

FY2025-26 Proposed McMinnville Budget Q&A #3

Budget Review Questions

1. What is the savings if there is no COLA for administration?

If a 0% COLA was applied to the City's 10 Department Head positions, the savings would be \$58,400, with \$51,600 of that being General Fund savings.

2. What is the savings if COLA was 1.3% for the rest of the staff?

For the remainder of the General Service employees (excludes Police Union employees), if the COLA was 1.3% the savings would be \$157,900, with \$103,500 of that being General Fund savings.

3. Please provide an analysis of overtime costs.

	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 YTD Transactions Thru 5/15/25	FY 2026 Proposed Budget
Expenditures				
Account: 7000-20 - Salaries & Wages Overtime				
01-01 - General,Administration	\$5,837.91	\$4,951.00	\$650.26	\$2,500.00
01-03 - General,Finance	\$3,535.24	\$5,000.00	\$4,877.39	\$5,000.00
01-05 - General,Engineering	\$3,135.10	\$5,200.00	\$4,556.28	\$5,200.00
01-07 - General,Community Development	\$4,594.95	\$12,301.00	\$3,957.27	\$7,285.00
01-11 - General,Police	\$765,448.44	\$700,300.00	\$593,314.19	\$662,242.00
01-13 - General,Municipal Court	\$0.00	\$5,000.00	\$6,080.24	\$5,000.00
01-17 - General,Parks & Recreation	\$416.90	\$500.00	\$941.46	\$600.00
01-19 - General,Park Maintenance	\$9,325.07	\$13,000.00	\$14,420.15	\$21,000.00
01-21 - General,Library	\$637.01	\$0.00	\$2,093.18	\$0.00
08-25 - Affordable Housing,Construction Ex	\$0.00	\$1,599.00	\$560.84	\$1,215.00
20 - Street	\$10,472.27	\$12,000.00	\$8,211.56	\$13,500.00
70 - Building	\$3,497.47	\$5,000.00	\$3,082.25	\$5,000.00
75-01 - Wastewater Services,Administratior	\$236.61	\$399.00	\$241.67	\$500.00
75-72 - Wastewater Services,Plant	\$23,247.38	\$24,000.00	\$26,000.73	\$28,999.00
75-74 - Wastewater Services,Environmental	\$0.00	\$501.00	\$0.00	\$500.00
75-78 - Wastewater Services,Conveyance S	\$5,554.87	\$6,001.00	\$5,613.62	\$6,501.00
80 - Information Systems & Services	\$1,621.96	\$7,000.00	\$9,257.02	\$7,000.00
99-70 - Fire District Transition,Fire Administ	\$182,067.60	\$0.00	\$0.00	\$0.00
99-73 - Fire District Transition,Fire Preventic	\$6,247.75	\$0.00	\$0.00	\$0.00
99-79 - Fire District Transition,Ambulance	\$330,313.83	\$0.00	\$0.00	\$0.00
Expenditure Grand Totals:	\$1,356,190.36	\$802,752.00	\$683,858.11	\$772,042.00

4. Can the Police Department breakdown the costs of various "types" of overtime? (i.e.: court time, etc)

2024 Overtime Hours - Court, Shift Continuation, Training

COURT OVERTIME

<u>Description</u>	<u>Actual OT Hours Worked</u>	<u>Add'l Callback Hours Paid</u>	<u>Total OT Hours Paid</u>
Circuit Court	55.00	39.50	94.50
Civil	3.25	7.75	11.00
DMV Hearing	3.50	24.50	28.00
Dependency Hearing	2.00	0.00	2.00
Grand Jury	82.00	282.00	364.00
Municipal Court	34.50	74.00	108.50
Other	0.25	2.75	3.00
Trial Prep	6.75	19.75	26.50
Totals:	187.25	450.25	637.50

SHIFT CONTINUATION OVERTIME

<u>Description</u>	<u>Actual OT Hours Worked</u>	<u>Add'l Callback Hours Paid</u>	<u>Total OT Hours Paid</u>
Evidence	16.00	2.00	18.00
Investigation	555.00	15.00	570.00
Other	50.50	5.00	55.50
PTO stuff	83.25	0.00	83.25
Report writing	362.00	2.50	364.50
Supervisor duties	145.25	7.00	152.25
Totals:	1,212.00	31.50	1,243.50

TRAINING OVERTIME

<u>Description</u>	<u>Actual OT Hours Worked</u>	<u>Add'l Callback Hours Paid</u>	<u>Total OT Hours Paid</u>
Drone (UAS)	23.00	5.50	28.50
In-service	626.25	26.50	652.75
K9 - Drug Dog	105.50	0.00	105.50
K9 - Patrol Dog	162.00	25.00	187.00
Miscellaneous	229.50	21.00	250.50
Pre-Academy	47.50	0.50	48.00
Travel to/from training	41.00	0.00	41.00
Totals:	1,234.75	78.50	1,313.25

SHIFT BACKFILL

Description	Actual Shifts	Total Hours
Shift Backfills	208.00	2,250.50

TOTAL FOR ALL CATEGORIES

5,444.75

5. EcoSolutions Consulting budgeted amount review. 01-01-002.7750 Professional Services

This contract is for our consultant conducting the Recology rate review and advising on potential franchise updates and negotiation. The contract's initial term is only until June 15, 2025. The budgeted amount contemplates three potential 3-month extensions (at \$3,900 per month + travel expenses). This was a conservative estimate that we would need all extensions based on the progress of the rate review at the time of budget creation.

6. On Page 96- What is the intergovernmental contracts, placeholder for incentives mean?

- There was a placeholder for possible incentives for Council but did not move forward with this and the budget note should have been updated. Some of the intergovernmental contracts are for:
 - **STATE LOBBYIST:** NW Policy paid invoices for July 2024-May 2025 were \$15,229.20. Expecting the June 2025 invoice in July, which should be approximately \$1565.53.
 - **FEDERAL LOBBYIST:** Smith Garson paid invoices for Sept. 2024-April 2025 were \$48,000. The contract ended April 30, 2025.
 - Raftelis Consulting – For Council Goal Setting
7. Provide detail breakout for 01-01-005.7750 Professional Services.
- Smith Garson Lobbying Services - \$48k
 - NW Policy Grassroots Lobbying Services - \$15,229
 - Raftelis Consulting - \$10k
8. P30, the reserves are above target by \$86,987. Can/should we use those funds somewhere else?

These funds could be allocated differently. After the reductions were in place and reserves were met this is how the final numbers shook out.

9. Have we ever considered charging a fee for customers paying with credit cards or a "merchant account fee"? My rough calculations are that we could save \$76,000+. More and more businesses are passing the credit card fee on to customers. Portland and Wilsonville charge a merchant account fee. Customers that do not want to pay the fee can use a debit card. I would appreciate hearing what the staff thinks about this idea?

Some departments are already passing the credit card fees along to customers; they include: Municipal Court, Police, Community Development and soon to follow, Finance. The Community Development credit card fees are included as a direct cost in the permitting fee studies and adopted fee schedules.

At present, the Library and Parks & Recreation Departments cover credit card fees and do not pass them directly on to customers. Merchant credit card fees are similar regardless of using a credit or debit card. Parks and Recreation has considered passing them on, with the 'processing fee' our registration software vendor adds on to the class costs, and coming out of covid and trying to grow our numbers back, we have not moved it forward.

10. Page 62 Lists \$469,236 in borrowing from the Wastewater fund. What is the legal framework that allows us to borrow money from a dedicated fund for department purchasing?

Oregon Local Budget Law allows a local government to loan money from one fund to another, provided the loan is authorized by an official resolution of the governing body (ORS 294.468).

The amount of \$469,236 that is noted on page 62 are the FY2025-26 annual payments to Wastewater Capital Fund for prior authorized completed capital projects/items. There is no request for additional, new internal borrowing within the FY2025-26 Proposed Budget, there are only prior approved uncompleted projects that have rolled forward. All internal borrowing has been approved with prior City Council resolutions.

11. Page 63 lists our bonds outstanding. I assume there is revenue that is coming in to offset that, where do I find those numbers?

