OFFICE OF THE CITY MANAGER COUNCIL AGENDA

AGENDA

REGULAR CITY COUNCIL MEETING
May 13, 2013
5:30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

1. CALL TO ORDER

2. ROLL CALL OF COUNCIL

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

5. PRESENTATIONS/PROCLAMATIONS

   A. Parenting Education Awareness Week Proclamation

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 April 22, 2013 Regular City Council Meeting Minutes

B. Approval of April 22, 2013 Wastewater Treatment Plant Tour

C. Resolution No. 13-017 Concurring With the Mayor's Appointments to Various Committees

D. Authorization for City Clerk to Endorse OLCC New Outlet Application for Skipper's

11. ACTION ITEMS

A. Approval of Dog Control Agreement With Home at Last Humane Society **[Agenda Staff Report #13-031]**

B. Approval of QLife Agency Fiscal Year 2013-14 Work Scope and Budget **[Agenda Staff Report #13-032]**

C. Approval of Amendment to Distribution of Enterprise Zone Fee from Design, LLC **[Agenda Staff Report #13-033]**

D. Approval of Exempt Employee Compensation Package for Fiscal Year 2013-14 **[Agenda Staff Report #13-034]**

12. DISCUSSION ITEMS

A. Discussion Regarding Potential Wastewater Systems Development Charge Increase **[Agenda Staff Report #13-026]**

13. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk

Julie Krueger

PROCLAMATION

"PARENTING EDUCATION AWARENESS WEEK"

WHEREAS, our children are our future and parents are their most important role models; and

WHEREAS, research indicates the quality of parenting affects a child's physical, social, emotional and cognitive development and that good parenting is not instinctive, rather learned; and

WHEREAS, parenting education honors the important work parents do, helps them gain skills and strategies and helps parents learn how to best support their child's growth and development to help promote success in school and life; and

WHEREAS, improved knowledge of positive parenting practices will promote loving and skilled parents, helping ensure the well being of children;

NOW, THEREFORE, I, Stephen E. Lawrence, Mayor of the City of The Dalles, do hereby proclaim the week of May 19 through 25, 2013, as

"PARENTING EDUCATION AWARENESS WEEK"

and encourage the citizens of The Dalles to join in this observance.

APPROVED AND DATED THIS 13TH DAY OF MAY, 2013

SIGNED: ____________________________
Stephen E. Lawrence, Mayor

ATTEST: ____________________________
Julie Krueger, MMC, City Clerk

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

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 13, 2013	Consent Agenda 10, A - D	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk

THRU: Nolan K. Young, City Manager

DATE: April 26, 2013

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

A. **ITEM**: Approval of April 22, 2013 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the April 22, 2013 regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the April 22, 2013 regular City Council meeting.

B. **ITEM**: Approval of April 22, 2013 Wastewater Treatment Plant Tour Work Session Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the April 22, 2013 wastewater treatment plant tour work session have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the April 22, 2013 wastewater treatment plant tour work session.

C. **ITEM**: Resolution No. 13-017 Concurring With the Mayor's Appointments to Various Committees.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The Mayor has selected Chuck Covert for re-appointment to the Traffic Safety Commission; Dennis Davis and Pat Smith for re-appointment to the Historic Landmarks Commission; and Heather Hopkins for appointment to the Museum Commission.

RECOMMENDATION: That City Council adopt Resolution No. 13-017 concurring with the Mayor's appointments to various committees.

D. **ITEM**: Authorization for City Clerk to Endorse OLCC New Outlet Application for Skipper's.

BUDGET IMPLICATIONS: A $100 fee will be collected and credited to the General Fund.

SYNOPSIS: Skipper's Seafood and Chowder House has applied for an OLCC license to serve alcohol. The Police Department has investigated the application and recommends it be approved.

RECOMMENDATION: That the City Council authorize the City Clerk to endorse the OLCC new outlet application for Skipper's.

MINUTES

REGULAR COUNCIL MEETING
OF
APRIL 22, 2013
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 Garrett Chrostek, Finance Director Kate Mast, Police Chief Jay Waterbury, Planning Director Dick Gassman

CALL TO ORDER

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

ROLL CALL

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

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

Mayor Lawrence asked the Council to consider removing the discussion item regarding wastewater systems development charges and placing it on a future agenda due to the large number of items on the agenda.

City Attorney Parker said he would re-notify the interested parties if the item was re-scheduled.

It was moved by Dick and seconded by Wood to approve the agenda as amended, by removing Discussion Item 13, A. The motion carried unanimously.

PRESENTATIONS/PROCLAMATIONS

Mayor Lawrence said he and former Mayors Les Cochenour and Robb Van Cleave had attended an event at the Oregon Military Museum and accepted a statue in honor of Medal of Honor recipient Loren Kaufman, who was inducted into the Hall of Fame at the museum. He said Mr. Kaufman was the only Medal of Honor recipient in Oregon from the Korean Conflict. He read the presentation that had been made at the event.

AUDIENCE PARTICIPATION

None.

CITY MANAGER REPORT

City Manager Young introduced Kristy Beauchamp, the new Emergency Services Director for Wasco County.

CITY ATTORNEY REPORT

City Attorney Parker said he would be attending seminars regarding employment law issues on Thursday, and would be attending the Oregon City Attorney's Conference next week.

CITY COUNCIL REPORTS

Councilor Wood reported the Historic Highway Committee had received an award from Oregon Tourism for preserving culture and history and bringing people to the area to use the historic highway. She said the Historic Landmarks Commission would meet on Wednesday and QLife Agency would be meeting on Thursday.

Councilor McGlothlin reported he had attended the Traffic Safety Committee meeting last week, noting John Nelson had been elected to serve as the Chair for another year. He said there was a discussion regarding signage in a subdivision which had filed for bankruptcy. McGlothlin said the City would proceed with placing signs in the neighborhood. He said a safety issue was discussed regarding a cross walk at Second and Lincoln Streets. McGlothlin said he also attended the Airport Board meeting, noting items of discussion included internet connectivity and on-going improvements at the Airport.

Councilor Spatz said the Strengthening Economies group had identified and presented economic barrier issues to the Columbia River Gorge Commission and they had made a statement of support regarding the importance of economic development in the Gorge. Spatz reported on a proposal by the college for a new regional training program and discussed funding opportunities through grants.

Councilor Miller said she attended the Urban Renewal Advisory Committee last week and the Committee had recommended approval of the Development and Disposition Agreement with Rapoza Development for the Granada Block project.

Mayor Lawrence reported he had been invited to the Gorge Commission meeting and met the new members. He said he had also met with the local realtor's group.

CONSENT AGENDA

Mayor Lawrence asked the Council to add Nan Wimmers to the Economic Development Policy Committee, which would be approved by Resolution No. 13-015.

It was moved by Wood and seconded by Spatz to approve the Consent Agenda as amended, by adding Nan Wimmers as a member of the Economic Development Policy Committee, approved by Resolution No. 13-015. The motion carried unanimously.

Items approved by Consent Agenda were: 1) approval of April 8, 2013 regular City Council meeting minutes; 2) approval of April 1, 2013 street tour work session minutes; 3) Resolution No. 13-014 establishing a City Sign Ordinance Review Committee; and 4) Resolution No. 13-015 concurring with the Mayor's re-establishment of a committee to review economic development policies.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding Assessment for Demolition of a Structure at 600 East 12th Street

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

City Attorney Parker reviewed the staff report.

Testimony

No testimony was presented.

Resolution No. 13-013 Confirming the Accounting Report for the Cost of Abatement of a Dangerous Building at 600 East 12th Street and Assessing the Cost of Abatement as a Personal Obligation of the Property Owner and a Lien Upon Real Property

Councilor Miller questioned where the asbestos had been taken, noting it was not taken to the landfill. City Attorney Parker said he didn't know, but would inquire.

Miller asked the value of the property. City Attorney Parker said he didn't know, but believed the City would be able to recover it's expenses if the lot was sold.

It was moved by Spatz and seconded by Miller to adopt Resolution No. 13-013 confirming the accounting report for the cost of abatement of a dangerous building at 600 East 12th Street and assessing the cost of abatement as a personal obligation of the property owner and a lien upon real property. The motion carried unanimously.

Public Hearing to Receive Remonstrances for Proposed Assessments of The Dalles Main Street Economic Improvement District

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

Administrative Fellow Garrett Chrostek reviewed the staff report. He said 33% remonstrances were required to defeat the assessment and 41.9% had been received.

Testimony

Dave Griffith, 409 West 16th Street, The Dalles, questioned why a majority was not required to defeat the project. City Attorney Parker said the State statute set out the procedure for economic improvement districts, and required only 33%.

Hearing no further testimony, the hearing was closed.

Council Deliberation

In response to a question, City Attorney Parker said even though the remonstrances caused the proposal to fail, the Economic Improvement District would remain in place as approved and the

Main Street Program was a non-profit organization and could use other methods to raise funds for their projects and activities.

City Manager Young said the $30,000 budgeted for the program in the current budget, would not be spent on this project.

It was moved by McGlothlin and seconded by Miller to not proceed with levying of assessments proposed as part of The Dalles Main Street Economic Improvement District and to terminate the economic improvement project proposed as part of the economic development plan included in Special Ordinance No. 13-554. The motion carried; Spatz and Wood voting no.

ACTION ITEMS

Approval of Agreement With Home at Last Humane Society Regarding Animal Control Operations

The staff report was reviewed by Administrative Fellow Chrostek.

Mayor Lawrence said the language in Section 1.2 seemed inconsistent. He asked that the term "material provision" in Section 2.2 be defined. Lawrence asked what the fines would be that were described in Section 3.6. He suggested changing the word "provide" to "pay" in Section 4.1 to be more clear.

Mayor Lawrence asked if funds had been budgeted by the City for conducting euthanasia for dangerous dogs. City Manager Young said funds had been budgeted. It was noted this would take place off-premises and most likely by a local veterinarian.

Lawrence questioned whether the City should be named as additional insured in Section 7.3.

Home at Last Humane Society Board Chair Robb Van Cleave said the comments regarding the agreement would be further discussed with staff and the agreement would be brought back to Council for approval.

It was moved by McGlothlin and seconded by Spatz to postpone approval of the agreement with Home at Last Humane Society for dog shelter services. The motion carried unanimously.

Approval of City of The Dalles Emergency Operations Plan

City Manager Young reviewed the staff report. He said the process, in an emergency, would be for him to notify the City Council and convene a meeting quickly to ratify an emergency declaration. Young said the Council would also have the role of procurement if required by the policy.

It was moved by Wood and seconded by Spatz to adopt Resolution No. 13-016 promulgating and adopting an Emergency Operations Plan for the City of The Dalles and authorizing the Mayor and City Council to sign the letter of promulgation, promulgating the revised Emergency Operations Plan for the City of The Dalles. The motion carried unanimously.

Approval of Chamber of Commerce Tourism Program Scope of Work and Budget

City Manager Young reviewed the staff report.

Chamber of Commerce Director Lisa Farquharson distributed a handout containing tourism statistics. She summarized the level of advertising and feature articles for the current year and said the Gorge Chambers were partnering to create videos which would highlight agriculture, water, and bicycling throughout the Gorge.

Mayor Lawrence said the agreement with the Chamber called for a submittal of a budget and scope of work by the Chamber no later than March 1, allowing the City to respond by May 15. He said the process was not being followed. City Manager Young said it was presented a little late this year but said if the Council needed additional time to review the information, the agreement could be approved at the next meeting.

