

AGENDA

REGULAR CITY COUNCIL MEETING

June 9, 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
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.

- A. Approval of May 12, 2014 Regular City Council Meeting Minutes
- B. Approval of April 30, 2014 Council Work Session Minutes

CITY OF THE DALLES

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

11. PUBLIC HEARINGS

- A. Public Hearing to Receive Testimony Regarding Proposed Uses of State Shared Revenue [**Agenda Staff Report #14-039**]
 - 1. Resolution No. 14-017 Electing to Receive State Shared Revenue for the City of The Dalles

- B. Public Hearing to Receive Testimony Regarding the Proposed 2014-15 Fiscal Year Budget [**Agenda Staff Report #14-042**]
 - 1. Resolution No. 14-018 Adopting the Fiscal Year 2014-15 Budget for the City of The Dalles, Making Appropriations, Authorizing Expenditures, Levying Taxes and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget

12. ACTION ITEMS

- A. Approval of Distribution of Enterprise Zone Fees From Design LLC 2005 Agreement for Fiscal Year 2014-15 [**Agenda Staff Report #14-033**]

- B. General Ordinance No. 14-1335 Amending Sections 2, 9, and 11 through 19 and Repealing Section 10 of General Ordinance No. 06-1266 Concerning Systems Development Charges [**Agenda Staff Report #14-040**]

- C. Resolution No. 14-016 Approving The Dalles/Wasco County Enterprise Zone III be Designated for Electronic Commerce [**Agenda Staff Report #14-043**]

- D. Approval of Annual Insurance Renewals for Property, Liability, Auto, and Worker's Compensation [**Agenda Staff Report #14-038**]

- E. Approval of Amendment No. 7 to Operations Management International (OMI) Agreement for Operation of the Wastewater Treatment Plant for Fiscal Year 2014-15 [**Agenda Staff Report #14-041**]

13. DISCUSSION ITEMS

- A. Discussion Regarding Proposed Wasco County Road Maintenance District [**Agenda Staff Report #14-044**]

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 #
June 9, 2014	Consent Agenda 10, A - B	N/A

TO: Honorable Mayor and City Council**FROM:** Julie Krueger, MMC, City Clerk**THRU:** Nolan K. Young, City Manager**DATE:** May 28, 2014

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

A. **ITEM:** Approval of May 12, 2014 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the May 12, 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 May 12, 2014 regular City Council meeting.

B. **ITEM:** Approval of April 30, 2014 Council Work Session Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the April 30 work session have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the April 30, 2014 work session.

MINUTES

REGULAR COUNCIL MEETING
OF
MAY 12, 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, Dan Spatz, Tim McGlothlin, Linda Miller

COUNCIL ABSENT: None

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 5:31 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; all Councilors present.

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 McGlothlin to approve the agenda, as presented. The motion carried unanimously.

PRESENTATIONS/PROCLAMATIONS

Update by Scott McKay Regarding Senior Center

Scott McKay distributed a calendar and pamphlet containing updated information to the City Council. He noted the Meals on Wheels and Rifle Club were also big parts of the overall operation. McKay reported that approximately half the funding needed for the elevator project had been raised, saying the fund raising campaign hoped to reach \$104,000 and the rest of the \$312,000 project would be through grants. He said the Senior Center had a loan closet, which people could borrow medical equipment, offered Medicare counseling and had implemented a new art program. He thanked the City for their ongoing support of the Senior Center.

Presentation by Linda Cassady Regarding a Youth Shelter

Linda Cassady provided a Power Point presentation describing the need for a youth shelter, vulnerabilities of homeless youth, numbers of runaway children, how to address the need for north-central Oregon, how it would benefit the community, and invited the City to participate in the process. She noted they group had submitted the paperwork to receive tax exempt status, said they needed assistance in locating a building and asked the City to provide a letter of endorsement.

Mayor Lawrence asked Ms. Cassady if she was familiar with the Keeping Families Together group and how they planned to coordinate efforts with other agencies, such as CASA, Youth Think, Big Brothers and Big Sisters.

Cassady said they would partner and cooperate with all agencies. She said the real problem was the lack of a physical shelter and no other agencies offered that service in our area.

Lawrence asked if the shelter would have a program or if they planned to use existing social services. Cassady said they would use the services available, but would have a program for within the shelter as well. She said it would need to serve a maximum of 10, with four bedrooms, and separate bathrooms for boys and girls.

Councilor Spatz asked if the staff would need to have any types of certification. Cassady said she hoped to have staff with a social work background for the shelter, but no special licensing was required. In response to another question, Cassady said the shelter would be a short-term facility, with youth staying anywhere between a few weeks to several months.

MINUTES (Continued)
Regular Council Meeting
May 12, 2014
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Councilor McGlothlin suggested Ms. Cassady consider downtown buildings with second stories for a location.

AUDIENCE PARTICIPATION

None.

CITY MANAGER REPORT

City Manager Young notified the Council that Fellow Jon Chavers had taken a position with Mid Columbia Council of Governments, and would now be serving on the Main Street Steering Committee.

Young said he would be attending a meeting in Olympia regarding a grant for the construction of a building at the Airport to house Life Flight.

CITY ATTORNEY REPORT

City Attorney Parker said he would be bringing some housekeeping issues to the Systems Development Ordinance for Council consideration at their June 9 meeting and that the Health District would be proposing a tobacco free zone at Lewis & Clark Park on June 23.

CITY COUNCIL REPORTS

Councilor Wood said the QLife meeting for next week had been cancelled. She said Historic Landmarks Commission would meet on May 28 and the Council of Governments meeting was on May 27.

Councilor McGlothlin said the Airport Board would be meeting on May 16. He said the April Traffic Safety Committee meeting had included a review of the 9th Street and Kelly Avenue vision clearance issue. He said the next meeting was May 21 and noted the paving of the Second and Webber Street intersection had been completed.

Councilor Spatz reported that Mid Columbia Economic Development District would be sponsoring the first bi-state legislative summit on May 16.

Mayor Lawrence said he had been working on the Cycle Oregon preparations, met with the Director of the Gorge Commission and traveled to Astoria, at the invitation of their Mayor to learn more about the cruise ship industry there.

MINUTES (Continued)
Regular Council Meeting
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CONSENT AGENDA

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

The item approved by Consent Agenda was approval of the April 28, 2014 regular City Council meeting minutes.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding a Report of Delinquent Systems Development Payment for Douglas Ponath

Mayor Lawrence reviewed the procedure to be followed for the hearing.

City Attorney Parker reviewed the staff report.

Testimony

Douglas Ponath, 2438 East 12th Street, The Dalles, said he had been delinquent on making his payments due to financial circumstances beyond his control. He noted the Ordinance allowed for payments to be made over a 12 month period, but he was only offered a six month payment plan, so the payments were too high. He questioned the interest rate being applied to the fees, saying the Ordinance stated interest would accrue at 10% per annum, which should be approximately .35 a day, not the \$9.80 per day being assessed by the City. Ponath said he was trying very hard to pay his obligations and was not asking to have the fees waived, but said he was asking the City to give him a fair payment plan and to state the interest correctly.

There was a discussion among the City Council regarding the interest rate. Finance Director Mast said she would recalculate the interest.

Councilor Dick said by his signature, Mr. Ponath agreed to make the installment payments.

Councilor Spatz asked Mr. Ponath if he had responded to the letters sent by the City. Ponath said he had not responded. He said he had hoped to be employed and able to pay the installments, but had just not secured employment until recently.

Councilor Wood said if the lien was applied to the property, Mr. Ponath could make payments on the lien. City Attorney Parker said if the payments were not made, the City could foreclose on the property for non-payment.

MINUTES (Continued)
Regular Council Meeting
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Mr. Ponath said he was also unhappy that he had to pay such a large fee to the City because the sewer was already to his property and all the City staff did was ask him if the plumbing had a permit and been inspected.

Hearing no further testimony, the public hearing was closed.

Council Deliberation

Staff was directed to work with Mr. Ponath on a payment schedule and to give a report to Council at a future meeting.

CONTRACT REVIEW BOARD ACTIONS

Public Hearing to Receive Testimony Regarding Exemption of a Design/Build Contract for the Wastewater Treatment Plant Upgrade Project From the Competitive Bid Process

Mayor Lawrence reviewed the procedure to be followed for the public hearing.

Public Works Director Anderson reviewed the staff report.

Testimony

No testimony was provided.

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

It was moved by McGlothlin and seconded by Spatz to adopt Resolution No. 14-014 approving an exemption from competitive bid requirements for Wastewater Treatment Plant Upgrade Project. The motion carried unanimously.

ACTION ITEMS

Approval of Annual Insurance Renewals for Liability and Property

Colleen Clark and Jerry Frazier, Agent of Record presented their recommendations for annual insurance renewals. It was determined the reports had not been provided to the Council. Staff prepared copies of the reports.

Staff was asked to provide City Council with a report regarding outstanding claims.

MINUTES (Continued)
Regular Council Meeting
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It was the consensus of the Council to postpone action until the June 9 meeting to have time to review the information and to receive additional information regarding the Worker's Compensation insurance proposal.

Approval of Agreement With The Dalles Chamber of Commerce for Community Marketing

City Manager Young reviewed the staff report.

Mayor Lawrence said it would be important for the tourism staff person to work with the City and the Main Street program.

There was a discussion regarding whether the proposed tourism position should be funded for 30 hours per week or 40 hours per week. Following discussion, it was decided to state the position at 30 hours per week and to review whether it would be adequate at a later time.

Mayor Lawrence noted that he had requested language in the agreement to require the Chamber to provide a narrative along with their budget submittals in the future.

It was moved by Dick and seconded by Spatz to approve the agreement with The Dalles Area Chamber of Commerce to provide community marketing services and to approve the scope of work and budget for fiscal year 2014-15. The motion carried unanimously.

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, saying she had made changes to the resolution to extend the adjustments over a six year period.

It was moved by Spatz and seconded by Wood to adopt Resolution No. 14-008 authorizing a utility rate discount program for low income senior and disabled persons and repealing Resolution No. 03-023. The motion carried unanimously.

Approval of 2014-15 Fiscal Year QLife Agency Budget and Work Scope

City Manager Young reviewed the staff report.

Mayor Lawrence noted the budget indicated right of way fees. City Manager Young said there was no formal franchise agreement between the City and QLife, but QLife had agreed to pay a fee.

MINUTES (Continued)
Regular Council Meeting
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It was moved by Wood and seconded by McGlothlin to approve the 2014-15 Fiscal Year QLife Agency budget and work scope. The motion carried unanimously.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:06 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

Stephen E. Lawrence, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

MINUTES

WORK SESSION
OF
APRIL 30, 2014
5:30 P.M.

THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

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

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Finance Director Kate Mast

CALL TO ORDER

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

ROLL CALL

Mayor Lawrence noted all Councilors were present.

**DISCUSSION REGARDING CHAMBER OF COMMERCE COMMUNITY
MARKETING AGREEMENT**

Mayor Lawrence introduced the subject and pointed out that the agreement required a scope of work and budget be presented by the Chamber to the City Council by March 1 each year, with the City to consider and respond with an approved amount and scope of work by May 15. He said the Chamber would then have two weeks to reject or accept the City's response. Mayor Lawrence said the procedure had not been followed in past years.

Mayor Lawrence read the definition of tourism and tourism promotion from Oregon law and explained that of the 6% portion of transient room tax collected, the City was required to provide a minimum of 21% toward tourism related activities. He said the City had historically provided between 40% and 70% of the tax toward tourism.

Chamber President Lisa Farquharson reviewed the components of the proposed scope of work for the 2014-15 fiscal year.

Items proposed to be removed were #9, #10, and #23 in the Community Marketing section and items #2 and #3 in the Special Projects section.

Farquharson acknowledged additional staff was necessary and proposed adding a position of tourism coordinator who would serve as the primary contact for the cruise ships and other events. She said a job description was being developed and it would be included along with an updated budget for the Council's consideration at their May 12 meeting.

There was discussion regarding how the projects listed within the Scope of Work were tied to the proposed budget. Mayor Lawrence asked that there be notes in the Scope identifying items in the budget and to provide more detail within the budget so the Council would know what types of things were included in the general line items.

There was general discussion regarding the Chamber of Commerce's Board and whether they considered tourism to be an important part of their operation. It was noted that tourism was not mentioned within their Mission.

Chamber Board Chair Bev Eagy said the Board was re-working their mission statement and that it was never the intent to take tourism out of their mission. It was also noted that tourism was included in Chamber policies and goals.

In response to a question regarding how the space cost was calculated, Farquharson said she was not sure, but had used a figure that was developed in the past.

City Manager Young said the approval of the agreement and work scope/budget would be placed on the May 12 Council agenda for approval. He said additional funds would not need to be included because the proposed position could be paid with funds previously included in the budget for the special projects that had been removed now.

MINUTES (Continued)
Council Work Session
April 30, 2014
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Councilor Spatz asked that the Chamber keep a relationship and maximize communication with the Discovery Center. He said they had a huge role and investment in the community and it was important to keep the connection with tourism.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:30 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

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AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 9, 2014	Public Hearings 11, A, 1	14-039

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

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

DATE: May 20, 2014

ISSUE: Public Hearing on Proposed Uses of State Revenue Sharing funds for FY14/15 and consideration of Resolution No. 14-017 declaring the City's election to receive State Revenues.

BACKGROUND: State Revenue Sharing Law, ORS 221.770, requires cities to pass a resolution each year stating that they elect to receive State Revenue Sharing money during the next fiscal year. The law mandates public hearings be held by each city, and a certification of these hearings is required. The required hearings are to be held: 1) before the Budget Committee to consider possible uses of the funds; and 2) before the City Council on the uses of the funds proposed by the Budget Committee or anyone else.

The City of The Dalles has traditionally used State Revenue Sharing funds to support activities in the General Fund. The Budget Committee held a Public Hearing on May 5, 2014, to consider possible uses of the funds, and then voted to recommend to the Council that they continue to use those funds to support the General Fund in FY14/15.

A Public Hearing on the proposed uses of State Revenue Sharing funds is scheduled before the City Council on June 9, 2014. The required Resolution (#14-017) electing to receive State Revenue Sharing funds in FY14/15 is included as an action item on the same agenda. The Resolution is not required to designate the uses of the funds, but only states the City's election to receive them.

BUDGET IMPLICATIONS: The budget for FY14/15, as approved by the Budget Committee, already includes the anticipated State Revenue Sharing funds as General Fund revenue.

ALTERNATIVES:

- A. Staff Recommendation: *Move to adopt Resolution No. 14-017 declaring the City's election to receive State revenues for Fiscal Year 2014/2015.*
- B. City Council could elect to not adopt Resolution No. 14-017, or could elect to assign the uses of State Revenue Sharing funds to a different purpose than proposed. Either decision would require changes to the proposed budget for FY14/15.

RESOLUTION NO. 14-017

A RESOLUTION DECLARING THE CITY OF THE DALLES' ELECTION TO RECEIVE STATE REVENUES FOR FISCAL YEAR 2014-2015

WHEREAS, State Revenue Sharing Law, ORS 221.770, requires cities to annually pass a resolution requesting State Revenue Sharing money; and

WHEREAS, the City's Budget Committee held the required Public Hearing on May 5, 2014, to consider possible uses of State Revenue Sharing funds in FY13/14; and

WHEREAS, the City Council held the required Public Hearing on June 9, 2014, to consider the uses of State Revenue Sharing funds in FY14/15 as proposed by the Budget Committee and others;

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

Section 1. Election to Receive State Revenues in FY14/15. Pursuant to ORS 221.770, the City hereby elects to receive State Revenues for the Fiscal Year 2014/2015.