The City's General Obligation Bonds are shown with in the Debt Service Fund, page 436, and are paid by assessed property taxes. Part of the resolution the City Council passes in June each year specifically mentions the dollar amount to impose for this debt.

The Full Faith and Credit Obligation Bonds include:

- PERS Refinancing Loan, the payment is shown on page 331. The McMinnville Fire District is contributing a portion of this payment , page 327. The balance is paid by city property taxes and charged out to operating departments for their portion of covered payroll.*
- Urban Renewal Agency Loan, the payment is also shown on page 331. A transfer in from the Urban Renewal Agency is made to pay for principal & interest, page 330.*
- ODOT Dundee Bypass Loans, the payment is shown on page 420. The funding mechanism for these payments is the OR Federal Exchange – TEA 21 allocation, page 419.*

The Emergency Communications Radio Equipment Lease is paid by city property taxes. Transfer from General Fund, page 171, to Emergency Communications Fund, page 376-377, and the payment is reflected on page 378.

12. Please briefly explain the chart covered on 74-79

The salary schedule is a structured pay plan that outlines the compensation for all positions within the City. It serves as a transparent framework for determining how much employees are paid, based on factors like job classification, experience, and tenure.

Key Features:

- *Pay Grades and Steps*
 - *Jobs are grouped into pay grades based on their responsibilities and required qualifications.*
 - *Each grade has steps representing progression over time (e.g., annual MERIT increases).*
- *Job Classifications*
 - *Every role (e.g., Senior Planner, Librarian, Public Works Director) is assigned to a specific pay grade.*
- *Minimum and Maximum Pay*
 - *Each pay grade has a minimum (entry-level) and maximum (experienced) salary.*
 - *Salaries shown are based on a bi-monthly payment schedule. Multiplying the top number by 24 will give you the annual salary. The bottom number is the hourly pay rate.*
- *Equity and Consistency*
 - *Helps ensure internal pay equity and compliance with Oregon pay equity laws*

13. Page 129 How many staff FTE's are we spending in the that graph

Community Development Department staff spend about 24 hours per month (.14 FTE per year) supporting the City Council appointed committee meetings. This includes the preparation and posting of the meeting packets and supporting the meeting itself. Most of the work on the committee agendas is work that the city staff would need to do with or without a committee – such as quasi-judicial land-use applications (Planning Commission and Historic Landmarks Committee) and state regulations require public meetings and decision making for those applications; affordable housing mandates from the state (Affordable Housing Committee). The only committees that produce added work volume are the Economic Vitality Leadership Council and the McMinnville Urban Renewal Advisory Committee. However, both committees take approximately 5 hours per month to support (.03 FTE per year), and they help staff administer and prioritize the implementation of two adopted city plans – the Mac Town 2032 Economic Development Strategic Plan, and the McMinnville Downtown Urban Renewal Plan.

The Project Advisory Committees are for finite long-range planning projects and allows for the opportunity for those efforts to be informed and developed by a representative committee of community stakeholders rather than just staff and consultants. It is hard to

assign a numeric hourly value to those meetings because unlike the City Council appointed committees they do not have a standing meeting directive and they change per project and per annual fiscal year, but staffing the PACs are included in the staff's project management staff allocation, which is usually calculated as 5 – 10% of their time depending upon the magnitude and complexity of the project they are managing.

14. Page 157 What is the ADA Transition plan?

The Federal Americans with Disabilities Act (ADA) law, Title II, requires the City of McMinnville to have an ADA Transition Plan that identifies all barriers for access to public facilities (buildings, parks, programs, and public right-of-way) and an implementation plan on how those barriers will be removed.

The City has not yet developed and adopted one.

The ADA transition plan addresses equity issues and barriers to participation that many in our community face. Currently approximately 19.3% of McMinnville residents identify as disabled (2023 ACS, US Census). The implementation of an ADA Transition Plan is an adopted strategic action in the City's MAC Town 2032 Strategic Plan under Engagement and Inclusion.

15. Page 171 YCOM fees. Are these set by YCOM?

YCOM Fees are established by the YCOM board annually. An estimated 8% increase was built into the FY2025-26 Proposed Budget and after budget development, communication was provided that the increase will be 10% for FY2025-26.

16. In general in Police budget - I did not see funds for mental health support. Where is that?

The Yamhill County Community Outreach Services expenses is in account #7750 Professional Services, page 342. McMinnville Industrial Promotions is providing \$25,000 of support, page 340, account #6360-05 Grants-Local. There is also \$10,000 support from former ARPA funds as a Transfer in from the General Fund, account #6900-01.

17. In general court budget - When is the last time we evaluated or fees and fines to see if we are where we should be?

Municipal Court fees for services were last updated and approved by resolution in 2017. Parking fees were last updated in 2014.

18. Page 235 7750-04 shows \$41,892. What is that? How can it be used?

This should have been added to the \$359,000 returned to the general fund from the CPR project. The \$41,892 can be used just like the other ARPA dollars have been programmed and used. There are currently no limitations on those funds.

19. Page 266 & Page 268 How long have we been paying for team t-shirts and do our fees to play and/or donations cover those costs?

Page 266 – soccer team jerseys are factored into registration fees. That has been the case since the program was started.

Page 268 – basketball reversible tank tops. Players purchase these as a separate item at registration (we purchase in bulk and players buy them from us). They can be re-used in subsequent years if they still fit. We started this probably 8 years ago. Prior to that jerseys were provided and factored into registration fees, same as soccer.

20. Page 277 8850 I don't see a vehicle purchase, why do we have a wrap purchase?

We applied for and received a grant of \$50,000 to buy an activity bus for the Senior Center. We purchased the bus in April 2025 and plan on wrapping it next fiscal year.

21. Page 293 From 23-24 to 24-25 we say a jump of 21.6% personnel increase and a 39.25% in Materials and service, why when the change of FTE was -.06? From 24-5 to this proposed budget we have a 6.58% increase in personnel services, why when FTE change is -.7? If we accept that initiatives based by the people of this state said government should not grow beyond 3-4% per year how is this happening?

First, it needs to be understood that Park Maintenance currently operates as our Facilities Maintenance fund as well. This was done as an interim measure as we create a centralized Facilities program. In time a General Fund – Facilities Maintenance subsection will likely be created.

The Increase in personnel (10.49 FTE to 12.48 FTE) between FY 24 and FY 25 was the creation of a Facilities Maintenance Coordinator and transition of the Facilities Maintenance Technician from the Police budget to the Park and Facilities Maintenance Fund. The transfer of that position occurred mid-Fiscal year and has remained vacant since the retirement of the previous employee in that role in the summer of 2024.

The proposed 0.76 FTE decrease from FY 25 to FY 26 was the proposed elimination of Seasonal Park Maintenance help. Those positions require less benefits which accounts for some of the increase while decreasing staff.

The increase in Materials and Services from FY 24 to FY 25 is a combination of the addition of the Park Maintenance Core Services item, The Park Security Services contract, and additional dollars for Facilities Maintenance when a centralized facilities model was created. Between FY 25 and Proposed FY 26 most all those Park Maintenance Services have been removed due to budget reductions.

The initiatives referred to (5, 47, and 50) said property taxes should not grow beyond 3-4% per year. Inferring from those measures that local government should not grow beyond 3-4% per year is an opinion. Further, using one subsection of the General Fund to state the City is growing government beyond a 3-4% "mandate" is a misrepresentation of how the City may set policy and create its budget. For example, the transfer of a position from one section of the General Fund (Police) to another (Park Maintenance). Or the City exercising its Home Rule authority to change or add services that it chooses to fund.

22. Page 298 39.1% of personnel expenditures is benefits with 20.1% being PERS. This seems a bit high for benefits. Can we get an explanation of both how these benefits are determined, are they in line with and when would be the appropriate time to address these benefits.

According to the US Bureau of Labor and Statistics, in March 2024 benefits averaged 29.7% of employee compensation for private industry workers and 38.1% for state and local government workers.

