

# City Council Draft Retreat Topics Summary and Priorities

## January 22, 2024

(Approved February 7, 2024)

*Text in Red reflects the discussion*

**Vision Statement:** The City of La Grande is the economic, educational, recreational, and cultural hub for eastern Oregon, with a family oriented, small-town character. (City’s current Vision Statement with the goals NOT specifically related to Economic Development highlighted below)

*Blue italics type is information regarding the issue . Green italics highlight actions Staff intends to take or indicates the item is informational only and no guidance is requested. Black italics are requests for Council guidance.*

**Goals to support our vision:**

<b>G1</b>	Enhance and grow our diverse economy through innovation, partnerships, and relationships, to capitalize on our existing strengths while seeking new opportunities.
<b>G2</b>	Take full advantage of the benefits of our thriving educational community, anchored by Eastern Oregon University.
<b>G3</b>	Promote the natural beauty and resources of the Grande Ronde Valley, which provide recreational opportunities and quality of life benefits that complement our economic development objectives.
<b>G4</b>	Showcase La Grande as a culturally-rich city with a strong sense of identity, pride, and environmental awareness that preserves our heritage.
<b>G5</b>	Foster a family-oriented community with high quality amenities, including excellent parks, safe neighborhoods, and outstanding schools.
<b>G6</b>	Champion public involvement and civic leadership that values economic, ecological, and social stewardship, while maintaining our small-town character.

**1. Budget Related Issues/Fiscal Management**

**a. General Fund**

- i. The intent of this item is to identify the baseline budget priorities for the year and to determine if there are any significant shifts in direction from the City Council. Typically, the City will continue to provide the same core services and programs as in prior years. Using the 2023-2024 Adopted Budget to illustrate, and excluding ALL capital expenditures and ARPA funding/expenditures, the City’s General Fund budgeted expenditures exceed budgeted revenues by around \$1.023 million. With capital included, that deficit grows to around \$1.622 million. We purposefully continue to budget to spend more than the projected revenues because we currently have sufficient cash on hand to maintain services and make needed capital improvements. Based on the five-year projections in c. below, the City does not have sufficient funding to support permanent/long-term funding increases without modifications. Therefore, if the City Council wants to consider increasing staff or services in certain areas, such as those in d. iii below, we would need to know the Council’s specific priority guidance regarding what areas would see reduced staffing or program funding to allow for the desired increases.*

**b. Validate continuation current services and programs at a minimum.**

- i. In recent years the City's approach has been to maintain staffing levels, programs, and functions using a balanced approach with increases to staffing levels limited based on the fiscal resources.*
  - 1. *Does the City Council want to continue this approach or make any changes?*
  - 2. *Does the City Council want to continue the practice of conservative capital investments/maintenance using existing fund balance in General Fund to avoid reductions?*

***The City Council was in support of continuing the above philosophies.***

**c. General Fund Five-Year Projections**

- i. The City Council recently held a Work Session and reviewed a five-year projection for the City's General Fund which shows at the end of that period, the City's cash balance will fall to around \$1.7 million, which is within the current requirement to meet obligations until property taxes are received each fall.*
  - 1. *The City Council indicated during this Work Session a desire to receive additional information on potential revenue enhancements which could help avoid service reductions in the future. Staff will be providing information on topics such as special districting and service fees in the coming year to the Council. The goal is to help address the projected erosion of General Fund cash on hand.*
    - i. Does the City Council have any additional guidance regarding this topic?*

***The City Council did not provide any additional guidance. When asked about the updated General Fund ending cash on hand, the Finance Director indicated the audited financials include approximately \$7.4 million, excluding ARPA funds.***

