

City of Brookings **WORKSHOP Agenda**

CITY COUNCIL

Tuesday, January 3, 2012, 4:00pm

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

Call to Order

B. Roll Call

C. Topics

1. Franchise Fees [pg. 2]
 - a. Email exchange with Dale Shaddox [pg. 4]
 - b. Email exchange with Roger Meader [pg. 5]
 - c. Spreadsheet of electric fees charged by cooperatives [pg. 6]
 - d. Latest street lighting service billing [pg. 7]
 - e. Information received from CCEC on December 5, 2011 [pg. 8]
 - f. Sample ROW permit [pg. 10]
 - g. Franchise fees and privilege taxes [pg. 12]
2. City Support of Community Events [pg. 15]

D. Council Member Requests for Workshop Topics

E. Adjournment


All public City meetings are held in accessible locations. Auxiliary aids will be provided upon request with advance notification. Please contact 469-1102 if you have any questions regarding this notice.

CITY OF BROOKINGS

COUNCIL WORKSHOP REPORT

Meeting Date: January 3, 2012

Originating Dept: City Manager



Signature (submitted by)

City Manager Approval

Subject: Franchise Fees

Background/Discussion:

This matter was discussed at the December 5, 2011, City Council workshop. Several questions were raised during that meeting and additional information has been gathered.

Attached is a spreadsheet showing comparative rates charged by other electric cooperatives.

Franchise fees paid by the electric cooperatives range from 3.0-7.0 per cent. Some of the franchise fees paid by the same cooperative differ by community (for example, Oregon Trail Cooperative pays 3.0 per cent in Prairie City and 5.0 per cent in John Day). The League of Oregon Cities is currently conducting a survey of franchise fees; that report is expected to be published in spring 2012.

Contact was made with former City Manager Dale Shaddox in an effort to obtain information about street lighting fees paid to CCEC over and above the amount provided for in the franchise agreement. Attached is that inquiry and response.

According to the Administrative Services Director, CCEC bills the City for street lighting costs monthly. Their November billing, for example, shows total street lighting costs of \$5,498.75, but indicates that the total adjusted amount billed was \$217.85.

Staff received an email from CCEC General Manager Roger Meader indicating they have completed an inventory and mapping of all the franchise lights in the City. Meader has requested a meeting in January to review this information and indicates that "we need to sit down and readjust the number of lights that CCEC serves for the city."

Staff plans to bring a proposal to the City Council for the January 9, 2012, City Council meeting to authorize the City Manager to notify Frontier Communications that their franchise has expired and that the City desires to enter into negotiations for a new agreement with a franchise fee of 5.0 per cent. The current fee is 3.3 per cent.

Charter Communications has requested another extension to the cable television franchise agreement to June 30, 2012, as we continue to negotiate a new agreement. That franchise fee amount is currently 5.0 per cent and the proposed new agreement continues the fee at this level.

The City is now requiring franchise utilities to obtain a Right of Way Permit, but does not charge a permit fee. Some cities have enacted an annual permit fee in addition to the franchise fee to cover the cost of inspections.

One Councilor asked about the difference between a “franchise fee” and a “privilege tax.” Attached are the “Privilege Taxes” category from the League of Oregon Cities website and both the privilege tax and franchise fee sections from the Ashland Municipal Code. Both fees appear to be related to the utility using public streets, alleys, highways and rights-of-way for conducting their business. While State Law establishes a limit on the amount of a franchise fee, State Law also authorizes local agencies to impose a privilege tax. This may, in fact, be the only distinction.

Attachment(s):

- a. Email exchange with Dale Shaddox.
- b. Email exchange with Roger Meader.
- c. Spreadsheet on electric fees charged by cooperatives.
- d. Latest street lighting service billing.
- e. Information received from CCEC on December 5, 2011, day of last workshop.
- f. Sample ROW Permit.
- g. Franchise fees and privilege taxes.

From: Gary Milliman [<mailto:gmilliman@brookings.or.us>]
Sent: Tuesday, December 06, 2011 5:03 PM
To: dkshaddox@charter.net
Subject: Greetings

Hi Dale. Hope all is well with you.