23. Page 301 How is 9300-02 coming along

Staff capacity for project planning and management has affected the progress of these projects. Here is a summary of work done so far on park improvement projects:

Dancer Irrigation Renovation:

A major cause of most of the disrepair in the Dancer Irrigation System, aside from age, was higher than normal pressure. Work done to date includes installation of a pressure regulator, master valve installation, controller upgrade, zone valve replacements, and mainline repairs.

Neighborhood Park Irrigation Renovations:

Some planning has been done, mainly for the Linears Irrigation Renovation.

Park Renovations:

Play equipment fall surface material has been replaced at 2 locations. Bend-o-River and Thompson Park have had hog fuel surfacing replaced by engineered wood fiber which has a higher rating for preventing serious head injuries due to falls.

Discovery Meadows Splash Pad Renovation:

All site inspections have been done for the current system. A vortex water treatment system and play elements have been selected. Staff are waiting on 100% plans for the system and how it will tie into existing infrastructure. Once that is received and reviewed, it can be put out to bid.

24. Page 323 What are the materials listed in expenses? Transfers out? Contingencies?

The detailed account line items that correlate with the summary chart on page 323 are included in the following sections on page numbers indicated:

- *Materials & Services – page 331*
- *Transfers out – page 331-332*
- *Contingency – page 332*

25. Page 326 Franchise fees. I know we covered these over the last four years. How often do we get to negotiate and are we in the range of normal across the state?

Negotiations vary depending on the agreement but are generally every 5-10 years.

The City is within the normal range for our region of the state. According to the 2019 LOC Franchise Agreement Survey Report the Average Franchise Fee Rate in the N. Willamette Valley was 5.7% for telecommunications and 4.9% for cable. The City charges a rate of 7% for telecommunications (of which 3% is dedicated to the Emergency Communications Fund) and 5% for cable (2.25% of which goes to MCM).

26. Page 332 Please Explain what 9700-80

Transfers Out – Information Systems (IS), account #9700-80 is the allocation of funds that are transferred to Fund 80, Information Systems & Services.

- *\$609,096 is General Fund support of IS personnel*
- *163,430 is the amount to be transferred from the General Fund for ARPA approved IS projects for software renewals, licensing, set-up costs, and firewall. The former ARPA funds reside in the General Fund, so this is the mechanism to move them to Fund 80.*

27. Page 349 8017 Does this all have to go to Visit McMinnville?

Oregon law requires that at least 70% of revenue collected as transient lodging tax be used to fund tourism promotion.

The city is estimating \$2,145,000 – page 348 will be received from Transient Lodging Tax, this includes a 2% growth from last year. The Transient Lodging Tax Fund's net revenue is allocated 70% to Visit McMinnville and 30% to the General Fund. (refers to question #35 below)

28. Page 349 Where does 9700-01 transfer out go?

Transient Lodging Tax account #9700-01 is the account to transfer funds to the General Fund, account #6900-07 – page 328.

- *\$37,435 supports personnel costs in the Administration, Finance, & Community Development departments.*
- *\$632,043 is an estimated amount of 30% of transient lodging taxes to be collected, net of revenue, that is transferred to the General Fund. (refers to question #34 above)*

29. Page 356 Explain why 24-25 Ending balance is not the same as 25-26 beginning balance.

The Affordable Housing's FY2024-25 ending fund balance on page 356 shows the current amended budget balance. The FY2025-26 Beginning Balance is an estimate of the Proposed Budget. During the budget development process, departments go through the activity of reprojecting revenue and expenditures they anticipate will be received or spent/not spent for the current fiscal year we are in (FY2024-25). After this practice was done, the Affordable Housing's FY2025-26 Proposed Beginning Fund Balance was projected at ~\$1.17M.

The Affordable Housing Fund is a dedicated fund comprised of the Affordable Housing Construction Excise Tax funds collected and grants.

It is a new fund, and the FY 24-25 budget anticipates the ability to expend some of the resources if an opportunity project presented itself while the Affordable Housing Committee was developing a program for the expenditure of the funds. If the funds are not identified as an expense they cannot be expended without a budget amendment.

Since this is a dedicated fund, all funds remain within the fund year after year to guarantee that they are used for what they were collected for – ie if they are not expended on a project they are reflected in the beginning fund balance of the following year.

30. Page 396 It is highly disappointing that we get 2.8mil from the gas tax and almost half is used by personnel and only \$300k makes it to the roads. That is terribly inefficient use of resources. Is there a way to get more to the roads?

The Oregon Constitution Article IX Section 3a specifies that highway revenues (i.e. gas tax) must be used “exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and roadside rest areas in this state.”

With the \$2.8M dollars in revenue the City receives, the Street Fund pays for a long list of maintenance and capital needs. Most of these duties require labor to implement and we have to break it down by personnel and materials and services instead of combining the two. A significant portion of the \$300k Pavement Repairs line item goes toward the contracted labor to carry that out that work. Staff can work with the City Council on an exercise to prioritize the below list if there is desire to reduce any items and increase the budget for contracted pavement repairs

Pavement Maintenance

- *In house paving patching*
- *Crack Sealing*
- *Pothole repair and maintenance*
 - *Cold patching in winter/spring*
 - *Hot patch repairs in summer*
- *Gravel street maintenance*

Right of Way Maintenance

- *Mowing unimproved street right of ways and alleys*
- *Beautification landscape maintenance (Islands along South Hwy 99W, Lafayette Ave)*
 - *Mowing*
 - *Spraying*
 - *Weed removal in plant bed*
 - *Pruning of shrubs*

Stormwater Facility Maintenance

- *Hill Road*
- *Old Sheridan Road*
- *Alpine Ave*

Pavement Marking Maintenance

- *Crosswalks and stop bars*

- *Railroad crossings*
- *Arrows*

Street Sign Maintenance

- *Repair and maintenance of existing signage including yearly inspections*
- *Installation of new signage by request*
- *Installation of signage in new subdivisions*
- *Repair and maintenance of existing street barricades*

Annual Leaf Pickup Program

Inclement Weather Response

- *Snow and ice*
- *Rain events*
- *High wind events*

Yellow Curb "No Parking" Maintenance

Event Support

- *Alien Days*
- *Christmas Parade*
- *Street use permit street closures*

Street Sweeping (Contracted)

- *Downtown*
- *Residential*
- *Highway*
- *Bike Lanes*

Street Striping (Contracted)

Transfers to Other Funds for Services

- *General Fund*
 - *Administration*
 - *Finance*
 - *Human Resources*
 - *City Attorney*
 - *Engineering*
- *Information Services*

Transfer to Transportation Fund for Capital Projects

- Slurry Seal
- Overlay Projects (i.e. \$800k for Cypress and Fellows)

Vehicle and Equipment Maintenance

Street Lights

Traffic Signals

31. Page 457 Why are we carrying a year over year balance in the building fund?

The building fund is an independent fund operated as a 100% full cost recovery fund from building permitting fees. Per state regulations those fees collected can only be used to support the building program. It is considered a protected fund within itself to ensure that the fees remain with the program. The City Council adopted a policy of trying to retain one year of operating expenses in the building fund to retain the program during years when permitting levels are too low to support the program. The beginning fund balance reflects that reserve.

32. Page 534 What is in the 7792 and 7794 contracts and why is 7792 almost three times as last year?

7792 includes citywide shared cost hardware related service and support contracts, for larger hardware items like physical servers, storage arrays and firewall devices. The increase includes a movement of a previous ARPA cost (firewall maintenance) moving from an ARPA funded expense to an IS Fund 80 funded expense.

7794 includes citywide software related service and support contracts, such as the enterprise resource planning system (abbreviated to ERP and includes payroll, AP and budgeting), archive & backup, records request tracking, mobile device management, multi-factor authentication and email filtering software, to name a few.

33. On page 30 you show contingency as \$1,500,000 yet Fund 1 has 1.5 mil, Fund 5 has \$25k, Fund 10 has 1.5K, Fund 15 has 50k, Fund 20 has 500k, Fund 25 has \$300k, Fund 70 has 200k, Fund 75 has 900k, Fund 77 has 2.5mil, Fund 80 has 75k, fund 85 has 150k. By my math that comes just north of 6.2mil.