City Manager Young recommended an amendment to require quarterly reports to the City Council.

Mayor Lawrence said measurable criteria should be included so the Council could fairly evaluate the performance.

Ms. Farquharson said it was difficult to measure the success of advertisements, except to know the readership numbers for the publications used. She said familiarization tours were provided and that several of the writers from last year's tour had written articles and blogs about The Dalles. She said staff would work hard to provide more information to the Council and do everything possible to make sure advertising was effective.

Mayor Lawrence asked if the Chamber monitored when and frequency that local hotel rooms were full. He said it would be helpful to have reports that indicated statistics for that and the number of people who received hospitality training. Lawrence said it would also be helpful to have information regarding who relocation information was provided to so it could be addressed through economic development groups.

City Manager Young said that the City Council had not requested detailed reporting information in the past, but if the Council wanted more detailed information, the Chamber could provide it in quarterly reports.

There was consensus that quarterly reports to Council would be helpful.

Councilor Spatz mentioned a Brand USA campaign and asked if the Chamber was familiar with it. Farquharson said she would investigate that and said she would be working directly with Travel Oregon to help market The Dalles for tourism.

It was moved by Wood and seconded by McGlothlin to approve the fiscal year 2013-14 work scope and budget for the Community Marketing Program as presented by the Chamber of Commerce. The motion carried unanimously.

City Manager Young said he would work with the Chamber to provide quarterly tourism reports to the City Council.

ADJOURNMENT

Being no further business, the meeting adjourned at 6:50 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED: ______________________
Stephen E. Lawrence, Mayor

ATTEST: ______________________
Julie Krueger, MMC, City Clerk

MINUTES

COUNCIL WORK SESSION
OF
APRIL 22, 2013
1:00 P.M.
WASTEWATER TREATMENT PLANTS
EAST FIRST AND LAUGHLIN STREETS
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

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

COUNCIL ABSENT: Dan Spatz

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Administrative Fellow Garrett Chrostek, Engineer Dale McCabe, Engineer in Training Todd Stephens

CALL TO ORDER

Mayor Lawrence called the meeting to order at 1:00 p.m.

A tour of the facility was conducted.

The recently updated Wastewater Capital Improvement Plan was presented to the City Council.

ADJOURNMENT

The work session adjourned at 2:30 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED: ______________________
Stephen E. Lawrence, Mayor

ATTEST: ______________________
Julie Krueger, MMC, City Clerk

RESOLUTION NO. 13-017

A RESOLUTION CONCURRING WITH THE MAYOR'S APPOINTMENTS TO VARIOUS COMMISSIONS

WHEREAS, there are vacancies on several Committees; and

WHEREAS, the Mayor has selected Chuck Covert for re-appointment to the Traffic Safety Commission; and

WHEREAS, the Mayor has selected Dennis Davis and Pat Smith for re-appointment to the Historic Landmarks Commission; and

WHEREAS, the Mayor has selected Heather Hopkins for appointment to the Museum Commission;

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

Section 1. The City Council concurs with the re-appointment of Chuck Covert to the Traffic Safety Commission, term to expire April 30, 2017.

Section 2. The City Council concurs with the re-appointment of Dennis Davis and Pat Smith to the Historic Landmarks Commission, terms to expire May 31, 2017.

Section 3. The City Council concurs with the appointment of Heather Hopkins to the Museum Commission, term to expire April 30, 2016.

Section 4. This Resolution shall be effective May 13, 2013.

PASSED AND ADOPTED THIS 13th DAY OF MAY, 2013

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

AND APPROVED BY THE MAYOR THIS 13th DAY OF MAY, 2013

SIGNED: ATTEST:

Stephen E. Lawrence, Mayor

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 #
May 13, 2013	Action Items 11, A	13-031

TO: Honorable Mayor and City Council

FROM: Garrett Chrostek, Administrative Fellow

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

DATE: April 30, 2013

ISSUE: Dog Shelter Services Contract.

BACKGROUND: Prior to July 1, 2012, Wasco County supplied animal control services within the city limits through an intergovernmental agreement with the City. The agreement also placed responsibility on the County to arrange for animal shelter services with Home at Last Humane Society ("HAL") to lodge dogs detained within the City's jurisdiction. In exchange for the County's services, the City contributed funds toward the County's animal control program. Such funds amounted to $102,576 in FY 11/12.

With the County no longer providing such services, Council included funds in its FY 12/13 budget to preserve an animal control program, limited to dogs, within the city limits. These funds were dedicated to the hiring of a part time dog control officer, to acquire equipment from the County, and to continue operating under the County's agreement with HAL.

The County's agreement with HAL will expire on June 30, 2013 necessitating a new arrangement between the City and HAL. The attached contract for Council's review is the result of negotiations between HAL and City Staff over the course of the past two months. The contract is structured such that HAL provides 15 dog impoundments per month to the City with first priority for kennel space. HAL is also responsible for the medical care of dogs after accepting delivery and for maintaining the licensing system. The City will need to arrange for euthanasia and any emergency medical care with a third party veterinarian.

For these services the contract calls for a monthly payment of $1,125 per month. Impoundments over 15 dogs per month would be as space provides and subject to a pro rata fee of $65 per impoundment. Finally, there is also a daily fee of $15 when the City instructs HAL to hold a dog beyond statutory impoundment periods on account of public safety concerns.

Although our dog control officer currently impounds between 15 and 25 dogs per month, the cap on guaranteed impoundments was requested by HAL because it could not guarantee space availability above that threshold. However, HAL will accept dogs beyond 15 impoundments per month as space provides.

This contract previously came to the Council for consideration on April 22nd, 2013 [Agenda Staff Report 13-028]. At that meeting Council directed Staff to make several modifications to clarify provisions of the Contract. The requested changes have been made to the updated contract attached to this Agenda Staff Report and include:

§1.2—clarifying the provision governing automatic renewal of the contract
§2.2—defining material breach
§3.6—specifying that fines imposed by any court with proper jurisdiction go to the City
§4.7—setting the annual HAL presentation to Council in July
§5.2—establishing that any euthanasia shall be performed off HAL premises
§7.3—names City as additional insured on HAL's insurance
§7.4—names Hal as additional insured on City insurance

BUDGET IMPLICATIONS: The proposed budget contemplates $22,000 to service this contract, which is sufficient to impound 25 dogs each month. The budget request also allocates $3,000 to cover the services of a third party veterinarian for emergency medical and euthanasia services as needed. Using these figures, the total proposed dog control budget is $77,136 for FY 13/14 with a three quarter time dog control officer (line item budget attached). This is a savings of $25,440 from the City's previous arrangement with the County from FY 11/12.

RECOMMENDATION: The City will require dog shelter services to maintain an effective dog control program and the rates are similar to contracts reviewed by staff in other communities.

Move to approve the agreement with Home at Last Humane Society for dog control services.

ALTERNATIVES:

1. Council could approve the contract with amendments
2. Council could not approve and direct staff to renew negotiations with HAL.

FY 13/14 Proposed Dog Control Budget

FY12/13 Budget	Account Number	Account Description	FY13/14 Proposed Budget
	ANIMAL CONTROL		
18,861	001-4500-425.12-00	PARTTIME/TEMP SALARIES	27,273
-	001-4500-425.13-00	OVERTIME SALARIES	-
7,586	001-4500-425.21-10	MEDICAL INSURANCE	6,074
119	001-4500-425.21-20	L-T DISABILITY INSURANCE	172
50	001-4500-425.21-30	LIFE INSURANCE	50
57	001-4500-425.21-40	WORKERS COMP INSURANCE	673
1,443	001-4500-425.22-00	FICA	2,086
-	001-4500-425.23-00	RETIREMENT	2,148
60	001-4500-425-29-00	OTHER EMPLOYEE BENEFITS	60
28,176	**TOTAL PERSONNEL SERVICE**		**38,536**
-	001-4500-425.31-10	CONTRACTUAL SERVICES	22,000
-	001-4500-425.31.90	CONTRACTUAL SERVICES - OTHER	3,000
3,000	001-4500-425.43-50	VEHICLES	4,000
3,500	001-4500-425.43-51	GAS/OIL/DIESEL/LUBRICANTS	3,500
600	001-4500-424.43-52	TIRES AND TIRE REPAIRS	600
1,500	001-4500-425.58-50	TRAINING AND CONFERENCES	1,500
1,000	001-4500-425.60-85	SUPPLIES - SPECIAL DEPT	2,000
4,000	001-4500-425.69-80	ASSETS < $5000	2,000
13,600	**TOTAL MATERIALS AND SERVICES**		**38,600**
41,776	**TOTAL ANIMAL CONTROL DEPARTMENT**		**77,136**

CITY of THE DALLES
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Dog Shelter Services Contract

Home At Last Humane Society, a 501(c)(3) organization ("HAL"), whose address is 200 River Road, The Dalles, Oregon 97058, and the City of The Dalles, an Oregon municipal corporation ("the City"), whose address is 313 Court Street, enter into this Dog Shelter Services Contract ("the Contract") effective July 1, 2013.

1. TERM & AUTOMATIC RENEWAL

1.1. The initial term of this Contract shall be from July 1, 2013 to June 30, 2014.

1.2. This Contract shall renew automatically on an annual basis unless terminated for cause, as provided for in Section 2.1 below, or unless either party mails written notice of intent not to renew to the other party by no later than ninety (90) days prior to the annual renewal date of July 1. If proper notice is provided and the parties are unable to resolve the issue(s) for which notice was provided prior to June 30 of any given year, this Contract shall terminate on July 1 of that year.

2. DEFAULT

2.1. In the event of a default in the performance of this Contract by either party, the non-defaulting party may terminate this Contract for cause.

2.2. A default shall occur if either party breaches any material provision of this Contract and such breach continues or is not remedied within thirty (30) days after the non-breaching party provides notice of the breach to the other party, specifying the nature of the breach. For purposes of this Contract, a material provision includes any provision in Sections 3, 4, 5, and 7.

3. CONSIDERATION

As consideration for the services to be provided by HAL described below, the City shall provide the following compensation to HAL:

3.1. The sum of one thousand one hundred twenty-five dollars ($1,125) per month, payable as described in Section 3.7 below.

3.2. The sum of sixty five dollars ($65) per impoundment for each impoundment in excess of the threshold number of monthly dog impoundments described in Section 4.1.

3.3. The sum of fifteen dollars ($15) per dog per day for each day or portion of a day that HAL is instructed or directed by City to hold a dog in excess of the period for stays described in Section 4.2.

3.4. HAL shall be entitled to any proceeds generated from adoption fees of dogs delivered to HAL by City representatives.

3.4.1. For purposes of this Contract, "City representatives" includes the City's Dog Control Officer and all City police officers.

3.5. HAL shall be entitled to charge owners and retain redemption or impound fees for dogs delivered to HAL by City representatives.

3.6. The City shall retain any monies received from fines for unlicensed dogs or other violations of the dog control ordinance levied by any court with proper jurisdiction.

3.7. HAL shall submit an itemized invoice for the services performed in a particular month by no later than the 15th of the following month, beginning August 15, 2013. City shall remit payment for those services by no later than the last day of the following month beginning August 31, 2013.

4. HAL'S RIGHTS, OBLIGATIONS, AND RESPONSIBILITIES

In exchange for the consideration described above, HAL shall provide the following services to the City pursuant to this Contract and shall hold the following rights, obligations, and responsibilities:

4.1. In exchange for the City's monthly payment, HAL shall provide up to fifteen (15) impoundments per month for dogs delivered to HAL by City representatives. For these first fifteen (15) impoundments, City shall have first priority for kennel space.