We are dealing with Coos Curry Electric Cooperative on street lighting costs. We are now paying \$11,000/yr for street lighting while the franchise agreement provides that they provide street lighting in lieu of paying a franchise fee for a certain number of lights. That agreement was last revisited in 2004. Any recollection of what might have occurred to increase the # of street lights between 2004 and 2007? I'm guessing it has something to do with the downtown project.

Hi Gary,
Thanks for the contact.

Yes, I think you are correct on the street lights. We added numerous decorative style street lights with the downtown project. The Council was adamant that we have the decorative light poles, even though they are not one of the types supplied by, or supported by Coos-Curry. That became somewhat problematic in my negotiations with Coos-Curry in that they would only agree to support these new ones by furnishing and maintaining a stockpile of replacement poles, ballasts and other parts for storage in their maintenance yard. I cannot recall if we actually entered into a side agreement with Coos-Curry before I left. I do recall reviewing the draft side agreement and had numerous discussions with the Coos-Curry rep (I do not recall his name, but I'm certain that he is retired. The \$11,000 dollar amount seems in the ballpark of our discussions with them.

I hope this helps a bit. Again, nice to hear from you.

Dale Shaddox
Talent City Manager pro tem
541-535-1566 ext. 1006
dale@cityoftalent.org

Gary Milliman

From: Roger Meader [Rmeader@cooscurryelectric.com]
Sent: Thursday, December 22, 2011 7:31 AM
To: Gary Milliman
Subject: FW: population request

Gary

I'm not sure where the city is at concerning the franchise agreement but after reconciling the franchise lights that CCEC serves in the city and receiving the population figures it would appear at the very least we need to sit down and readjust the number of lights that CCEC serves for the city. We have also created maps for city works to have so they can identify where the lights are and to also communicate better to us what lights are not working when they go out. It would also seem that we need to look at the franchise agreement on an annual basis once the population count is known.

Have a good end of the year and a start of 2012.

Roger Meader
General Manager/CEO
Coos-Curry Electric Cooperative, Inc.
PO Box 1268
43050 Hwy 101
Port Orford, OR 97465
Phone: (541) 332-6178
Fax: (541) 332-8185
Email: rmeader@cooscurryelectric.com
Website: www.ccec.coop

From: Roger Meader <Rmeader@cooscurryelectric.com>
Date: Wed, 14 Dec 2011 13:17:35 -0800
To: Gary Milliman (gmilliman@brookings.or.us)<gmilliman@brookings.or.us>
Cc: Christine Stallard<Christine@cooscurryelectric.com>
Subject:

Gary

We have finished doing our inventory and mapping of all the franchise lights for the City of Brookings. We would like to know what the latest population is for the City of Brookings so we can apply to the Franchise agreement formula. We can furnish copies of the maps showing the locations of franchise lights to the City of Brookings for your records.

Roger Meader
General Manager/CEO
Coos-Curry Electric Cooperative, Inc.
PO Box 1268
43050 Hwy 101
Port Orford, OR 97465
Phone: (541) 332-6178
Fax: (541) 332-8185
Email: rmeader@cooscurryelectric.com
Website: www.ccec.coop

**ELECTRIC COOPERATIVE RATES
DECEMBER 2011**

| | <i>Oregon Trail Electric Coop</i> | <i>Umatilla Electric Coop</i> | <i>Central Electric Coop</i> | <i>Douglas Electric Coop</i> | <i>Coos Curry Electric Coop</i> |
|--|---------------------------------------|---------------------------------------|--|----------------------------------|-------------------------------------|
| <i>Base Residential Monthly Charge</i> | \$18.00 | \$9.00 | \$11.75 | \$15.00 | \$22.75 |
| <i>Rate per Kilowatt Hour (kWh)</i> | 7.052¢ kWh | 6.72¢ kWh | 7.33¢ kWh Apr-Oct 7.07¢ kWh Nov-Mar | 7.92¢ kWh | 7.47¢ kWh |
| <i>Show Franchise Fees On Customer Bills</i> | Yes | Yes | Yes | No | No |



Coos-Curry Electric Cooperative, Inc.