**d. Staffing**

***i. Recruitment, Retention, and Succession Planning***

- 1. *The City continues to have challenges with recruitment, and to a lesser degree, retention for certain positions. The significant changes made to the salary structures for all employees this fiscal year were in part an effort to address the disparities between La Grande and other cities from a market perspective. Ideally this will have a positive impact on recruitment and retention. Unfortunately, the Equal Pay Act eliminated the ability to provide recruitment incentives such as the one we had in place for lateral hire of police officers. Staffing, including succession planning, remains a top priority.*

***ii. Fiscal Impact***

- 1. *Excluding the American Rescue Plan Act (ARPA) funding, County Hotel/Motel Tax passthrough, Opioid Settlement funds, and the transfers to the Street Reserve Fund and General Reserve Fund in*

*the currently adopted City General Fund Budget, labor costs total \$9,672,608, and represent 72% of the total expenses.*

2. *There have been increased workloads in most if not all departments. We have made incremental staffing increases within our resources in recent years. In the current fiscal year, we did increase Fire Department staffing by three Full-Time employees.*
3. *We continuously evaluate the needs and will request changes based on our ability to sustain the ongoing costs in conjunction with the annual budget process.*
4. *Any potential increases in staffing levels will have to be evaluated in conjunction with the budget implications of the aforementioned impacts of collective bargaining and implementation of the Pay Equity Act.*

### **iii. Department Director Staffing Requests**

#### **1. Library**

- i. *The Library Director would like to move the two current half-time employees to full-time. Doing so would enable the Library to increase open hours by two hours on two evenings per week and increase open hours on Saturday by two hours. This would also provide increased safety for the staff.*

#### **2. Parks and Recreation**

- i. *The Parks and Recreation Director would like to add one full-time maintenance position split between Parks and Aquatics to help maintain the facilities. Current staffing is not sufficient to meet the needs. There would be some savings by not needing to contract out cleaning and maintenance services.*

#### **3. Police**

- i. *The Police Chief would like to add two additional full-time dispatchers. Doing so would enable moving from 10-hour to 12-hour shifts. The change would also require creating an additional supervisory position, which would be a promotion for a current employee, not a third position.*
- ii. *The Chief would also like to add an additional full-time police officer to do drug investigations and enforcement.*

- i. *Does the City Council have any specific guidance regarding staffing levels?*

***The City Council expressed a desire to be conservative regarding adding any additional staffing based on the five-year projections. While there was discussion regarding the need for some of the positions above, the Council did not reach consensus regarding any of the positions. The Directors will include the positions in their Requested Budgets and ultimately the final decisions will be made in conjunction with the adoption of the FY 2024-2025 Budget.***

**e. Infrastructure/Capital Expenditure Related**

**i. Police Department Building**

1. *The City Council approved funding for a consultant to review the Police Department's facility needs and identify potential funding mechanisms to meet those needs.*

*The consultant hired by the City will be presenting their report to the City Council at an upcoming Work Session. The City Council will be asked for guidance at that time.*

*The City Council briefly discussed the project and inquired whether or not a joint facility in cooperation with Union County was still under consideration. At this juncture all options are on the table and the County's study did not include the 911 Dispatch Center nor the La Grande Police Department. The study the City is undertaking includes a 20-year needs outlook and identifies the City's requirements in a facility to meet those needs.*

**ii. Street Infrastructure**

1. *In 2022, the PTSSMAC presented recommendations to the City Council regarding additional funding for streets, including imposing a local gas tax. No timeframe was identified to begin the process to place a gas tax on the ballot. It may be time to begin work on an effort to place the issue before the voters. Given the amount of time required to adequately educate the community forming a working group this spring may be advisable. Placing it on the November ballot would not be recommended.*

- i. *What is the Council's guidance regarding forming a working group?*

*Concerns were raised regarding the impacts of a tax or the willingness of voters to agree to the tax. The issue would not be placed on the ballot this November. Consensus of the City Council is to form the working group to identify how much the tax should be, the dollars it would generate, what percentage of the tax would likely be paid by travelers as opposed to City residents, and potential uses for the tax which would be part of an educational campaign when the measure is put before the voters. The City Council would have the final say on when a ballot measure should be considered as well as the specifics of any measure.*

