



Agenda Item

February 9, 2022

TO: City Council
FROM: Eric Swenson, Mayor
SUBJECT: **Committee Appointments**

The following appointment is made, subject to the approval of the Council. Please forward any adverse comments to me prior to the Council meeting on Monday, February 14, 2022. No reply is required if you approve of my decision.

Woodburn Parks and Recreation Board

- Richard Irish

CITY OF WOODBURN
APPLICATION FOR COMMISSION/COMMITTEE/BOARD MEMBER



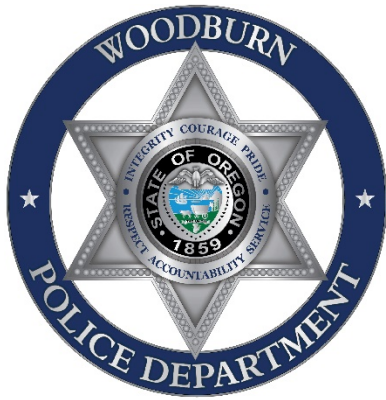
Name: <u>Richard D. Irish</u>		Date: <u>11-3-21</u>
Present Address: <u>577 S Columbia Drive</u>		
City/State/Zip: <u>Woodburn Oregon 97071</u>		
Phones:	Work:	Home:
		Cell: <u>503-313-5190</u>
Email: <u>rdirish06@comcast.net</u>		
Years Lived In Woodburn: <u>5</u>		
Occupation: <u>retired from state of Oregon IT specialist</u>		
Education: <u>Some College</u>		
Address for Past 5 Years: <u>same</u>		
City/State/Zip:		
Commission/Committee/Board Applying For (excluding City Council and Mayor position):		
<input type="checkbox"/> Woodburn Budget Committee <input type="checkbox"/> Woodburn Mural Committee <input type="checkbox"/> Woodburn Library Board <input checked="" type="checkbox"/> Woodburn Recreation and Parks Board <input type="checkbox"/> Woodburn Planning Commission <input type="checkbox"/> Other (Specify) _____		
Why you want to apply: <u>Interested in Recreation for Seniors</u> <u>Bike Paths, Pickleball Courts, swimming</u>		
What experience/expertise/interest do you have for this group? <u>I have 44 years as a Karate Instructor</u> <u>13 years as Middle school & High School Wrestling</u> <u>coach, Play pickleball, Table Tennis, ride bikes</u> <u>golf & line dancing</u>		

When you apply, it is understood that you will be volunteering to attend all meetings and to actively participate. Commissions/Committees/Boards generally meet once monthly during the evening hours. Some groups may meet more often, if necessary. THIS FORM IS NOT AN APPLICATION FOR A CITY COUNCIL OR MAYOR POSITION.

A resume may be attached to this application but is not require.

For City Use Only

Dated Received: _____
Mayor's Decision: _____



2021
Woodburn Police Department
Use of Force & Vehicle Pursuit Report

Use of Force

A goal of the Woodburn Police Department is to resolve each situation safely and peacefully. While most incidents end with no physical force used, a small number of contacts require physical force to resolve the situation.

The Woodburn Police Department’s use of force is guided by department policy, state and federal law, from a reasonable officer’s perspective and based upon the totality of the circumstances at the time the force was used.

The Woodburn Police Department has several policies that outline the types of devices and techniques officers can use and the circumstances for use, including:

Use of Force

Control Devices and Techniques

Conducted Energy Device

Firearms

Vehicle Pursuits

Canine Program

After each use of force incident, the involved Police Officer(s) are required to document the event in a Use of Force Report. This report is reviewed by department’s supervisory and command staff.

At the end of each year, this annual Use of Force and Vehicle Pursuit Report is completed for the Chief of Police and Command Staff. This report is used to evaluate current trends and techniques in order to address any training, equipment needs, or policy changes.

Historical Use of Force Overview

The Woodburn Police Department’s three-year trend shows a 34% decrease in Use of Force incidents from 2019-2020. From 2020 to 2021, there was a 28% increase from the prior year.

Chart 1

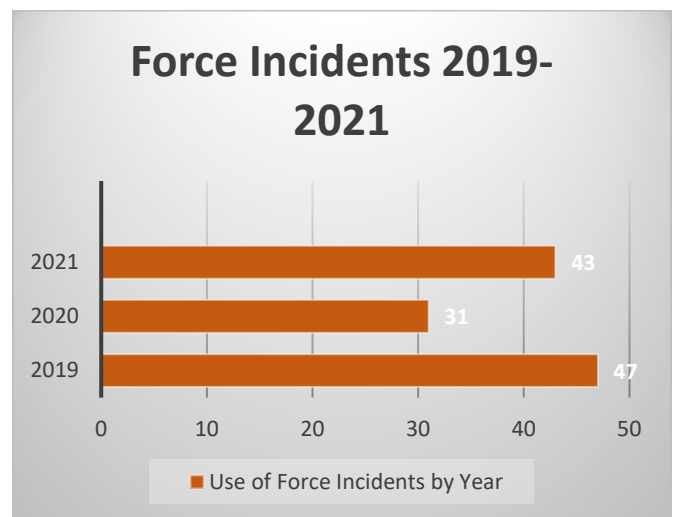


Chart 1 shows the annual number of use of force events for the last three years.

Table 1 represents annual data to include the percentage change compared annually over the last three years.

Table 1

Force Incidents 2019-2021		
Year	Incidents	% + or -
2019	47	+13%
2020	31	-34%
2021	43	+28%

Table 1 shows the yearly increase or decrease from the previous year.

In 2021, the Woodburn Police Department responded to approximately 14,740 calls for service, which was an increase of 1080 calls (+8%) as compared to 2020. The number of arrests from 2020 to 2021 increased by 57. The rate of arrests made and use of force incidents was 1 use of force event for every 22 arrests in 2021.

Table 2

Rates of Force Incidents Per Arrest			
Year	# of Arrests	# Involving Force	Rate
2019	1052	47	1 in 22
2020	879	31	1 in 28
2021	936	43	1 in 22

Table 2 shows the rate of arrests made per year and those involving force used. *Of note for 2021, 2020, & 2019, "additional assisting officer", arrest totals were excluded during singular arrest incidents.*

It is important to note the Woodburn Police Department did not receive a complaint surrounding a use of force event in 2021.

Force Data

The Woodburn Police Department records certain information from each Use of Force report. Gender, intoxication, suspect injury, officer injury, and the types of force used are captured in the charts and graphs below.

Chart 2

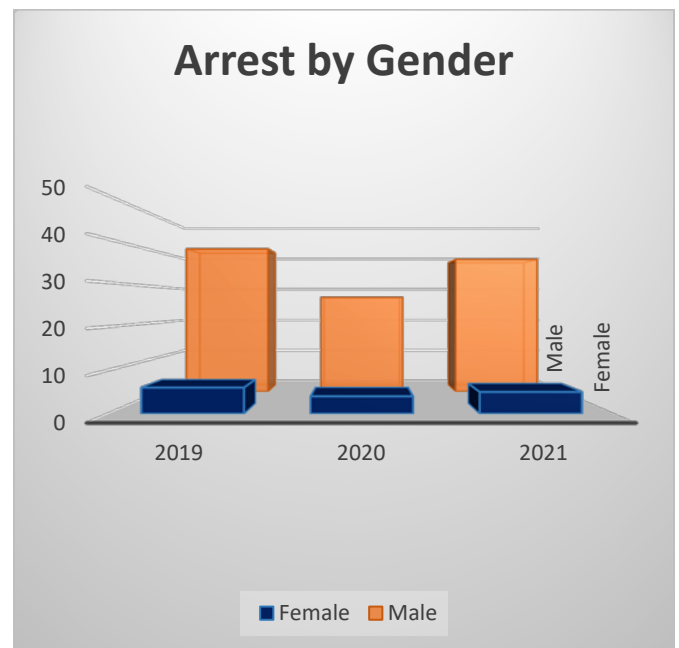


Chart 2 compares the number of force events involving females vs. males.

As shown in Chart 1, for 2021, Woodburn Officers reported 43 use of force incidents. Each officer is required to report the individual force used even if force is used upon the same suspect by multiple officers.

Intoxication levels often times are a key factor when a suspect becomes non-compliant, resulting in the need of the officer to utilize force to make an arrest.

Table 3

Under the Influence			
Year	2019	2020	2021
Alcohol	9	7	15
Drugs	10	9	13
Alcohol & Drugs	7	1	11
Unknown	11	3	5
Not Under the Influence	10	11	12

Table 3 represents the number incidents of self-reported use of alcohol and/or drugs by suspects and/or officer observations.

Officers must report any use of force situation if the force used, could or would likely cause injury to the suspect. Table 4 shows the type of force used in each incident.

The display of an officer's service weapon and/or Conducted Energy Device (CED) are recorded separately from use of physical force.

Table 4

Physical Control by Frequency			
Year	2019	2020	2021
Firearm Displayed	24	18	11
CED Displayed	n/a	n/a	4
Control Hold	10	5	1
Takedown	7	5	7
K9	3	1	1
Focus Blows	3	2	1
CED Use	19	9	5
Wrist Lock	6	7	2
Shoulder Lock	8	5	3
Other	15	0	20

Table 4 represents the type of force used and the number each technique or device used. *Of note CED Displayed is included in the 2021 report.*

In 2021, our officers used a mechanical restraint system (WRAP) in 5 incidents. This device was designed to secure an individual safely for transport to the jail in order to prevent injury to themselves or others, or causing damage to a patrol vehicle.

The Woodburn Police Department has a K9 program consisting of two patrol protection/apprehension canines. The K9's are utilized as force options.

The K9 can be deployed two ways. The first is to track and apprehend a fleeing suspect. The second is a show of force to non-compliant suspects. Anytime the K9 deployment results in the canine biting a

subject, the incident is considered a use of force, therefore requiring reporting.

Table 5

Patrol K9 Team Deployments				
Year	# of Deployments	# of Captures	# of Deployments resulting in a canine bite	% of Deployments resulting in a canine bite
2019	43	14	4	9.3%
2020	31	11	1	3.2%
2021	27	3	1	3.7%

Table 5 represents three years of K9 deployments, captures, bites and percentage of bites resulting from deployment

The Woodburn Police Department utilizes a Conducted Energy Device (CED) as a force option. The CED can be utilized under four options.

Two of the options are considered mere presence and the other are considered use of force.

The laser of the CED can be activated showing the suspect where the CED darts are targeted. The spark demo is when the dart cartridge is removed and the CED is triggered. The CED's electrodes arc across metal conductors giving off a spark as a visual demonstration.

The probe mode is when the two CED probes are fired from the device at the suspect. The thin insulated wires connected to the CED's metal probes deliver the electronic stimulant. The drive stun mode is when the CED is pressed upon the subject's body, sending the electronic stimulant from the CED itself.

Table 6

CED Use and Arrest Involving ECD's			
Year	CED Use	Arrests	% of Arrest & CED's
2019	19	1052	1.8%
2020	9	879	0.9%
2021	4	936	0.4%

Table 6 represents three years of data on CED use and the percentage of use in force incidents.

Injuries reported in Use of Force Incidents

Injuries can occur to both officers and suspects during violent encounters. Data shows that officers report fewer injuries than suspects do during a use of force incident. The tables below represent the number of officers and suspects injured and the type of injuries sustained.

Table 7

Officer Injury by Type			
Year	2019	2020	2021
No Injury	42	31	40
Cuts/Abrasions	3	0	2
Bruise/Swelling	2	0	0
Injured Joint/Torn Ligaments	0	0	1

Table 7 shows the number of officers injured and the type of injuries sustained.

In 2021, 98% of the time Officers used force they did not report injuries. For suspects, 90% of them were uninjured during a use of force incident.

Suspect Injury by Type			
Year	2019	2020	2021
No Injury	16	19	27
Abrasions	9	7	2
ECD Puncture	12	5	1
Cut/Puncture	9	0	0
Bruise/Swelling	1	0	1

Table 8

Table 8 shows the number of suspects and injury sustained.

Days and hours of the Week

Tables 9 and 10 display the number of incidents regarding the Use of Force during each work shift.

Table 9

U of F by Shift	Day Shift	Night Shift
2021	8	23

Table 10

U of F by day of week	Total # for 2021
Monday	5
Tuesday	0
Wednesday	4
Thursday	4
Friday	4
Saturday	9
Sunday	5

Tables 11 and 12 display the number of incidents regarding pointing a firearm/CED. The Woodburn Police Department operates on two shifts. Dayshift hours are 6:00am to 6:00pm. Night shift hours are 6:00pm to 6:00am. This report also displays days of the week when Use of Force incidents occurred.

Table 11

Pointing a Firearm/CED	Day Shift	Night Shift
2021	4	10

Table 12

Pointing a Firearm/CED by day of the week	Total # for 2021
Monday	3
Tuesday	0
Wednesday	2
Thursday	2
Friday	1
Saturday	2
Sunday	4

Vehicle Pursuits

Table 13

Vehicle Pursuits by Year		
Year	# of Pursuits	% + or -
2019	0	-100%
2020	8	800%
2021	8	0%

Table 13 shows the number of pursuits each year along with the percentage change.

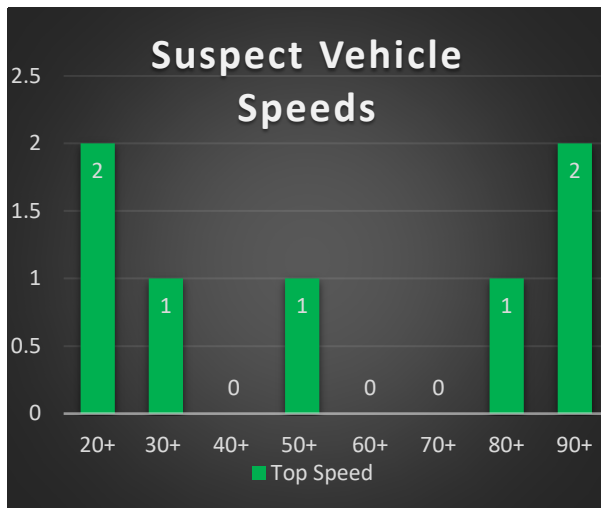
The Woodburn Police Department reports and reviews each vehicle pursuit. Vehicle pursuits are inherently dangerous to the community, the pursuing officer and the pursued suspect. Each vehicle pursuit is unique and poses a wide variety of risks and outcomes. Vehicle pursuits are closely monitored and reviewed to ensure best practices and training are adhered to.

The annual report is used by the Chief of Police and Command Staff to evaluate the department's pursuit training, response, and liability for each vehicle pursuit.

Pursuits dropped significantly from 2018 to 2019 because the Woodburn Police Department shifted to a more restrictive pursuit policy that focused on initiation and continuation of pursuits. This has been a growing trend by law enforcement agencies throughout the country. Case law, litigation, and community expectations regarding use of force have been the primary factors in

changing the way law enforcement views vehicle pursuits. For 2021, there was no increase in pursuits from 2020. One of the eight pursuits involved a subject wanted for attempted murder. Four pursuits involved a DUII suspect, one pursuit involved a robbery suspect, and one pursuit involved a domestic violence suspect. Five of the eight pursuits were discontinued by officers.

Chart 3



Additional facts for 2021 vehicle pursuits:

- 6 of the of 8 pursuits occurred between the hours of 6:00pm and 6:00am
- 1 occurred on a Monday, 4 on Thursday, 2 on Friday and 1 on Sunday.
- There were no injuries reported.

The most concerning factor with pursuits is how a pursuit ends. Vehicle pursuits may end in either termination or conclusion.

Terminations occur when the pursuing officers stop their attempt to apprehend the suspect. Conclusion is when the suspect vehicle stops and is no longer moving. Any officer or supervisor can make the decision to terminate a vehicle pursuit at any point. Pursuits are terminated for a variety of

reasons. Often because the risk of apprehension does not rise to the level of the associated dangers of continuing to pursue.

Officer(s) must deactivate all emergency equipment and end their attempt to apprehend the suspect upon termination of a pursuit.

The conclusion of a pursuit can also occur when the suspect vehicle stops on its own, stopped by intervention techniques (stop sticks or PIT), or the suspect vehicle becomes disabled.

Chart 4 shows how each of the 2021 pursuits ended.

Chart 4

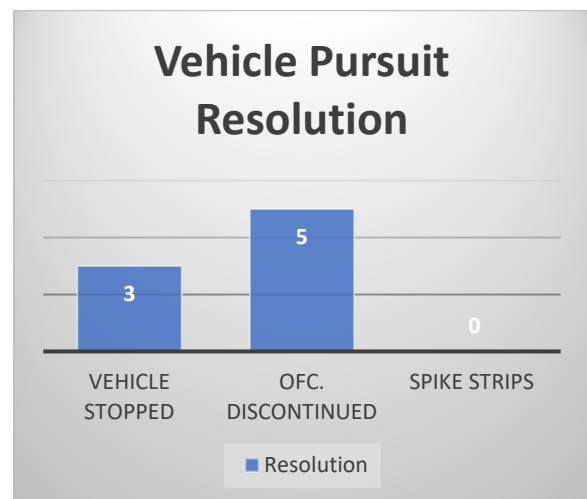


Chart 4 shows how each 2021 pursuit was resolved.

2021 Conclusion

All of the Use of Force incidents were determined to be within policy and in compliance of state and federal laws.

**COUNCIL MEETING MINUTES
JANUARY 24, 2022**

DATE COUNCIL CHAMBERS, CITY HALL, CITY OF WOODBURN, COUNTY OF MARION, STATE OF OREGON, JANUARY 24, 2022

CONVENED The meeting convened at 7:01 p.m. with Mayor Swenson presiding.

ROLL CALL

Mayor Swenson	Present
Councilor Carney	Present -via video conferencing
Councilor Cornwell	Present -via video conferencing
Councilor Schaub	Present -via video conferencing
Councilor Swanson	Present- via video conferencing 7:03 p.m.
Councilor Puente	Present -via video conferencing
Councilor Cabrales	Present -via video conferencing

Staff Present: City Administrator Derickson, City Attorney Shields, Assistant City Administrator Row, Economic Development Director Johnk, Police Chief Pilcher, Community Development Director Kerr, Finance Director Turley, Public Works Director Stultz, Assistant City Attorney Granum, Human Resources Director Gregg, City Recorder Pierson

APPOINTMENTS

Carney/Cabrales... approve the appointment of Desiree Winz to the Woodburn Library Board. The motion passed unanimously.

PRESENTATIONS

Mayor Swenson recognized the Woodburn High School Girls Soccer team and congratulated them on their 4A State Championship.

CONSENT AGENDA

- A. Woodburn City Council minutes of January 10, 2022,
- B. Woodburn City Council Special Meeting minutes of January 19, 2022,
- C. Woodburn City Council Executive Session minutes of January 19, 2022,
- D. Crime Statistics through December 2021.

Carney/Cabrales... adopt the Consent Agenda. The motion passed unanimously.

FY 2021-2022 SUPPLEMENTAL BUDGET REQUEST FOR THE IMPACT TO THE BUILDING FUND OF INCREASED COMMERCIAL BUILDING PERMIT ACTIVITY

A Public Hearing to consider input on the FY 2021-2022 Supplemental Budget Request for the Impact to the Building Fund of Increased Commercial Building Permit Activity. Mayor Swenson declared the hearing open at 7:04 p.m. for the purpose of hearing public input on the FY 2021-2022 Supplemental Budget Request for the Impact to the Building Fund of Increased Commercial Building Permit Activity. Finance Director Turley provided a staff report. No members of the public wished to speak in either support or opposition of the FY 2021-2022 Supplemental Budget Request for the Impact to the Building Fund of Increased Commercial Building Permit Activity. Mayor Swenson closed the hearing at 7:09 p.m.

COUNCIL BILL NO. 3172 - A RESOLUTION APPROVING TRANSFERS OF FY 2021-2022 APPROPRIATIONS AND APPROVING A SUPPLEMENTAL BUDGET

Carney introduced Council Bill No. 3172. City Recorder Pierson read the bill by title only since there were no objections from the Council. Finance Director Turley provided a staff report. On roll call vote for final passage, the bill passed unanimously. Mayor Swenson declared Council Bill No.

**COUNCIL MEETING MINUTES
JANUARY 24, 2022**

3172 duly passed.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REQUEST FOR ADDITIONAL FUNDS – AWARE FOOD BANK

Economic Development Director Johnk provided a staff report. Gabriella Pena with Aware Food Bank provided information on the food bank and expressed thanks to the City Council for their support. Rick Gaupo with Marion Polk Food shared information on rebuilding the food bank. **Carney/Swanson...** authorize staff to proceed with an application to Business Oregon requesting additional CDBG COVID-relief funds for the AWARE Food Bank project.

CALL-UP BRIEFING: PLANNING COMMISSION APPROVAL OF A DESIGN REVIEW AND VARIANCE APPLICATION PACKAGE FOR 550 N. 1ST STREET (DR 21-11 AND VAR 21-05)

The Council declined to call this item up.

CITY ADMINISTRATOR’S REPORT

The City Administrator reported the following:

- City Hall remains closed to the public due to staffing shortages. It is being monitored on a daily basis.
- Asked the City Council on whether or not they would like to see the fireworks show return to the City. Councilors supported the idea of continuing with the fireworks show in Woodburn.