Section 2. Effective Date. This Resolution shall be considered effective as of July 1, 2014.

Section 3. Expiration Date. This Resolution shall expire upon receipt and acceptance of the Audit for FY14/15.

PASSED AND ADOPTED THIS 9th DAY OF JUNE, 2014

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

AND APPROVED BY THE MAYOR THIS 9th DAY OF JUNE, 2014

SIGNED: _____ ATTEST: _____

Stephen E. Lawrence, Mayor Julie Krueger, MMC, City Clerk
.....

I certify that a Public Hearing before the City of The Dalles Budget Committee was held on May 5, 2014, and a Public Hearing was held before the City of The Dalles City Council on June 9, 2014, giving citizens an opportunity to comment on use of State Revenue Sharing.

CERTIFIED BY:

Julie Krueger, MMC, City Clerk



AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 9, 2014	Public Hearings 11, B, 1	14-042

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

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

DATE: May 27, 2014

ISSUE: Public Hearing to Receive Testimony Regarding the Approved 2014-2015 Fiscal Budget, Changes Proposed by Staff, and Resolution No. 14-018 Adopting the FY14/15 Budget for the City of The Dalles.

BACKGROUND: The City Budget Committee reviewed the proposed budget on May 5 and 6, 2014. They approved the budget, with some changes, on May 6, 2014. The City Council will hold the required Public Hearing on June 9, 2014. Oregon Budget Law allows a governing body, prior to final adoption, to make changes to a Fund approved by the Budget Committee in amounts up to \$5,000 or 10% of the operating portion of that Fund, whichever is greater. If the changes are greater than the limit allows, another Public Hearing must be held, with the required published notices, prior to adoption.

BUDGET IMPLICATIONS:

An amendment is needed in the Water Utility Fund (051) to reflect that the County has postponed chip sealing Reservoir Road into Wicks until August. This project was anticipated to be completed in FY13/14, but now that project must be postponed until after July, so the funds for that project (\$28,000) need to be rolled into the budget for next fiscal year. This will increase the Water Utility Fund budget and the total of All Funds in the FY14/15 budget by \$28,000.

These proposed changes are shown in the table at the end of this staff report. The proposed resolution contains the recommended change to the Water Fund.

At this time no proposed changes exceed the 10% limit, so Council may, approve the changes listed and adopt the proposed resolution on June 9, 2014, without another hearing.

ALTERNATIVES:

A. Staff Recommendation: Make two (2) motions:

1. *Move to approve the proposed changes to the budget approved by the Budget Committee.*

AND

2. *Move to adopt Resolution No. 14-018 Adopting the Fiscal Year 2014-2015 Budget for the City of The Dalles, making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget.*

B. City Council could elect to make more changes to the approved budget and direct staff to include those changes in the adopting resolution. If any such changes were to be greater than the limit allows, a second Public Hearing on June 23 would be required. In that case, the Council could move to approve those proposed changes to the budget that are within the \$5,000 or 10% limit, and to hold a public hearing on June 23, 2014, on only the proposed changes that exceed that limit:

If any other changes come to light before the Council meeting on June 9th, staff will present those during the Public Hearing on the approved budget.

051 Water Utility Fund - Water Treatment Division			Approved Budget	Change	Amended Budget
	Description	Line Item #			
Rev	Beginning Fund Balance	051-0000-300.00-00	815,666	28,000	843,666
Exp	WT - CO - Improvements Other	051-5000-510.73-30	48,500	28,000	76,500
Fund Net Change:				28,000	

RESOLUTION NO. 14-018

A RESOLUTION ADOPTING THE FISCAL YEAR 2014-2015 BUDGET FOR THE CITY OF THE DALLES, MAKING APPROPRIATIONS, AUTHORIZING EXPENDITURES, LEVYING TAXES, AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTION AS NECESSARY TO CARRY OUT THE ADOPTED BUDGET.

WHEREAS, the City Budget Committee has reviewed and acted on the proposed City budget, and, on May 6, 2014, approved and recommended a balanced budget to the City Council; and

WHEREAS, in accordance with State Law, the City held a Public Hearing on the approved budget on June 9, 2014; and

WHEREAS, the City Council has amended the budget previously approved by the Budget Committee, as permitted by ORS 294.435; and

WHEREAS, the City Council wishes to adopt the approved budget with amendments and carry out the programs identified in the budget;

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

Section 1. Clerical Changes. The City Council hereby authorizes City staff to make the necessary clerical changes to the amended budget.

Section 2. Adoption of the Budget. The City Council of the City of The Dalles, Oregon, hereby adopts the budget for Fiscal Year 2013-2014 in the total of **\$58,633,033**, now on file in the office of the City Finance Director.

Section 3. Setting Appropriations. The amounts for the Fiscal Year beginning July 1, 2014 and for the purposes shown are hereby appropriated as follows:

GENERAL FUND (001)		
City Council		196,785
City Clerk		141,160
City Manager / Economic Development		396,857
Legal / Judicial		504,362
Finance / Utility Billing		525,673
Personnel		9,100
Planning Department		497,906
Police		3,428,760
Technology		232,678
City Hall / Transportation Center		295,222
Code Enforcement		83,357
Animal Control		90,013

Special Payments	421,530
Interfund Transfers	65,000
Contingency	624,492
TOTAL GENERAL FUND (001) *	7,512,895
LIBRARY FUND (004)	
Personnel Services	652,433
Materials & Services	321,466
Capital Outlay	10,000
Interfund Transfers	39,179
Contingency	102,301
TOTAL LIBRARY FUND (004) **	1,125,379
STREET FUND (005)	
Personnel Services	718,653
Materials & Services	605,297
Capital Outlay	249,213
Interfund Transfers	428,897
Contingency	9,355
TOTAL STREET FUND (005)	2,011,415
PUBLIC WORKS RESERVE FUND (009)	
Capital Outlay	331,773
TOTAL PUBLIC WORKS RESERVE FUND (009)	331,773
UNEMPLOYMENT RESERVE FUND (010)	
Personnel Services	58,764
TOTAL PUBLIC WORKS RESERVE FUND (010)	58,764
COMMUNITY BENEVOLENCE FUND - VIETNAM MEMORIAL (011)	
Materials & Services	14,633
TOTAL PUBLIC WORKS RESERVE FUND (011)	14,633
TRANSPORTATION SYSTEM RESERVE FUND	
Capital Outlay	1,418,338
Interfund Transfers	80,000
TOTAL TRANSPORTATION SYSTEM RESERVE FUND (013)	1,498,338
SPECIAL GRANTS FUND (018)	
Materials & Services	440,000
Capital Outlay	12,716,940
Interfund Transfers	50,770
TOTAL SPECIAL GRANTS FUND (018)	13,207,710

STATE OFFICE BUILDING FUND (021)		
Personnel Services		57,914
Materials & Services		125,685
Capital Outlay		27,000
Contingency		21,303
	TOTAL STATE OFFICE BUILDING FUND (021)	231,902
SPECIAL ASSESSMENTS FUND (036)		
Materials & Services		56,200
Capital Outlay		385,006
Interfund Transfers		114,347
	TOTAL SPECIAL ASSESSMENTS FUND (036)	555,553
CAPITAL PROJECTS FUND (037)		
Materials & Services		5,000
Capital Outlay		354,950
Debt Service		15,150
Interfund Transfers		61,000
	TOTAL CAPITAL PROJECTS FUND (037)	436,100
WATER REVENUE BOND FUND (041)		
Debt Service		561,805
Contingency		400,000
	TOTAL WATER REVENUE BOND FUND (041)	961,805
FFCO 2008 BOND FUND (043)		
Debt Service		300,930
	TOTAL FFCO 2008 BOND FUND (043)	300,930
2009 FFCO BOND FUND (044)		
Debt Service		945,763
	TOTAL 2009 FFCO BOND FUND (044)	945,763
WATER FUND (51)		
WATER TREATMENT		
Personnel Services		835,679
Materials & Services		548,241
	TOTAL WATER TREATMENT	1,383,920
WATER DISTRIBUTION		
Personnel Services		1,198,509
Materials & Services		563,603
	TOTAL WATER DISTRIBUTION	1,762,112
Capital Outlay		383,375
Interfund Transfers		2,925,594
Contingency		39,291
	TOTAL WATER FUND (051)	6,494,292

WATER CAPITAL RESERVE FUND (053)		
Materials & Services		-
Capital Outlay		3,025,209
Debt Service		238,380
Interfund Transfers		594,901
Contingency		-
TOTAL WATER CAPITAL RESERVE FUND (053)		3,858,490
WASTEWATER FUND (055)		
Personnel Services		1,192,048
Materials & Services		1,626,242
Capital Outlay		146,565
Interfund Transfers		2,895,668
Contingency		20,806
TOTAL WASTEWATER FUND (055)		5,881,329
SEWER CAPITAL RESERVE FUND (056)		
Materials & Services		-
Capital Outlay		3,436,709
Interfund Transfers		7,082
TOTAL WASTEWATER CAPITAL RESERVE FUND (056)		3,443,791
SEWER PLANT CONSTRUCTION FUND (057)		
Materials & Services		-
Capital Outlay		4,725,872
Interfund Transfers		551,965
TOTAL SEWER PLAN CONSTRUCTION FUND (057)		5,277,837
SEWER DEBT SERVICE FUND (058)		
Debt Service		551,965
Contingency		224,527
TOTAL SEWER DEBT SERVICE FUND (058)		776,492
AIRPORT FUND (061)		
Materials & Services		233,750
Capital Outlay		1,428,000
Contingency		23,565
TOTAL AIRPORT FUND (061)		1,685,315
AIRPORT DEBT SERVICE FUND (062)		
Debt Service		266,262
TOTAL AIRPORT DEBT SERVICE FUND (062)		266,262
TOTAL ALL FUNDS		56,876,768
* An Unappropriated Ending Fund Balance has been set for the General Fund in the amount of:		773,883
** An Unappropriated Ending Fund Balance has been set for the Library Fund in the amount of:		982,382
TOTAL ADOPTED BUDGET		58,633,033

TOTAL ALL FUNDS **56,876,768**

* An Unappropriated Ending Fund Balance has been set for the General Fund in the amount of: **773,883**

** An Unappropriated Ending Fund Balance has been set for the Library Fund in the amount of: **982,382**

TOTAL ADOPTED BUDGET **58,633,033**

Section 4. Authority of City Manager. The City Council hereby authorizes the City Manager to take such action as is necessary and consistent with State Statutes and City Ordinances, including, but not limited to, entering into contracts to carry out the programs, projects and services identified in the adopted budget.

Section 5. Imposing and Categorizing the Tax. The City Council of the City of The Dalles, Oregon, hereby imposes the taxes provided for in this adopted budget in the General Fund at the rate of \$3.0155 per \$1,000 of assessed value for operations, and that these taxes are hereby imposed and categorized for tax year 2014-2015 upon the assessed value of all taxable property within the City of The Dalles as of 12:01 AM, July 1, 2014.

	Subject to General Government Limitation	Excluded from Limitation
General Fund - Tax Base	\$ 2,920,385	0
Category Total	\$ 2,920,385	0
TOTAL TAX IMPOSED	\$ 3.0155 per 1,000 of assessed value	

Section 6. Certifying the Tax Levy. The City Finance Director shall certify to the County Clerk and County Assessor, the tax levy made by this Resolution, and shall file with them and to the State of Oregon, copies of the budget as finally adopted.

PASSED AND ADOPTED THIS 9th DAY OF JUNE, 2014

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

AND APPROVED BY THE MAYOR THIS 9th DAY OF JUNE, 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
FAX (541) 296-6906

AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 12, 2014	Action Items 12, A	14-033

TO: City of The Dalles Budget Committee
FROM: Nolan K. Young, City Manager *nyj*
DATE: April 28, 2014
ISSUE: Approval of Distribution of Enterprise Zone Fee from Design, LLC 2005 Agreement for Fiscal Year 2014-15

BACKGROUND: In May 2005, the City of The Dalles and Wasco County signed an Enterprise Zone Tax Abatement Agreement with Design, LLC for the site where the current Google facility is located in The Dalles.

That agreement called for Design, LLC to make an annual payment to the sponsors (the City and the County); and an additional \$250,000 for each year that the facility receives a tax exemption up to 15 years. Currently, we have received seven annual payments with the possibility of receiving eight more as long as the Google facility continues to operate.

Section 2.c(3) states that *“the fees will be deposited with the County and budgeted, expended, and distributed by the sponsors for projects, and programs for local serves, or infrastructure benefiting the facility. Currently, anticipated projects and programs are listed in Exhibit B and may be changed by the sponsors during the term of this agreement.”*

In 2013 the City and the County amended the distribution of the \$250,000 Annual Projects Fee. The fiscal year 2013-14 distribution is identified in Exhibit B. At that time it was agreed that each year the City and the County would met to reconsider the allocation of these funds.

For fiscal year 2014-15 we are proposing funds to be distributed as identified below:

Columbia Gorge Community College – Information Technology Programs	\$75,000
Wasco County	\$87,500
City of The Dalles	\$87,500

In 2013 it was agreed that for at least two years \$75,000 would be provided to Columbia Gorge Community College. At that time they indicated they would use those funds to create a curriculum and hire a full time computer science instructor. They have identified an individual who will start in that position on July 1, 2014. The City and the County subcommittee also recommended that we enter into an intergovernmental agreement with the college for the use of these funds. Attached is a proposed agreement.

BUDGET IMPLICATIONS: If approved this change would bring in an additional \$32,500 to the City's budget. The proposed budget that will be presented to the budget committee on May 5 includes these anticipated revenues.

COUNCIL ALTERNATIVES:

1. *Staff recommendation: Approve the Amended Distribution of Enterprise Zone Fee from Design, LLC. as identified in the proposed "Exhibit B", and authorize the Mayor to sign the agreement between the City, the County and Columbia Gorge Community College for the distribution of \$75,000 to the college.*
2. Recommend some other distribution, and direct staff to negotiate the distribution with Wasco County representatives.
3. Postpone approving the amendment pending further research.

EXHIBIT B

PROJECT FEES

PROGRAMS AND PROJECTS FOR FISCAL YEAR 2013-14

Annual Project Fees
\$250,000

Columbia Gorge Community College	
Information Technology Programs	\$ 75,000*
QualityLife Intergovernmental Agency	0
Economic Development	
a. County MCEED Contract	\$ 35,000
b. City Economic Development Specialist	\$ 30,000
c. Downtown Main Street Program	\$ 25,000
d. Discovery Center Infrastructure Debt	\$ 27,000
e. Old Armory Site Redevelopment	\$ 17,000
County Veteran's Service Officer Program	<u>\$ 41,000</u>
TOTAL	\$250,000

City and County Representatives will meet in January of each year to propose distribution to City Council and County Commission

*Two years through 2014-15



COLUMBIA
GORGE
COMMUNITY
COLLEGE

*building dreams,
transforming lives*

April 8, 2013

Tyler Stone, County Administrator
Wasco County
511 Washington Street
The Dalles, OR 97058

Nolan Young, City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

Dear Tyler and Nolan:

Since 2005, Columbia Gorge Community College has been receiving funds from Google as per the Enterprise Zone Tax Abatement Agreement to support an information technology program. As we did not have an information technology program at the time, we contracted with Mid-Columbia Economic Development District (MCEDD) to conduct a needs assessment for a technology-based course of study, called Fundamentals of Applied Core Technologies (FACT). An advisory committee of stakeholders in related fields was formed to lead the work of the needs assessment, which concluded that the advisory committee and CGCC should explore the potential for individual courses rather than a single program related to information technology. We offer several computer classes each quarter, including classes in web design, operating systems, software programs, software design, microcomputers, data communication and more.

