

AGENDA

REGULAR CITY COUNCIL MEETING

June 13, 2011

5:30 p.m.

CITY HALL COUNCIL CHAMBER

313 COURT STREET

THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
6. AUDIENCE PARTICIPATION

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

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

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

- A. Approval of May 23, 2011 Regular City Council Meeting Minutes

OFFICE OF THE CITY MANAGER

COUNCIL AGENDA

- B. Resolution No. 11-019 Concurring With the Mayor's Appointment of Mike Kilkenny to the Traffic Safety Commission
- C. Approval to Declare Library Telephones as Surplus Property and Donate to Home at Last Humane Society
- D. Approval to Declare Police Department Equipment as Surplus Property
- E. Resolution No. 11-017 Continuing the Use of Public Works Reserve Fund, Street/Bridge Replacement Fund, Unemployment Fund, Water Special Reserve Fund, Sewer Special Reserve Fund and Sewer Plant Construction/Debt Service Reserve Fund

11. PUBLIC HEARINGS

- A. Public Hearing to Receive Testimony Regarding Proposed Uses of State Revenue Sharing **[Agenda Staff Report #11-047]**
 - 1. Resolution No. 11-015 Declaring the City's Intention to Receive State Revenue
- B. Public Hearing to Receive Testimony Regarding the Fiscal Year 2011-12 Budget and Changes Proposed by Staff **[Agenda Staff Report #11-052]**
- C. Public Hearing to Receive Testimony Regarding Proposed Vacation of a Portion of Terrace Drive and East Terrace Drive **[Agenda Staff Report #11-049]**

12. CONTRACT REVIEW BOARD ACTIONS

- A. Award Contract for Fire Fuels Reduction Project Within The Dalles Municipal Watershed **[Agenda Staff Report #11-050]**
- B. Authorization for Purchase of a Used Radio Based Drive By Automated Meter Reading (AMR) System for the City's Water Meters **[Agenda Staff Report #11-051]**

13. ACTION ITEMS

- A. Approval for Renewal of Insurance for Property, Liability and Worker's Compensation for the 2011-12 Fiscal Year **[Agenda Staff Report #11-055]**
- B. Resolution No. 11-018 Adopting Fiscal Management Policies for the City of The Dalles **[Agenda Staff Report #11-054]**

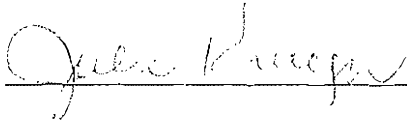
OFFICE OF THE CITY MANAGER

COUNCIL AGENDA

- C. Approval of Agreement With Northern Wasco County PUD for Use of Utility Poles for Downtown WiFi Project [**Agenda Staff Report #11-058**]
 - D. Approval of Exempt Employee Compensation Package for Fiscal Year 2011-12 [**Agenda Staff Report #11-057**]
 - E. Resolution No. 11-020 Implementing GASB 54 by Committing the Ending Fund Balances of the Special Assessments Fund and Capital Improvement Fund to Specific Purposes [**Agenda Staff Report #11-059**]
14. DISCUSSION ITEMS
- A. Discussion Regarding Oregon Main Street Program Participation [**Agenda Staff Report #11-048**]
15. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk





AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Consent Agenda 10, A - E	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk

THRU: Nolan K. Young, City Manager

DATE: May 31, 2011

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

A. ITEM: Approval of May 23, 2011 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the May 23, 2011 regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the May 23, 2011 regular City Council meeting.

B. ITEM: Resolution No. 11-019 Concurring With the Mayor's Appointment of Mike Kilkenny to the Traffic Safety Committee.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The Mayor has selected Mike Kilkenny for appointment to the Traffic Safety Commission.

RECOMMENDATION: That City Council adopt Resolution No. 11-019 concurring with the Mayor's appointment of Mike Kilkenny to the Traffic Safety Commission.

- C. **ITEM:** Approval to Declare Library Telephones as Surplus Property and Donate to Home at Last Humane Society.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The Library has four used Nortel T7208 telephones and one used Nortel T7316E telephone that are no longer of any use to the Library as they do not work with the current telephone system. Home at Last has submitted an application for surplus telephones to replace the borrowed telephones that are currently in use at the Shelter.

RECOMMENDATION: That City Council declare the telephones as surplus property and donate them to Home at Last Humane Society.

- D. **ITEM:** Approval to Declare Police Department Equipment as Surplus Property.

BUDGET IMPLICATIONS: The surplus equipment will be traded in for new equipment.

SYNOPSIS: The Police Department has developed a plan to trade all of the department's handguns to Glock, Inc. For new Generation 4 handguns, in a straight across trade. The list of handguns is on file in the City Clerk's Office.

RECOMMENDATION: That the City Council declare the handguns as surplus property and allow them to be traded for new handguns.

- E. **ITEM:** Resolution No. 11-017 Continuing the Use of the Public Works Reserve Fund, the Street/Bridge Replacement Fund, the Unemployment Fund, the Water Special Reserve Fund, the Sewer Special Reserve Fund, and the Sewer Plant Construction/Debt Service Reserve Fund.

BUDGET IMPLICATIONS: If Council chooses to adopt the proposed resolution, there will be no budget changes needed in either the current year or in the approved budget for next fiscal year. If the Council chooses to take no action to adopt this proposed resolution before June 30, 2011, the City would be in violation of Local Budget Law for

the current year (FY10/11) for using unauthorized reserve funds, and the approved budget for next year (FY11/12) would have to be amended to remove those funds prior to adoption of that budget.

SYNOPSIS: Oregon Local Budget Law defines the types of funds that a local government can choose to use. The choice of fund structure within those categories is a fiscal decision of the local government. A Reserve fund is a type of Special Revenue fund that, under Local Budget Law, is the appropriate way to save money from year to year. Reserve Funds are set up by the governing body by resolution or ordinance, and have a maximum life of ten years. At least every ten years, the governing body must review the fund to determine if it the use is obsolete and the fund should be abolished, or if the fund should be continued.

The City of The Dalles has six Reserve type funds that have inadvertently exceeded the ten year review period and should be formally continued as soon as possible. The majority of these funds were originally authorized or subsequently continued by Ordinance. However, resolutions are also an acceptable method of originating or continuing reserve funds, so Staff has proposed to continue these six funds by Resolution No. 11-017 at the June 13, 2011 Council meeting.

These funds are in use in the current fiscal year and are included in the budget for next fiscal year as approved by the Budget Committee, so the formal continuation of these funds by the City Council is necessary at this time. Since this action is of a “housekeeping” nature, we have included adoption of this proposed resolution in the Consent Agenda. If any Councilor wishes to discuss this issue in more depth, they may request the item be “pulled” from the Consent Agenda and be considered separately. If this item is pulled from the Consent Agenda, it will be placed on the Agenda at the end of the “Action Items” section for full consideration at that time.

The reserve funds proposed for continuation are as follows:

- A. Public Works Reserve Fund – to accumulate financial resources to pay for equipment, machinery and vehicles for the Public Works Departments: streets, water and sewer operations.
- B. Street/Bridge Replacement Fund – to accumulate financial resources to pay for upgrade and expansion of the street systems.
- C. Unemployment Fund – to accumulate financial resources to pay the City’s obligations under ORS 657.505.
- D. Water Special Reserve Fund – to accumulate financial resources to pay for upgrade and expansion of the water systems, and related debt service.
- E. Sewer Special Reserve Fund – to accumulate financial resources to pay for upgrade and expansion of the sanitary sewer and storm water systems, and related debt service.

- F. Sewer Plant Construction/Debt Service Reserve Fund – to accumulate financial resources to pay for upgrade and expansion of the Sewer Treatment Plant and pump stations, and related debt service.

RECOMMENDATION: Adopt Resolution No. 11-017 continuing the use of the Public Works Reserve Fund, the Street/Bridge Replacement Fund, Unemployment Fund, Water Special Reserve Fund, Sewer Special Reserve Fund, and Sewer Plant Construction/Debt Service Reserve Fund.

MINUTES

REGULAR COUNCIL MEETING
OF
MAY 23, 2011
5:30 P.M.
CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Brian Ahier, Tim McGlothlin

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Community Development Director Dan Durow, Senior Planner Dick Gassman, Police Chief Jay Waterbury, Engineer Dale McCabe, Administrative Intern Will Norris

CALL TO ORDER

Mayor Wilcox called the meeting to order at 5:34 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; Spatz in attendance by telephone; Ahier absent.

PLEDGE OF ALLEGIANCE

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

MINUTES (Continued)
Regular Council Meeting
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APPROVAL OF AGENDA

Mayor Wilcox asked the City Council to approve adding an Action Item to authorize the City Manager to sign an agreement with US Forest Service for work on the Dog River Pipeline project and an Executive Session in accordance with ORS 192.660 (2) (h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. He said Action Item 12, C regarding the agreement with PUD for the WiFi project would be removed from the agenda because the agreement was not finalized yet.

It was moved by Wood and seconded by McGlothlin to approve the agenda as amended. The motion carried unanimously, Ahier absent.