MAYOR AND COUNCIL REPORTS

Councilor Swanson stated that Comcast has been working in her neighborhood and she is excited to see this coming into her neighborhood.

Councilor Carney stated that Comcast finished in his neighborhood and would like to compliment them on their professionalism.

Mayor Swenson announced that the annual Chamber of Commerce meeting will take place Friday, the 28th upstairs at the Metropolis and that the Woodburn Fire District has their annual awards banquet on February 5. He also announced that the fire department just barely beat the police department in the first responders Chili Cook-off and the Rotarians came out ahead of the Kiwanians in the Chili Cook-off

ADJOURNMENT

Carney/Swanson... move to adjourn. The motion passed unanimously. Mayor Swenson adjourned the meeting at 7:36 p.m.

APPROVED _____
ERIC SWENSON, MAYOR

ATTEST _____
Heather Pierson, City Recorder
City of Woodburn, Oregon



Agenda Item

February 14, 2022

TO: Honorable Mayor and City Council through City Administrator

FROM: Curtis Stultz, Public Works Director

SUBJECT: **Acceptance of the dedication of a street reservation and public easement at 2145 Molalla Rd NE (Woodburn Eastside Apartments), Woodburn, OR 97071 (Tax Lot 051W09B000900)**

RECOMMENDATION:

Accept the dedication of a street reservation and public easement granted by The Woodburn Eastside Apartments, owners of the property located at 2145 Molalla Rd NE, Woodburn, OR 97071 (Tax Lot 051W09B000900).

BACKGROUND:

The property owner is required to provide this street preservation/public utility easement in order to satisfy the conditions of approval of Design Review (CU 2019-04, DR 2019-06, & VAR 2020-05 Related to ANX 2019-01).

DISCUSSION:

This dedication contains an 82-foot wide street reservation and public utility easement located within the property boundary limits as shown in the attached exhibit. This public utility easement reserves the right on the subject easement to be convert to a future street, including the permanent right to construct, reconstruct, operate, and maintain public utilities.

FINANCIAL IMPACT:

There is no cost to the City for the Public Easements.

ATTACHMENTS

A Copy of the Public Easement documents is included as Exhibit "A" and Exhibit "B".

Agenda Item Review: City Administrator ___x___ City Attorney ___x___ Finance ___x___

AFTER RECORDING RETURN TO:

Woodburn City Recorder
City of Woodburn
270 Montgomery Street
Woodburn, OR 97071

**CITY OF WOODBURN, OREGON
PUBLIC UTILITY EASEMENT**

Woodburn Place Apartments, LLC *GRANTOR*, grants to the CITY OF WOODBURN, OREGON, hereinafter called CITY, a street reservation and public utility easement to implement Woodburn Comprehensive Plan Policy H-2.2 and Transportation System Plan (TSP) Figure 6 (2019) by reserving on the subject property a segment of Street Corridor "C" for a future street, including the permanent right to construct, reconstruct, operate, and maintain Public Utilities on the following described land:

See attached Exhibit "A" Legal Description of Permanent Easement and attached Exhibit "B" Sketch for Legal Description of Permanent Easement which are by this reference incorporated herein

GRANTOR reserves the right to use the surface of the land for any purpose that will not be inconsistent or interfere with the use of the easement by CITY. No building or utility shall be placed upon, under, or within the property subject to the foregoing easement during the term thereof, however, without the written permission of CITY.

Upon completion of the construction, CITY shall restore the surface of the property to its original condition and shall indemnify and hold *GRANTOR* harmless against any and all loss, cost, or damage arising out of the exercise of the rights granted herein.

The true consideration of this conveyance is Zero Dollars (\$ 0.00), and other valuable consideration, the receipt of which is acknowledged by *GRANTOR*.

GRANTOR covenants to CITY that *GRANTOR* is lawfully seized in fee simple of the above-granted premises, free from all encumbrances and that *GRANTOR* and their heirs and personal representatives shall warrant and forever defend the said premises and every part thereof to CITY against the lawful claims and demands of all persons claiming by, through, or under *GRANTOR*.

DATED this 11 day of January, 2022.

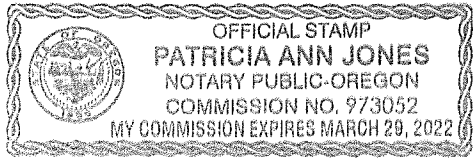
Woodburn Place Apartments, LLC

BY: [Signature]
Kiril Ivanov, Member

CORPORATE ACKNOWLEDGEMENT

STATE OF OREGON, County of Clackamas.

The foregoing instrument was acknowledged before me this 11 day of January 2022 by Kiril Ivanov, as a Member of Woodburn Place Apartments, LLC a corporation and the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and each of them acknowledged said instrument to be its voluntary act and deed.



[Signature]
NOTARY PUBLIC FOR OREGON
My Commission Expires: March 29, 2022

City of Woodburn
270 Montgomery Street
Woodburn, OR 97071

(Grantee's Name and Address)

By Signature below, the City of Woodburn, Oregon,
Approves and Accepts this Conveyance Pursuant to
ORS 93.808.

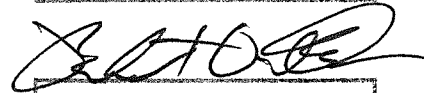
City Recorder:

[Signature]
Heather Pierson

Exhibit A

A 82.00 foot Public Utility Easement being the Northerly 82.00 feet of Lot 4 of Woodburn Fruit Farm better described as: Beginning at the Northeast corner of Lot 4 of Woodburn Fruit Farm, as recorded in Volume 2, Page 20 Marion County Book of Town Plats, located in the Northwest Quarter of Section 9, Township 5 South, Range 1 West, of the Willamette Meridian, City of Woodburn, Marion County, Oregon; thence along the East line of said Lot, South 01°35'20" West 82.00 feet; thence North 88°15'08" West 434.98 feet to the West line of said lot; thence along said line North 01°37'47" East 82.00 feet to the Northwest corner of said Lot 4; thence along the North line of said lot South 88°15'08" East 434.93 feet to the Point of Beginning and containing 35,666 Square Feet more or less.

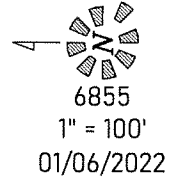
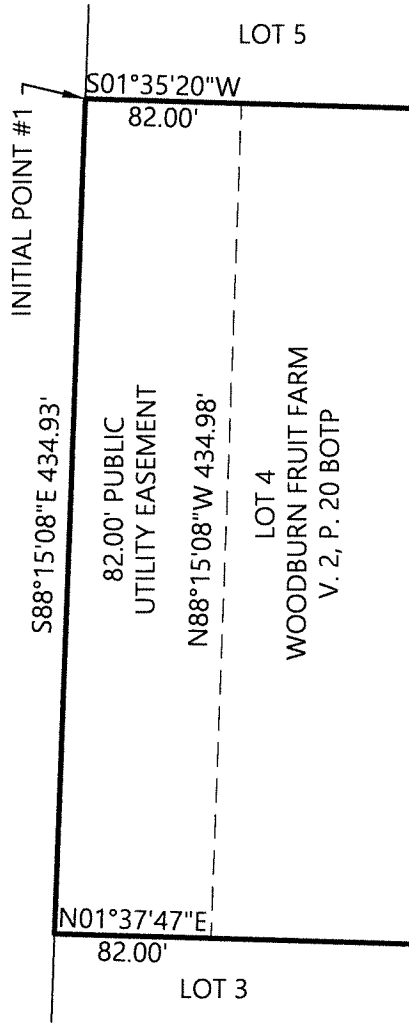
REGISTERED
PROFESSIONAL
LAND SURVEYOR



OREGON
JULY 13, 2004
ROBERT D. HAMMAN
64202LS

EXPIRES: 6/30/2023

EXHIBIT B



REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JULY 13, 2004
ROBERT D. HAMMAN
64202LS

EXPIRES: 6-30-2023

BY:
MULTI/TECH ENGINEERING SERVICES, INC.
1155 13TH ST. S.E. SALEM, OREGON 97302
503-363-9227



Agenda Item

February 14, 2022

TO: Honorable Mayor and City Council through City Administrator

THRU: Martin Pilcher, Chief of Police

FROM: Keith Kimberlin, Lieutenant

SUBJECT: **2022 OLCC Renewal**

RECOMMENDATION:

Recommend to the OLCC to renew the liquor licenses for the listed businesses for the year of 2022.

BACKGROUND:

Annually the police department reviews activities occurring at or near all licensed liquor establishments in Woodburn. Through the established guidelines and procedures, the City Council ensures equitable and consistent treatment of liquor license applications.

The following liquor license applications were reviewed in accordance with Woodburn Police Department standards and are recommended for approval:

Off Premise Sales:

- | | |
|---|-----------------------------------|
| 7-Eleven # 2362-17416C | A & J Market |
| Bi-Mart #643 | C & M Market |
| Carniceria El Ranchito | Circle K #9641 |
| Crossroads Grocery & Deli | Del Sol Market |
| EZ Stop Grocery & Deli | Guacamole's Market |
| La Tovar | Las Islas |
| Mariscos El Sarandead | New AM PM of Woodburn |
| Safeway Store #1976 | Sunrise Food Mart & Deli |
| Tienda Mexicana Monte Alban (1 st St.) | Tienda Mexicana Monte (Front St.) |
| Valley Pacific Floral | Walgreens #12095 |
| Walmart #1793 | Wheeler Dealer |

Agenda Item Review: City Administrator City Attorney Finance

Woodburn Fast Serv
Woodburn Market
Woodburn Stop N Go

Woodburn Liquor Store
Woodburn Mega Foods

Full On Premise Sales:

7 Seas Restaurant & Bar
Chipotle Mexican Grill
Eagles Lodge #3284 Woodburn
Fusion Restaurant and Lounge
La Tovar
Los Cabos Mexican Restaurant
Mariscos El Sarandead
Red Robin
Tequila's Bistro Bar
Trapalas Restaurant
The Raven Bar & Grill

Casa Marquez Mexican Grill
Denny's Woodburn
Elmer's Restaurant
La Parranda Nightclub
Las Islas
Los Cuatro Hermanos
OGA Golf Course
Rumor's Bar & Grill
The End Zone Sports Bar and Grill
Woodburn Bowl

Limited On Premise Sales

Abby's Legendary Pizza
El Tule Taqueria
Shari's of Woodburn
The Playce
Woodburn Mega Foods

Dede's Deli
Pepper's Deli & Pub
Sushi Brothers
Woodburn Estates /Country Cottage

DISCUSSION:

The Woodburn Police Department has completed a review, in connection with the OLCC, on the listed businesses above and found nothing that would disqualify or preclude the renewal of the various licenses for the businesses listed on this document.

Licensees of Concern

La Parranda/ El Rodeo

The End Zone

DISCUSSION:

During the 2021 calendar year the Woodburn Police Department has responded to the La Parranda/El Rodeo Nightclub on eight separate disturbances and/or fight calls between July 2021 and November 2021, as well as 2 DUII's that were related to La Parranda. La Parranda has the largest amounts of disturbance calls for establishments that serve alcohol.

Woodburn Police responded to five reports of fights, including one where a gun was waved at customers, as well as two DUII's directly related to the End Zone in the 2021 calendar year.

FINANCIAL IMPACT:

None



Agenda Item

February 14, 2022

TO: Honorable Mayor and City Council through City Administrator
THRU: Martin Pilcher, Chief of Police
FROM: Andy Shadrin, Lieutenant
SUBJECT: **Liquor License Application**

RECOMMENDATION:

Recommend that the OLCC approve the **Liquor License Application** for Los Hermanos Chapin Inc.

BACKGROUND:

Applicant: Los Hermanos Chapin Inc.
153 Grant St.
Woodburn, OR 97071
971-413-9885

Point of
Contact: Andres Pablo Lucas
502 Broadway St
971-294-1906

Business: Los Hermanos Chapin
153 Grant St.
Woodburn, OR 97071
971-413-9885

Owner(s): Andres Pablo Lucas

Agenda Item Review: City Administrator ___x___ City Attorney _x___ Finance ___x___

License Type(s):

Off-Premises - May sell and serve beer, wine, and cider for consumption off the licensed premises. May sell beer, wine and cider in a securely covered, "growler", for consumption off the licensed premises.

On January 6, 2022, the Woodburn Police Department received an application for Off-Premises sales liquor license for Los Hermanos Chapin. The business currently operates as a convenience store at 153 Grant Street in Woodburn, OR 97071.

The hours of operation are 8 AM to 11 PM Sunday through Saturday. There is no noted entertainment planned at the business nor seating for customers. The Woodburn Police Department has not received any communication from the public or surrounding businesses in support of or against the proposed change.

DISCUSSION:

The Police Department has completed a background investigation of Los Hermanos Chapin Inc., and the listed owner, Andres Pablo Lucas, through various police databases and business related databases. Andres Pablo Lucas holds a valid driver's license and no other items of concern were located during the check.

FINANCIAL IMPACT:

None



Agenda Item

February 14, 2022

TO: Honorable Mayor and City Council through City Administrator
THRU: Martin Pilcher, Chief of Police
FROM: Keith Kimberlin, Lieutenant
SUBJECT: **Liquor License Application**

RECOMMENDATION:

Recommend that the OLCC approve the Liquor License Application for Huerta's Market LLC.

BACKGROUND:

Applicant: Huerta's Market LLC
311 N. Front Street Suite B
Woodburn, OR 97071
503-902-0714

Point of
Contact: Blanca A. Kurka
1281 W. Hayes St.
Woodburn, OR 97071
503-951-7849

Business: Huerta's Market
311 N. Front Street Suite B
Woodburn, OR 97071
503-902-0714

Owner(s): Blanca A. Kurka

Agenda Item Review: City Administrator City Attorney Finance

License Type(s):

Off-Premises - May sell and serve beer, wine, and cider for consumption off the licensed premises. May sell beer, wine and cider in a securely covered, "growler", for consumption off the licensed premises.

On December 6, 2021, the Woodburn Police Department received an application for Off-Premises sales liquor license for Huerta's Market. The business currently operates as a convenience store at 311 N. Front Street Suite B in Woodburn, OR 97071.

The hours of operation are 8 AM to 11:59 PM Sunday through Saturday. There is no noted entertainment planned at the business nor seating for customers. The Woodburn Police Department has not received any communication from the public or surrounding businesses in support of or against the proposed change.

DISCUSSION:

The Police Department has completed a background investigation of Huerta's Market LLC., and the listed owner, Blanca Kurka, through various police databases and business related databases. Blanca Kurka holds a valid driver's license and no other items of concern were located during the check.

FINANCIAL IMPACT:

None



Agenda Item

February 14, 2022

TO: Honorable Mayor and City Council

FROM: McKenzie Granum, Assistant City Attorney

SUBJECT: **Acknowledgement of Change in Operating Name Involving Cable Television Franchisee Wave**

RECOMMENDATION:

Take no action. Acknowledge WaveDivision VII, LLC's notice of intent to operate under new trade name.

BACKGROUND:

WaveDivision VII, LLC ("Franchisee"), currently holds a cable television franchise granted by the City, dated March 1, 2013 (Ord. 2500). Franchisee has since been doing business in Woodburn under the business trade name of "Wave" (previously "Wave Broadband" and "Willamette Broadband").

Most recently in June 2021, the City consented to a "change in control" transaction involving Franchisee (Res. 2166), wherein pursuant to a Plan of Merger, 100% of the membership interest of Franchisee's parent company was purchased, and as a result, the indirect control of WaveDivision VII, LLC, changed. Following the indirect change in control, the Franchise continued to be held in the name of WaveDivision VII, LLC, and Franchisee continued to provide services in Woodburn under the Wave name.

On January 12, 2022, the City received a notice that WaveDivision VII, LLC, planned to begin operating in Woodburn under a new business trade name. Rather than operating as "Wave," the Franchisee will transition to operating publicly as Astound Broadband and Astound Business Solutions. This change in trade names is not an indication of any change in ownership of WaveDivision VII, LLC, nor of what legal entity or corporation remains obligated to perform or provided services under the City's Franchise Agreement.

DISCUSSION:

Agenda Item Review: City Administrator City Attorney Finance

Since this change in trade names is not an indication of any legal change in control or ownership of the Franchisee, no formal approval or consent is required of the City Council. Thus, no action is being recommended at this time, and staff merely provides this information for the Council's general consideration and acknowledgment.

FINANCIAL IMPACT:

None.

Attachments

- January 12, 2022, Letter from Michael R. Dover of Kelley Drye & Warren LLP, Counsel to Radiate Holdings, L.P., parent company of WaveDivision VII, LLC, providing notice of WaveDivision VII, LLC's Intent to Operate Under New Trade Name



Received
JAN 18 2022
Woodburn City Admin Office

Michael R. Dover

Kelley Drye & Warren LLP
333 West Wacker Drive
Suite 2600
Chicago, IL 60606

Tel: 312-857-7087
Fax: 312-857-7095

January 12, 2022

VIA US MAIL

City of Woodburn
Office of the City Administrator
270 Montgomery Street
Woodburn, OR 97071

Re: WaveDivision VII, LLC’s Notice of Intent to Operate Under New Trade Name

To Office of the City Administrator:

We are pleased to announce that, in January 2022, WaveDivision VII, LLC, an authorized provider of cable services in Woodburn, will begin operating under the Astound Broadband and Astound Business Solutions trade names. WaveDivision VII, LLC is one of the operating entities of Radiate Holdings, L.P. (“Radiate”). Radiate, through its subsidiary entities, is currently the sixth largest cable operator in the United States across eleven states and the District of Columbia and offers intrastate, interstate, and international telecommunications, as well as industry-leading high-speed internet, cable services, broadband products, digital TV and fiber optic solutions to over one million customers. Each of Radiate’s operating subsidiaries across the country will now be recognizable by the Astound Broadband and Astound Business Solutions trade names.

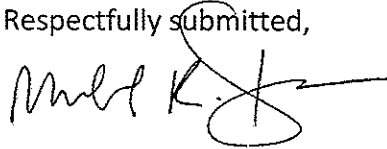
For a transition period, WaveDivision VII, LLC will continue to use the Wave name, such with the Astound Broadband powered by Wavename, in certain customer communications and notices to ensure a seamless transition and to minimize customer confusion. There will be no changes to the ownership of WaveDivision VII, LLC or to the services provided by Wave as a result of the new trade names.

Woodburn
January 12, 2022

If you have any questions or inquiries regarding this matter, please contact Joseph Kahl, V.P. Regulatory & Public Affairs, at (609) 306-0901 or joe.kahl@rcn.net, David von Moritz, at (425) 896-1868 or david.vonmoritz@wavebroadband.com, or contact the undersigned.

We look forward to continuing to work with you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael R. Dover". The signature is fluid and cursive, with a large loop at the end.

Michael R. Dover
Kelley Drye & Warren LLP
(312) 857-7087
MDover@kelleydrye.com
Counsel to Radiate Holdings, L.P.

CITY OF WOODBURN
Economic and Development Services Department

MEMORANDUM

270 Montgomery Street

Woodburn, Oregon 97071

(503) 982-5246

Date: February 1, 2022
To: Chris Kerr, Community Development Director
From: Melissa Gitt, Building Division
Subject: Building Activity for January 2022

	2020		2021		2022	
	No.	Dollar Amount	No.	Dollar Amount	No.	Dollar Amount
Single-Family Residential	3	\$782,044	15	\$3,908,937	43	\$12,434,166
Multi-Family Residential	0	\$0	1	\$2,558,803	0	\$0
Assisted Living Facilities	0	\$0	0	\$0	0	\$0
Residential Adds & Alts	1	\$19,712	2	\$12,509	6	\$202,046
Industrial	0	\$0	0	\$0	0	\$0
Commercial	6	\$9,625,740	1	\$100,000	4	\$1,032,295
Signs and Fences	0	\$0	0	\$0	0	\$0
Manufactured Homes	0	\$0	0	\$0	1	\$70,000
TOTALS	10	\$10,427,496	19	\$6,580,249	19	\$13,738,507
Fiscal Year to Date (July 1 – June 30)		\$14,555,077		\$23,797,416		\$500,468,994**

- Totals based off of permit valuation

****Project Basie (Amazon) permit valuation is \$451,339,834**

February 14, 2022

TO: Honorable Mayor and City Council

FROM: Scott C. Derickson, City Administrator
Tony Turley, Finance Director

SUBJECT: **FY 2022/23 Financial Plan**

RECOMMENDATION:

Adopt the attached FY 2022/23 Financial Plan (Budget Policies and Fiscal Strategy) via a motion.

BACKGROUND:

In the past year, the City has experienced a series of difficult and unprecedented challenges due to the COVID-19 pandemic. Because of the pandemic, the City downsized a host of programs and services, mostly related to the parks and recreational programming. In addition, the City has successfully allocated various federal and state pandemic related funding to accomplish a variety of programs and projects for the community, including the Legion Park Improvement Project and to bring critical child abuse services to the Family Resource Center.

Although the City still projects revenue over expense shortfalls within the five-year planning period, we have successfully utilized the Budget Policies and Financial Plan, as a best practice strategy, to effectively manage, plan accordingly for large capital projects, and lessen any shortfall impact.

The City Council should approach General Fund spending with caution. There are some reasons to be optimistic, such as regional economic conditions and the strength of the housing markets, along with potential industrial development, that remains strong, but it will be sometime before the financial benefit of these markets materialize into General Fund support.