The following year, in 2006, we created the Renewable Energy Technology program, the first of its kind on the west coast. The program provides broad-scale training in renewable energy technology to prepare individuals to work in wind-power and other related fields, with curriculum focused on robotics, electrical engineering, mechanics, etc. Industry partners helped us create the curriculum for the pilot program that started in January 2007, and continue to help us ensure that our program reflects the most current industry needs, trends and technologies. Graduates are able to receive family-wage employment in a variety of fields and 245 students have graduated with a 2-year degree or 9-month certificate since the program's inception. We've been fortunate to receive financial support for the program at the state, federal, and industry levels in the amount of almost \$4.1M and CGCC has contributed over \$1M in general fund dollars to the program.

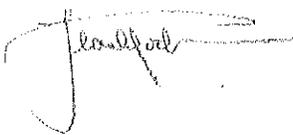
In 2012, results from our academic master plan indicated that faculty, students and the community would like us to offer more advanced computer-related courses. The academic master plan reflects a critical and deep external scan of the region's educational, economic, and workforce development needs. We have approved a full-time computer information systems/computer science faculty position (pending funding) that would provide advanced computer training classes in web design, programming and networking to help meet the increasing workforce needs in the region in the areas of health informatics, computer engineering and software design. The full-time faculty, if funded in 2013-14, would develop the courses in 2013-14 for offering in 2014-15.

Now, using the same industry-driven model that was used to create the Renewable Energy Technology program, CGCC is responding to requests from industry that it needs a strong STEM (science, engineering, technology and math) skilled workforce. The faculty position mentioned above is one piece of this programmatic approach called the Columbia Gorge Regional Center of Innovation (RCI). The RCI will focus on math as the "golden thread" to create a seamless alignment of pre-kindergarten through post secondary education leading to student success and employment. This approach is the outcome of the "Stronger Economies Together" forums sponsored by MCEDD and the US Department of Agriculture that identified barriers to economic development in the Gorge. An advisory committee made up of educators, industry partners, and economic development groups are working together to implement a three-year pilot project that would commence in September 2013. The pilot project will use math education as the catalyst for increasing student success, retention, and decreasing remediation costs for both educators and employers. A presentation will be made to the Governor and Oregon Education Investment Board in May that could possibly make this project a model for the state, as well as the nation.

Losing the enterprise zone dollars puts our computer science faculty position in jeopardy; negatively impacting our ability to develop and offer advanced computer-related courses over the next few years. Additionally, as we are funded on a biennial basis, any sort of annual review of these funds makes it impossible for CGCC to build, maintain, and grow any of our technology-related courses and programs.

The funds have enabled us to quickly respond to industry and community needs – to offer individual information technology classes when there was evidence that a full program was not sustainable, to develop the Renewable Energy Technology Program, and now to hire a full-time faculty who will offer advanced computer classes which are an integral piece of the Columbia Gorge Regional Center of Innovation. A 2012 economic impact study by Economic Modeling Specialists International (EMSI) found that CGCC provides a 3.22% return on investment to taxpayers and a 22% return on investment for students. We appreciate the opportunity to reinvest dollars into our community by providing education and training, but also by partnering with Google on their robotics tournaments, Gorge Gravity Games and more.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Toda", with a long horizontal flourish extending to the right.

Dr. Frank Toda
President
Columbia Gorge Community College

**INTERGOVERNMENTAL AGREEMENT BETWEEN CITY OF
THE DALLES, WASCO COUNTY AND THE COLUMBIA GORGE
COMMUNITY COLLEGE CONCERNING DISTRIBUTION AND USE
OF FEES PAID PURSUANT TO ENTERPRISE ZONE TAX ABATEMENT
AGREEMENT EXECUTED IN MAY 2005 FOR FISCAL YEAR 2014-2015**

This Intergovernmental Agreement is entered into this ____ day of _____, 2014, by and between the City of The Dalles, an Oregon municipal corporation, hereinafter called the "City", Wasco County, a political subdivision of the State of Oregon formed under the Oregon Constitution and ORS Chapter 203, hereinafter called the "County", and Columbia Gorge Community College, hereinafter called "College"; each of which may also be referred to herein individually as a "Party" and collectively as the "Parties".

The purpose of this Agreement is to set forth the responsibilities of the Parties for implementation of the process concerning the distribution and use of fees to be paid by Design LLC pursuant to the Enterprise Zone Tax Abatement Agreement executed in May 2005.

RECITALS:

WHEREAS, the State of Oregon has declared it a matter of statewide concern to promote intergovernmental cooperation for the purpose of furthering economy and efficiency in local government; and

WHEREAS, the legislature has given general authority for intergovernmental agreements by units of local government pursuant to the provisions of ORS 190.010 et. seq.; and

WHEREAS, the Oregon Legislative Assembly has adopted the provisions of ORS 285C.400 to 285C.420 to provide tax incentives to certified business firms that invest in a qualifying facility located within a nonurban enterprise zone in a county with chronically low income or unemployment; and

WHEREAS, the City of The Dalles and Wasco County jointly sponsor a nonurban enterprise zone known as The Dalles/Wasco County Enterprise Zone; and

WHEREAS, the City and County in May 2005, entered an Enterprise Zone Tax Abatement Agreement with Design LLC; and

WHEREAS, pursuant to Section II(C)(2) of the Tax Abatement Agreement, Design LLC agreed to pay an annual Project Fee in the amount of \$250,000 to the City and Wasco County, the sponsor of the Enterprise Zone, on or before December 31, of each tax year in which the New Facility described in the Tax Abatement Agreement, is in service as of the preceding January 1, except that the annual Project Fee will not be due for any tax year in which the new Facility fails to qualify for the property tax exemption under ORS 285C.409(1)(c);

WHEREAS, the City and Wasco County have reached a mutual agreement as to the distribution of the Annual Project Fee for the Enterprise Zone which they jointly sponsor, with a portion of the Annual Project Fee for Fiscal Year 2014-2015 is to be distributed to the College; and

NOW, THEREFORE, it is mutually agreed between the parties as follows:

1. Distribution of Portion of Annual Project Fee. Pursuant to the agreement between the City and County, the portion of the \$250,000 Annual Project Fee to be distributed to the College in FY 2014-15 shall be the sum of \$75,000.

2. Timing of Payment. The County shall distribute the portion of the annual Enterprise Zone fee identified in Section 1 within sixty (60) days of the County's receipt of said fee as long as the conditions of Section 3 are met. If Design LLC does not pay the fee for FY 2014-15, no disbursement will be made to the College.

3. Use of Payment. The College shall use the funds to be distributed by the City and County as identified in Section 1, consistent with the provisions identified in the letter from the College dated April 8, 2013, and attached as Attachment "A".

4. Reporting Requirement. (a) The distribution identified in Section 1 shall only be made after the College shows proof to the City and County that the \$75,000 from Enterprise Zone proceeds, distributed in FY 2013-14 to the College has been expended on the establishment of a computer science curriculum and for implementation of that curriculum. (b) The College shall show proof to the City and County that the \$75,000 distributed from Enterprise Zone proceeds for FY 2014-15 have been expended on establishment or implementation of a computer science curriculum at the College. Such proof shall be provided by July 30, 2015.

5. Term and Termination. The term of this Agreement shall commence upon the ___ day of _____, 2014, and shall be terminated upon the distribution of the Annual Project Fee by City and County. Either party shall have the right to terminate this Agreement for any cause by providing the other party thirty (30) days written notice to the other party. In the event this Agreement is terminated by the City or County prior to the distribution of the Annual Project Fee scheduled to be paid, the City and County shall retain the authority to determine the distribution of any Annual Project Fee paid by Design LLC following termination of the Agreement.

6. Agreement Effective. This Agreement when approved by the County Commission and executed by the authorized County officials, approved by the City Council and executed by its authorized officials, and executed by College officials, shall be then adopted and in effect and its terms and provisions enforceable by each respective body.

IN WITNESS WHEREOF, the County, the City, and the College have executed this Agreement the day and year first above written.

COLUMBIA GORGE COMMUNITY COLLEGE

By: _____
Name and Title

Approved as to Form:

Attorney for Columbia Gorge Community College

WASCO COUNTY

CITY OF THE DALLES

By: _____
Rod Runyon, Commissioner

By: _____
Stephen E. Lawrence, Mayor

Scott Hege, Commissioner

ATTEST:

Julie Krueger, MMC. City Clerk

Steve Kramer, Commissioner

Approved as to form:

Approved as to form:

Eric Nisley, District Attorney

Gene E. Parker, City Attorney



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 #
June 9, 2014	Action Items 12, B	14-040

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney
Dave Anderson, Public Works Director

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

DATE: May 23, 2014

ISSUE: General Ordinance No. 14-1335, amending Sections 2, 9, and 11 through 19, and repealing Section 10 of General Ordinance No. 06-1266 concerning System Development Charges.

RELATED CITY COUNCIL GOAL: None.

PREVIOUS AGENDA REPORT NUMBERS: None.

BACKGROUND: On May 22, 2006, the City Council adopted General Ordinance No. 06-1266 authorizing the establishment of provisions for governing the development and use of system development charges ("SDC") for water, wastewater drainage, streets, flood control, and parks. The ordinance includes a provision concerning the scope of the ordinance, a section defining applicable terms used in the ordinance, provisions concerning the collection of SDC charges, procedures for collection of delinquent SDC charges, and provisions concerning credits towards SDC charges.

City staff had recently been reviewing the provisions of Section 12 of the ordinance which provides credits towards the SDC charges, particularly the provisions of Section 12(F) which provide for a credit for any non-residential development which results in the creation of new and

permanent full-time equivalent jobs, calculated at the rate of one percent for each new, permanent full-time equivalent position created by the development. City staff is aware of at least one approved development (Wal-Mart) which will likely generate a significant number of new and permanent full-time equivalent jobs in excess of the 100 amount threshold. As will be explored in further detail in this staff report, a development of this size will have a significant impact upon the City's utility and transportation system, and under the current provisions in the City's SDC ordinance, such a developer could end up with receiving credits towards the SDC charges which would result in the developer being completely relieved of any obligation to pay towards the costs of addressing the impacts created by the development.

City staff researched SDC ordinances from 11 other cities, and the model SDC ordinance template developed by the League of Oregon Cities (LOC). The 11 cities included Ashland, Cannon Beach, Fairview, Junction City, Lake Oswego, Medford, Scappoose, Tigard, Waldport, Yamhill, and Bend. None of the ordinances for these cities, or the LOC template, includes a provision which provides a developer can receive an SDC credit based upon job creation. City staff is unaware of any development within the City which has occurred because of the job credit provision in Section 12(F) of General Ordinance No. 06-1266. It appears that elimination of the job credit provision would be consistent with the practices in other cities in Oregon, and that it will not place the city at a competitive disadvantage for development.

From the discussion of the provisions of Section 12(F), City staff also discovered there were certain other provisions in the SDC ordinance which were in need of some amendment and clarification. General Ordinance No. 14-1335, which is included with this staff report, has been prepared to address the issue of credits under the SDC ordinance, as well as other "housekeeping" types of issues that the staff believes would be appropriate for the Council to address. This agenda staff report will summarize those issues and the staff's recommendations.

1. Scope. Section 2 of General Ordinance No. 06-1266 includes provisions regarding the scope of the SDC ordinance. The SDC ordinance allows the City to establish two different types of SDC charges. One is for an improvement fee, which is a fee for costs associated with capital improvements to be constructed after the fee has been adopted under the SDC ordinance. Improvement fees are intended to pay for the costs of improvements which will expand the capacity of the city's utility and transportation systems. The second fee is classified as a reimbursement fee, which is a fee for costs associated with capital improvements already constructed or under construction at the time the fee is adopted, where the Council has determined that sufficient capacity exists. The second sentence of Section 2 has been amended to clarify that SDC charges are considered to be in the nature of a charge for services and/or facilities made available (reimbursement fee), or a charge for services and/or facilities to be made available in the future (improvement fee).
2. Deferral Program for SDC's for Single Family and Duplex Residential Dwelling Units. On June 15, 2009, the City Council adopted Resolution No. 09-020 which established a program for deferral of SDC charges in connection with the construction of single family and duplex residential dwelling units. The intent of the program was to provide a stimulus to the development of these types of dwelling units during the national

economic recession. The City did not receive any applications under this deferral program. The resolution provided that the program would be in effect from June 15, 2009 through December 15, 2009, and unless the City Council adopted a resolution extending the deferral program, the deferral period would expire on December 16, 2009. The Council did not adopt a resolution extending the deferral program, and since the program has expired, staff is recommending that the provision in General Ordinance No. 06-1266 which authorized the program be deleted from the ordinance.

3. Collection of SDC charges. Section 9 of General Ordinance No. 06-1266 contains the provisions governing the collection of SDC charges. General Ordinance No. 14-1335 proposes several changes to the procedures which the City would use to collect these charges, which are set forth below:
 - A. Subsection D which defines the events which would trigger the need to collect the SDC charges is being amended to delete payment of the SDC's under the deferral program for SDC's imposed in connection with the construction of a single family dwelling or duplex residential unit, as one of the triggering events.
 - B. Subsections (E), (F), and (G) are being replaced with new subsections (E), (F), (G), (H), (I) and (J). Under the current SDC ordinance, the Finance Director is responsible for collection of SDC payments, and for approving requests for installment payment plans for SDC payments. Under proposed General Ordinance No. 14-1335, the City Planning Director will be responsible for collection of the SDC payments, which is consistent with the method of collection which City staff has been using for several years. The Planning Director will also be responsible for processing requests for installment payments of the SDC charges.

Under proposed General Ordinance No. 14-1335, for all new development, the applicable SDC charge will need to be paid in full at the time of occurrence of one of the events described in Subsection D. The use of installment payment plans will be limited to situations involving an emergency of other event or cause which is not attributable to any action taken by the property owner or a developer, which results in undue financial hardship to the property owner or the developer. In the event the property owner or developer are not the same individuals or entities, both the owner and the developer will be required to sign the installment plan agreement in order for the agreement to be effective. The maximum period for any installment plan agreement is 12 months.

Once the payment plan agreement is signed, it will authorize the placement of a lien upon the property. The agreement will provide for interest at the rate of 10% per annum from date of execution of the payment plan. No permit shall be issued for water or sewer service, nor shall any connection to the water or sewer system be allowed, until the SDC charge has been paid in full, or the

Public Works Director has a copy of the signed installment plan agreement. The City Finance Director shall provide information concerning the terms of the installment plan agreement to the City Clerk, and the City Clerk shall enter the appropriate amount for the SDC charge in the City's electronic lien docket. The lien shall bear interest at the rate of 10% per annum on the unpaid balance of the SDC charges from the date of execution of the installment plan agreement.

General Ordinance No. 06-1266 includes a provision for delinquent charges which involves a public hearing before the City Council. The City Council recently conducted a public hearing to consider a report concerning a delinquent SDC charge for a sanitary sewer connection. Under proposed General Ordinance No. 14-1335, the provision providing for a public hearing to consider reports regarding delinquent SDC charges will be deleted. In the event the SDC charge becomes delinquent, the City will rely upon the lien foreclosure process which is the standard process which the City uses for the collection of LID assessment liens and liens for the abatement of public nuisances.