PRESENTATIONS/PROCLAMATIONS

Report from Tree Policy Committee

Senior Planner Gassman introduced Committee Member John Rockwell, who reviewed the recommendations of the Committee.

Mayor Wilcox thanked the Committee for their work.

There was discussion regarding the types of trees that were approved to be planted and an expectation that the list be updated by someone with expertise. There was discussion regarding the need to look at the current ordinance and include more specific language regarding criteria for approving the planting or removal of trees.

Councilor Ahier in attendance at 5:55 p.m.

It was moved by Wood and seconded by Dick to accept the report of the Committee and to direct staff to continue working with the Committee to address issues identified in the report. The motion carried unanimously; Ahier abstaining.

AUDIENCE PARTICIPATION

April Moore, John L. Scott Real Estate, 3206 West Sixth Street, The Dalles, addressed the Council regarding a request to place temporary open house signs in City right of way. She said it was a very effective way to provide directions to homes she was selling. Moore said other cities in the Columbia Gorge allowed it and provided an example from the City of White Salmon, Washington. She asked for a variance to the current ordinance to allow her to place the signs.

MINUTES (Continued)
Regular Council Meeting
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Councilor Dick said signs in City right of way could be very distracting and even dangerous to drivers and said he especially would be opposed to allowing them in the round about.

City Manager Young said he had been asked for a variance by Ms. Moore and did not feel comfortable with granting the request because of previous Council discussions where the City Council was opposed to any signs in the right of way.

Ms. Moore requested a letter from the City denying her request to place signs in the right of way. It was the consensus of the City Council to direct the issue to the Planning Commission for further review and a recommendation.

Ken Allmer, 2119 East 16th Street, The Dalles, said he had worked for the Oregon Department of Transportation for many years and the State never allowed signs to be placed in the right of way.

Dennis Kramer, 2303 East 16th Street, The Dalles, said he had worked for Wasco County and they also never allowed signs to be placed in right of way. Mr. Kramer asked for an update on the Thompson Street improvement project.

City Manager Young said it was a Council goal to pursue the East 19th Street extension and Thompson Street improvements. He said staff would be working on the project and meeting with property owners in late summer.

Mr. Kramer said he hoped the City would consider providing access from the Oakwood Subdivision to 14th Street, saying there was no easy way to leave that subdivision, heading to the downtown area.

CITY MANAGER REPORT

City Manager Young introduced Administrative Intern Will Norris and said he would be working on several projects, including a water rates study, census information and grants for The Dalles Dam tours.

Young reminded the Council that a Town Hall meeting had been scheduled for June 6, 5:30 p.m. at the Senior Center. He said two topics had been identified; updated regarding the Granada Block Development and comments regarding control of dangerous animals. He asked if there were any other specific topics the Council wanted to add to the agenda. No additional topics were added.

CITY ATTORNEY REPORT

City Attorney Parker said the new towing contract would soon be in place and he was working with the Police Department on some policy changes regarding towing.

CITY COUNCIL REPORTS

Councilor Wood reported the next Historic Landmarks Commission meeting was scheduled for May 25.

Councilor McGlothlin reported on the recent Traffic Safety Commission meeting, saying they had heard an update on the 10th Street project, discussed a sidewalk request near Fort Dalles Museum, discussed parking at the intersection of East 12th and Oregon Streets, a concern about faded striping on Trevitt Street, and a possible update to the Bicycle Plan. He said there was a new member, Jaime Van Den Bosch.

Councilor Ahier said the Council of Governments meeting was scheduled for May 24.

Councilor Spatz said community members were currently attending a wind energy conference and had made several contacts with companies regarding locating in our area.

Mayor Wilcox said he had met with the new Community Solutions staff person and discussed industrial land issues. He said he was proud to attend an Armed Forces Celebration last Saturday and reminded the Council there would be a special meeting on June 8th to complete the performance evaluations for the City Manager, City Attorney and Municipal Judge.

CONSENT AGENDA

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

The item approved by Consent Agenda was: approval of the May 9, 2011 regular City Council meeting minutes.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding Declaration of the 19th Street Reservoir and Associated Real Property as Surplus

Mayor Wilcox reviewed the procedures to be followed for the public hearing.

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Public Works Director Anderson reviewed the staff report.

Testimony

Hearing no testimony, the public hearing was closed.

Resolution No. 11-014 Declaring a Parcel of Real Property and Associated Reservoir Commonly Known as the 19th Street Reservoir Property as Surplus Property

It was moved by Wood and seconded by Ahier to adopt Resolution No. 11-014 declaring a parcel of real property and associated reservoir commonly known as the 19th Street Reservoir property as surplus property. The motion carried unanimously.

ACTION ITEMS

General Ordinance No. 11-1312 Amending the City of The Dalles Comprehensive Land Use Plan, Updated January 2006

City Attorney Parker reviewed the staff report. Community Development Director Durow noted that all documents pertaining to the ordinance were present for review. City Manager Young asked the City Attorney if minor text amendments could be made at this time. City Attorney Parker said it would be acceptable to make some minor amendments and still adopt the ordinance.

Mayor Wilcox outlined the amendments he wanted to be included in the Comprehensive Plan as follows:

Page 27, Goal 9, remove the reference to the mind and body center because it has already been completed.

Page 29 regarding having adequate industrial lands for development through the year 2026 be linked with a later reference regarding wetlands in industrial zones. Wilcox said the statements needed to be attached to each other.

Page 35, remove the reference to Dallesport lands. Wilcox said Dallesport lands should not be included as land available to the City for development as it is not located within the City or the State. Community Development Director Durow said the finding stated that consideration of developable land in Dallesport was not viable and said the finding would help in dealing with Gorge Commission issues in the future. City Manager Young suggested language be added to the finding to state why it would not be viable.

MINUTES (Continued)
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Page 36, third bullet, Wilcox asked that the wetlands language be added to the stated language.

Councilor Ahier said there needed to be balance between the wetlands concerns and available land within the Urban Growth Boundary. Public Works Director Anderson said the availability of the industrial land for development was also linked to the ability to maintain the Columbia River water right in the future.

Mayor Wilcox asked for clarification of the commercial uses in industrial zones that was stated on page 37. City Manager Young provided an example that a restaurant may want to locate in the zone to provide a service to the companies who have employees in the area. He said the commercial uses would have to complement other uses.

It was moved by Ahier and seconded by McGlothlin to approve the changes proposed. The motion carried unanimously.

City Attorney Parker read General Ordinance No. 11-1312 in full.

It was moved by Ahier and seconded by McGlothlin to approve the first reading of General Ordinance No. 11-1312. The motion carried unanimously.

Mayor Wilcox said if the ordinance was adopted, he would not sign it. He said he did not believe the Council had enough time to thoroughly review all the information before adopting the ordinance.

City Attorney Parker read General Ordinance No. 11-1312 by title.

It was moved by Wood and seconded by Dick to adopt General Ordinance No. 11-1312 amending the City of The Dalles Comprehensive Land Use Plan, updated January 2006, by title.

Councilor Ahier said he also felt the process had been rushed, but that the Council should trust the Planning Commission and staff. He said he would support the adoption of the ordinance and would sign the ordinance as Mayor pro-tem.

The motion to adopt General Ordinance No. 11-1312 amending the City of The Dalles Comprehensive Land Use Plan, updated January 2006, by title was voted on and carried unanimously.

Approval of Fiscal Year 2011-12 QLife Agency Budget

City Manager Young reviewed the staff report.

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It was moved by Wood and seconded by Spatz to approve the 2011-12 QLife Agency Budget and Work Scope as presented. The motion carried unanimously.

Resolution No. 11-013 Declaring the Necessity and Intent to Acquire Easements and Right of Way from Certain Described Real Property, Authorizing the Oregon State Department of Transportation to Negotiate for its Acquisition

Community Development Director Durow reviewed the staff report.

It was moved by Dick and seconded by Wood to adopt Resolution No. 11-013 declaring the necessity and intent to acquire easements and right of way from certain described real property, authorizing the Oregon State Department of Transportation to negotiate for its acquisition. The motion carried unanimously.

Approval of Agreement With US Forest Service to Conduct Environmental and Engineering Analysis Related to Proposed Replacement of Dog River Pipeline

Public Works Director Anderson reviewed the staff report. He noted the actual cost information had been received after the completion of the staff report, so the amount was \$53,853.

It was moved by Wood and seconded by Ahier to authorize the City Manager to sign a Collection Agreement with the US Forest Service in the amount of \$53,853 for work related to permitting the Dog River Diversion Pipeline replacement project. The motion carried unanimously.

EXECUTIVE SESSION

Mayor Wilcox recessed the meeting to Executive Session at 7:38 p.m. in accordance with ORS 192.660 (2) (e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions; and ORS 192.660 (2) (h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Reconvene to Open Session

The meeting reconvened to open session at 8:00 p.m.

DECISIONS FOLLOWING EXECUTIVE SESSION

None.