P.O. BOX 1268 43050 Hwy. 101
PORT ORFORD OREGON 97465

See reverse side for additional
information about your bill

1697
13

| ACCOUNT NO | METER NO | PREVIOUS READING | PRESENT READING | MULT | HORSEPOWER CHARGE | KWH USAGE | CUSTOMER CHARGE | ENERGY CHARGE | ARREARS |
|-----------------------------------|----------|---------------------|--------------------|-----------------|----------------------|--------------|--------------------|------------------|-----------------|
| SERVICE ADDRESS | | SERVICE FROM | SERVICE TO | POWER FACTOR | SECURITY LIGHTS | CODE | MISC CHARGES | DEMAND CHARGE | TOTAL BILLED |
| 3762009 | 80286 | 6665 | 6867 | 80 | | 16160 | \$83.00 | \$856.48 | \$1,159.24 |
| 898 ELK DR-OF | | 10-17-11 | 11-16-11 | 6.000 | | 0 | \$17.38 | \$354.82 | \$2470.92 |
| 3762010 | 61855 | 488 | 500 | 1 | | 12 | \$35.00 | \$0.89 | \$35.67 |
| 5TH&HWY 101-COMM EVENTS M | | 10-12-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$76.56 |
| 3762011 | 61318 | 9437 | 9750 | 1 | | 313 | \$35.00 | \$23.16 | \$56.02 |
| 922 CHETCO AV-FOUNTAIN | | 10-11-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$119.18 |
| 3762012 | 80326 | 25970 | 27321 | 40 | | 54040 | \$83.00 | \$2864.12 | \$4,435.86 |
| 98115 NB CHETCO-WTR PLANT | | 10-17-11 | 11-16-11 | 18416.000 | \$13.75 | 0 | \$66.53 | \$1373.03 | \$8836.29 |
| 3762013 | 80331 | 2877 | 2986 | 40 | | 4360 | \$45.00 | \$322.64 | \$80.52 |
| 1130 RANSOM-SWIM POOL | | 10-11-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$453.16 |
| 3762014 | 64377 | 375 | 383 | 1 | | 8 | \$35.00 | \$0.59 | \$35.67 |
| EASY MANOR PK REST R | | 10-12-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$76.26 |
| 3762015 | 80850 | 1719 | 1755 | 1 | | 36 | \$35.00 | \$2.66 | \$37.81 |
| 112 SEACLIFF TERR- SWR PU | | 10-11-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$80.47 |
| 3762016 | 0 | 0 | 0 | 0 | | 0 | \$0.00 | \$0.00 | \$212.85 |
| CITY LTS - NO BRIDGE LT | | 10-20-11 | 11-21-11 | | \$5498.75 | 0 | \$5.00 | \$0.00 | \$430.70 |
| 3762017 | 61902 | 94570 | 97855 | 1 | | 3285 | \$35.00 | \$243.09 | \$248.71 |
| OAK & 101-STOP LTS&S END | | 10-12-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$531.80 |
| 3762018 | 59814 | 7015 | 7237 | 1 | | 222 | \$35.00 | \$16.43 | \$50.91 |
| CHETCO & CENTER-TRAFFIC L | | 10-12-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$107.34 |
| 3762019 | 65547 | 11853 | 12105 | 1 | | 252 | \$35.00 | \$18.65 | \$62.16 |
| AZ PK CONCESSION NEAR STA | | 10-12-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$120.81 |
| 3762020 | 80094 | 49515 | 51046 | 1 | | 1531 | \$35.00 | \$113.29 | \$165.46 |
| 17164 MOUNTAIN DR #2-PU | | 10-17-11 | 11-16-11 | 39111.000 | | 0 | \$5.00 | \$0.00 | \$318.75 |
| 3762021 | 80679 | 23285 | 24146 | 1 | | 861 | \$45.00 | \$63.71 | \$104.42 |
| 200 MACKLYN COVE-SWR PU | | 10-11-11 | 11-12-11 | 0.000 | | 0 | \$5.00 | \$0.00 | \$218.13 |
| [AMOUNT DUE NOW] \$ CONTINUED.... | | | | | | | | | |

151.68
46.89
63.16
440.44
372.64
40.59
42.66
217.85
283.09
56.43
58.65
153.29
113.71



MEMORANDUM

Office of the City Manager

GARY MILLIMAN

City Manager

Credentialed City Manager
International City Management Association

TO: Mayor and Council
Cc: Janell Howard, Joyce Heffington

DATE: December 5, 2011

SUBJECT: Coos Curry Electric – Additional Information

The attached "position paper" was delivered today by CCEC General Manager Roger Meader.