Page 30 lists the contingency for the General Fund only. Page 20 lists the contingency for all funds combined.

Most of the funds listed have revenues that are restricted to be used for specific operating or capital purposes. This requires them to have contingencies separate from the General Fund that has no restrictions but has limited reserves.

Fund 05 – Grants and Special Assessments Fund (Grants) - Contingency for projects.

Fund 15 – Emergency Communications Fund (Franchise Fees) - Contingency for unforeseen operating expenses.

Fund 20 – Street Fund (Gas Tax) – Contingency for emergency repairs.

Fund 25 – Airport Maintenance Fund (FAA Grants and Property Rentals) - Contingency for emergency repairs and unforeseen operating expenses.

Fund 70 – Building Fund (Development Fees) - Contingency for unforeseen operating expenses and emergency operations.

Fund 77 – Wastewater Capital Fund (Wastewater Rates and SDCs) - Contingency for capital projects.

Fund 80 – Information Systems and Services Funds (Charges to other funds for service) - Contingency for unforeseen operating expenses, repairs, and equipment replacements.

Fund 85 – Insurance Services Fund (Charges to other funds for Insurance) - Contingency for various operating purposes.

A portion of Oregon Administrative Rules related to Contingencies is pasted below:

OAR 150-294-0430 General Operating Contingencies

(1) An estimate for general operating contingency may be included in any operating fund. The general operating contingency is not a fund, but an appropriation within a fund. This type of appropriation is allowed on the assumption that in the operation of any municipal corporation certain expenditures will become necessary in the fiscal year of the budget which cannot be foreseen and planned in the budget.

- (a) An operating fund is one which contains estimates for personnel services, materials and services, or capital outlay.
- (b) The estimate for a general operating contingency, like other budget estimates, must be a good faith estimate. The estimate must be reasonable and based on past experience, comparable information, or through the use of risk analysis.
- (c) The estimate for general operating contingencies may not be used to compensate for improper estimating practices in the preparation of the budget.

(2) A fund that finances an activity, the cost of which can be accurately estimated, may not include an appropriation for a general operating contingency.

A non-operating fund may not have an estimate for general operating contingencies.

34. For line item 7750-04 – Professional Services: Grants, the project description lists 8212 Grant (Business Resiliency – DAS State) with an amount of \$54,500. Could you clarify who the City has contracted with to carry out work related to 8212 Grant - Business Resiliency?

The City contracted with Advanced Economic Services, McMinnville Economic Development Partnership (MEDP), Chemeketa Community College, Micro Enterprise Services of Oregon, and Business Consulting Company to deliver the business assistance and workforce development programs funded by the \$750,000 Oregon ARPA Grant secured in 2021 by Representative Noble for McMinnville's business community. The \$54,500 remaining is part of the contract with MEDP and will fund a summer nursing internship program at the Willamette Valley Medical Hospital as part of its workforce development programs. FY 25/26 will be the last year of the grant program.

35. What buildings need maintenance?

Per the 2019 Facilities Condition Assessment, many of the City's buildings need maintenance. Some of the buildings in the "Poor" condition rating include:

- *Airport Hangars*
- *Aquatic Center*
- *Chamber of Commerce House*
- *City Park Restrooms and Shelters*
- *City Hall*
- *Library*
- *Parking Structure*
- *Public Works*
- *Senior Center*
- *Wortman Park Restrooms and Shelters*

36. Is there one building that needs maintenance more than any others?

“Need” is categorized by a few factors including building usage and overall assessment. Buildings that are of particularly high need include:

- *Aquatic Center*
- *Community Center*
- *Public Works*

37. Can we shut down the building that needs maintenance and defer staff to stay at home, thus cutting unnecessary labor costs such as the janitorial and other non-essential staff and focus on ONLY one building at a time?

Shuttering some buildings would have larger impacts than others. Shuttering the Aquatic Center or Community Center would prevent the City from providing those direct services to the public. Closing the Public Works building is likely not possible since those staff need to access equipment and materials at those sites and their work cannot be done from home.

38. Can we cut down on janitorial and maintenance staff in any other building?

There are only 2 maintenance positions in the City budget (1 currently filled and 1 vacant). These staff provide maintenance services for all 28 City properties. Janitorial services are only for buildings occupied on a daily basis. Janitorial and maintenance services are at a below base level currently and further cuts would mean not maintaining or cleaning buildings that are used frequently by staff and/or the public.

39. Explain the 1.7 million spent on Engineering.

Engineering is responsible for facilitating the protection, expansion, rehabilitation, and replacement of the City’s infrastructure. The vast majority of Engineering’s budget is provided by transfers from other funds (Wastewater, Streets, Transportation) and development fees. The \$1.7M goes to providing the following Core Services:

- *Review plan applications and monitor public infrastructure improvements constructed as part of privately funded development projects.*
- *Manage the City’s transportation, wastewater and storm sewer systems.*
- *Provide project management services for the City’s capital improvement projects.*
- *Administer the City’s private sewer lateral replacement program.*

- *Maintain and update the City's public infrastructure records, including Geographic Information System (GIS), Hansen sanitary sewer maintenance system, as-built drawings, system maps, plats, etc.*
- *Perform "Call Before You Dig" utility locates*

40. Can we defer lawn maintenance and ground maintenance to other more important building maintenance or equipment to help the budget?

Lawn and Ground maintenance is primarily performed by Park Maintenance staff. Deferring lawn and ground maintenance would provide minimal overall savings and likely result in expensive clean up and repairs needed down the road. If Council desires a reduction in lawn and ground maintenance staff can shift priorities.

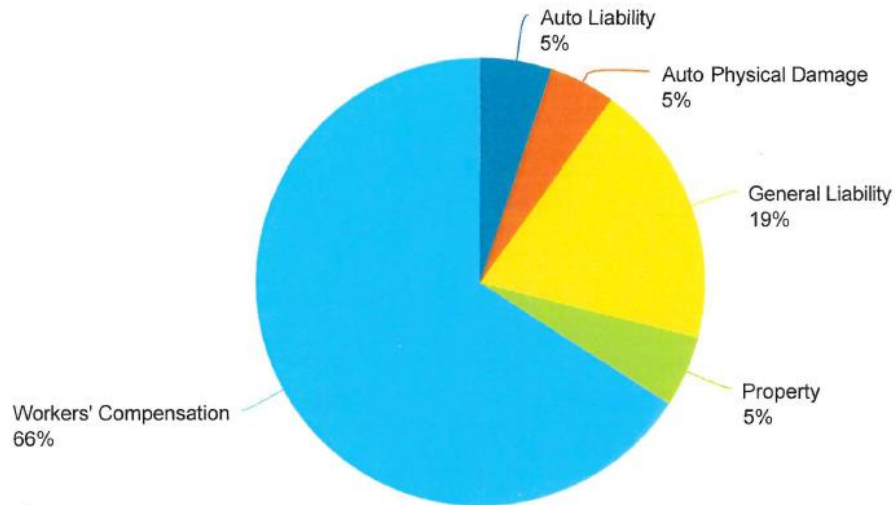
41. A handout that partially addresses a question concerning City Insurance claims.

Claims Information

The following table contains 6 years (5 + current) of claims history and Loss Ratios by line of coverage from 2019-2020 through 2024-2025, as of 3/31/2025. The overall loss ratio of 20% is lower than the target loss ratio of 30%.

Line of Coverage (Years w/ Coverage)	Claims	Losses	Average Cost Per Claim	Percentage of Losses	Loss Ratio
Auto Liability (6 years)	12	\$73,869	\$6,156	5%	20%
Auto Physical Damage (6 years)	21	\$66,702	\$3,176	5%	16%
General Liability (6 years)	45	\$268,760	\$5,972	19%	11%
Property (6 years)	13	\$72,971	\$5,613	5%	5%
Workers' Compensation (6 years)	120	\$931,999	\$7,767	66%	40%
Overall	211	\$1,414,301	\$6,703	100%	20%

Percentage of Losses



42. The following pages include two attachments per request of the budget committee -

1. Community Development Department Long Range Planning Work Plan
2. Staff Report from the July 10, 2024 long range planning work session with City Council.