MINUTES (Continued)
Regular Council Meeting
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ADJOURNMENT

Being no further business, the meeting adjourned at 8:00 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

RESOLUTION NO. 11-019

**A RESOLUTION CONCURRING WITH THE MAYOR'S APPOINTMENT
OF MIKE KILKENNY TO TRAFFIC SAFETY COMMISSION**

WHEREAS, there is a vacancy on the Traffic Safety Commission; and

WHEREAS, Mayor Wilcox has selected Mike Kilkenny for appointment to the Traffic
Safety Commission;

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

Section 1. The City Council hereby concurs with the appointment of Mike Kilkenny to
the Traffic Safety Commission, term to expire April 30, 2014.

Section 2. This Resolution shall be effective June 13, 2011.

PASSED AND ADOPTED THIS 13th DAY OF JUNE, 2011

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

AND APPROVED BY THE MAYOR THIS 13th DAY OF JUNE, 2011

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

RESOLUTION NO. 11-017

A RESOLUTION CONTINUING THE USE OF THE PUBLIC WORKS RESERVE FUND, THE STREET/BRIDGE REPLACEMENT FUND, UNEMPLOYMENT FUND, THE WATER SPECIAL RESERVE FUND, THE SEWER SPECIAL RESERVE FUND, AND THE SEWER PLANT CONSTRUCTION/DEBT SERVICE RESERVE FUND

WHEREAS, under Oregon Local Budget Law, a “Reserve” fund is the appropriate way to save money from year to year; and

WHEREAS, ORS 294.525 allows for local governments to accumulate money for financing the cost of any service, project, property or equipment that the district can legally perform or acquire; and

WHEREAS, Local Budget Law requires that at least every ten (10) years after the establishment of a reserve fund, the governing body reviews the fund to decide if it should be continued or abolished; and

WHEREAS, the Reserve Funds listed in this Resolution were originally established by Ordinance, however, the City wishes now to continue those Reserve Funds by resolution; and

WHEREAS, money in a Reserve Fund can only be used for the purpose for which the fund was established or, if the governing body determines that the reserve fund should be abolished any un-expended or unobligated balance left in the fund can be transferred to any other fund designated by the governing body;

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

Section 1. The City Council hereby continues the following Reserve Funds for the purposes stated.

- A. **Public Works Reserve Fund** – to accumulate financial resources to pay for equipment, machinery and vehicles for the Public Works Departments: streets, water and sewer operations.
- B. **Street/Bridge Replacement Fund** – to accumulate financial resources to pay for upgrade and expansion of the street systems.
- C. **Unemployment Fund** – to accumulate financial resources to pay the City’s obligations under ORS 657.505.
- D. **Water Special Reserve Fund** – to accumulate financial resources to pay for upgrade and expansion of the water systems, and related debt service.
- E. **Sewer Special Reserve Fund** – to accumulate financial resources to pay for upgrade and expansion of the sanitary sewer and storm water systems, and related debt service.

F. **Sewer Plant Construction/Debt Service Reserve Fund** – to accumulate financial resources to pay for upgrade and expansion of the Sewer Treatment Plant and pump stations, and related debt service.

Section 2. This Resolution shall be effective upon adoption.

PASSED AND ADOPTED THIS 13th DAY OF JUNE, 2011

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

AND APPROVED BY THE MAYOR THIS 13th DAY OF JUNE, 2011

SIGNED:

ATTEST:

James L. Wilcox, 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 #
June 13, 2011	Public Hearings 11, A, 1	11-047

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

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

DATE: May 17, 2011

ISSUE: Public Hearing on Proposed Uses of State Revenue Sharing funds for FY11/12 and consideration of Resolution No. 11-015 declaring the City's election to receive State Revenues.

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

The City of The Dalles has traditionally used State Revenue Sharing funds to support activities in the General Fund. The Budget Committee held a Public Hearing on May 2, 2011, to consider possible uses of the funds, and then voted to recommend to the Council that they continue to use those funds to support the General Fund in FY11/12.

A Public Hearing on the proposed uses of State Revenue Sharing funds is scheduled before the City Council on June 13, 2011. The required Resolution (#11-015) electing to receive State Revenue Sharing funds in FY11/12 is included as an action item on the same agenda. The draft Resolution is not required to designate the uses of the funds, but only states the City's election to receive them.

BUDGET IMPLICATIONS: The proposed budget for FY11/12 already includes the anticipated State Revenue Sharing funds as General Fund revenue.

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to adopt Resolution No. 11-015 declaring the City's election to receive State revenues for Fiscal Year 2011/2012.*
- B. City Council could elect to not adopt Resolution No. 11-015, or could elect to assign the uses of State Revenue Sharing funds to a different purpose than proposed. Either decision would require changes to the proposed budget for FY11/12.

RESOLUTION NO. 11-015

**A RESOLUTION DECLARING THE CITY OF THE DALLES' ELECTION TO
RECEIVE STATE REVENUES FOR FISCAL YEAR 2010/2011**

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

WHEREAS, the City's Budget Committee held the required Public Hearing on May 2, 2011, to consider possible uses of State Revenue Sharing funds in FY11/12; and

WHEREAS, the City Council held the required Public Hearing on June 13, 2011, to consider the uses of State Revenue Sharing funds in FY11/12 as proposed by the Budget Committee and others;

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

Section 1. Election to Receive State Revenues in FY11/12. Pursuant to ORS 221.770, the City hereby elects to receive State Revenues for the Fiscal Year 2011/2012.

Section 2. Effective Date. This Resolution shall be considered effective as of July 1, 2011.

Section 3. Expiration Date. This Resolution shall expire upon receipt and acceptance of the Audit for FY11/12.

PASSED AND ADOPTED THIS 13th DAY OF JUNE, 2011

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 13th DAY OF JUNE, 2011

SIGNED:

ATTEST:

James L. Wilcox, Mayor

Julie Krueger, MMC, City Clerk

I certify that a Public Hearing before the City of The Dalles Budget Committee was held on May 2, 2011, and a Public Hearing was held before the City of The Dalles City Council on June 13, 2011, giving citizens an opportunity to comment on use of State Revenue Sharing.

CERTIFIED BY:

Julie Krueger, MMC, City Clerk

Resolution No. 11-015

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AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Public Hearings 11, B	11-047

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

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

DATE: May 27, 2011

ISSUE: Public Hearing to Receive Testimony Regarding the Approved 2011-2012 Fiscal Budget and Changes Proposed by Staff.

BACKGROUND: The City Budget Committee reviewed the proposed budget and approved the budget, with some changes, on May 3, 2011. The City Council will hold the required Public Hearing on June 13th. Oregon Budget Law allows a governing body, prior to final adoption, to make changes to a Fund approved by the Budget Committee in amounts up to \$5,000 or 10% of the operating portion of that Fund, whichever is greater. If the changes are greater than the limit allows, another Public Hearing must be held, with the required published notices, prior to adoption. One of the proposed changes shown below to the Street/Bridge Replacement Fund, exceeds that limit, so if the Council chooses to consider that item, another Public Hearing will be held on June 27th to hear testimony on that change. After that, the City budget can be adopted.

BUDGET IMPLICATIONS: Due to projects and expenditures that were expected to be completed in FY10/11, but will extend into FY11/12, staff recommends the following changes:

018 Special Grants Fund

	Description	Line Item #	Proposed Budget	Change	Amended Budget
Rev	Beginning Balance	018-0000-300.00-00	5,276,021	140,000	5,416,021
Exp	WiFi Capital Projects	018-4700-415.75-10	-	140,000	140,000

The approved budget did not contain any funds for the WiFi Project as it had been thought that project would be completed by June 30. It has been determined that most of the funds for this project will not be expended in FY10/11, so should be rolled over

005 Street Fund

	Description	Line Item #	Proposed Budget	Change	Amended Budget
Rev	Beginning Balance	005-0000-300.00-00	79,504	22,000	101,504
Exp	Street Construction Supplies	005-0500-431.60-87	310,108	22,000	332,108

To add \$22,000 to the beginning balance for FY11/12 from projects previously expected to be completed in June. 9th/Brewery Grade crosswalk \$12,000 + 20th/Fairview section repair \$7,000 + W 1st/Fast Auto section repair \$3,000.

013 Street/Bridge Replacement Fund

	Description	Line Item #	Proposed Budget	Change	Amended Budget
Rev	Beginning Balance	013-0000-300.00-00	482,207	230,000	712,207
Exp	Capital Projects	013-1400-431.75-10	487,581	230,000	717,581

To add \$230,000 to the beginning balance for FY11/12 from the 10th Street Widening Project that was previously expected to be completed in June. ***Since this change exceeds the 10% limit, it will require re-publishing the summaries and affected funds, and***

053 Water Reserve Fund Fund

	Description	Line Item #	Proposed Budget	Change	Amended Budget
Exp	Capital Projects	053-5300-510.75-10	552,636	(30,894)	521,742
Exp	SDWRL (ARRA) Principal	053-5300-51.79.30	170,000	(58,770)	111,230
Exp	SDWRL (ARRA) Interest	053-5300-510.79-40	-	89,664	89,664

To adjust principal and interest payments budgeted for repayment of the ARRA Loan. After the budget was approved staff received a more accurate estimated amortization table.