While Meader was here, I asked him about the \$457,000 that County Budget Committee Chair John Spicer had reported that CCEC pays to Curry County in the form of a franchise fee. Spicer included "CCEC franchise" revenues in his presentation at the Curry Citizens Committee last week.

Meader said that the subject amount was not a franchise fee, but a "Gross Revenue Tax" that is paid to the State of Oregon and then returned to counties and school districts. Meader said that the amount of Gross Revenue Tax is calculated based upon the following formula:

TOTAL REVENUE minus COST OF POWER times 4.0 PER CENT

The amount of tax paid to the State is then remitted 66 per cent to counties and 33 per cent to school districts.

Meader said that the Gross Revenue Tax is paid in lieu of an income tax; unlike a private utility, CCEC (as a non-profit cooperative) pays no income tax.

COOS-CURRY ELECTRIC COOPERATIVE'S POSITION CONCERNING THE PROPOSED CITY OF BROOKINGS FRANCHISE FEE

1. Coos-Curry Electric Cooperative (CCEC) is a non-profit electric service provider, serving the electric needs of its members in the southwest corner of Oregon. As CCEC is owned by the members we serve from within Douglas County to the California border, any economic impacts that the cooperative incurs as a result of legislation or taxation becomes the burden of the membership. In comparison, telecommunications service providers in the same area, such as Frontier and Charter are for-profit companies with global stockholders. Profits from these companies made in our local communities do not exclusively stay in our community. Unlike CCEC, these for-profit companies also have the ability to spread the costs of legislation or taxation to millions of consumers.
2. One significant difference between cooperatives like CCEC, and public utility districts, municipalities and private companies such as Frontier and Charter is that CCEC returns margins in the form of capital credits to our members over time. No other form of government or business, including Frontier and Charter, directly returns margins to its member/owners in this manner.
3. As CCEC is a not-for-profit corporation, any franchise fee imposed would have to be recovered from our members immediately.
4. Many members, whether residential, commercial or industrial, are going through very difficult economic times right now and any increase in the cost of their power will have a significant negative impact.
5. There is a misconception about what CCEC members would have to pay for the franchise fee that may be proposed by the City of Brookings. CCEC has only two areas that are regulated by the Oregon Public Utility Commission (OPUC). One is the area of safety (clearances of power lines, tree trimming, annual inspections, etc.) and the other is in assignment of territorial areas that were set for each utility in the 1960's. The OPUC has no authorization over CCEC's rates or fees such as franchise fees imposed by municipalities. CCEC can and must pass any franchise fee imposed by any municipality on to members that live in that particular city to avoid impacting the rest of the membership. The franchise fee would appear as a separate line item on the member's monthly electric bill.
6. CCEC currently furnishes street lighting to the City of Brookings in exchange for power line easements on city streets and rights-of-way. If we did not have the franchise agreement, the charge to the City of Brookings for this service would be approximately \$65,000 annually at today's rates. That cost would be billed directly to the members that live within the City of Brookings.
7. We have heard from many of our members who are opposed to a City of Brookings franchise fee. CCEC strives to provide excellent service to all of our members at the lowest rates possible. Our commitment to the members in Brookings is shown by our recent major transmission line upgrade as well as providing service to SWOC, both system upgrades will help strengthen the economy in the Brookings area. In addition, at the request of the City, CCEC has installed and provided electricity for additional street lights under the franchise agreement. The current franchise agreement has worked well for both parties.