4.1.1. For purposes of Section 4.1, an impoundment is attributed to the month in which the City delivered the dog to HAL.

4.1.2. Any impoundments under fifteen (15) dog impoundments per month shall not carry over to subsequent months.

4.1.3. Any impoundments over fifteen (15) dog impoundments per month shall be subject to the fees described in Section 3.2 above and shall be subject to space available.

4.2. Unless claimed by its owner, a dog shall be impounded for at least three (3) days if the dog is without a current license or identification tag. A dog shall be impounded for at least five (5) days if it has a current license or identification tag.

4.2.1. Dogs brought in by City representatives shall be in the legal custody of HAL. HAL may make such dogs available for adoption once the minimum statutory impoundment time has expired.

4.2.2. HAL shall make reasonable efforts to notify the keeper of all impounded dogs.

4.2.3. All dogs on hold for public health screening or law enforcements cases will be held for the minimum amount of time required under the Oregon Revised Statutes and HAL shall obtain permission from the holding agency prior to release.

4.3. HAL shall comply with Oregon standards for indoor and outdoor facilities and health and husbandry practices for commercial kennels, including those specified in Division 15 of Chapter 603 of the Oregon Administrative Rules.

4.4. After accepting delivery of a dog from the City, HAL shall be responsible for all medical decisions and medical expenses for that dog in accordance with HAL policies.

4.4.1. Acceptance of delivery shall not be unreasonably withheld by HAL.

4.5. HAL shall hold business hours that allow the public reasonable opportunity to access HAL's facilities.

4.6. HAL shall provide City one (1) copy of the report that it provides to Wasco County regarding licensing and shelter services at the intervals that it provides such reports to Wasco County.

4.7. HAL shall make an annual presentation at the second meeting of the City Council in July outlining the status of HAL and any other information pertinent to this contract.

4.8. HAL shall adopt and impose a schedule of redemption or impoundment, licensing, and other related fees. HAL shall disclose such fees to City upon request.

4.9. Upon City request, HAL shall also provide the City and its representatives access to licensing records for investigatory purposes.

4.10. Pending investigations or cases will be treated as confidential. HAL and its employees shall refrain from public comment regarding ongoing City investigations.

5. CITY'S RIGHTS, OBLIGATIONS, AND RESPONSIBILITIES

In executing this Contract, the City shall hold the following rights, obligations, and responsibilities:

5.1. City is responsible for obtaining needed veterinary care and paying for such medical expenses incurred prior to HAL accepting delivery of a dog.

5.2. City is responsible for conducting or procuring euthanasia for dangerous dogs and such euthanasia shall occur off of HAL premises.

5.3. The City may, upon reasonable notice and at reasonable times, make annual inspections of HAL's facilities to ensure that HAL is in compliance with the provisions of this Contract.

5.4. The City Dog Control Officer shall be issued one (1) key to HAL's facilities. Other City representatives shall be given the combination to the key lock box.

5.5. Dogs may be lodged after hours as necessary. When after hour lodgings occur, the City shall provide HAL notice and complete required paperwork.

5.6. The City shall promptly apprise HAL of the status and disposition of any dog under investigation.

6. AMENDMENT & NOTICE

6.1. The parties may amend this Contract by providing the other party thirty (30) days notice, which is waivable, and executing a written mutual agreement.

6.2. **METHOD AND PLACE OF GIVING NOTICE**. All notices shall be made in writing and may be given by personal delivery or by certified mail, return receipt requested. Notices sent by certified mail should be addressed as follows:

HAL: Executive Director
200 River Road
The Dalles, Oregon 97058
Phone: (541) 296-5189

City: Chief of Police
City of The Dalles Police Department
401 Court Street
The Dalles, OR 97058
Phone: 541-296-2613

When so addressed, notice shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices shall be deemed given at the time of actual delivery. Changes may be made in the names, titles, and addresses of the person to whom notices are to be sent by giving notice pursuant to this paragraph.

7. INDEMNIFICATION & INSURANCE

7.1. Nothing contained in this Contract shall give or allow any third person a claim or right of action. It is the express intention of the parties than any person or entity other than the City and HAL receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.

7.2. Both parties agree to hold harmless and indemnify the other party from any claims, lawsuits, property damage, injury, or loss that may be asserted or filed against it as a result of the negligence or misconduct of one party in the performance of, or arising out of, its obligations and activities under this Contract.

7.2.1. The City's obligations under this section are subject to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260-30.300, and the Oregon Constitution, Article XI, Section 7.

7.3. HAL shall obtain and/or possess an insurance policy prior to the effective date of this Contract, providing insurance coverage with limits of not less than one hundred thousand dollars ($100,000) property damage per claimant, two hundred thousand dollars ($200,000) all other claims per claimant, and five hundred thousand dollars ($500,000) all claims. Such insurance coverage shall be evidenced by a Certificate of Insurance provided to the City, indicating coverages, limits, and effective dates, by an insurance company licensed to do business in the State of Oregon. The certificate of insurance shall name the City as an additional insured and shall provide for thirty (30) days notice to the City of any cancellation of the insurance policy.

7.4. City shall acquire and maintain in force for the term of this Contract such insurance coverage, either through self-insurance or purchased insurance, as is adequate in accordance with actuarial standards applicable to the business and activities performed by City to pay any personal injury, property damage, tort liability claim, lawsuit, or loss resulting from or arising out of the performance of its activities under this Contract. HAL shall be named as an additional insured on any insurance policy maintained by City.

7.5. Neither party may assign or transfer its rights under this Contract to a third party without the other party's written consent in advance, which consent shall not be unreasonably withheld.

7.6. Attorney fees, costs, and disbursements necessary to enforce this Contract through mediation, arbitration, and/or litigation, including appeals, shall be awarded to the prevailing party.

7.6.1. This Contract is executed in the State of Oregon and is subject to Oregon, Wasco County, and City of The Dalles law. Venue shall be in Wasco County, Oregon.

8. INTEGRATION & SAVINGS

8.1. This writing is intended as the final expression of the Contract between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Contract.

8.2. Should any clause or section of this contract be declared by a Court to be void or voidable, the remainder of this Contract shall remain in full force and effect.

IN WITNESS WHEREOF the parties have caused this CONTRACT to be signed by their duly authorized representatives as of this ______ day ___________________, 2013.

CITY OF THE DALLES

____
Nolan Young, City Manager

APPROVED AS TO FORM: ATTEST:

_________________________ _________________________
Gene E. Parker, City Attorney Julie Krueger MMC, City Clerk

HOME AT LAST HUMANE SOCIETY

_________________________ _________________________
Kris Boler, Executive Director Robb Van Cleave, Board President

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 13, 2013	Action Item # 11, B	13-032

TO: Mayor and City Council

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

DATE: April 26, 2013

ISSUE: Approval of the Fiscal Year 2013-14 QualityLife Intergovernmental Agency Budget

BACKGROUND: Section 2.3.2 of the QualityLife Intergovernmental Agency (QLife) amended Intergovernmental Agreement addresses financial matters of the Agency (copy of section attached). It states that "*Approval of the Annual Budget…require the affirmative authorization of each party to be bound, such authorization to be expressed by Resolution, Ordinance or other binding commitment of the party's governing body*" Attached is the Budget approved by the QLife Budget Committee on April 25, 2013. Final Board adoption of the Budget is scheduled for the June 27, 2013 QLife Board Meeting.

The financial policies adopted by the Board are attached (page 5-6 of the budget). The approved Budget fully meets Financial Priorities #1-9. The work scope covered by the Budget includes six areas:

1. Maintenance and Operation of the current looped system, including managing current agreements for maintenance and operation of the system and for administrative services.
2. Making debt payment on loans used to construct the system and connect to the LS Network.
3. Construction of minor line extensions and electronic upgrades to meet the needs of current and future customers.
4. Cash reserve or contingency equal to one month's customer billing.

5. Creation of a $140,000 reserve for expansion, modernization, or replacement of the system.
6. Early debt payments ($140,865) to complete payment in two years; three years early.

The City and County are considering eliminating the $50,000 Enterprise Zone payment that QLife receives annually. If this occurs QLife will still be able to retire the debt in two years.

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

After the QLife Budget Committee approved the budget, the City and County concluded review of the Enterprise Zone Fees. The May 13 agenda includes an action item to amend the Distribution of those fees including elimination of the $50,000 QLife receives for debt retirement. QLife will still be able to retire its debt in two years without those funds.

May 1, the Wasco County Commission approved the QLife budget and work scope without the $50,000 if the Enterprise Zone Distribution amendment is approved by both the City and the County.

BUDGET IMPACT: The QLife Budget does not require any specific financial expenditure by the City of The Dalles. The City is proposed to receive up to $20,000 for financial, clerical and administrative services and receives $5,244 for rent of the QLife rooms in City Hall, and $16,655 from the right of way fees.

COUNCIL ALTERNATIVES:

1. ***Staff Recommendation: Approve the Fiscal Year 2013-14 QLife Budget and Work Scope without the $50,000 Enterprise Zone Fees, if they are no longer available.***
2. Amend and then approve the QLife Budget.
3. Postpone action on the QLife Budget until June to allow for additional research.

QLife Network

QualityLife Intergovernmental Agency

Fiscal Year 2013-14

PROPOSED BUDGET

of the

QUALITYLIFE INTERGOVERNMENTAL AGENCY

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

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Fiscal Year 2012-13

PROPOSED BUDGET

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

QLife Agency, Budget Committee Members

Agency Board:	President, Scott Hege
	Vice President, Bill Dick
	Secretary/Treasurer, Erick Larson
	Member, Carolyn Wood
	Member, Brian Ahier
Budget Committee Members:	Ken Farner
	David Karlson
	Kenneth Leibham
	Jim Broehl
	Chip Wood

Staff Support

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

Agency Partners

Wasco County
City of The Dalles

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Proposed Budget FY 2013-14

BUDGET INDEX

QUALITYLIFE INTERGOVERNMENTAL AGENCY

BUDGET MESSAGE
FY 2013-14

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

The following narrative explains the proposed budget for the Quality Life Intergovernmental Agency for fiscal year 2013-2014. The budget amounts shown here represent two funds: Operating Fund and Capital Fund.

This budget is prepared based on the Financial Priority Policy adopted by the Agency Board for fiscal year 2013-2014. A list of those Financial Priorities follows this Budget Message. We were able to budget funding for Financial Priorities Items #1 through #9.

I. **Fund #1 - Maintenance and Operation - $722,202:** The proposed Maintenance and Operation budget is based on past operations.

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

1. <u>Beginning Fund Balance ($97,223)</u> This is our estimated net revenues over expenditures for FY12/13, the current fiscal year. This increase of $30,374 from our actual FY12/13 beginning balance is due to more FY 12/13 beginning fund balance than originally budgeted and lower materials and services cost in FY12/13.

2. <u>User Fees ($572,229)</u> These are the charges to customers to transport data on our fiber to other locations on our system or to the NoaNet Big Eddy Point of Presence (POP), collocation in our equipment room, and for dark fiber leases. The chart on page 10 shows customer type by use. We are estimating a 5% increase in user fees based on current orders.

3. <u>LSN Credits ($0)</u> These credits are assistance that LSN provided us to retire initial debt based on the customers we provided them in FY12/13.

