

AGENDA

REGULAR CITY COUNCIL MEETING

May 12, 2014

5:30 p.m.

CITY HALL COUNCIL CHAMBER

313 COURT STREET

THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. Update by Scott McKay Regarding Senior Center
 - B. Presentation by Linda Cassady Regarding a Youth Shelter
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT
8. CITY ATTORNEY REPORT
9. CITY COUNCIL REPORTS
10. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles"

A. Approval of April 28, 2014 Regular City Council Meeting Minutes

11. PUBLIC HEARINGS

A. Public Hearing to Receive Testimony Regarding a Report of Delinquent Systems Development Payment for Douglas Ponath [**Agenda Staff Report #14-036**]

1. Resolution No. 14-013 Assessing Real Property Located at 2438 East 12th Street for a Delinquent Sewer System Development Charge

12. CONTRACT REVIEW BOARD ACTIONS

A. Public Hearing to Receive Testimony Regarding Exemption of a Design/Build Contract for the Wastewater Treatment Plant Upgrade Project From the Competitive Bid Process [**Agenda Staff Report #14-035**]

1. Resolution No. 14-014 Approving an Exemption From Competitive Bid Requirements for Wastewater Treatment Plant Upgrade Project

13. ACTION ITEMS

A. Approval of Annual Insurance Renewals for Liability and Property [**Agenda Staff Report #14-037**]

B. Approval of Agreement With The Dalles Chamber of Commerce for Community Marketing [**Agenda Staff Report #14-034**]

C. Resolution No. 14-008 Authorizing a Utility Rate Discount Program for Low Income Senior and Disabled Persons and Repealing Resolution No. 03-023 [**Agenda Staff Report #14-031**]

D. Approval of 2014-15 Fiscal Year QLife Agency Budget and Work Scope [**Agenda Staff Report #14-032**]

14. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk



**CITY of THE DALLES**313 COURT STREET
THE DALLES, OR 97058PH. (541) 296-5481
FAX (541) 296-6906**AGENDA STAFF REPORT**
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 12, 2014	Consent Agenda 10, A	N/A

TO: Honorable Mayor and City Council**FROM:** Julie Krueger, MMC, City Clerk**THRU:** Nolan K. Young, City Manager**DATE:** April 30, 2014

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

A. **ITEM:** Approval of April 28, 2014 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the April 28, 2014 regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the April 28, 2014 regular City Council meeting.

MINUTES

REGULAR COUNCIL MEETING
OF
APRIL 28, 2014
5:30 P.M.

THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Tim McGlothlin, Linda Miller

COUNCIL ABSENT: Dan Spatz

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Administrative Fellow Jon Chavers, Administrative Intern Rich Wachter, Finance Director Kate Mast, Police Chief Jay Waterbury, Engineer Dale McCabe

CALL TO ORDER

Mayor Lawrence called the meeting to order at 5:30 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; Councilor Spatz absent.

PLEDGE OF ALLEGIANCE

Mayor Lawrence invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Wood and seconded by Dick to approve the agenda, as presented. The motion carried unanimously, Spatz absent.

PRESENTATIONS/PROCLAMATIONS

Annual Update by Six Rivers Mediation Service

Bill Lennox, Chair of the Board, reported that Six Rivers had recently left as a part of the Council of Governments and become a 501(c)3. He said they continued to save the same bi-state region and had added mediation services for the USDA. Lennox said he hoped they would continue to receive the support of the City. He said they did provide courses for people to learn mediation skills and discussed the value of resolving disputes early. In response to a question, Lennox said there had been a school program, but it was not currently operating. He said he hoped to re-implement it in the future.

AUDIENCE PARTICIPATION

Richard Mint, 805 Court Street, Apartment 10, The Dalles, said he was a medical marijuana grower and had his own medical card. He read excerpts from the State law, noting growers already had to be in compliance with regulations and said dispensaries were not necessary. Mint said he agreed with the moratorium and said no further action should be taken until after the November election because more changes could be coming.

Lloyd Clark, 1220 East 13th Street, The Dalles, questioned how the jurisdictional issue regarding responsibility for Mill Creek contamination was being handled.

Public Works Director Anderson provided an update regarding efforts to find the source of the contamination. He said as a last resort, the City would excavate in Wright Street to expose the pipe at the point where cameras could not go any farther and try to go from that point.

There was a discussion regarding placing signs at the site of contamination to warn people of the e coli dangers. Staff was directed to work the partner agencies to get signage installed. Public Works Director Anderson said he would provide an update by Friday.

CITY MANAGER REPORT

City Manager Young reminded the City Council of a work session on April 30 to discuss the tourism and marketing program.

CITY ATTORNEY REPORT

City Attorney Parker reported he had been working with the Main Street Program staff to complete an encroachment agreement for the parklet, scheduled to be installed May 7 at Columbia River Music store.

Parker said he would be attending the City Attorney's conference later in the week.

Parker handed out information provided by Bradley Steinman, attorney for Mountain View Naturals. He said a provisional approval from the State had been issued for their medical marijuana dispensary and asked if the Council wanted him to begin drafting language to allow the dispensary. Parker said it had been his understanding that if an application was approved by the State, the Council wanted him to work on developing regulations.

Councilor McGlothlin said he didn't want to be pressured into preparing regulations so quickly. It was the consensus of the Council to leave the moratorium in place at this time.

CITY COUNCIL REPORTS

Councilor Wood said there was no Historic Landmarks Commission or Council of Governments meeting, but she had attended the QLife Agency meeting and they had approved the budget. Wood said the Wasco County Pioneer's annual meeting would be on May 3 and everyone was invited to attend.

Councilor McGlothlin said he would provide a report on the Traffic Safety Commission meeting at a later time. He said the Airport business park project was moving forward, runway project was back on schedule, and work continued on the hangar project.

Councilor Dick said he attended the QLife Agency meeting where the budget was approved.

Councilor Miller said she attended the Urban Renewal Advisory Committee meeting and a recommendation would be forwarded to the Agency to include an additional \$200,000 for grants in the core business area and \$25,000 to \$35,000 to help fund the Main Street Program manager position.

Mayor Lawrence reported he had attended and moderated a Town Hall meeting for Senator Wyden; attended the regional League of Oregon Cities meeting; met with a representative from Tours to Trails program to discuss hiking trails in the Gorge; and attended a meeting regarding the organization for Cycle Oregon.

MINUTES (Continued)
Regular Council Meeting
April 28, 2014
Page 4

CONSENT AGENDA

It was moved by Wood and seconded by Miller to approve the Consent Agenda as presented. The motion carried unanimously, Spatz absent.

Items approved by Consent Agenda were: 1) approval of April 14, 2014 regular City Council meeting minutes; 2) Resolution No. 14-009 approving a Section 3 Plan required for funding assistance provided through the Community Development Block Grant program; and 3) Resolution No. 14-010 approving a Limited English Proficiency (LEP) Plan required as a condition of federal funding assistance.

CONTRACT REVIEW BOARD ACTIONS

Discussion Regarding Exemption of a Design/Build Contract for the Wastewater Treatment Plant Upgrade Project From the Competitive Bid Process

Public Works Director Anderson reviewed the staff report. Members of the City of Wilsonville Public Works Department were in attendance to share their experience with a design-build form of contract for a large scale public works project, noting it had been a very positive experience and saved the City money.

It was the consensus of the City Council to support the utilization of a design/build contract process for the Wastewater Treatment Plant upgrade, Phase 1 project and to move forward with a public hearing.

Award Logging Contract for 2014 Salvage and Commercial Timber Sale in The Dalles Municipal Watershed

Public Works Director Anderson reviewed the staff report.

It was moved by Wood and seconded by Miller to authorize the City Manager to enter into contract with Dodge Logging for Contract No. 14-009, Watershed Timber Salvage and Commercial Thinning Project. The motion carried unanimously, Spatz absent.

ACTION ITEMS

Intergovernmental Agreement With North Wasco County School District 21 for Distribution of Enterprise Zone Fees from Design LLC Enterprise Zone Agreement

City Manager Young reviewed the staff report.

It was moved by Wood and seconded by Dick to approve the agreement between the City of The Dalles, Wasco County and North Wasco County School District 21 concerning the distribution and use of fees paid pursuant to Enterprise Zone Abatement Agreement executed September 24, 2013 and authorize the Mayor to sign this agreement, contingent on approval by Wasco County Commission and School District 21. The motion carried unanimously, Spatz absent; McGlothlin abstaining.

Resolution No. 14-012 Authorizing Transfers of Funds from the General Fund Contingency to the General Fund City Council Department, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2014

Finance Director Mast reviewed the staff report.

It was moved by Dick and seconded by Miller to adopt Resolution No. 14-012 authorizing transfers of funds from the General Fund Contingency to General Fund City Council Department, making appropriations and authorizing expenditures for fiscal year ending June 30, 2014. The motion carried, Spatz absent; McGlothlin opposed.

Resolution No. 14-008 Authorizing a Utility Rate Discount Program for Low Income Senior and Disabled Persons and Repealing Resolution No. 03-023

Finance Director Mast reviewed the staff report. She noted that when the original information had been compiled, there were 205 customers participating in the program, but as of this date, there were 216 customers in the program. Mast discussed the dollar amount each increase would represent over a three year phase in plan. She said the Resolution would also correct the number of gallons, saying it was previously set at 15,000, but the base for all residential customers was 10,000.

Councilor McGlothlin expressed concern about the financial impact to a vulnerable population and asked if the phase in could be extended over a longer period of time. He asked that staff bring back a resolution with a five or six year phase in.

It was moved by Miller and seconded by Dick to direct staff to bring back the resolution with a six year phase in plan. The motion carried unanimously, Spatz absent.

MINUTES (Continued)
Regular Council Meeting
April 28, 2014
Page 6

ADJOURNMENT

Being no further business, the meeting adjourned at 7:36 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

Stephen E. Lawrence, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk



CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481 ext. 1122
FAX: (541) 296-6906

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
May 12, 2014	Public Hearings 11, A, 1	14-036

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

THRU: Nolan K. Young, City Manager *ny*

DATE: April 30, 2014

ISSUE: Resolution No. 14-013, assessing the real property located at 2438 East 12th Street for the amount of an unpaid sewer system development charge.

RELATED CITY COUNCIL GOAL: None.

PREVIOUS AGENDA REPORT NUMBERS: None.

BACKGROUND: Douglas and Debra Ponath are the owners of the real property located at 2438 East 12th Street. Mr. Ponath entered into a payment agreement with the City Finance Department on August 27, 2013 for the payment of Sewer System Development Charges (“SDC”). The payment agreement provided that Mr. Ponath was to make payments of \$298.17 on the 27th day of each month from August, 2013 through January, 2014. A copy of the payment agreement is enclosed with this staff report.

Mr. Ponath made the first payment on August 27, 2013, as shown by the copy of the enclosed receipt, but did not make any other payments as provided for in the payment agreement. The City Finance Director sent a letter by certified mail to Mr. Ponath dated February 24, 2014, notifying him that she had sent letters to Mr. Ponath each time the City did not receive a payment, and advising him of the delinquent amount and the amount of interest assessed, and the date of future scheduled payments. A copy of the February 24, 2014 letter is included with this

staff report, as well as a copy of the front of the envelope showing the letter was returned unclaimed. The February 24, 2014 letter advised Mr. Ponath that if the entire delinquent balance owed pursuant to the payment agreement was not paid in full by March 10, 2014, the City would initiate the process to collect the delinquent amount owed under the provisions of Section 10 of General Ordinance No. 06-1266.