**Due to the economic tough times that everyone is going through,
CCEC recommends that negotiations regarding the franchise
agreement not be initiated by either party.**



CITY OF BROOKINGS
Public Works Department
898 Elk Drive, Brookings, OR 97415
Telephone - (541) 469-1150
FAX - (541) 469-3650

No. 0762 P. 1

ROW PERMIT AND INSPECTION APPLICATION

NOTE - PERMIT BECOMES VALID ONLY WHEN SIGNED BY P.W. BELOW P.W. Permit #: 999020

OWNER (who the job is for): FRONTIER COMM. Address: P.O. Box 535 Coos Bay OR
Owner Contact Name: MARC R. CADE Telephone: (541) 289-4888 Fax: (541) 289-5166
Project Location: 248 WHARF ST (BT-MART)

Description of work (paving, storm drain, curb/gutter/roadside/drainage, sewer, water, etc.):
CUT AND TRENCH WHARF ST (SEE PERMIT DWG) FROM PALE
8 TO PROPOSED SEDEWALK BOX FOR 4" CONCRETE TO PROVIDE
SERVICE FOR BT-MART Start Date: 12-29-11

CONTRACTOR: NORM SKY COMMUNICATIONS Telephone: () Fax: ()
Contractor License # and type: _____

Contractor Foreman name: JOE KUENERT Cell phone: (503) 647-9991

24-hour emergency contact name: ROBERT ADERHART Telephone: (541) 290-8165
Traffic Control Plan prepared by: _____ Telephone: () Fax: ()

- GENERAL NOTES: **New 5% fee for all ROW Permits effective July 1, 2006****
1. This application must be fully completed and include a written/signed Traffic Control Plan (TCP), approved design plans, project valuation documentation (copy of bid, etc.) and the 5% fee.
 2. OSHA & safety compliance (confined space, shoring, flagging, etc.) and adequate erosion controls at all times are conditions of all city permits - non-compliance with this authorization to work in City ROW or easements.
 3. Unless for emergency work, review and approval for a ROW Permit requires 48 hours minimum notice.
 4. ROW Permit valid for 180 days unless a formal extension request is submitted and approved.

Contractor certifies construction will be in compliance with the City of Brookings Municipal Code and all other applicable State and Federal laws and regulations including who currently licensed by, meet bond requirements of the State of Oregon and that a copy of this approved permit, approved Construction Plans & Traffic Control Plan (TCP) shall be on-site at all times during construction and available for review by the City of Brookings.

Contractor Signature: _____ Date: 12-9-2011

Do not write below this line - City of Brookings use only

Date Received: _____ by _____ COB Bus License: _____ Plans/TCP/Valuation attached: _____
Valuation Approved: _____ Fee Paid: \$ _____ Receipt #: _____
Notes: _____