In the interest of sound financial management, the City Council directed that a comprehensive set of financial planning documents be developed and implemented for the purposes of improving the City's financial sustainability. Since

Agenda Item Review: City Administrator ___x___ City Attorney ___x___ Finance ___x___

the 2011 policy implementation, the City has prepared the Financial Plan as a means of managing the City's current year budget and inform the FY 2022/23 budget development process.

In past years, the City Council has been commended by the City Auditor and recognized by the Government Finance Officers Association for the use of comprehensive budget policies and the quality presentation, clarity, and transparency of Woodburn's budget documents.

The Financial Plan intends to help predict cost and revenue trends from year to year and make better decisions via the memorializing of sound financial practices and budget administration. If necessary, the Financial Plan informs the need to reduce the City's budget to remain consistent with the City Council goals and meet community needs within available resources.

2022/23 POLICY:

Attached is the proposed FY 2022/23 Financial Plan: Budget Policies & Fiscal Strategy, which is largely unchanged from the previous year, other than the addition of a greatly enhanced and comprehensive Investment Policy, which we will discuss during the Council meeting.

FINANCIAL IMPACT:

There is no immediate monetary impact on the City. The Financial Plan draft will help make stronger financial decisions that are in the best interests of the community and the City organization.

City of Woodburn

FY 2022/23 Financial Plan **Budget Policies, Fiscal Strategy, & Five Year Forecast**

FY 2022/2023 Budget Goal. Woodburn’s challenge will be associated with development-related service demands, maintaining a sound financial position in the face of changing community dynamics, and closing projected revenue over expense General Fund shortfalls while working to fully rebuild popular parks and recreational programming impacted by COVID-19.

1. The City will remain financially challenged for the immediate future. Working in the framework of the City Council’s FY 2022/23 Financial Plan and Oregon Budget Law, the City Administrator will present a balanced FY 2022/23 Budget, working to close projected General Fund revenue shortfalls over time while protecting cash balances to the greatest extent possible. The City will likely continue operating at reduced service levels pending a COVID-19 operational and financial recovery.
2. The City will seek to build cash reserves when possible with the understanding that startup costs may be required when starting or reestablishing COVID-19 impacted or related services and programs. Financial plans for reestablishing pre-COVID-19 programs will be presented to the City Council as appropriate.
3. In addition, it is also the goal of the City to prioritize existing resources on priority services such as public safety funding, continued community COVID-19 education, economic aid, and planning for the restoration of parks and recreation programming, including aquatics and library services.
4. Proposed uses of the second round of the American Recovery Plan Act Funding (ARPA) will be utilized in accordance with federal rules, maintaining or reestablishing levels of services, and other COVID related priorities established by the City Council. The City Administrator will include proposed uses of ARPA funds as part of the FY 2022/23 Budget Process.

BUDGET POLICY

- **SECTION 1. ANNUAL REVIEW & POLICY**

- A. **Fiscal Responsibility.** The policy of the City of Woodburn is to return the highest level (or sustain the current levels) of service with the least amount of taxpayer investment and to plan accordingly.

- B. **Balanced Budget.** The City’s budget shall be balanced. For each fund, ongoing costs are not to exceed ongoing revenues plus available fund balances used in accordance with reserve policies. The budget resolution will be adopted by the fund at a summary level.
- C. **Budget Process.** The annual budget process is intended to weigh all competing requests for City resources within expected fiscal constraints. Levels of service will increase or decrease based on the availability of resources. Requests for new programs made outside the annual budget process will be discouraged. New initiatives will be funded by reallocating existing City resources to services with the highest priorities.
- D. **Fiscal Recommendations.** Consistent with the administrative responsibilities outlined in the Charter, the City Administrator will make fiscal recommendations to the City Council on all measures necessary to sustain current levels of service and avoid reductions in City programs, including the consideration by the City Council of new revenue sources if this is determined to be in the best interest of the community.
- E. **Budget Policy Updates.** The City Council will review and adopt the Fiscal Year Budget Policies on an as-needed basis as determined by the City Administrator or as circumstances require.
- F. **Annual Five-Year Forecast.** The City Council will review and approve the Five-Year Forecast as needed. The forecast is an estimate of future revenues and expenses intended to serve as an estimate and a guideline for making sound financial decisions in the current fiscal year and budget preparation. The Five-Year Forecast and the Budget Policies together will constitute the City’s annual Financial Plan.
- G. **Policy Direction.** Consistent with the role outlined in the Woodburn City Charter, the City Council is responsible for providing policy direction to determine the City’s overall financial health. In response to the fiscal recommendations made by the City Administrator, the City Council shall consider all measures necessary to sustain current levels of service. In addition, the City may avoid reductions in City programs by considering new revenue sources if this is determined to be in the best interest of the community.
- H. **Budget.** Under the Woodburn City Charter, the City Administrator serves as Woodburn’s Budget Officer. The Finance Director assists the City Administrator with the preparation and presentation of the annual budget, budget administration, and the day-to-day finance operations. The Budget Officer is responsible for the administration of the annual budget and may approve or disapprove the expenditures contained in the adopted budget if deemed in the best financial interest of the City.
- I. **Budget Administration.** As authorized by the City Charter, the City Administrator is responsible for taking actions necessary to keep expenditures within anticipated revenues, including initiating layoffs, reorganizations, downsizing, program reductions, and adjustments to service levels. The City Administrator will keep the City Council informed

as to any steps taken to reduce expenditures, and whenever possible, the Council will review the decisions and consider options during a mid-year budget review.

- **SECTION 2. DISCRETIONARY & DEDICATED RESOURCES**

- A. **Recognizing Financial Limits**. Woodburn will make a distinction between two different types of services; 1) those funded primarily from City discretionary resources, and 2) those funded primarily from dedicated resources.
- B. **Discretionary Resources**. The General Fund collects resources to provide discretionary programs and services as recommended by the Budget Officer and approved as part of the City's cycle. The City will continue to fund these programs primarily from General Fund discretionary resources. These include police, park and recreation, economic development, land use, financial services, and other programs.
- C. **Dedicated Resources**. Dedicated resources are normally subject to restrictions via state and federal law, grant agreements and contracts, City policy, and ordinances. City services funded primarily through dedicated funds include such items as speed and safety belt enforcement, grant-funded transportation, utility services, etc.

- **SECTION 3. GENERAL FUND BUDGET (DISCRETIONARY)**

- A. **Annual Budget Goal**. The goal shall be to prepare a budget that maintains existing high priority programs supported by the General Fund while at the same time seek savings and alternative revenue sources wherever possible. Funding for lower priority programs will be reduced or eliminated to ensure that expenditures remain in balance with resources.
- B. **General Fund Emphasis**. The highest priority shall be to conserve General Fund discretionary resources to fund high priority programs as defined by the City Council and City Administrator.
- C. **Maximize City Council's Discretion**. Wherever legally possible, revenues are to be treated as discretionary resources, rather than as dedicated to a particular program or service. The goal is to give the City Council flexibility in allocating resources to local priorities.
- D. **New Revenues**. In order to sustain current levels of service, avoid reductions in public safety programs, or increase services needed to meet community demands, the City Council may consider new discretionary revenues if it is determined to be in the best interest of the community.
- E. **Use of Dedicated Funding Sources**. Whenever legally possible, funding responsibility for existing programs or activities should be transferred to appropriate dedicated funding sources, freeing up scarce discretionary resources to fund City Council priorities.

- F. **Cost Efficiency.** Staff will prepare fiscally conservative budgets and will seek savings wherever a balance between cost efficiency and the quality of public service can be achieved.
- G. **Materials & Services.** Departments are to prepare “base budgets” with a goal of holding General Fund or other discretionary resources for materials and services expenditures to no more than prior year budget levels.
- H. **No General Fund Street Maintenance Support.** No discretionary General Fund revenues will be used to support street maintenance activities. General Fund street lighting transfers are exempted from this policy.
- I. **Revenue Estimates.** Departments should budget for revenues based on the best information available during the annual process. If additional information becomes available during the budget process, it should be provided to the Finance Director’s Office. Accuracy in revenue/expenditure estimates is critical. Subsequent annual estimates should also take into consideration the actual receipts from the previous year.
- J. **Pursuit of New Departmental Revenues.** Departments shall pursue revenue sources to the fullest extent possible for all services as well as total cost identification (including indirect costs) for fee-setting purposes, grants, or other funding opportunities. Any new revenue sources should be used to offset the cost of existing staff and programs, rather than funding new staff or programs. Fee schedules will be reviewed annually to ensure costs are recovered. Fee schedules will be updated as part of the annual budget process.
- K. **Expenditure Reductions.** Reductions in revenues may require expenditure reductions from the “base budget” level. If reductions are required, the City Administrator will be guided by the City Council’s adopted Resource Reduction Strategy (See Section 19).
- L. **New Discretionary Programs.** New discretionary programs, deemed a high priority activity, may be included in the Proposed Budget with the prior approval of the City Administrator. If programs are added/expanded, an evaluation will be made on the impact to supporting services (e.g. information, finance, facilities, human resource, budget, etc.). Any increases in overhead services attributed to additional programs shall be included in the analysis of the total cost of new programs.

Should outside funding for a program expire, the program may be terminated by the City Administrator or the City Council.
- M. **Full Cost Recovery.** City staff shall make every effort to assign costs where they occur through the use of interdepartmental/interfund charges and indirect cost percentage assignments. The intent is to clearly define the actual cost of each direct service the City provides internally or externally. The first priority is the recovery of overhead costs from all funds and grant programs.

N. **Annual Budget Savings.** To the extent General Fund supported departments experience savings during the year (due to position vacancies, etc.) that money shall be designated first to meeting the established contingency and reserve levels. Should the contingency and reserve levels be met, any remaining savings may be allocated towards the PERS Reserve and/or one time projects as determined by the City Administrator.

• **SECTION 4. NON-GENERAL FUND / UTILITY BUDGETS (DEDICATED)**

A. **Bottom-Line Emphasis.** For activities or programs funded primarily from non-General Fund sources, departments are to prepare “base budgets” with a goal of holding any General Fund contribution to no more than the amount provided in the current fiscal year, subject to the availability of funds. Whenever possible, reductions in General Fund contributions should be achieved.

B. **No Backfilling.** General Fund discretionary dollars will not be used to backfill any loss in water and/or sewer City utility revenue, state-shared or federal revenues, grants, or dedicated funding programs (for further information, see the Resource Reduction Strategy).

C. **Revenue Estimates.** Departments should budget for revenues based on the best information available at the time the budgets are prepared. If additional information becomes available during the budget process, it shall be provided to the Finance Department. New revenues should be estimated based on available information for the first year. Subsequent annual estimates should also take into consideration actual receipts from the previous year.

D. **Overhead Cost Allocation Charges.** All non-General Fund departments should budget the amount allocated to that department.

E. **Cost Efficiency.** As with the General Fund, staff responsible for non-General Fund budgets will prepare fiscally conservative budgets, and will seek savings wherever a balance between cost efficiency and the quality of public service can be achieved.

F. **Utility Revenue Allocations.** It is the policy of the City of Woodburn that revenue generated by City-owned utilities will first be used to meet operational expenses, and subsequently fund capital projects in a manner consistent with Woodburn’s Capital improvement plans and operating requirements.

G. **Utility Rates.** The City will maintain utility rates at a level that ensures that all debt service, operating, and capital costs, are adequately recovered and debt covenant requirements are met. Capital costs identified in the approved capital improvement plan will be used as the basis for forming the capital costs recovery portion of utility rates.

H. **System Development Charges.** As permissible under state law, the City will pursue the recovery of infrastructure-related development costs relating to water, sewer, street, storm,

and parks. These costs will be delineated via a defensible methodology, which will be revised from time to time to ensure accuracy.

- **SECTION 5. FUND RESERVES & CONTINGENCIES**

- A. **PERS Side Account Savings**. In 2019, the City Council goal of establishing a PERS side account was achieved with a City contribution of \$2,823,043, which received a PERS match. The City will continue to add resources to the City's PERS Fund as resources allow, but will direct any PERS savings to help maintain current service levels. It is the overall goal of the City to continue to increase the balance in the City's PERS Reserve Fund in order to make future Side Account contributions.
- B. **General Fund Contingency**. Consistent with Government Finance Officers Association (GFOA) best practices, at least 20 percent of the General Fund's operating appropriation shall be placed into the operating contingency to meet cash flow needs, with a long-term goal of increasing the reserve to 25 percent as year-end savings occur. In addition, it is the goal of the City to preserve the contingency balance to the greatest extent possible. No new General Fund program or service will be created that diminishes the General Fund Contingency below established minimum levels.
- C. **Contingency Replenishment**. If contingency funds are expended, an effort will be made to reduce expenses to retain a minimum of 20 percent General Fund contingency.
- D. **Shortfall Management Reserve (SMR)**. The SMR is intended to subsidize future shortfalls estimated in the Five-Year Forecast. If SMR funds are expended, an effort will be made to replenish funds as savings are identified in the annual budget process.
- E. **Water & Sewer Fund Contingencies**. The Water and Sewer Funds will maintain annual contingencies of not less than 5%.
- F. **Equipment Replacement**. This fund is for the replacement of vehicles and equipment. The goal is for City departments to transfer one-tenth the value of its fixed asset inventory every year as budget allows to ensure future replacement funding is available. Replacement fund transfers may be limited or delayed in order to preserve operational budgets.

- **SECTION 6. GRANT APPLICATIONS (ALL FUNDS)**

- A. **Approval to Pursue**. The City Administrator's approval is necessary before any employee pursues lobbying efforts on matters having budget implications, and before grant applications are submitted to the granting agency. Department Heads should advise the City Administrator before official positions are taken on matters that might have budget implications.
- B. **General Fund Matching Funds**. Upon approval by the City Administrator, matching fund requirements will be presented to the City Council for final approval.

- **SECTION 7. NEW POSITIONS, PROGRAMS, AND OVERTIME (ALL FUNDS)**

- A. **Base Budget & New Positions.** Departments are to prepare “base budgets” with no new regular positions unless specifically authorized by the City Administrator in advance of budget preparations. Reorganizations of departments or programs resulting in changes in staffing or positions may be considered if the change is cost-neutral or cost savings from the current costs. No position compensation or increase will be provided beyond the amounts budgeted for the position without prior approval from the City Administrator.
- B. **Considerations of New Positions/Programs.** Unless otherwise authorized by the City Administrator, consideration of new programs and positions will occur only if the cost of the position or program is offset by non-General Fund sources legally tied to the new position or if the cost of the position is offset by new external revenues, reductions within existing funds and/or the position is required to generate those revenues. Cost estimates for new positions will include office facility space, equipment, rent, utilities, supplies, related increases in overhead services, etc.

Additional personnel or programs shall be requested only after service needs have been thoroughly documented or after it is substantiated that the new employees will result in increased revenue or enhanced operating efficiencies.

- C. **Annual Overtime Budgets.** Departments will anticipate their annual overtime costs to be included in the proposed budget. Once the budget is adopted, overtime costs are to be managed within adopted levels. No overtime costs can exceed budgeted levels without first obtaining the authorization of the City Administrator.

- **SECTION 8. MID-YEAR BUDGET REDUCTIONS**

- A. **Revised Revenue or Expense Estimates.** If additional information concerning revenue reductions or significant expense increases becomes available after the start of the fiscal year, it may be necessary to make budget adjustments. These adjustments will be made in accordance with the City Council’s adopted Resource Reduction Strategy.

- **SECTION 9. MID-YEAR REQUESTS, CONTINGENCY (ALL FUNDS)**

- A. **Non-Emergency Requests.** In those cases where a department is required to absorb an unanticipated cost beyond its control of a non-emergency nature, departmental resources must first be exhausted prior to a transfer from General Fund contingencies. Upon conducting a final financial review of departmental budgets towards the end of the year, a transfer from contingency will be presented to the City Council through a budget resolution or supplemental budget.
- B. **Emergency Requests.** Emergency requests during the fiscal year will be submitted to the City Administrator for recommendation and forwarded to the City Council for consideration.

- **SECTION 10. COMPENSATION & BENEFITS (ALL FUNDS)**

- A. **Wage Policy**. Historically, the biggest factors forcing budget growth are increases in employee compensation and increased benefit costs. The City will have a compensation and benefits program that: 1) reflects the value of work performed by our employees, 2) compares favorably with the compensation and benefits paid for similar work in both the private and public sectors, and 3); considers the community's ability to pay. Both our employees and the public must understand the mutual respect that such a policy warrants.
- B. **Health Care & PERS Costs**. Continue the City's policy on wage increases which evaluate the cost of health insurance and PERS contributions as part of the total compensation package. It is the goal of the City to reduce annual escalations of health insurance, and other benefit costs by getting the employees to bear an equitable portion of the annual premium increases and/or selecting lower cost-benefit programs.
- C. **Cost of Living Adjustments (COLA)**. The City Administrator will make a recommendation either to include, or not include, a COLA for non-represented employees in the Proposed Budget. COLAs included in the Proposed Budget are considered and approved by the Budget Committee and City Council as part of the budget process. COLAs or other compensation provided for in collective bargaining agreements will be provided for in the annual Proposed Budget.
- D. **Step Adjustments**. Budgeted personnel services expenditures will include an amount to account for annual step adjustments for all employees who are not currently at the top of their range. Annual employee step adjustments will not exceed 5% without the expressed permission of the City Administrator.

- **SECTION 11. BUDGET CONTROLS**

- A. **Legal Compliance**. The City Administrator and Finance Director will continue to review and control departmental budgets at the appropriation level.
- B. **Personnel Services & Benefits**. With the exception of overtime pay and temporary help accounts, which shall be developed by Department Heads with the advice of the Finance Director and the approval of the City Administrator, personnel services and benefits cost calculations will be provided by the City Administrator and the Finance Director and will be used as provided. The City Administrator and the Finance Director will also provide estimates for insurance and internal service expenses. These amounts will not be altered by Department Heads.
- C. **Wages & Benefit Control**. Positions not entitled to receive benefits will be managed in a manner that keeps them below mandatory benefit thresholds (such as PERS, health insurance, etc.). Positions will only be eligible for benefits if approved by the City Administrator and/or designated in Job Descriptions. All benefit costs must be anticipated and included in the annual Budget.

D. **One-Time Revenues.** One-time revenues will be used only for one-time expenses.

- **SECTION 12. UNAPPROPRIATED ENDING FUND BALANCES (ALL FUNDS)**

A. **Limit Unappropriated Ending Fund Balances.** To provide the most budget flexibility during the year, the City will limit the use of unappropriated ending fund balances to circumstances where they are required by law. Rather than use unappropriated fund balances, the goal should be to place any monies not needed for current expenditures in the relevant funds' operating contingencies or a City Council approved reserve.

- **SECTION 13. CAPITAL IMPROVEMENT GUIDELINES**

A. **Capital Improvement Program.** A 6-year Capital Improvement Program will be adopted as part of the annual budget process. It will include all projects anticipated to be initiated and/or delivered in the 6-year planning period. The Capital Improvement Program will be consistent with the City's adopted Capital Improvement Master Plans. Funding availability will determine the rate at which Capital Improvement Program projects are initiated or completed.

B. **Exceptions.** The City will fund dedicated programs and services with dedicated funding sources. Exceptions may be made, on a case-by-case basis, by the Budget Committee, City Council, or by the City Administrator if appropriate. One criterion will be whether the City would incur more costs elsewhere as a result of the reduction.

C. **Capital Planning Consideration.** Recognizing that it does not necessarily make sense to fund current operations at the expense of long-term capital or planning programs, every effort will be made to continue capital and planning programs geared to the City's long-term needs.

- **SECTION 14. DEBT ISSUANCE (ALL FUNDS)**

A. **Debt Issuance.** The City will issue debt in accordance with the adopted Master Debt Resolutions for Sewer and Water. General Obligation debt will only be issued in compliance with state statutes. Debt will only be issued (for all fund types) when a dedicated resource is available to meet the required debt service and reserve.

No debt will be issued without the approval of the City Administrator and authorization of the City Council.

B. **Interfund Transfers.** Interfund transfers are allowed if the City Council determines the transfer to be in the best interest of the City. All interfund transfers will be managed consistent with state budget law.

C. **Debt Compliance.** On an annual basis the Finance Director and shall ensure that annual reporting requirements have been met and will review the condition of the corresponding debt funds to ensure compliance with existing financing agreements.

- **SECTION 15. DEBT REFINANCING/REFUNDING**

- A. **Debt Refinancing/Refunding**. From time to time, the City Council and/or the City Administrator may direct the Finance Director to determine the feasibility of refinancing/refunding existing debt. Refinancing may include restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds, or remove unduly restrictive bond covenants.
- B. **Responsibility**. The Finance Director, with the assistance of consultants as needed, shall have the sole responsibility for conducting the analysis of outstanding bond debt for refinancing/refunding opportunities that may be presented by underwriting and/or financial advisory firms and making a recommendation to the City Administrator.
- C. **Term of Refinancing/Refunding Issues**. The City may refund bonds within the term of the originally issued debt. However, the City may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The City may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.
- D. **Analysis and Report**. The City will evaluate each refinancing/refunding candidate on a case-by-case basis. When analyzing possible refinancing/refunding opportunities: the City establishes a guideline net present value savings threshold goal of three percent (3%) of the refinanced/refunded bond principal amount. The net present value savings will be net of all related issuance costs. In addition, the Finance Director will make a full report on the potential saving generated and any financial risk associated with refinancing/refunding the debt.