Other city ordinances which use the process of imposing a lien to secure payment of the installments, and the LOC template do not include a requirement for a public hearing. General Ordinance No. 14-1335 includes a provision that an owner or developer retains the right to contest any computational errors made in the assessment of the lien. The lien foreclosure process also includes requirements for publication of any notice of intent to foreclose upon the lien, as well as notice sent by certified mail to the owner of the affected property, so there are additional opportunities for a property owner to contest the amount of any lien if the property owner believes the City has committed an error.

City staff believes that the City should not be placed in the position where it is essentially functioning as a bank to finance the costs of construction of the improvements associated with the SDC charges. The inclusion of an interest rate of 10% per annum will provide an incentive for private owners and developers to seek alternative sources of financing the costs of improvements at a more favorable financing rate, which would result in lower costs for the property owner or the developer.

4. Other housekeeping provisions. Current Sections 11 through 19 in General Ordinance No. 06-1266 would be renumbered 10 through 18 respectively. Subsection (F) of the newly renumbered Section 11 will be deleted, and subsections (G) and (H) of the newly renumbered Section 11 will be renumbered (F) and (G). A new subsection (H) will be added to the newly renumbered Section 11. The current Section 18 concerning penalties will be renumbered Section 17.

The City Attorney, Finance Director, Public Works Director, and Planning Director worked together upon the proposed revisions of the City's current SDC ordinance, and they all concur that the proposed revisions are in the best interests of the City. Copies of General Ordinance No. 14-1335 have been posted in accordance with the requirements of the City Charter, and the Council can choose to adopt the ordinance by title only.

BUDGET IMPLICATIONS: The City's Capital Improvement Plan adopted in connection with its SDC's ordinance contemplates the collection of SDC charges from developers who construct projects which will have a significant impact upon the City's utility and transportation systems. Adoption of General Ordinance No. 14-1335 will ensure that the City collects the applicable SDC charges from development which will impose a significant impact upon the City's utility and transportation systems, and ensure the City has the necessary financial resources to allow for construction of improvements required to address those impacts.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt General Ordinance No. 14-1335 by title only.*
- B. If the Council desires to make some minor amendments to the proposed ordinance, the Council can read those amendments in public, and then move to adopt General Ordinance as amended by title only.
- C. If the Council desires to make more substantial amendments to General Ordinance No. 14-1335, provide direction to staff as to which sections of the ordinance the Council would like to amend, and direct staff to bring an amended ordinance to the Council at a future meeting for its review.
- D. Determine not to adopt proposed General Ordinance No. 14-1335, which would leave the current provisions in General Ordinance No. 06-1266 in place.

GENERAL ORDINANCE NO. 14-1335

**AN ORDINANCE AMENDING SECTIONS 2, 9, AND 11
THROUGH 19, AND REPEALING SECTION 10 OF
GENERAL ORDINANCE NO. 06-1266 CONCERNING
SYSTEM DEVELOPMENT CHARGES**

WHEREAS, on May 22, 2006, the City Council adopted General Ordinance No. 06-1266 authorizing the establishment of provisions for governing the development and use of system development charges for water, wastewater drainage, streets, flood control, and parks; and

WHEREAS, Section 2 of General Ordinance No. 06-1266 sets forth provisions regarding the scope of the ordinance; and

WHEREAS, City staff has recommended the Council consider certain amendments to Section 2 of General Ordinance No. 06-1266, to clarify that the scope of the ordinance is consistent with the types of system development charges authorized by the ordinance; and

WHEREAS, Section 9 of General Ordinance No. 06-1266 sets forth provisions governing the collection of system development charges; and

WHEREAS, pursuant to Section 9(A) of General Ordinance No. 06-1266, the City Council adopted Resolution No. 09-020 relating to the establishment of a program for a deferral of systems development charges in connection with construction of single family and duplex residential dwelling units; and

WHEREAS, Section 5 of Resolution No. 09-020 provided that the deferral period established by the resolution would be in force and effect from June 15, 2009 through December 15, 2009, and unless the City Council adopted a resolution extending the deferral period, the deferral period would expire on December 16, 2009; and

WHEREAS, the City Council did not pass a resolution extending the deferral period for payment of system development charges in connection with construction of single family and duplex residential dwelling units, and City staff is recommending the provisions of General Ordinance No. 06-1266 be amended to repeal the provisions establishing the deferral program for payment of system development charges in connection with construction of single family and duplex residential dwelling units; and

WHEREAS, Section 9 of General Ordinance No. 06-1266(E) sets forth provisions authorizing the payment of system development charges pursuant to an installment payment plan, and City staff is recommending amendments to these provisions to clarify the process for authorizing installment payment plans, and providing for imposition of a lien to secure the payment of the installments, and ensuring that

General Ordinance No. 06-1266 complies with provisions of state law concerning the payment of systems development charges pursuant to an installment payment plan; and

WHEREAS, Section 10 of General Ordinance No. 06-1266 sets forth provisions concerning the process when systems development charges become delinquent, and City staff is recommending that with the adoption of the proposed amendments to Section 9 of General Ordinance No. 06-1266, Section 10 would become obsolete and should be repealed; and

WHEREAS, Section 12(F) of General Ordinance No. 06-1266 provides for a credit towards the payment of systems development charges for any non-residential development which results in the creation of new and permanent full-time equivalent jobs, calculated at the rate of one percent (1%) for each new, permanent full-time equivalent position created by the development; and

WHEREAS, City staff has recommended repeal of Section 12(F) of General Ordinance No. 06-1266, due to the potential for any development which creates 100 or more full time positions, receiving a credit of 100% toward the obligation to pay system development charges, which could result in a development which causes a significant burden upon the City's utility and transportation systems, being relieved of the obligation to pay any costs towards addressing the impacts created by that development; and

WHEREAS, City Council has reviewed the proposed amendments to General Ordinance No. 06-1266 recommended by City staff, and concurs that adoption of the proposed amendments is in the best interest and welfare of the citizens of The Dalles;

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

Section 1. Section 2, Scope, of General Ordinance No. 06-1266 shall be amended to read as follows:

Section 2. Scope. The system development charges imposed by this ordinance are separate from and in addition to any applicable tax, assessment, charge, or fee otherwise provided by law or imposed as a condition of development. A systems development charge is to be considered in the nature of a charge for services and/or facilities made available, or a charge for services and/or facilities to be made available in the future.

Section 2. Section 3, Definitions, shall be amended by adding a new subsection (M) which shall read as follows:

M. Planning Director. The duly appointed Director of the Planning Department, or his/her designee.

Section 3. Section 9(A) of General Ordinance No. 06-1266 shall be amended by deleting the following language:

“The City Council may, by adoption of a resolution, establish a program for deferral of water and sanitary sewer system development charges in connection with the construction of a new single family or duplex residential dwelling unit. Such a program may be authorized on a periodic basis. The terms of the deferral program, which include defining the due date of the deferred payment and the length of time which the deferred payment program shall be in effect, shall be set forth in a Council resolution”.

Section 4. Section 9(D) of General Ordinance No. 06-1266 shall be amended by deleting subsection (3), and amending subsections (1) and (2) to read as follows:

D. Collection of the applicable system development charge by the Planning Director shall be initiated by one of the following events:

- (1) Upon issuance of a permit which allows expansion of an existing building or development of an existing parcel.
- (2) When a request is made for water or sewer service, or when a connection to the water or sewer system of the City is made, whichever event occurs first.

Section 5. Sections 9(E), (F), and (G) of General Ordinance No. 06-1266 shall be deleted and replaced with the following language:

E. For all new development, the applicable system development charge shall be paid in full at the time of occurrence of one of the events outlined in subsection (D). In the event of an emergency or other event or cause which is not directly attributable to an action taken by the owner or the developer, which results in undue financial hardship to the owner or the developer, the owner or developer may apply to the Planning Director to pay the system development charge pursuant to a monthly installment payment plan (“payment plan”). In the event the owner or developer are separate individuals or entities, both the owner and developer will be required to execute a payment plan agreement in order for the payment plan to be effective. The maximum period for any payment plan shall not exceed twelve (12) months. The payment plan shall provide that interest on the unpaid balance of the system development charge shall accrue from the date of execution of the payment plan at the rate of ten percent (10%) per annum. The payment plan shall also include a waiver of all rights to contest the validity of a lien which shall be placed upon the property, except for the correction of computational errors. The Planning Director shall provide a copy of the executed payment plan to the Finance Director and Public Works Director.

- F. No permit shall be issued for water or sewer service, nor shall any water or sewer connection be allowed, until the applicable system development charge has been paid in full, or the Public Works Director has received a copy of a monthly installment payment plan agreement signed by the Planning Director and the owner or developer, or unless an exemption has been granted pursuant to Section 10 of this Ordinance.
- G. An applicant for installment payments shall have the burden of demonstrating the applicant's authority to assent to the imposition of a lien on the parcel.
- H. The City Finance Director shall report to the City Clerk the amount of the system development charge, the dates on which payments are due, the name of the owner(s), and the description of the parcel.
- I. The City Clerk shall docket the lien in the City Lien Docket. From that time the City shall have a lien upon the described parcel for the amount of the system development charge, together with interest on the unpaid balance at the rate of ten percent (10%) per annum from the date of execution of the installment payment plan. The lien shall be enforceable in the manner provided in ORS Chapter 223.
- J. For any installment payment agreement entered into prior to the effective date of this Ordinance, in the event there is a default in any payment of an installment due and owing under the agreement, the Finance Director shall report to the City Clerk the amount of the unpaid balance owing under the installment payment agreement. The City Clerk shall then enter the amount of the unpaid balance as a lien in the City Lien Docket, together with interest at the rate of ten percent (10%) per annum on the unpaid balance, and the lien shall be enforceable in the manner provided in ORS Chapter 223.

Section 5. Section 10 of General Ordinance, Delinquent Charges, shall be deleted, and Sections 11 through 19, shall be renumbered 10 through 18 respectively.

Section 6. Subsection (F) of Section 12, which shall be renumbered Section 11, shall be deleted. Subsections (G) and (H) of Section 12, which shall be renumbered Section 11, shall be renumbered (F) and (G). A new subsection (H) shall be added to the renumbered Section 11 which shall read as follows:

- H. Upon written request of the City Manager, the City Clerk is authorized to cancel assessments of systems development charges, without further City Council action, where the new development approved by the building permit is not constructed and the building permit is cancelled.

Section 7. Section 18, Penalty, which shall be renumbered Section 17, shall be revised to read as follows:

Section 17. Penalty. Violation of Section 16 of this ordinance is punishable by a fine not to exceed \$500.00.

PASSED AND ADOPTED THIS 9TH DAY OF JUNE, 2014

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 9TH DAY OF JUNE, 2014

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. 1125
FAX: (541) 298-5490

AGENDA STAFF REPORT

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 9, 2014	Action Items 12, C	14-043

TO: Honorable Mayor and City Council

FROM: Dan Durow, Economic Development Specialist 

THRU: Nolan Young, City Manager 

DATE: June 21, 2014

ISSUE: Application for Electronic Commerce Designation

BACKGROUND:

In February 2014, the Oregon Legislature increased the number of enterprise zones that can have electronic commerce (e-commerce) status from 10 to 15, effective June 6, 2014. Such status conveys special, additional incentives to growing electronic commerce-related businesses throughout the enterprise zone's area. The State administrator has indicated that there may be anywhere from six (6) to perhaps ten (10) or so applications for the five (5) new e-commerce designations.

Only existing enterprise zones can apply for this special designation. There are currently 66 enterprise zones in Oregon. Having such a designation would give The Dalles and Wasco County another advantage in our economic development competitive position. There is no required involvement with local taxing districts in general. The Wasco County Commissioners must agree with this request since they are co-sponsors in The Dalles/Wasco County Enterprise Zone III. A similar staff report and resolution will be presented to them for approval.

The more notable feature of these e-commerce designations, which are an overlay of the entire enterprise zone area, is an investment tax credit against the business firm's State income/corporate excise tax liability, which is an uncommon incentive in Oregon. The credit equals 25% of the investment cost made in capital assets used in e-commerce operations inside that enterprise zone. There is also expanded qualification for personal property under the standard exemption from property taxes of 3 to 5 years. Readily movable items of new equipment & machinery may cost as little as \$1,000 if used in e-commerce operations; normally, such an item of personal property must be used in tangible production or cost \$50,000 or more. This incentive is not available for the long-term tax abatement program of 7 to 15 years. There are only minor changes to the types of qualifying businesses as most e-commerce businesses would fit the definition of a qualifying business in an enterprise zone.

BUDGET IMPLICATIONS:

Having an e-commerce designation could have some minor impacts on existing tax revenues for local governments. This would come primarily from the expanded list of personal property that would qualify as an e-commerce business. These minor impacts would only be for the standard 3 to 5-year enterprise zone exemption period. The major benefit is to the businesses in the reduction of State income/corporate excise taxes for the 3 to 5 year period.

ALTERNATIVES:

- A. Staff Recommendation:** ...move to approve Resolution 14-016, a resolution requesting the State of Oregon to designate for electronic commerce, The Dalles/Wasco County Enterprise Zone III.
- B.** Not approve the resolution for electronic commerce designation.

Application for Electronic Commerce Designation

The Dalles/Wasco County Enterprise Zone III

1. Significance for electronic commerce of location and features of communities, business sites, etc, in the current or proposed zone, including future boundary changes noted in resolution(s). *Additional information in lettered appendix.*

QualityLife Intergovernmental Agency (Q-Life) is a partnership between the City of The Dalles and Wasco County, which provides over 33 miles of overhead fiber and three (3) miles of underground fiber throughout all of the enterprise zone area and the community. Q-Life is a middle-mile wholesale provider providing dark fiber and Ethernet service to nine (9) Internet providers and to the City, County, Columbia Gorge Community College (CGCC), School District 21 facilities and to the Mid-Columbia Medical Center.

2. Strategic or marketing plans, resources and readiness of the enterprise zone, local development organizations or public investments, as they relate to electronic commerce. *Additional information in lettered appendix.*

The Strategic objective of the Q-Life plan includes leveraging the regions current technology planning efforts, broadband infrastructure, and new investments in the fiber network. Two of the goals to accomplish this include; Increasing business activity by creating a technically fluent workforce, and Improving health and education benefits of Internet use in the County.

The Port of The Dalles is currently developing over 30 acres of industrial land by constructing the infrastructure to support future industrial development. This includes the placement of dark fiber throughout the area.

The City's Urban Renewal Agency is helping to create new businesses in the downtown area by funding a Main Street program. The goal is to fill vacant space especially second floors of commercial buildings. All of downtown, most of which is in the enterprise zone area, is served by the existing fiber network.

3. Past success in using incentives for inducing business development in general.

There have been many successes of business location and expansion just over the past few years; Google's two major development phases, Columbia Phytotechnology (featured in a State Lottery ad), the Sunshine Mill Winery featuring the Copa de Vino product now reaching over \$3,000,000 in annual sales, and the City/County Q-Life agency to name a few.

4. Interest and support among local businesses, community organizations and the general public for having an electronic commerce enterprise zone (third-party letters may be sent directly to the department by the party). *Additional information in lettered appendix. [Letters of support are being gathered and will be available at the Council meeting.]*

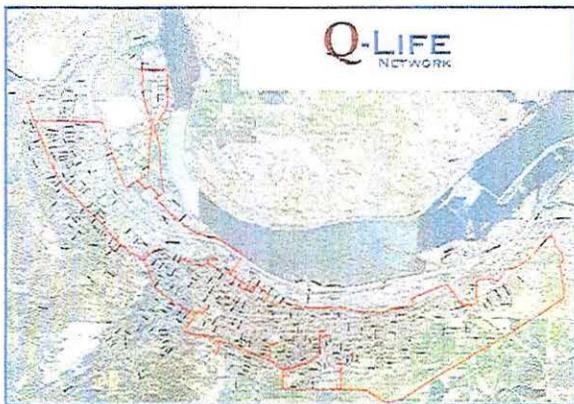
5. Other local assets that are supportive or complementary to electronic commerce business activity and investments (e.g., training facilities, telecommunication infrastructure, environmental initiatives).