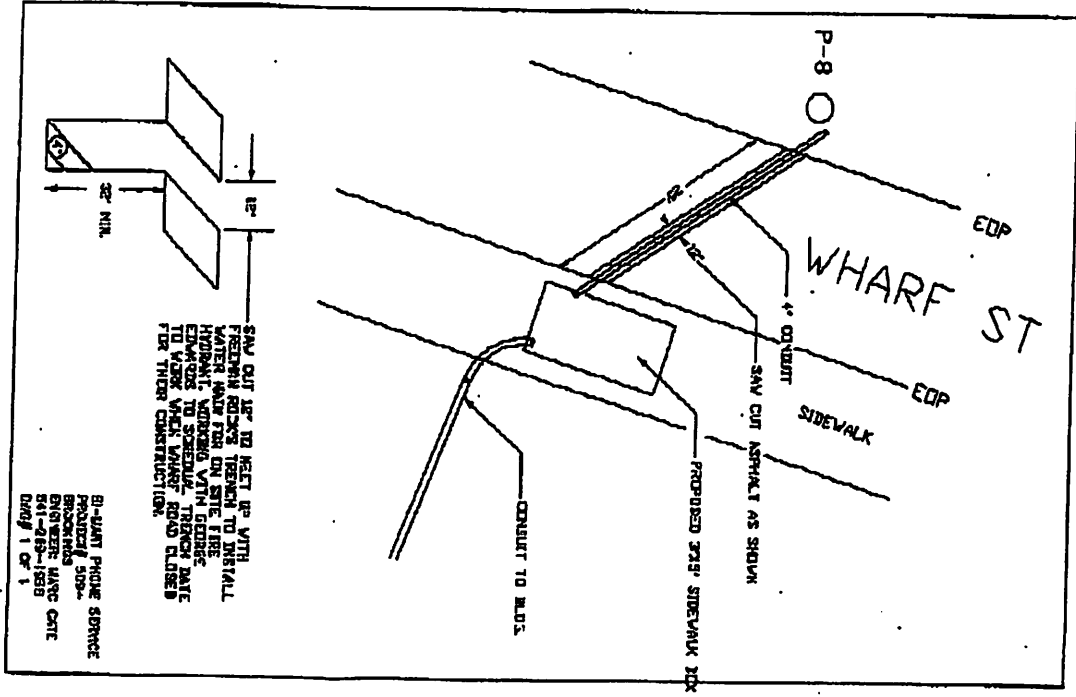
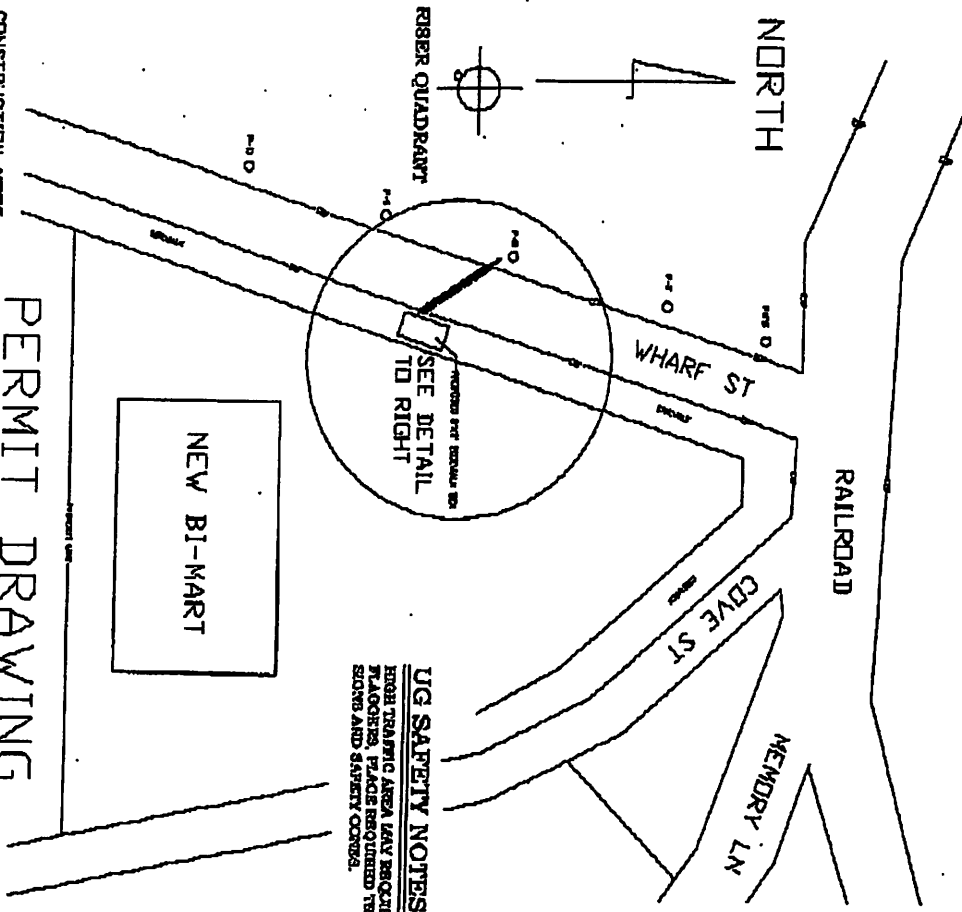
Approved (COB Public Works) _____ Date _____ Inspected (COB Public Works) _____ Date _____

Dec. 9. 2011 9:19AM

C:\temp\mca\270620 ROW & Imp. Appl. Form.doc

CONSTRUCTION NOTE
SCHEDULE WITH FREIGHT PORT AS
THEY WILL BE OPEN & IF WHARF ST
IS PLACED WHERE IT BELONGS CALL
EDWARD EVANS AT 541-652-7791

**PERMIT DRAWING
NOT TO SCALE**



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Getting it done for Oregon's cities!