Mr. Ponath did not pay the delinquent balance by the deadline of March 10, 2014, and the City proceeded with the scheduling of a public hearing as set forth in Section 10 of General Ordinance No. 06-1266, and provided notice of the public hearing to Mr. and Mrs. Ponath by sending them a letter with a copy of the agenda staff report and this resolution, by certified mail return receipt requested, and by posting a notice of the hearing upon the property at least ten (10) days before the scheduled hearing. Section 10 of General Ordinance No. 06-1266 provides that the Council shall review the recommendation of the City Manager, which is set forth in this agenda staff report prepared by the City Attorney, and approved by the City Manager. The City Manager's recommendation is that the Council determine that the unpaid amount of \$2,319.91 is owed by Mr. and Mrs. Ponath for delinquent SDC sewer charges, and that the Council should proceed to assess Mr. and Mrs. Ponath's property for this amount and direct the City Clerk to enter the amount of the assessment as a lien upon the property. The sum of \$2,219.91 includes the sum of \$1,490.83 for principal, and the sum of \$829.08 for interest as a result of the default in payments under the payment agreement.

BUDGET IMPLICATIONS: Adoption of Resolution No. 14-013 will result in the entry into the City's Lien Docket against Mr. and Mrs. Ponath's property in the amount of \$2,319.91.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt Resolution No. 14-013.*



CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

**PAYMENT AGREEMENT
SYSTEM DEVELOPMENT CHARGES**

While SDC fees are normally paid in full when a permit is issued, General Ordinance 06-1266 authorizes the Finance Director to approve a monthly payment plan, not to exceed a period of twelve (12) months, for permits that allow expansion of an existing building, or the development of an existing parcel. General Ordinance 06-1266, Section 9. E., states that no interest charge will be imposed as long as no default in payment occurs, and that a late charge at the rate of ten percent (10%) per annum will be imposed upon any past due installment.

The following SDC's have been assessed for the existing parcel, located at the following address:

2438 E 12th Street, and owned by Debra E and Douglas A Poneth, 541-296-0813.

Water SDC	.00		
Sewer SDC	1,789.00		
Transportation SDC	.00	Total SDC's Assessed	1,789.00

Payments shall be made as follows:

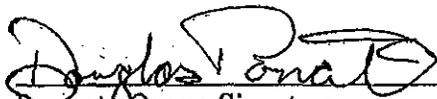
First payment in the amount of \$ 298.17 is due when permit is issued: August 27, 2013.

Payments of \$ 298.17 are due by the 27th of each subsequent month through December 2013.

Final payment of \$ 298.15 is due by January 27, 2014.

All payments must be received and receipted in the Finance Office before close of business at 4:30 PM on or before the 15th day of the month the payment is due. If any payment is not received and receipted as required above, interest at the rate of ten percent (10%) per annum shall be assessed on any past due amounts.

The undersigned hereby agrees to the requirements and details of this payment agreement as stated above.


Property Owner Signature

Aug. 27, 2013
Date

Attachments: System Development Application provided by Planning Dept. - N/A ;
Owner Application for SDC Payment Agreement

- c file -- Finance Department
- Gene Parker, City Attorney
- Dawn Hert, City Planner
- Dave Anderson, Public Works Director

TREASURER RECEIPT

CITY of THE DALLES

313 Court Street

THE DALLES, OREGON 97058

9080

DATE

8/27/13

OFFICE	MAIL	CASH	CHECK	MONEY O.	AMOUNT PAID
			<input checked="" type="checkbox"/>		\$ 298.17

REC'D. FROM: Ponath, Douglas

EXPLANATION: Sewer SOC agreement

ORD#	FUND	DEPT.	MAP#	LINE ITEM NO.	TU#
					\$ 298.17
					\$
					\$
					\$

A 60686

BY: mebody
3103933 MAC-4



file

CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

C E R T I F I E D

February 24, 2014

Douglas Ponath
2438 E 12th Street
The Dalles OR 97058

Dear Mr. Ponath:

According to the payment agreement that you signed on August 27, 2013, for Sewer System Development Charges (SDC), you were to have made payments of \$298.17 on the 27th of each month from August 2013 through January 2014. You paid the first payment August 27, 2013, but have not made any payments since then.

The agreement also states that "if any payment is not received and receipted as required, interest at the rate of ten percent (10%) per annum shall be assessed on any past due amounts." I sent letters to you each time we did not receive a scheduled payment that included the delinquent amount, the amount of interest assessed, and the date of the future scheduled payments.

As of today, the delinquent amount is \$1,490.83, and interest has been assessed in the amount of \$35.28. The total amount due to date is \$1,526.11. Interest shall continue to be assessed at \$9.80 per day until this amount is paid in full.

Please make payment of \$1,526.11 plus \$9.80 per day after today, in full at the City Finance Office immediately. If full payment is not received in our office by 4:30 PM on Friday, March 14, 2014, the City will begin the process as described in Section 10. 'Delinquent Charges', of Ordinance No. 06-1266, as shown below.

Section 10. Delinquent Charges.

- A. When, for any reason, a system development charge has not been paid, the City Manager shall report to the Council the amount of the uncollected charge, the description of the real property to which the charge is attributable, the date upon which the charge was due, and the name of the owner.
- B. The Council shall schedule a public hearing on the matter and direct that notice of the hearing shall be given to each owner with a copy of the City Manager's report concerning the unpaid charge. Notice of the hearing shall be given either personally or by certified mail, return receipt requested, or by both personal and mailed notice, and by posting notice on the parcel at least then (10) days before the date set for the hearing.

Douglas Ponath
February 24, 2014
Page 2 of 2

- C. At the hearing the City Council may accept, reject, or modify the determination of the City Manager as set forth in the report. If the Council finds that a systems development charge is unpaid and uncollected, the City Clerk shall docket the unpaid and uncollected system development charge in the City lien docket. Upon completion of the docketing, the City shall have a lien against the described land for the full amount of the unpaid charge, together with interest at the legal rate of ten (10) percent. The lien shall be enforceable in the manner provided in ORS Chapter 223.

We will appreciate your prompt attention to this matter.

Sincerely,



Kate Mast
Finance Director

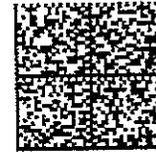
- c Nolan Young, City Manager
Gene Parker, City Attorney
file
r.f.



City of The Dalles
 CITY HALL
 313 COURT STREET
 THE DALLES, OREGON 97058



7004 1160 0005 6950 3595



U.S. POSTAGE >> PITNEY BOWES

ZIP 97058 \$ 006.48⁰
 02 1W
 0001373455 FEB. 24. 2014



REASON CHECKED

- Moved, Left No Address
- Unable To Forward
- Attempted - Not Known
- Unclaimed
- No Such Street
- Insufficient Address
- Refused
- No Such Number

Rt. _____ Dist. _____

Douglas Ponath
 2438 E 12th Street
 The Dalles OR 97058

1st NOTICE
 2nd NOTICE
 RETURNED

7-16-14
 33
 311

1st NOTICE
 2nd NOTICE
 RETURNED

RESOLUTION NO. 14-013

**A RESOLUTION ASSESSING THE REAL PROPERTY LOCATED
AT 2438 EAST 12TH STREET FOR A DELINQUENT SEWER
SYSTEM DEVELOPMENT CHARGE**

WHEREAS, Douglas A. Ponath and Debra E. Ponath are the owners of the real property located at 2438 East 12th Street, which property is further described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, Mr. Ponath entered into a payment agreement with the City Finance Department on August 27, 2013 for the payment of Sewer System Development Charges ("SDC"); and

WHEREAS, the payment agreement provided that Mr. Ponath was to make payments of \$298.17 on the 27th day of each month from August, 2013 through January, 2014; and

WHEREAS, Mr. Ponath made the first payment on August 27, 2013, but did not make any other payments as provided for in the payment agreement; and

WHEREAS, the City Finance Director sent a letter by certified mail to Mr. Ponath dated February 24, 2014, notifying him that she had sent letters to Mr. Ponath each time the City did not receive a payment, and advising him of the delinquent amount and the amount of interest assessed, and the date of future scheduled payments; and

WHEREAS, the February 24, 2014 letter advised Mr. Ponath that if the entire delinquent balance owed pursuant to the payment agreement was not paid in full by March 10, 2014, the City would initiate the process to collect the delinquent amount owed under the provisions of Section 10 of General Ordinance No. 06-1266; and

WHEREAS, Mr. Ponath did not pay the delinquent balance by the deadline of March 10, 2014, and the City proceeded with the scheduling of a public hearing as set forth in Section 10 of General Ordinance No. 06-1266, and provided notice of the public hearing to Mr. and Mrs. Ponath by sending them a letter with a copy of the agenda staff report and this resolution, by certified mail return receipt requested, and by posting a notice of the hearing upon the property at least ten (10) days before the scheduled hearing; and

WHEREAS, the City Council conducted a public hearing on May 12, 2014, at which time it reviewed the agenda staff report and considered comments from City staff, and other public testimony offered during the hearing;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES RESOLVES AS FOLLOWS:

Section 1. Staff Recommendation accepted. The City Council accepts the recommendation of City staff in the agenda staff report presented during the public hearing, that the Council should determine that Douglas A. Ponath has failed to comply with the terms of the Sewer System Development Charge Payment Agreement dated August 27, 2013, and that the balance owed pursuant to that agreement should be determined to be unpaid and uncollected.

Section 2. Assessment. Based upon the staff recommendation outlined in Section 1 of this Resolution, the City Council determines that the following amount of the unpaid Sewer System Development Charge is assessed upon the following property:

<u>Name/Address</u>	<u>Description</u>	<u>Final Assessment</u>
Douglas A. & Debra E. Ponath 2438 East 12 th Street The Dalles, OR 97058	1N 13E 2DC #4500	\$2,319.91

The legal description for this property is set forth in Exhibit "A".

Section 3. Docket Entry. Upon passage of this Resolution and its approval by the Mayor, the City Clerk is instructed and directed to enter into the Docket of City Liens the following matters in relation to the assessment:

- a. The foregoing legal description of the property assessed.
- b. The name of the owners or statement that the owners are unknown.
- c. The sum assessed upon each lot or tract of land.
- d. The date of the docket entry.

Section 4. Notice/Collection of Assessment. The City Clerk is directed to proceed with notice of the assessment in accordance with the procedures set forth in Section 9 of General Ordinance No. 91-1127, and to proceed with collection of the assessed amount in the manner provided by law.

Section 5. Effective Date. This Resolution shall be effective as of May 12, 2014.

PASSED AND ADOPTED THIS 12TH DAY OF MAY, 2014

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 12TH DAY OF MAY, 2014

Stephen E. Lawrence, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

EXHIBIT "A"

East one-half of Lot 3, Block 8, Thompson's Addition to The Dalles, Wasco County,
Oregon



CITY OF THE DALLES
Department of Public Works
1215 West First Street
The Dalles, Oregon 97058

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 12, 2014	Contract Review Board 12, A, 1	14-035

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

THRU: Nolan K. Young, City Manager *ny*

DATE: April 30, 2014

ISSUE: Exemption from Competitive Bid Requirements for Use of Design-Build Contracting for Wastewater Treatment Plant Upgrade Phase 1 Project.

CITY COUNCIL GOALS: Goal 1, Tier 1, C: *Complete Design of the Phase 1 improvements under the Wastewater Master Plan.*

PREVIOUS AGENDA REPORT NUMBERS: Agenda Staff Reports #14-027.