055 Wastewater Fund

	Description	Line Item #	Proposed Budget	Change	Amended Budget
Rev	Beginning Balance	055-0000-300.00-00	312,646	23,000	335,646
Exp	Buildings	055-5500-550.72.20	-	23,000	23,000

To add \$23,000 to the beginning balance for FY11/12 for the Building #2 enclosure project.

056 Sewer Special Reserve Fund

	Description	Line Item #	Proposed Budget	Change	Amended Budget
Rev	Beginning Balance	056-0000-300.00-00	1,318,172	25,000	1,343,172
Exp	Sewer Lines	056-5600-550.76-30	1,109,791	25,000	1,134,791

To add \$25,000 to the beginning balance for FY11/12 for repairs for the Jordan Street pipe bursting.

The proposed resolution included in this packet reflects all of the proposed changes, but cannot be adopted before the second Public Hearing on the proposed change to the Street/Bridge Construction Fund has taken place.

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to approve those proposed changes to the budget approved by the Budget Committee that are within the \$5,000 or 10% limit, and to hold a public hearing on June 27, 2011, on the proposed change to the Street/Bridge Replacement Fund that exceeds that limit.*
- B. City Council could elect to make more changes to the approved budget and direct staff to include those changes in the adopting resolution. If any such changes were to be greater than the limit allows, those could be included in the published notices and second Public Hearing on June 27th.
- C. Council could elect to make only those changes that do not exceed the \$5,000 or 10% limit and adopt the City budget with those changes at the June 13, 2011 Council meeting after the Hearing. However, while Supplemental budgets and budget amendments are to be used during the fiscal year for situations that were unknown at the time the original budget was adopted, any issues known at this time would not be legitimately eligible for such “fixes” later. This would put the 10th Street Widening project in jeopardy.



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481 ext. 1125
FAX: (541) 298-5490

AGENDA STAFF REPORT

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Public Hearing 11, C	11-049

TO: Honorable Mayor and City Council

FROM: Dick Gassman, Senior Planner
Community Development Department

THRU: Nolan Young, City Manager

DATE: June 13, 2011

ISSUE: Public Hearing on a Right-of-Way Vacation for portions of Terrace Drive
and East Terrace Drive

RELATED CITY COUNCIL GOAL: N/A

PREVIOUS AGENDA REPORT NUMBERS: 11-011- April 25, 2011

BACKGROUND: The City of The Dalles is requesting a partial street vacation for portions of Terrace Drive (Jefferson Street) and East Terrace Drive. Public Works has no objection to the requested vacation. This vacation is part of a land exchange with the adjoining property owner whereby the City obtains additional right-of-way in exchange for the vacation. An area map and a drawing showing the area of the requested vacation are attached.

At its April 25, 2011 meeting the City Council authorized staff to initiate a partial street vacation for the areas as indicated on the drawing.

NOTICE: Staff posted the site on May 23, 2011 and published notice in the Chronicle on May 22, 2011 and May 29, 2011. On May 23, 2011 staff sent notices to the surrounding property owners.

COMMENTS: As of the writing of this staff report, no comments had been received.

REVIEW: After closing the public hearing, the City Council shall approve, conditionally approve, modify or deny the proposed vacation. If approved, the Council shall make findings that substantiate all of the following:

1.”...if the vacation proceedings were initiated by motion of the City Council, a finding that owners of a majority of the area affected by the vacation have not objected in writing prior to the hearing;

Staff Finding 1. Section 7(A) of General Ordinance No. 99-1230 requires a finding that the owners of a majority of the area affected by the vacation have not objected in writing prior to the hearing. No objections had been received at the time of writing this staff report. The Council will need to determine if the owners of a majority of the area affected by the vacation have not objected to the proposed vacation.

2. Notice has been duly given;

Staff Finding 2. All property notices required by General Ordinance 99-1230 have been provided. The area to be vacated was posted on May 23, 2011, and notices were published in The Chronicle on May 22, 2011 and May 29, 2011. Individual notices to affected property owners were mailed on May 23, 2011.

3. The proposed vacation does not conflict with the City’s Comprehensive Plan or any other City Ordinance;

Staff Finding 3. No existing or potential access to adjoining properties will be affected. Goal 11 – Public Facilities and Services: The timely, orderly, and efficient arrangement of public utilities will not be affected.

4. The public interest will not be prejudiced by the vacation of public way;

Staff Finding 4. No public interests in this area will be harmed with the vacation request. There is sufficient remaining right of way to allow for normal vehicular traffic. No utilities are present in the right of way that is proposed to be vacated. The City is obtaining additional right-of-way on Terrace Drive, as indicated on the map.

5. If the vacation proceedings were initiated by motion of the City Council, a finding either that all abutting property owners have consented to the vacation, or that if the evidence shows the vacation will substantially diminish the market value of the abutting owner’s property, the City Council has made provision for paying damages.

Staff Finding 5. The vacation proceeding was initiated by a motion of the City Council at its April 25, 2011 session. Abutting property owners have not been asked to consent to the proposed vacation, but there is no evidence that the vacation will substantially diminish the market value of any property. In fact, the vacation will increase the market value of the abutting property. Access to the property will not be affected.

BUDGET IMPLICATIONS: The costs associated with the proposed partial street vacation are minimal; public notices and some staff time. If the right of way is ultimately vacated, Section 9 of General Ordinance 99-1230 provides “the cost of preparing, filing, and recording the ordinance and any map required to be filed with the ordinance shall be paid for by the petitioner. In this case since the petitioner is the City, the City will need to pay for these costs.

RECOMMENDATION: If the evidence presented by staff and gathered at the hearing supports all of the required findings, the City Council should adopt a motion approving a vacation of the public rights-of-way as described, and directing staff to prepare an ordinance for adoption to be presented at a future Council meeting.

MOTIONS:

A. Suggested Motion: *Move to approve the requested partial street vacation for a portion of Terrace Drive and a portion of East Terrace Drive, based on the findings of staff and City Council, and direct staff to prepare an ordinance for adoption at a future meeting, completing the vacation process.*

B. Alternative Motion: Move to deny the vacation request and direct staff to prepare a resolution setting forth the reasons for the denial.

REFERENCES:

- 1) PLAT OF SUNRISE ADDITION BY ROGER WILHELM RECORDED OCTOBER 2, 1945 SLIDE A-040
- 2) HOMER WALL SURVEYS:
WO X1087, February 1951 (LOT 12 SUNRISE ADD) C.S. #16-043
WO X1088, UNDATED (LOTS 9-11 SUNRISE ADD) C.S. #16-044
- 3) SURVEY OF JEFFERSON STREET R/W FOR CITY OF THE DALLES BY TENNESON ENGINEERING CORP. W.O. #10010, FILED JUNE 1, 2009 C.S. #16-045

CURVE	DELTA	RADIUS	ARC LENGTH	TANGENT	CHORD BEARING	CHORD LENGTH
C1	79°55'17"	12.00'	16.74'	10.06'	N 32°23'55" W	15.41'
C2	109°48'39"	12.00'	23.00'	17.08'	N 62°28'04" E	19.64'
C3	51°32'07"	35.50'	31.93'	17.14'	N 32°00'06" E	30.87'
C4	55°25'06"	35.50'	34.34'	18.65'	N 85°28'43" E	33.01'
C5	05°28'59"	399.50'	38.23'	19.13'	S 69°33'18" E	38.22'

WASCO COUNTY
SURVEYOR'S OFFICE

Survey No. _____
Filed _____
By _____



0' 10' 20' 40'
SCALE IN FEET

NOTES:

- 1) BASIS OF BEARING: BEARINGS BASED ON REFERENCE #3 BETWEEN FOUND MONUMENTS AS SHOWN.
- 2) MONUMENTS SET ON _____, 2010.

LINE	BEARING	DISTANCE
L1	N 24°13'06" E	0.72'
L2	N 17°38'27" E	15.00'

LEGEND:

- EXISTING FENCE LINE
- ADJUSTED PROPERTY LINE
- ORIGINAL PROPERTY LINE
- PROPERTY LINE

- ① SET 5/8" X 30" REBAR WITH YELLOW PLASTIC CAP, "HUFFMAN PLS 2786"
- ② FOUND 5/8" REBAR WITH YELLOW PLASTIC CAP, "HUFFMAN PLS 2786" PER REFERENCE #3.
- ③ CALCULATED CORNERS, NOT SET.
- ④ SET HUB & TACK.
- ⑤ SET P.K. NAIL OR AS NOTED.