A-Z Index

Categories

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Privilege Taxes

Index > P > Privilege Taxes

- The 2008 LOC Franchise Fee Survey provides fee rate and revenue data for city telecom, cable, electric, natural gas, and garbage franchises.

- Medford* and Roseburg (Sect. 5.02) all charge a privilege tax (5% of gross revenues) on utilities operating within the public right of way.

** Medford's privilege tax does not apply to telecom and solid waste service providers*

- Albany levies a 5% privilege tax on electric providers, and a 5% utility tax on natural gas providers.

- Ashland levies a 3.5% privilege tax on electric providers.

- Troutdale levies privilege taxes on the following utilities: 1.5% on public electric utilities (Sect. 3.20); 2.94% on natural gas utilities (Sect. 3.16); and 7% privilege tax on telecommunication utilities (Sect. 3.26).

- Wood Village charges a 1.5% privilege tax to electric providers, in addition to the franchise fee. The city levies a 7% privilege tax to telecommunications provider who are not operating under a franchise agreement with the city.

- Coos Bay has a 7% privilege tax for telecommunication companies doing business within the city.

Resources

Relevant State Laws
(Constitution, ORS, OAR)

- Regulation & Taxes
- Right of Way

Relevant Items

Electric Franchises
Franchises (General)
Gas Franchises
Municipal Utility Fees/Taxes
Telecommunications

Contacts

Website LOC Staff

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Copyright League of Oregon Cities

4.30.010 Tax Imposed

There is hereby imposed a privilege tax of three and one-half percent (3 1/2%) on the gross revenues from electric service customers of Pacific Power and Light Company within the corporate limits of the City of Ashland, pursuant to O.R.S. 221.450. Such tax shall be for the privilege of using the public streets, alleys and highways within the City for other than travel.

16.24.070 Franchise Fees

As compensation for the benefits and privileges under its franchise and in consideration of permission to use the rightofway of the city, the grantee shall pay a quarterly franchise fee to the city, through the duration of its franchise, as follows:

A. The minimum quarterly franchise fee shall be set by resolution of the council.

B. The franchise fee for a telecommunication utility shall equal 7% of its gross revenue on exchange access services earned within the boundaries of the city.

C. Except for limited use telecommunication grantees, the franchise fee shall equal a percent of the grantee's gross revenues derived from grantee's provision of telecommunications services and telecommunications facilities to retail customers and one percent (1%) on all other gross revenues derived from grantee's provision of telecommunications services and telecommunications facilities to wholesale customers, including other telecommunications carriers, if such customers or carriers are also telecommunication grantees under this title. If such customers or carriers are not grantees, then the franchise fee shall equal the fee for retail customers. The amount of the percent for retail customers shall be set by resolution of the council.

D. A limited use telecommunication grantee shall pay a fee based on the number of linear feet of right of way used. A limited use telecommunication grantee is defined as one whose franchise limits the amount of linear feet the grantee may occupy or one who has a franchise as of October 1998 for the purpose of long distance telecommunications. The fee per linear foot shall be set by resolution of the council.

The annual franchise fee collectable from a telecommunications utility shall not exceed the maximum amount under Oregon Law. The city shall accept from a telecommunications utility, in full payment of the franchise fee, the maximum amount allowed under Oregon law. On request, the telecommunications utility must provide documentation to support its calculation.

E. Grantee shall be "providing" telecommunications services or facilities if it sells, leases, resells, or otherwise conveys such services or facilities for consideration.

F. A grantee providing resold telecommunications services or facilities shall be entitled to a credit against its franchise fee for an amount equal to a percentage of the price paid for such services or facilities at wholesale. Such percentage shall be set by resolution of the council.

G. So long as it registers with the city as required in chapter 16.08 and pays the fees required for grantees set forth in subsections A and B above, a reseller may use another person's facilities to engage in telecommunications activities in the right-of-way without obtaining a franchise, providing the reseller does not, either itself or through an affiliate, own or lease, control or manage any facilities in the right-of-way and is not involved in construction or repair of facilities in the right-of-way.

For purposes of calculating the fees to be paid by a reseller, the amount of compensation paid by the reseller to the owner or manager of facilities in the right-of-way for the services it resells shall be deducted from the reseller's gross revenues before applying the percentage rates described in subsection C above.