1. The Q-Life Agency's investment in 36 miles of middle-mile fiber in the community has been a key to recent business developments and is helping to support efforts for several near-future developments. 2. The CGCC has created specific curriculum to assist businesses in the education of workforce and can set up special curriculum and training quickly. 3. The Urban Renewal Agency has several programs aimed specifically at businesses and non-profit groups to support development and re-development of existing properties within the enterprise zone. 4. The Port is developing over 30 acres of now vacant industrial land, all of which will be provided access to dark fiber and have full utilities and access. 5. The City has recently created a vertical housing development zone that includes most of the downtown area. 6. The NWC Public Utility District has been providing low-cost, reliable electricity for all of the community including the entire industrial area.

**QUALITY LIFE
INTERGOVERNMENTAL
AGENCY IS HERE**

Seventeen miles of new fiber optic cable has been installed in a collaborative effort of the City of The Dalles and Wasco County bringing high speed telecommunications to citizens, businesses and agencies for data, video and voice transmission.

Q-Life provides broadband, ethernet, wide area networks, internet access and virtual private networks through local internet service providers



**FIBER OPTIC
TELECOMMUNICATIONS**
in The Dalles

PROVIDING
Broadband
Savings
Speed
Efficiency

BENEFITS



CITIZENS

Q-Life brings improved access to affordable Broadband. Your local ISP now has more choices for quality connections to Internet.



SCHOOLS

Q-Life reduced costs and provides large bandwidth connections between schools for distance education and new resources for students.



GOVERNMENT

More efficient local government, better service to citizens and improved public safety.



HEALTHCARE

Cost savings, better patient care, access to world wide medical resources and telemedicine services to rural areas.



BUSINESS

Affordable access to the Broadband fiber optic network through Certified ISP's brings new resources, cost savings, access to global markets and improves our economy.



GLOBAL

Q-Life connects the Mid-Columbia region to the world with modern fiber optic telecommunications. Distance is no longer a barrier!

INFORMATION

For more information contact

Nolan Young, Administrator

City of The Dalles
313 Court Street
The Dalles, OR 97058

541.296.5481 ext. 1118
541.296.6906 Fax

nyoung@ci.the-dalles.or.us



RESOLUTION NO. 14-016

**A RESOLUTION REQUESTING THAT THE
DALLES/WASCO COUNTY ENTERPRISE ZONE III BE DESIGNATED
FOR ELECTRONIC COMMERCE**

WHEREAS, The City of The Dalles and Wasco County are co-sponsors of The Dalles/Wasco County Enterprise Zone III; and

WHEREAS, The Enterprise Zone is one of the most successful economic development tools for the City of The Dalles and Wasco County, contributing to the establishment and expansion of diverse businesses and the creation of family wage jobs; and

WHEREAS, The City of The Dalles and Wasco County, with its supply of available land for development and complementary infrastructure has established itself as a community that can support electronic commerce; and

WHEREAS, The City of The Dalles and Wasco County would like to encourage electronic commerce as part of its economic development efforts; and

WHEREAS, Pursuant to Oregon Revised Statutes 285C.095, the City of The Dalles and Wasco County can request that The Dalles/Wasco County Enterprise Zone III be designated for electronic commerce to provide additional financial/tax incentive for qualified business firms engaging in electronic commerce;

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

Section 1. The City of The Dalles requests that The Dalles/Wasco County Enterprise Zone III be designated for Electronic Commerce.

Section 2. Effective Date. This resolution shall be considered effective as of the 9th day of June, 2014.

PASSED AND ADOPTED THIS 9TH DAY OF , 2014

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

AND APPROVED BY THE MAYOR THIS 9TH DAY OF JUNE , 2014

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
FAX (541) 296-6906

AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 9, 2014	Action Items 12, D	14-038

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

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

DATE: May 28, 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. We are not including the multi-paged individual insurance schedules (lists of each individual building, piece of equipment, and vehicle, etc.) in the agenda packet. Please contact either Nolan or me prior to the meeting if you would like to see those schedules.

Mr. Frazier will also discuss the estimates for Worker's Compensation Insurance for FY14/15. There are three options for payment: Plan 1 is to pay quarterly with a 2.5% prepay discount; Plan 2 is to pay for the entire year in July with a 4% prepay discount; and Plan 3 is to pay monthly with no discount. We have traditionally prepaid the annual fee to take advantage of the deepest discount, and so have only included the information on Plan 2 in the agenda packets.

BUDGET IMPLICATIONS: The approved budget does not contain sufficient funds for the renewal of the CIS insurance. 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.

The approved budget does contain sufficient funds for the renewal of the SAIF Workers Comp insurance estimates.

ALTERNATIVES:

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

Oregon Trail Insurance



409 West Fourth Street
The Dalles OR 97058
541-296-2395 Tel
541-296-6143 Fax

May 13, 2014

Mr. Nolan Young, City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

Re: **Revised** City County Insurance Services Renewal Information - Effective July 1, 2014

Dear Nolan,

In view of the delayed presentation to Council I am attaching the following items for distribution to Council:

- A. **Initial Renewal Letter of April 29, 2014** - a copy was distributed last evening also.
- B. **2014 Renewal Summary Report** - This form contains the details used to establish the General Liability premiums for the upcoming year as well as the data used for the past year. I have specifically listed the line for the Water Department.
- C. **2014 Proposal Summaries** - These are the actual proposals for the renewal year that will need Council acceptance prior to July 1, 2014.
- D. **Schedules (3)** - These are the current detailed schedules to be effective July 1 for the auto fleet, the scheduled equipment (un-licensed), and the buildings and contents.

I also have to admit that in the haste of the moment last evening to make copies for Council the wrong documents were printed and distributed - the items passed out were for the current year (2013 - 2014). Therefore, please advise Council to disregard that entire packet and use these materials for the renewal considerations.

Let us know when these items will again be before Council and we will be there to complete the 2014 Insurance Renewal process.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Frazier".

Jerry Frazier

Encl. (5)

Oregon Trail Insurance



409 West Fourth Street
The Dalles OR 97058
541-296-2395 Tel
541-296-6143 Fax

April 29, 2014

Mr. Nolan Young, City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

Re: City County Insurance Services Renewal Information - Effective July 1, 2014

Dear Nolan,

Below I have listed several items relative to the July 1 insurance renewal. The renewal documents are attached from City County Insurance Services (CIS) for the next policy year from July 1, 2014 to July 1, 2015.

PROPERTY VALUES: Buildings and Contents values were "trended" upwards by 2% for this coming year to maintain Replacement Values using the CIS-provided appraisal dated 11/30/2011.

PREMIUM: The overall premium has increased 18.2% with this renewal. Rate changes by coverage category for 2014 - 2015 are:

General Liability	29.0%	(CIS avg.: 26.0%)
Auto Liability & Physical Damage	20.9%	(CIS avg.: 18.0%)
Property - Buildings, Contents, Equipment	4.3%	(CIS avg.: 0.0%)

In justifying the above changes - there was a 30% increase in water delivery last year, the auto fleet was upgraded and approximately \$927,000 of additional property values.

CLAIMS: During the current fiscal year there have been 13 reported claims (up from 12 last year) with only 3 claims remaining "open" as of April 29, 2014.

RISK MANAGEMENT: The coming year will see the beginning of a new CIS Risk Management program that will bring council members into the process along with the City's Risk Manager and agent. More information will be forthcoming, but an overview of a council-person's involvement is attached.

At Oregon Trail Insurance we continue to appreciate the working relationship with staff at City of The Dalles allowing us to serve efficiently as your agent. Thank you.

Sincerely,


Jerry Frazier

Renewal Summary Report
City of The Dalles
 FY 2014-2015 / Policy: PL-THD-2014-0



citycounty insurance services
 www.cisoregon.org

General Liability Question Changes

Question	13-14 Response	14-15 Response	% Change	Date Entered	Username
Do you own or operate any airports or aircraft? - NO COVERAGE UNDER OUR PROGRAM	Yes	Yes		4/15/2014	cclark
Are member owned vehicles frequently taken out of state?	No	No		4/15/2014	cclark
Number of dams/dikes/levees owned or operated that are classified as "High Hazard"	1	1	0.00%	4/15/2014	cclark
Fairgrounds - total annual receipts from all uses	0	0	0.00%	4/15/2014	cclark
Number of events with Liquor sales by member - NOT CONTRACTED OUT (Liquor Liability App required)	0	0	0.00%	4/15/2014	cclark
Fireworks Displays - NOT CONTRACTED OUT	No	No		4/15/2014	cclark
Motor Sports of any kind sponsored by entity	No	No		4/15/2014	cclark
Firefighters - Paid - total number	0	0	0.00%	4/15/2014	cclark
Firefighters - Non-Paid - total number	0	0	0.00%	4/15/2014	cclark
Total Personal Services for last year - ATTACH LB-1 and UR-1 if applicable or Budget Summary page	8915790	9192803	3.11%	4/15/2014	cclark
Total Materials and Services for last year - ATTACH LB-1 and UR-1 if applicable or Budget Summary page	5856507	6229169	6.36%	4/15/2014	cclark
Premises - owned or occupied by member, including jails - total square feet	238818	239138	0.13%	4/15/2014	cclark
Storm and sanitary sewer systems - total number of miles	139.20	139.5	0.72%	4/15/2014	cclark
Water department - millions of gallons delivered annually	928	1205	29.85%	4/15/2014	cclark
Streets and roads - total miles of paved & unpaved	85.50	85.5	0.00%	4/15/2014	cclark
Conduct blasting operations?	No	No		4/15/2014	cclark
Any chemical spraying - pesticide/herbicide	Yes	Yes		4/15/2014	cclark
EMTs or First Responders - total number	0	0	0.00%	4/15/2014	cclark
Hospital exposures, i.e. Nursing Homes, Inpatient/Residential Care Facilities, Group Homes/Shelters - NO COVERAGE UNDER OUR PROGRAM	No	No		4/15/2014	cclark
Medical Doctors (employed or contracted services) - total number	0	0	0.00%	4/15/2014	cclark
Nurses (employed or contracted services) - total number	0	0	0.00%	4/15/2014	cclark
Health Care Professionals/ALL OTHER including Clinicians & Mental Health Professionals (employed or contracted) - total number	0	0	0.00%	4/15/2014	cclark
Jail Beds - total number occupied	0	0	0.00%	4/15/2014	cclark
Law enforcement officers - Paid - total number FTE	23	23	0.00%	4/15/2014	cclark
Any other public safety officers/reserves/volunteers - total number	10	10	0.00%	4/15/2014	cclark
Marinas - total number of slips	0	0	0.00%	4/15/2014	cclark
Watercraft over 25 HP and/or over 26 ft - owned, rented or leased by member	No	No		4/15/2014	cclark
Parks and playgrounds - total area (acres)	3	3	0.00%	4/15/2014	cclark
Bridges over 300 ft in length	No	No		4/15/2014	cclark

← water

Renewal Summary Report
City of The Dalles
 FY 2014-2015 / Policy: PL-THD-2014-0



citycounty insurance services
 www.cisoregon.org

General Liability Question Changes

Question	13-14 Response	14-15 Response	% Change	Date Entered	Username
Grandstands and/or stadiums - total seats	0	0	0.00%	4/15/2014	cclark
Own or operate ski facilities?	No	No		4/15/2014	cclark
Amusement parks, devices/zoos/carnivals?	No	No		4/15/2014	cclark
Golf courses - NOT CONTRACTED OUT	No	No		4/15/2014	cclark
Public transportation operations?	Yes	Yes		4/15/2014	cclark
Own or operate ferry or water taxi?	No	No		4/15/2014	cclark
Cable access/internet provider	Yes	Yes		4/15/2014	cclark
Electric, gas, or alternate energy (geothermal/solar/wind) utility provider?	No	No		4/15/2014	cclark
Railroads or trolley lines	No	No		4/15/2014	cclark
Any Preschool/Day care/Day camp/Youth programs: If yes, approximate number of children enrolled	0	0	0.00%	4/15/2014	cclark

Property and/or Liability Proposal Summary



citycounty insurance services

Member

City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent

Oregon Trail Insurance
101 E 3rd St
The Dalles, OR 97058

Member Number	Effective Date	Termination Date	Proposal Date
10212	7/1/2014	7/1/2015	4/24/2014

Coverage	Description	Amount	Total Due
General Liability (Standard Plan)	Contribution	Limit: \$5,000,000 \$150,448.43	\$145,934.97
	Multi-Line Credit	(\$4,513.45)	
Auto Liability	Contribution	\$22,572.74	\$21,895.56
	Multi-Line Credit	(\$677.18)	
Auto Physical Damage	Contribution	\$16,772.02	\$16,268.86
	Multi-Line Credit	(\$503.16)	
Property	Contribution	\$101,158.26	\$98,123.51
	Multi-Line Credit	(\$3,034.75)	
Optional Excess Quake	Contribution	Not Purchased	\$0.00
Optional Excess Flood	Contribution	Not Purchased	\$0.00
Optional Excess Crime	Contribution	Not Purchased	\$0.00
Optional Excess Cyber Liability	Contribution	Not Purchased	\$0.00
Difference In Conditions	Contribution	Not Purchased	\$0.00
Summary	Contribution	\$290,951.45	\$282,222.90
	Multi-Line Credit	(\$8,728.54)	

This is not an invoice. Information Only

Total Due:	\$282,222.90
-------------------	---------------------

CIS Liability Coverage Proposal



citycounty insurance services

CIS
1212 Court St NE
Salem, OR 97301

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Oregon Trail Insurance
101 E 3rd St
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Period: 7/1/2014 to 7/1/2015	4/24/2014			
Coverage*	Per Occurrence Limit*	Annual Aggregate*	Per Occurrence Deductible / SIR*	Agg/Retro Deductible
Public Entity Liability Coverage (Including Auto Liability) as described in CIS General & Auto Liability Coverage Agreement	\$200,000	\$600,000	None	None

Forms Applicable: CIS General & Auto Liability Coverage Agreement - CIS GL/LAL (7/1/2014)

Coverage*	Per Occurrence Limit	Annual Aggregate		
Excess Public Entity Liability Coverage as described in the CIS Excess Liability Coverage Agreement (limits shown are excess of primary coverage limits)	\$4,800,000	\$14,400,000		

Forms Applicable: CIS Excess Liability Coverage Agreement - CIS XS/GL (7/1/2014)

* Refer to the CIS General & Auto Liability Coverage Agreement and CIS Excess Liability Coverage Agreement and endorsements (if any) for detailed coverages, special deductibles, limits, sublimits, exclusions, and conditions that may apply.
Excess Liability Coverage does not provide Uninsured Motorist coverage.

