysis and projects the capital outlay adopted in the street and drainage utility for expenditures in the repair and maintenance of roadways. What is presented is an analysis of the operating status followed by the recommended capital outlay and the net status of the fund both for operating and for recommended expenditure levels.

The state legislature adopted a major increase in the funding for transportation in the 2017 session. The new rates for gas tax began in January of 2018. Revenue increased dramatically in 2018-19, then has a fairly steady 2% annual increase. Expenses are predicted to rise at 3.9%, resulting in narrowing of the margins after 19-20, however, as will other funds, the conservative revenue estimates and expenditures below predicted levels will soften the amount of demand differential. We will have significant net annual increases in the margin between revenue and expense, allowing us to invest nearly \$125,000 annually in roadway maintenance and storm water replacement and upgrades.

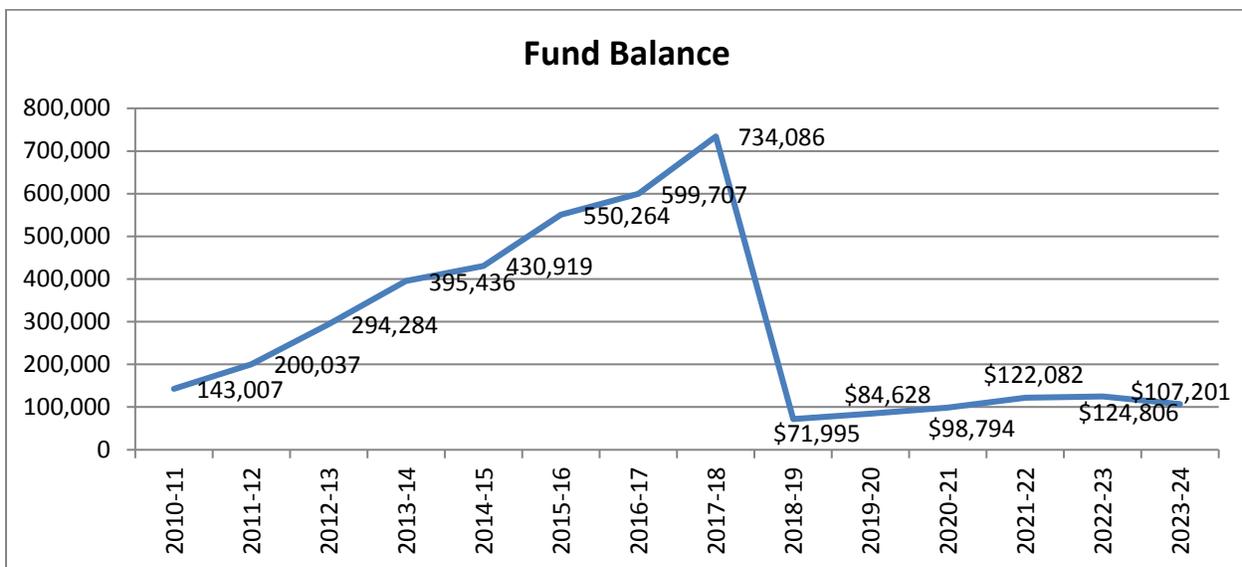
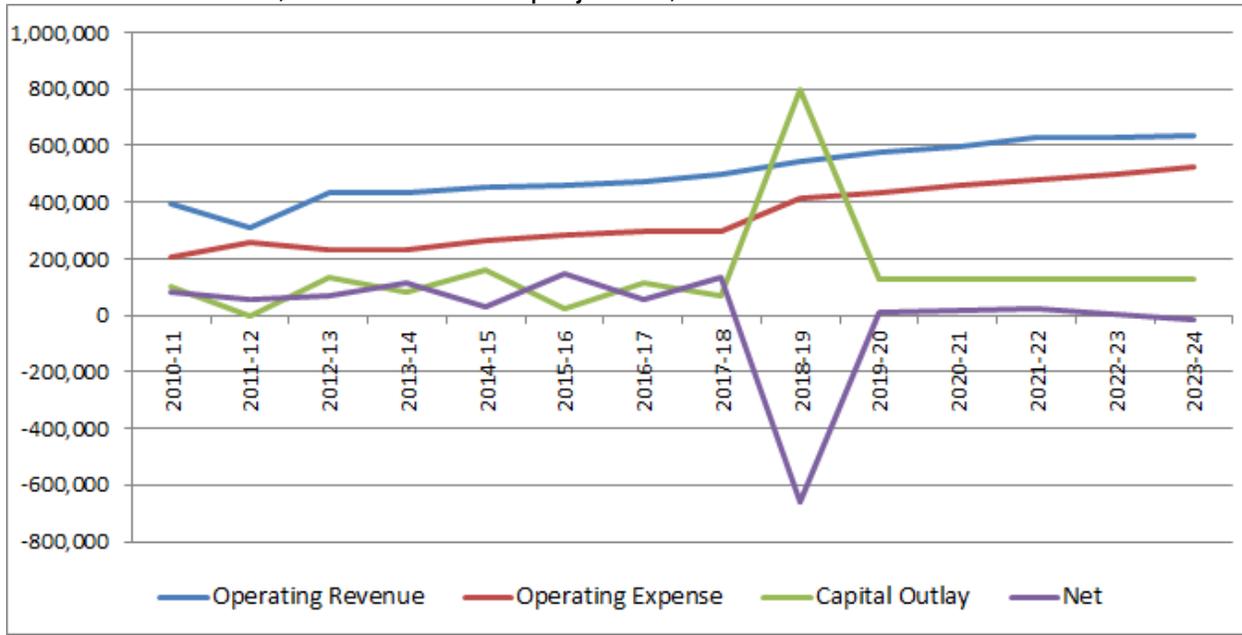
The award of the Cedar Lane project, \$791,713, significantly impacts the capital expenditures and the projected fund balances going forward. This is a significant project, and the improvement will make a significant difference to the overall pavement condition index for Wood Village.