H. Payment shall be made by each April 25, July 25, October 25 and January 25 for the quarter just ended.

Any grantee who fails to remit any fee imposed by this chapter within 30 days of the date it is due, shall pay interest at the rate of one percent (1%) per month or fraction thereof on the amount of the fee from the date on which the remittance first became due until paid.

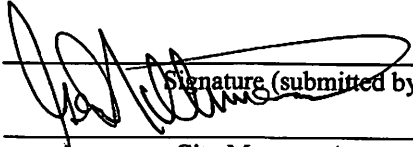
(Ord 2850 S33 1999)

CITY OF BROOKINGS

COUNCIL WORKSHOP REPORT

Meeting Date: January 3, 2012

Originating Dept: City Manager


Signature (submitted by)

City Manager Approval

Subject: City Support of Community Events

Background/Discussion:

Mayor Anderson suggested placing this matter on the workshop agenda as an informational item

A question was raised at the November 14, 2011, City Council meeting about the City public works crew involvement in Nature's Coastal Holiday. Public Works Supervisor Richard Christensen and retired Public Works Supervisor Bob Schaefer provided the below estimate of crew hours, not including supplies such as replacement wiring or equipment time. This totals up to 544 work hours. At an average weighted hourly rate of \$34.00, the personnel cost alone would be \$18,496. NCH pays for the wiring and lighting supplies; the City has been paying for small items used in repair of the displays, such as zip ties. Staff estimates supply costs of about \$100. This has been an ongoing practice for a number of years.

Nature's Coastal Holiday, Inc., is an independent non-profit organization that enlists a cadre of volunteers to assist with placing the decorations. Some of these volunteers are also City employees contributing to the project on unpaid time. City employees have also assisted with the snack shack and the ticket booths as volunteers in past years. NCH raises funds to build/purchase and maintain the displays from the \$1.00 entry fee, voluntary contributions and sponsorships.

NCH does not pay a fee for the use of the park for this event; they do pay \$400 for electric use and provide a Certificate of Liability Insurance indemnifying the City from third party claims.

The City provides support for a number of activities as a "community service" at no fee, including traffic control for parades, etc. The public has come to expect it and there is really no recognition of the cost. We don't track the cost.

Most recently, the City has developed an "Event Permit" to be used in authorizing activities conducted by private or non-profit organizations on public property. The City is now requiring that anyone using City public property to obtain an event permit and provide a Certificate of Liability Insurance indemnifying the City from third party claims.

Perhaps this is something the Council should discuss as part of the budget process. Some communities budget a specific dollar amount for staff time to support community events. In my previous City, the Chamber of Commerce, downtown merchants association or other sponsoring organization paid the full cost of law enforcement and public works staff time for street fairs,

parades, car shows and similar events, but the City also paid 100 per cent of the cost for Christmas decorations and fireworks on the 4th of July. Every community has its own balance.

From: Richard Christensen

Sent: Tuesday, November 15, 2011 9:36 AM

To: Gary Milliman

Cc: Loree Pryce; Tim Rettke

Subject: Natures Coastal Holiday Azalea Park Christmas Lighting

Gary,

I talked with Bob Schaefer this morning about Parks and PW Departments support to the above event. It basically falls on our shoulders to maintain, repair, install and tear down all the decorations. Nature Coastal Holidays takes care of the storage and supplies for maintenance and repairs. Listed below is the work we perform and our estimated time expended.

- 1) Haul decorations from storage units at Demoss Road to the PW Shop on Wharf:
1 Day for a crew of 4 working full time with two trucks and trailers.
- 2) Testing, maintenance and repairs on all decorations:
2 Weeks for a crew of 3 to 5 working full time.
- 3) Placing decorations in the field:
1 Day with all 7 Parks and PW staff working full time.
- 4) Stringing power cords to decorations:
1 Day with crew of 3 working full time.
- 5) Maintenance of lights and decorations during event:
Parks staff performs daily on an as needed basis.
- 6) Tear down and placing decorations and materials back into storage:
2 Days with all 7 Parks and PW staff working full time.

Richard Christensen
City of Brookings
Public Works Supervisor