BACKGROUND: The Wastewater Treatment Plant Upgrade Phase 1 project is included in the current 2013-2014 budget and proposed 2014-15 budget. The project includes construction of a new influent pump station and headworks facility, conversion of an existing bio-solids storage tank into an anaerobic digester, and aesthetic improvements to enhance the appearance of the plant from key viewing areas. City Council received a report on April 28, 2014 summarizing the concept of utilizing Design-Build (D-B) contracting for the project and indicated its general support for pursuing this concept further.

State public contracting regulations and the City's Contract Review Board Rules require that a specified process be followed to utilize D-B contracting on public improvement projects. The first step is to prepare a report presenting draft findings that support using design-build contracting over conventional design-bid-build methods for the project; those draft findings are attached to this report as Exhibit A of draft Resolution No. 14-014. That report is presented to the City Council along with a recommendation to exempt the project from normal competitive bidding requirements. The City Council then holds a Public Hearing to receive comments about the proposed exemption.

After the hearing, the Council can, if it chooses, accept the findings through adoption of the attached Resolution No. 14-014 thereby exempting the project from competitive bid requirements and authorizing utilization of the design-build contracting for the project.

The attached Resolution No. 14-014 provides findings indicating that exempting this project from competitive bid requirements is:

1. *unlikely to encourage favoritism or substantially diminish competition for this public improvement contract, and*
2. *likely to result in substantial cost savings to the City.*

Detailed information supporting these findings is provided in Exhibit A of Resolution No. 14-014.

Notice of this public hearing and availability of the draft findings has been published in a trade newspaper of general statewide circulation (The Daily Journal of Commerce) 14 days in advance of the hearing as required. Following the public hearing, Council will have the opportunity to adopt Resolution No. 14-014 or provide additional direction to staff about how to proceed.

BUDGET IMPLICATIONS: None at this time.

RECOMMENDATIONS:

1. Staff Recommendation: *Move to adopt Resolution No. 14-014.*
2. Reject draft Resolution No. 14-014 and provide additional direction to staff.

RESOLUTION NO. 14-014

A RESOLUTION GRANTING AN EXEMPTION FROM THE COMPETITIVE BID REQUIREMENTS OF ORS 279B.050 FOR USE OF THE DESIGN-BUILD METHOD OF CONTRACTING FOR THE WASTEWATER TREATMENT PLANT UPGRADE PHASE ONE PROJECT

WHEREAS, the City Council adopted General Ordinance No. 91-1121 on January 21, 1991, designating the City Council as the local contract review board for the City of The Dalles, and providing that the Council, acting as the local contract review board, shall have all the powers granted by the Oregon Revised Statutes; and

WHEREAS, ORS 279C.335(1) provides that all public improvement contracts shall be based upon competitive bids; with certain exceptions including an exemption for a specific contract for a public improvement which is approved in accordance with the provisions of ORS 279C.335(2), (3), (4), and (5); and

WHEREAS, the City's Local Contract Review Board rules authorize the use of alternative contract methods for public improvement contracts as an alternative to the requirement for competitive bidding; and

WHEREAS, Rule 04-0670 authorizes the alternative contract method of Design-Build for public improvement contracts, including compliance with the provisions set forth in Rules 04-0600 to 04-0690 of the City's Local Contract Review Board Rules; and

WHEREAS, ORS 279C.335(2) and Rule 04-0630 of the City's Local Contract Review Board rules require that certain findings be adopted by the Local Contract Review Board in order to grant an exemption from the competitive bidding requirement for an alternative contract method for public improvement contracts; and

WHEREAS, pursuant to Rule 04-0630(7), the City published notice of a public hearing for the purpose of taking public comment on the City's draft findings for the exemption from the

competitive bidding requirement, which hearing was held during the City Council meeting scheduled for May 12, 2014; and

WHEREAS, the City Council acting as the Local Contract Review Board, has reviewed the proposed findings, and considered public testimony presented during the public hearing, and has determined to proceed with granting the exemption from the requirement for competitive bidding pursuant to the provisions of ORS 279B.075 and the City's Local Contract Review Board Rules;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES
RESOLVES AS FOLLOWS:**

Section 1. Findings Approved. The findings in support of the requested exemption, as prepared by City staff, and attached hereto as Exhibit "A", are hereby approved and adopted.

Section 2. Exemption Granted. Based upon the findings set forth in Exhibit "A", the exemption from competitive bidding requirements to allow a Design-Build method of contracting for the Wastewater Treatment Plant Upgrade Phase One Project is hereby granted.

Section 3. Effective Date. This Resolution shall be considered effective as of May 12, 2014.

PASSED AND ADOPTED THIS 12TH DAY OF MAY, 2014

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 12TH DAY OF MAY, 2014

Stephen E. Lawrence, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

EXHIBIT A
City of The Dalles
Wastewater Treatment Plant Upgrade Project – Phase 1
Exemption from Competitive Bidding Findings
April 26, 2014

Project description and scope: The project, as identified in the 2013 Wastewater Facilities Master Plan, will upgrade the City's Wastewater Treatment Plant through the construction of a new influent pump station and headworks facilities, conversion of an existing bio-solids storage tank into an anaerobic digester, and installation of aesthetic enhancements to improve the appearance of the treatment facility from key viewing areas. The estimated budget for the project is \$4.89 million (2013 dollars) based upon conceptual designs provided in the Master Plan. The project will be funded by utility rates and Sewer System Development Charges (SDCs).

The City intends to utilize a progressive design-build contracting method for the project rather than design-bid-build and is therefore seeking to exempt the project from normal competitive bidding requirements based upon the following findings.

Findings

1. *It is unlikely that the exemption from competitive bidding will encourage favoritism or substantially diminish competition for this public improvement contract.*

For this project, the City will advertise a Request for Qualifications (RFQ) to which all interested parties may respond. The City will invite the three most qualified entities from those that submit Statements of Qualifications to submit formal proposals for the project. The design-build contract will be awarded to the entity that provides the best-value proposal for the project.

The City previously advertised a Request for Letters of Interest related to this project and received letters from six design-build entities. Therefore, it is expected that there will be competition from a significant number of qualified design-build firms or teams for this project.

2. *The awarding of a design-build contract for this project is likely to result in substantial cost savings to the City.*

As noted previously, the proposed project will involve new construction (construction of a new influent pump station and headworks facilities) and renovation of the existing wastewater treatment plant (conversion of an existing bio-solids storage tank into an anaerobic digester), and installation of aesthetic improvements to improve the appearance of the treatment facility from key viewing areas. For a project of this type, the design engineers provide the technical expertise

related to the treatment processes and facilities to be constructed while the construction contractor provides expertise related to constructability issues. By utilizing a design-build contracting method, the construction contractor is involved early in the design of the project so that construction efficiencies can be integrated into the project, thereby reducing the need for redesign later in the project or change orders and additional costs during the construction phase. Design-build contracting is intended to focus on obtaining the “best-value” for the project and incorporates greater opportunity for value engineering utilizing input from the construction contractor. These opportunities are expected to provide cost savings to the City when compared to conventional design-bid-build project delivery. National statistics show that, on average, design-build contracting provides about 6.1% in project cost savings over traditional design-bid-build project delivery methods.

The wastewater treatment plant will be operational during this project, and this project must be undertaken without interruption to the treatment plant operations and permit compliance. Having the expertise of the construction contractor integrated into the design of the project is anticipated eliminate construction-related interferences with the operation of the treatment plant and reduce the risk of the City incurring permit violations and associated fines.

The availability of design engineers with the appropriate technical expertise will facilitate a design of the project that will ensure that the wastewater treatment plant can operate at a high level of efficiency. The use of the design build process will assist in achieving this high level of efficiency at a cost level which is anticipated to be less than if the City used a traditional design-bid method for the project.

The size of the project (with an estimated budget of \$4.89 million) is significant, and the technical issues associated with the project, including installation of new facilities and conversion of existing facilities which involve new processing methods for the wastewater treatment plant, are complex. Granting the requested exemption will enable the City to address the size and technical complexity of the proposed public improvement.

The City anticipates preparing a Request for Proposals which will provide that at a certain level of design completion, likely between sixty to eighty percent, the City will negotiate a Guaranteed Maximum Price (GMP) with the design-build team for construction of the project. The proposed contract will have a “progressive feature” which will provide that if the parties cannot agree upon a GMP, the parties will be allowed to terminate their negotiations. If the contract negotiations are terminated, the City will compensate the design build team for the services they have provided, and the City will have the option to complete the design in whatever manner it determines is appropriate, and the City would then solicit bids for the construction of the project, using a competitive bidding solicitation process. The “progressive” nature of the contract reduces the risk to both the City as the project owner and the design-build team since there is a

lot more information known about the project to be constructed when the GMP is negotiated, and the parties can terminate their negotiations when it is in the best interests of the parties to take that action. All accounting for construction of the project will be "open-book", and the City will pay only for the actual work performed at the rate of the actual cost of that work, plus contractually agreed mark-ups, up to the GMP.



AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May12, 2014	Action Items 13, A	14-037

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

THRU: Nolan K. Young, City Manager *nyj*

DATE: April 30, 2014

ISSUE: Insurance Renewals for FY14/15 - Report by Jerry Frazier, Oregon Trail Insurance, LLC.

BACKGROUND: Jerry Frazier, Oregon Trail Insurance, LLC, the City's Agent of Record for Property, Auto, Liability, and Workers Compensation Insurance, will be presenting information to the Council on the renewal of Property, Liability and Auto Insurance for the upcoming fiscal year. The estimates for Worker's Compensation Insurance have not yet been received.

BUDGET IMPLICATIONS: The proposed budget does not contain sufficient funds for the renewal of these coverages. However, the shortages within each fund are so small that we do not recommend any changes to the proposed budget, as the total of each Materials & Services category affected will not be over-expended.

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to approve the renewal of the City's Property, Liability and Auto Insurance coverage as presented.*
- B. Council could decline to approve the proposed renewals and direct Mr. Frazier to pursue alternatives for coverage.



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481 ext. 1122
FAX: (541) 296-6906

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
May 12, 2014	Action Items 13, B	14-034

TO: Honorable Mayor and City Council

FROM: Nolan K. Young, City Manager *nyj*

DATE: May 1, 2014

ISSUE: Agreement for Personal Services with The Dalles Area Chamber of Commerce to provide community marketing services and approval of scope of work and budget for fiscal year 2014-15.

PREVIOUS AGENDA REPORT NUMBERS: 14-021 from April 14, 2014 Council meeting and staff report presented at April 30, 2014 work session.

BACKGROUND: The purpose of this agenda item is to consider entering into a new five year agreement for personal services with The Dalles Area Chamber of Commerce to provide community marketing services (agreement attached). If the City Council approves the signing of that new agreement, you will then need to approve a community marketing services scope of work and budget for the 2014-15 fiscal year.

At the Council's April 30, 2014 work session, the Council had a discussion with the Chamber regarding this issue. As a result of the work session, the Chamber will be providing a revised work scope and budget. It will include information on a proposal to create a new Tourism Coordinator position. We will send that information, along with a recommendation and alternatives, to you when we receive it.

AGREEMENT FOR PERSONAL SERVICES

THIS AGREEMENT is made and entered into this _____ day of _____, 2014, by and between the CITY OF THE DALLES, an Oregon municipal corporation, hereinafter called "CITY", and THE DALLES AREA CHAMBER OF COMMERCE, an Oregon non-profit corporation and independent contractor, hereinafter called "CHAMBER".

In consideration of the mutual covenants and promises set forth herein, CITY and CHAMBER mutually agree as follows:

Section 1. Term; Renewal Provisions. The term of this agreement shall commence on July 1, 2014, and terminate on June 30, 2019. The sum to be paid to CHAMBER for services rendered under this contract shall be the amount determined by the process described in Section 3(B).