The capital outlay identified in this projection is based on the following extraction from the facility plans and the adopted street utility fund projections shows the overall

operations prediction for the fund.

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecasted 2022-23	Forecasted 2023-24
Operating Revenue	469,214	498,165	546,510	573,903	595,793	626,529	631,260	637,514
Operating Expense	298,986	295,886	413,601	436,270	456,626	478,241	501,036	525,056
Capital Outlay	113,218	67,900	795,000	125,000	125,000	125,000	125,000	125,000
Net	57,010	134,379	-662,091	12,633	14,167	23,288	5,224	-12,542

Since the annual capital outlay is discretionary, the City Council may determine to add or subtract from the capital projected in this approach. The purpose is to note that the anticipated expenses may all be met within resources available in the fund. This is due to the fund balance, and the balance projection, as follows:



This margin would not allow much contribution to the City Hall project if we are to maintain the investment strategies in our roadways that are identified in the Transportation Utility funding analysis.

The Water Fund

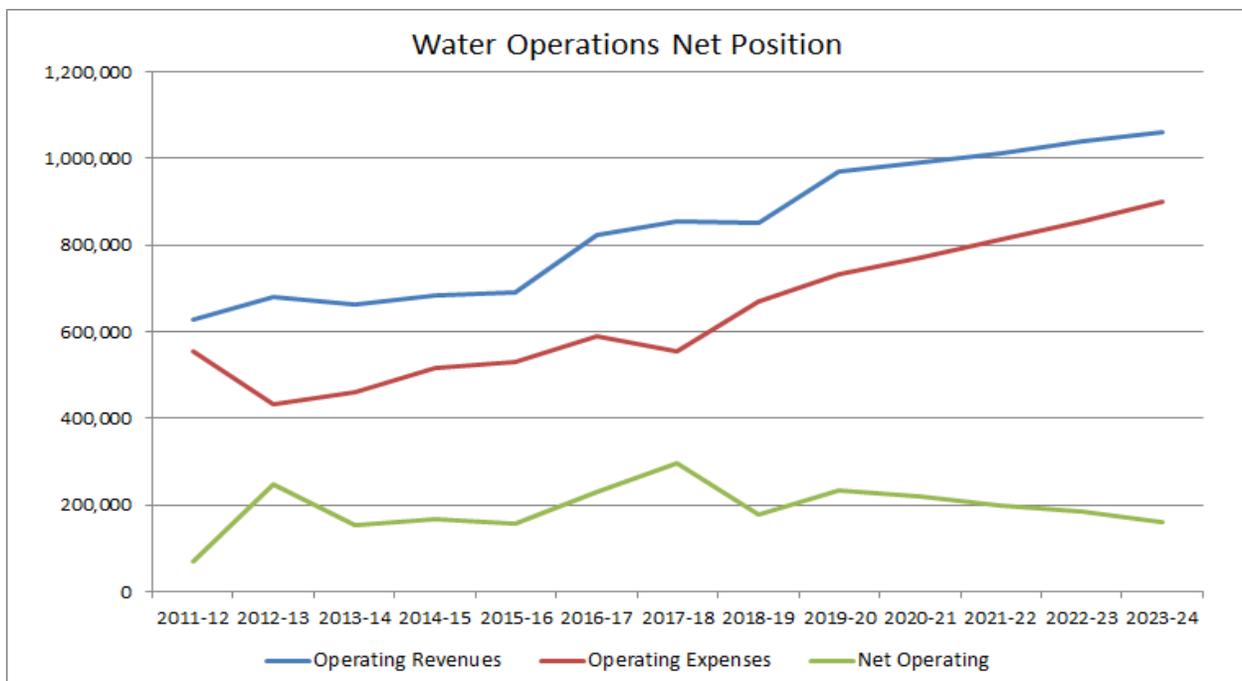
Projected for the Water Fund is an analysis of the operating status followed by the recommended capital outlay and the net status of the fund both for operating and for recommended capital expenditure levels.

In the Water and subsequently in the Sewer Fund, the proceeds from projected SDC's are available only for capacity building within the definitions of the SDC methodology framework. Operating revenues do not include any SDC proceeds.

The net operating position of the water fund is as follows:

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Operating Revenues	821,864	853,334	850,200	969,568	991,339	1,010,762	1,038,744	1,059,083
Operating Expenses	590,986	555,354	671,537	733,705	772,220	811,943	853,931	898,328
Net Operating	230,878	297,980	178,663	235,863	219,118	198,819	184,812	160,755

While operating margins decline slightly over time, the overall status of the utility is positive, with revenues for operations exceeding the planned operating expenditures through the entire projection period. Reinvestment in the system, recommended by the water master plan, include valve replacements, pipeline replacements, and assuring that production facilities continue to perform through the investment in the systems. The recommended expenditure level in the plan is \$250,000 annually for reinvestment. Trend data has revenues near 4.1% and annual increase and expenditures at near 4.2%. The addition of new revenue accounts is the basis for the revenue expansion and how the system is staying in balance.