<u>Coverage</u>	<u>Contribution</u>
General Liability	\$150,448.43
Auto Liability	\$22,572.74
Liability Total	\$173,021.17

To effect coverage, please sign, date and return this form before requested effective date. Fax is acceptable

Accepted by: _____

Authorized Representative / Agent

Date: _____

CIS Auto Physical Damage Coverage Proposal



citycounty insurance services

CIS
1212 Court St NE
Salem, OR 97301

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Oregon Trail Insurance
101 E 3rd St
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Period: 7/1/2014 to 7/1/2015		4/24/2014		
Autos Covered*	Coverage Limit	Comprehensive Deductible	Collision Deductible	Contribution
Scheduled Autos	Per Schedule**	Per Schedule**	Per Schedule**	\$16,772.02
Rented or Leased Autos (60 days or less)	ACV Not to Exceed \$100,000	\$100	\$500	Included
Newly Acquired Autos	Included	\$100	\$500	Included

* This represents only a brief summary of coverages. Please refer to CIS Auto Physical Damage Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

Total Contribution: \$16,772.02

Forms Applicable: CIS Auto Physical Damage Coverage Agreement - CIS APD (7/1/2014)

**Current CIS Auto Schedule

To effect coverage, please sign, date and return this form before requested effective date. Fax is acceptable

Accepted by:

Authorized Representative / Agent

Date:

CIS Equipment Breakdown Coverage Proposal



citycounty insurance services

CIS
1212 Court St NE
Salem, OR 97301

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Oregon Trail Insurance
101 E 3rd St
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Period: 7/1/2014 to 7/1/2015

4/24/2014

Coverage Limits:*

Property Damage	Per current CIS Property Schedule or \$100,000,000, whichever is less.
Rental Value/Rental Expense	Included in Property Damage
Extra Expense	Included in Property Damage
Service Interruption	Included in Property Damage
Drying out following a flood	Included in Property Damage
Course of Construction	Included in Property Damage
Computer Equipment	Included in Property Damage
Portable Equipment	Included in Property Damage
CFC Refrigerants	Included in Property Damage
Hazardous Substance	\$2,000,000
Data Restoration	\$250,000
Perishable Goods	\$2,000,000
Expediting Expense	\$2,000,000
Demolition	\$2,000,000
Ordinance or Law	\$2,000,000
Off Premises Property Damage	\$250,000
Contingent Rental Value/Rental Expense	\$250,000
Newly Acquired Locations	\$1,000,000 / 365 days max.
Extended Period of Restoration	30 Days

* This represents only a brief summary of coverages. Please refer to CIS Equipment Breakdown Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

Locations Covered: Per current CIS Property Schedule.

Deductible: \$1,000 All Coverages: 24 hour waiting period applies for service interruption.

Contribution: Included

Forms Applicable: Equipment Breakdown Coverage Agreement - CIS BM (7/1/2014)

To effect coverage, please sign, date and return this form before requested effective date. Fax is acceptable

Accepted by:

Authorized Representative / Agent

Date:



Oregon Trail Insurance

409 West Fourth Street
The Dalles OR 97058
541-296-2395 Tel
541-296-6143 Fax

May 21, 2014

Mr. Nolan Young, City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

Re: 2014 SAIF Corporation Workers Compensation Renewal Proposal

Dear Nolan:

Enclosed find the Renewal Proposal from SAIF Corporation via Courtney Insurance Agency to be effective 7-01-2014. A few items to mention follow:

To elect coverage:

Sign and return to SAIF Corporation the Notice of Election for Guaranteed Cost Plan 2 before the effective date of 07/01/2014.

Payment:

If City continues to elect the annual 4% prepay discount (\$9,525) the premium of \$206,981 also needs to be returned to SAIF Corporation with the Remittance Page before 07/01/2014.

Experience Modification Factor:

This factor has decreased to 1.22 for the coming year; down from 1.30 presently.

This renewal period reflects an increased "tier" rating plan for all covered classes of employment. That item along with a 3% increase in estimated payroll and the lower Experience Modification Factor has only increased the premium 1.9% for the coming year. Close examination of the historical claims data suggests there will be a significant premium increase next year due to the Experience Modification Factor. Constant monitoring of the claims data reports provided by SAIF along with active participation in the loss control programs are recommended procedures to eventually regain control of the escalating costs for workers compensation insurance.

I recommend continued coverage with SAIF Corporation for the renewal year.

Yours truly,



Jerry Frazier



**Workers' compensation insurance proposal for
CITY OF THE DALLES**

MIKE COURTNEY
COURTNEY INSURANCE AGENCY INC
P: 541.296.4604
F: 541.298.5351
mike@courtneyinsure.com



May 19, 2014

MIKE COURTNEY
PO BOX 580
THE DALLES, OR 97058-0580

Re: CITY OF THE DALLES

Policy: 488236

Dear MIKE COURTNEY:

This business's workers' compensation policy with SAIF Corporation renews on 07/01/2014. I authorized the rates and plan(s) shown on the enclosed premium estimate(s).

To elect coverage

Sign and return the *Notice of Election* before the effective date of 07/01/2014.

To elect a premium prepayment discount

Remit the first payment to SAIF by 07/10/2014 along with the enclosed prepay installment form. The business will not receive the prepay discount if the payment is late.

Verifiable time records

Oregon Administrative Rules require you to report wages under the highest rated classification applicable to any part of the worker's duties if you choose not to keep verifiable time records.

In most instances, if you have more than one classification on your insurance policy and your workers shift duties between those classifications, you can use verifiable time records to separate the payroll of the workers and report it in more than one classification on the payroll report.

Verifiable time records must be supported by original entries from other records, including, but not limited to, timecards, calendars, planners, or daily logs prepared by the employee or the employee's direct supervisor or manager. Estimated percentages or ratios will not be accepted. For more information on how to keep verifiable time records, go to *saif.com / I am: An Employer / Reporting Payroll / Verifiable Time Records*.

SAIF Corporation strives to provide our customers with the best services available at the lowest possible cost. We appreciate your confidence in us and look forward to working with you and our mutual customers to achieve this goal. Please feel free to contact me whenever you need assistance.

Sincerely,

Deserie Staats
Underwriter
P: 503.373.8833 or 800.285.8525
F: 503.584.8833
dessta@saif.com

400 High Street SE
Salem, OR 97312
P: 800.285.8525
F: 503.373.8020



CITY OF THE DALLES

Premium estimate for Guaranteed Cost Plan

Period: 07/01/2014 - 07/01/2015

Policy: 488236

Plan: 2

Class	Description	Estimated Payroll	Rate	Estimated Premium
5506	Street/Rd Const-Fnl Grad/Pve/Rep/Dr	\$352,022	8.98	\$31,612
7382	Limousine Co/Scheduled-Dr	\$3,000	6.39	\$192
7520	Waterworks Operation-Dr	\$1,004,513	4.03	\$40,482
7580	Sewage Disposal Plant Oper-Dr	\$496,820	4.68	\$23,251
7720	Police Officers & Dr	\$1,613,268	4.40	\$70,984
8380	City/County-Veh/Equip Repr Shop-Dr	\$97,324	4.54	\$4,419
8411	Vol Plcmn @ 2400/Qtr Ea	\$67,200	1.56	\$1,048
8742	Field Representatives	\$363,397	.37	\$1,345
8810	Office Clerical	\$770,733	.24	\$1,850
8810	Library/Museum-Public-Prof Emp&Cler	\$435,658	.24	\$1,046
8820	Attorney & Cler/Messenger/Dr	\$249,276	.20	\$499
8831	Dog Pounds-Incl Dog Catcher/Dr	\$28,650	2.14	\$613
9015	Buildings-Ops By Owner/Lessee & Drivers	\$125,970	4.81	\$6,059
9410	Municipal/Twn/Cnty/State Emp-Noc	\$502,505	2.19	\$11,005
5507	Street/Rd Const-Rdbed/Subase-Dr	\$0	6.75	\$0
6826 F	Marinas/Boathouses Oper-Inc-Dr	\$0	7.30	\$0
6836	Marinas-Inc Sls/Prts Dr-State Act	\$0	10.06	\$0
7720	Trapping-Forest Animals/Dr	\$0	4.40	\$0
9102	Park Noc-All Employees & Dr	\$0	5.30	\$0
9402	Snow Removal-Streets/Roads-Dr	\$0	7.45	\$0
9403	Garbage/Ash/Refuse Collectn Dr	\$0	8.65	\$0
8810	Vol Library Prof Emp & Cler VOL@\$8.95/hour	\$0	.24	\$0

Total Payroll \$6,110,336

Manual Premium \$194,403

Part Two Coverage (Increased Limits Factor 1.004) + \$778
Subject Premium \$195,180

Experience Rating Modification x 1.22
Modified Premium \$238,120

Annual Prepay Discount (4.0%) - \$9,525
Standard Premium \$228,595

Premium Discount - \$34,968
Discounted Premium \$193,627

USLHW Expense Constant + \$100

Terrorism Premium + \$611

Catastrophe Premium + \$611

DCBS Premium Assessment @ 6.2% + \$12,033



CITY OF THE DALLES

Premium estimate for Guaranteed Cost Plan

Period: 07/01/2014 - 07/01/2015

Policy: 488236

Plan: 2

Total Premiums and Assessments	\$206,981
Annual Prepay Installment	\$206,981

Premium discount schedule		
First	\$3,500	0.0%
Next	\$14,500	10.0%
Next	\$82,000	15.0%
Over	\$100,000	16.5%

Payroll Reporting Frequency: Annual

Part Two coverage at limits of \$1,000,000/\$1,000,000/\$1,000,000 with \$120 minimum premium.

Terrorism premium = total payroll / 100 x .01

Catastrophe premium = total payroll / 100 x .01

DCBS Premium Assessment excludes Part Two coverage and federal premium.

Premium and rating factors will change on your anniversary rating date to those in effect at that time.

Your policy premium is based on your current estimated premium and may be prorated for policies issued for less than a full year or adjusted based on actual payroll by classification.



CITY OF THE DALLES

Notice of Election for Guaranteed Cost Plan

Period: 07/01/2014 - 07/01/2015

Policy: 488236

Plan: 2

Agency: COURTNEY INSURANCE AGENCY INC

Producer: MIKE COURTNEY

Premium Estimate:

Modified premium	\$238,120
Annual prepay discount (4.0%)	\$9,525
Standard premium	\$228,595
Premium discount	\$34,968
Total premiums and assessments	\$206,981

Payroll reporting frequency: Annual

Please visit saif.com and choose *I am: An Employer* for information about safety, reporting payroll, paying online, filing and managing a claim, and coverage.

I, the undersigned, as a legal representative of the company listed above, do hereby authorize SAIF Corporation to issue the policy and determine workers' compensation premiums according to the plan selection on this form. I have read, understand, and agree to the terms and conditions of this plan as set forth in the proposal.

Authorized signature of insured

Date signed

Please return this page to:

SAIF CORPORATION
400 High St SE
Salem, OR 97312-1000



CITY OF THE DALLES

Prepay Installment

Period: 07/01/2014 - 07/01/2015

Policy: 488236

Plan: 2

Please return this page with remittance.

Annual prepay installment due by **07/10/2014: \$206,981**

Write the quote or policy number indicated in this document on your check. Make check or money order payable to:

SAIF CORPORATION
400 High St SE
Salem, OR 97312-1000

SAIF use only			DESSTA
Date received	_____	Amount received	_____
Bond Company	_____	Bond no.	_____
		Check no.	_____

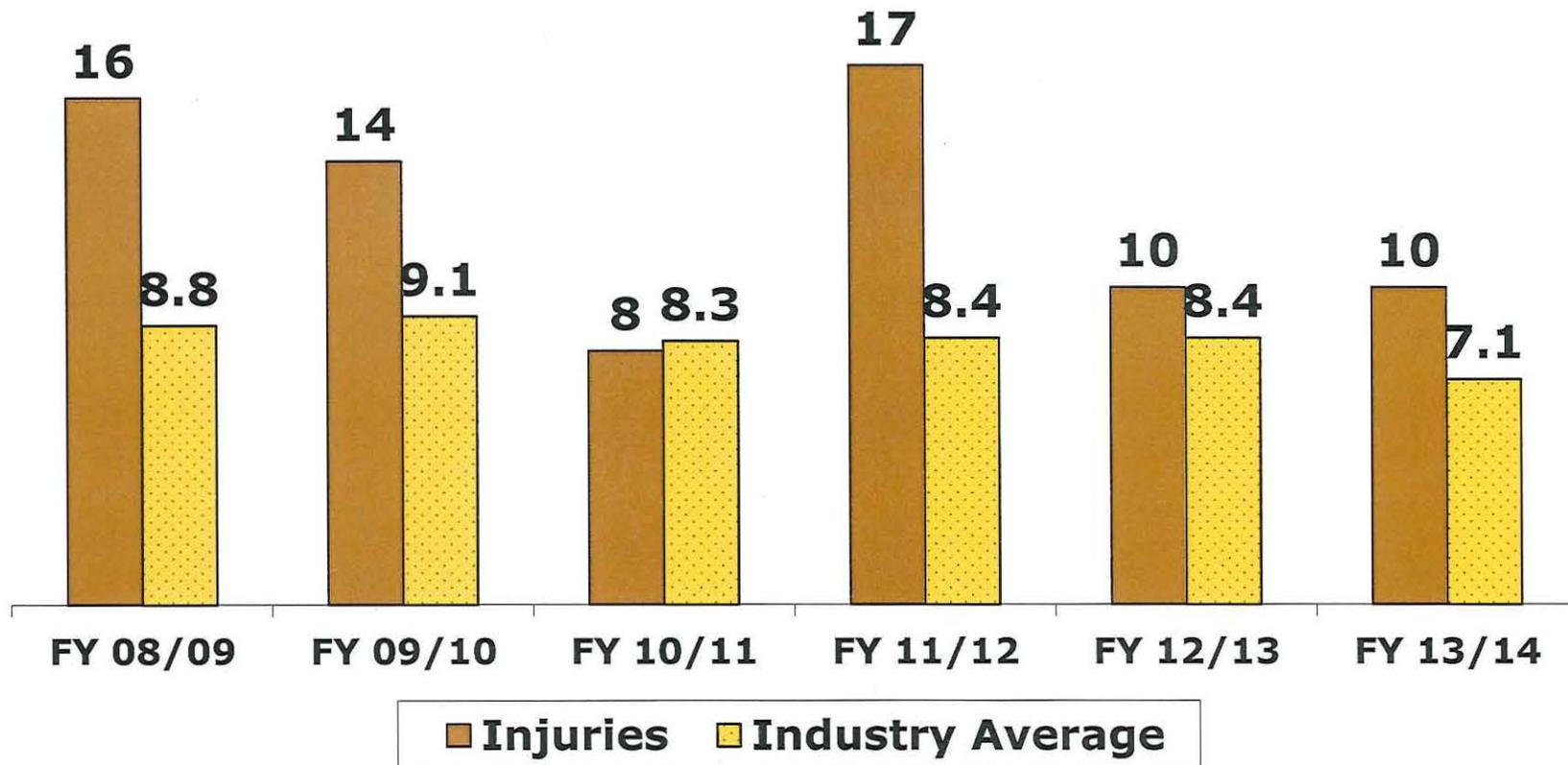
City of The Dalles

Workers Compensation Program Review (as of 4/20/2014)