NOTE: ALL OTHERS AS NOTED ON PLAN

NARRATIVE:

THE PURPOSE OF THIS SURVEY WAS TO ESTABLISH THE EXTERIOR BOUNDARY OF TAX LOT 1N-13-3CC 11900. THIS TAX LOT COMPRISES LOT 13 AND THE WESTERLY 5 FEET OF LOT 12 OF THE PLAT OF SUNRISE ADDITION. THE SURVEY ALSO SHOWS EXISTING STRUCTURAL IMPROVEMENTS ON THE PROPERTY. THE BOUNDARY RESOLUTION SHOWN HEREON IS IDENTICAL TO REFERENCE #3. THIS SURVEY ESTABLISHED THE STREET RIGHTS-OF-WAY, SUBDIVISION LOT LINES, PROPERTY LINES ALONG JEFFERSON STREET AND EAST TERRACE DRIVE WITHIN THIS AREA AND MONUMENTED THE SUBJECT PROPERTY. MONUMENTS WERE RECOVERED IN THIS SURVEY AS SHOWN. THE SUNRISE ADDITION PLAT WAS RESOLVED UTILIZING A COMBINATION OF FOUND PLAT MONUMENTS, RECORD MONUMENTS FROM SUBSEQUENT SURVEYS AND UTILIZING PLAT DISTANCE DATA. RESOLUTION IN THIS MANNER YIELDED DIMENSIONS CLOSE TO PLAT CALLS. WITH RESOLUTION OF THE BOUNDARY OF THE SUBJECT PROPERTY THE IMPROVEMENTS ON THE PROPERTY WERE TIED ALONG WITH RECONSTRUCTED JEFFERSON STREET. BASED UPON THE EXISTING ROADWAY AND LOT 1 IMPROVEMENTS A RIGHT OF WAY VACATION AND DEDICATION WAS NEGOTIATED BETWEEN THE CITY OF THE DALLES AND THE LANDOWNER WHICH IS SHOWN HEREON. MONUMENTS WERE SET AS SHOWN ON THE NEW RIGHT OF WAY LINE. SET MONUMENTS ARE 5/8" X 30" REBAR WITH YELLOW PLASTIC CAP INSCRIBED "HUFFMAN PLS 2786".

FOR REVIEW ONLY

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JANUARY 21, 1967
BRADLEY R. HUFFMAN
2786

EXPIRES: 06/30/2011

OFFICE COPY

Date	No.	Revisions	By	App.
SURVEY OF TAX LOT 1N-13-3CC 11900 FOR STANLEY MAYFIELD & CITY OF THE DALLES IN LOTS 12 AND 13, SUNRISE ADDITION IN THE SW1/4, SW1/4, SECTION 3, TWP. 1N., R. 13 E. W.M. THE DALLES, WASCO COUNTY, OREGON				
TENNESON ENGINEERING CORP. CONSULTING ENGINEERS 3318 W. 2ND STREET, Suite 100 THE DALLES, OREGON 97058 PH: (541) 298-9177 FAX 541-298-5657				
Survey	Calculator	Design	Date	Scale
B.R.H.	B.B.B.		8/23/2010	1"=20'
DRAWN	DATE	CHECKED & APP.	WORK ORDER NO.	SHEET
S.D.H.	13003adi		13003	1 of 1





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

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Contract Review Board 12, A	11-050

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

THRU: Nolan K. Young, City Manager

DATE: May 25, 2011

ISSUE: Award of Watershed Forest Fire Fuels Reduction Project contract

CITY COUNCIL GOALS: NA

BACKGROUND: The City applied for federal funding through the National Fire Plan to conduct fire fuels reduction work on City-owned lands within The Dalles Municipal Watershed in the 2006 and 2007 grant cycles. The City was awarded a grant of \$199,930 from the 2007 application. Since that time, staff has been working to finalize the "design" of the project and soliciting bids to conduct the work.

Several challenges have occurred since the award of the grant funds that have delayed implementation of the project. First, the timber consultant with whom the City had worked for over 20 years went out of business. Staff had to work with a new consultant, get him familiar with the Watershed, and essentially start over in the development of specifications for the fuels reduction project. Then the project was advertised for bid last summer and no bids were received. The project was re-advertised with a very broad and aggressive solicitation process last fall. However, early snows last fall prevented the necessary pre-bid field tours for the project from occurring as scheduled and the tours and bid opening were delayed until this spring. The City has applied for and received the only time extension that is available for the grant, allowing until September 2012 to complete all work.

This project will reduce the risk of catastrophic wildfires on City-owned lands within the Watershed by reducing accumulated fire fuels in selected areas. The project focuses on fuels reduction activities that would not be financially self-supporting such as thinning younger, small diameter trees, removing brush, and pruning ladder fuels (the lower limbs on larger trees up which fire can climb from the ground into the crowns of the trees). Work in other areas that can be accomplished as part of a commercially viable

timber sale has not been included in this project. The revenue from any timber that is sold as part of this project will help pay for the work being conducted and extend the number of acres that can be treated.

The costs for hauling merchantable timber to mills are identified as additional costs to the fuels reduction work.

In addition to reducing the risks to the City's water supply from catastrophic wildfire, the application submitted for the grant indicated that the City would strive to employ local workers and to beneficially utilize in the biomass (all the wood that is not of saw log quality including slash) generated in the project rather than just burning it on site. These two criteria, along with project understanding, work plan and price, were used to score proposals received.

In the end, two proposals were received for the project as follows:

Dodge Logging, Inc	\$193,769.00
Timbered Rangeland Management, Inc	\$310,800.00

Both proposers demonstrated a good understanding of the project and work plans sufficient to complete the project. Dodge Logging is a local family-owned business based in Pine Grove and would be employing all workers from Wasco County. They also plan to grind and haul most of the biomass from the project sites to be used as hog fuel. Timbered Rangeland Management is a company based in Montana and working out of Ellensburg, Washington. Their proposal anticipates using larger crews with supervisors and equipment operators from Ellensburg and truck drivers and laborers from the Wasco County area. Lastly, their proposal anticipated City crews burning all the slash on site.

The proposal from Dodge Logging Inc. allows the City to meet all the identified objectives of the project – fuels reduction, biomass utilization, and employment of local workers.

BUDGET IMPLICATIONS: Funding for the project is available as grant funds identified as \$200,000 revenue in the Water Fund, line 051-0000-331.90-00 and as \$250,000 for expenditure in line 051-5000-510.73-30. The \$50,000 budgeted for expenditure above the grant amount is the City's match for the grant and will be used to pay for contracted timber management services throughout the project. The proposal from Dodge Logging Inc. is within the funds budgeted for this project.

RECOMMENDATIONS:

1. Staff Recommendation: *Move to authorize the City Manager to enter into contract with Dodge Logging Inc. in the amount of \$193,769 for the Watershed Forest Fire Fuels Reduction project.*
2. Deny authorization to sign the Collection Agreement and provide additional direction to staff about how to proceed.



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

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Action Item 12, B	11-051

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

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

DATE: May 31, 2011

ISSUE: Authorize the purchase of a radio-based drive-by Automated Meter Reading (AMR) System for the City's water meters

CITY COUNCIL GOALS: NA

BACKGROUND: Currently, the City utilizing a touch-read water meter system to measure and bill for water used by customers each month. That process requires that employees use hand-held readers that must physically touch each water meter each month. It takes two Water Distribution Operators two weeks of every month to read all the meters in the system.

A newer and more efficient alternative to reading water meters is through the use of an automated meter reading (AMR) system. There are two types AMR systems – fixed base and drive-by. A fixed base system uses radios attached to each water meter in the system to download consumption information directly to a central receiving station whenever it is requested. It requires a central radio receiver system and may also involve local repeaters. A fixed base system is more expensive to set up initially but requires less labor long-term to operate. It also has the capability to present real-time water consumption data as needed. A drive-by system uses radios attached to each water meter and sends the information to a receiving unit in a vehicle that collects the information as the receiver is driven by the meters.

Last year staff completed a limited feasibility study of utilizing AMR systems. That feasibility study indicated that either type of AMR system would work for us. It is estimated that a fixed base system would require one person one day per month to perform all the re-reads and verifications needed; a

drive-by system is estimated to require one person two days per month to do all the required meter reading.

The City currently has an opportunity to purchase 4,300 used radios for a drive-by AMR system at a substantially reduced price. The radios were originally purchased and installed by the City of Bend as part of project to install a drive-by system. Last year, Bend was successful in getting stimulus funding to install a fixed-base system and removed the 5-6 year old drive-by radios they had installed. These meters still have 15-16 years of their original warranty. They sold all their radios to Roats Water District. Roats only needed a portion of the radios purchased and is offering to sell 4,300 radio units to the City as a significantly reduced price. These radios cost \$65 each new and we have an opportunity to purchase the used radios for \$24 each, a cost savings of \$176,300.

To implement a drive-by system, a new mobile reading system, maintenance agreement, and wire splice kits would also need to be purchased. In addition, our water distribution system has a total of 4,844 meters. To fully implement a drive-by system, 520 new radios would need to be purchased. The total cost of the implementing a drive-by system is broken down as follows:

4,300 used radios	\$103,200
520 new radios	\$ 33,800
Mobile reading system including 24 new radios	\$ 17,000
Annual software maintenance agreement	\$ 1,050
4,844 wire splice kits	\$ 9,688
Total cost	\$164,738

As an additional cost comparison, the cost to install a drive-by radio system manufactured by Sensus, the manufacturer of the water meters currently in our system, would be \$677,815.