These attachments will be helpful to understand how the Community Development Department develops long range planning work plans and what is mandated and not mandated.

LONG RANGE PLANNING WORK PLAN												
Plan	2024				2025				2026			
	Jan - Mar	April - June	July - Sep	Oct - Dec	Jan - Mar	April - June	July - Sep	Oct - Dec	Jan - Mar	April - June	July - Sep	Oct - Dec
State Mandated Housing Planning												
Housing Production Strategy			CC/PC Work Session	CC/PC Work Session	CC/PC Work Session	CC Adoption						
Land Use Efficiencies					CC/PC Work Session	CC/PC Work Session	CC/PC Work Session		CC Adoption			
UGB Amendment							CC/PC Work Session	MUAMC	CC Adoption			
2020 UGB Expansion Areas - State and Local Mandated Growth Planning												
Natural Hazards Planning (Goal 7)							PC Public Hearing	CC Work Session	CC Adoption			
Natural Resources Planning (Goal 5)								PC/CC Work Session	CC Adoption			
Southwest Area Plan						PC/CC Work Session			PC/CC Work Session			CC Adoption
Water Master Plan Update				PC Work Session	CC Adoption							
Wastewater Master Plan Update					PC Work Session	PC Public Hearing	CC Adoption					
Transportation System Plan Update							PC/CC Work Session			PC/CC Work Session		CC Adoption
PROS Plan Update			PC Work Session	PC Public Hearing	CC Adoption		Completed					

LONG RANGE PLANNING WORK PLAN												
PLAN	2024				2025				2026			
	Jan - Mar	April - June	July - Sep	Oct - Dec	Jan - Mar	April - June	July - Sep	Oct - Dec	Jan - Mar	April - June	July - Sep	Oct - Dec
City of McMinnville Specialty Planning – Unique to McMinnville												
SODAN Intensive Level Survey			HLC Adoption					Completed				
Airport Master Plan Update						PC Public Hearing	CC Adoption					
Innovation Campus Plan				PC/CC Work Session		PC/CC Work Session	PC Public Hearing	CC Adoption				
Downtown Master Plan Update						CC Work Session		CC Work Session			PC Public Hearing	CC Adoption
Code Amendments Required By State Law or as Directed by Planning Commission or City Council												
Accessory Structures			PC Public Hearing	CC Adoption				Completed				
Landscape MMC Amendments			PC Public Hearing		CC Adoption (1)	CC Adoption (2)						
Small Lot Subdivisions							PC Public Hearing	CC Adoption				
Transitional Housing			PC/CC Work Session		PC Public Hearing	CC Adoption						
SB 458 Integration							PC Public Hearing	CC Adoption				
TMP – Alcohol Sales Downtown*					PC Public Hearing	CC Adoption	Moved to Downtown Master Plan Update					

*Currently under legal review

Note: All dates are approximate and are subject to change.



City of McMinnville
Community Development

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McMinnville, OR 97128
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STAFF REPORT

DATE: July 17, 2024
TO: Mayor and City Councilors
FROM: Heather Richards, Community Development Director
SUBJECT: Work Session – Long Range Planning Work Plan

Report in Brief:

This is a work session to discuss the Planning Division's Long Range Planning Work Plan.

Background:

The Planning Division is part of the Community Development Department. The Community Development Department also hosts the Building, Code Compliance, Special Projects, Affordable Housing and Urban Renewal Divisions and programs.

The Planning Division provides three primary services: current planning, long-range planning and citizen involvement. Please see below for a description of each service.

Current Planning

- Direct and administer the day-to-day land use, development, and zoning related activities of the City.
- Process land-use applications per regulatory compliance.

Long-Range Planning

- Initiate strategic and proactive long-range plans that reflect the community's values and opportunities.
- Maintain and update the comprehensive plan; analyze and forecast economic and growth-related trends; and assist in the preparation of public facility master plans.
- Inform the City Council on matters of land use policy that affect McMinnville.

Citizen Involvement

- Staff and support five citizen involvement committees – Affordable Housing Committee, Economic Vitality Leadership Council, Historic Landmarks Committee, Landscape Review Committee, and Planning Commission.
- Ensure that the City is reaching out and allowing opportunities for public input and engagement in city planning activities.

With limited staff resources, each planning position participates in supporting the current planning, long-range planning and citizen involvement programs. This is necessary since the current planning program must meet state statutory deadlines for review and decision-making, requiring fluidity in staff assignments with limited staffing.

Staff program assignments are per the following:

Position	Current Planning	Long-Range Planning	Committee Support
Community Development Director	.20 FTE	.20 FTE	.05 FTE
Planning Manager*	.50 FTE	.45 FTE	.05 FTE
Senior Planner (x2)	.50 FTE	.45 FTE	.05 FTE
Associate Planner	.50 FTE	.45 FTE	.05 FTE
Associate Housing Planner		.25 FTE	.05 FTE
Planning Analyst	.45 FTE	.30 FTE	.05 FTE
Permit Technician	.30 FTE		
TOTAL:	2.95 FTEs	2.55 FTEs	.35 FTE

**The Planning Manager is a new position supported in the FY 24/25 Budget and is expected to start in Fall '24.*

For many years, the Planning Division operated with approximately 3.5 – 5.5 FTEs to support the program. Please see the chart below. This is important, as with fluctuating staff capacity, the City of McMinnville feel behind in its planning program. At the same time, the City of McMinnville is well known throughout the state for being at the epicenter of the land-use tensions between the preservation of farm and forest land and urban growth planning. For many years, from 1996 – 2020, the City of McMinnville devoted its limited staff capacity and resources to a growth planning effort that was continually challenged and appealed in the state land-use system leading to remand work for city staff and a significant delay in urban growth planning that then consequently delayed the overall long-range planning work plan for the City of McMinnville.

Planning Program FTE Staff Support for Past 20 Years

2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20-	2020/21	2021/22	2022/23	2023/24	2024/25
4.5	5.0	5.5	5.5	5.5	5.5	4.5	4.0	3.5	3.25	3.35	3.25	3.35	4.35	4.50	4.69	4.62	4.58	5.05	5.85

**This FTE count does not include Code Compliance, Special Projects, CET AH or Urban Renewal staff support.*

In 2016, then City Manager Martha Meeker asked the Planning Director, Heather Richards, to assess McMinnville's Planning Program in terms of where it was at and what it would take to bring it current with other city planning programs throughout the state. The assessment started with a Strengths, Weaknesses, Opportunities and Threats analysis.

MCMINNVILLE PLANNING DEPARTMENT – SWOT (2017):

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Staff (Old and New) • Institutional Knowledge • Supportive / Engaged Community • Basic Strong Local Development Community • Engineering / Building / Planning relationship 	<ul style="list-style-type: none"> • Sustained Underfunding – Capacity Constraints • Reliance on GF for funding • Lack of Training • Fatigue • Archaic Practices (Ideological) • Archaic Practices (Structural) • Zoning Ordinance • No Site/Design Review • Exclusivity Mentality • Lack of Strategic Planning with Planning Commission • Reliance on Taxpayer to Fund Growth (SDCs, Fees) • Lack of Regular Evaluation / Updates to Existing Plans 	<ul style="list-style-type: none"> • Solid Market • Supportive Community • Hunger for Long Range Planning • State Need for Success in McMinnville • Community “Fear” of Change • Planning Commission Willingness for Strategic Planning 	<ul style="list-style-type: none"> • Continued Underfunding • Reliance on GF for funding • Deferred Long Range Planning <ul style="list-style-type: none"> ○ Land Supply (UGB) ○ Comp Plan Vision (1981) ○ Housing Needs Analysis ○ Special District Planning • Builder/Developer Emphasis • Community “Fear” of Change • Entrenched Opposition Groups • “That’s the way that we have always done it mentality”

Then staff assessed the comprehensive planning as required by the state (response to Oregon land use goals, such as growth planning, public facility planning, natural hazards and natural resources, etc.); community planning (such as economic development, ADA Transition Plan, Affordable Housing Plan, etc.); Special Interest Plans (such as Downtown Planning, Three Mile Lane, Airport Master Plan, City Center Housing, University District, etc.); zoning ordinance updates (Great Neighborhood Principles, Wireless Communications, Master Planning, Site and Design Review, Commercial Design Standards, etc.) and other planning processes (annexation, UGB management agreement with Yamhill County).