Section 2. CHAMBER'S Duties. CHAMBER agrees to provide services to CITY in accordance with the "Community Marketing Scope of Work", which shall be developed and shall be updated and mutually agreed to annually, as spelled out in Section 3(B); and a copy of which Scope of Work is marked Exhibit "A" and by this reference incorporated herein. In general, CHAMBER will maintain affiliations, conduct promotions, incur advertising and printing expenses, and create and operate a marketing program designed to achieve the goals and objectives set forth in the "Scope of Work" and maintain a full-service visitor center, with staffing levels also set forth in the "Scope of Work". CHAMBER shall be responsible for maintenance and stocking of the restrooms at the visitor center facility.

Section 3. Compensation.

A. During the term of this agreement, CITY agrees to pay CHAMBER a sum mutually agreed to as described in Section 3(B). CITY shall make this sum available to the CHAMBER through two methods: (1) Equal monthly payments by the first day of each month, for agreed to administrative services and personnel costs; and (2) the remaining amount as reimbursement of invoices related to the "Scope of Work", as described in Section 3(B).

B. Annually the CITY and CHAMBER shall mutually agree to a contract amount and "Scope of Work". The contract amount shall be supported by a detailed budget that shall, at a minimum, identify personnel costs, administrative service fees and expenditures, and a marketing budget. All expenses should be tied to the annual "Scope of Work".

i. For each annual period from July 1st to June 30th during which this Agreement is in effect, the CHAMBER will submit a budget request with corresponding "Scope of Work" by March 1 of each year. The CHAMBER will also provide a report on results to date of the current work scope to the City Council in March of each year covered by this agreement.

ii. The CITY will consider the request and respond with an approved amount and "Scope of Work" by May 15. The CHAMBER shall have two calendar weeks to reject or accept the CITY'S response.

iii. If the CITY and CHAMBER cannot mutually agree to a payment amount and "Scope of Work" by June 14 of any particular year, the contract will be deemed to terminate on June 30 of that year.

Section 4. Processing Accounts Payables; Financial Audit of Transient Room Tax Collectors. CITY and CHAMBER have agreed CITY shall retain possession of the funds collected from the transient room tax, which will be used to compensate CHAMBER for services provided by CHAMBER to the CITY. CHAMBER shall submit necessary original invoices and vouchers, with appropriate CHAMBER approval and documentation, (e.g. receipt for goods, packing slips, copies of CHAMBER issued purchase orders) to CITY for review and payment. CITY shall disburse payment for approved expenses in the ordinary course of processing its accounts payable. CITY shall continue to conduct the audits of businesses which collect the transient room tax, as required by CITY ordinance.

Section 5. Insurance. Prior to provision of services under this contract, CHAMBER shall provide original certificates of insurance to the City Attorney, evidencing proof that CHAMBER has insurance policies in effect for the type of coverage set forth below, and within the stated limits, with insurance carriers that are satisfactory to the CITY;

<u>Type of Insurance</u>	<u>Limits of Liability</u>
Worker's Compensation	Statutory Worker's Compensation
Comprehensive General Liability - Combined Single Limits	\$ 500,000 (each occurrence) \$1,000,000 (aggregate)
Automobile Liability - Combined Single Limits	\$ 500,000 All vehicles covered Hired and non-owned auto liability

At all times during the term of this agreement, and during the term of any renewal agreement, CHAMBER shall keep such insurance policies in full force and effect, and shall

provide the City Attorney with original certificates of insurance. The certificates shall provide that CITY is named as an additional insured, and shall also provide that the policies shall not be canceled without 30 days notice to the CITY.

Section 6. Books and Records. Upon formal approval of CHAMBER'S Board of Directors or its authorized designee, CHAMBER shall forward all invoices, vouchers, and other documentation to CITY'S Finance Department. CITY shall keep complete and proper books, records, invoices, vouchers, and accounts of all transactions performed as part of this agreement.

Section 7. Assignment. The responsibility for performing CHAMBER'S services under the terms of this agreement shall not be assigned, transferred, delegated or otherwise referred by CHAMBER to a third person without the prior written consent of CITY.

Section 8. Status as an Independent Contractor. In the performance of the work, duties, and obligations required of CHAMBER under this agreement, it is mutually understood and agreed that CHAMBER is at all times acting and performing as an independent contractor. No relationship of employer/employee is created by this agreement. CITY shall neither have nor exercise any control over the methods by which the CHAMBER shall perform its work and functions. The sole interest and responsibility of CITY is to assure the services covered by this agreement shall be performed and rendered in a competent, efficient and satisfactory manner. CHAMBER shall not have claims under this agreement or otherwise against CITY for vacation pay, sick leave, retirement benefits, Social Security benefits, Workmen's Compensation benefits, unemployment or other employee benefits of any kind.

Section 9. Indemnification. Each party shall indemnify, hold harmless, and defend the other, its officials, agents and employees, from and against any and all claims, damages, losses and

expenses, arising in or from its performance of, or failure to perform, this agreement. The extent of the CITY'S obligation under this subsection is limited to the CITY'S obligation under the Oregon Constitution and the provisions of ORS 30.260 through 30.300.

Section 10. Attorney Fees. If any proceeding, action, or appeal thereon is instituted in connection with any controversy arising out of this agreement, performance of this agreement or failure to perform this agreement, the prevailing party shall be entitled to recover, in addition to costs and disbursements, the sum as the adjudicator may adjudge reasonable as attorney fees.

Section 11. Ownership and Use of Documents or Equipment Purchased. In whatever form it may be produced or stored, any documents or publications prepared or equipment and software purchased in performance of this agreement and charged to the Tourist Promotion Fund, and any supporting and investigative information that is gathered in the performance of this agreement, upon completion of the work or upon termination of this agreement, shall be and remain the property of CITY.

Section 12. Notices. Any notice required to be given under this agreement or required by law shall be in writing and delivered to the parties at the following addresses or to any other address provided by the parties:

CITY OF THE DALLES
City Manager
313 Court Street
The Dalles, OR 97058

THE DALLES AREA CHAMBER OF COMMERCE
President/CEO
404 West Second Street
The Dalles, OR 97058

Section 13. Applicable Laws. The law of the State of Oregon shall be used in construing this agreement and enforcing the rights and remedies of the parties.

Section 14. Termination Clause. Except where this agreement expressly allows for an early termination in the event the parties cannot agree upon a payment amount or scope of work for any particular year of this agreement, the CITY may terminate this agreement only for failure of performance on the part of the CHAMBER upon sixty (60) days prior written notice to the CHAMBER. The CHAMBER may terminate within sixty (60) days of prior written notification to the CITY.

Section 15. Termination for Lack of Appropriations. The City's obligation to pay any amounts due for those fiscal years covered by this agreement is contingent upon appropriations and approval of funds for that purpose. This contract shall expire at the end of any applicable fiscal year during the five year period of this Agreement unless the CITY has allocated funds for the following fiscal year and has provided prior written notification to the CHAMBER.

Section 16. Merger. There are no other undertakings, promises or agreements, either oral or in writing, other than that which is contained in this agreement. Any amendments to this agreement shall be in writing and executed by both parties.

CITY OF THE DALLES

THE DALLES AREA
CHAMBER OF COMMERCE

Nolan K. Young, City Manager

Lisa Farquharson, President/CEO

Date: _____

Date: _____



CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 12, 2014	Action Items 13, C	14-031

TO: Honorable Mayor and City Council

THRU: Nolan K. Young, City Manager *nyj*

FROM: Kate Mast, Finance Director

DATE: April 29, 2014

ISSUE: Resolution No. 14-008 Formally Authorizing a Utility Rate Discount Program for Low Income Senior and Disabled Persons, and Repealing Resolution No. 03-023.

PREVIOUS AGENDA STAFF REPORTS: #2014-011 and #2014-030.

BACKGROUND: The City Council, at their regular meeting on February 10, 2014, reviewed the current Utility Rate Discount Program for low income senior and disabled customers and directed staff to develop a resolution to clarify and revise various elements of the program.

Resolution No. 14-008 was proposed to the City Council at their regular meeting on April 28, 2014, with a three year incremental decrease of the current percent of discount, resulting in a final discount of 25% to those applicants that have qualifying income levels of more than 50%, but less than or equal to 100% of the Federal LIEAP income and Eligibility Guidelines, and a discount of 50% to those applicants that have qualifying income levels of less than 50% of Federal LIEAP Income and Eligibility Guidelines. Council determined that they do wish to reach those 25% and 50% discount levels, but directed staff to produce a six year incremental decrease of the discounts to reach those levels so that the discount eligible customers would not experience large annual increases to their bills.

The revised Resolution No. 14-008 includes a six year plan that spreads out the increases to our discount participants and brings the discounts to the desired 25% and 50% levels.

The monthly increases, including the scheduled base rate increases, for participants eligible for Discount A (qualifying at between 50% and 100% of the Federal LIEAP income guidelines) are as follows:

	Amt of Increase	Percent of Increase	Total Monthly Discounted WA & SW Discounted Rate	Total Monthly Rate Non-Discounted
07/01/14	\$ 10.95	28%	\$ 49.70	\$ 97.45
07/01/15	10.77	22%	60.47	104.26
07/01/16	9.14	15%	69.61	110.47
07/01/17	10.05	14%	79.66	117.15
07/01/18	9.81	12%	89.47	124.26
07/01/19	9.19	10%	98.66	133.32
07/01/20	8.72	9%	107.38	143.17

The monthly increases, including the scheduled base rate increases, for participants eligible for Discount B (qualifying at between 0% and 50% of the Federal LIEAP income guidelines) are as follows:

	Amt of Increase	Percent of Increase	Total Monthly Discounted WA & SW Discounted Rate	Total Monthly Rate Non-Discounted
07/01/14	\$ 6.47	24%	\$ 33.13	\$ 97.45
07/01/15	6.49	20%	39.62	104.26
07/01/16	5.68	14%	45.30	110.47
07/01/17	6.25	14%	51.55	117.15
07/01/18	6.86	13%	58.40	124.26
07/01/19	6.92	12%	65.33	133.32
07/01/20	6.26	10%	71.59	143.17

Note: The rates above are for both Water and Sewer. The Stormwater rate of \$2.00 per month is not included here and is not discounted.

Over the next six years, the utility rates (includes both water and sewer) for non-discounted in-city residential accounts will increase a total of \$45.72 per month.

During the same period the Discount A participants will have their bills increase by \$68.63 and the Discount B participants will have their bills increase by \$44.93.

The calculations presented here are for in-city accounts only. There are six out of city accounts currently receiving discounts that would also be affected. Out of city rates are typically one and one-half (1.5) times the in city rates, with the frozen discount rates also at that ratio.

ALTERNATIVES:

- A. ***Staff Recommendation: Move to adopt Resolution No. 14-008 Formally Authorizing a Utility Rate Discount Program for Low Income Senior and Disabled Persons, and Repealing Resolution No. 03-023.***
- B. Direct staff to make further changes to the proposed resolution and bring it back for further consideration.