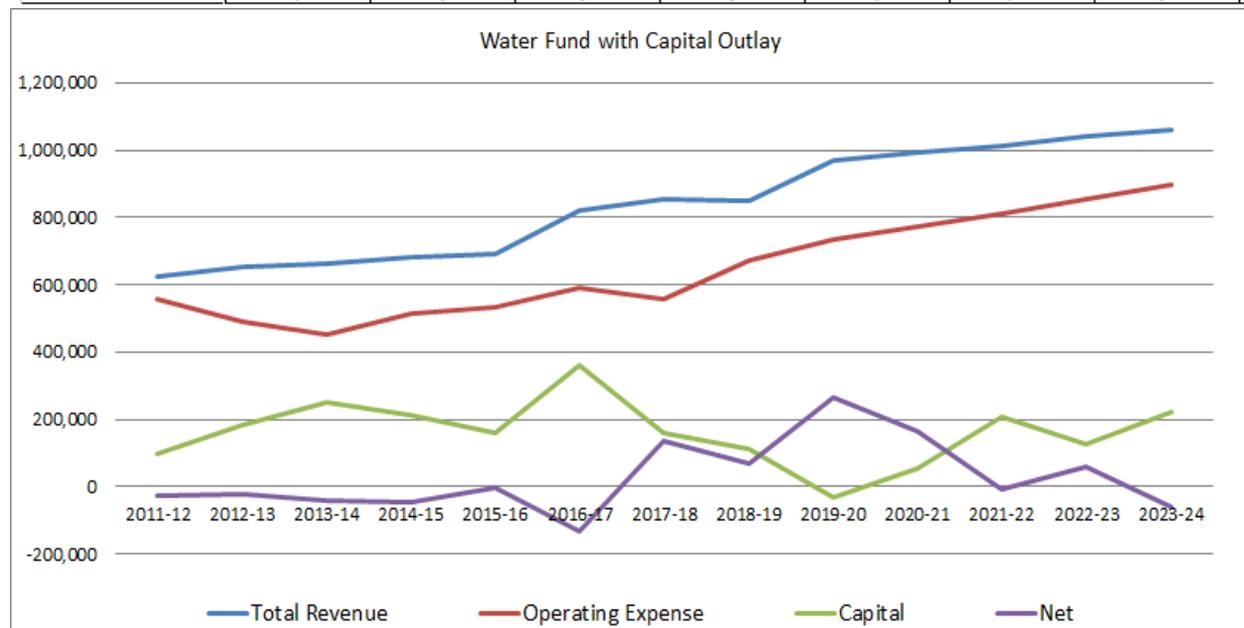


The net capital outlay, with the offset for projected SDC revenues is as follows:

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
SDC Rev	8,061	89,548	140,000	280,954	197,212	43,728	126,396	27,629
Capital	370,569	253,877	842,046	250,000	250,000	250,000	250,000	250,000
Net Capital	362,508	164,329	702,046	(30,954)	52,788	206,272	123,604	222,371

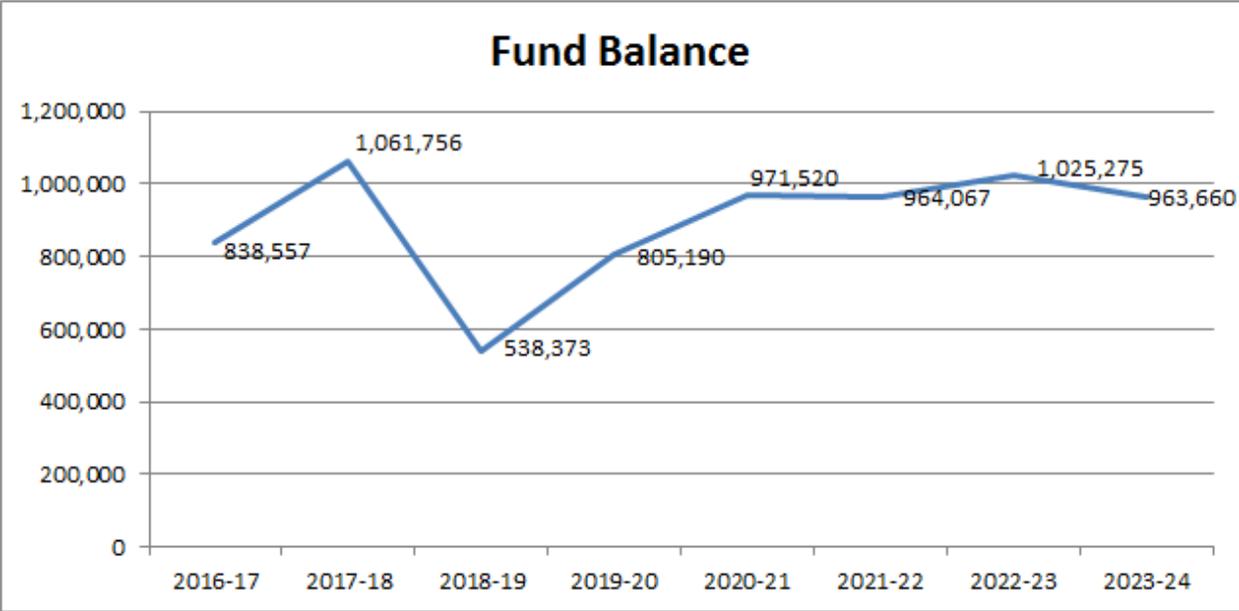
This yields the total overall annual status as follows:

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Total Revenue	821,864	853,334	850,200	969,568	991,339	1,010,762	1,038,744	1,059,083
Operating Expense	590,986	555,354	671,537	733,705	772,220	811,943	853,931	898,328
Capital (Net SDC)	362,508	164,329	110,000	-30,954	52,788	206,272	123,604	222,371
Net	131,630	133,651	68,663	266,817	166,331	7,453	61,208	61,616



The projected impact on the Water Fund balance through the period is as follows:

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Fund Balance	838,557	1,061,756	538,373	805,190	971,520	964,067	1,025,275	963,660



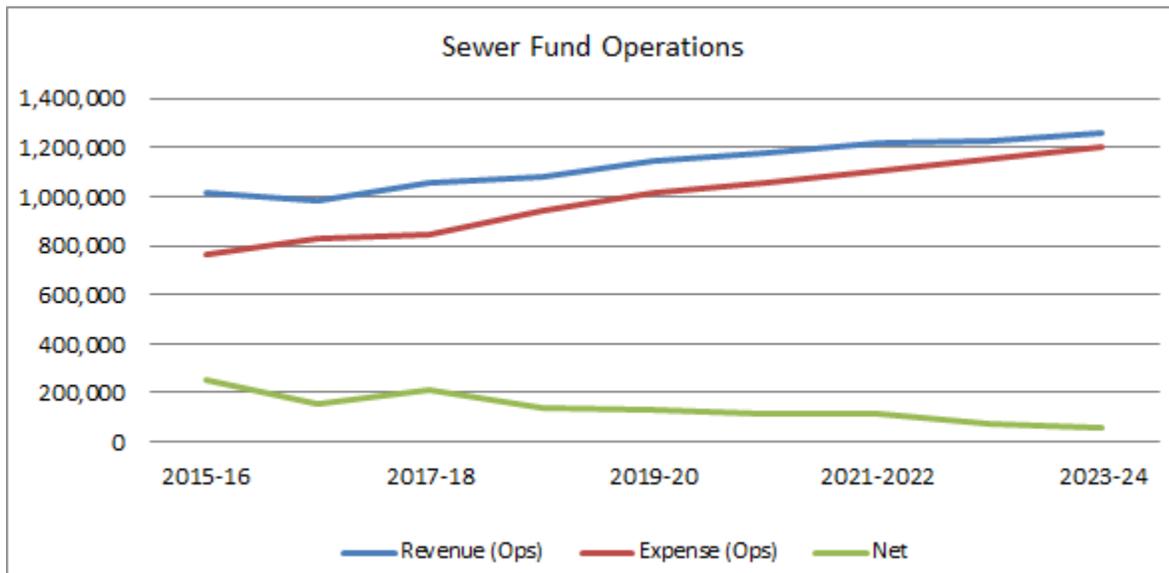
Provided annual adjustments to the revenues are enacted, the fund can perform through the period, including necessary investments in capital.

Sewer Fund

The sewer fund is projected in the same manner as the water fund. Major operating expenses for the treatment of sewer collected and conveyed to the Gresham plant are predicted to have no major rate changes through the period (COLA Only), with revenues from growth included in the revenue trends.

The operating margin projected for the sewer fund is as follows:

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-2021	Forecast 2021-2022	Forecast 2022-2023	Forecast 2023-24
Revenue (Ops)	987,188	1,055,426	1,083,441	1,147,097	1,177,665	1,220,494	1,231,034	1,260,316
Expense (Ops)	833,564	846,584	946,884	1,015,296	1,060,127	1,106,209	1,154,598	1,205,417
Net	153,624	208,842	136,557	131,801	117,538	114,285	76,436	54,899