4. <u>Connect Charges ($2,250)</u> These are the fees that new customers pay to connect to our broadband system.

5. <u>E-Rate Payment ($50,000)</u> This is the assistance that our education customers receive from a support program. We budget an expenditure of an equal amount: as when we receive this money, we send it to the education agencies.

B. Expenditures:

1. Qlife is a contract operation with seven primary operating contracts.

   a. Administrative Services ($20,000) The City provides financial, management, and clerical services at actual cost of salary and benefits.

   b. Contractual Service County ($7,000) – GIS System support

   c. Outside Plant Maintenance ($58,000) - This is for overhead maintenance work that is needed including line repair and pole work mandated by those whose poles we are connected to. Because of capital improvement pole audit projects, this line item is up $30,000 this fiscal year.

   d. Legal Services - ($8,400)

   e. Network System Management ($71,000) – QLife has a contract with a consulting firm to provide the following: (Because of increased activity this line item is up $6,000.)

      - ✓ Technical maintenance of the system and its electronics;
      - ✓ Customer Service issues;
      - ✓ Sign up and connection of new customers;
      - ✓ Coordinate backbone and spur line repairs and manage the line maintenance contract;
      - ✓ Coordinate with LightSpeed Networks on Technical issues;
      - ✓ Report monthly to the QLife Board.

   f. Engineering Services ($23,800) – We contract with Erik Orton who has been with us from the beginning of the system for routine engineering and assistance with new customers. This item is up almost $10,000 to assist with audit of outdoor plant.

   g. Audit Services ($5,180) – Merina & Company is our contracted accounting firm for audit services.

4. Office Space Rental ($5,244) – For renting space at City Hall to house QLife facilities and equipment.

5. Pole Contracts ($9,500) – for pole contact fees with Northern Wasco County PUD and CenturyLink. This is increased $500 to reflect increased numbers of pole connections.

6. Network Equipment ($4,600) – Covers the maintenance and repair of QLife network equipment.

7. Other Services ($5,000) – QLife periodically contracts for clearing lines from trees and other hazards.

8. Electronics Reserve ($20,000) – This meets Priority #3 of our Financial Priorities

Policy for upgrading and replacement of the electronics of the system as needed.

9. ROW Fee ($16,655) – Payment of a right of way equal to 3% of customer fees.
10. Scholarship ($2,000) – This item was added in FY10/11 for scholarships in the technology fields at Columbia Gorge Community College.
11. Robotics Grant ($2,000) – This item was added in FY12/13 to support local teams and competitions.
12. Insurance ($5,855) – Includes general liability insurance and property insurance for equipment at City Hall.
13. Other Expenses ($8,320) – Includes office supplies, utility locates, electricity, telephone service, advertising, legal notices, training, travel, and membership fees.
14. Transfers Out ($321,933) – Only a portion of revenues for this fund are expended (44.7%) or held as contingency or unappropriated ending balance (10.7%). The remaining (44.6%) is transferred to the Capital Projects Fund for current debt retirement ($201,551) and system improvements ($120,982).
15. Contingency ($27,247) – 10% of Materials and Services and Capital Outlay
16. Unappropriated Ending Balance ($49,957) – To fund Board priority #4, a cash reserve equaling approximately one month of user fees, plus 10%.

II. Fund #2 - Capital Projects ($528,769): The Capital Projects Fund is for debt retirement and projects for new customers and system enhancement.

A. Revenue:

1. Beginning Fund Balance ($123,736) – Reduction of $88,903 from FY 12/13 beginning balance reflects the use of carried over funds for the redundancy/bisector projects.
2. Enterprise Zone Payments ($50,000) – for the next nine years QLife will receive $50,000 from Enterprise Zone Payments. This is designated for the CSB loan payment.
3. Transfer from Operating Fund ($321,933) – Resources used for current debt retirement ($201,551) and system improvements ($120,982).
4. Connect Charges ($32,500) – These are charges for adding service to new customers. Based on the addition of 5 new customers.

B. Expenditures:

1. Telecom Equipment ($0) – No telecom equipment identified in capital improvement plan.
2. Outside Plant Primary ($0) – No primary system development identified in

capital improvement plan.

3. Outside Plant – Secondary ($32,500)
   a. $12,500 paid by customers for service extensions
   b. $20,000 Priority #6 "up to $20,000 to assist new customers with build out of connection"
4. Materials and Services ($19,000) – This includes engineering services and materials to extend lines to new customers.
5. Pole Make Ready Costs ($5,000) – This is for work to utility poles to support QLife lines and equipment.
6. General Debt Payments ($278,792) – The payment of loan principal and interest due this fiscal year on QLife loans, plus additional principal payment as funds allow (Priority #9). The Table on page 14 summarizes QLife's current debts.
7. Reserve for System Improvements ($140,000) – Priority #8 "Create a reserve of $140,000 for future expansion, modernization or replacement of system." During the year the Board will determine which projects it may pursue as opportunities arise.
8. Contingency ($52,877) – For unanticipated needs

Future Budgets

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

QUALITYLIFE NETWORK INTERGOVERNMENTAL AGENCY POLICY
Financial Priorities for Fiscal Year 2013-14

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

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

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

A. Routine Costs:

1. Normal maintenance and operating costs of the QLIFE Agency as determined appropriate through the budgeting process.

2. Amounts needed for annual debt retirement responsibilities of the Agency incurred through formation of the Agency or by the construction of the original plant, or any expansions of that plant.

3. Up to $20,000 for upgrading and replacement of the electronics of the system to always maintain agreed-upon capacity for QLife customers.

4. A cash reserve or contingency equal to one month's customer billing to maintain a minimum cash balance in the operating fund.

5. Up to $15,000 for unexpected system plant repairs or alterations in addition to contingency. Budgeted in Capital Fund: Outside Plant Primary

B. Discretionary Costs:

6. Capital Improvement Plan items 1-4 for plant audit and tagging.

7. Up to $20,000 to assist new customers with build out of connection. Budgeted in Capital Fund: Outside Plant Secondary.

8. Maintain a reserve of $140,000 for future expansion, modernization, or replacement of system.

9. Use additional surplus funds to retire additional debt of the agency not yet due (2 year goal).

10. Splice case documentation.

11. Downtown service line grid construction $170,000.

12. Additional Co-location space.

13. New QLife generator at City Hall.

14. Create a reserve to engineer and extend broadband services to other parts of Wasco County.

15. After all long term agency debt is retired and capital improvement is on target, establish local Technology grant programs for public and non-profit organizations. The rules for expenditures from this fund will be established by the Board, subject to the approval of all partners to the agreement.

16. After all long term agency debt is retired and capital improvement is on target, provide to City and County equal amounts.

<u>Section II</u>.

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

<u>Section III</u>.

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

Amended and approved by QLife Board February 28, 2013

Scott Hege, QLife President

QUALITYLIFE INTERGOVERNMENTAL AGENCY

PRIOR YEAR COMPARISON SUMMARY

	FY09/10 Actual	FY10/11 Actual	FY11/12 Actual	FY 12/13 Budget	FY 13/14 Proposed
Beginning Balance	237,246	222,282	380,186	269,562	220,959
Customer Fees	465,974	567,759	538,890	561,100	606,979
Other Sources[1]	326,458	408,209	493,520	406,344	422,433
Total Resources	**1,029,679**	**1,198,250**	**1,412,596**	**1,237,006**	**1,250,371**
QLIFE - Agency Fund	427,634	503,036	608,056	574,538	644,998
QLIFE - Capital Fund	185,038	123,087	234,705	177,475	56,500
Debt Service	194,725	191,942	290,326	249,784	278,792
Reserves	-	-	-	140,000	140,000
Contingency	-	-	-	95,209	80,124
Unappropriated Ending Balance	-	-	-	-	49,957
Total Expenditures	**807,397**	**818,064**	**1,133,087**	**1,237,006**	**1,250,371**
Ending Balance	**222,281**	**380,186**	**279,509**	**-**	**-**

[1] Includes transfers from Agency Fund to Capital Fund

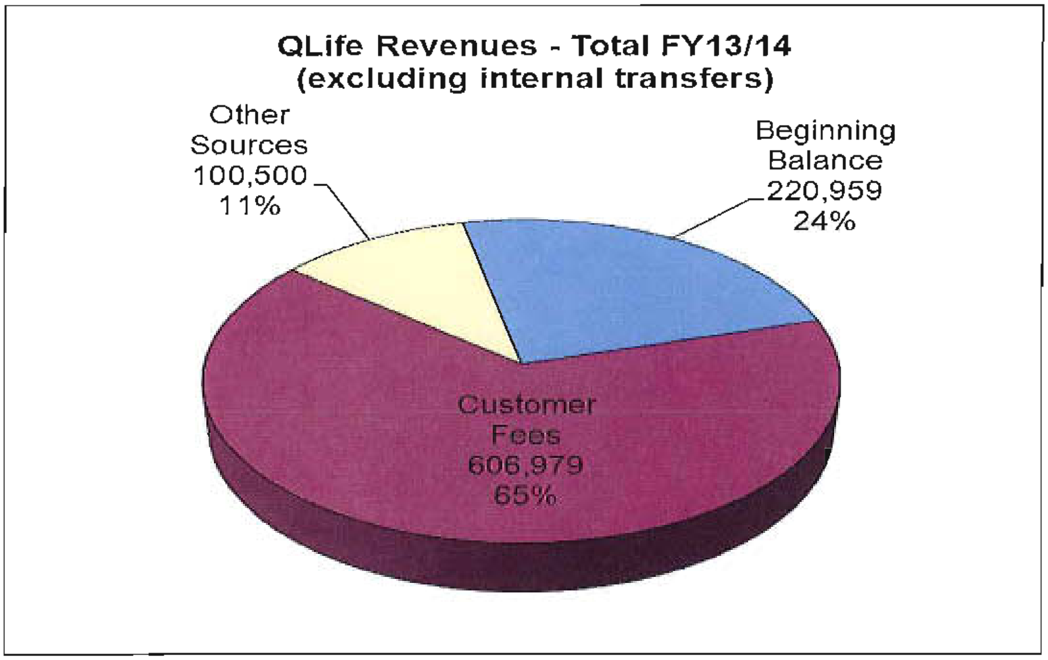
QUALITYLIFE INTERGOVERNMENTAL AGENCY

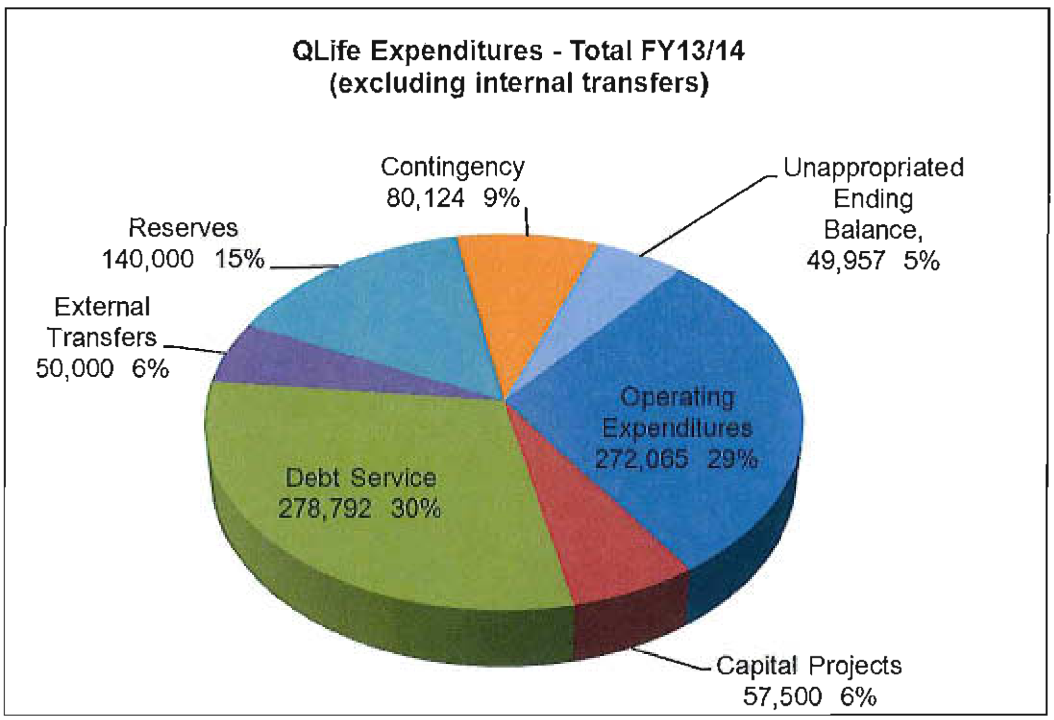
OVERVIEW SUMMARY
Proposed Budget FY 2013-14