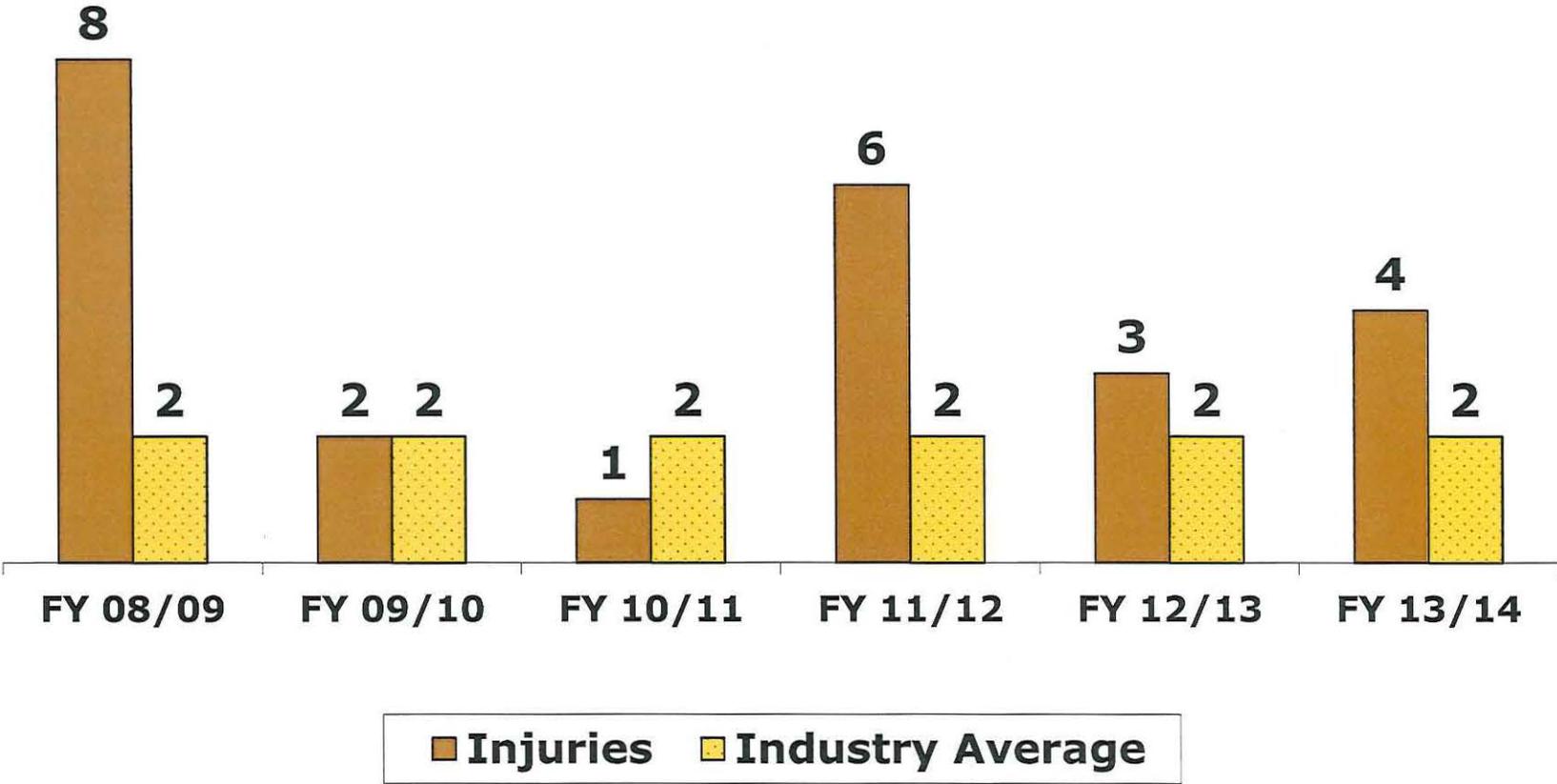
Prepared by:
Luke Betts
Sr. Safety Management Consultant