- **SECTION 16. INVESTMENTS**

- A. **Administration**. The City of Woodburn’s Investment Policy is attached as Exhibit A.

- **SECTION 17. ANNUAL FINANCIAL AUDITS**

- A. **Annual Audit Required**. The Oregon Municipal Audit Law (ORS 297.405 – 297.555) requires a financial audit and examination be made of the accounts and financial affairs of the City at least once a year. Consistent with State law, the City of Woodburn will conduct an annual independent audit of the preceding fiscal year.
- B. **Audit Standards**. Woodburn’s annual financial audits will be conducted in accordance with auditing standards generally accepted in the United States. Those standards require that an independent auditor plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The audit will examine, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. The audit will also assess accounting principles used and significant

estimates made by management, as well as evaluating the overall basic financial statement presentation. The audit will contain an assessment of the City's internal financial controls and procedures to make any necessary recommendations for improvement.

- C. **Finance Director and City Administrator Oversight**. It will be the responsibility of the Finance Director and the City Administrator to oversee the annual audit process.
- D. **Preparation of Financial Statements**. When feasible, City staff will prepare and provide annual financial statements to the auditor's satisfaction. If staffing levels or other barriers exist to internal preparations of financial statements, the City Administrator may authorize the auditor's preparation of financial statements for the purposes of completing the annual audit on time.
- E. **Audit Deadlines & Extensions**. Per Section 17 (F), the annual audit will be provided to the City Council no later than December 31. Consistent with State law, the annual audit will also be filed with the Oregon Secretary of State's Audit Division no later than December 31. Any and all requests for audit filing or presentation extensions must be approved by both the City Administrator and the auditor. In the event that an audit filing extension is requested and/or granted, the City Administrator will inform the City Council of the reason for the extension request and an estimated time line for completing, presenting, and filing the audit.
- F. **Audit Presentation to Council**. The annual audit findings will be presented to the Woodburn City Council during a regularly scheduled City Council meeting by a representative of the audit firm. All audits presented to the City Council must be complete and signed by a representative of the audit firm.
- G. **Budget Committee Review**. A copy of the annual financial report will be provided to the Woodburn Budget Committee for their review.

- **SECTION 18. PROGRAMS**

- A. **Discretionary Programs**. To the extent discretionary resources are available, high priority services areas will be slated for growth. Lower priority service areas will receive constant or decreasing discretionary support. Based on the direction of the City Council, discretionary programs are identified, and prioritized, as follows:
 - ✓ Police Patrol & Public Safety
 - ✓ Police Support Services
 - ✓ Financial Services
 - ✓ Legal Services
 - ✓ Land Use Planning
 - ✓ Economic Development
 - ✓ Code Enforcement
 - ✓ General Administration
 - ✓ Library

- ✓ Aquatic Center
- ✓ Recreation Programming
- ✓ Parks and Park/Tree Maintenance
- ✓ Other General Fund Supported Non-Essential Program & Services
- ✓ Computer/Network transfers (new and replacements of equipment and servers)
- ✓ Discretionary Transfers (i.e. Transit, Streets, RSVP, etc.)
- ✓ Community Services (i.e. flower baskets, TOT Grants – where permissible, etc.)
- ✓ Intergovernmental Agreements that provide no direct offsetting revenues

• **SECTION 19. RESOURCE REDUCTION STRATEGY (ALL FUNDS)**

- A. **Goal & Reduction Approach.** When faced with a potential reduction in resources, the City’s goal is to continue to provide services in a professional, effective and efficient manner. Consequently, to the extent possible, across-the-board reductions in expenditures will be avoided.
- B. **Case-by-Case Consideration.** Reductions will be made on a case-by-case basis, focusing on each individual program or service. If possible, the reduction will be made proportional to the programs and services identified by the City Council.
- C. **Moderation When Possible.** If, as a result of a loss of a significant amount of discretionary resources, expenditure reductions become necessary they will be made on a moderate case-by-case basis to discretionary supported programs and services.
- D. **Discretionary Contributions.** If further reductions are required, any discretionary funding that supplements or supports services mostly supported with dedicated resources will be reduced or eliminated. This may apply to programs or activities expanded or started with discretionary resources within the last few years. Exceptions may be made on a case-by-case basis by the City Council.
- E. **Furlough Days.** If personnel budget/salary savings are required, the City may consider a reduced workweek or furlough days prior to laying off staff.
- F. **Consideration List.** Programs funded by discretionary resources will be reduced or eliminated as needed. Legal restrictions or the City’s ability to maintain minimal service levels will be considered. The City Administrator can determine the appropriate level of consideration at his/her sole discretion when making mid-year reductions or comprising the annual budget proposal. Based on the direction of the City Council, the order of City service areas to be considered for reductions are:
- ✓ Intergovernmental Agreements that provide no direct offsetting revenues
 - ✓ Community Services (i.e. flower baskets, TOT Grants – where permissible, etc.)
 - ✓ Discretionary Transfers (i.e. Transit, Streets, RSVP, etc.)
 - ✓ Computer/Network transfers (addition or replacement of computers and servers)
 - ✓ Other General Fund Supported Non-Essential Program & Services
 - ✓ Parks and Park/Tree Maintenance

- ✓ Recreation Programming
- ✓ Aquatic Center
- ✓ Library
- ✓ General Administration
- ✓ Code Enforcement
- ✓ Economic Development
- ✓ Land Use Planning
- ✓ Legal Services
- ✓ Financial Services
- ✓ Police Support Services
- ✓ Police Patrol & Public Safety

G. **Indirect Costs**. The City's overhead programs will not be prioritized but will be sized to the need and size of the overall organization. Generally, wherever possible, the City's goal is to make fee-supported programs self-sufficient. This includes recovering those programs' appropriate share of the City's overhead costs. If reductions occur, then indirect costs will be sized to the needs and size of the rest of the organization.

The Transit Fund indirect costs will be per the federally allowed de minimis overhead rate of 10 percent.

H. **Dedicated Funding for Programs**. Where legally possible, the City will consider using dedicated resources to fund high priority programs related to the purpose for which the dedicated funds are received.

EXHIBIT A

CITY OF WOODBURN INVESTMENT POLICY

I. **Purpose**

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

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

II. **Governing Authority**

The City's investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, this investment policy is written in conformance with Chapter 294 of the Oregon Revised Statute ("ORS") and the Woodburn City Charter. Any revisions or extensions of applicable sections of the ORS 294 shall be assumed to be part of this Investment Policy immediately upon being enacted.

III. **Scope**

This policy applies to activities of the City with regard to investing the financial assets of operating funds, capital funds, bond proceeds, and bond reserve funds. Funds managed by the City that are governed by other investment policies are excluded from this policy; however, the management of all funds remain subject to Oregon Law.

Except where legally required to hold separate funds, the City will consolidate cash balances from all funds to maximize investment earnings. Net investment income will be allocated to the various funds based on generally accepted accounting principles.

IV. **General Objectives**

The City's investment objectives, in priority order are:

1. **Safety & Preservation of Invested Capital**

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio (i.e. the principal balance). The goal is to mitigate credit risk and interest rate risk. The City will also reduce custodial risk through the use of a third-party custodian who will hold securities in the City's name evidenced by contract and monthly statements.

2. **Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.

3. Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio.

V. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

The "prudent person" standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The Investment officer and staff acting in accordance with this Investment Policy, written procedures, and Oregon Revised Statutes 294.004 to 294.990, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes in accordance with ORS 294.047.

2. Ethics and Conflicts of Interest

In carrying out authorized activities under this Policy, Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244. Additionally, Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

3. Delegation of Authority and Responsibilities

i. Governing Body

The City Council will retain ultimate fiduciary responsibility for invested funds. The governing body will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.085 and 294.155.

The City Council may engage the services of one or more external investment managers to assist in the management of the entity's investment portfolio in a manner consistent with this investment policy. Investment advisers may be hired on a non-discretionary basis. All investment transactions by approved investment advisers must be pre-approved in writing by the Investment Officer and compliant with this Investment Policy.

ii. Delegation of Authority

Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is also granted to the City's Finance Director, hereinafter referred to as Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

VI. Transaction Counterparties, Investment Advisers and Depositories

1. Broker/Dealers

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy.

The following minimum criteria must be met prior to authorizing investment transactions.

- i. Broker/Dealer firms must meet the following minimum criteria:
 - A. Be registered with the Securities and Exchange Commission (SEC)
 - B. Be registered with the Financial Industry Regulatory Authority (FINRA)
 - C. Provide most recent audited financials
 - D. Provide FINRA Focus Report filings
- ii. Approved broker/dealer employees who execute transactions with the City must meet the following minimum criteria:
 - A. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - B. Be licensed by the state of Oregon;
 - C. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.
- iii. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Factors to consider would be:
 - A. Pending investigations by securities regulators
 - B. Significant changes in net capital
 - C. Pending customer arbitration cases
 - D. Regulatory enforcement actions

2. Direct Issuers

Obligations that are permitted for purchase by this policy may be purchased directly from the issuer.

3. Investment Advisers

Investment advisers engaged by the City must meet the following minimum criteria.

- i. The following items are required for all approved Investment Advisers:
 - A. The investment adviser firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon (*Note: Investment adviser firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon*).
 - B. All investment adviser firm representatives conducting investment transactions on behalf of the City must be registered representatives with FINRA.
 - C. All investment adviser firm representatives conducting investment transactions on behalf of the City must be licensed by the state of Oregon.
 - D. Certification, by all of the adviser representatives conducting investment transactions on behalf of this entity, of having read, understood and agreed to comply with this investment policy.

- ii. A periodic (at least annual) review of all investment advisers under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. Factors to consider would be:
 - A. Pending investigations by securities regulators
 - B. Significant changes in net capital
 - C. Pending customer arbitration cases
 - D. Regulatory enforcement actions

4. Depositories

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

VII. Suitable and Authorized Investments

1. Permitted Investments

The following investments are permitted pursuant to ORS 294.035, 294.040, and ORS 294.810.

- *US Treasury Obligations: U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the timely payment of principal and interest.*
- *US Agency Obligations: Senior debenture obligations of US federal agencies and instrumentalities or U.S. government sponsored enterprises (GSE).*
- *Oregon Short Term Fund*
- *Corporate Indebtedness*
 - 1. *Commercial Paper issued under the authority of section 3(a)2 or 3(a)3 of the Securities Act of 1933.*
 - 2. *Corporate Bonds*
- *Banker's Acceptances*
- *Qualified Institution Time Deposits/Savings Accounts/Certificates of Deposit*

2. Approval of Permitted Investments

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

3. Prohibited Investments

i. Private Placement or "144A" Securities

Private placement or "144A" securities are not allowed. For purposes of the policy, SEC Rule 144A securities are defined to include commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.

ii. US Agency Mortgage-backed Securities

US agency mortgage-backed securities such as those securities issued by FNMA and FHLMC are not allowed.

iii. Securities Lending

The City shall not lend securities nor directly participate in a securities lending program.

VIII. Investment Parameters

1. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by the following guidelines:

i. Diversification

It is the policy of the City to diversify its investments. Where appropriate, exposures will be limited by security type; maturity; issuance, and issuer. Allowed security types and Investment exposure limitations are detailed in the table below.

ii. Recognized Credit Ratings

Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations (NRSRO): Moody’s Investors Service; Standard & Poor’s; and Fitch Ratings Service as detailed in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings. A single rating will be determined for each investment by utilizing the lowest security level rating available for the security from Standard and Poor’s, Moody’s Investor Services and Fitch Ratings respectively.

iii. Portfolio Average Credit Rating

The minimum weighted average credit rating of the portfolio’s rated investments shall be Aa/AA/AA by Moody’s Investors Service; Standard & Poor’s; and Fitch Ratings Service respectively.

iv. Exposure Constraints and Minimum Investment Credit Ratings

The following table limits exposures among investments permitted by this policy.

Issue Type	Maximum % Holdings	Minimum Ratings Moody’s / S&P / Fitch
US Treasury Obligations	100%	None
US Agency Securities	100%	-
Per Agency (Senior Obligations Only)	33%	-
Oregon Short Term Fund (Local Gov. Investment Pool "LGIP")	Maximum allowed per ORS 294.810	-
Bankers’ Acceptances	25%	A1+/P1/F1+
Time Deposits/Savings	50%	-
Accounts/Certificates of Deposit		
Per Institution	25%	
Corporate Debt (Total)	15%	-
Corporate Commercial Paper	15%	
Per Issuer	2.5%	A1/P1/F1
Corporate Bonds	10%	
Per Issuer	2.5%	Aa/AA/AA

v. Restriction on Issuers with Prior Default History

Per ORS 294.040, the bonds of issuers listed in ORS 294.035 (3)(a) to (c) may be purchased only if there has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district, or city, for a period of five years next preceding the date of the investment.

2. Liquidity Risk

Liquidity risk is the risk that an investment may not be easily marketable or redeemable. The following strategies will be employed to mitigate liquidity risks:

- i. The value of at least six months of budgeted operating expenditures will be invested in the Oregon Short Term Fund, with a qualified depository institution, or investments maturing in less than 90 days to provide sufficient liquidity for expected disbursements.
- ii. Funds in excess of liquidity requirements are allowed for investments maturing in greater than one year. Portfolio investment maturities will be limited as follows:

Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 90 days	Six (6) Months Estimated Operating Expenditures
Under 1 year	50%
Under 3 years	100%

- iii. Reserve or Capital Improvement Project monies may be invested in securities exceeding the maximum term if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

3. Interest Rate Risk

Longer-term investments have the potential to achieve higher returns but are also likely to exhibit higher market value volatility due to the changes in the general level of interest rates over the life of the investment(s). Interest rate risk will be mitigated by providing adequate liquidity for short term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. The following strategies will be employed to control and mitigate adverse changes in the market value of the portfolio due to changes in interest rates:

- i. Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk.
- ii. To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to mitigate re-investment risk.
- iii. No commitments to buy or sell securities may be made more than 14 days prior to the anticipated settlement date, or receive a fee other than interest for future deliveries.
- iv. The maximum percent of callable securities in the portfolio shall be 10%;
- v. The maximum stated final maturity of individual securities in the portfolio shall be three years, except as otherwise stated in this policy.

IX. Investment of Proceeds from Debt Issuance

Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy and the applicable bond covenants and tax laws.

X. Investment of Reserve or Capital Improvement Funds

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities exceeding three years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the City Council, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

XI. Guideline Measurement and Adherence

If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance; and reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the City Council.

XII. Reporting and Disclosure

1. Compliance

The Investment Officer shall prepare a report at least monthly that allows the City Council to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will include, at a minimum, the following:

- i. A listing of all investments held during the reporting period showing: par/face value; accounting book value; market value; type of investment; issuer; credit ratings; and yield to maturity (yield to worst if callable).
- ii. Distribution by type of investment
- iii. Transactions since last report
- iv. Distribution of transactions among financial counterparties such as broker/dealers
- v. Violations of portfolio guidelines or non-compliance issues that occurred during the prior period or that are outstanding. This report should also note actions (taken or planned) to bring the portfolio back into compliance.

2. Performance Standards/ Evaluation

At least annually, the Investment Officer shall report comparisons of investment returns to relevant alternative investments and comparative Bond Indexes. The performance of the portfolio should be compared to the performance of alternative investments such as available certificates of deposit; the Oregon Short Term Fund; US Treasury rates; or against one or more bond indices with a similar risk profile (e.g., Bond indexes comprised high grade investments and maximum maturities of three years).

When comparing performance, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.

3. Audits

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

XIII. Policy Maintenance and Considerations

1. Review

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

2. Policy Adoption and Amendments

This investment policy and any modifications to this policy must be formally approved in writing by the City Council.

This policy will also be submitted to the Oregon Short Term Fund (OSTF) Board for review where the policy:

Allows maturities beyond 18 months unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the City Council, the maximum maturity date matches the anticipated use of the funds (ORS 294.135(1)(b) and 294.135(3)),

And either:

A. This policy has never been submitted to the OSTF Board for comment;

Or

B. Material changes have been made since the last review by the OSTF Board.

WOODBURN

O R E G O N
Incorporated 1889



Museum & Bungalow Theater Restoration Project



City of Woodburn, Oregon

and Woodburn Urban Renewal Agency

Five Year Forecast FY 2022-23 to 2026-27

City of Woodburn

Five-Year Forecast

FY 2022-23 - FY 2026-27

Table of Contents

Introduction.....	1
City of Woodburn Background	1
Purpose of the Forecast	2
Forecast Methodology	2
Executive Summary	3
Economic and Demographic Assumptions.....	3
Issues in the Coming Year.....	3
Citywide Issues Beyond One Year	3
Fund Summaries:.....	4
General Fund	6
Building Inspection Fund	8
Transit Fund.....	9
Street Fund	10
Water Fund.....	11
Sewer Fund.....	12
Remaining Funds	13
Major Assumptions – Revenues	15
Major Assumptions – Expenditures	16
Glossary	17

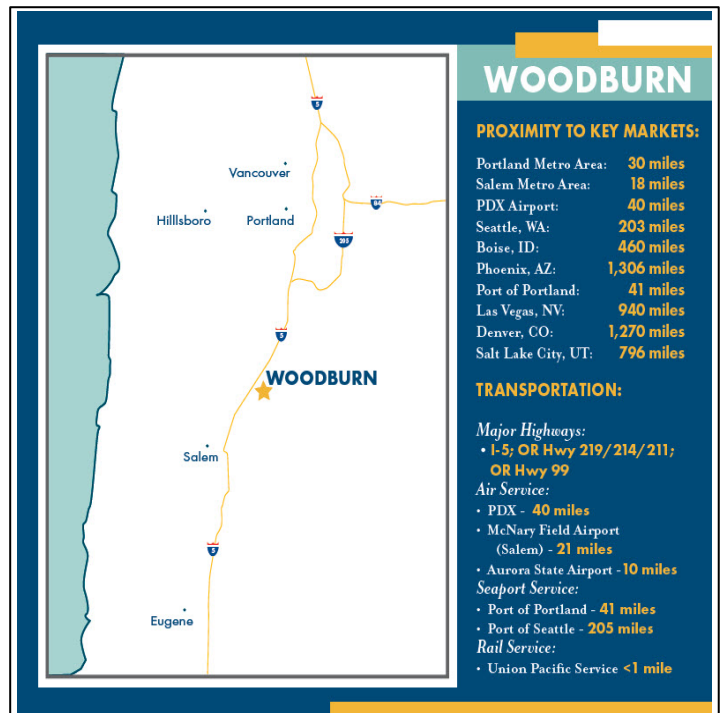
Introduction

City of Woodburn Background

The City of Woodburn is a municipal corporation, which operates under a Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of an elected Mayor (two-year term position) and six councilors (four-year term positions). The City Administrator is responsible for carrying out Council ordinances and policies, managing the daily operations, and appointing department heads. The City provides a full range of services, including but not limited to: police, water, wastewater, public works, library, parks, recreation, aquatics, municipal court, community planning and building inspections, and economic development.

Woodburn, incorporated in 1889, is located in the Willamette Valley halfway between the larger urban areas of Portland and Salem.

The City of Woodburn, with a population of 26,250¹, is Oregon's 23rd most populated city, and third most populated city in Marion County. The population of the region within a 30-mile drive of Woodburn is 2.1 million, according to the American Community Survey. The US Census data shows Woodburn per capita income was \$20,720 (compared to \$33,763 for the state), and the median income for a household was \$50,093, or 20 percent less than the state median household income of \$62,818².



Historically, the Woodburn economy centered around agricultural and forest products, with the City serving as the manufacturing and services hub for these two sectors. As nearby urban populations have grown, Woodburn has attracted a variety of new businesses ranging from advanced manufacturing, distribution and warehousing, agricultural and food processing, wood products manufacturing, regional retail and a wide range of service-providing businesses. Amazon is in the process of building a 3.8 million square foot fulfillment center in Woodburn that is the largest current construction project in the state. It is targeted to be complete in the summer of 2023.

Woodburn is an attractive community with new single and multi-family housing subdivisions already in the development queue. Metro area transportation issues and affordable housing shortages are creating

¹ Portland State University, Population Estimates and Reports, Certified Population Estimates, July 1, 2019

² US Census Bureau Quick Facts, Woodburn, OR (figures shown in 2019 dollars)

population shifts into Woodburn. Marion County's adopted population projections indicate Woodburn will grow to 37,216 by 2030.

Purpose of the Forecast

The intent of this forecast is to project the financial position of primary operating funds, based on current service levels and conservative assumptions. The forecast sets the stage for the annual budget process, aiding both the City Administrator and City Council in establishing policies and priorities to allocate resources appropriately. Forecasting is one of the most powerful tools the City has available to help make informed financial decisions that will ensure the City's future vitality and economic stability.

Forecast Methodology

Economic forecasting is not an exact science; rather, it is dependent upon the best professional judgment of the forecaster. The City of Woodburn's approach to forecasting is to apply a conservative philosophy that neither overstates revenues nor understates expenditures. To enhance the accuracy of projections, the City identifies factors that contribute to the changes in revenues and expenditures, such as development, inflation, interest rates and known future events that will affect operations. Forecasting of operating costs embraces the concept of status quo. This concept assumes that the current level of service will continue for the next five years with cost changes based on inflationary increases. This provides a baseline economic estimate from which reductions or increases in service levels can be determined. To the extent certain reductions or additions are anticipated, they are noted within the fund section of this report. Exceptions to the status quo assumptions are noted at the beginning of each fund.