The radios have been verified to work with all the different types of water meters that exist within our system and with our existing billing system. Staff has also verified that the remaining 14-15 years of warranty on the radios would be transferrable to the City. The radios are manufactured by Itron, a company based in Spokane, Washington. It is estimated that City crews could install and implement the system in less than a year. Once installed, utilization of the AMR system would free up nearly one full time employee (2 employees 2 weeks per month) to assist with the back log of water distribution projects.

BUDGET IMPLICATIONS: This project was not budgeted in either the current or upcoming fiscal years. It is currently estimated that the unspent balance in Fund 53, the Water Reserve Fund, for the current fiscal year will be \$1,553,872. The approved 2011-12 budget identifies \$552,636 for painting of the Soroasis Reservoir in budget line 053-5300-510.75-10. This money was budgeted as a place holder to build the funds needed since it is estimated that \$671,346 would be required for that project. If the AMR system is purchased, the amount budgeted toward the Soroasis Reservoir painting project could be reduced to \$387,898 in 2011-12 and we would still strive to complete that project in 2012-13.

RECOMMENDATIONS:

1. Staff Recommendation: *Move to authorize the purchase of 4,300 used AMR radios from Roats Water District in the amount of \$103,200, 520 new radios, a mobile reading system, and a maintenance agreement for \$51,850, and wire splice kits for \$9,688.*

2. Authorize the purchase of 4,300 used AMR radios from Roats Water District in the amount of \$103,200, a mobile reading system and a maintenance agreement for \$18,050, and wire splice kits for \$8,648, and delay the purchase of the 520 new radios needed to fully convert the water meter system to AMR.
3. Deny authorization to purchase a water meter AMR system at this time.



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

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

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Action Items 13, A	11-005

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

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

DATE: May 27, 2011

ISSUE: Insurance Renewals for FY11/12 - Report by Jerry Frazier, Oregon Trail Insurance, LLC

BACKGROUND: Jerry Frazier, Oregon Trail Insurance, LLC, the City's Agent of Record for Property, Auto, Liability, and Workers Compensation Insurance, will be presenting information to the Council on the renewal of those insurances for the upcoming fiscal year.

BUDGET IMPLICATIONS: The approved budget, which the Council will be considering for adoption at the June 14, 2010 Council meeting, contains sufficient funds for the renewal of these coverages.

ALTERNATIVES:

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



Oregon Trail Insurance, LLC

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

May 31, 2011

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

Re: CIS Insurance Renewal effective July 1, 2011

Dear Nolan:

In this letter I will briefly highlight some of the changes for this years policy renewal. Specific details are included in the Schedules for the various areas of coverage.

PREMIUM: The bottom line premium before applying the distribution credit is \$205,291; \$20 more than the current year.

DISTRIBUTION CREDIT: For City of The Dalles' participation during the years 2000 - 2002 the CIS Board of Directors authorized a premium credit of \$30,454.

WORKERS COMPENSATION: The renewal premium is not available on this date. The premium is certain to increase over the current year based on the increase in payroll and an increased Experience Modification Factor.

CIS CLAIMS STATUS: As of 5-31-2011 there had been 5 claims reported to CIS with total payments of \$15,034. Two of those claims remain in "open " status.

COVERAGE CHANGES:

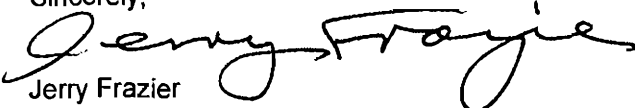
Cyber Liability coverage has been broadened to include:

- > Expenses for federal "Red Flag" identity theft claims
- > Costs associated with computer forensics to find security failures
- > Costs to retain consultants for reputation restoration
- > Credit monitoring expenses for affected individuals

The current \$50,000 limit with a \$5,000 deductible remains. Higher limits are available.

The attached Summary compares premiums, coverage limits, and credits for the various areas of coverage. The Schedules are also attached for detailed reference. I look forward to meeting with Council on June 27th.

Sincerely,


Jerry Frazier

Encl. (2)

CITY OF THE DALLES
Insurance Renewal Summary for July 1, 2011

	<u>2010 - 2011 Values/Deducts</u>	<u>2011 - 2012 Values/Deducts</u>	<u>2010 - 2011 Premiums</u>	<u>2011 - 2012 Premiums</u>	<u>Notes</u>
<u>PROPERTY</u>					
Buildings & Contents	\$88,664,372	\$90,245,137	\$75,675	\$78,388	Changes for 2011 renewal: Added Vista Reservoir Added Sorosis Pump Station Deleted 2nd Street Breezeway Deleted Hattenhauer Office Building
(Deductible)	\$5,000 Deduct	\$5,000 Deduct			
Scheduled Equipment	\$1,190,598	\$1,190,598	\$8,993	\$8,993	
(Deductible)	\$1,000 Deduct	\$1,000 Deduct			
<u>AUTOMOBILE FLEET</u>					
Auto Liability	\$5 Million	\$5 Million	\$15,948	\$17,664	In 2010: 91 vehicles; 74 with Physical Damage coverage
Auto Physical Damage	\$500 Deductible	\$500 Deductible	\$10,457	\$11,243	In 2011: 92 vehicles; 75 with Physical Damage coverage
<u>GENERAL LIABILITY</u>					
Includes Premises, Operations, Public Officials, Employment Practices	\$5 Million/Occurrence \$15 Million/Aggregate	\$5 Million/Occurrence \$15 Million/Aggregate	\$100,548	\$95,352	Based upon personal services payroll, water usage, materials and services costs, street/road miles, sewer line miles, # of paid and volunteer public safety personnel
<u>CIS PREMIUM after credits are applied</u>			\$181,773	\$174,837	Multi-Line Credit: \$6,349 2000/2002 Distribution Credit: \$30,454
<u>WORKERS COMPENSATION</u>					
Total Payroll	\$5,318,410	\$5,571,844	\$151,563	(not available)	
Employers Liability Limit	\$1 Million				
Experience Mod Factor	1.26	1.51			

Property/Liability Renewal Invoice



COPY

citycounty insurance services

Member

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

Agent

Oregon Trail Insurance
409 W 4th
The Dalles, OR 97058

Member Number	Effective Date	Termination Date	Invoice Date	Invoice Number
10212	7/1/2011	7/1/2012	5/25/2011	THD-I2011-00

Coverage	Initial Contribution
General Liability	\$95,352.49
Auto Liability	\$17,663.59
Liability Total	\$113,016.08
Auto Physical Damage	\$11,242.56
Property	\$87,381.16
Boiler and Machinery (Including Equipment Breakdown/Electrical Injury)	Included
Optional Excess Earthquake	\$0.00
Optional Excess Flood	\$0.00
Optional Excess Crime	\$0.00
Annual Contribution	\$211,639.79
Multi-Line Credit	(\$6,349.19)
Distribution Credit	(\$30,454.04)
*Total Due	\$174,836.56

Total Due includes Agent compensation of: \$21,163.98

*Balances due 45 days from invoice date and late fees will accrue thereafter.

Total Due	\$174,836.56
------------------	---------------------

Make Checks Payable To:
CityCounty Insurance Services
1212 Court St NE
Salem, OR 97301

CERTIFICATE OF COVERAGE

Agent

Oregon Trail Insurance

409 W 4th

The Dalles, OR 97058

This certificate is issued as a matter of information only and confers no rights upon the certificate holder other than those provided in the coverage document. This certificate does not amend, extend or alter the coverage afforded by the coverage documents listed herein.



citycounty insurance services

Named Member of Participant

City of The Dalles

313 Court St.

The Dalles, OR 97058

Companies Affording Coverage
COMPANY A - Citycounty Insurance Services (CIS)
COMPANY B - National Union Fire Insurance Company of Pitts, PA
COMPANY C - RSUI Indemnity
LINES OF COVERAGE

This is to certify that coverage documents listed herein have been issued to the Named Member herein for the Coverage period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the coverage afforded by the coverage documents listed herein is subject to all the terms, conditions and exclusions of such coverage documents.

Type of Coverage	Company Letter	Certificate Number	Effective Date	Termination Date	Coverage	Limit
General Liability	A	11LTHD	7/1/2011	7/1/2012	General Aggregate	\$15,000,000
X Commercial General Liability					Each Occurrence	\$5,000,000
X Public Officials Liability						
X Employment Practices						
X Occurrence						
Auto Liability	A	11LTHD	7/1/2011	7/1/2012	General Aggregate:	None
X Scheduled Autos					Each Occurrence:	\$5,000,000
X Hired Autos						
X Non-Owned Autos						
Auto Physical Damage	A	11APDTHD	7/1/2011	7/1/2012		
X Scheduled Autos						
X Hired Autos						
X Non-Owned Autos						
X Property	A	11PTHD	7/1/2011	7/1/2012		Per Filed Values
X Boiler and Machinery	A	11BTHD	7/1/2011	7/1/2012		Per Filed Values
Excess Crime						
Excess Earthquake						
Excess Flood						
Workers' Compensation						

Description:

Certificate Holder:

CANCELLATION: Should any of the coverage documents herein be cancelled before the expiration date thereof, CIS will provide 30 days written notice to the certificate holder named herein, but failure to mail such notice shall impose no obligation or liability of any kind upon CIS, its agents or representatives, or the issuer of this certificate.