The assessment identified whether it was required by either state or local regulations, whether an update was needed, whether it was a high, medium or low priority, how much staff resources it would take to undertake the planning program in terms of FTEs and if cash resources would be needed for consultant help.

Sample Page of 2017 Assessment:

TYPE OF PLAN	PLAN	LAST DONE	REQUIRED	UPDATE NEEDED	SHOULD HAVE BEEN UPDATED	HIGH PRIORITY	MEDIUM PRIORITY	LOW PRIORITY	CASH RESOURCE	STAFF RESOURCE
<u>COMPREHENSIVE PLAN</u>	Community Vision	1981	STATE	Every 10 - 20 Years	15 Years Past Due	X			\$225,000	1.25 FTE for 2 Years
	Comprehensive Comp Plan Update	1981	STATE	Every 10 - 20 Years	15 Years Past Due	X			\$75,000	.5 FTE for 1 Year
	Transportation System Plan	2010	STATE	Every 4 – 10 Years	2020			X	\$150,000	.5 FTE for 1 Year
	Public Facility Plan	1995	STATE	Every 4 – 10 Years	10 Years Past Due	X			\$150,000	.5 FTE for 1 Year
	Parks Master Plan	1999	STATE	Every 4 – 10 Years	6 Years Past Due		X		\$75,000	.5 FTE for 1 Year
	Historic Preservation Plan	1987	STATE	Every 4 – 10 Years	20 Years Past Due	X			\$15,000	.25 FTE for 6 months
	BLI – Housing	2001	STATE	Every 2 – 3 Years	15 Years Past Due	X			In-House	.5 FTE for 6 months
	BLI – Economic	2012	STATE	Every 4 – 10 Years	2017	X			In-House	.5 FTE for 6 months
	Housing Needs Analysis	1998	STATE	Every 4 – 10 Years	18 Years Past Due	X			\$50,000	.5 FTE for 1 Year
	Economic Opportunity Analysis	2012	STATE	Every 4 – 10 Years	2017		X		\$25,000	.25 FTE for 1 Year
	Urban Reserve Area	NEVER DONE		Every 30 Years		X			\$500,000	2 FTES for 2 Years
	UGB Amendment	1998 - NF	STATE	Every 10 – 20 Years	15 Years Past Due	X			\$500,000	2 FTES for 2 Years
	Add Zones to Comp Plan – Airport, Park, Public Facility	NEVER DONE				X			In-House	.25 FTE for 1 Year

This assessment served as the basis for determining the planning program’s level of service and what it would need to be at a higher level of service. At the time of the assessment, it was determined that the planning program was operating at a below-base level of service.

Base-Level	Mid-Level	Optimal-Level
6.0·FTEs¶ \$325,000· Professional· Services	7.0·FTEs¶ \$325,000· Professional· Services	8.0·FTEs¶ \$400,000· Professional· Services
Add·1.0·FTE¶ <i>Planning·Manager·</i>	Add·2.0·FTE·¶ <i>Planning·Manager·¶ GIS·Planner</i>	Add·3.0·FTEs·plus· \$50,000· professional· services.¶ <i>Planning·Manager¶ Associate·Planner¶ GIS·Planner</i>

Note: Through grants and general fund allocations, the planning program has maintained approximately \$325,000 for long range planning professional services over the past several years. However, staffing has been an issue.

For the FY 24/25 fiscal year, the Budget Committee and City Council voted to add a Planning Manager FTE to the planning program. This position is expected to be filled in the fall of 2024.

This assessment is then re-evaluated every couple of years based on new state and local priorities, including recent state statutory requirements relative to growth planning, and whether the plan or program is part of the 2018 MAC Town 2032 Strategic Plan to promote the city's goals of "Housing", "Growth and Development Character" and "Economic Development – Quality Jobs".

Sample Page of 2024 Assessment

LONG RANGE PLANNING LED BY PLANNING STAFF												
Long Range Planning Projects	Timeframe	Why is it on the list?	Planner	Planner Time Est. (Leads)	Budget	Comments	Priority	MAC Town Strategic Plan	ORS Statutory Mandate	Housing	Growth and Development Character	Economic Development – Quality Jobs
ORS 197.290, OAR 660-008-0045, Exhibit A and OAR 660-008-0050, Deadline December 31, 2024, extended to June 30, 2025												
Housing Production Strategy	Dec 31, 2023 – May 31, 2025	State Law Mandate – ORS 197.290, OAR 660-008-0045, Exhibit A	Evan Hietpas	EH - .15 FTE	\$87,300 (\$35,000 Grant) (\$52,300 GF)	Scope of work and contract are final. Work started in April, 2024.	H	✓	✓	✓	✓	✓
ORS 197.296 and OAR 660-025-0185, Deadline March 1, 2026												
Land Use Efficiencies / UGB (Task 2 Sequential Work Plan)	Dec 31, 2023 – March 1, 2026	State Law Mandate – ORS 197.296 and OAR 660-025-0185	Heather Richards / Evan Hietpas / Matt Deppe	HR - .10 FTE EH - .20 FTE MD - .10 FTE	\$300,000 (\$150,000 Grant) (\$150,000 GF)	Scope of work and contract negotiations for land use efficiencies are final. PAC is being established. Delayed due to PROS Plan Comp Plan adoption. Should start in October, 2024.	H	✓	✓	✓	✓	✓
PROS Plan – Comp Plan Adoption	August, 2024 – February, 2025	Potential Housing Land Use Efficiency – Needed for Housing Production Strategy Submittal	Heather Richards / Tom Schauer	HR - .10 FTE TS - .10 FTE	\$0	Proposed reduced LOS in PROS Plan could be a housing land-use efficiency, but the PROS Plan needs to be adopted via an acknowledged land-use process so that it can be used as a land-use efficiency.	H	✓	✓	✓	✓	✓
OAR 660-012-0055, OAR 660-012-0060, OAR 660-011. Should be done with a UGB Amendment. Most recent UGB amendment April, 2021. Comp Plan Policy 182.50, done within five years of UGB amendment												
Transportation System Plan	June 1, 2024 – December 31, 2026	Strategic Plan Goal CC Goal FY 21 (Delayed due to staffing) Need to update Facility Plan to entitle 2020 UGB lands.	Heather Richards / Taylor Graybehl	HR - .15 FTE TS - .10 FTE TG - .15 FTE	\$450,000	Delayed by 3 years due to staffing capacity. ODOT will remove us from the queue to update model if we do not start soon. RFQ in draft. Issue by October 1, 2024	H	✓	✓	✓	✓	✓
Natural Hazards Planning – Goal 7	March 1, 2020 – Delayed July 1, 2023 – June 30, 2024	Part of 2020 UGB Expansion work. ORS 197.296 Goal 7 Mandate YC NHMP Action Item	Heather Richards	HR - .05 FTE	\$35,000 (\$35,000 funded in FY 21)	95% Complete, in public hearing process. Working through Engineering transition and concerns.	H	✓	✓	✓	✓	✓
Natural Resources Planning – Goal 5	January 1, 2021 – Delayed June 1, 2024 – June 30, 2025	CC Goal FY 21 ORS 197.296 2020 UGB Expansion Follow-Up	Matthew Deppe / Tom Schauer	MD - .15 FTE TS - .10 FTE	\$175,000 (\$125,000 funded in FY 22) (\$50,000 allocated in FY 24)	60% Complete, needs ESEE Analysis and then go through public process. Potential for opposition	H	✓	✓	✓	✓	✓

Every year, staff uses this assessment to work with the Planning Commission on a long range planning work plan by identifying what has been completed, what is underway and what needs to be prioritized over the next year.