Capital improvement projects are prioritized according to master plans for Water, Sewer, Transportation, Storm Water, and Parks, but are scheduled based on available resources. To the extent possible, operations are funded first and remaining resources are allocated to fund capital improvement projects. This frequently means that improvements are delayed until the needed funding has been set aside. Improvements too expensive to be paid from net resources are assumed to be funded via bonded debt, although in practice, this is a rare occurrence. For these reasons, capital construction funds, and the related special revenue funds, are not included in this forecast.

Utilizing general ledger reports, audited financial statements, water and sewer master plans/rate studies, and published City budgets, each of the funds listed below were examined to identify patterns in revenues, expenditures and cash balances that may indicate financial instability or threats to the sustainability of current operations.

We look forward to feedback from the City Council and other interested parties on identified issues. Because the fund section provides detailed information, the executive summary will focus on the most significant issues facing the City.

Executive Summary

The forecast is based on the combined effort of City staff and predicts that most operating funds will have sufficient resources to meet expenses over the five-year period. A few of the fund graphs depict a declining undesignated balance of resources. While this may seem alarming, it is just an indicator. In reality, the City would not submit a proposed budget where costs exceed all available resources. The forecast allows the City to identify where problems might occur and provides the adequate time to take corrective action before the situation becomes a crisis. The goal in assembling this report is to reveal trends, highlight financial issues and provide suggestions and options.

Economic and Demographic Assumptions

Oregon and the City of Woodburn's economic condition will be heavily influenced by population growth. Woodburn's economy determines the ability to retain the local workforce as well as attract new job seekers. These factors will weigh heavily upon the City's ability to continue to provide a high-level service to the public.

Issues in the Coming Year

- COVID-19 restrictions in early 2020 resulted in layoffs of part-time employees in Aquatics, Recreation and Library, and reduced service in Transit. Forecast includes estimates for full staff costs pre-COVID.
- Continued focus on stabilizing finances across all funds in light of rising wages, increased retirement costs and medical insurance costs, and the need to grow the work force to sustain a growing community
- The Urban Growth Boundary (UGB) expansion has permitted opportunities for future development, which will increase future demands on safety/security, water, sewers, streets, building activities, and recreational opportunities. Supplying the demand is expected from an estimated 3,000 housing units (a mixture of both single-family and multi-family) over the next five years. Employment needs will be met by the development of the newly annexed industrial areas (expected to provide an estimated 1 million additional square feet during this time.)
- Expansion of the Economic Development program

Citywide Issues Beyond One Year

Public Employees Retirement System (PERS): The City participates in the Oregon PERS State and Local Government Rate Pool employee pension program. The City's liability in PERS was \$16,971,947³ as of June 30, 2021. This liability will be paid through a combination of interest earnings and rate increases. Annual interest earnings that meet or exceed 7.2 percent will reduce the liability and subsequent biennial PERS rates, while earnings below 7.2 percent will increase the liability and also increase

³ The \$16,979,947 is the City of Woodburn's net proportionate share of the Unfunded Actuarial Liability as of June 30, 2021. Oregon PERS' independently audited financial statement can be found at <http://www.oregon.gov/pers>

subsequent biennial PERS rates. Currently the unfunded liability of \$16.97 million has been amortized for repayment through 2035-36. Therefore, each biennium includes an increase due to normal cost increases for the current employees, plus an amortization payment for the unfunded liability. Rate relief is projected to begin in the 2036-37 biennium.

In May 2017, Gov. Kate Brown appointed a PERS task force to identify potential funding sources to address the statewide \$5 billion PERS liability. The findings resulted in the approval of Senate Bill (SB) 1566 establishing an Employer Incentive Fund (EIF), which provides up to 25.0 percent matching funds for qualifying employers who make an additional one-time lump sum payment to pay down their PERS unfunded actuarial liabilities (UAL). The PERS board is developing the program, inclusive of procedures to request matching funds, and develop a strategy to reduce the unfunded liability.

The city participated in a PERS side account and in December 2019 paid PERS \$2,823,043. With the state contribution, the total Side Account is \$3,527,735. This reduced each of the City's PERS contribution rates by 2.85 percent.

Health Insurance

Though the City has implemented a high-deductible medical plan and attempted to control health insurance costs, the growth rates on some policies have continued to increase. Due to the uncertainty in health care premiums, prescription rates, and the future stability of the Affordable Care Act, the first forecast year includes an average 5 percent growth assumption in each forecast year.

Fund Summaries:

General Fund

Service demands in Police and Community Services (i.e., Library, Aquatic Center, Recreation, and Parks) will increase as Woodburn's populations grows. Meeting the service demands will require new/additional revenue or cuts to existing programs. Property tax revenue will assist in meeting the community needs, and the 3.0 percent annual growth allowed by law has been included in each of the forecast years. Anticipated property development will be included in the tax forecast as they are added on the county assessor tax rolls. Higher inflation factors have been taken into account in the salary and benefits categories to match the CPI increases in these areas.

Water

The operational fund is strengthening following a declining fund balance due to rising costs without corresponding rate increases since 2006. The fund ended each fiscal year in the positive due to the deferral of capital improvement projects. A rate study was presented in spring 2018 which resulted in City Council approving ten years of rate increases beginning July 2018; 10 percent increases in 2018 and 2019, followed by annual increases of 4 percent each July in the remaining years 3-10. Fund balance reductions are anticipated over the next few years as capital projects are completed ahead of growth

needs. Fund balance should improve as rate increases are implemented and new development is completed.

Transit

Each year the Transit Fund struggles to meet its operational needs, and most years is able to maintain a fund balance due to an annual subsidy from the General Fund. In FY 2020-21, the annual GF subsidy was increased to \$150,000. Transit is aggressively seeking grants to fund operations and maintain and/or increase current levels of service. Revenue from the statewide transit tax of 0.1 percent, implemented in July 2018 and charged to all employees through payroll, is helping increase the annual revenues.

Wastewater

The Sewer Fund reflects the utility rate revenue and operational costs. Major expansion at the Wastewater Treatment Plant (WWTP) originally planned in 2011-12 has been on hold awaiting a decision from DEQ regarding the water quality limits for temperature. With that lawsuit finally resolved, work can begin on the project to update the Wastewater Facilities Plan and Rate Study, which will inform necessary facilities upgrades and the financial resources required to complete them.

Streets

The City has allowed the fund balance to grow in preparation for priority capital projects. Currently, the West Hayes Street improvement is the top capital improvement project.

HB 2017 *Keep Oregon Moving* was implemented in 2018 and includes a 4-cent gas tax increase. An implementation dashboard has been set up for HB2017 on the ODOT website. The current *Keep Oregon Moving* report of revenue and expenditures is available on ODOT's website.

General Fund

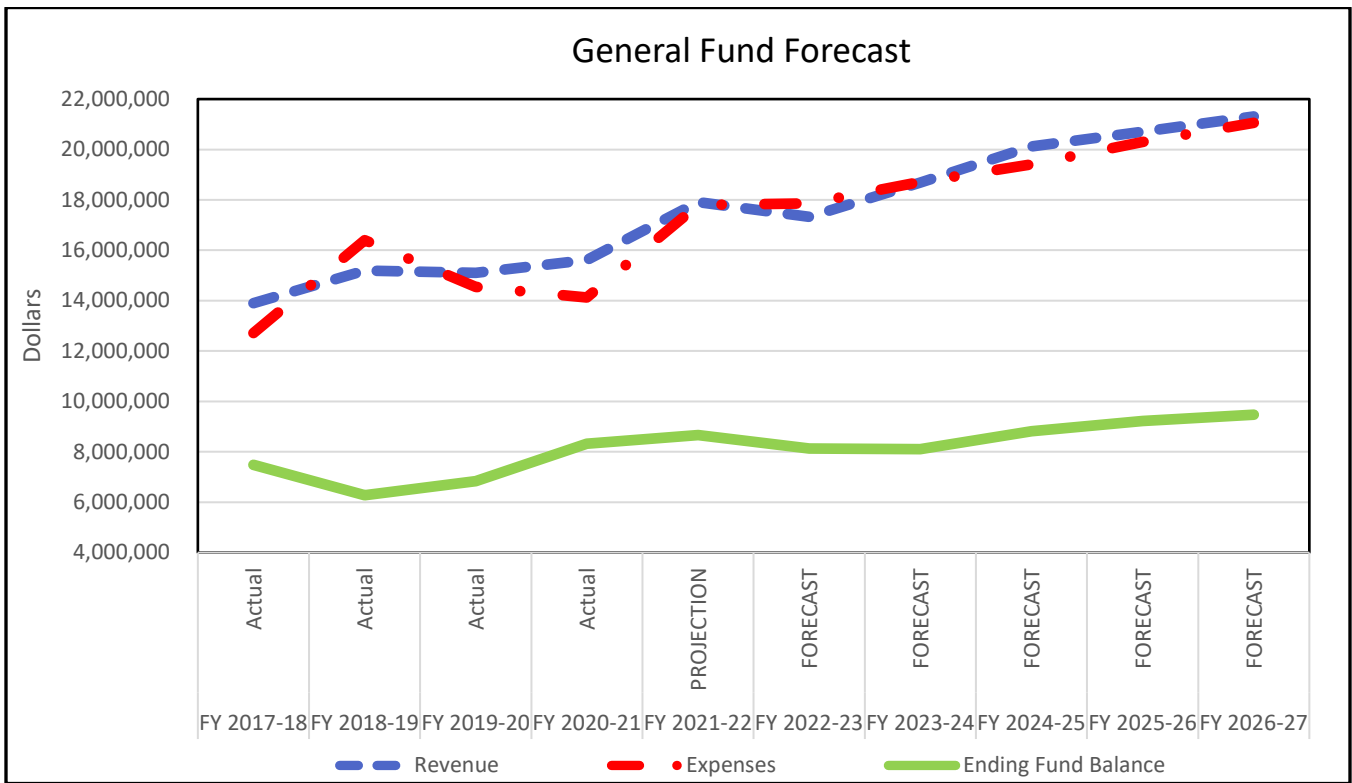
Variations from Status Quo Assumptions

- None

Key Assumptions

- Property tax revenue increase of 4.5 percent in FY 2022-23, 12 percent in FY 2023-24, 15 percent in FY 2024-25, and 3.5 percent FY 2025-26 through FY 2026-27
- PERS rate is 20.5 percent as of July 1, 2021, will increase to 22.5 percent two years later in FY 2023-24, and increase to 24.5 percent in FY 2025-26
- General Fund Right-of-Way charge on Water and Sewer of 5 percent continues on total revenues
- Addition of new Right-of-Way charges for small franchise utilities

Operating Position



Property taxes account for nearly two-thirds (68 percent) of the annual revenues in the General Fund. Property taxes will increase as new developments occur within city limits, but it takes several years to see the income increase. The forecast assumes an increase of 4.5 percent in FY 2022-23 from the housing permit activity in the last two fiscal years. An increase of 12 percent in FY 2023-24 and 15 percent in FY 2024-25 from the completion of the Amazon facility followed by a more conservative 3.5 percent growth in the remaining fiscal years as the construction of new housing units flattens out.

Franchise fees, the second largest revenue in this fund, are based on the gross revenues collected in Woodburn for utilities that use the City's right-of-way. Charges for Goods and Services is the third largest type of revenue at 4.4 percent. Forecast revenues are projected to increase at a modest 1.0 percent rate beyond year one of the forecast period.

Potential Impacts and Issues

There are potential future demands that could increase costs in this fund and will require close monitoring. These include:

Police Staffing: As the community grows, there will be an increased demand for police services.

Parks & Recreation: As demand grows for use of City parks, additional burden is placed on the City's General Fund to provide enhanced services. Additional staff hours are required for cleanup and maintenance of these parks. These potential cost increases are not included in the forecasts.

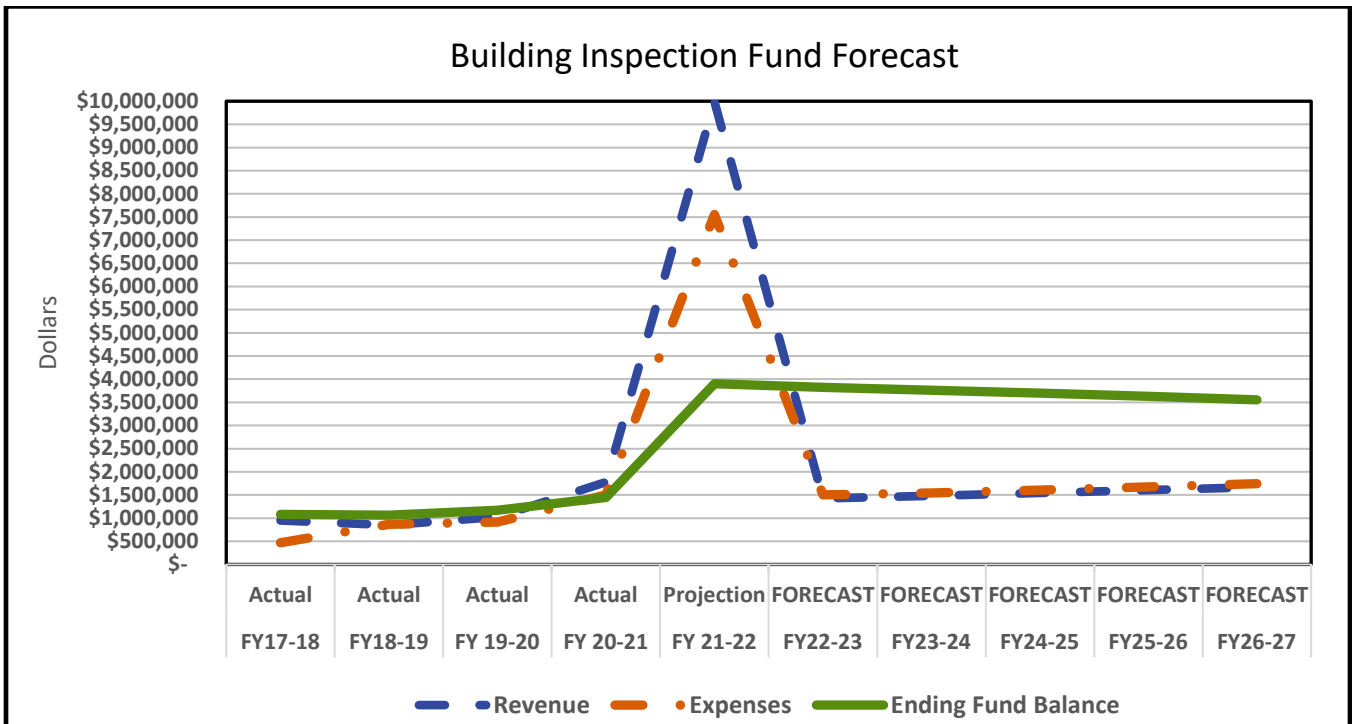
Engineering & Planning: Engineering & Planning division expenditures will be significantly impacted by new development within the Urban Growth Boundary expansion, and by the city as a whole. The City will closely monitor the actual revenues against the forecast and will take corrective action if necessary.

Building Inspection Fund

Variations from Status Quo Assumptions

- Permit revenues continue to increase due to large residential and commercial developments
- The FY 2021-22 spike is impacted by the new Amazon project
- Increased building activity prompted the creation of a full-time plans examiner position using two unfilled part-time plans examiner positions for FY 2021-22

Operating Position



The Building Inspection team provides services to ensure safe building design and construction through the enforcement of building codes and standards. Revenues are based on permits issued for new development and redevelopment that historically ebbs and flows. Future revenues are based on estimates of when specific projects might begin.

Potential Impacts and Issues

The Building Fund, of course, will be significantly impacted by the Urban Growth Boundary expansion. Delays in developers submitting plans or starting construction will impact the bottom line. The City will closely monitor the actual revenues against the forecast and will take corrective action if necessary.

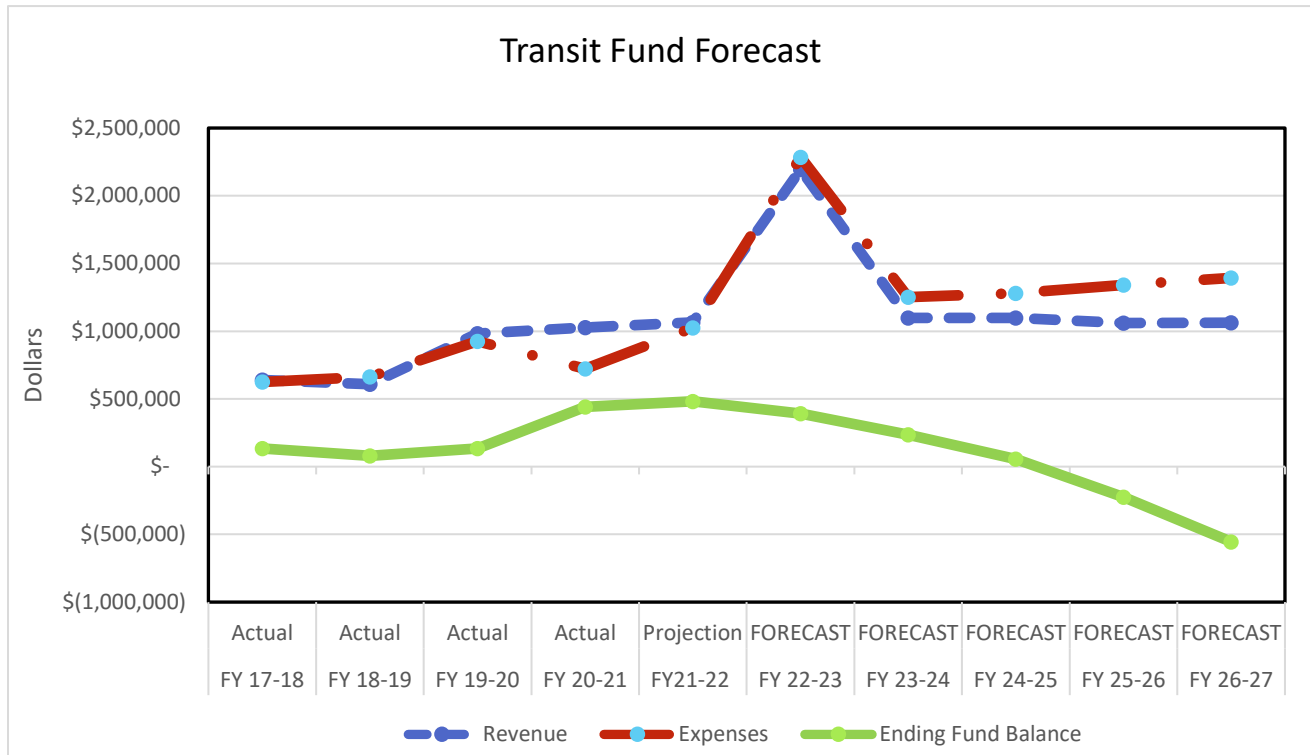
Approximately 50 percent of the Woodburn School District 2015 voter approved bond measure allows for significant construction work to all the school buildings for repairs, additions and two new schools. The school bond will impact the department workload and revenue over the next five years.

Transit Fund

Variations from Status Quo Assumptions

- COVID-19 restrictions reduced routes times, reduced fare revenues and reduced part-time staff starting in late FY 2019-20 and continuing in FY 2020-21. Forecast considers full staff estimates.
- FY 2022-23 revenue and expenditure spikes reflect the purchase of six new vehicles

Operating Position



Transit provides Dial-a-Ride services for disabled citizens and fixed route bus operations and is funded by a contribution of \$150,000 from the General Fund with the balance from grant revenue and fares.

Capital Projects — From Operating Revenues

Replacement of buses and vans is done as needed and historically has occurred when grant funding is available. The spike in FY 2022-23 includes the purchase of six new vehicles, funded with grant revenue and one-time funding from Amazon for a new commuter route. Pandemic-related manufacturing and shipping delays resulted in a delay of planned vehicle purchase in FY 2021-22.