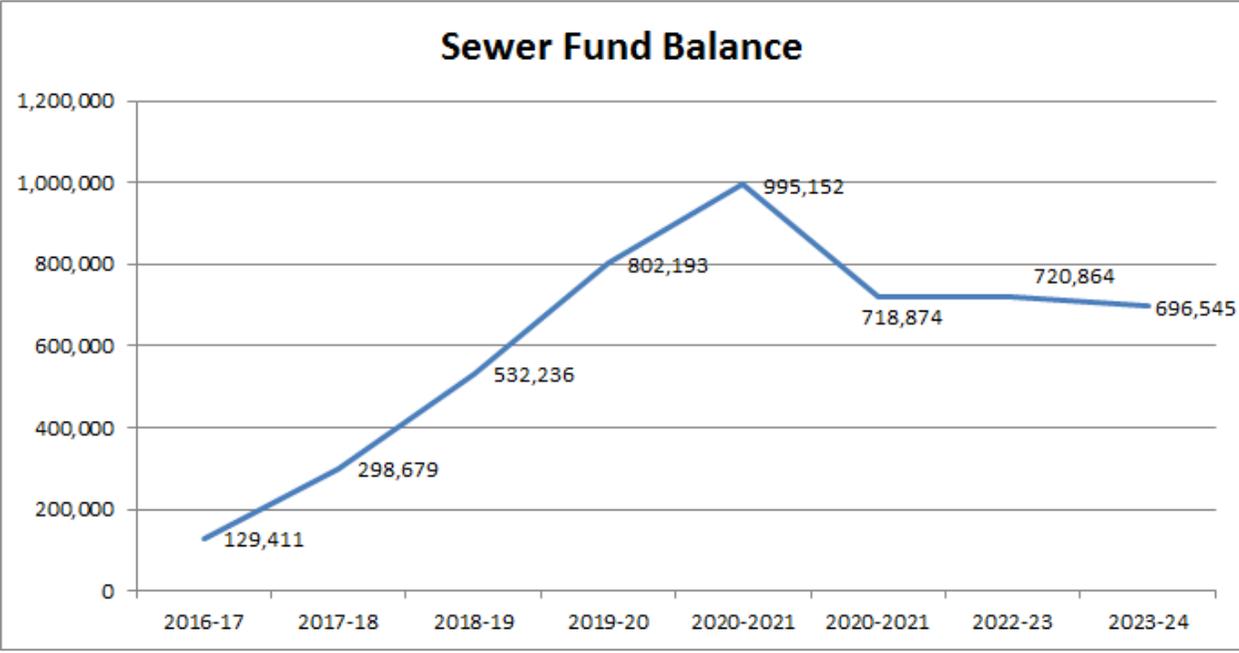


The sewer master plan calls for approximately \$100,000 annually. The next major investments are either the Wood Village Trunk Sewer Upgrade, the Sandy Sewer Line, or the purchase of plant capacity. The total capital investments, net of SDC revenues projected in the same manner as the revenues in the Water Fund, is as follows:

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
SDC Rev	4,708	73,388	140,000	243,156	180,421	109,437	30,553	25,782
Capital	\$108,862	\$112,962	\$43,000	\$105,000	\$105,000	\$500,000	\$105,000	105,000
Net Capital	\$104,154	\$39,574	(\$97,000)	(\$138,156)	(\$75,421)	\$390,563	\$74,447	\$79,218

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
Operating Margi	153,624	208,842	136,557	131,801	117,538	114,285	76,436	54,899
Net Capital	\$104,154	\$39,574	(\$97,000)	(\$138,156)	(\$75,421)	\$390,563	\$74,447	\$79,218
Annual Balance	\$49,470	\$169,268	\$233,557	\$269,957	\$192,959	(\$276,278)	\$1,990	(\$24,319)

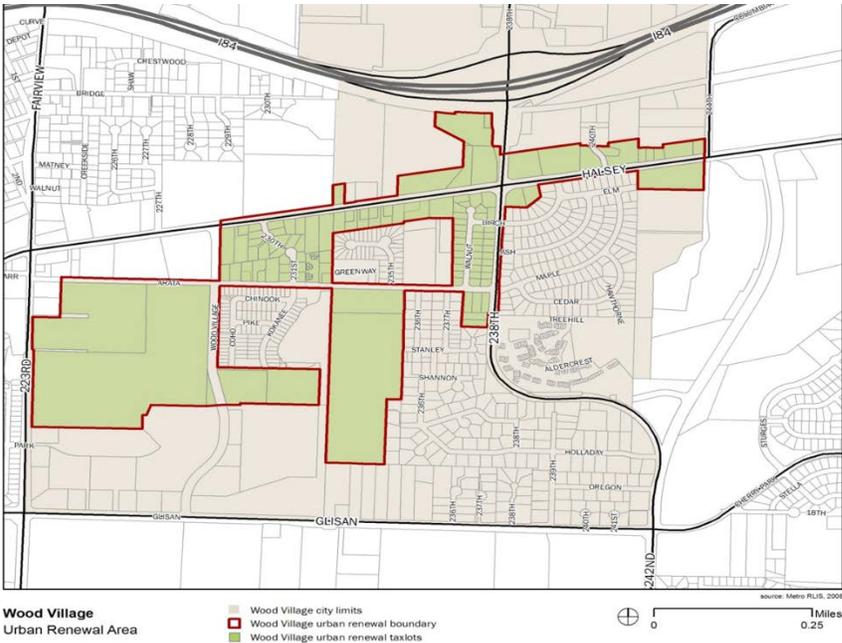
	Actual 2016-17	Actual 2017-18	Budget 2018-19	Forecast 2019-20	Forecast 2020-2021	Forecast 2020-2021	Forecast 2022-23	Forecast 2023-24
Fund Balance	129,411	298,679	532,236	802,193	995,152	718,874	720,864	696,545