RESOLUTION NO. 14-008

A RESOLUTION FORMALLY AUTHORIZING A UTILITY RATE DISCOUNT PROGRAM FOR LOW INCOME SENIOR AND DISABLED PERSONS, AND REPEALING RESOLUTON NO. 03-023

WHEREAS, the City of The Dalles has offered a discounted rate program for low income senior and disabled customers who hold accounts for the City's water and/or sanitary sewer service, which program has been administered through a contract with the Mid-Columbia Community Action Council (MCCAC) since April of 2000; and

WHEREAS, the City wishes to clarify and update the details of this program;

WHEREAS, at the City Council meeting on February 10, 2014, the City Council held a discussion session to review several issues related to the discounted rate program, and provided direction to City staff as to the elements of the program which should be revised in order to provide a utility rate discount program in the best interests of the health and welfare of the citizens of The Dalles;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. Program Approved. The City Council hereby adopts and approves the Low Income Senior and Disabled Discount Program as follows:

A. Eligibility Criteria: All criteria must be met.

1. This program is for residential accounts only.
2. All applications must be submitted to the Community Action Programs (CAP) office in The Dalles, where eligibility shall be determined.
3. Applications must be renewed annually to verify continuing low income eligibility.
4. The utility account for the residence must be in the name of the person applying and qualifying for the Discount Program.
5. Applicants must qualify as Low Income. Low Income for this program is defined by the Federal Low Income Energy Assistance Program (LIEAP) income and eligibility guidelines which are adjusted annually.
6. Applicants must have legal status as either Senior (60 years of age or older) or Disabled.
7. Only the primary residence of the person applying and qualifying for the Discount Program is eligible to receive the Program Discount.

B. Discount Rates:

1. **Discount A.** Qualifying income levels of more than 50%, but less than or equal to 100% of Federal LIEAP Income and Eligibility Guidelines.
 - a) July 1, 2014 through June 30, 2015, the discount shall be 49% off the current rates for water and sewer services at each account location;
 - b) Beginning July 1, 2015, the discount shall be 42% off the current rates for water and

sewer at each account location;

- c) Beginning July 1, 2016, the discount for shall be 37% off the current rates for water and sewer at each account location.
 - d) Beginning July 1, 2017, the discount for shall be 32% off the current rates for water and sewer at each account location.
 - e) Beginning July 1, 2018, the discount for shall be 28% off the current rates for water and sewer at each account location.
 - f) Beginning July 1, 2019, the discount for shall be 26% off the current rates for water and sewer at each account location.
 - g) Beginning July 1, 2020, the discount for shall be 25% off the current rates for water and sewer at each account location.
 - h) This discount shall remain at 25% off the current rates for water and sewer at each account location unless this resolution is repealed or amended by Council action.
2. **Discount B.** Qualifying income levels of less than 50% of Federal LIEAP Income and Eligibility Guidelines.
- a) July 1, 2014 through June 30, 2015, the discount shall be 66% off the current rates at each account location;
 - b) Beginning July 1, 2015, the discount shall be 62% off the current rates at each account location;
 - c) Beginning July 1, 2016, the discount shall be 59% off the current rates at each account location.
 - d) Beginning July 1, 2017, the discount shall be 56% off the current rates at each account location.
 - e) Beginning July 1, 2018, the discount shall be 53% off the current rates at each account location.
 - f) Beginning July 1, 2019, the discount shall be 51% off the current rates at each account location.
 - g) Beginning July 1, 2020, the discount shall be 50% off the current rates at each account location.
 - h) This discount shall remain at 50% off the current rates for water and sewer at each account location unless this resolution is repealed or amended by Council action.

C. Additional Program Standards:

- 1. The number of gallons included in the residential base rate for accounts qualifying for any discount shall be equivalent to the number of gallons included in the residential base rate for accounts receiving no discount.
- 2. No discount shall be applied to the residential rate for consumption over the gallons included in the residential base rate.

3. Utility accounts in the name of a person qualified to receive a residential discount, but are not associated with the primary residence of that person are not eligible to receive these discounts.

Section 2. Program Eligibility Administration. The process to determine the eligibility of applicants for this program shall be administered by the Community Action Program (CAP) through a contract negotiated between the City and the Mid-Columbia Community Action Council (MCCAC).

Section 3. Repealing Resolution No. 03-023. Resolution No. 03-023 is hereby repealed.

Section 4. Effective Date. This Resolution shall be effective upon adoption by the City Council and approval of the Mayor.

PASSED AND ADOPTED THIS 12th DAY OF MAY, 2014

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 12th DAY OF MAY, 2014

SIGNED:

ATTEST:

Stephen E. Lawrence, Mayor

Julie Krueger, MMC, City Clerk



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
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AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 12, 2014	Action Item 13, D	14-032

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager *NK*

DATE: April 24, 2014

ISSUE: Approval of the Fiscal Year 2014-15 QualityLife Intergovernmental Agency Budget

BACKGROUND: Section 2.3.2 of the QualityLife Intergovernmental Agency (QLife) amended Intergovernmental Agreement addresses financial matters of the Agency (copy of section attached). It states that *“Approval of the Annual Budget...require the affirmative authorization of each party to be bound, such authorization to be expressed by Resolution, Ordinance or other binding commitment of the party’s governing body”* Attached is the Budget approved by the QLife Budget Committee on April 24, 2014. Final Board adoption of the Budget is scheduled for the June 26, 2014 QLife Board Meeting.

The financial policies adopted by the Board are attached (page 5-6 of the budget). The approved Budget fully meets Financial Priorities #1-11. The work scope covered by the Budget includes seven areas:

1. Maintenance and Operation of the current looped system, including managing current agreements for maintenance and operation of the system and for administrative services, continued audits and repairs of current system.
2. Paying off the final loan in July, used to construct the system and connect to the LS Network.
3. Construction of minor line extensions and electronic upgrades to meet the needs of current and future customers.
4. Cash reserve or unappropriated balance equal to one month’s customer billing.

5. Maintenance of a \$140,000 reserve for expansion, modernization, or replacement of the system.
6. Construction of a Downtown Metro Loop feasibility study/construction (\$184,113).
7. Splice case documentation project (\$40,000).

Approval of this Budget by the City Council includes authorization for the QLife Board to proceed with all seven areas under the Scope of Work. Approval by Wasco County is also required for this Budget and Scope of Work to be implemented.

BUDGET IMPACT: The QLife Budget does not require any specific financial expenditure by the City of The Dalles. The City is proposed to receive up to \$20,000 for financial, clerical and administrative services and receives \$7,752 for rent of the QLife rooms in City Hall, and storage space at the City's Public Works shops, and \$18,830 from the right of way fees.

COUNCIL ALTERNATIVES:

1. ***Staff Recommendation: Approve the Fiscal Year 2014-15 QLife Budget and Work Scope.***
2. Amend and then approve the QLife Budget.
3. Postpone action on the QLife Budget until June to allow for additional research.

QLife Network

Fiscal Year 2014-15

APPROVED BUDGET

of the

**QUALITYLIFE INTERGOVERNMENTAL
AGENCY**



A Partnership of
Wasco County, Oregon
City of The Dalles, Oregon

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Fiscal Year 2014-15

APPROVED BUDGET

Presented to the QLife Budget Committee
by
Nolan Young, QLife Budget Officer

QLife Agency, Budget Committee Members

Agency Board: President, Scott Hege
 Vice President, Bill Dick
 Secretary/Treasurer, Erick Larson
 Member, Carolyn Wood
 Member, Brian Ahier

Budget Committee
Members: Ken Farner
 David Karlson
 Kenneth Leibham
 Jim Broehl
 Chip Wood

Staff Support

Legal Counsel: Keith Mobley
Administrative: City of The Dalles City Manager, Nolan Young
Finance Director: City of The Dalles, Kate Mast
Secretarial: City of The Dalles, Izetta Grossman

Agency Partners

Wasco County
City of The Dalles

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Approved Budget FY 2014-15

BUDGET INDEX

BUDGET MESSAGE1

FINANCIAL PRIORITIES POLICY5

BUDGET SUMMARY TABLE7

BUDGET OVERVIEW8

REVENUE & EXPENDITURE PIE CHARTS9

CUSTOMER REVENUE & USER FEE CHARTS10

OPERATING CONTRACTS CHART.....11

EXPENDITURES COMPARISON CHART11

OPERATING FUND BUDGET12

CAPITAL PROJECTS FUND BUDGET13

DEBT SUMMARY14

10 YEAR PROJECTION15

5 YEAR CAPITAL IMPROVEMENT PLAN16

RESOLUTION NO. 14-__ ADOPTING BUDGET17

QUALITYLIFE INTERGOVERNMENTAL AGENCY

BUDGET MESSAGE FY 2014-15

QLife is an intergovernmental agency, consisting of the City of The Dalles and Wasco County, governed by a Board of Directors. QLife provides broadband, ethernet, wide area networks, internet access, and virtual private networks through local internet service providers. The QLife System has been operational since December 2003.

The following narrative explains the approved budget for the Quality Life Intergovernmental Agency for fiscal year 2014-2015. The budget amounts shown here represent two funds: Operating Fund and Capital Fund.

This budget is prepared based on the Financial Priority Policy adopted by the Agency Board for fiscal year 2014-2015. A list of those Financial Priorities follows this Budget Message. We were able to budget funding for Financial Priorities Items #1 through #11.

I. Fund #1 - Maintenance and Operation - \$818,762: The approved Maintenance and Operation budget is based on past operations.

A. Resources: This fund's revenue primarily comes from customer-generated sources.

1. Beginning Fund Balance (\$138,143) This is our estimated net revenues over expenditures for FY13/14, the current fiscal year. This increase of \$44,989 from our actual FY13/14 beginning balance is due to lower materials and services costs than budgeted in FY13/14.
2. User Fees (\$627,669) These are the charges to customers to transport data on our fiber to other locations on our system or to the NoaNet Big Eddy Point of Presence (POP), collocation in our equipment room, and for dark fiber leases. The chart on page 10 shows customer type by use. We are estimating a 5% increase in user fees. We are estimating that our customer revenue in FY13/14 will be up 11% from the prior year.
3. Connect Charges (\$2,250) These are the fees that new customers pay to connect to our broadband system.
4. E-Rate Payment (\$50,000) This is the assistance that our education customers receive from a support program. We budget both a revenue and an expenditure in an equal amount, and then when we receive this money, we send it on to the education agencies.

B. Expenditures:

1. QLife is a contract operation with seven primary operating contracts.
 - a. Administrative Services (\$20,000) The City provides financial, management, and clerical services at actual cost of salary and benefits.
 - b. Contractual Service County (\$7,000) GIS System support
 - c. Outside Plant Maintenance (\$43,000) This is for overhead maintenance work that is needed, including line repair and pole work (\$28,000) mandated by those whose poles we are connected to, and line and pole improvements from our annual audit (\$15,000 done each year for a portion of our system (see CIP on page 16).
 - d. Legal Services - (\$8,400)
 - e. Engineering Services (\$22,400) We contract with Erik Orton, who has been with us from the beginning of the system, for routine engineering and assistance with new customers. We have approved \$14,000 for customer connection work, \$3,400 for line and pole audits, and \$5,000 to help with the OSP Insight Splice Case Documentation project.
 - f. Network System Management (\$73,000) QLife has a contract with a consulting firm to provide the following:
 - ✓ Technical maintenance of the system and its electronics;
 - ✓ Customer Service issues;
 - ✓ Sign up and connection of new customers;
 - ✓ Coordinate backbone and spur line repairs and manage the line maintenance contract;
 - ✓ Coordinate with LightSpeed Networks on Technical issues;
 - ✓ Report monthly to the QLife Board.
 - ✓ We have also budgeted \$5,000 to help with the Splice Case Documentation project.
 - g. Audit Services (\$5,300) Merina & Company is our contracted accounting firm for audit services.
4. Office Space Rental (\$7,752) For renting space at City Hall to house QLife facilities and equipment, and a storage bay at Public Works for fiber spools and hardware.
5. Pole Contracts (\$10,000) For pole contact fees with Northern Wasco County PUD and CenturyLink. This is increased \$500 to reflect increased numbers of pole connections.
6. Network Equipment (\$4,600) Covers the maintenance and repair of QLife network equipment.
7. Other Services (\$43,000) QLife periodically contracts for clearing lines from

trees and other hazards (\$3,000) and this year we've added \$40,000 for OSP/Insight splice case documentation..