MCMINNVILLE PLANNING ASSESSMENT, 2023 REVIEW, 11.16.23

TYPE OF PLAN	PLAN	LAST DONE	REQUIRED	UPDATE NEEDED	SHOULD HAVE BEEN UPDATED	HIGH PRIORITY	MEDIUM PRIORITY	LOW PRIORITY	CASH RESOURCE	STAFF RESOURCE
<u>COMPREHENSIVE PLAN</u>	Community Vision	1981	STATE	Every 10 - 20 Years	15 Years Past Due		X		\$225,000	1.25 FTE for 2 Years
	Comprehensive Comp Plan Update	1981	STATE	Every 10 - 20 Years	15 Years Past Due		X		\$100,000	.5 FTE for 1 Year
2024-2025	Transportation System Plan	2010	STATE	Every 4 – 10 Years	2020	X			\$450,000	.5 FTE for 2 Years
UNDERWAY	WW Master Plan	1995	STATE	Every 4 – 10 Years	10 Years Past Due	X			\$250,000	.25 FTE for 1 Year
UNDERWAY	Parks Master Plan	1999	STATE	Every 4 – 10 Years	6 Years Past Due	X			\$250,000	.25 FTE for 1 Year
DONE	Historic Preservation Plan	1987	STATE	Every 4 – 10 Years	20 Years Past Due	X			\$15,000	.25 FTE for 6 months
DONE	BLI – Housing	2001	STATE	Every 2 – 3 Years	15 Years Past Due	X			\$50,000	.5 FTE for 6 months
DONE	BLI – Economic	2012	STATE	Every 4 – 10 Years	2017	X			\$50,000	.5 FTE for 6 months
DONE	Housing Needs Analysis	1998	STATE	Every 4 – 10 Years	18 Years Past Due	X			\$150,000	.5 FTE for 1 Year
DONE	Economic Opportunity Analysis	2012	STATE	Every 4 – 10 Years	2017	X			\$50,000	.25 FTE for 1 Year
	Urban Reserve Area	NEVER DONE		Every 30 Years			X		\$500,000	2 FTES for 2 Years
DONE	UGB Amendment	1998 - NF	STATE	Every 10 – 20 Years	15 Years Past Due	X			\$500,000	2 FTES for 2 Years
	Add Zones to Comp Plan – Airport, Park, Public Facility	NEVER DONE					X		In-House	.25 FTE for 1 Year

Planning staff uses these assessments to develop a three-five year work plan to develop a responsive planning program that serves the community of McMinnville. Please see 2024 – 2027 Long Range Planning Work Plan below. This is reviewed by the Planning Commission at the end of each calendar year and helps to inform the next year’s long range planning budget and planning staff work plans.

2024 – 2027 LONG RANGE PLANNING WORK PLAN

Work Product	Feb – June, 2024	June 1, 2024 – Dec. 31, 2025	2026-2027
Long-Range Plans	<ul style="list-style-type: none"> Airport Master Plan Housing Production Strategy Growth Planning – Land Use Efficiencies 	<ul style="list-style-type: none"> Airport Master Plan Housing Production Strategy Growth Planning – Land Use Efficiencies Natural Hazard Planning Natural Resources Plan Transportation System Plan Downtown Master Plan <p><u>2025</u></p> <ul style="list-style-type: none"> UGB Alternatives Analysis ADA Transition Plan 	<p><u>2026</u></p> <ul style="list-style-type: none"> Downtown Master Plan Transportation System Plan Southwest Area Plan UGB Alternatives Analysis ADA Transition Plan <p><u>2027</u></p> <ul style="list-style-type: none"> Riverside South Area Plan Urban Reserve Area
Comprehensive Plan Amendments	<ul style="list-style-type: none"> Goal 8 – Parks and Rec Goal 11 – Public Facilities 	<ul style="list-style-type: none"> Goal 5 – Cultural/Natural Resources Goal 7 – Natural Hazards Goal 12 - Transportation 	<ul style="list-style-type: none"> Park Zone Public Facility Zone
Zoning Ordinance Amendments	<ul style="list-style-type: none"> Natural Hazards District Landscape Chapter Rewrite Historic Landmarks Demolition 	<p><u>2024</u></p> <ul style="list-style-type: none"> Transfer of Density for Natural Features Natural Resources <p><u>2025</u></p> <ul style="list-style-type: none"> Innovation Special District Downtown Design Review Overlay Downtown Parking TMP, Alcohol Sales Downtown 	<p><u>2026</u></p> <ul style="list-style-type: none"> Commercial/Industrial Site and Design Review Incentive Zoning - (HPS) Green/Climate Standards Mixed-Use Zoning – (Land Use Efficiencies) 20 Minute Neighborhoods <p><u>2027</u></p> <ul style="list-style-type: none"> Planned Development Land Division Standards Commercial Zone Amendments Industrial Zones Amendments

This is the process in which the work plan is developed. There can be many disrupters to the work plan, including new state mandates with pressing deadlines, challenges and appeals to current work that needs to be resolved prior to advancing to the next phase of work, new local priorities by the City Council or Planning Commission, and staff turnover.

All of those disrupters have occurred in the past four years creating a backlog of planning efforts that need to be completed in the upcoming years. The next portion of this staff report will discuss those challenges and opportunities.

Discussion:

In the past five years the state legislative session has passed annual legislation in an effort to help solve Oregon’s housing crisis. Most of the legislation has focused on development code amendments (HB 2001 (2019 Legislative Session) - missing middle housing allowances in all single family residential zones and infrastructure capacity analysis to support missing middle housing, and SB 458 (2021 Legislative Session) – missing middle housing expedited land division); data collection (HB 2003 (2019 Legislative Session) - regional housing needs analysis); or expedited growth planning (HB 2003 (2019 Legislative Session) – Housing Capacity Analysis due by December 31, 2023 and Housing Production Strategy due by December 31, 2024).

At the same time in 2020, the City of McMinnville successfully submitted their 2003 UGB amendment (McMinnville Growth Management and Urbanization Plan (MGMUP)) to the state after years of challenges, appeals and remands. The final UGB boundaries were different than those originally proposed which necessitated updates of all of the public facility plans (wastewater, water and transportation) for the UGB expansion areas.

The MGMUP also identified two additional growth planning processes that needed to occur prior to annexation of the UGB expansion areas into the city for urban development: 1) Land-Use Planning for the UGB Expansion Areas (Framework Plan, Area Plan and Master Plan); and 2) Planning for Goal 5 (Natural Resources and Open Space), Goal 7 (Natural Hazards) and Goal 8 (Parks).

To support these efforts, the City adopted Comprehensive Plan Policies and Proposals to memorialize these commitments as outlined below. The City committed to initiating the necessary coordinated master planning and plan updates within five years of a major UGB update (Comprehensive Plan Policy #182.50). Comprehensive Plan Policies #187.60.10 and 187.80.00 commit the City to initiating area planning for the UGB expansion areas. And proposals developed an annexation process that included the need for area plans of the UGB expansion areas. Additionally the City adopted an area planning process prior to annexation of the UGB expansion lands into the city as part of the MGMUP to ensure that the UGB expansion areas would develop per the community vision. This process added a planning step to development of these lands as well that the City committed to undertaking each year.

McMinnville Comprehensive Plan Policy #182.50

182.50 ***Coordinated Master Planning and Plan Updates.*** *The City should initiate updates of its functional planning documents within 5 years of a major UGB update to address consistency with the new UGB, and work with service providers to conduct updates to their planning documents as needed. This includes:*

City:

- *Parks and Recreation Master Plan*
- *Water Reclamation Facilities Plan*
- *Storm Drainage Master Plan*
- *Transportation System Plan*
- *Airport Layout Plan*
- *Goal 5 Resources Plan*
- *Goal 7 Hazards Plan*

Service Providers:

- *McMinnville Water and Light: Water Distribution System Master Plan*
- *Yamhill County Transit: Transit System Master Plan. (Ord. 5098, December 8, 2020)*

Comprehensive Plan Policies 187.60.10 and 187.80.00

187.60.10 ***The City of McMinnville's overall planning process for UGB expansion areas shall include the completion and adoption of three successive levels of planning for lands within UGB expansion areas prior to their development. The three successive***

planning processes include the Framework Plan, the Area Plan, and the Master Plan. (Ord. 5098, December 8, 2020)

- 187.80.00 The City of McMinnville shall initiate an Area Planning process for UGB expansion areas that are designated on the Comprehensive Plan Map as Urban Holding (UH). The City of McMinnville shall prioritize which UGB expansion areas to complete Area Planning for based on the size of the area, the need for coordination of the development of public infrastructure and services, and the expected timeframe of development or redevelopment. (Ord. 5098, December 8, 2020)*

Comprehensive Plan Proposals 0.50 and 0.75, 40.00, 41.00 and 48.10.