By:

Date:

5/31/2011



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

(541) 296-5481
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AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Action Items 13, B	11-054

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

THRU: Nolan K. Young, City Manager

DATE: May 26, 2011

ISSUE: Resolution No. 11-018 Adopting Fiscal Management Policies for the City of The Dalles.

BACKGROUND: Over the years the City of The Dalles City Councils have adopted several fiscal management policies that include aspects of budgeting, revenue and expenditure management, and capital asset management. These have all been treated as individual policies and in some cases over the years have come to be in conflict with each other. We noted that during our Bond Rating review, comments were made that the City does not have formal investment and debt policies in place. While we follow the State regulations and don't technically need our own, it was suggested to me that we adopt our own, even if it just says we will comply with the State regulations. We currently have two Capital Asset Policies that are in conflict. And finally, the Government Accounting Standards Board Statement No. 51 (GASB 51) requires accounting for "Intangible Assets" that should be recognized in a policy, and GASB 54 requires the implementation of a new Fund Balance policy that will take effect with the fiscal year ending June 30, 2011, which is the current year.

Staff recognized the need to update and consolidate the City's Fiscal Management Policies over a year ago, and one of the Administrative Interns was assigned this task. The result was a very good start, but staff felt it needed more work. The new requirement to adopt a Fund Balance Policy made this the right time to pull all the fiscal policies into one document in order to avoid adopting another fiscal policy in a piecemeal manner.

The proposed Resolution No. 11-018 is a consolidation of fiscal policies already in place as separate policies, updates and clarifies where needed, includes statements that the City will follow the State Statutes for investments and debt policies, and includes the new policies addressing GASB 51 and GASB 54. This consolidation of fiscal policies will be much easier to add to or update as one document by resolution when necessary, which will eliminate the possibility of having conflicting policies in place.

The resolution also memorializes the authority of the City Manager “to develop, approve and change Administrative Policies as needed that reflect procedures and directives concerning financial management that support or clarify those approved by the City Council.”

BUDGET IMPLICATIONS: None.

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to adopt Resolution No. 11-018 Adopting Fiscal Management Policies for the City of The Dalles.*
- B. Council could choose to direct staff to prepare a resolution to adopt the GASB 54 Fund Balance policy separately. This would result in staff continuing to deal with a myriad of separate fiscal policies.
- C. Council could choose to take no action on this issue, which would result in an audit comment regarding non-compliance with GASB 54, and staff would continue to deal with a myriad of separate fiscal policies.

RESOLUTION NO. 11-018

**A RESOLUTION ADOPTING FISCAL MANAGEMENT
POLICIES FOR THE CITY OF THE DALLES**

WHEREAS, the City of The Dalles has several fiscal management policies that have been approved by the City Council over the years by separate actions, and now wishes to consolidate, update and clarify the City's Fiscal Management Policies into one document; and

WHEREAS, the Governmental Accounting Standards Board (GASB) Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" outlines the procedure for categorizing the different components of ending fund balances; and

WHEREAS, the City wishes to include the requirements of GASB 54 formally in the City's Fiscal Management Policies;

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

Section 1. The City Council hereby adopts the Fiscal Management Policies shown as Exhibit A to this Resolution. These policies supersede any prior policies adopted by the City Council which concern the same subject matter addressed by policies set forth in Exhibit A.

Section 2. The City Council hereby authorizes the City Manager to develop, approve and change Administrative Policies as needed that reflect procedures and directives concerning financial management that support or clarify the Fiscal Management Policies approved by the City Council.

Section 3. This Resolution shall be effective upon adoption.

PASSED AND ADOPTED THIS 13th DAY OF JUNE, 2011

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

AND APPROVED BY THE MAYOR THIS 13th DAY OF JUNE, 2011

SIGNED:

ATTEST:

James L. Wilcox, Mayor

Julie Krueger, MMC, City Clerk

City of The Dalles

Fiscal Management Policies



City of The Dalles

Fiscal Management Policies

Section 1. Purpose

The Finance Department has developed the following Fiscal Management Policies in an effort to fulfill its mission to provide accurate and timely financial information that will assist in the sound management of the City by the City Council and staff. These policies serve as a guide for both everyday and long-term, general financial management of the City.

Section 2. Fund Balance Policies

- A. Purpose:** The purpose of this policy is to outline the procedure for categorizing the different components of ending fund balance in conformity with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. In summary, the categories for fund balance consider “the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.”
- B. Fund Balance Definitions:** Accountants use the term “Fund Balance” to describe the difference between the assets and liabilities reported in a governmental fund. A financial reporting unit (i.e. business, proprietary fund, fiduciary fund) reports all related assets and all related liabilities. The difference between the two is called “Net Assets” and might be described as a measure of net worth. Because governmental funds report only a subset of related assets (i.e. financial assets) and liabilities (i.e. those normally expected to be liquidated with current financial resource), the difference between the two is more of a measure of liquidity than of net worth. Accountants underscore this distinction by using the term “Fund Balance” in government funds, rather than the term “net assets” employed elsewhere. As an approximate measure of liquidity, fund balance is similar to the working capital of a private-sector business.
- C. Fund Balance Categories:** The components of fund balance will be categorized into one of the five following categories:
 - 1. Non-Spendable Fund Balance** (inherently non-spendable) – A portion of net resources that cannot be spent because of their form and/or cannot be spent because they must be maintained intact. Examples include:
 - a. Pre-paid items
 - b. Inventories of supplies
 - c. Long-term portion of loans receivable
 - d. Financial assets held for resale, such as foreclosed properties
 - e. Principal of an endowment
 - f. Capital of a revolving loan fund
 - 2. Restricted Fund Balance** (externally enforceable limitations on use) – Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments. Limitations may also be imposed by law through constitutional provisions or enabling legislation. Examples include:
 - a. Specific purpose grants
 - b. State Gas Tax funds

- c. Restriction from other governments through laws and regulations
- d. Creditors through debt covenants
- e. Contributors for specific purposes
- f. Public, Educational and Governmental fees

3. Committed fund balance (self-imposed limitations set in place prior to the end of the period by highest level of decision making – City Council/ Board of Directors) – Limitations are imposed at the highest level of decision making (recommended to be in the form of a resolution) that requires formal action at the same level to remove. Examples include:

- a. City Council decision to commit a portion of the Natural Gas franchise fess to provide multi-frontage lot relief for construction and installation of public improvements for residential local improvement districts.
- b. Stabilization arrangements (rainy day funds)

4. Assigned fund balance (limitation resulting from intended use) – The City Council/ Board of Directors has delegated decision making authority to the City Manager/Budget Officer for “assigning” this category of fund balances. Less formality is necessary in the case of assigned fund balance. Examples include:

- a. City Manager/Budget Officer assigns the amount used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year’s budget.
- b. City Manager/Budget Officer is responsible for insuring that unappropriated ending fund balance, along with other cash carry forward, is adequate to fund operations until tax revenue is available in November each year.
- c. The City will consider all amounts as budgeted to be designated as “assigned”, unless amounts are otherwise committed in the form of resolution or restricted if it meets the limitations discussed above. Any balances that are budgeted as unappropriated will be considered by the City to be “unassigned”.

5. Unassigned fund balance (residual net resources) – For the General Fund this classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. Total fund balance in the General Fund in excess of other categories (surplus). In funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance (deficit).

D. Order of Spending Resources: When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and the unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources are available for use, it is the City’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

Section 3. Annual Budget Policies:

- A. Budget Preparation:** The City Manager/Budget Officer will prepare and present a balanced, proposed annual operating budget with the participation of all departments and in accordance with Oregon Local Budget Law.
- B. Approval and Adoption of Budget:** The City Council and Budget Committee will adopt and amend the operating budget in accordance with Oregon Local Budget Law.
- C. Support of Council Goals:** The operating budget will support the City Council's goals and long-range plans, as well as the needs of the community.
- D. Enterprise Funds:** The City will budget water, sewer and utilities funds as enterprise funds with no General Fund subsidies and no transfers to the General Fund except as compensation for services received.
- E. Capital Outlay:** Only costs related to projects or purchases that result in Capital Assets will be budgeted as Capital Outlay. See Section 6. A. "Capital Asset Policy" below.
 - 1. Capital Outlay Costs:** Budgets for Capital Outlay projects include all costs for design and engineering, land or right-of-way acquisitions, appraisals, construction and construction management, furnishings, legal and administrative costs, and interest incurred during the construction phase, net of interest earned on the invested proceeds over the same period, for business-type activities only.
- F. Contingency:** Contingency amounts are budgeted to meet emergency conditions that were unknown at the time the budget was prepared, infrequent, and unanticipated. The City Council must authorize the transfer of funds from Contingency to the appropriate expenditure line item within that fund by resolution before those funds can be used.
 - 1. General Fund Contingency:** A Contingency of at least 10% of the operating budget, excluding Special Payments, Interfund Transfers and Unappropriated Ending Balance, shall be budgeted each year in the General Fund. One half of that Contingency amount shall be used to respond to significant gaps between revenues and expenditures, and to mitigate negative effects of short-term economic downturns from year to year. The other half shall be kept in order to meet unanticipated increases in costs or unexpected, non-recurring expenditures during each fiscal year.
 - 2. Utility Fund Contingency:** The City will strive to maintain at least a 1% to 5% contingency in each of the utility funds.
- G. Unappropriated Ending Balance:** The City will strive to maintain an Unappropriated Ending Fund Balance equal to four months of net operating expenses in the General Fund and in the Library Fund.
- H. Budget Review System:** The City will employ a budget review system in order to regularly monitor revenues and expenditures with the opportunity for budget adjustment as needed.