Urban Renewal

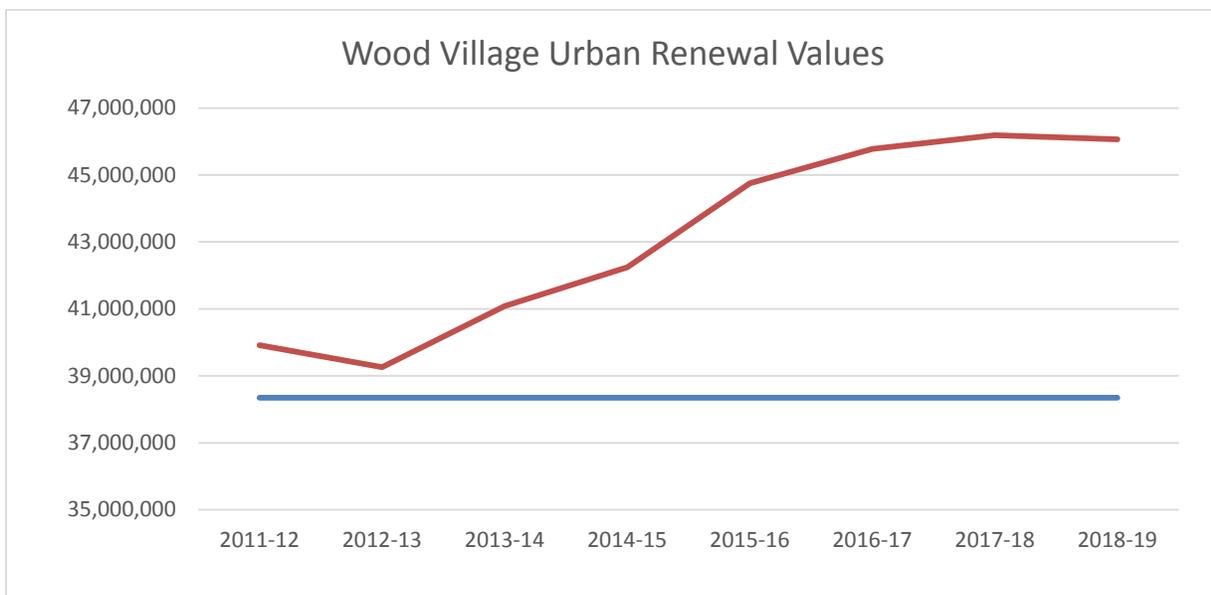
The Wood Village Urban Renewal District is a separate governmental entity, however, the interdependence between the Agency and the City is very close, and it is important to understand the financial capability of the Agency with the pending development.

Nearly 30% of the community is included in the Urban Renewal Agency, including all of the former Greyhound Park properties, the subdividing area in the Town Center, along with all the area along Halsey.



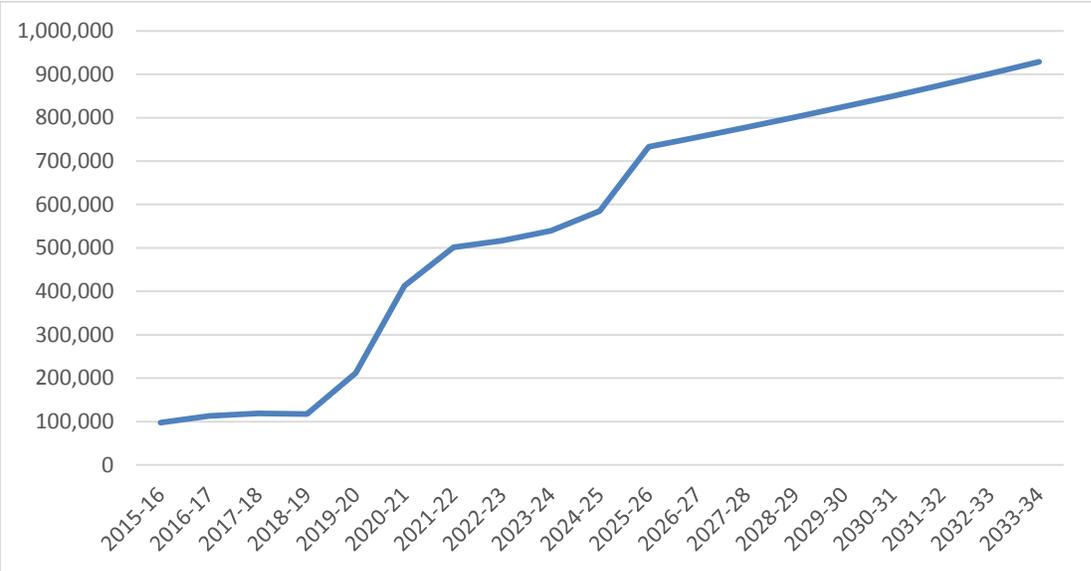
As was recently shared with the Agency board, revisions to value actually created a decline in the increment value for the current year. The number and character of investments in the Agency over the years ahead will more than offset this short term issue, with results predicted as follows:

Tax Year	Frozen Base	Total Plan Area Value	Increment	Actual Tax Imposed	Equivalent Tax Rate
2011-12	38,346,200	39,910,888	1,564,688	23,016	14.7096
2012-13	38,346,200	39,261,067	914,867	13,580	14.8437
2013-14	38,346,200	41,081,850	2,735,650	43,846	16.0276
2014-15	38,346,200	42,247,160	3,900,960	61,733	15.8251
2015-16	38,346,200	44,748,350	6,402,150	97,676	15.2567
2016-17	38,346,200	45,780,830	7,434,630	112,990	15.1978
2017-18	38,346,200	46,189,550	7,843,350	118,977	15.1692
2018-19	38,346,200	46,060,130	7,713,930	117,189	15.1919



Tax Year	Total Return to Agency	Total Increment
2015-16	97,676	6,402,150
2016-17	112,990	7,434,630
2017-18	118,977	7,843,350
2018-19	117,189	7,713,930
2019-20	211,642	14,598,742
2020-21	412,839	28,476,937
2021-22	501,489	34,591,866

2022-23	516,533	35,629,622
2023-24	539,269	37,197,899
2024-25	585,139	40,361,926
2025-26	733,125	50,569,729
2026-27	755,118	52,086,821
2027-28	777,772	53,649,425
2028-29	801,105	55,258,908
2029-30	825,138	56,916,675
2030-31	849,892	58,624,175
2031-32	875,389	60,382,901
2032-33	901,651	62,194,388
2033-34	928,700	64,060,219
Totals	10,661,633	



Overall, Urban Renewal will have sufficient increment to begin the implementation of the planned projects. Amendment to the Agency will identify the specific projects and update the plan to assure that planned debt issuance will be able to occur in 20-21.