**2. Housing**

- a. *The City has adopted a Housing Production Strategy and provided Staff direction regarding implementation. This will continue to be a top priority and will be revisited on an ongoing basis.*

- i. *Does the Council have any addition guidance regarding this topic?*

*The City Council did not have any additional guidance for the Staff.*

**3. System Development Charges (SDC)**

- i. *The City Council awarded the contract for evaluating System Development Charges for Water, Sanitary Sewer, Storm Sewer, and Transportation. There will be a Work Session with the consultant upon the completion of their work and the City Council will be asked for guidance at that time.*

#### 4. Partnerships

##### a. Eastern Oregon University

- i. *The City and Eastern Oregon University engage in a variety of ways including but not limited to economic development and Parks and Recreation programming and facilities. With the new President, it may be beneficial to request a Work Session with the City Council and the new President to discuss the relationship and how the partnership can be enhanced.*

1. *What is the Council's guidance regarding such a Work Session?*

*The Council briefly discussed some of the current ways the City works with EOU. The City Council reached consensus on requesting a Work Session with the new President of Eastern Oregon University.*

#### 5. Service/Program Related/Other

##### a. Riverside Playground Replacement

- i. *The playground equipment needs to be replaced. Staff is moving forward to identify funding sources. This is a multi-year project. Given the new playground proposed has great potential to be a regional draw, an option the City could consider is allocating some Transient Lodging Tax revenues to the effort. Currently the Union County Chamber of Commerce has a significant fund balance which exceeds \$200,000, all of which was funded by the City and County. Using the pro-rata allocation, over \$100,000 of those funds came from the City of La Grande. The City could elect to reduce the amount of funds that would be provided to the Chamber in FY 2024-2025 by \$75,000, with the Chamber using cash on hand to offset the reduction without impacting programs or operations. The \$75,000 which would otherwise have gone to the Chamber could then be used towards the playground replacement.*

1. *What is the Council's guidance regarding the use of these Transient Lodging Tax dollars for this purpose?*

*The City Council briefly discussed the project and the Parks and Recreation Director touched on the fact that the working group believes the new playground will be a destination attraction. Given the expected life of the improvements would meet the criteria for the use of Transient Lodging Tax revenues, the Council supported the concept. The City Manager will discuss the concept with the new Chamber Director and when the annual program of work and proposed budget for Tourism Promotion is presented to the City Council, the Chamber will have an opportunity to provide feedback to the City Council. The approval of the annual program of work and requested budget must be approved by both the City and County, and ultimately the funding must be included in the Adopted Budget of the City.*

##### b. Electric Vehicles

- i. *Should the City pursue funding a feasibility and cost/benefit analysis of transitioning portions of the existing fleet to electric vehicles? The study would be limited to those vehicles which could be replaced without adversely impacting the operational capacity of the fleet. Considerations*

would include replacement cost, maintenance, fuel savings, infrastructure (charging stations) and timing.

1. What is the Council's guidance regarding budgeting to conduct an analysis?

*The discussion included whether or not La Grande has ability to maintain electric vehicles and concerns were raised about the viability of this type of vehicle in this climate. The project would evaluate these factors, along with saving in fuel costs that could be realized by converting a portion of the fleet to EVs. It was suggested that doing the analysis would provide factual information specific to the City of La Grande rather than opinions. Later in the Retreat there was a question of whether or not hybrid vehicles would be considered and it was pointed out the fleet currently includes hybrids. The City Council did not reach consensus on conducting the study at this time but was open to continuing the discussion in the future.*

**c. Animal issues**

- i. There have been concerns raised regarding feral cats and what can be done to deal with the situation in La Grande. Additional concerns have been raised regarding at large dogs and dog bites. Union County is the jurisdiction responsible for animal control. It may be beneficial to request a presentation from Union County regarding the County's Animal Control program, ordinance and enforcement.