	Agency General Fund	Capital Fund	Total Proposed FY13/14
Beginning Balance	97,223	123,736	220,959
Customer Fees	574,479	32,500	606,979
Other Sources	50,500	50,000	100,500
Grants / Loans	-	-	-
Transfers In	-	321,933	321,933
Total Resources	**722,202**	**528,169**	**1,250,371**
Operating Expenditures	253,065	19,000	272,065
Capital Projects	20,000	37,500	57,500
Debt Service	-	278,792	278,792
External Transfers	50,000	-	50,000
Internal Transfers Out	321,933	-	321,933
Reserves	-	140,000	140,000
Contingency	27,247	52,877	80,124
Unappropriated Ending Balance	49,957	-	49,957
Total Expenditures	**722,202**	**528,169**	**1,250,371**

QUALITYLIFE INTERGOVERNMENTAL AGENCY

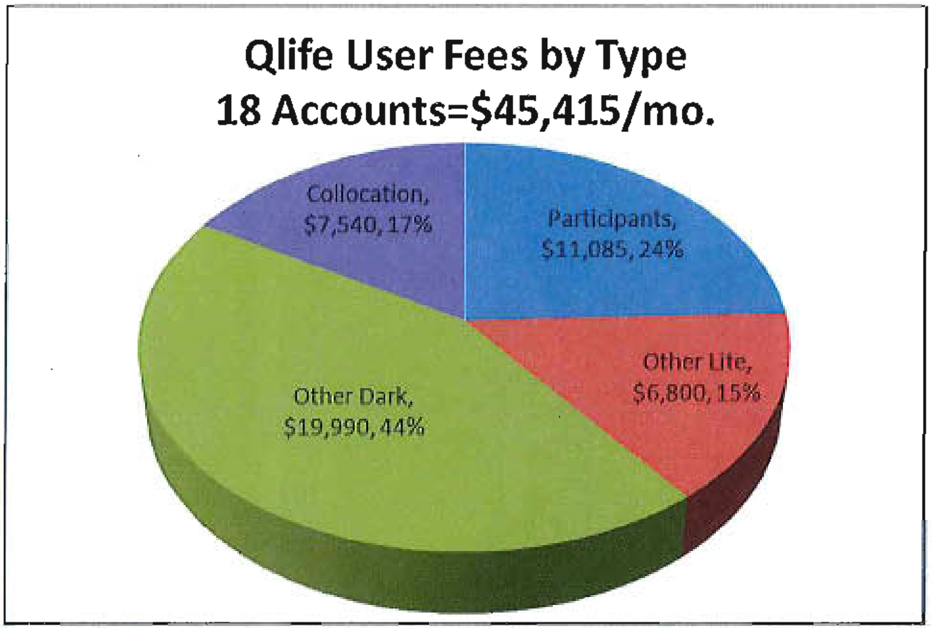
REVENUES AND EXPENDITUES BY SOURCE
Proposed FY 2013-14

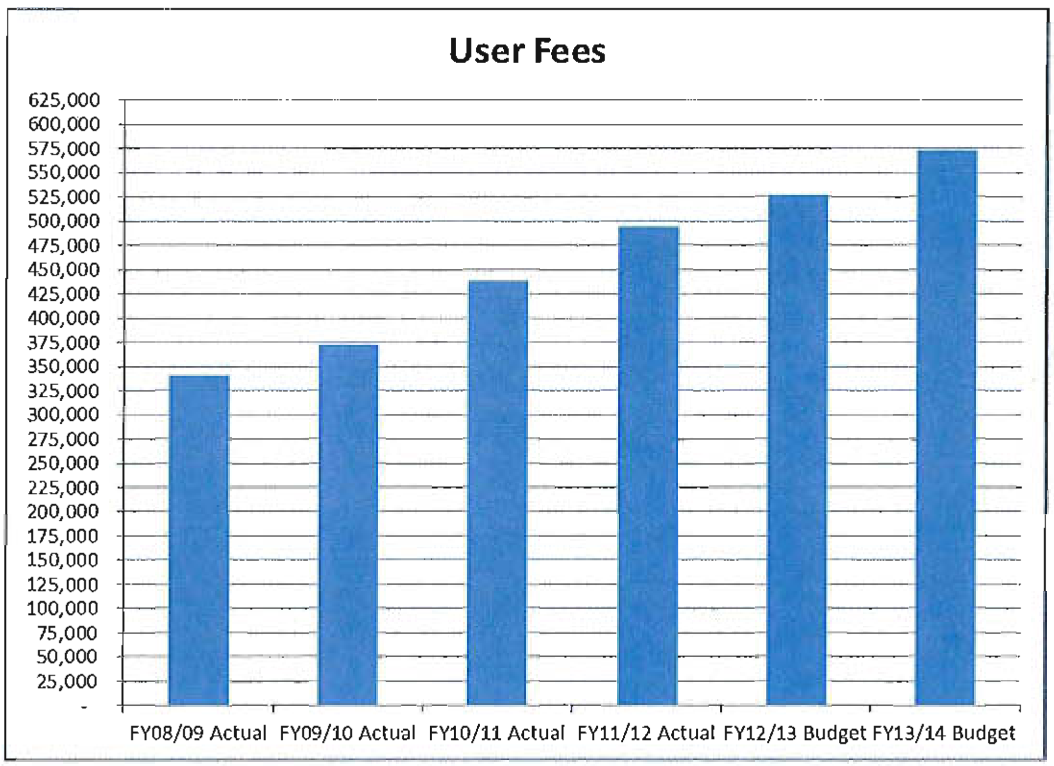




QUALITYLIFE INTERGVERNMENTAL AGENCY

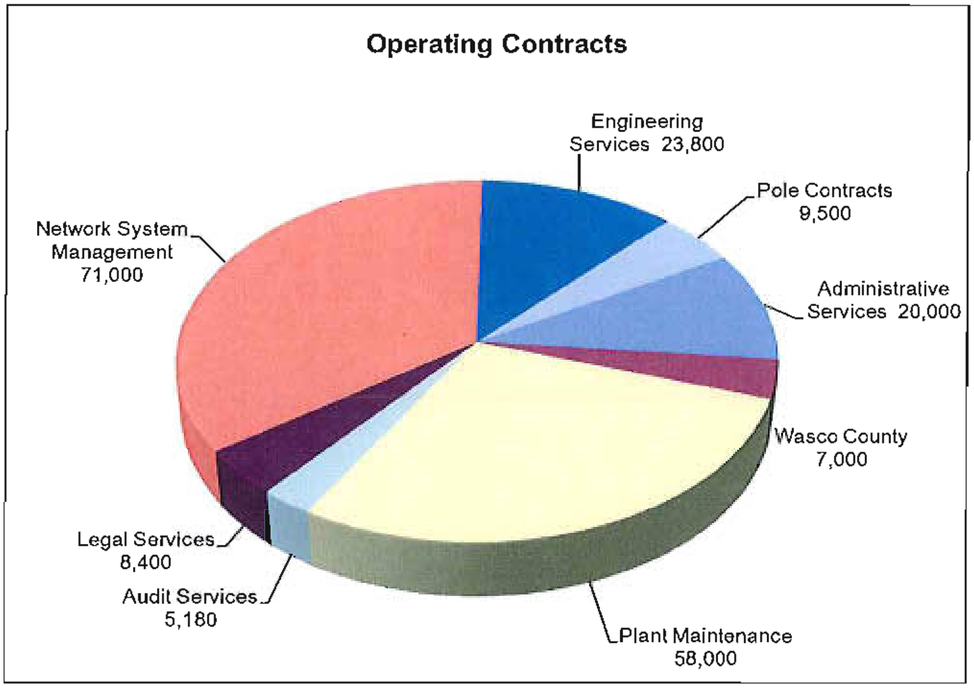
CUSTOMER REVENUES & USER FEES
As of April 1, 2013