8. Electronics Reserve (\$20,000) This meets Priority #3 of our Financial Priorities Policy for upgrading and replacement of the electronics of the system as needed.
9. ROW Fee (\$18,830) Payment of a City right-of-way fee equal to 3% of customer fees.
10. Scholarship (\$2,000) This item was added in FY10/11 for scholarships in the technology fields at Columbia Gorge Community College.
11. Robotics Grant (\$2,000) This item was added in FY12/13 to support local teams and competitions.
12. Insurance (\$5,855) Includes general liability insurance and property insurance for equipment at City Hall.
13. Other Expenses (\$8,320) Includes office supplies, utility locates, electricity, telephone service, advertising, legal notices, training, travel, and membership fees.
14. Transfers Out (\$382,905) Only a portion of the resources for this fund are expended (42.9%) or held as contingency or unappropriated ending balance (10.3%). The remaining (46.8%) is transferred to the Capital Projects Fund for current debt retirement (\$132,788) and system improvements (\$250,117). This year we are scheduling two transfers. One in July (\$59,600), a portion of the Beginning Fund Balance not needed for Contingency or Unappropriated Ending Fund Balance, and the remaining from new revenue in eleven (11) equal transfers.
15. Contingency (\$29,600) 10% of Materials and Services and Capital Outlay
16. Unappropriated Ending Balance (\$54,800) To fund Board priority #4, a cash reserve equaling approximately one month of user fees, plus 10%.

II. Fund #2 - Capital Projects (\$596,701): The Capital Projects Fund is for debt retirement and projects for new customers and system enhancement.

A. Revenue:

1. Beginning Fund Balance (\$183,796) An increase of \$43,060 over the actual beginning balance for FY13/14 is due to the reserve we increased to \$140,000 during the year.
2. Transfer from Operating Fund (\$382,905) Resources used for current debt retirement (\$132,788) and system improvements (\$250,117).
3. Connect Charges (\$30,000) These are charges for adding service to new customers. Based on the addition of 5 new customers.

B. Expenditures:

1. Telecom Equipment (\$0) No telecom equipment identified in capital improvement plan.
2. Outside Plant Primary (\$184,113) For the Downtown Metro Loop project – Priority 11.
3. Outside Plant – Secondary (\$50,000)
 - a. \$30,000 paid by customers for service extensions
 - b. \$20,000 Priority #6 “up to \$20,000 to assist new customers with build out of connection”
4. Materials and Services (\$23,000) This includes engineering services and materials to extend lines to new customers.
5. Pole Make Ready Costs (\$5,000) This is for work to utility poles to support QLife lines and equipment.
6. General Debt Payments (\$132,788) The payment of loan principal and interest due this fiscal year on QLife loans, plus additional principal payment as funds allow (Priority #8). The Table on page 14 summarizes QLife’s current debts. This payments is expected to be made in July and will clear up all of the debt QLife has three (3) years early.
7. Reserve for System Improvements (\$140,000) Priority #9 “Creates a reserve of \$140,000 for future expansion, modernization or replacement of system.” During the year the Board will determine which projects it may pursue as opportunities arise.
8. Contingency (\$61,800) For unanticipated needs. This is 10.4% of total Capital Fund resources.

Future Budgets

Attached following the Debt Summaries is a ten (10) year projection based on current trends. It shows a bright future for QLife.

QUALITYLIFE NETWORK INTERGOVERNMENTAL AGENCY POLICY
Financial Priorities for Fiscal Year 2014-15

Purpose:

The purpose of this policy is to establish a prioritization of expenditure of funds for the QualityLife Network Intergovernmental Agency prior to each Fiscal Year's budget preparation.

Primary objective

The primary objective is to provide general direction for the QLIFE Budget Committee in establishing the annual budget and to make public the general intentions of QLIFE in regard to potential monetary reserves of the Agency.

Section I.

Policy

It is the policy of the QLIFE Board that expenditures of revenue not *specifically* committed to another purpose through grant or loan agreements or other contractual obligations shall be budgeted in the following priority:

A. Routine Costs:

1. Normal maintenance and operating costs of the QLIFE Agency as determined appropriate through the budgeting process.
2. Amounts needed for annual debt retirement responsibilities of the Agency incurred through formation of the Agency or by the construction of the original plant, or any expansions of that plant.
3. Up to \$20,000 for upgrading and replacement of the electronics of the system to always maintain agreed-upon capacity for QLife customers.
4. A cash reserve or contingency equal to one month's customer billing to maintain a minimum cash balance in the operating fund.
5. Up to \$15,000 for unexpected system plant repairs or alterations in addition to contingency. Budgeted in Capital Fund: Outside Plant Primary

B. Discretionary Costs:

6. Capital Improvement Plan items 1-3 for line audit and repairs and tree trimming from audit. (\$23,400 estimate currently in CIP)
7. Up to \$20,000 to assist new customers with build out of connection. Budgeted in Capital Fund: Outside Plant Secondary.

8. Use additional surplus funds to retire additional debt of the agency not yet due (final year goal)
9. Maintain a reserve of \$140,000 for future expansion, modernization, or replacement of system
10. Splice case documentation (\$40,000 currently in CIP)
11. Study to determine feasibility of downtown service line grid and if so, construction (\$180,000 current estimate in CIP)
12. QLife new generator at City Hall (\$100,000 current estimate in CIP)
13. Additional Co-location space (\$50,00 estimate current CIP)
14. Create a reserve to engineer and extend broadband services to other parts of Wasco County.
15. After all long term agency debt is retired and capital improvement is on target provide investment return to City and County equal amounts to develop, maintain and operate their information technology system

Section II.

Amendment of this policy

This policy may be amended at any time by action of the Board.

Section III.

Conflict with annual budget process

If anything in this policy conflicts with the annual budget process as outlined in the Intergovernmental Agreement (IGA), the IGA will take precedence. The partners to this agreement may approve an initial budget and work scope or an amended budget and work scope that varies from this policy by an affirmative majority vote of the Boards of all partners.

Amended and approved by QLife Board March 27, 2014



Scott Hege, QLife President

QUALITYLIFE INTERGOVERNMENTAL AGENCY

PRIOR YEAR COMPARISON SUMMARY

	FY10/11 Actual	FY11/12 Actual	FY12/13 Actual	FY13/14 Budget	FY014/15 Approved
Beginning Balance	222,282	380,186	279,489	237,959	321,939
Customer Fees	567,759	538,890	536,950	606,979	659,919
Other Sources	408,209	493,520	415,681	372,433	433,605
Total Resources	1,198,250	1,412,595	1,232,120	1,217,371	1,415,463
QLIFE - General Fund	503,036	608,056	538,762	644,998	734,362
QLIFE - Capital Fund	123,087	234,705	210,296	87,860	262,113
Debt Service	191,942	290,326	248,784	228,792	132,788
Reserves	-	-	-	140,000	140,000
Contingency	-	-	-	65,764	91,400
Unappropriated Ending Balance	-	-	-	49,957	54,800
Total Expenditures	818,065	1,133,086	997,842	1,217,371	1,415,463
Ending Balance	380,185	279,509	234,278	-	-

* Includes Interfund Transfers of \$382,905

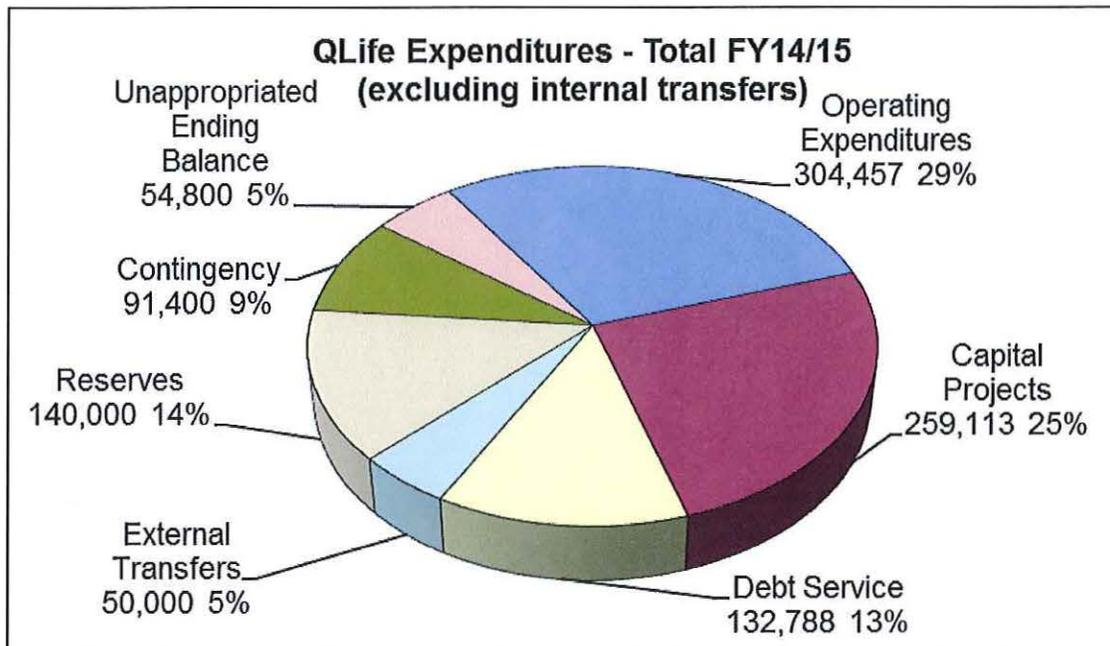
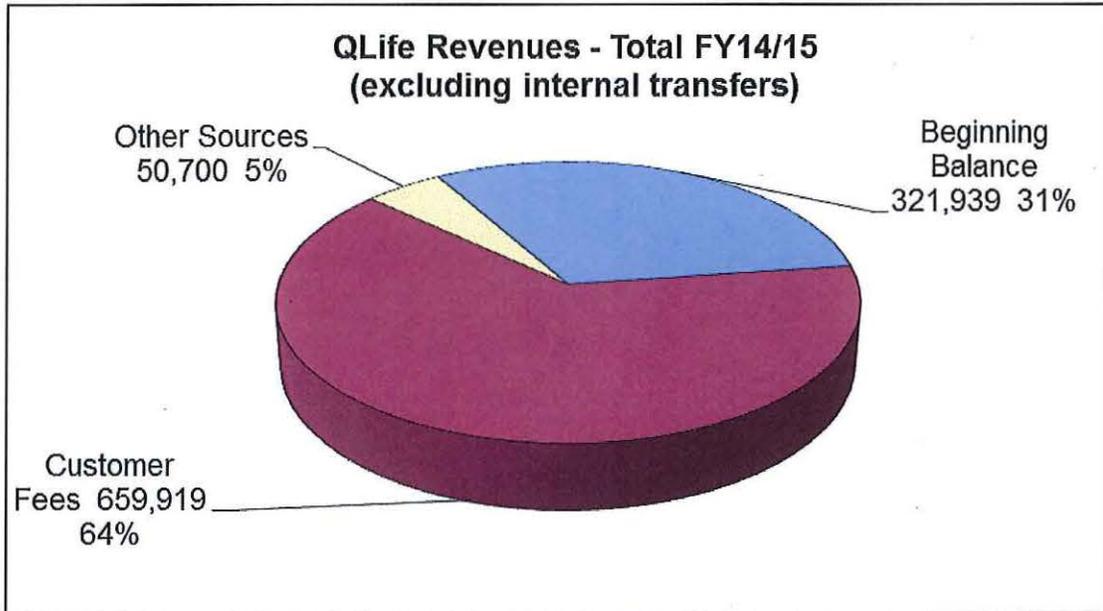
QUALITYLIFE INTERGOVERNMENTAL AGENCY