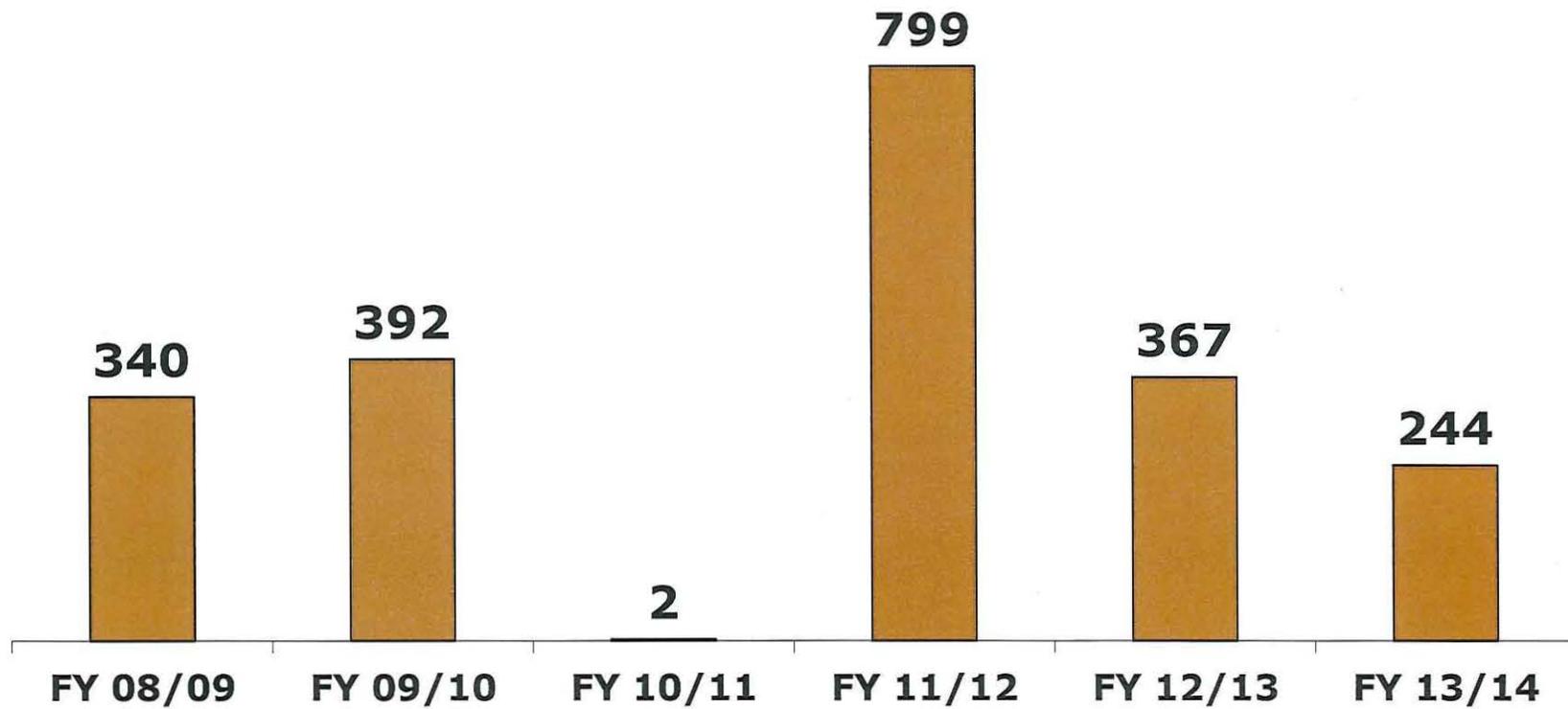
Number of Employee Injuries



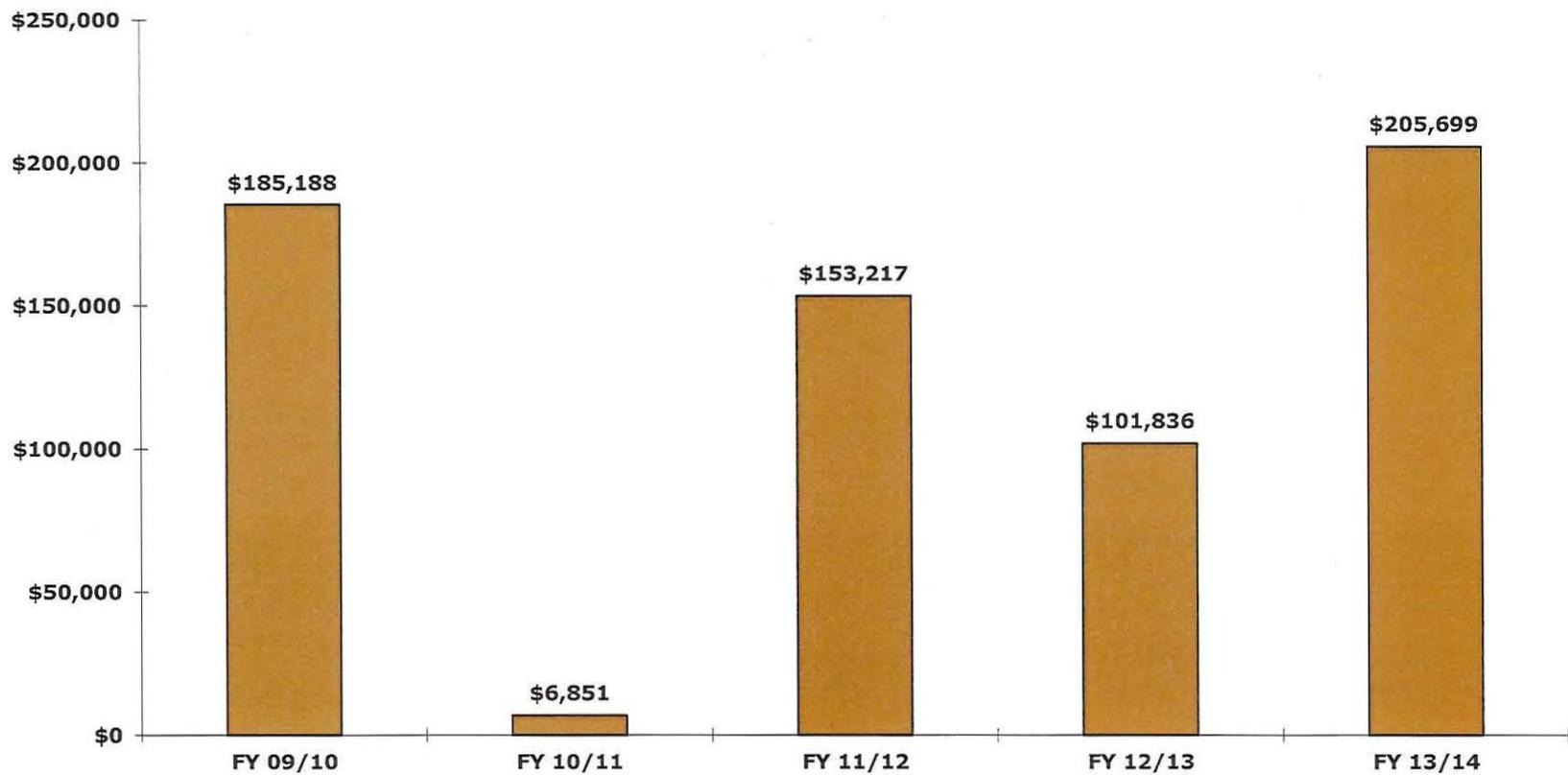
Number of Time Loss Injuries



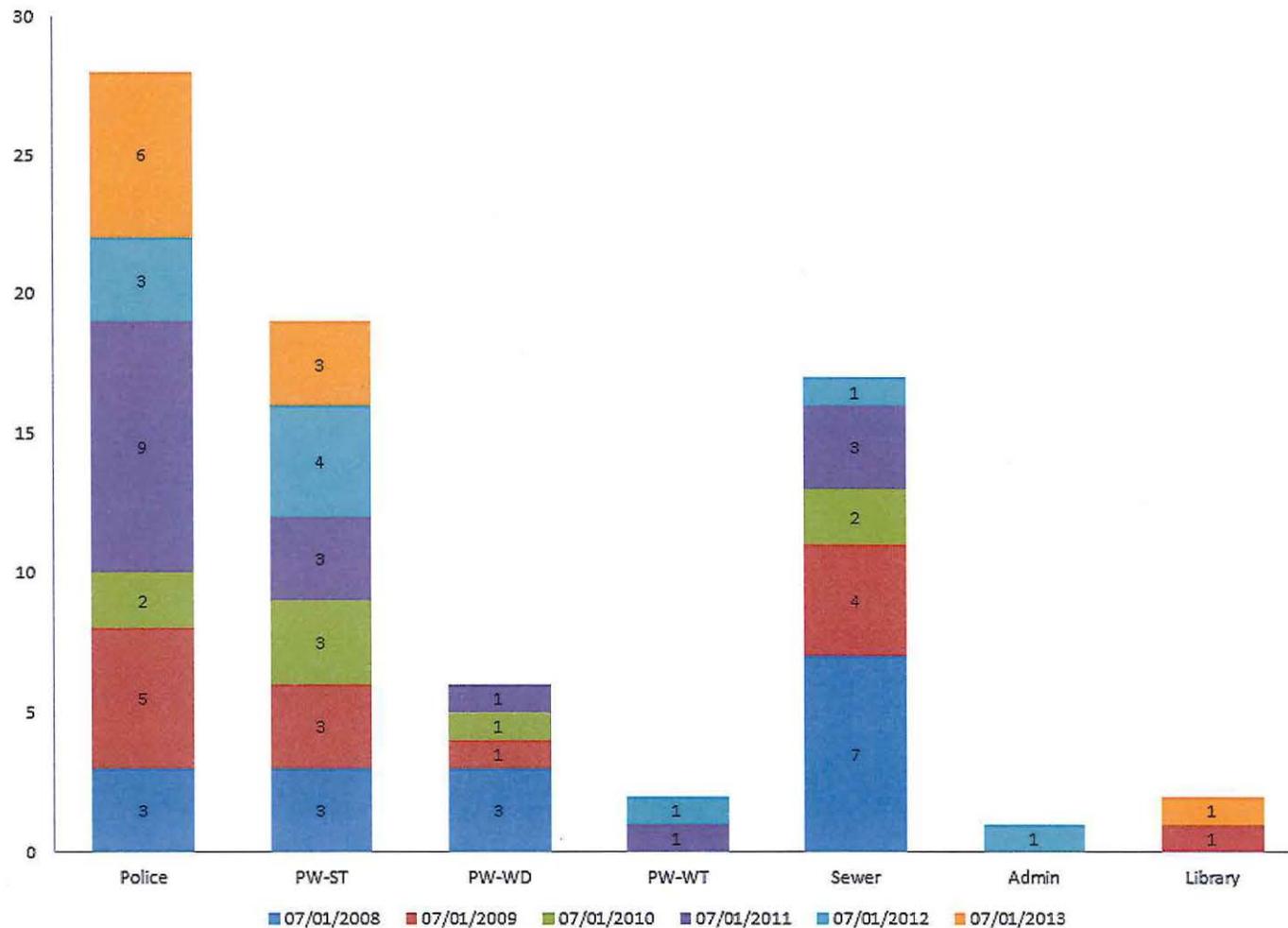
Number of Time Loss Days



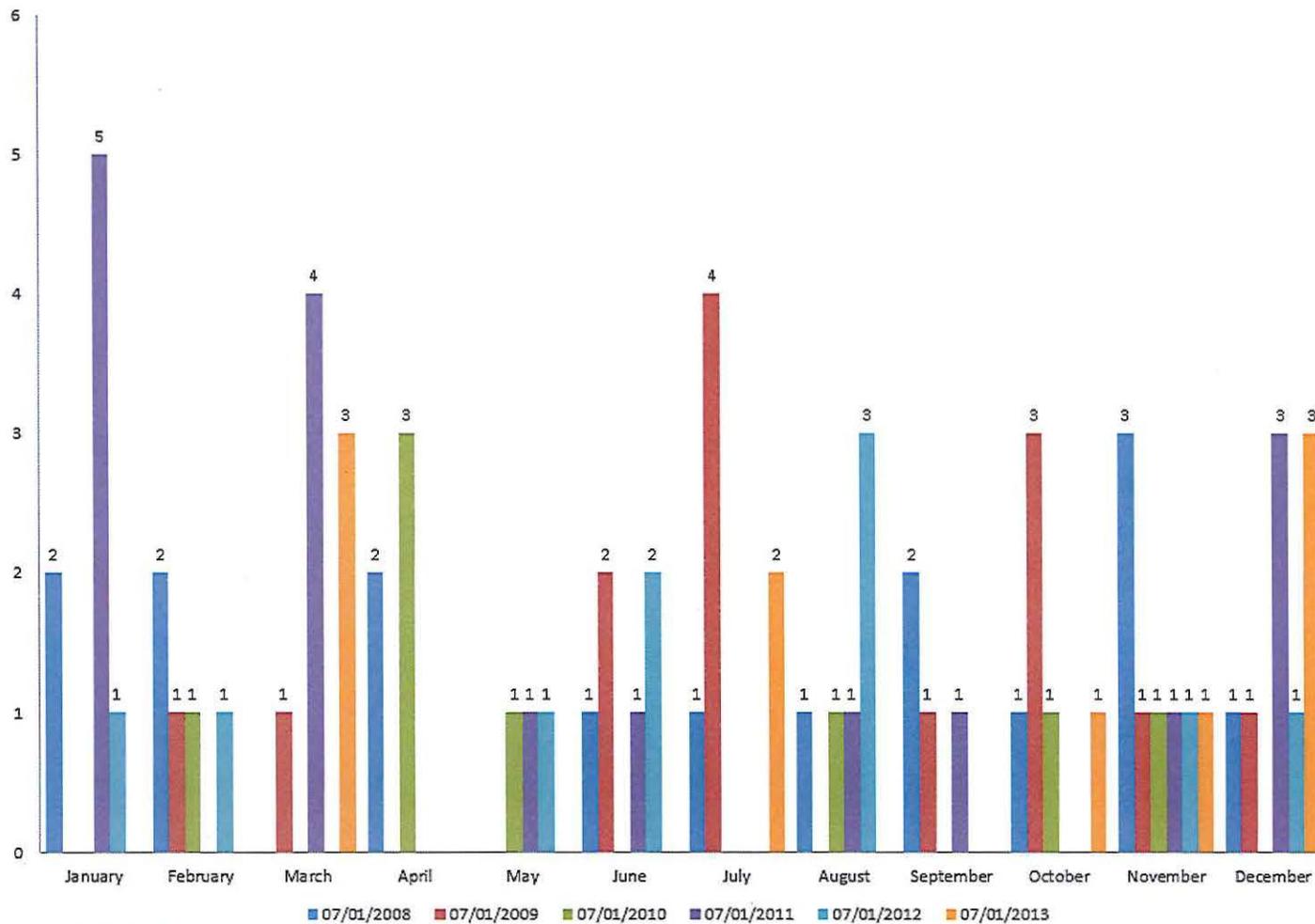
Insured Cost of Injuries



Injuries by Department (since 7/1/2008)



Injuries by Month (policy year)





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 #
June 9, 2014	Action Item 12, E	14-041

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

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

DATE: May 27, 2014

ISSUE: Approval of Amendment No. 7 to Operations Management International (OMI) Agreement to operate the Wastewater Treatment Plant for Fiscal Year 2014-2015.

RELATED CITY COUNCIL GOALS: N.A.

BACKGROUND: The City entered into a 10-year contract with Operations Management International Inc, OMI, beginning July 1, 2008 to provide contract operation of the City's Wastewater Treatment Plant (WWTP). The upcoming 2014-15 fiscal year marks the seventh year of the 10-year contract. The current contract was negotiated after OMI had operated the City's WWTP for the prior 15 years under a series of 5-year contracts. The contract is renewed annually by approval of a contract amendment that updates costs based upon CPI-based formulas provided in the contract.

Some of the most significant items of the contract that outline OMI's scope of work are:

- OMI is responsible to pay any fines or civil penalties which may be levied by a regulatory agency for violations of the plant's permit.
- There is an annual negotiation of price for each successive year of the contract. If negotiations should fail to reach an agreement, the contract provides a formula that is to be used as a default based upon a 12-month average CPI for All Urban Consumers plus 2%, limited to a maximum of 4% per year. To protect OMI in periods of higher inflation, if the CPI is greater than 7%, the default increase will equal the CPI minus 1.5%. (Examples: if CPI is 5%, default contract cost increase would be capped at 4%. If CPI is

7.5%, cost increase would be $7.5 - 1.5 = 6\%$.) This allows OMI to make some gains in compensation during periods of very low inflation while OMI and the City would share the pain during periods of high inflation.

- OMI must provide a response time of personnel to the plant within ½ hour in emergencies, the same as the City requires for its Water and Sewer systems On-Call Operators.
- OMI provides all preventive maintenance on the plant.
- OMI maintains the City's Industrial Pretreatment Program, surveys the industrial users at least once every 3 years, assists in the evaluation of new industrial dischargers, and inspects and monitor permitted dischargers.
- OMI performs quarterly inspections of all facilities that are required to have grease traps (facilities with commercial-size kitchens, currently there are about 50 of them) and provides a report to the City summarizing the findings.

This proposed contract renewal reflects a total annual cost increase of 1.00% compared to the current 2013-14 fiscal year. This amendment will pay a management fee of \$133,074 to OMI, an increase of 3.50% over last year based upon the Consumer Price Index for All Urban Consumers (U.S. City Average) as per the terms of the contract. Direct costs of the facility (labor and benefits, materials and services) are increasing 0.58% to \$774,917. A philosophy of mutual risk/benefit has been maintained in the amendment as the City and OMI will equally split the costs of any increases in electrical costs above the budgeted amount up to 10%. The City remains liable for any electrical rate increased above the 10%.

The partnership between OMI and the City has been a successful one. One of OMI's first achievements under the operations contract was working with DEQ to reclassification the plant's capacity, thereby deferring needed capital improvements to help the City implement a funding schedule in support of an approved improvement plan. The contracts with OMI have provided a high level of expertise to the City's wastewater treatment plant operations and have contributed to the successful implementation of plant upgrades. Permit violations have been few and, when they have occurred, paid for by OMI.

BUDGET ALLOCATION: The proposed 2014-15 budget approved by the Budget Committee includes \$943,950.00 in line 055-5500-550.31-10 of the Wastewater Fund for the contracted operation of the wastewater treatment plant. The total cost of the proposed contract amendment will be \$907,991.00 and is within the amount budgeted for this purpose.

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to approve the contract amendment and authorize the City Manager to sign Amendment No. 7 to the Operations Management International agreement in an amount not to exceed \$907,991.00.*
- B. Deny award of the proposed contract amendment and provide additional direction to staff on how to proceed.

AMENDMENT NO. 7
To the
OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES
For
THE CITY OF THE DALLES, OREGON

This Amendment No. 7 to the Agreement for Operations, Maintenance, and Management Services for the City of The Dalles (the "Amendment") is made effective this 1st day of July 2014 by and between the City of The Dalles, Oregon (hereinafter "Owner") whose address for any formal notice is 313 Court Street, The Dalles, Oregon 97058 and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") with offices at 9189 South Jamaica Street, Suite 400, Englewood, Colorado 80112. This is Amendment No. 7 to the Agreement dated July 1, 2008 between the Owner and CH2M HILL OMI ("Agreement").

NOW THEREFORE, Owner and CH2M HILL OMI agree to amend the Agreement as follows:

1. Appendix C, Subsection C.1.4 is deleted in its entirety and replaced with the following:

The Annual Fee for services under this Agreement is based on the following Project influent characteristics from the 2013 contract year:

<u>Parameter</u>	<u>Plant</u>
Flow, million gallons/day	2.02
BOD5, pounds per day	4,210
TSS, pounds per day	3,257

2. Appendix E, Subsection E.1.1 is deleted in its entirety and replaced with the following:

Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement an Annual Fee of Nine Hundred Seven Thousand Nine Hundred Ninety One Dollars (\$907,991) for the contract year commencing July 1, 2014 and ending June 30, 2015. The Annual Fee includes the sum of the estimated Total Direct Cost and Management Fee.

3. Appendix E, Subsection E.1.2 is deleted in its entirety and replaced with the following:

The estimated Total Direct Cost for providing services under this Agreement is Seven Hundred Seventy Four Thousand Nine Hundred Seventeen Dollars (\$774,917) for the contract year commencing July 1, 2014 and ending June 30, 2015. This amount shall not include any Costs which would ordinarily be Total Direct Costs but are incurred as a result of construction activities at the Project. Such costs shall be billed to and paid by Owner on a monthly basis, and shall not be considered Total Direct Costs for purposes of Subsections E.1.4 and E.1.5 of this Appendix E.

4. Appendix E, Subsection E.1.3 is deleted in its entirety and replaced with the following:

The Management Fee for providing services under this Agreement is One Hundred Thirty Three Thousand Seventy Four Dollars (\$133,074) for the contract year commencing July 1, 2014 and ending June 30, 2015. Subsequent years' Management Fee shall be adjusted by the Cost Adjustment Formula shown in E.3.

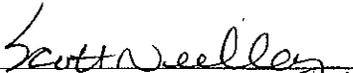
This Amendment together with the previous Amendments and the Agreement constitutes the entire agreement between the Parties and supersedes all prior oral and written understandings with respect to the

subject matter set forth herein. Unless specifically stated all other terms and conditions of the Agreement shall remain in full force and effect. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

The Parties, intending to be legally bound, indicate their approval of the Amendment by their signatures below.

Authorized Signature:

**OPERATIONS MANAGEMENT
INTERNATIONAL, INC.
A California corporation**


Name: Scott Neelley *wa 5/6/2014*
Title: Vice President
Date: 5/6/2014

Authorized Signature:

CITY OF THE DALLES, OREGON

Name: Nolan Young
Title: City Manager
Date: _____



CITY of THE DALLES

313 COURT STREET
THE DALLES, OR 97058

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

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 9, 2014	Discussion Items 13, A	14-044

TO: Honorable Mayor and City Council

FROM: Nolan Young, City Manager *ny*

DATE: May 29, 2014

ISSUE: Discussion Regarding Proposed Wasco County Road Maintenance District.

BACKGROUND: On May 23, 2014 the City Council met with the Wasco County Commission in a joint session to discuss funding for City streets and County roads. After considerable discussion, the County Commission approved the following motion:

“Commissioner Kramer moved that the Wasco County Board of Commissioners begin to initiate the formation of a County Road Service District. The boundaries of the proposed district are the boundaries of Wasco County as described in ORS 201.330, including the incorporated cities that choose to participate, but excluding the Warm Springs Reservation and Mount Hood National Forest. The purpose of the proposed formation is to provide for the construction, maintenance and improvement of county/city roads within the district”.

The intent of this discussion item is for the Council to consider if they wish to participate in the proposed district. If the City does choose to participate we will receive a share of the \$750,000 targeted for cities in the County that participate. To be included in the district the Council needs to adopt a resolution at its June 23rd meeting.

City staff, in the attached May 19th memo, advises against including the City in the Road District because tax compression would cause the City and seven other general purpose tax districts (including the County) within city limits to lose property tax revenue needed for basic operating costs. Compression would also affect the amount of taxes the Road District would receive.

On May 28th the Mayor and City Manager met with staff from each of these taxing districts and discussed the potential road district, the need for it and the impact on each of them. Both the Fire District and Parks and Recreation District expressed concern over the impact it would have on their operating budgets.

STAFF RECOMMENDATION: As outlined in the May 19 memo, staff recommends that the City opt out of the County Road District and take a three cent per gallon gas tax to the voters in November.

Alternatives: Recently, two other alternatives have been raised to address the City's street funding needs.

1. Impose a road user fee on all residents and businesses in the city. The City of Portland is considering this. We recommend against it because it adds to our utility rates and is not as user based as a gas tax and does not capture revenue from those outside the community who use our streets.
2. It was proposed at both the City budget meeting and at the joint meeting that the City divert General Fund money to the Street Fund and do not impose any new tax or fee. If this route is selected we would need to reduce expenditures in departments funded by the General Fund.

BUDGET IMPLICATIONS: The new District could bring in about \$700,000 a year in new street revenue but cost the General fund between \$217,000 and \$320,000 per year in property tax compression. A gas tax would provide about \$450,000 a year to the Street Fund if approved by the voters.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation:** *Move to opt out of the proposed Wasco County Road District and direct staff to bring back a potential Fuel Tax ballot measure to the Council for further consideration.*

2. Direct staff to bring back a resolution opting the City in to the Wasco County Road District for consideration at the June 23 Council meeting.
3. Move to opt out of the proposed Wasco County Road District and direct staff to bring back a plan to provide General Fund money to the Street Fund for street maintenance.
4. Move to opt out of the proposed Wasco County Road District and direct staff to bring back additional information on a street utility fee.



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

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

MEMORANDUM

TO: Honorable Mayor and City Council

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

DATE: May 19, 2014

ISSUE: Additional Funding for Street Maintenance

The City Council is meeting with the Wasco County Commission on May 23, 2014 at the Department of Human Services office on Klindt Drive. The purpose of the meeting is to present to the Council the Feasibility Report from the Wasco County Road Advisory Committee and discuss their recommended actions. A copy of the agenda and road report has been sent to the Council.

The City Council's last direction on additional funding for street maintenance was to wait until which time Wasco County had completed the road study and had adopted a direction. In previous agenda staff reports we have identified that over 60% of the City roads over the last decade have gone from good condition to being in need of repair, and just the maintenance backlog on arterial and collector streets are close to \$6 million.

The options for additional funding: The County identifies three options in their report. Option A was no new funding which does not work for the City, because the City does need to identify additional funding for its streets. Option B is a vehicle registration fee which is summarized on page 9 of the report. Under this option the County estimates that the cities of Wasco County would receive about \$487,000.

Option C is a County Road Service District as discussed beginning on page 15 of the report. This option includes a Countywide Service District or a district for just unincorporated areas. If a countywide district was approved the cities of Wasco County would receive \$750,000; if an unincorporated service district was formed the City would need to pursue its own funding source for street maintenance. On page 19 is a memo from Tom Linhares (Interim Director of Assessment and Taxation for Wasco County) where he talks about compression as a result of a countywide tax measure. Because of the impacts of compression on the City of The Dalles and the other taxing districts, as identified in the second table following page 4 of his report, we would recommend that although this method is the preferred option of the advisory committee, that the City Council not support this approach because it could cost the City General Fund

somewhere between \$217,000 and \$326,000 or more, with similar losses to Mid-Columbia Fire District and the other taxing districts within the city limits. Pages 25-26 identify the service district options and the road committee recommendations. Any road district including the City of The Dalles would require the City Council approval of a resolution.

STAFF RECOMMENDATION:

Staff recommends that the City Council not support a County Road District that includes the City of The Dalles, and pursue a Local Option Motor Vehicle Fuel Tax increase.

Currently the City has a 3 cent per gallon local option fuel tax that raises around \$450,000 per year. City voter's approval would be needed to assess an additional 3 cent per gallon fuel tax to be charged within the city limits of the City of The Dalles. We feel the fuel tax is the most equitable solution, as it directly charges those who use the streets, including those from outside the community. A moratorium against additional local option tax sunset on January 2, 2014. Current law does require that local voters must approve any local option fuel tax.

One of our concerns has been the City and County putting opposing tax measures on the same ballot. If the County goes out for an unincorporated tax district and the City pursues a gas tax increase within the City, both issues will not be on the same ballot. This way the voters can individually make a determination how they wish to maintain the roads within their area.