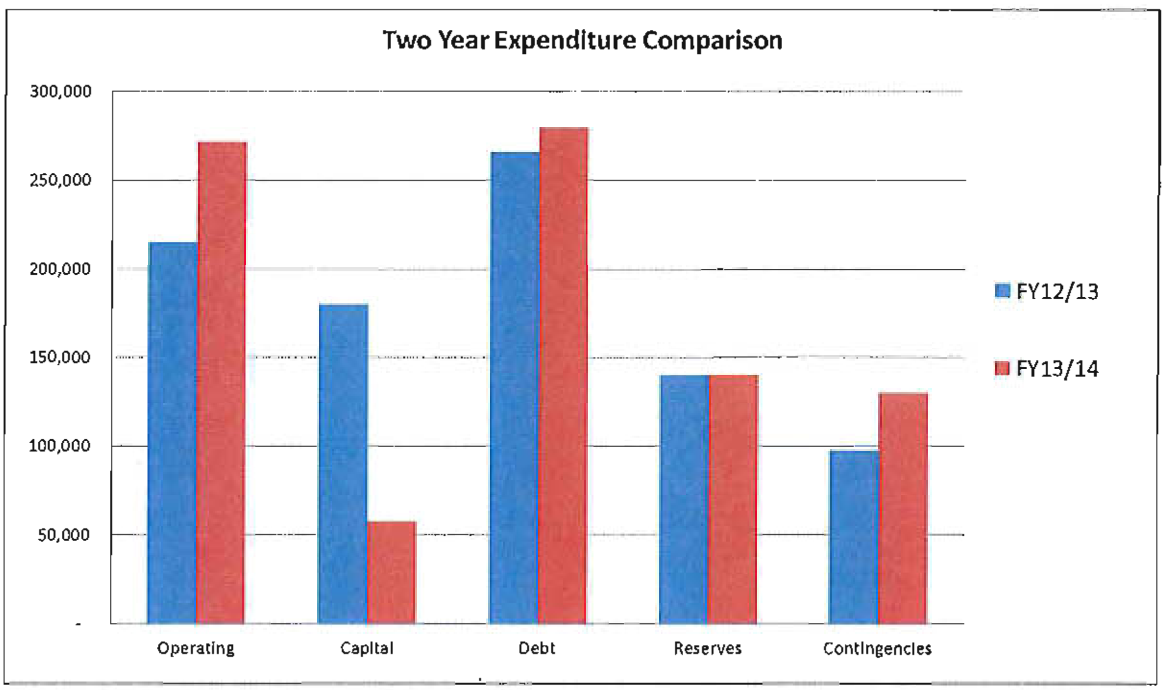




QUALITYLIFE INTERGOVERNMENTAL AGENCY

OPERATING CONTRACTS
Proposed FY 2013-14





QUALITYLIFE INTERGOVERNMENTAL AGENCY

Proposed Budget FY 2013-14

FY10/11 Actual	FY11/12 Actual	FY12/13 Budget	Account #	Description	FY13/14 Proposed
			QLIFE AGENCY FUND 600		
			REVENUES		
83,450	120,561	50,438	600-0000-300.00-00	Beginning Balance	97,223
437,965	494,200	526,350	600-0000-344.10-00	Utility Service Charges	572,229
66,000	22,000	-	600-0000-344.15-00	LSN Credits	-
4,050	2,250	2,250	600-0000-344.20-00	Connect Charges	2,250
613	318	500	600-0000-361.00-00	Interest Revenues	300
-	138	-	600-0000-369.00-00	Other Misc Revenues	200
31,519	35,438	40,000	600-0000-369.20-00	E-Rate Reimbursements	50,000
-	-	-	600-0000-371.90-00	Misc Sales and Services	-
623,597	**674,905**	**619,538**	**TOTAL REVENUES**		**722,202**
			EXPENDITURES		
			Materials & Services		
14,700	15,597	20,000	600-6000-660.31-10	Administrative Services	20,000
-	10,000	7,000	600-6000-660.31.15	Contractual Svc - County	7,000
7,638	16,551	28,000	600-6000-660.31-20	Outside Plant Maint	58,000
-	-	-	600-6000-660.31-90	Other Services	5,000
5,600	4,850	5,000	600-6000-660.32-10	Audit	5,180
10,770	9,015	8,400	600-6000-660.32-20	Legal Services	8,400
14,705	9,136	12,000	600-6000-660.34-10	Engineering Services	23,800
56,320	60,196	64,000	600-6000-660.34-30	Network System Mgmt	71,000
-	-	-	600-6000-660.34-50	Special Studies /Reports	-
-	-	-	600-6000-660.41-40	Electricity	600
700	372	2,000	600-6000-660.43-10	Buildings & Grounds	500
1,190	2,494	4,600	600-6000-660.43-25	Network Equipment	4,600
89	-	1,000	600-6000-660.43.87	Utilities Locates	1,000
3,660	5,244	5,244	600-6000-660.44-10	Office Space Rental	5,244
5,181	4,985	5,500	600-6000-660.52-10	Liability Insuraance	5,855
-	300	-	600-6000-660.52-30	Property Insurance	-
54	113	200	600-6000-660.53-20	Postage	200
393	331	360	600-6000-660.53-30	Telephone	420
455	307	400	600-6000-660.53-40	Legal Notices	400
403	1,532	1,300	600-6000-660.54-00	Advertising	1,300
-	-	400	600-6000-660.57-10	Permits	400
-	366	400	600-6000-660.58-10	Travel, Food & Lodging	2,000
150	665	700	600-6000-660.58-50	Trainings & Conferences	700
40	25	200	600-6000-660.58-70	Memberships/Dues/Subs	200
7	10	200	600-6000-660.60-10	Office Supplies	100
2,000	-	2,000	600-6000-660.63-80	Scholarships	2,000
-	-	2,000	600-6000-660.63-90	Robotics Grant	2,000
408	345	500	600-6000-660.69-50	Misc Expenses	500
7,838	7,733	9,000	600-6000-660.69-60	Pole Connection Fees	9,500
13,139	14,826	15,790	600-6000-660.69-70	Right of Way Fees	17,166
-	-	2,500	600-6000-660.69-80	Assets < $5000	-
145,440	**164,992**	**198,694**	**Total Materials & Services**		**253,065**
			Capital Outlay		
-	-	20,000	600-6000-660.74-20	Telecom Equipment	20,000
-	-	**20,000**	**Total Capital Outlay**		**20,000**
			Other		
326,077	407,626	315,844	600-9500-600.81-91	QLife Capital Fund	321,933
31,519	35,438	40,000	600-9500-600.83-10	ESD E-Rate Transfers	50,000
-	-	45,000	600-9500-600.88-00	Contingency	27,247
-	-	-	600-9500-600.89-00	Unappropriated Ending Fund Balance	49,957
357,596	**443,064**	**400,844**	**Total Other**		**449,137**
503,036	**608,056**	**619,538**	**TOTAL EXPENDITURES**		**722,202**
120,561	**66,849**	**-**	**REVENUES LESS EXPENSES**		**-**

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Proposed Budget FY 2013-14

FY10/11 Actual	FY11/12 Actual	FY12/13 Budget	Account #	Description	FY13/14 Proposed
			QLIFE CAPITAL FUND 601		
			REVENUES		
138,832	259,625	219,124	601-0000-300.00-00	Beginning Balance	123,736
59,744	20,440	32,500	601-0000-344.20-00	Connect Charges	32,500
-	-	-	601-0000-369.00-00	Other Misc Revenues	-
50,000	50,000	50,000	601-0000-369.10-00	Enterprise Zone Payment	50,000
326,077	407,626	315,844	601-0000-391.90-01	Qlife Operating Fund	321,933
-	-	-	601-0000-393.10-00	Loan/Bond Proceeds	-
574,654	**737,690**	**617,468**	**TOTAL REVENUES**		**528,169**
			EXPENDITURES		
			Materials & Services		
11,365	5,706	10,000	601-6000-660.34-10	Engineering Services	11,000
-	-	4,000	601-6000-660.34-70	Customer Connections	4,000
-	-	-	601-6000-660.34-90	Other Services	-
-	-	4,000	601-6000-660.43-86	Lines, Maint & Supplies	4,000
11,365	**5,706**	**18,000**	**Total Materials & Services**		**19,000**
			Capital Outlay		
-	6,685	15,500	601-6000-660.72-20	Buildings	-
28,225	80,521	19,500	601-6000-660.74-20	Telecom Equip	-
28,873	90,337	86,975	601-6000-660.76-10	Primary (System Maint)	-
54,174	51,381	32,500	601-6000-660.76-20	Secondary (Line Extensions)	32,500
450	75	5,000	601-6000-660.76-30	Pole Make Ready Costs	5,000
111,722	**228,999**	**159,475**	**Total Capital Outlay**		**37,500**
			Debt Service		
146,798	253,396	215,444	601-6000-660.79-50	Loan Principal Payments	265,622
45,144	36,929	34,340	601-6000-660.79-60	Interest Payments	13,170
191,942	**290,326**	**249,784**	**Total Debt Service**		**278,792**
			Other		
-	-	140,000	601-9500-600.84-15	Reserve for Sys Imprvmnts	140,000
-	-	-	601-9500-600.84.20	Reserve for Co Expansion	-
-	-	-	601-9500-660.84.30	Reserve for Debt Retirement	-
-	-	50,209	601-9500-600.88-00	Contingency	52,877
-	-	-	601-9500-600.89-00	Unappropriated Ending Fund Balance	-
-	**-**	**190,209**	**Total Other**		**192,877**
315,029	**525,031**	**617,468**	**TOTAL EXPENDITURES**		**528,169**
259,625	**212,660**	**-**	**REVENUES LESS EXPENSES**		**-**

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Long Term Debt as of July 1, 2013

QLife will have the following long term debt as of July 1, 2013:

1. Columbia State Bank Refinance: Columbia State Bank (formerly Columbia River Bank) provided a fully amortized ten (10) year loan at 5% interest in May 2008 to refinance the Columbia River Bank original line of credit debt for NoaNet Oregon that paid for the LightSpeed Networks (LSN) and the State of Oregon Special Public Works Funds (SPWF) loan. Under the terms of the loan, final payment is due May 13, 2018 and the current payment is $11,494.11 per month (includes principal & interest)—due by the 13th of each month. With an additional principal payment of $107,340 in FY12/13, the anticipated balance as of July 1, 2013 is projected at $343,059. Making regular monthly payments and the proposed additional principal payments in FY 13/14, there will be approximately $77,436 in principal outstanding as of July 1, 2014. If this additional principal payment is made in FY 13/14, the loan should be paid off in spring 2015 by making regular monthly payments in FY14/15.

This proposed budget includes an additional principal payment of $140,865. The amortization table for the Columbia State Bank loan below shows that with this additional principal payment, this loan could be fully paid off in FY 2014-15. It assumes $107,340 in additional principal payments in April 2013 and $140,865 in April 2014.

Columbia State Bank Amortization Schedule
as of 6/30/13

Fiscal Year	Principal	Interest	Total	Balance
FY 13/14	$265,623	$13,170	$278,792	$77,436
FY 14/15	$77,436	$1,274	$78,710	$0
Total	$343,059	$14,443	$357,502	-

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Ten Year Projections

	FY 13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
Beginning Balances[2]	$220,959	$150,098	$154,451	$158,935	$163,553	$168,309	$173,208	$178,255	$183,452	$188,806
Local Line Charges	$572,229	$589,396	$607,078	$625,290	$644,049	$663,370	$683,271	$703,769	$724,883	$746,629
Misc. Revenues	$35,250	$36,308	$37,397	$38,519	$39,674	$40,864	$42,090	$43,353	$44,654	$45,993
e-Zone Revenue	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Total Rev.	$657,479	$675,703	$694,474	$713,809	$733,723	$754,235	$775,362	$797,123	$819,536	$842,622
Insurance	$5,855	$6,031	$6,212	$6,398	$6,590	$6,788	$6,991	$7,201	$7,417	$7,639
Maintenance/Operation	$112,830	$116,215	$119,701	$123,292	$126,991	$130,801	$134,725	$138,767	$142,930	$147,218
Management	$71,000	$73,130	$75,324	$77,584	$79,911	$82,308	$84,778	$87,321	$89,941	$92,639
Administration	$33,580	$34,587	$35,625	$36,694	$37,795	$38,928	$40,096	$41,299	$42,538	$43,814
Unapproriated Ending Balance	$49,957.00	$54,027.95	$55,648.79	$57,318.26	$59,037.80	$60,808.94	$62,633.21	$64,512.20	$66,447.57	$68,441.00
Total Operating Expend.	$273,222	$283,991	$292,511	$301,286	$310,325	$319,634	$329,223	$339,100	$349,273	$359,751
Funds Available	$605,216	$541,811	$556,415	$571,457	$586,951	$602,910	$619,347	$636,277	$653,716	$671,677
Contingencies	$80,124	$82,528	$85,004	$87,554	$90,180	$92,886	$95,672	$98,542	$101,499	$104,544
Debt Service	$278,792	$78,711	$0	$0	$0	$0	$0	$0	$0	$0
System Expand/Repl.	$56,500	$58,195	$59,941	$61,739	$63,591	$65,499	$67,464	$69,488	$71,573	$73,720
Planned Capital Improvements	$49,800	$62,312	$187,312	$168,312	$18,312	$0	$0	$0	$0	$0
Project Funds/Reserves	$140,000	$260,065	$224,158	$253,853	$414,867	$444,525	$456,211	$468,247	$480,644	$493,414
Total Reserves[3]	$140,000	$400,065	$624,223	$878,076	$1,292,943	$1,737,468	$2,193,679	$2,661,926	$3,142,570	$3,635,984