- 0.50 The City should develop, adopt and maintain a Natural Hazards Inventory as part of the McMinnville Comprehensive Plan (Volume I). The inventory shall include maps and text that identify the location, type and risk level for three types of natural hazards: geological hazards (including steep slopes, earthquakes and landslides), flood hazards (land within the 100-year floodplain) and wildfire hazards within the urban growth boundary and the unincorporated land outside of the urban growth boundary.*
- 0.75 The City should develop and adopt a Natural Hazards (NH) overlay zone to manage the cumulative effects of inventoried natural hazards within the urban growth boundary on people and property. (Ord. 5098, December 8, 2020)*
- 40.00 The City shall complete an inventory of the applicable natural resources listed in Goal 5 of the Oregon Statewide Planning Goals and Guidelines. The resources to be included in the inventory include, but are not limited to, riparian corridors, wetlands, wildlife habitat, open space, and scenic views. The City shall coordinate with the Department of Land Conservation and Development to determine which Goal 5 resources to include in the inventory.*
- 41.00 The City shall complete an inventory of landmark trees that are of significance or value to the City's environment or history.*
- 48.10 The City shall complete and adopt Area Plans for the following areas as described in the McMinnville Growth Management and Urbanization Plan:*
- 1. Southwest Area – Potentially with subareas:*
 - a. West Hills South, Southwest 2, and West of Old Sheridan Road (potentially also including Redmond Hill Road)*
 - b. Southwest 06 and Old Sheridan Road*
 - 2. Fox Ridge Road, NW-EX1b-R1, and High School Site*
 - 3. Riverside South*
 - 4. Redmond Hill Road (potentially include with the Southwest Area Plan)*
 - 5. Booth Bend Road*
 - 6. Riverside North (Ord. 5098, December 8, 2020)*

Lastly, from 2020 – 2023, both the Planning and Engineering Divisions experienced significant staff turnover and vacancies resulting in several key positions transitioning with interim placements and new hires. Due to this staffing instability within these two divisions, many of the long range planning programs were put on hold.

Now that both divisions are staffed and key positions are filled, below is the Long Range Planning Work Plan needed to meet the state statutory mandates, local policies and community needs in the next three – five years. These planning projects have been carefully timed and assigned to lead staff to allow for workload capacity adjustments as necessary. For those products that do not have state statutory mandates, the planning staff will lead them in such a way to accommodate the needs of internal staffing capacity without compromising the integrity and need of completing the planning for the community.

State Mandated Deadlines Embedded in ORS – OAR 660-008-0045, Exhibit A

Planning Document	Due Date	Approved Extension
Housing Capacity Analysis	December 31, 2023	February 29, 2025 (DLCD Approved Sequential UGB Work Plan – 2/7/24)
Housing Production Strategy	December 31, 2024	June 30, 2025* (DLCD Approved Sequential UGB Work Plan – 2/7/24)
Land Use Efficiencies	December 31, 2023	June 30, 2025* (DLCD Approved Sequential UGB Work Plan – 2/7/24)
UGB Amendment	December 31, 2023	March 1, 2026 (DLCD Approved Sequential UGB Work Plan – 2/7/24)

****Housing Land-Use Efficiencies need to be identified as part of the Housing Production Strategy, which is due on June 30, 2025.***

Reduced Parks LOS in the PROS Plan could be used as a Housing Land-Use Efficiency for both the UGB Amendment and the Housing Production Strategy. But it needs to be adopted as part of the comprehensive plan to qualify. PROS Plan needs to be adopted by February 2025 to fold into the Housing Production Strategy.

MGMUP UGB Amendment, December 2020 – Master Plan Updates

Planning Document	Initiated	Completed
Parks and Recreation Master Plan	February, 2022	February, 2025
Goal 7 – Hazards Plan <ul style="list-style-type: none"> Natural Hazards Mapping Natural Hazards Overlay District 	March, 2020	March, 2025
Water Distribution System Master Plan	January, 2023	March, 2025
Water Reclamation Facilities Plan	Underway	April, 2025
Goal 5 – Natural Resources <ul style="list-style-type: none"> Protection of Natural Resources/Trees ESSE Analysis 	January, 2021	August 2025
Airport Layout Plan <ul style="list-style-type: none"> Airport Zone 	Underway	December 2025
Transportation System Plan (Vehicular, Bike, Ped, Active Trans)	October, 2024	December, 2026
Storm Drainage Master Plan	TBD	TBD
Transit System Master Plan	TBD	TBD

Responding to McMinnville’s Housing Crisis / Needs = Setting the table for the UGB expansion areas to annex into the city and develop.

Setting the Table = Public Facility Planning and Area Planning

Planning Document	Initiated	Completed
<u>AREA PLANS:</u>		
Fox Ridge Road Area Plan	<u>June, 2022</u>	<u>February, 2024</u>
Southwest Area Plan (Includes Redmond Hill Road and Old Sheridan Road Areas)	<u>September, 2024</u>	<u>December, 2026</u>
Riverside South	TBD	TBD
Booth Bend Road	TBD	TBD
<u>PUBLIC FACILITY PLANS:</u>		
Water Public Facility Plan	Underway	March 11, 2025
Wastewater Public Facility Plan	Underway	<u>April, 2025</u>
Transportation System Plan	October 15, 2024	<u>December, 2026</u>

City of McMinnville Specialty Planning – Unique to McMinnville

Planning Document	Initiated	Completed
Airport Master Plan <ul style="list-style-type: none"> Airport Layout Plan Airport Zone 	<u>November, 2023</u>	<u>June, 2025</u>
Innovation Campus <ul style="list-style-type: none"> Master Planning Public Infrastructure Feasibility Analysis Design and Development Standards Marketing 	February 7, 2024	December 31, 2025
Downtown Master Plan Update <ul style="list-style-type: none"> Expanded Study Area Housing Future Development Sites Design and Development Standards Urban Plan Amendment 	September 15, 2024	December 31, 2026
SODAN Intensive Level Survey	<u>March, 2024</u>	<u>August, 2024</u>

Code Amendments Required by State Law or as Directed by PC and/or CC

Code Amendment	Initiated	Completed
Landscape MMC Amendments	2018	November, 2024
Small Lot Subdivisions	2022	December, 2024
Transitional Housing	March, 2024	January, 2025
SB 458 Integration	April, 2025	November, 2025
TMP – Alcohol Sales Downtown	Under legal review	

Each planning product will be ultimately adopted by the City Council through a land-use process which will include notice to the Department of Land Conservation and Development, public hearings with the Planning Commission and adoption by ordinance by City Council.

Most planning processes will also include Planning Commission and City Council work sessions to share updates on the planning progress and to obtain direction at necessary decision milestones.

Attachment A – Long Range Planning Work Plan is provided as a suggested calendar of work over the next three years, including approximate schedules for work sessions and City Council adoption. These are high level schedules and are subject to change.

It is recognized that this work plan will be impactful to many city teams (primarily planning and engineering, but also public works and parks intermittently). Both planning and engineering have reviewed the work plan for staff allocations and FTE support. Staff will work with each other to manage workloads. Those planning programs that have mandatory deadlines will be a priority.

Attachments:

- Long Range Planning Work Plan Calendar

Fiscal Impact:

All planning products are currently accounted for in the FY 24/25 City of McMinnville budget.