Summary

The City predictions allow for operating expenses to all be met by operating revenues in all funds. The margin in the General Fund permits funding of a City Hall investment and maintaining a fund balance that has a full year of operations in reserve, and allowing a modicum of capital investment.

The street fund is in acceptable condition, with the predictions identifying the ability to meet the financial obligations we stated we would complete when we adopted the street utility. While fund balances will be eliminated with a major capital investment in the

current year, we will be able to meet our projected investment levels due to the addition of nearly \$100K annually from the new gas tax and fees.

Water has a healthy fund balance, and can meet the predicted capital outlay identified in the water master plan through the period. It is also accumulating a sufficient reserve to handle the total replacement of one of the production wells, a project that is not scheduled in this period or included in the Master Plan period.

Sewer fund has the capacity to meet operating costs, absent a change in rates from Gresham. The fund can also invest through the period based on the SDC incomes and projections. Three key project potentials, one of which will be required, have the potential to impact the fund. The Sandy Blvd project, the outfall project, and sewerage treatment capacity must be addressed. It is anticipated that only the treatment capacity will be mandatory in this period, and an expenditure of \$500,000 is projected to occur in 2020-2021. It should be noted that a similar amount will be available from Urban Renewal in the same period.

Several key statements need to be made about these projections:

1. The actual expenditure levels historically have been about 93% of total appropriations. While this is a predictable trend, it is not projected into the margins between operating income and expense. It would be safe to assume a healthier financial condition through this period than these projections indicate.
2. Significant economic events, positive or negative, will dramatically impact this sort of long term projection. While we are fairly assured that 19-20 is very close (unless the council makes significant change in expenditure priorities or amounts), the accuracy of the prediction is inversely proportional to length of time projected.
3. The Redevelopment Agency has a major role to play in our future.
4. There are no indications in this projection of pending difficulties financially. Concern about the General Fund trend to incur expense more rapidly than incomes expand will continue to be an issue throughout this period.

Recommendation

The financial condition of your local government is excellent. Absent major initiatives or outlays, the City can sustain current operating levels, and recommended utility capital investments, through this period. Along with meeting these base projections, the City has the capacity to make significant investments utilizing accumulated resources in the General Fund.



City Council Retreat Item Staff Report

Meeting Date: February 2, 2019

TO: Mayor and Councilors

FROM: Bill Peterson: City Manager

Authored By: Greg Dirks: HR/Records Manager

DATE: January 28, 2019

SUBJECT: City Annual Performance Plan Report

Background

The City Council adopted the 2018-19 Annual Performance Plan at their meeting on April 12, 2018. The plan consisted of activities to be completed in the year ahead, and was used as one of the base documents in developing the annual budget.

Goal 1 A safe, clean, livable community with a sense of pride, quality housing, and strong identity.

- 1.1 Arata Road Rebuild Support and Urban Renewal Project: The Arata road project has been awarded to Wildish Standard Company, in January. Utility conflicts and similar problems with the construction continue to plague the job, and work is now scheduled to continue into the spring and summer of 2019. The roadway project is not scheduled to be completed until the fall of 2019. Prior to the close of the project, discussions will need to take place to review the scope and direction of the fencing program. These discussions will need to focus on the location of the fencing. Specifically if the fences are on the property line, or within the right of way. Each option has advantages and disadvantages to consider. The Council and Urban Renewal Board will need to provide this direction prior to additional outreach with residents and property owners.
- 1.2 Feasibility Evaluation for Façade Renovation: The Council approved the scope for an RFP. The RFP has been sent out, and proposals are due at the end of February. The intent is to have a full report back by June 30th.
- 1.3 Freeway on ramp Landscape/Art: Initial discussions with ODOT have begun, and the project area has been refined to the open areas to the north of westbound I-84.

Goal 2 Excellent police, fire and building services.

- 2.1 Develop an electronic plan review and permit. Work on the contractual relationship with Gresham to provide building services has hampered progress in developing an updated permit system. The City now provides plans to Gresham electronically, functioning as the applicant. We will be changing that approach to assure direct filing of plans can occur. While the adoption of an updated IGA with

Gresham for the provision of building services has been approved, the City needs to undertake a rate analysis to compensate for the increased inspection rates. The rate analysis will again push back the electronic plan review and permit item.

2.2 Citizen Academy. The Council wanted to restore the Citizen academy, conducted by the Sheriff's department. We were unable to modify plans from the Sheriff to conduct a community decision maker academy rather than a citizen academy. City council president Harden participated in the academy.

Goal 3 High quality, cost-effective public utilities, parks and events.

3.1 Scheduled City Events: The first event of this plan was the Nite Out. The anticipated Citizen's Academy morphed to a community academy not sponsored by Wood Village. The Great Pumpkin event was a smashing success, as was the Tree Lighting in the Town Center. The next scheduled community event is the Easter Egg Hunt, and the Council will be discussing the this item at the February 12th City Council meeting.

3.2 Park Entry Enhancements. The enhancements have been designed and funding has been allocated in the budget. A bid package is structured, but a portion of the project may qualify for grant funding, so we are delaying bid to see if we can qualify for funding.