[2] Combined balances of Operating and Capital Fund
[3] If funds dedicated to projects/reserves go unspent

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Five Year Capital Improvement Plan

CAPITAL IMPROVEMENT PLAN

QLIFE

Priority	PROJECT DESCRIPTION	13-14	14-15	15-16	16-17	17-18
1	Utility Pole Audits. * Required 1 time every 10 years	$1,000				
2	Standardized Document location of Engineering/Technical Docs at City Hall	$5,000	$1,000	$1,000	$1,000	$1,000
3a	Pole line audits. *Every 5th year, to be performed by engineering vs technical management, thus higher cost	$8,800	$3,312	$3,312	$3,312	$3,312
3b	Tree Trimming. *Over time costs should go down.	$5,000	$3,000	$3,000	$3,000	$3,000
3c	Repairs from Pole line audit *Over time costs should go down.	$20,000	$15,000	$10,000	$10,000	$10,000
4	Tagging of Fiber Optic facilities	$10,000				
5	OSP/Insight splice Case Documentation	>	$40,000			
6	Downtown Metro Loop		>	$170,000		
7a	New Generator				$100,000	
7b	Annual Generator Maintenance				$1,000	$1,000
7c	Additional Co Lo Space				$50,000	
	Dry Hollow Bisector Project					TBD

This page for Adopting Resolution

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 #
May 13, 2013	Action Items 11, C	13-033

TO: City of The Dalles Budget Committee

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

DATE: April 26, 2013

ISSUE: Approval of Amendment to Distribution of Enterprise Zone Fee from Design, LLC

BACKGROUND: In 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 calls for Design, LLC to make an initial payment of $280,000 to the sponsors (the City and the County) on November 30, 2005; and an additional $250,000 for each year that the facility receives a tax exemption up to 15 years. Currently, we have received six additional payments with the possibility of receiving nine 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."*

For the last six payments the distribution has been as follows:

Columbia Gorge Community College Information Technology Program	$100,000
QualityLife Intergovernmental Agency	$ 50,000
Wasco County Economic Development	$ 75,000
Project related costs to Wasco County	$ 25,000

- Columbia Gorge Community College has used these funds for general STEM (Science, Technology, Engineering, Math) Programs

- QLife has used these funds for retirement of the debt it obtained to build the fiber optic system that is benefiting the Google facility. QLife has sufficient anticipated resources to retire the last loan in two years (3 years early) without additional Enterprise Zone money.

- Wasco County has primarily used these funds for retaining economic development services from Mid-Columbia Economic Development District (MCEDD) and for assistance in retiring debt associated with the Discovery Center infrastructure

The City and County are currently considering a re-designation of the use of these fees. The attached "Exhibit B" is presented for Council consideration. The intent in the future is to review how these fees are distributed in January of each year, so that they can be placed in the appropriate budgets.

Benefit to the Google facility has been broadly interrupted; it was felt that most economic development and community development activities do have a benefit on the facility and its employees. At this time it is being recommended by City and County staff, in consultation with others, that the project list be amended as shown on the attached "Exhibit B".

BUDGET IMPLICATIONS: If approved this change would bring in an additional $55,000 to the City's budget. The budget committee adopted a proposed budget on April 30 that included these anticipated revenues.

COUNCIL ALTERNATIVES:

1. *Staff recommendation:* ***Approve the Amendment to Distribution of Enterprise Zone Fee from Design, LLC. as identified in the proposed "Exhibit B".***
2. Recommend some other distribution, and direct staff to negotiate the distribution with Wasco County representatives.
3. Postpone approving the amendment pending further research.

Enterprise Zone Fees

EXHIBIT B

PROPOSED 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	$ 45,000
e. Old Armory Site Redevelopment	$ 17,000
County Veteran's Service Officer Program	$ 41,000
TOTAL	$268,000**

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
** includes $18,000 in reserve from prior years

CITY of THE DALLES
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AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 13, 2013	Action Items 11, D	13-034

TO: Honorable Mayor and City Council

FROM: Nolan K. Young, City Manager ny

DATE: May 1, 2013

ISSUE: Consideration of a Compensation Package for Exempt Employees for Fiscal Year 2013-14

BACKGROUND: For compensation purposes, the City has four categories of employees:

1) Exempt employees (Dept Managers, Supervisors, Confidential Secretaries, Planning Staff);
2) Contract employees (City Manager, City Attorney, and Municipal Court Judge);
3) SEIU represented general employees; and
4) Police association employees.

For the last two categories, the City negotiates a labor contract. The SEIU employees will be in the last year of a three-year contract in FY 2013-14. They are scheduled to receive a 2% COLA on January 1, 2013. The City's insurance premium payment increase is capped at 8% in FY 2013-14 for SEIU employees. The Police Association contract for FY 2013-14 is still under negotiation. We have a 2% COLA on July 1, 2013 in the budget for this group.

The City has three contract employees; City Attorney, City Manager, and Municipal Court Judge. The City Council annually considers a COLA and/or salary adjustment for these three after their annual evaluations. Evaluations are scheduled for May 21, 2013. The City is currently paying for the full cost in insurance increases for the City Manager, and 85% dependent insurance pick up for the City Attorney. The FY 2013-14 Budget has a 2% increase in it for the City Attorney and City Manager, and a 5% increase for the Municipal Court Judge.

Annually, the City Council also considers cost of living adjustment (COLA) or other salary adjustments for exempt employees. The exempt group has typically lagged behind salaries in comparable cities.

The annual Consumer Price Index (CPI) increase for 2012 is 2.1%. We are recommending a 2% COLA on July 1, 2013 for exempt employees. Funds are available in the budget for this increase. This amount is 95% of the CPI increase for 2012.

Insurance Cost Share: A couple of years ago, the City Council expressed a desire to have the employees pick up more of the insurance cost. In line with this desire, we recommend that we follow the 8% maximum increase of the City contribution toward the cost of monthly insurance premiums given to the SEUI employees.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation:** Approve an exempt employee compensation package for FY 2013-14 that includes: A 2% COLA effective July 1, 2013, and increases the City's contribution toward an employee's insurance premium no more than 8%.

2. Postpone action on the exempt employee COLA or salary adjustment to allow for further research or until the negotiations are completed with the Police Association.

3. Approve some other exempt employee COLA and/or salary adjustments.

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

AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 13, 2013	Discussion Items 12, A	13-026

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

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

DATE: April 8, 2013

ISSUE: Discussion related to Wastewater System Development Charges.

CITY COUNCIL GOALS: NA

BACKGROUND: Over the course of the last year, City staff worked with Carollo Engineers to update the City's Wastewater Facility Master Plan. On November 26, 2012 Council was presented with information by Carollo Engineers summarizing the findings of the new Master Plan including an updated Capital Improvement Plan (CIP) and associated financial analyses. On December 10, 2012 City Council adopted the updated Wastewater Facilities Capital Improvement Plan and on January 28, 2013 Council adopted a schedule of wastewater utility rate increases necessary to support operations, maintenance and implementation of the CIP. The consideration of any changes to the City's Wastewater System Development Charges (SDCs) was postponed to allow time for the required notifications which have now been provided.

SDCs are one-time fees that are collected at the time of development. They provide a funding mechanism whereby community growth and development pay an amount up to their fair share of the costs of new infrastructure needed to meet growth-related demands. SDCs can only be implemented through a rigorous methodology that justifies the costs of infrastructure capital projects and allocates those costs equitably to the growing community. They cannot be used to fund maintenance of existing systems. The methodology establishes the maximum allowable SDC; the City then has the opportunity to adopt any level of SDC up to the justified maximum, or to implement no SDC at all.

For review, the portions of the financial analysis presented to City Council on November 26, 2012 by Carollo's financial subconsultant FCS Group that related to SDCs is attached at the end of this report.

The City's current Wastewater SDC is $1789 per sewer unit. A single-family residence is one unit; larger users of the system are charged multiple units as provided in the City Fee Schedule. Of that SDC rate, $386 is designated as a Reimbursement Fee for existing capacity in the wastewater system available for use by new development and $1403 is the Improvement Fee contributing toward the costs of capital projects needed to increase capacity to accommodate growth. In 2006, when the current SDC of $1789/unit was adopted, the SDC methodology analysis indicated that the City could charge as much as $2064/unit.

The 2012 updated SDC methodology report indicated that the maximum Wastewater SDC that the City could charge based upon a detailed analysis of the current capacity of the existing system and the newly adopted CIP is $2572/unit. If the full SDC were adopted, it was estimated in the financial analysis that an additional $40,000 per year would be generated for capital projects at current community growth rates. As the economy continues to recover and growth rates increase, more SDC revenue would be generated.

One of the challenges of setting SDCs is striking a balance between having new development pay for its share of new infrastructure while not having SDCs so high that they provide a disincentive to growth. Without SDCs, existing customers of the system pay for the infrastructure needed to support new development. One of the comments that Council heard from the public during the wastewater utility rate hearing on January 14, 2013 was that some people felt development should have to pay its share of new infrastructure costs. Establishing SDCs at the maximum level that can be justified provides assurance to the existing customer base that development is paying its way.

Historically, the City has not implemented the maximum SDCs allowed. The current Water SDC is 80% of the allowable maximum calculated in 2006. The Transportation and Stormwater SDCs are 19% and 33% respectively of their maximum rates, both calculated in 2007. The current Wastewater SDC is 87% of the 2002 calculated maximum and 70% of the new potential rate. These lower rates were adopted in an effort to keep the City competitive with other communities in attracting new businesses and industry. Information developed in 2010 indicated that the City was below the average level for total SDC costs compared to other cities of similar size in Oregon. The table provided on page 12 of the FCS Group presentation at the end of this report shows that The Dalles would be near the middle of the range of total SDCs assessed if the new maximum Wastewater SDC was adopted.

For the December 10, 2012 meeting, Council had asked for information related to different Wastewater SDC levels as they would have been applied to several recent developments. The following is a summary of four different potential SDC scenarios developed at that time. The first scenario reflects the current SDC rate. The second scenario reflects increasing the Wastewater SDC to the full amount that can be justified. The third scenario looks at raising the Wastewater SDC to a level halfway between the current rate and the maximum rate. And the fourth scenario looks at raising the Wastewater SDC to a level that matches our current Water SDC for a ¾" meter. For ease and consistency, all of the SDC scenarios presented below show the total Wastewater SDCs that would be assessed <u>before</u> any credits are applied for job creation; six of the examples listed below received a 1% reduction in SDCs for each new full time job created.