**OVERVIEW SUMMARY
Adopted Budget FY 2014-15**

	Agency General Fund	Capital Fund	Total Approved FY14/15
Beginning Balance	138,143	183,796	321,939
Customer Fees	629,919	30,000	659,919
Other Sources	50,700	-	50,700
Grants / Loans	-	-	-
Transfers In	-	382,905	382,905
Total Resources	818,762	596,701	1,415,463
Operating Expenditures	281,457	23,000	304,457
Capital Projects	20,000	239,113	259,113
Debt Service	-	132,788	132,788
External Transfers	50,000	-	50,000
Internal Transfers Out	382,905	-	382,905
Reserves	-	140,000	140,000
Contingency	29,600	61,800	91,400
Unappropriated Ending Balance	54,800	-	54,800
Total Expenditures	818,762	596,701	1,415,463

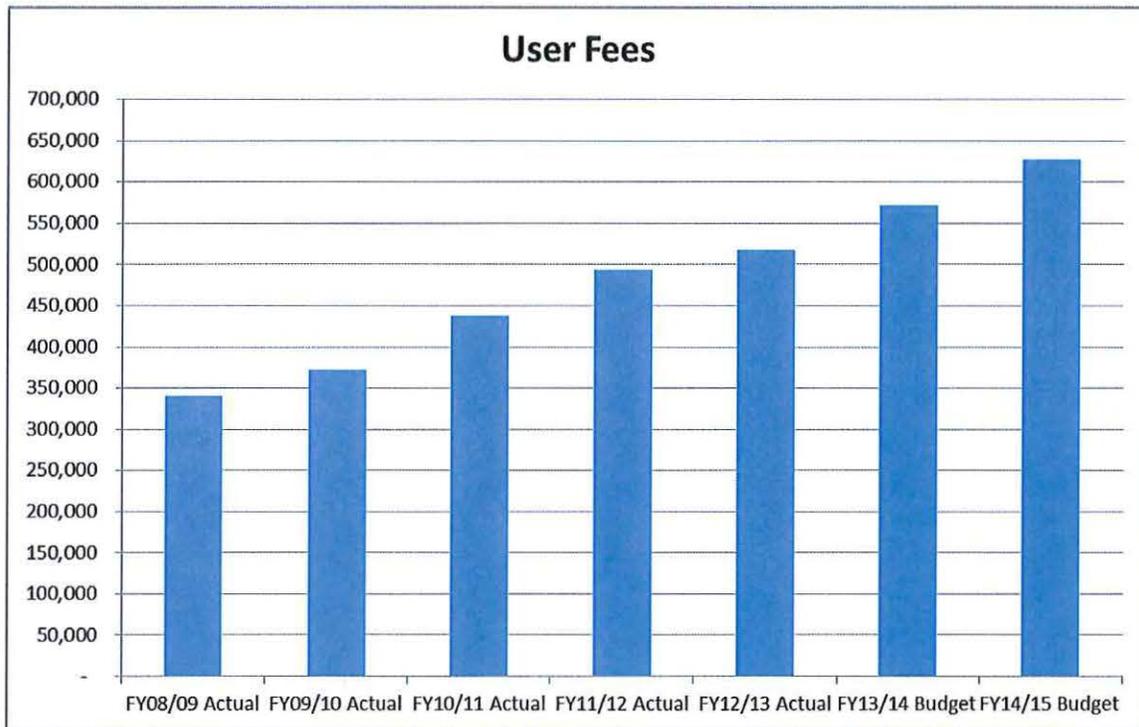
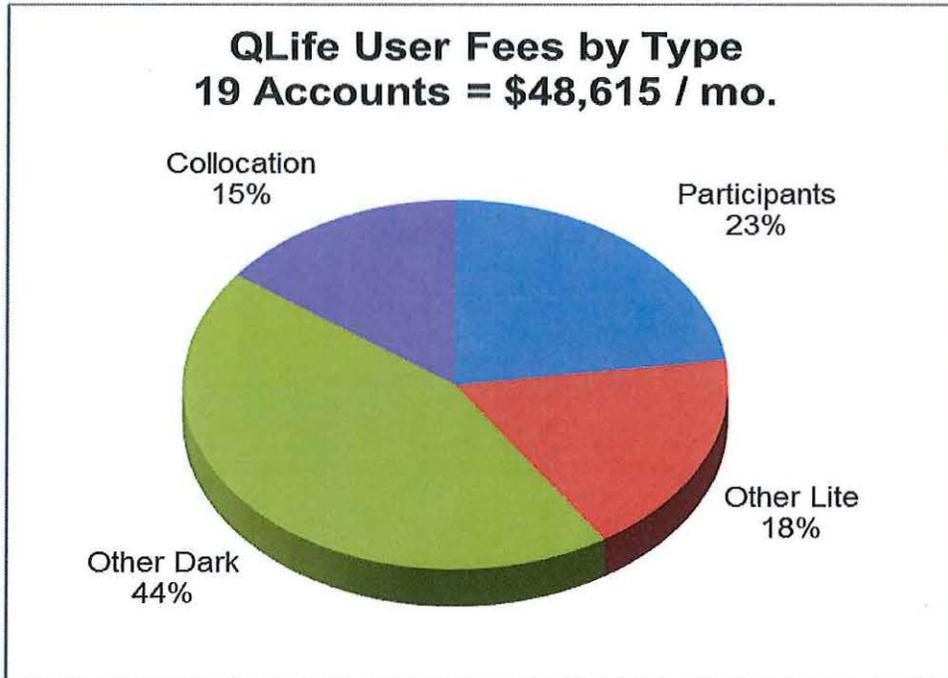
QUALITYLIFE INTERGOVERNMENTAL AGENCY

**REVENUES AND EXPENDITUES BY SOURCE
FY 2014-15**



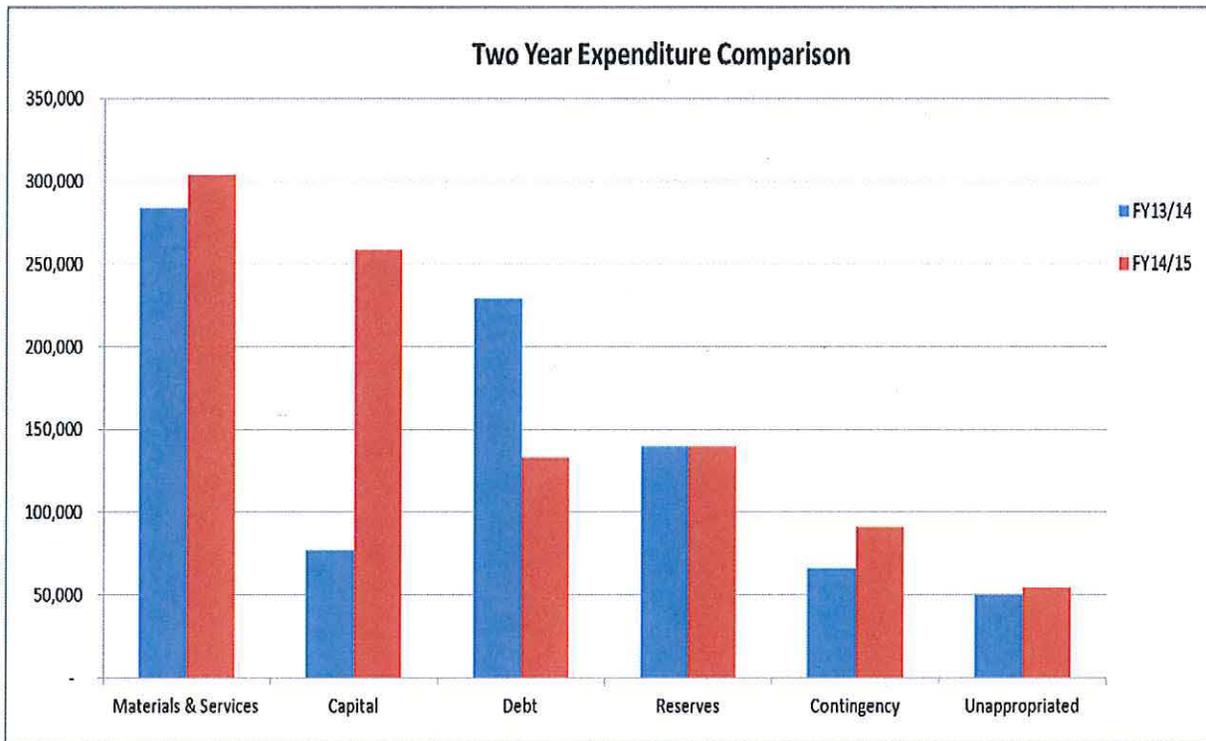
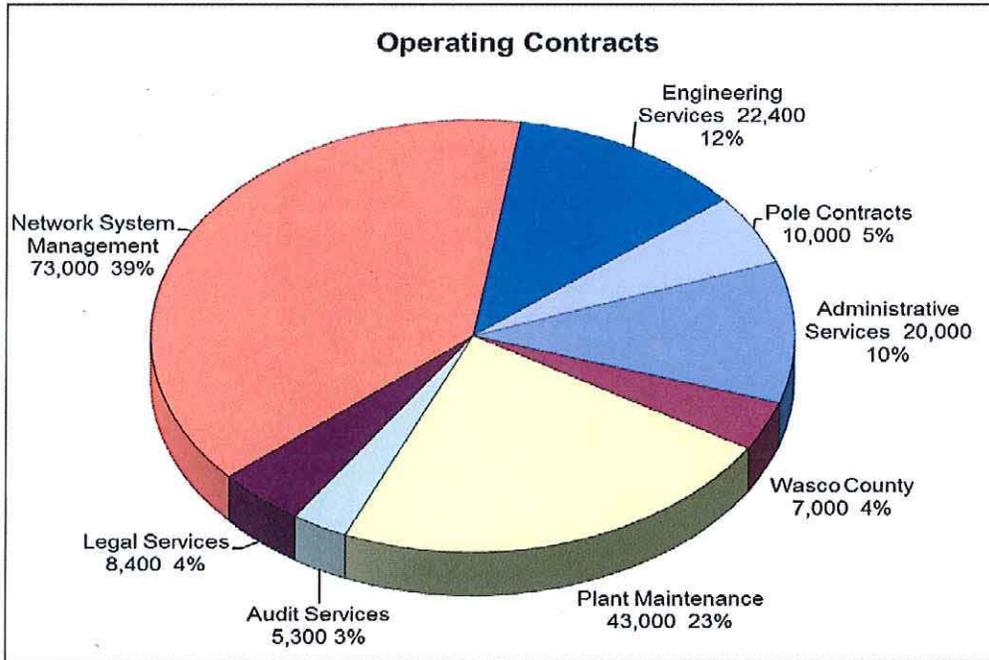
QUALITYLIFE INTERGOVERNMENTAL AGENCY