Potential Impacts and Issues

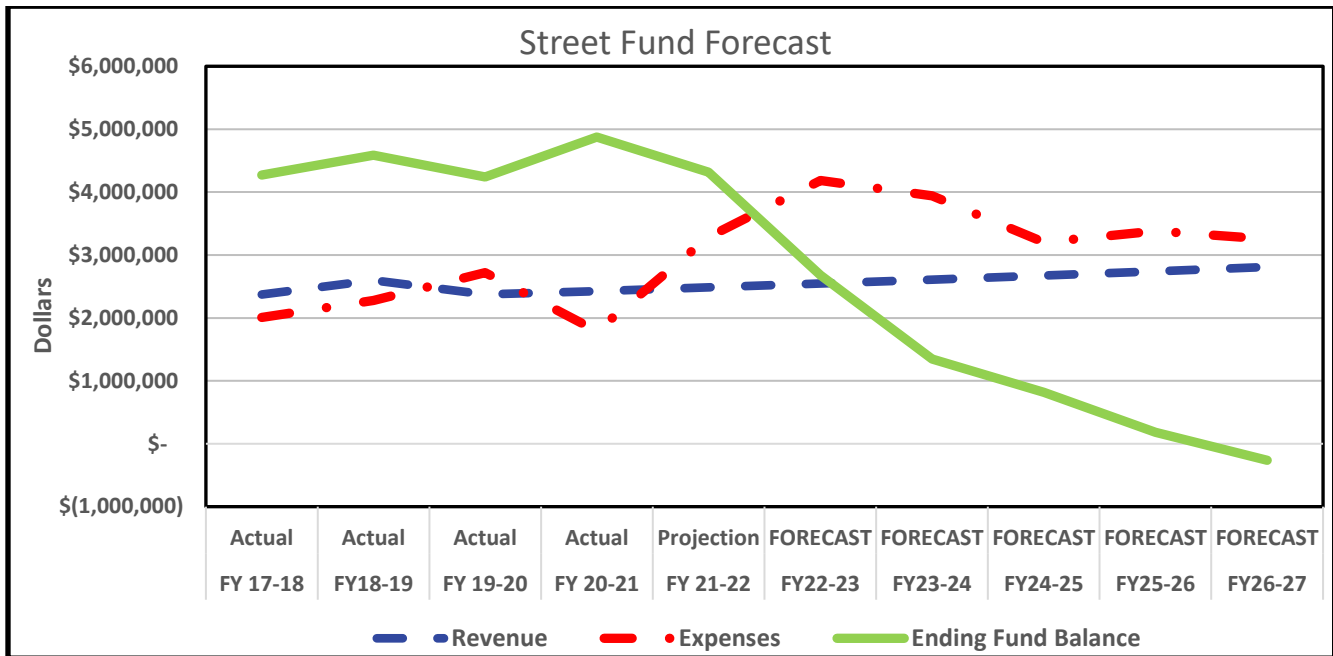
Should a large, unanticipated curtailment of state and/or federal grant revenue occur, this program could potentially be drastically curtailed or discontinued, as replacement funding is not anticipated to be available from the General Fund.

Street Fund

Variations from Status Quo Assumptions

- None

Operating Position



State gas taxes are the largest source of revenue followed by privilege taxes paid by PGE and NW Natural. Revenue is allowed to accumulate over time in order to fund major street improvements. As the improvements are underway the expense budget spikes and the fund balance decreases. While the forecast shows fund balance decreasing to zero, in reality the capital projects will be staggered or delayed in a manner that preserves the fund balance.

Capital Projects — From Operating Revenues

The current major capital projects shown in the forecast period are West Hayes Street from Settlemier to Cascade and South Woodland Extension.

Potential Impacts and Issues

Due to the increase in the gas tax/registration/other fees, and the shifting of shared revenues (to cover street lighting expenses) to this fund, the financial outlook remains relatively stable. Privilege taxes are dependent on population growth and can be impacted by weather patterns.

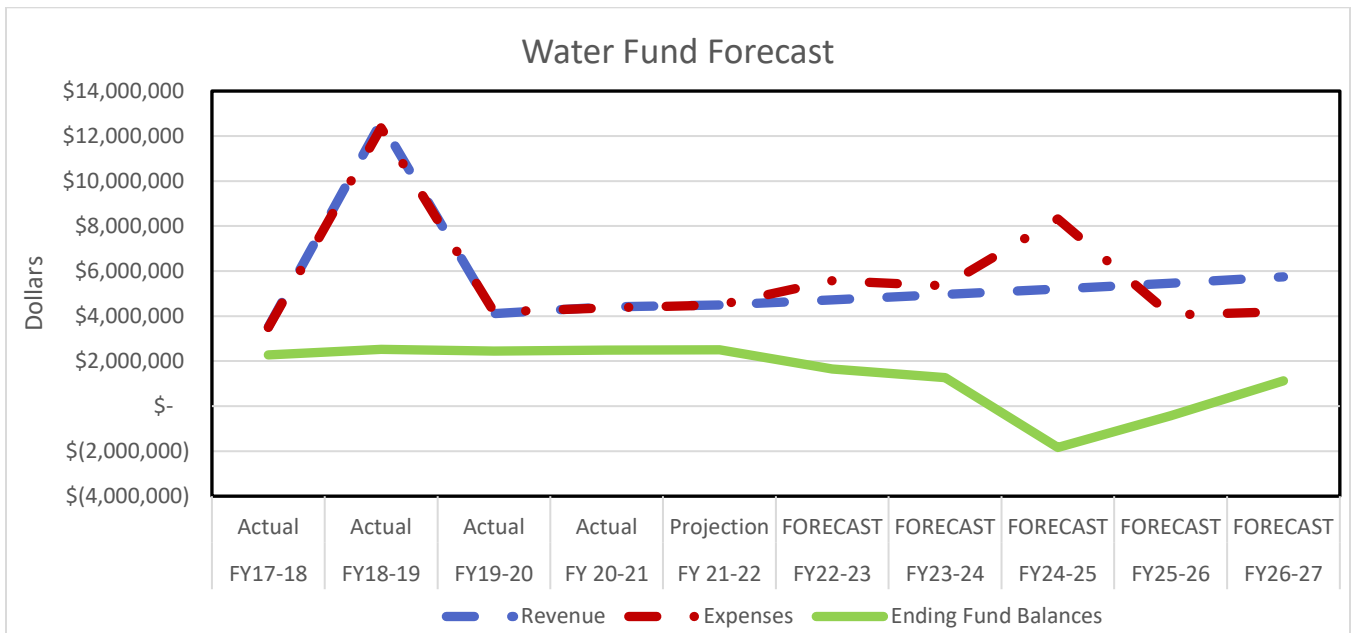
Water Fund

Variations from Status Quo Assumptions

- Spring 2018 water rate study resulted in City Council approved increases over the next 10 years; annual increases of 4 percent each July from 2020 to 2028.
- FY 2018-19 the water bond was refinanced
- FY 2024-25 expenditure peak reflects the Country Club Road water line transmission replacement

Operating Position

Water revenues are primarily driven by consumption. The funds costs are a mix of fixed expenses for the systems and infrastructure required to provide water, plus variable operating expenses.



Potential Impacts and Issues

As personnel, material and services costs continue to increase, levels of service will become difficult to maintain. Additionally, unknown capacity improvements predicated by the UGB expansion will impact future capital needs.

Capital Projects — From Operating Revenues

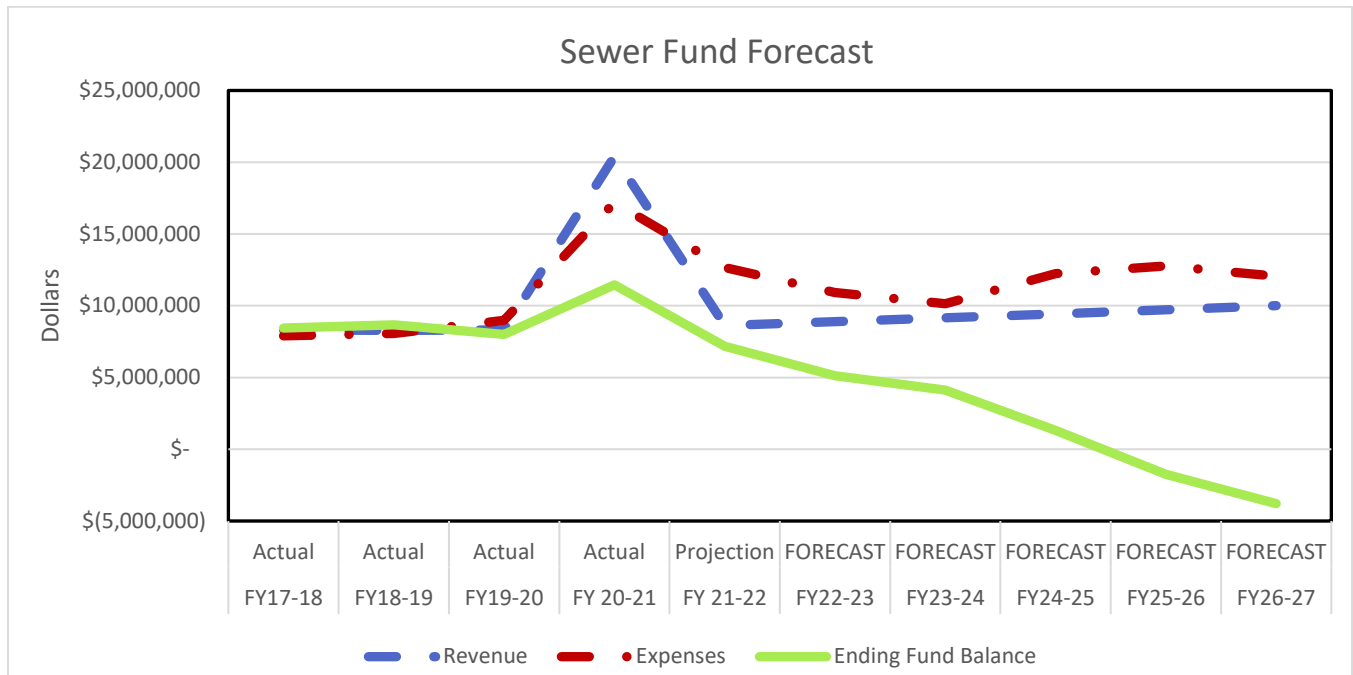
The Water Construction Fund 466 still carries a balance to cover most of the proposed projects for FY 2022-23. However, after that balance is spent the Water Fund will budget transfers for future water construction. While the forecast shows fund balance decreasing to zero, in reality the capital projects will be staggered or delayed in a manner that preserves the fund balance. Major projects include a new well and raw water piping at the Parr Road Treatment Plant and painting the elevated storage tank.

Sewer Fund

Variations from Status Quo Assumptions

- Bond defeasance was paid in early FY 2020-21 of \$13.5 million
- Sewer rate increases of 5 percent in January 2021 and 2022

Operating Position



Potential Impacts and Issues

In January 2012, the final design plan for required wastewater treatment plant upgrades were submitted to DEQ based on their previously approved evaluation report. In August 2013, EPA provided notice to DEQ disapproving of Oregon Water Quality Standards, including Natural Conditions Criteria for Temperature, and Statewide Narrative Natural Conditions Criteria, in general. The Pudding River TMDL for temperature, established in 2008 using natural criteria, could no longer be used for permitting.

Recently, the legal challenges to TMDL standards have been resolved, which will allow DEQ to establish a water quality standard for the Pudding River and the development of the City’s updated National Pollutant Discharge Elimination System (NPDES) permit. To initiate this process, the City is undertaking an update to the Wastewater Facilities Master Plan & Rate Study, which will inform necessary upgrades to the treatment plant and collection systems, as well as the financial resources required to accomplish them.

Remaining Funds

Capital Construction Funds

Capital Construction Funds are not included in this forecast because their activity is limited by funds available. A more robust capital construction plan and reporting mechanisms were implemented for development during the FY 2020-21 budget cycle.

Remaining Funds

The remaining 13 funds have dedicated revenue sources, are for a specific purpose, or have nominal activity. These funds have not been included as part of the Five-Year Forecast.

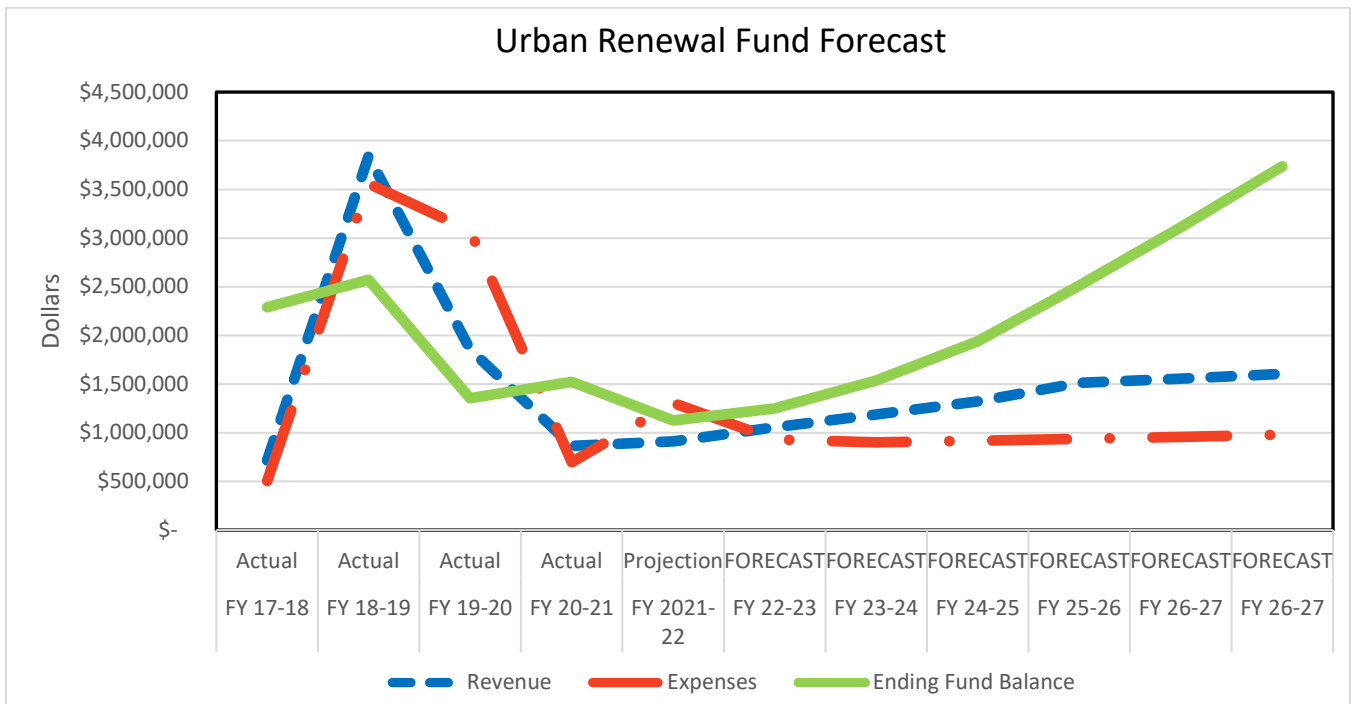
Urban Renewal Forecast is shown below

Urban Renewal Fund

Variations from Status Quo Assumptions

- Business grants were given out during COVID-restricted times
- Peak in FY 2018-19 was the First Street Improvement project costs and a loan for the improvement which will be paid through FY 2028-29
- The building of two apartment complexes in the Urban Growth Area is expected to increase property tax revenue beginning in FY 2022-23 and, therefore, increase the Urban Renewal Fund's revenue

Operating Position



Potential Impacts and Issues

Future projects may be impacted by funding although, many grants are available and the staff has been successful in acquiring grants.

Capital Projects — From Operating Revenues

Major projects include the completion of the Bungalow Theater and Museum, Historic Locomotive Shelter and the Public Arts and Mural program. With the increased operating revenues from the assessed valuations of new apartment complexes, new capital projects will be identified in the coming years to utilize the additional funds.

Major Assumptions – Revenues

The assumptions for this forecast are based on historical trends and expected growth. Most revenues will be improved as the City’s boundary grows, but there will be pressure on staffing levels or other expenses that may generate offsetting expenses in the short run.

Revenue Assumptions

Property Taxes — General Fund

The Marion County Assessor determines the taxable assessed value of each property. In Oregon, there is no correlation between real market value and assessed value. Generally, assessed values grow by 3 percent per year as allowed by the state constitution, but has been impacted by compression. Reduced property tax revenue due to compression reached a peak during the recession and has steadily improved in the last three years. The City’s tax rate is permanently set at \$6.0534 per \$1,000 of assessed value, and is subject to limitation under Ballot Measures 5 and 50.

Franchise Fees — General Fund

These fees are assessments on the utility companies’ gross receipts for using the City’s right-of-way. Rates vary by type of utility ranging from 3 percent to 8 percent. Franchise fees are assessed on telecommunication, cable television, natural gas, electric utilities, ambulance and garbage. These revenues are expected to grow at a rate of 1 percent for the forecast period. A new Right-of-Way franchise fee was implemented in December 2020 for small utilities using the City’s right-of-way.

Charges for Goods & Services — Utility User Charges

Water: The forecast assumes a 4 percent rate increase in each of the forecast years as adopted by City Council through 2028.

Sewer: The forecast includes 5 percent rate increases effective January 2021 and January 2022 as adopted by City Council.

Gas Taxes

The State Gas Tax is estimated with a growth rate of 5 percent per year.

Building, Planning and Engineering Permits

Permit revenues are based on identification of specific developments with assumptions based on which fiscal year the development is likely to begin.

Major Assumptions – Expenditures

Personnel Services

- Wages: Due to higher inflation in calendar year 2021, the potential for a higher COLA has been accounted for in the first year (FY 2022-23) of the five year forecast. Subsequent years have been forecast at the normal 3 percent increase. This is a conservative estimate, which takes into account bargaining agreements and merit increases.

Bargaining Group	FY 2021-22	FY 2022-23
Woodburn Police Association – Officers (WPA) – contract end 6/2022	2.5%	N/A
Woodburn Police Association – Community Service Officers (WPA)	2.5%	N/A
American Federation of State, County, and Municipal Employees (AFSCME) – contract ends 6/2022	3%	N/A

- Insurance: A growth rate of 5 percent is used for insurance costs in each of the forecast years.
- PERS: Rate assumptions for all categories were reduced due to the PERS side account. General Fund PERS assumptions tend to be slightly higher than other funds due to higher PERS rates for Police service employees.

Material and Services

Impacts of inflation are assumed to steadily increase over the five years at 3 percent. Management has been aggressive in managing costs in this category to help offset growth in personnel services costs and has been successful in holding spending well under budgeted amounts. However, inflation, workers' compensation and other liability insurance rates may cause this category to exceed the management targets as years pass.

Capital Equipment

The Public Works Fund maintains a replacement reserve for capital equipment replacement, which is funded via transfers from the Water, Streets and Sewer funds. The General Fund replaces equipment on an as-needed basis or emergency basis, with emphasis on whether funding is available.

Debt Service

Estimates are based on amortization schedules for outstanding debt issues.

Glossary

Capital Projects

New construction and major repairs to the City's fixed assets

Operating Position

Recurring revenues and recurring expenditures

Potential Impacts

Refers to issues and challenges that are in addition to the status quo. The intent is to inform the reader of economic matters that might occur during the forecast period.

Recurring Expenditures

The expense portion of status quo, predictable and on-going costs

Recurring Revenues

The resource portion of status quo, predictable and ongoing revenues

Revenues

Includes both recurring revenues and transfers in

Status Quo

The current level of services

Transfers In

Internal charges by General Fund for services provided to other funds

Urban Growth Boundary (UGB)

A regional boundary around the City's perimeter used by local governments as a guide to zoning and land use decisions to control urban expansion onto farm and forestlands



Agenda Item

February 14, 2022

TO: Honorable Mayor and City Council
FROM: Jim Row, Assistant City Administrator
SUBJECT: **Low Income Household Water Assistance Program**

RECOMMENDATION:

Authorize the City Administrator to sign the enclosed Low Income Household Water Assistance Program Agreement between the City of Woodburn, the Mid-Willamette Valley Community Action Agency (MWVCAA), and the Oregon Housing and Community Services Department.

BACKGROUND:

The City recently learned that a new utility assistance program, known as the Low Income Household Water Assistance (LIHWA) Program has become available to provide financial support to Woodburn residents who are struggling to pay their water and sewer bills.

The LIHWA Program is offered by the Oregon Housing and Community Services Department and is administered in Marion and Polk Counties by the Mid-Willamette Valley Community Action Agency (MWVCAA). The term of the agreement will be from the date of execution until the end of the current LIHWA Program year, which is September 30, 2023. It is possible that additional funding will be allocated to the program following the end of the current program year.

If approved by the City Council, staff will refer utility customers who are in need of assistance to the LIHWA Program. If a customer is ineligible for assistance through the LIHWA Program, they may still be eligible for assistance through the City's Utility Assistance Program, currently Administered by Love INC.

DISCUSSION:

The City typically issues 15-20 shut of notices each week. The majority of the accounts are brought current, resulting in approximately 5-8 actual weekly shut offs.

Agenda Item Review: City Administrator City Attorney Finance

The LIHWA Program is intended to provide aid to residents who are experiencing difficulty paying their water/ sewer bills. Financial assistance will be paid directly to the City and will be applied to the customers' outstanding account balances. Qualifying utility customers will be provided with utility assistance funding subject to the following criteria:

- Funding can be used to pay outstanding water and/ or wastewater service charges, including reconnection charges, fees, penalties, or reduction of current charges and fees
- In order to qualify, applicants must earn less than 60% of the state median income
- At least one member of the household must have a social security number
- Regular assistance payments have a floor (minimum) of \$100 per account and a ceiling (maximum) of \$1,000 per account
- Households who receive a regular payment are not required to have received a past due or shut off notice
- Households may receive one LIHWA regular assistance payment during the program year
- Customers experiencing a qualifying "crisis" situation are eligible to receive up to an additional \$1,000 in assistance during the program year
- Households may receive one LIHWA crisis assistance payment during the program year

FINANCIAL IMPACT:

The LIHWA Program has approximately \$1.2 million in funding available in Marion and Polk Counties.