Development	Number of Units	Current SDC $1789/unit	Max SDC $2572/unit	Mid SDC $2180/unit	"Water" SDC $2317/unit
Veterans Home Addition	2	$ 3,578.00	$ 5,144.00	$ 4,360.00	$ 4,634.00
LaClinica del Carino	15	$ 26,835.00	$ 38,580.00	$ 32,700.00	$ 34,755.00
Lone Pine Dialysis Center	7	$ 12,523.00	$ 18,004.00	$ 15,260.00	$ 16,219.00
Readiness Center	36	$ 64,404.00	$ 92,592.00	$ 78,480.00	$ 83,412.00
MCMC Wellness Facility-Clinic 1st fl	6	$ 10,734.00	$ 15,432.00	$ 13,080.00	$ 13,902.00
MCMC Wellness Facility-Bistro	5	$ 8,945.00	$ 12,860.00	$ 10,900.00	$ 11,585.00
MCMC Wellness Facility-Health Club	6	$ 10,734.00	$ 15,432.00	$ 13,080.00	$ 13,902.00
MCMC Wellness Facility-Clinic 2nd fl	9	$ 16,101.00	$ 23,148.00	$ 19,620.00	$ 20,853.00
MCMC Wellness Facility-Clinic 3rd fl	14	$ 25,046.00	$ 36,008.00	$ 30,520.00	$ 32,438.00
Cousins Motel Expansion	2	$ 3,578.00	$ 5,144.00	$ 4,360.00	$ 4,634.00
Metro Car Wash	6	$ 10,734.00	$ 15,432.00	$ 13,080.00	$ 13,902.00

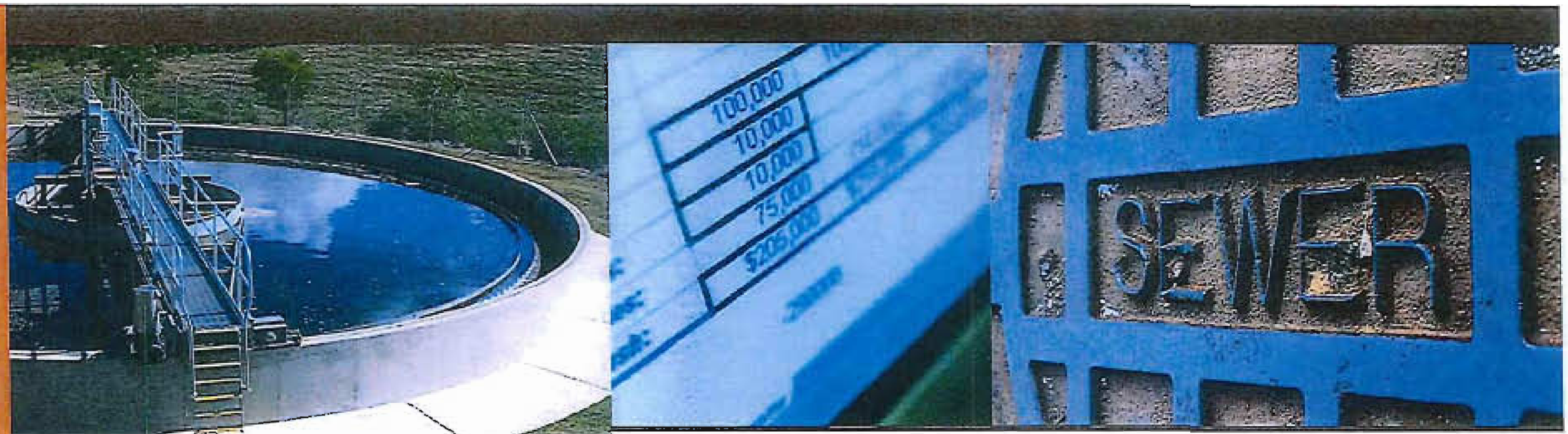
Also attached to this report is a spreadsheet summarizing SDC data for a single-family residence from around the state. Much of this data was collected in 2007 and updated in 2010. Many of these cities have likely increased their SDCs since that time, for inflation if not for updated master plans and CIPs. The information in the table above shows that 2-3 years ago SDC rates in The Dalles were below the average of those similar-sized cities that responded to our surveys.

This issue is being presented to provide an opportunity for the Council to consider whether adjustments to the Wastewater SDC are warranted at this time. While staff is recommending that the SDC rate not be reduced, we are not providing any recommendation about whether or how much to increase the Wastewater SDC. If the Council desires to change the Wastewater SDC rate, staff will bring a draft resolution back for Council's consideration and schedule a public hearing related to the proposed changes.

BUDGET IMPLICATIONS: None at this time.

RECOMMENDATIONS:

1. Staff Recommendation: None – Discussion Item only.



City of The Dalles, Oregon

Wastewater Plan: Financial Element

City Council Meeting

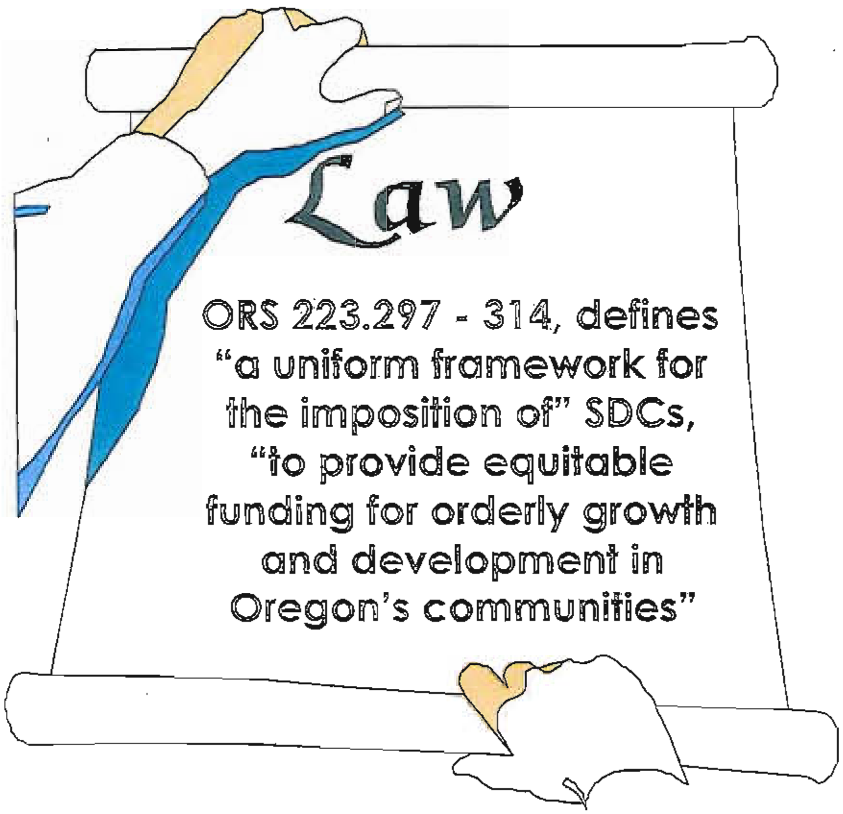
John Ghilarducci

November 26, 2012

FCS GROUP

4380 SW Macadam Avenue, Suite 220, Portland, OR 97239 ■ 503-841-6543

SDC Background



Key Characteristics

1. SDCs are one-time charges, not ongoing rates.
2. SDCs are for capital only, in both their calculation and in their use.
3. Properties which are already developed do not pay SDCs unless they "redevelop".
4. SDCs include both future and existing cost components.
5. SDCs are for general facilities, not "local" facilities.

SDC Methodology

Reimbursement Fee

Eligible cost or value of unused capacity in existing facilities

÷

Growth in system capacity demand

+

Improvement Fee

Eligible cost of planned capacity increasing facilities

÷

Growth in system capacity demand

=

System Development Charge

$

per unit of capacity

SDC Calculation Summary

SDC Components

Description	Amount
Reimbursement fee	$ 343
Improvement fee	2,305
Adjustment	(76)
Total fee per customer unit	$ 2,572
Current wastewater SDC	$ 1,789

Comparable SDCs

SDCs per Single-Family Residence

City	Water	Wastewater	Stormwater	Transportation	Parks	Total
Estacada	$3,730	$ 3,206	$ 853	$ 2,025	$2,104	$11,918
Madras	$ 771	$ 4,634	$ 193	$ 3,240	$1,639	$10,477
Hood River	$3,883	$ 1,508	$ 650	$ 705	$1,733	$ 8,479
The Dalles, potential	$2,317	$ 2,572	$ 342	$ 1,500	$1,552	$ 8,283
The Dalles, existing	$2,317	$ 1,789	$ 342	$ 1,500	$1,552	$ 7,500
Sandy	$1,525	$ 1,834		$ 1,943	$2,000	$ 7,302

Source: League of Oregon Cities (2010), City websites and staff

City of The Dalles
SDC Survey

February 2007

Cities	Population	Water	Sewer	Storm	Transportation	Parks	Total
Cities with populations 6,000 to 21,000:							
Canby	14,705	$2,630	$2,235	$80	$2,267	$4,725	$11,937
Central Point	21,000	$4,000	$1,212	$409	$4,177	$3,049	$12,847
Cornelius	10,785	$2,246	$1,000	$0	$3,020	$2,143	$8,409
Cottage Grove[2]	9,275	$456	$684	$1,255	$775	$239	$3,409
Gladstone	12,210	$1,448	$216	$0	$1,169	$0	$2,833
Hermiston	15,025	$1,404	$678	$0	$0	$0	$2,082
Hood River[4]	6,452	$3,883	$1,508	$0	$705	$1,733	$7,829
Klamath Falls[4]	20,400	$3,402	$1,955	$0	$0	$1,103	$6,460
Monmouth	9,125	$1,413	$2,753	$228	$394	$1,484	$6,272
Newberg	20,565	$3,533	$1,469	$258	$2,388	$1,471	$9,119
Pendleton[1]	17,310	$350	$350	$0	$350	$138	$1,188
Redmond[4]	20,010	$3,698	$4,346	$0	$2,877	$834	$11,755
Sherwood[4]	14,940	$6,203	$2,700	$593	$3,628	$6,661	$19,785
St. Helens[4]	11,795	$3,255	$1,406	$690	$3,081	$814	$9,246
Troutdale	15,110	$1,148	$4,426	$1,022	$723	$3,600	$10,919
Wilsonville	16,500	$4,345	$4,068	$482	$3,082	$2,451	$14,428
The Dalles-current	12,500	$2,317	$1,789	$342	$1,500	$1,552	$7,500
The Dalles-potential	12,500	$2,896	$2,572	$1,031	$7,818	$1,552	$15,869
Average:	14,571	$2,690	$1,929	$315	$1,773	$1,882	$8,589
Max:	21,000	$6,203	$4,426	$1,255	$4,177	$6,661	$19,785
Min:	6,452	$350	$216	$0	$0	$0	$1,188
Percentile Rank-current:	34%	41%	58%	64%	49%	55%	38%
Percentile Rank-pot'l:		50%	71%	94%	100%	55%	95%
Cities with populations above 20,000:							
Corvallis[2,6]	53,165	975	2,926	228	3,197	4,893	$12,219
Grants Pass[3]	26,085	2,597	2,540	412	526	1,288	$7,363
Gresham	95,900	3,917	4,770	777	2,636	3,185	$15,285
McMinnville[5]	30,215	0	2,808	0	2,117	2,072	$6,997
Woodburn	22,605	2,085	2,977	330	3,286	1,448	$10,126
Average:	45,594	$1,915	$3,204	$349	$2,352	$2,577	$10,398
Max:	95,900	$3,917	$4,770	$777	$3,286	$4,893	$15,285
Min:	22,605	$0	$2,540	$0	$526	$1,288	$6,997
Percentile Rank-current:		61%	0%	0%	0%	0%	0%
Percentile Rank-pot'l:		81%	0%	75%	100%	100%	80%

Notes:
1. SDC of $1050 includes water, sewer, and transportation.
2. Assumes 2 bathroom house w/ dishwasher and laundry facilities.
3. Water SDC is average of two SDCs for different pressure zones.
4. Includes SDC and connection fee for water and sewer.
5. For Transportation SDC, assumed 14.5 trip ends per single family residence like The Dalles.

Percentile Rank indicates the percentage of utilities with SDCs lower than The Dalles at both current and maximum potential levels.