CUSTOMER REVENUES & USER FEES
As of April 1, 2014



QUALITYLIFE INTERGOVERNMENTAL AGENCY

**OPERATING CONTRACTS
FY 2014-15**



QLIFE AGENCY FUND 600

Approved Budget FY 2014-15

FY11/12 Actual	FY12/13 Actual	FY13/14 Budget	Account #	Description	FY14/15 Proposed	FY14/15 Approved	FY14/15 Adopted	
			QLIFE AGENCY FUND 600					
			REVENUES					
120,561	66,849	97,223	600-0000-300.00-00	Beginning Balance	138,143	138,143		
494,200	517,680	572,229	600-0000-344.10-00	Utility Service Charges	627,669	627,669		
22,000	-	-	600-0000-344.15-00	LSN Credits	-	-		
2,250	2,700	2,250	600-0000-344.20-00	Connect Charges	2,250	2,250		
318	229	300	600-0000-361.00-00	Interest Revenues	500	500		
138	135	200	600-0000-369.00-00	Other Misc Revenues	200	200		
35,438	44,323	50,000	600-0000-369.20-00	E-Rate Reimbursements	50,000	50,000		
674,905	631,916	722,202	TOTAL REVENUES		818,762	818,762	-	
			EXPENDITURES					
			Materials & Services					
15,597	16,866	20,000	600-6000-660.31-10	Administrative Services	20,000	20,000		
10,000	4,543	7,000	600-6000-660.31-15	Contractual Svc - County	7,000	7,000		
16,551	5,513	58,000	600-6000-660.31-20	Outside Plant Maint	43,000	43,000		
-	-	5,000	600-6000-660.31-90	Other Services	43,000	43,000		
4,850	4,990	5,180	600-6000-660.32-10	Audit	5,300	5,300		
9,015	6,515	8,400	600-6000-660.32-20	Legal Services	8,400	8,400		
9,136	19,427	23,800	600-6000-660.34-10	Engineering Services	22,400	22,400		
60,196	64,262	71,000	600-6000-660.34-30	Network System Mgmt	73,000	73,000		
-	5,000	-	600-6000-660.34-50	Special Studies /Reports	-	-		
-	-	600	600-6000-660.41-40	Electricity	600	600		
372	3,125	500	600-6000-660.43-10	Buildings & Grounds	500	500		
2,494	2,021	4,600	600-6000-660.43-25	Network Equipment	4,600	4,600		
-	-	1,000	600-6000-660.43-87	Utilities Locates	1,000	1,000		
5,244	5,244	5,244	600-6000-660.44-10	Office Space Rental	7,752	7,752		
4,985	5,630	5,855	600-6000-660.52-10	Liability Insurance	5,855	5,855		
300	-	-	600-6000-660.52-30	Property Insurance	-	-		
113	27	200	600-6000-660.53-20	Postage	200	200		
331	436	420	600-6000-660.53-30	Telephone	420	420		
307	186	400	600-6000-660.53-40	Legal Notices	400	400		
1,532	500	1,300	600-6000-660.54-00	Advertising	1,300	1,300		
-	-	400	600-6000-660.57-10	Permits	400	400		
366	1,411	2,000	600-6000-660.58-10	Travel, Food & Lodging	2,000	2,000		
665	-	700	600-6000-660.58-50	Trainings & Conferences	700	700		
25	-	200	600-6000-660.58-70	Memberships/Dues/Subs	200	200		
10	66	100	600-6000-660.60-10	Office Supplies	100	100		
-	4,000	2,000	600-6000-660.63-80	Scholarships	2,000	2,000		
-	2,000	2,000	600-6000-660.63-90	Robotics Grant	2,000	2,000		
345	799	500	600-6000-660.69-50	Misc Expenses	500	500		
7,733	9,025	9,500	600-6000-660.69-60	Pole Connection Fees	10,000	10,000		
14,826	15,530	17,166	600-6000-660.69-70	Right of Way Fees	18,830	18,830		
-	1,480	-	600-6000-660.69-80	Assets < \$5000	-	-		
164,992	178,595	253,065	Total Materials & Services		281,457	281,457	-	
			Capital Outlay					
-	-	20,000	600-6000-660.74-20	Telecom Equipment	20,000	20,000		
-	-	20,000	Total Capital Outlay		20,000	20,000	-	
			Other					
407,626	315,844	321,933	600-9500-600.81-91	QLife Capital Fund	382,905	382,905		
35,438	44,323	50,000	600-9500-600.83-10	ESD E-Rate Transfers	50,000	50,000		
-	-	27,247	600-9500-600.88-00	Contingency	29,600	29,600		
-	-	49,957	600-9500-600.89-00	Unappropriated Ending Fund Balance	54,800	54,800		
443,064	360,167	449,137	Total Other		517,305	517,305	-	
608,056	538,762	722,202	TOTAL EXPENDITURES		818,762	818,762	-	
66,849	93,154	-	REVENUES LESS EXPENSES		-	-	-	

QLIFE CAPITAL FUND 601
Approved Budget FY 2014-15

FY11/12 Actual	FY12/13 Actual	FY13/14 Budget	Account #	Description	FY14/15 Proposed	FY14/15 Approved	FY14/15 Adopted
QLIFE CAPITAL FUND 601							
REVENUES							
259,625	212,640	140,736	601-0000-300.00-00	Beginning Balance	183,796	183,796	
20,440	16,570	32,500	601-0000-344.20-00	Connect Charges	30,000	30,000	
-	5,150	-	601-0000-369.00-00	Other Misc Revenues	-	-	
50,000	50,000	-	601-0000-369.10-00	Enterprise Zone Payment	-	-	
407,626	315,844	321,933	601-0000-391.90-01	Qlife Operating Fund	382,905	382,905	
-	-	-	601-0000-393.10-00	Loan/Bond Proceeds	-	-	-
737,690	600,204	495,169	TOTAL REVENUES		596,701	596,701	-
EXPENDITURES							
Materials & Services							
5,706	5,924	11,000	601-6000-660.34-10	Engineering Services	11,000	11,000	
-	-	4,000	601-6000-660.34-70	Customer Connections	4,000	4,000	
-	113	16,000	601-6000-660.43-86	Lines, Maint & Supplies	8,000	8,000	
5,706	6,036	31,000	Total Materials & Services		23,000	23,000	-
Capital Outlay							
6,685	187	14,360	601-6000-660.72-20	Buildings	-	-	-
80,521	113,577	5,000	601-6000-660.74-20	Telecom Equip	-	-	-
90,337	38,105	-	601-6000-660.76-10	Primary (System Maint)	184,113	184,113	-
51,381	51,720	32,500	601-6000-660.76-20	Secondary (Line Extensions)	50,000	50,000	-
75	671	5,000	601-6000-660.76-30	Pole Make Ready Costs	5,000	5,000	-
228,999	204,259	56,860	Total Capital Outlay		239,113	239,113	-
Debt Service							
253,396	222,613	215,622	601-6000-660.79-50	Loan Principal Payments	129,425	129,425	
36,929	26,171	13,170	601-6000-660.79-60	Interest Payments	3,363	3,363	
290,326	248,784	228,792	Total Debt Service		132,788	132,788	-
Other							
-	-	140,000	601-9500-600.84-15	Reserve for Sys Imprmnts	140,000	140,000	
-	-	-	601-9500-600.84-20	Reserve for Co Expansion	-	-	
-	-	-	601-9500-660.84-30	Reserve for Debt Retirement	-	-	
-	-	38,517	601-9500-600.88-00	Contingency	61,800	61,800	
-	-	178,517	Total Other		201,800	201,800	-
525,031	459,080	495,169	TOTAL EXPENDITURES		596,701	596,701	-
212,660	141,124	-	REVENUES LESS EXPENSES		-	-	-

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Long Term Debt as of July 1, 2014

QLife will have the following long term debt as of July 1, 2014:

1. Columbia State Bank Refinance: Columbia State Bank (formerly Columbia River Bank) provided a fully amortized ten (10) year loan at 5% interest in May 2008 to refinance the Columbia River Bank original line of credit debt for NoaNet Oregon that paid for the LightSpeed Networks (LSN) and the State of Oregon Special Public Works Funds (SPWF) loan. Under the terms of the loan, final payment is due May 13, 2018 and the current payment is \$11,494.11 per month (includes principal & interest)—due by the 13th of each month.

With additional principal payments of \$107,340 in FY12/13, and \$90,865 in FY13/14, the anticipated balance as of July 1, 2014 is projected at \$129,425. We anticipate having the loan paid in full by June of 2015.

The amortization table for the Columbia State Bank loan below shows that with this additional principal payment, this loan could be fully paid off in FY 2014-15.

Columbia State Bank Amoritization Schedule as of 06/30/13

Fiscal Year	Principal	Interest	Total
FY 13/14	215,129	13,664	228,793
FY 14/15	129,425	3,363	132,788
Total	344,554	17,027	361,581

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Ten Year Projections

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Beginning Balances ¹	321,939	98,000	100,940	103,968	107,087	110,300	113,609	117,017	120,528	124,143
Local Line Charges	627,699	646,530	665,926	685,904	706,481	727,675	749,505	771,991	795,150	819,005
Misc. Revenues	32,900	33,887	34,904	35,951	37,029	38,140	39,284	40,463	41,677	42,927
Total Revenue	660,599	680,417	700,829	721,854	743,510	765,815	788,790	812,453	836,827	861,932
Insurance	5,855	6,031	6,212	6,398	6,590	6,788	6,991	7,201	7,417	7,639
Maintenance/Operation	127,202	131,018	134,949	138,997	143,167	147,462	151,886	156,442	161,136	165,970
Management	73,000	75,190	77,446	79,769	82,162	84,627	87,166	89,781	92,474	95,248
Administration	35,400	36,462	37,556	38,683	39,843	41,038	42,269	43,538	44,844	46,189
Total Operating Expend.	241,457	248,701	256,162	263,847	271,762	279,915	288,312	296,962	305,871	315,047
Funds Available	741,081	529,716	545,608	561,976	578,835	596,200	614,086	632,509	651,484	671,029
Contingencies	91,380	94,121	96,945	99,853	102,849	105,934	109,112	112,386	115,757	119,230
Unappr. Ending Balance	54,800	56,444	58,137	59,881	61,678	63,528	65,434	67,397	69,419	71,502
Debt Service	132,788	-	-	-	-	-	-	-	-	-
System Expand/Rplc.	98,000	100,940	103,968	107,087	110,300	113,609	117,017	120,528	124,143	127,868
Planned Capital										
Improvements	224,113	100,000	50,000	-	-	-	-	-	-	-
Project Funds/Reserves	140,000	178,211	236,557	295,154	304,009	313,129	322,523	332,198	342,164	352,429
Total Reserves²	140,000	318,211	554,768	849,922	1,153,930	1,467,059	1,789,582	2,121,780	2,463,944	2,816,374
¹ Combined balances of Operating and Capital Funds										
² Cumulative amount if funds dedicated to reserves go unspent each year										

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Five Year Capital Improvement Plan

CAPITAL IMPROVEMENT PLAN						
QLIFE						
Priority	PROJECT DESCRIPTION	14-15	15-16	16-17	17-18	18-19
1	Pole line audits. *Every 5 th year, to be performed by engineering vs technical management, thus higher cost	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
2	Repairs from Pole line audit *Over time costs should go down.	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
3	Tree Trimming. *Over time costs should go down.	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 2,000
4	OSP/Insight splice Case Documentation	\$ 40,000				
5	Downtown Metro Loop feasibility study/construction	\$ 180,000				
6	New Generator		\$ 100,000			
7	Annual Generator Maintenance			\$ 1,000	\$ 1,000	\$ 1,000
8	Additional Co Lo Space			\$ 50,000		
9	Dry Hollow Bisector Project				TBD	
	TOTAL	\$245,000	\$118,000	\$69,000	\$ 19,000	\$ 18,000

This page for Adopting Resolution