CONTRACT FOR WATER ASSISTANCE PROVISIONS
BETWEEN

Mid-Willamette Valley Community Action Agency

AND

This Low-Income Housing Water Assistance (LIHWA) Program Agreement (“Agreement”) is entered into by and between the MWVCAA (“Agency”), _____ (“Vendor”), and the Oregon Housing and Community Services Department, together with its successors and assigns (“Department”), (each a “Party” and collectively the “Parties”) under the following terms:

1. Entire Contract

- a) This Agreement is the mechanism by which all Parties can carry out the provisions of the Low-Income Household Water Assistance (LIHWA) Program.
- b) It is understood and agreed that the entire contract between the Parties is contained in this Agreement.
- c) This Agreement supersedes all previous commitments, promises, representations either oral or written, between the Parties relating to the subject matter hereof.
- d) The person signing this Agreement on behalf of the Vendor certifies and attests that the Vendor has the power and authority to enter into and perform this Agreement, and that the signor has full and complete authority to bind the Vendor.
- e) All the words and phrases used in this Agreement shall have the meanings given herein or as used in the LIHWA Program Requirements and other related requirements unless the context clearly requires otherwise.

2. Definitions

- a) Authorization means a form that contains the Eligible Household’s account number, name of person applying for LIHWA assistance, name on the account, address of Eligible Household, and amount of the LIHWA Payment to be applied to the Eligible Household’s account.
- b) Commitment means the initial communication that an Eligible Household has qualified for LIHWA Payments and serves as notice of the forthcoming Authorization.
- c) Eligible Household means a household receiving services from the Vendor that has been determined, by the Agency in accordance with LIHWA eligibility guidelines, to be eligible for a LIHWA Payment.
- d) LIHWA Payment(s) includes regular and crisis payments made by the Agency to the Vendor on behalf of Eligible Households for eligible drinking water and/or wastewater service charges (including reconnection charges, fees, penalties, or reduction of current charges and fees).

3. The Agency agrees to do the following:

- a) To assign a vendor number/business code to each Vendor after the Agreement is fully executed.
- b) To obtain an Eligible Household’s consent through a Release of Information in order for the Agency to initiate two-way communication with the Vendor regarding Account information (such as current amount owed, status of service, and crisis situation indicators).
- c) To effectuate LIHWA Payments to the Vendor on behalf of Eligible Households, including:
 - i. Notifying the Vendor of Commitments through an agreed-upon format (i.e., direct portal input, written, oral, etc.),
 - ii. Notifying the Eligible Household of Commitments made to Vendor,
 - iii. Pursuant to Commitment, submitting payment to the Vendor promptly and no later than 45 days after Commitment issued, and
 - iv. Prior to receipt of payment, notifying Vendor of any changes to Commitments caused by federal or state law.
- d) To issue to Vendor a single check or Automated Clearing House (ACH) payment that includes benefits for all Eligible Households. A payment register precedes the check or ACH deposit. The register includes the names of the Eligible Households, the account names and numbers, the amounts to be applied to each account, and the addresses and counties of residence of the Eligible Households.

- e) To inform the Vendor in the case an Eligible Household is in crisis or life-threatening situation and speaking to the Vendor on behalf of the Eligible Household when a member of the Eligible Household is not present or does not have accessibility to such a discussion.

4. The Vendor agrees to do the following:

- a) To refer its customers to the Agency for assistance.
- b) To charge all Eligible Households using the Vendor's normal billing process.
- c) To charge all Eligible Households the price normally charged for drinking water and/or wastewater services supplied to non-eligible households, except for other billing assistance and/or discount programs.
- d) Not to exclude or discriminate against any Eligible Households with respect to cost of services, terms, deferred payment plans, credit, conditions of sale, or discounts and programs offered to non-eligible households.
- e) Not to treat any Eligible Households adversely because of receipt of LIHWA assistance.
- f) To continue to apply the regular drinking water and/or wastewater service charges and credits of payments in regular fashion, even in consideration of a Commitment or LIHWA Payment.
- g) To process all LIHWA Payments, on behalf of Eligible Households from the Agency, including:
 - i. Applying a credit notation to the Eligible Household's account as soon as the Vendor receives a LIHWA Authorization from the Agency.
 - 1. This credit can only be applied to water and wastewater related charges and fees.
 - 2. This credit cannot be applied to charges and fees including but not limited to police, streetlights, and garbage service.
 - ii. Applying and itemizing LIHWA Payments for all Eligible Households identified in the LIHWA Payment Register as directed by the Agency.
 - iii. Posting all payments to Eligible Household accounts promptly after being received, no later than the next billing cycle.
 - iv. If a LIHWA Payment cannot be credited to the Eligible Household's account, processing a refund, according to the Oregon LIHWA Vendor Refund Policies, directly to the Eligible Household within thirty (30) days.
- h) To discuss the Eligible Household's crisis or life-threatening situation with the Agency, speaking on behalf of the Eligible Household when a member of the Eligible Household is not present or does not have accessibility to the discussion.
- i) To cooperate with the Agency, once informed of the crisis or life-threatening situation and in receipt of a Commitment, to resolve the Eligible Household's situation related to drinking water and/or wastewater services with urgency.
- j) To comply with Oregon LIHWA Vendor Refund Policies, as described below in this Agreement.
- k) To maintain an accounting system and supporting fiscal records that represent the amounts and billing of drinking water and/or wastewater services provided to Eligible Households.
- l) To fully cooperate with the Department's and Agency's monitoring practices, including but not limited to providing requested documentation for Federal representatives or Oregon Secretary of State representatives within set time frames, as well as communicating with Department or Agency staff.
- m) To provide at no cost to the Department, Eligible Household, or Agency, written information on an Eligible Household's drinking water and/or wastewater services costs, bill payment history, and/or arrearage history for no more than the previous 12 monthly billing periods, even when it may be from a prior occupant household.
- n) To provide at no cost to the Department or Agency, or an authorized agent to the Department or Agency, for the purposes of research, evaluation, and analysis, information on household drinking water and/or wastewater services costs and usage for Eligible Households.
- o) **Program Requirements:** Vendor agrees to timely satisfy all requirements of this Agreement, including all LIHWA Regulations or other forms of LIHWA federal guidance, as applicable, and all other applicable federal, state, and local statutes, rules, regulations, ordinances, and orders (all of the foregoing, as amended from time to time, collectively, the "Program Requirements") to the satisfaction of Department or Agency.

5. Termination

- a) This Agreement shall terminate upon the earliest to occur of the following events:

- i. A change in the requirements of applicable Federal or State regulations for LIHWA administration,
 - ii. A change in the state plan for administering LIHWA that affects the terms and conditions of this Agreement,
 - iii. Thirty (30) days' written notice of termination by any Party,
 - iv. Mutual consent of all Parties,
 - v. Any license or certificate required by law or regulation to be held by the Vendor to provide services outlined in this Agreement is denied, revoked, or not renewed, or
 - vi. The end of the LIHWA program year, which begins on January 1, 2022 and ends on September 30, 2023.
- b) This Agreement will terminate effective immediately upon determination by the Department that the Vendor is not in compliance with the terms of this Agreement, including the Program Requirements. The Vendor will be notified within ten (10) days of termination.
 - c) Termination by any Party shall not discharge any obligations owed by any Party to another or to an Eligible Household or any liability, which has accrued prior to termination.
 - d) The rights and remedies of any Party provided in this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law.

6. Miscellaneous

- a) **Subcontracts:** The Vendor shall not enter into any subcontracts, beyond those already in place for normal and current billing operations, for any of the services provided under this Agreement without obtaining prior consent from the Department or Agency. The Vendor shall also provide the subcontract agreement(s) with this Vendor Agreement (see Attachment A).
- b) **Amendments:** The terms of this Agreement shall not be waived, altered, modified, supplemented or amended, in any manner whatsoever, except by written instrument between the Parties.
- c) **Execution and Counterparts:** This Agreement may be executed in counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.
- d) **Severability:** If any court of competent jurisdiction shall hold any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof.
- e) **Assignment:** The Vendor shall not assign or transfer its interest in this Assignment without the express written consent of the Department and Agency.
- f) **Waiver:** The failure by any Party to enforce any provision of this Agreement shall not constitute a waiver by another Party of that or any other provision.
- g) **Independent Contractors/Workers' Compensation Coverage:** Vendor and Agency are independent contractors under this Agreement and both covenant, warrant, and affirm that neither they nor any of their agents, representatives or employees are an officer, employee, or agent of the other party. Vendor and Agency further covenant, warrant and affirm that they shall provide Workers' Compensation insurance for their prospective employees and require such by their subcontractors.
- h) **Indemnity:** Subject to any applicable limitations in the Oregon Constitution and the Oregon Tort Claims Act, each Party (the "Indemnifying Party") shall save, defend (consistent with ORS chapter 180), indemnify and hold harmless the other Party, the Department and each of their officers, agents, employees and members (the "Indemnified Parties") from all claims, suits or actions of whatsoever nature (collectively, "Claims") to the extent resulting from or arising out of the negligent or wrongful acts or omissions of the Indemnifying Party or its subcontractors, agents, or employees in its performance or non-performance of its obligations under this Agreement unless such Claims primarily result from the Indemnified Party or Parties' negligence, gross negligence or willful misconduct. In no event shall either Party be liable to the other for Claims in an amount more than \$50,000 per event.
- i) **Successors in Interest:** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, and their respective successors and assigns, if any.
- j) **Force Majeure:** A Party shall not be held responsible for delay or default as a result of an event or action beyond its reasonable control, including without limitation, fire, riots, acts of God or war.
- k) **Governing Law:** This Agreement is governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law.
- l) **Merger:** This Agreement constitutes the entire Agreement between the Parties. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties.

- m) **Mediation:** In the case the Parties become involved in a dispute regarding any part of this Agreement, the Parties shall submit to mediation prior to the commencement of litigation to enforce this Agreement. The mediator shall be an individual mutually acceptable to all Parties. Each Party shall pay its own cost for the time and effort involved in mediation and agrees to split equally the cost of the mediator. All Parties agree to exercise best efforts and act in good faith to resolve all disputes.
- n) **Eligible Household Information Confidentiality:** Due to the obligations outlined in this Agreement, all Parties will have access to Confidential Information of Eligible Households, including but not limited to household member names, social security numbers, addresses, account numbers, account payments and balances, and income information. All Parties shall use appropriate safeguards to prevent the disclosure of Confidential Information to unauthorized third parties (which excludes, for example, compliance with applicable Public Records Laws or as required by an official court order), and shall prevent employees, agents or subcontractors from accessing, copying, disclosing or using any such Confidential Information.
- o) **Red Flag Rules:** All Parties agree to establish, maintain, and abide by reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft related to Eligible Households through the administration of LIHWA.
- p) **Funds Available and Authorized:** The Vendor understands and agrees that payment of amounts under this Agreement is contingent on the Department receiving appropriations or other expenditure authority sufficient to allow the Department and Agency to continue to make payments under this Agreement.
- q) **Effective Date and Duration:** This Agreement shall be effective upon execution by all Parties and shall remain in effect until terminated as described in the "Termination" section herein.
- r) **Further Acts:** Vendor will do, make, execute, and deliver all such further acts or writings as Department or Agency may require to protect the Department or Agency's rights under this Agreement.
- s) **False Claims Act:** The Parties acknowledge the Oregon False Claims Act, ORS 180.750 to 180.785, applies to any "claim" (as defined by ORS 180.750) made by (or caused by) a Party that pertains to this Agreement or LIHWA Payments for Eligible Households. The Parties certify that no claim is or will be a "false claim" (as defined by ORS 180.750) or an act prohibited by ORS 180.755. Each Party further acknowledge, in addition to the remedies under this Agreement, if it makes (or causes to be made) a false claim or performs (or causes to be performed) an act prohibited under the Oregon False Claims Act, the Oregon Attorney General may enforce the liabilities and penalties provided by the Oregon False Claims Act against the Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their duly authorized representatives as of the date(s) written below.

VENDOR:

By: _____ Date: _____

Print: _____

Title: _____

Vendor Name: _____

AGENCY:

By:  _____ Date: 1/11/2022

Print: Jimmy Jones

Title: Executive Director

Agency Name: Mid-Willamette Valley Community Action Agency

Oregon's Low-Income Household Water Assistance (LIHWA) Program Vendor Refund Policy

1. Credit Balances – Unless there is an event otherwise noted in this Refund Policy, all LIHWA Payments that create a credit balance remain on the Eligible Household's account until exhausted.
2. Ineligible Credit Balances - In the event that a LIHWA Payment cannot be applied to the Eligible Household's account, the remaining balance shall be returned to the Eligible Household within thirty (30) days after the Vendor receives the LIHWA Payment.
3. Deposits – All deposits and accrued interest become the property of the Eligible Household and shall be returned to the Eligible Household at the time specified in the deposit agreement in a manner consistent with applicable administrative rules, approved tariffs and other law.
4. Voluntary Closure and Moves - If the Eligible Household voluntarily closes the account that received a LIHWA Payment or moves to another service address that the Vendor does not represent, any credit balances resulting from a LIHWA Payment shall be refunded to the Eligible Household. If the Eligible Household moves to another service address by which the Vendor does represent, any credit balances resulting from a LIHWA Payment shall be transferred to the new address.
5. Inability to Locate Eligible Household – In the event that the Vendor is unable to locate the Eligible Household within one (1) year after service has been discontinued for any reason, any unused portion of a LIHWA Payment shall be returned to the Oregon Department of State Lands as unclaimed property.
6. Deceased Eligible Household – In the event a LIHWA Payment remains on the Eligible Household's account and the account is closed, the Vendor shall return the LIHWA Payment credit balance to the Department no later than the end of the program year. The Vendor shall submit a check to the Department with the notation of number six of this Refund Policy.
7. Return Address for Refunds to the State of Oregon – Mail refunds to:

OREGON HOUSING AND COMMUNITY SERVICES, ENERGY SERVICES SECTION
ATTN: LIHWA PROGRAM REFUND
725 SUMMER ST NE, SUITE B
SALEM, OR 97301

Refunds must include the following information: Eligible Household name, Eligible Household address, Name of Agency that provided LIHWA Payment to Eligible Household, Date of LIHWA Payment to Vendor, Reason for the return.
8. Incorrect Payments – All Agencies and Vendors are required to review the LIHWA Payments register for accuracy. In the event an Agency makes a payment in error, the Agency must correct the error within thirty (30) days of the error's discovery and the Agency is responsible for any applicable late charges, interest, or other penalties that cannot be waived in good faith. LIHWA Payments made in error must be corrected by the Agency and will be refunded from subsequent LIHWA Payments made to the Vendor. In the event the Vendor credits an account in error due to causes other than Agency error or otherwise misappropriates LIHWA Payments, the Vendor must correct the error within thirty (30) days of the error's discovery and is responsible for any applicable late charges, interest, or other penalties that cannot be waived in good faith.

Drinking Water and/or Wastewater Utility Vendor Information

Vendor Name		
Primary Contact Name	Primary Contact Phone	Customer Service Phone
Primary Contact Mailing Address	Primary Contact Fax	Primary Contact Email
Payment Contact Name	Payment Contact Phone	
Payment Contact Mailing Address	Payment Contact Fax	Payment Contact Email

Legal Name (For tax purposes)			
Taxpayer Identification Number (TIN)			
Type of TIN			
	Employer ID Number (FEIN)		Social Security Number (SSN)
	Individual Taxpayer ID Number (ITIN)		
Type of Entity			
	Individual/Sole Proprietor		Limited Liability Company
	Corporation		Government Entity

Counties served (Please check all that apply)							
<input type="checkbox"/>	Baker	<input type="checkbox"/>	Douglas	<input type="checkbox"/>	Lake	<input type="checkbox"/>	Tillamook
<input type="checkbox"/>	Benton	<input type="checkbox"/>	Gilliam	<input type="checkbox"/>	Lane	<input type="checkbox"/>	Umatilla
<input type="checkbox"/>	Clackamas	<input type="checkbox"/>	Grant	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	Union
<input type="checkbox"/>	Clatsop	<input type="checkbox"/>	Harney	<input type="checkbox"/>	Malheur	<input type="checkbox"/>	Wallowa
<input type="checkbox"/>	Columbia	<input type="checkbox"/>	Hood River	<input type="checkbox"/>	Marion	<input type="checkbox"/>	Wasco
<input type="checkbox"/>	Coos	<input type="checkbox"/>	Jackson	<input type="checkbox"/>	Morrow	<input type="checkbox"/>	Washington
<input type="checkbox"/>	Crook	<input type="checkbox"/>	Jefferson	<input type="checkbox"/>	Multnomah	<input type="checkbox"/>	Wheeler
<input type="checkbox"/>	Curry	<input type="checkbox"/>	Josephine	<input type="checkbox"/>	Polk	<input type="checkbox"/>	Yamhill
<input type="checkbox"/>	Deschutes	<input type="checkbox"/>	Klamath	<input type="checkbox"/>	Sherman	<input type="checkbox"/>	

Tribes served (Please check all that apply)			
<input type="checkbox"/>	Burns Paiute	<input type="checkbox"/>	Confederated Tribes of Warm Springs
<input type="checkbox"/>	Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians	<input type="checkbox"/>	Cow Creek Band of Umpqua Indians
<input type="checkbox"/>	Confederated Tribes of Grand Ronde	<input type="checkbox"/>	Coquille Indian Tribe
<input type="checkbox"/>	Confederated Tribes of Siletz	<input type="checkbox"/>	Klamath Tribes
<input type="checkbox"/>	Confederated Tribes of Umatilla Reservation	<input type="checkbox"/>	



Agenda Item

February 14, 2022

TO: Honorable Mayor and City Council

FROM: N. Robert Shields, City Attorney
Chris Kerr, Community Development Director

SUBJECT: **Authorization to amend UGB to include URA**

RECOMMENDATION:

Authorize the Community Development Director to begin the process of including the Urban Reserve Area (URA) in the Woodburn Urban Growth Boundary (UGB).

BACKGROUND:

In December 2015, the City Council enacted Ordinance 2530 and memorialized the UGB settlement reached after a mediation involving the City, the County, the State, and 1000 Friends of Oregon. In addition to the expanded UGB, Ordinance 2530 added a URA for future City expansion. The URA encompasses 230 acres of Southwest Industrial Reserve land. Under Oregon law, the URA must be brought into the UGB and subsequently incorporated into the City in order for future urbanization to occur.

DISCUSSION:

Procedurally, in order for the City to bring the URA into the UGB, the City must initiate another UGB amendment. Once the necessary Planning staff work is completed, the City Council enacts an ordinance. The City's proposed UGB amendment is then considered by Marion County. Finally, the City's UGB amendment is submitted to the Oregon Land Conservation and Development Commission (LCDC) for state approval.

Numerous cities throughout the State have struggled to successfully navigate the complex statutes and administrative rules regulating UGB amendments. Staff believes that Woodburn's strongest application for a UGB amendment would be a straightforward one focused only on bringing all of the URA into the UGB. It is imperative that the City's UGB amendment be well supported by a land use consultant's assessment of the available developable land and the

Agenda Item Review: City Administrator ___x___ City Attorney ___x___ Finance ___x___

City's present land need. If the City Council authorizes staff to proceed, the first step will be to retain the necessary land use consultant through the City's public contracting process.

FINANCIAL IMPACT:

The UGB amendment process involves compiling and analyzing a significant amount of data related to population and employment projections, land inventories, and reviewing the serviceability of land. Many of the City's adopted plans, such as our Economic Opportunities Analysis and Buildable Lands Inventory will need to be revised and updated consistent with the State's requirements for UGB amendments. The consultant chosen will need to be well-versed in the technical and legal requirements for processing UGB amendments.


Staff included \$50,000 in this year's budget under "professional services" to provide technical assistance for exactly this type of project. While acknowledging that the UGB amendment process is complex and may require addressing many currently unknown issues, Staff believes that the budgeted allotment will be satisfactory for the project at this time.

UGB IN RESPONSE TO REMAND

Attachment 1

20-Year UGB Expansion Limitation

20-Year UGB Expansion Limitation

City of Woodburn


- City Limits
- Current Urban Growth Boundary
- Streams
- Proposed Urban Growth Boundary
- Assessors Tax Lots
- Railroad

0 1,000
Feet

Disclaimer:
This map is a graphic representation using the most current information available (Taxlots provided by Marion County GIS). However, it should not be considered accurate for scaling. Last modified by HK on November 24, 2015.
Document Path: S:\GIS\Hui\UGB\Attachment 1.mxd

Public Works Department
Engineering Division/GIS Department

- Commercial - UGB Expansion
- Industrial - UGB Expansion
- Residential - UGB Expansion
- Urban Reserve



Agenda Item

February 14, 2022

TO: Honorable Mayor and City Council

FROM: Scott C. Derickson, City Administrator
Jamie Johnk, economic Development Director

SUBJECT: **Project Gamos – Community Service Fee Agreement**

RECOMMENDATION:

Via a motion:

1. Approve the attached Community Service Fee Agreement with Chewy, Inc.
2. Place a deadline for the acceptance of the terms of the agreement no later than February 28, 2022, and Authorize the City Administrator to countersign the agreement and;
3. Direct the City Administrator report back to the City Council as to the status of the agreement during the Council’s February 28, 2022, meeting.

BACKGROUND:

In October 2019, the City first responded to a Business Oregon project lead known as “Project Apofiki.” A that time, the City responded by providing information on available industrial land, incentives, and a profile of the community. The City met with Project Apofiki representatives in February 2020 in Woodburn, after which the project went dormant. Then in July 2021, Business Oregon again reached out to city staff that Project Apofiki was once again active and considering Woodburn as a prospective development site.