3.3 Cedar Lane Reconstruction and Utility Rebuild: The major project for 2017-18 was Cedar lane, and the funding and plan updated the emphasis on Cedar Lane. The project was awarded to Catworks of Vancouver WA. Construction will begin in February.

3.4 Hawthorne Avenue Trailhead Project. This work has been included in the Park Master Plan, and adopted for the park. Next steps will be to complete the design of the improvements and provide for public input on the development of the site.

3.5 SCADA: Significant investments have been completed, and additional work is pending.

3.6 Irrigation System for DLR: The County completion of the environmental work has been very slow, delaying any progress on the project. The design is complete and we are determining whether or not an archeological assessment will be required.

3.7 Feasibility Evaluation for Data and Cable System: The City has met with Multnomah County representatives and has joined a consortium of Cities and the County that will be evaluating this potential. Timing for outcomes on this work is not known.

Goal 4 Long-term financial stability and Economic Vitality

4.1 City Hall Size and Selection of Property: The City Council has tentatively identified a site at the park for the municipal building, and work will now focus on a design at that location.

4.2 Interim Location Lease and Move: The City has completed a lease agreement with SMM Real Estate LLC (Morasch family at Pressure Safe Location). We originally thought we would be moving in July, then September, it now appears that May is most probable. Williams Dame is paying the lease costs until that time.

4.3 Complete Design and Bid for City Hall project: The Architects are directed to focus on the park site.

4.4 Provide Incentives from the URA to the City Property Development. The construction relocation of utilities has been completed, the purchase of the easement through Grovtec is complete, and further incentives will not be allocated until the property has closed and the construction of buildings begin.

Goal 5 A work environment that develops and encourages employees and rewards their creativity and innovation.

5.1 Targeted Safety Training Twice Annually: Training on blood borne pathogens and CPR/medical was completed. Another training will be scheduled for the Spring.

5.2 Staff Team Building Once Annually: Scheduled for spring.

5.3 Benchmark Services/Best Practices: Director Reeser has identified two separate processes to evaluate for best practices. At least one of the items will be completed by this Spring.

Goal 6 Effective local, state and regional partnerships.

6.1 Halsey Corridor Project; DLCDC Grant/Solutions Team/Metro: The Halsey Community Cooperative Compact (HC³) has been awarded funding from DLCDC for the economic evaluation that is now about 85%. Work on the Metro Grant for the coordination of codes and site issues will start in March of 2019.

6.2 Two City Recreation Program (East County Recreation): The program is underway, the new director has been selected Jairo Rios-Campos. Interim Director Mike Abbate will be returning to the board to assist with the development of the program. Recommendations on whether or not to proceed following year 3 of the program will be developed this spring.

Goal 7 Environmental Responsibility.

7.1 Brown Paper Bag Project (Plastic Bag Ban) Significant work has been completed evaluating alternatives. Meetings with larger retailers indicated they generally opposed a ban, and had viable recycling programs. Engagement with smaller retailers has not been successful. City Council direction on proceeding has been delayed to permit the Council to assure all members are present and actively providing input.

7.2 Tree planting and Tree Program: Public Works staff has completed the installation of trees in the front yards of participating residents.



2018-19 Annual Performance Plan

Adopted April 12 2018
 Status Report Jan-19

A Unique, Small City with Exemplary Public Services, Fiscal Responsibility, and Progressive Leadership Providing a Safe, Livable Community which Promotes Business Vitality and Growth.

Key: Planned Duration Planned Items not Budgeted for Completion Past Due C Completed

City Goals	Department Objectives	Responsible Person	Target Date for Objective Completion											
			July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
GOAL 1														
A safe, clean, livable community with a sense of pride, quality housing, and strong identity.	Arata Road Rebuild Support/URA Project Fencing	Bill												
	Freeway Onramp Landscape/Art	John												
	Feasibility Evaluation for Façade Renovation	Greg												
GOAL 2														
Excellent police, fire and building services.	Develop Electronic Plan Review and Permit	John												
	Citizen Academy	Greg			C									
GOAL 3														
High Quality, Cost Effective Public Utilities, Parks and Events	Scheduled City Events	Greg	C		C	C		C						
	Park Entry Enhancements	John												
	Design and Build Complete Road/waterline/sewer/drain project (Cedar)	John												
	Hawthorne Avenue Trailhead Project	John												
	SCADA System Upgrade	John												
	Irrigation System Design for Donald L Robertson	John												
	Feasibility evaluation for Data and Cable System	John												
GOAL 4														
Long-Term Financial Stability and Economic Vitality	City Hall Size and Selection of Property	Bill							C					
	Interim Location Lease and Move	Bill	C**											
	Complete Design and Bid for City Hall Project	Bill												
	Provide Incentives for Development URA City Property	Bill					C							
GOAL 5														
A Work Environment that Develops and Encourages Employees, Rewards Creativity and Innovation	Targeted Safety Training Twice Annually	Greg					C							
	Staff Team Building Once Annually	Bill												
	Benchmark Services/Best Practices	Seth					C							
GOAL 6														
Effective local, State, and Regional Partnerships	Halsey Corridor Project DLCD/Solutions Team/ Metro	Bill					C							
	Two City Recreation Program Continuation Recommend	Bill												
GOAL 7														
Environmental Responsibility	Brown Paper Bag Project (Plastic Bag Ban)	Bill												
	Tree Planting and Tree Program	John					C							

C** Lease complete moving in the spring