1. What is the Council's guidance regarding requesting such a presentation?

*The City Council briefly touched on this topic, recognizing Union County is responsible for animal control and reached consensus on requesting a Work Session with the County regarding their program.*

**d. Bike/Pedestrian Friendly Community**

- i. How can we be more friendly to cyclists and pedestrians and increase safety?

1. Would it be feasible to create a "loop" around town that is dedicated to cyclists, perhaps even separated from the road by a curb? A potential could be up 2nd to C, C/Gekeler to 12th or 20th, then over to Jefferson, then Jefferson to 2<sup>nd</sup>.
2. Walking/bike paths connecting City Parks?
3. Better defined bike parking in the downtown area with more functional bike racks (current ones are really not very functional and not well used)

- ii. The City Council adopted a Transportation System Plan in 2007. Any projects should be consistent with the adopted plan. Staff recommends a Work Session to review the current plan in conjunction with the suggests above before taking any action.

- i. What is the Council's guidance regarding this topic?

*The City Council discussed the lack of dedicated bike lanes and the fact that the City could benefit from enhancing the infrastructure. The Council supported having a Work Session to review the current Transportation System Plan.*

**e. Outdoor Ice Skating Rink**

**i. Should the City consider creating an outdoor ice skating rink?**

1. *The currently adopted Parks Master Plan does not include creating an outdoor ice skating rink as part of the near-term priorities and therefore Staff does not recommend pursuing this idea as it would be contrary to the intent of the master planning process and would necessitate a revision to the current plan.*

***The City Council briefly discussed the topic but did not direct the Staff to take any action on this item.***

**f. Under Levy City Council perspective**

**i. Validate continuation of Urban Renewal Agency (URA) Under Levy.**

1. *The decision to Under Levy is an annual decision and impacts other taxing jurisdictions. We are required to provide notice of the intent to Under Levy to the other jurisdictions, which we typically do immediately following the February Council Meeting.*
2. *The current intent is to Under Levy to provide additional tax revenues to the City's General Fund to help address the shortfall between current revenues and expenses mentioned above without reducing key economic development efforts/Urban Renewal program funding.*
3. *The General Fund Five-Year Projection included an assumption that a projected \$375,000 of Under Levy funding would be retained in the General Fund to help offset expenses. In FY 2022-2023 the City transferred the full amount of the URA Under Levy to the Street Reserve Fund but in FY 2023-2024 those funds remained in the General Fund.*

**i. What is the Council's guidance regarding an Under Levy?**

***The City Manager reminded the Council that this topic would be covered at the Joint City Council/Urban Renewal Agency (URA) Retreat from the URA perspective on January 23<sup>rd</sup>. The current philosophy guiding the amount of the Under Levy is for the URA to first fund debt service and all core economic development programs, including the grant programs such as Call for Projects to identify the required tax revenues. Any surplus property tax revenues would then be returned to the other taxing jurisdictions, including the City's General Fund, in the form of an Under Levy. The City Council as a whole was supportive of continuing this philosophy.***

**6. Informational Items—No Guidance Requested**

**a. Eastside Housing Water and Sewer Infrastructure Project**

- i. The City Council supported moving forward with the design work for the Eastside Housing Water and Sewer Infrastructure Project which would construct the primary water and sewer distribution lines along the border of a future proposed housing project that could add over 200 new residential housing lots. The project was identified to the League of Oregon Cities as part of a request for projects to facilitate housing projects. It may also be a viable project for grant funding.*

**b. Annexation**

*i. The City Council completed the first of three phases to annex properties eligible to be annexed, adding 25 properties to the City. Additional phases are being pursued to add islands which can be annexed without an election planned for July and December action by the Council.*