In December 2021, we were once again notified that the project, now named “Project Gamos,” had signed a letter of intent with a local private developer to construct their 800,000-s.f. distribution facility on the 50-acre industrial parcel south of Stacy Allison Way. In January 2022, Project Gamos, which has now publicly identified as Chewy, expressed their interest to the City in a 3-year enterprise zone tax abatement.

Agenda Item Review: City Administrator ___x___ City Attorney ___x___ Finance ___x___

As a result, and in order to minimize the financial impact of the project moving forward with Enterprise Zone benefits, staff has negotiated a Community Service Fee Agreement (CSFA), or fee in lieu of tax, in order to keep Woodburn Police and Fire District intact. Councilors should know that although staff promptly made the changes to the Agreement that Chewy requested, Chewy has not yet signed the CSFA.

DISCUSSION:

Per State law, under the proposed agreement, the City will support and process an Enterprise Zone Property Tax Abatement Application, which would provide Chewy with a three-year property tax abatement benefit. At the conclusion of the abatement period, the full-assessed value of the project would then be placed on the tax rolls. Under the agreement, Chewy would offset the financial impact of the abatement by making community service fee payments to the City.

In exchange for Enterprise Zone benefits, Chewy will construct a proposed distribution center with an initial estimated investment of \$153 Million (\$85 million in structural and \$68 million in equipment) inside the City of Woodburn city limits. Throughout the three-year abatement program, Chewy agrees to begin hiring, and maintain, 1,000 Regular Full-Time Positions. Chewy also agrees to meet or exceed the following minimum starting wage level and benefits for all employees hired into Regular Full-Time Positions as follows:

- An Average Minimum starting wage of at least \$16.00 per-hour.
- Benefits (provided after an employment period of thirty (30) days): Comprehensive Health, Dental, and Vision Insurance Plan Coverage, and Pet Insurance. For purposes of this Section, Comprehensive health plan coverage means an employer-provided health insurance plan(s) that includes coverage for the essential health benefits outlined in the Affordable Care Act ("ACA"), with the employer share for premium costs equating to at least 70% of the plan's cost for single coverage.

Under the three year CSFA that would be tied to the tax-abatement program, the Company would pay the City, based on the assessed value methodology contained in the agreement. This fee would be collected annually and then the City would distribute the Woodburn Fire District's portion directly. In the CSF Agreement, we have proposed a payment from the company based on the following calculations:

Community Service Fee ("CSF") Multiplier Rate:

	Current Tax Rate	Percentage of Tax Rate Budgeted for Public Safety Services	Community Service Fee ("CSF") Multiplier Rate
CITY OF WOODBURN (permanent rate)	\$6.0534	58.587%	\$3.5465
WOODBURN FD (permanent rate)	\$1.6009	100%	\$1.6009
WOODBURN FD (local option levy)	\$0.35	100%	\$0.35
Total CSF Multiplying Rate*			\$5.4974

Community Service Fee Amount:

Annual Community Service Fee Amount	=	\$5.4974 *CSF Multiplier	X	Assessed Value of the Company's Enterprise Zone Investment (Building & Improvements and Machinery & Equipment)	\$1000
-------------------------------------	---	--------------------------------	---	---	--------

NOTE: The abated value will be calculated using a specific depreciation schedule provided by the Marion County Assessor. Nothing herein shall limit or restrict the Company from challenging its assessed valuation or amount due for ad valorem property taxes in the same manner as any other taxpayer.

Finally, Chewy will be responsible for all costs and work associated with filing an Enterprise Zone Authorization Application and Chewy agrees to utilize WorkSource Oregon (or other local service providers) for employee hiring.

**WOODBURN ENTERPRISE ZONE
TAX ABATEMENT & COMMUNITY SERVICE FEE AGREEMENT**

THIS Tax Abatement & Community Service Fee Agreement ("Agreement") is entered into this ___ day of _____, 2022 ("Effective Date"), between the City of Woodburn, a municipal corporation of the State of Oregon ("City") and _____ ("Company") (collectively the "Parties").

RECITALS

- A. Pursuant to the Oregon Enterprise Zone Act (ORS 285C.045 – 285C.250), the City sponsored the re-designation of the Woodburn Enterprise Zone ("Zone") in May 2021. This current redesignation, unless earlier terminated or extended, is in effect through June 30, 2031.
- B. The Woodburn Enterprise Zone covers most of the developable land within the City's boundary, with the exception of 105 acres of property located in the City's Southwest Industrial Reserve area.
- C. The Company desires to engage a private developer to construct an industrial facility on property currently located within the Zone (tax lot nos. 052W140000801 & 052W14000800) ("Project Site") and then participate in the Zone tax abatement program.
- D. It is anticipated that the Company's lease of the Project Site and future business operations within the Zone will meet the Enterprise Zone Exemption Criteria found in ORS 285C.175.
- E. In planning to bring new development and business to Woodburn, the Company acknowledges that the City has a vital interest in ensuring that any benefits provided to the Company through the Zone program are balanced against specific financial support for the City's critical public safety services and infrastructure.
- F. The Woodburn City Council also acknowledges that the City's sponsorship of the Enterprise Zone program is a vital resource for creating better opportunities for business investment across the City and that part of managing the Zone program includes ensuring that the business incentives provided for new opportunities are balanced against sustaining revenue for public services.
- G. The Parties understand that the Enterprise Zone Act, specifically sections ORS 285C.150 and 285C.160, have a detailed framework that permits enterprise zone sponsors to require eligible business firms to satisfy "other conditions" in order for the firm to be authorized; however, the purpose of this Agreement is to reflect the Parties mutual understanding for certain program arrangements that extend beyond the scope of what is specified by those sections of the Act.
- H. Pursuant to Section 4 of the City of Woodburn Charter, it is acknowledged by the Parties that certain terms and conditions of this Agreement are made under the power of the City's home rule charter authority and are to be harmonized with the Enterprise Zone Act. Nothing herein is intended to conflict or otherwise be inconsistent with the Enterprise Zone Act.

- I. The Company further acknowledges that the Enterprise Zone Act does not prohibit or otherwise prevent an eligible businesses and sponsoring jurisdictions to agree upon additional conditions that may be imposed upon a business firm seeking program benefits.
- J. The City and Company have in good faith negotiated this Agreement related to the Zone tax abatement program, including all other incentives to be provided by the City in exchange for the Company's financial contributions towards the City's critical public safety services. This Agreement comprises the full scope of the Parties' resulting negotiations.

The Parties Agree as Follows:

AGREEMENT

1. Definitions.

- (a) Community Service Fee Contribution. Means a monetary contribution to the City to cover critical public safety services in Woodburn during the Company's eligible tax abatement period(s) described in this Agreement.
- (b) Covered Position. Means all of the Company's jobs at its Project Site location within the Zone and as otherwise negotiated under the Company's First Source Agreement.
- (c) First Source Agreement. Means the mandatory contract that the Company will enter into with WorkSource Oregon (or other local service provider) that must remain in effect during the period of the tax abatement. WorkSource Oregon (or other local service provider) will generally serve as a resource to the Company for recruitment, referral, and placement of personnel in Covered Positions.
- (d) Regular Full-time Position. Means a non-seasonal or non-temporary job directly with the Company exceeding an annual average of 32 hours per week.

2. City of Woodburn Obligations.

2.1. Enterprise Zone Program. The City shall continue to perform all statutory duties required of a Zone Sponsor per ORS 285C.050 to 285C.255 (Oregon Enterprise Zone Act) and shall take no adverse action to preemptively or administratively cause the early termination of the Zone during the Company's initial eligibility period for tax abatement. Furthermore, the City agrees that it shall review and make timely findings on all Zone applications received from the Company and file such applications with the Marion County Assessor and Business Oregon per the requirements of the law.

2.2. City Coordination & Assistance. The City shall work in good faith with the Company for the duration of the period of any Zone tax abatement to foster the success of all Parties in this undertaking. The City will coordinate all parties necessary to achieve real property tax abatement for the Company's qualified property at the Project Site, including for an initial abatement period estimated to commence in fiscal year 2024 continuing through fiscal year 2026, provided that the Company discharges its obligations under this Agreement.

2.3. Infrastructure Grant Assistance. Conditioned upon the Company providing the critical data and timely information necessary for completing such applications, the City shall assume responsibility for preparing and administering (if awarded) the following grants intended to provide financial contributions toward the construction of surrounding roadway infrastructure for the Project Site: Oregon Department of Transportation Immediate Opportunity Fund (IOF) and Business Oregon Special Public Works Fund (SPWF) grants.

2.4. Future Company Investments. Unless earlier terminated by City Council Resolution or administrative action by Business Oregon, through the duration of the City's current Zone designation (i.e. through June 30, 2031), the City agrees that it will support subsequent Zone authorization applications by the Company for additional tax abatement on future incremental investments at the Project Site, provided that the Company meets the minimum investment threshold and has not reduced the employment of the firm pursuant to the requirements set by ORS 285C.155 and 285C.200(2). For purposes of meeting the employment requirements for qualifying future abatements, the Company shall maintain the minimum employment levels and job quality commitments outlined in Section 3 below.

Any subsequent Zone abatement authorized by the City pursuant to this Section will be contingent upon the Company continuing to meet the Obligations outlined in Section 3 below and contributing a new Community Service Fee during the abatement period that will be calculated pursuant to Section 3.5 and based on the annual assessed value of the new qualifying investment.

3. Company Obligations. In consideration of the City covenants outlined above and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be bound hereby, the Company shall perform the obligations set forth in this Section.

3.1. Conditions Precedent. The following are conditions precedent to the obligations set forth herein:

- (a) The City's approval of this Agreement;
- (b) The positive determination by the City and the Marion County Assessor that the Company's initial Enterprise Zone investment at the Project Site and described herein is eligible for the tax abatement provided by ORS 285C.050 – 255.

3.2. Investment in Project Site. The Company's proposed initial investment in the Zone includes the following estimated project costs:

(a) Real Property: Building or Structure to be Constructed	\$85,000,000
(b) Personal Property: Project Machinery and Equipment	\$68,000,000
<hr/>	
Total Estimated Value of Investment	\$153,000,000

3.3. Minimum Employment Level. The Company acknowledges that it expects to begin hiring for Regular Full-Time Positions at the Project Site in May 2023, and that one thousand (1,000) new Regular Full-Time Positions will be filled during the initial abatement period.

3.4. Job Quality Commitments. The Company shall meet or exceed the following minimum starting wage level and benefits for all employees hired into Regular Full-Time Positions at the Project Site:

- (a) Wages: Average Minimum starting wage of at least \$16.00/hr
- (b) Benefits (provided after an employment period of thirty (30) days): Comprehensive Health, Dental, and Vision Insurance Plan Coverage, and Pet Insurance. For purposes of this Section, Comprehensive health plan coverage means an employer-provided health insurance plan(s) that includes coverage for the essential health benefits outlined in the Affordable Care Act ("ACA"), with the employer share for premium costs equating to at least 70% of the plan's cost for single coverage.

3.5. Community Service Fee. Each year that the Company receives a Zone tax abatement (initial or subsequent), the Company shall pay to the City a Community Service Fee. The method of calculating such a fee and payment terms are set as follows:

- (a) The Community Service Fee will be calculated as the amount of each year's abated property taxes that would have otherwise been paid and distributed to the City for Woodburn Police Department budgeted services and the Woodburn Fire District were it not for the Company's participation in the Enterprise Zone Program. (See calculation methodology in the attached Exhibit A).
- (b) The payment of the Community Service Fee will become due and payable during the initial tax abatement period according to the payment schedule in Exhibit A. Any subsequent Community Service Fee that is calculated and owing as a result of an additional eligible Company investment at the Project Site, will also be payable on an annualized basis and in the same general manner as otherwise described in this Agreement.
- (c) The final accounting and billing for the Company's Community Service Fee will occur in December of each year. The City will invoice the Company with the final calculation and payment will be due and payable in full within 30 days of invoice date.
- (d) Prior to the City's receipt of any Community Service Fee payment under this Agreement, the City shall execute an Intergovernmental Agreement with the Woodburn Fire District that provides for the timely disbursement of the Fire District's share of all collected fees under this Agreement.
- (e) Other than the City's timely allocation of the Fire District's portion of the Community Service Fee, which will be distributed to the Fire District per the terms of an Intergovernmental Agreement between such parties, there shall be no further obligation for the City to trace Community Service Fee funds to a level of expenditure or independently report on future expenditures of the funds. Furthermore, the Company

shall have no consequential expenditure oversight or control over the Community Service Fees paid to the City under this Agreement.

- (f) The Company shall not be required to pay any Community Service Fee set forth herein with respect to any year that it pays ad valorem property taxes on the full assessed value of its investment at the Project Site due to cancellation of or disqualification from the Enterprise Zone tax exemption program.

3.6. Enterprise Zone Application. The Company is responsible for all costs and work associated with filing an Enterprise Zone Authorization Application(s) with the City as provided in ORS 285C.140 and the applicable administrative rules.

3.7. Obligations Pursuant To a First Source Agreement. The Company will utilize WorkSource Oregon's (or other local service provider's) program for employee hiring at Zone operations throughout the project construction and tax exemption period. A "First Source Agreement" is executed with WorkSource Oregon (or other local service provider), which determines performance standards for recruitment activities. Positions to be hired through WorkSource Oregon (or other local service provider) are negotiated. WorkSource Oregon (or other local service provider) will focus its initial recruitment efforts on residents of Woodburn.

3.8. City of Woodburn Business Registration. The Company must maintain a current and active City of Woodburn Business Registration as of the contract execution date and during the entire tax abatement period.

3.9. Equal Opportunity. As part of its activities under this Agreement, the Company shall not discriminate on the basis of race, religion, color, sex, marital status, national origin, age, mental or physical disability, sexual orientation, gender identity, source of income, or other protected characteristic.

4. Remedies. If the Company fails to perform its obligations under this Agreement, the City may, at its discretion, pursue one or more of the following remedies. The City's failure to exercise its remedies does not waive City of Woodburn's claim(s) for breach of contract or the Company's duty to fulfill its obligations under the Agreement.

4.1. City's Remedy for Company's Non-performance of Employment and Job Quality Related Obligations. If the Company fails to meet the employment level and job quality commitments in accordance with Sections 3.3 and 3.4 of this Agreement, the property shall be subject to the penalties described in ORS 285C.240. The Company will notify the tax assessor and City that they are disqualified from tax exemption for the tax year in which failure occurred, as specified under ORS 285C.240(1),(2) and (3). The Company may avoid disqualification from the enterprise zone program by paying the City one year's worth of the exemption. See OAR 123-674-6600 to 123-674-6630.

4.2. Late Payment Remedy for Any Fee Owed. Failure of the Company to make payment in full of any amount due under this Agreement by the due date shall result in a penalty being charged on the past due balance in the following amount(s): Late payment penalty equal to one percent (1%) of the amount overdue for each month outstanding until paid, beginning with the due date of the late payment.

4.3. City's Remedy for Company's Non-payment of Community Service Fee Obligations. If Community Service Fees are not paid to the City in accordance with Section 3.5 and Exhibit A of this Agreement, the City may declare a default under this Agreement. The Company shall then have thirty (30) days to cure the default; otherwise, the City may file an action to collect the entire amount of the unpaid fee, with penalties and interest as otherwise permitted by law. In the event a suit or action is instituted to enforce payment of the Community Service Fee and the Company is found to be in default of this Agreement, the Company agrees to pay the City in addition to the amounts owing, reasonable attorney's fees and such additional sums as the court may adjudge.

4.4. Company's Remedy for Challenging Amounts Due. The Company may challenge the City's calculation of any payment amount due to the City pursuant to this Agreement by filing a written objection on or before the due date for the payment. The objection shall be accompanied by payment in full of the amount claimed by the City to be due and a statement of the basis for the challenge. The City shall deposit the amount in a trust and agency account and shall have fifteen (15) days to review the objection and issue a determination, together with any refund it concludes is required. Failure of the City to respond shall be deemed a denial. This process shall be a prerequisite to the Company exercising any other remedies for contesting the amount due to the City. The Company may institute proceedings in the Circuit Court for Marion County, as appropriate, to challenge any amounts due claimed by the City or to seek specific performance of this Agreement in the event of breach by the City. In the event that the Court determines that a refund is due the Company, the City shall pay the amount due, together with interest at the rate actually earned by the City during the interim.

4.5. Company's Remedy Limitation. The amount of any monetary remedy obtained by the Company shall not exceed the amount of property tax savings resulting from the property tax abatement granted to the Company under the City's Enterprise Zone program.

5. Term & Termination. Subject to compliance with all terms and conditions herein, the Term of this Agreement commences upon the Effective Date first written above and will continue in effect till June 30, 2031, or the fifth anniversary following a subsequent authorization for Zone tax abatement for the Company at the Project Site per ORS 285C.245, whichever occurs later. All payment terms and representations and warranties of the Company contained in this Agreement shall survive the expiration of this Agreement.

6. Miscellaneous.

6.1. Relationship of the Parties. Nothing in this Agreement is intended, or is to be deemed to create a partnership or joint venture between the Parties. The Company shall at no time hold itself out as a subsidiary or affiliate of the City. Further, nothing contained herein shall be deemed or construed by the Parties, nor by any third parties, as creating a relationship between the City and any officers, employees, volunteers, suppliers, contractors, or subcontractors used by the Company to carry out any activities under this Agreement.

6.2. Authority. Each party represents and warrants that it has the full right and power to enter into this Agreement and that it is fully ready, willing, and able to perform all its obligations hereunder.

6.3. No Third Party Beneficiaries. Except as specified under Section 3.5 of this Agreement providing for the Woodburn Fire District, no provisions of this Agreement are intended or will be construed to confer upon or give to any person or entity other than the signatories to this Agreement any rights, remedies or other benefits under or by reason of this Agreement.

6.4. Successors and Assigns. This Agreement shall bind the successors and assigns of the parties. In the event of a purchase, merger, or other restructuring, including but not limited to a divestiture of the Company, whether voluntary or not, the Company shall make every effort to ensure that the obligations set forth herein are not impaired. The City shall cooperate and assist the Company in fulfilling this obligation.

6.5. Notices. Any notice under this Agreement must be in writing and will be effective when actually delivered in person or three (3) days after being deposited in the U.S. mail, registered or certified, postage prepaid and addressed to the party at the address stated in this Agreement or such other address as either party may designate by written notice to the other. Mailing addresses for the parties are as follows:

(a) The City. City of Woodburn
Attn: City Administrator
270 Montgomery Street
Woodburn, Oregon 97071

(b) Company. [Company Name]
Attn: Pete Kirllies VP of Real Estate, Procurement, Facilities
1855 Griffin Road, Suite B-328
Dania Beach, FL 33004

6.6. Oregon Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between the City and Contractor that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon. Contractor hereby agrees to the in personam jurisdiction of such court and waives any claims of an inconvenient forum.

6.7. Severability. If any provision of this Agreement or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement, nor the application of the provisions to other persons, entities or circumstances shall be affected, but instead shall be enforced to the maximum extent permitted by law

6.8. Merger Clause; Waiver. No modification, amendment, discharge, or change of this Agreement, except as otherwise provided, shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, amendment, discharge, or change is sought. This document constitutes the entire, final, and complete agreement of the parties pertaining to the subject matter hereof, and supersedes and replaces all prior or existing written and oral agreements between the parties or their representatives relating to the business plan and feasibility funding. The failure of the City to enforce any provision of this Agreement shall not constitute a waiver by the City of that of any other provision.

[Signatures]

EXHIBIT A

COMMUNITY SERVICE FEE CALCULATIONS AND PAYMENT SCHEDULE

This attachment is provided to clarify the formulas used to calculate the Company’s Community Service Fee total and the estimated payment schedule under the Agreement.

CALCULATION FOR COMMUNITY SERVICE FEE DUE

This section outlines how the Company’s Community Service Fee payment amount (Section 3.5) will be calculated.

Community Service Fee ("CSF") Multiplier Rate:

	Current Tax Rate	Percentage of Tax Rate Budgeted for Public Safety Services	Community Service Fee ("CSF") Multiplier Rate
CITY OF WOODBURN (permanent rate)	\$6.0534	58.587%	\$3.5465
WOODBURN FD (permanent rate)	\$1.6009	100%	\$1.6009
WOODBURN FD (local option levy)	\$0.35	100%	\$0.35
Total CSF Multiplying Rate*			\$5.4974

Community Service Fee Amount:

Annual Community Service Fee Amount	=	\$5.4974 *CSF Multiplier	X	$\frac{\text{Assessed Value of the Company's Enterprise Zone Investment (Building \& Improvements and Machinery \& Equipment)}}{\$1000}$
-------------------------------------	---	-----------------------------	---	--

NOTE: The abated value will be calculated using a specific depreciation schedule provided by the Marion County Assessor. Nothing herein shall limit or restrict the Company from challenging its assessed valuation or amount due for ad valorem property taxes in the same manner as any other taxpayer.

PROPOSED CSF PAYMENT SCHEDULE

Tax Assessment Year	City Calculation of CSF & Invoice Date (no later than)	Estimated Due Date of CSF (within 30 days of invoice)
2024	December 15, 2024	January 15, 2025
2025	December 15, 2025	January 15, 2026
2026	December 15, 2026	January 15, 2027