**c. Commercial Land Needs Analysis and Comprehensive Plan Goal 9 Update/Goal 14 UGB Expansion**

*i. The City is just completing the Commercial Land Needs Analysis and Comprehensive Plan Goal 9 Update to potentially increase our inventory to allow for new development. The City Council will see this item on the February agenda. The next step of this project is a Goal 14 Urban Growth Boundary Expansion. The Planning Division was successful with an application for a DLCDC Technical Assistance Grant to help fund this effort. This project is scheduled to occur over two (2) fiscal years, beginning in January, 2024 and concluding by May 2025.*

*This is also on the Eco Devo/URA Retreat topic list.*

**d. City Council election revisions.**

*i. The City Council reached consensus on requesting voter approval to change the City's Charter this November. The current system of candidates filing for individual positions, which are not tied to geographic areas in the City and is non-partisan, creates a potential for a candidate running for one position be elected with fewer votes than a second candidate who was running opposed for another position. The intent is for the non-Mayoral positions to change to a system where the candidates with the most votes are elected to the vacant positions. For example, if there are three open positions, candidates would file to be on the City Council and the three candidates with the most votes would be on the Council. There would not be a primary for the non-Mayoral positions, all candidates would be on the November ballot. The Council did not want to consider any other substantive changes.*

*This is informational only—no guidance requested. There will be required City Council action to place the question on the ballot.*

**e. Codification**

*i. The City is waiting for the completed City Code and draft Ordinance for adoption. Once completed, the new Code will then be hosted on the City's website and will be a much more user friendly tool for Staff and the public.*

**f. Fire Department Outreach**

*i. The Fire Department plans to implement a business occupancy inspection program and increase public education efforts such as getting back in the schools, wildland education, etc.*

**g. Promotion of Local Recreational Opportunities**

*i. City Parks and Recreation provides local promotion of the City's facilities and programs, and facilities such as Morgan Lake are included in promotion efforts as part of the Chamber's Tourism Promotion efforts. With the hiring of a new Chamber Director, it may be prudent to set up a meeting with the new Director to visit with City staff regarding the City's assets and how they are promoted.*



**h. ARPA Funding for Streets**

*i. The City Council voted to use all but \$250,000 of the American Rescue Plan Act (ARPA) funding for street projects which were then identified and approved as a separate City Council action. The remaining \$250,000 was designated for the Union County Fairgrounds as gap funding. The City Manager, based on City Council guidance, included \$119,231 of unallocated TRT funds in the 2023-2024 Adopted Budget, and therefore \$119,231 of ARPA funds are now designated for use on street projects per the Resolution passed by the Council. The City Council will be asked to waive up to \$130,769 of the water and sewer connection fees for a total of at least \$250,000 in financial support.*

**i. FEMA Maps and Land Use Code Amendments**

*i. There have been a number of requests for additional data and modeling from FEMA and Anderson and Perry is finalizing the last response. We believe the City should be able to adopt the new maps in FY 2025-2026.*

**j. Tourism Promotion**

*i. The agreement with the Chamber runs through 2026.*

**k. La Grande Main Street Downtown**

*i. The Agreement with LGMSD runs through June, 2025. Under the agreement they are required to maintain the Performing Main Street level status as well as raise a minimum of \$25,000 each fiscal year.*

**l. National Pollutant Discharge Elimination System (NPDES) re-permitting process**

*i. The City will be working with DEQ on the re-permitting process. This will likely result in increased costs that will be addressed as part of the annual budget approval process for the Sewer Fund once the specifics are identified.*

**m. City Emergency Operation Planning**

*i. The City Council approved moving forward to update the City's current Emergency Operation Plan, however; we have not moved forward given other priorities. With the completion of the Natural Hazard Mitigation Plan, timing is ideal to move forward with a more specific Community Forest Emergency Management Plan, either as part of the Emergency Operation Plan or as a stand-alone project. Under the same umbrella, we are continuing efforts to design, fund, and construct the Morgan Lake Dam Diversion. These remain important tasks and will be pursued in the coming months.*