Section 4. Revenue Policies

- A. Diverse and Stable Revenues:** The City will pursue a diversified and stable revenue stream in order to avoid over-reliance on, and short-term fluctuations in, one source of funds
- B. Windfalls and One Time Revenue:** The City will not use windfalls or one-time revenue sources to fund ongoing activities and mainstream services; one-time revenues will be used only for one-time expenditures.
- C. Fees and Charges for Service:** Fees and charges for service are assessed to specific users where the user pays all or a portion of the costs to provide the service.
 - 1. Cost Recovery:** When establishing charges and fees, the City will consider the full cost of providing the service, along with any circumstances and issues that may be factors that do not allow for full recovery of the costs of providing the service.
 - 2. Annual Review:** The City will strive to review charges and fees annually in order to allow for regular, incremental rate increases to offset the effects of inflation and additional costs.
- D. Utility Fees (Water, Wastewater, Stormwater):**
 - 1. Basis of User Charges:** User charges for each of the City utilities will be based on the cost of providing the services (i.e., set to fully support the total direct, indirect, and capital costs) and are established so that the operating revenues of each utility are at least equal to its operating expenditures, reserves, debt coverage and annual debt service obligations, and planned replacement of the utility's facilities.
 - 2. Periodic Review:** The City will review the user charges for each of the City utilities periodically in order to allow for regular, incremental rate increases to offset the effects of inflation and additional costs.
 - 3. Utility Right-of-Way Franchise Fees:** Franchise fees equal to 3% of the Water and Wastewater user charges will be budgeted and paid annually from those funds to the Street Fund for utility rights-of-way.

Section 5. Expenditure Policies

- A. General Provisions Related to Public Contracting:** The City Council, acting as the Contract Review Board, adopts rules of procedure for public contracting for the City of The Dalles via a separate resolution. The Model Rules adopted by the Attorney General do not apply to the City of The Dalles except where they have been incorporated into the City's Contract Review Board Rules.
- B. Purchasing Authority Levels and Required Documentation:** Purchasing authority levels and the required documentation for each are listed below. Purchase processing details shall be set by Administrative Policy.
 - 1. 0 to \$ 5,000** Field Purchase Order – authorization by signature of Dept Manager
 - 2. \$ 1,000 to \$ 5,000** Department Manager authority –three documented phone quotes
 - 3. \$ 5,000 to \$14,999** Department Manager authority –minimum of three written quotes
 - 4. \$15,000 to \$49,999** City Manager authority –minimum of three written quotes
 - 5. \$50,000 and above** City Council authority – requires RFP or formal bids process as deemed appropriate by the situation.

Section 6. Capital Asset and Improvement Policies

A. Capital Asset Policy:

1. Definition of Capital Asset:

- a. Capital Assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items).
- b. A Capital Asset must meet the following criteria
 - i. Be an item or system of components that cost more than \$5,000, and
 - ii. Have a life of more than one year, or
 - iii. Add value to or materially extend the life of an existing Capital Asset
- c. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

2. Capital Asset Accounting Policy:

- a. Assets are recorded at actual cost, or historical cost or estimated historical cost when actual cost is not available.
- b. Donated capital assets are recorded at estimated fair market value at the date of donation.
- c. Major outlays for capital assets and improvements are capitalized as the projects are constructed, and include all costs of the project.
 - i. all design and engineering costs
 - ii. land or right-of-way acquisitions
 - iii. appraisals
 - iv. construction and construction management
 - v. furnishings
 - vi. legal and administrative costs
 - vii. interest incurred during the construction phase, net of interest earned on the invested proceeds over the same period, for business-type activities only.
- d. Property, plant and equipment of the City is depreciated using the straight line method over the following estimated useful lives:
 - i. Buildings and Improvements 50 years
 - ii. Plant in service 45 years
 - iii. Machinery and equipment 5 – 20 years
- e. Land is not depreciated
- f. No depreciation on capital assets is recorded in the year of acquisition and a full year of depreciation is recorded in the year of disposition.

B. Intangible Capital Assets Policy (GASB 51):

1. Definition of Intangible Capital Asset:

- a. Intangible assets include easements, water rights, patents, and internally generated computer software, etc.
- b. An Intangible Capital Asset must meet the following criteria
 - i. Have an individual cost more than \$5,000, and

- ii. Have a life of more than five years, or
- iii. Add value to or materially extend the life or significantly increase the capacity of an existing Intangible Capital Asset
- c. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

2. Intangible Capital Asset Accounting Policy:

- a. Assets are recorded at actual cost, or historical cost or estimated historical cost when actual cost is not available.
- b. Contributed intangible assets are recorded at estimated fair market value at the time received.
- c. Intangible assets are amortized using the straight line method over the estimated useful life of the asset.
- d. Intangible assets with indefinite lives are not amortized.
- e. No amortization on intangible capital assets is recorded in the year of acquisition and a full year of amortization is recorded in the year of disposition.

C. Capital Improvement Policy:

- 1. **Five-Year Capital Improvement Plans:** The City will maintain its commitment to its five-year Capital Improvement Plans for the City, including the Street, Water, Wastewater, and Storm Water systems.
- 2. **Funding Methods:** The City will actively pursue the least costly funding methods for its capital projects, including grants, contributions and low-cost state or federal loans whenever possible.
- 3. **Debt Financing:** The City will only pursue debt financing in order to finance capital improvement projects, and only when other funding possibilities have been exhausted or are inadequate to finance the projects.
 - a. The City will only utilize debt financing which does not extend past the expected useful life of the project.
 - b. Capital projects will only utilize debt financing if market conditions present favorable interest rates for the City.
 - c. Capital projects will only utilize debt financing if the issuance of that debt will not adversely affect the City's credit and bond ratings.

Section 7. Land Acquisition Policies

- A. Purchase of Land:** The City will pursue the purchase of land in order to serve the anticipated future needs of the community.
- B. Approval of Land Acquisitions:** The City Council will approve all land acquisitions entered into by the City, excluding easements, dedications and liens.
- C. Proposal Requirements:** Any land acquisition proposal submitted to the City Council will be accompanied by City staff review and recommendations.

Section 8. Banking/Deposits Policies

- A. Collateralization:** The City will participate in the State Treasurer's Public Funds Collateralization Program (PFCP). The City will ensure that all bank deposits with banks that are not participants in the PFCP are entirely insured or adequately collateralized in accordance with Oregon Revised Statute 295.

Section 9. Investment Policies

- A. Investment Objectives:** The City will seek to attain a market rate-of-return throughout all fiscal cycles, while avoiding imprudent credit and speculative risk, and maintaining liquidity sufficient to meet operating needs.
- B. Investment Restrictions:** The City will manage its investment program in accordance with the Oregon Revised Statute 294, and does not further restrict investment choices.

Section 10. Debt Policies

- A. Statutory Debt Limits:** The City will comply with all statutory debt limitations imposed by the Oregon Revised Statutes.
- B. Purpose of Debt:** The City will only incur long-term debt in order to finance capital improvement projects, and only when those projects are too large to be financed from current available resources.
- C. Maintain Bond Rating:** The City will avoid financial activities that will have an adverse affect on its outstanding bond rating.

Section 11. Risk Management Policies

- A. Risk Management Program:** The City will implement and maintain a Risk Management program designed to decrease exposure to risk. At a minimum, the program will include:
- 1. Annual Insurance Evaluation:** An annual examination of the City's insurance program to evaluate how much risk the City should assume.
 - 2. Internal Controls:** Internal Control procedures shall be set by Administrative Policy.
 - 3. Safe Workplace Action Plan:** A safety program that emphasizes reducing risks through creating an attitude and culture of safety in the workplace and emphasizes reducing risks through training and safe work habits.

Section 12. Accounting and Financial Reporting Policies

- A. Accounting:** The City will maintain a system of financial management and accounting that ensures transactions are appropriately recorded, risk of fraud or financial loss is identified, and internal controls are developed and maintained to manage the risk.
- 1. Internal Controls:** The City will maintain policies and processes that are designed to provide reasonable assurance that the City is achieving the following objectives:
 - a. Effective and efficient operations
 - b. Reliable and accurate financial information

- c. Compliance with applicable laws and regulations
 - d. Safeguarding assets against unauthorized acquisition, use or disposition
- 2. Annual Audit:** The City shall hire an independent external auditor to perform an annual audit of the financial statements, including tests of the internal controls.

B. Financial Reporting:

1. Internal Reporting:

- a. The City Manager will receive monthly financial reports sufficient to ascertain the City's financial status.
- b. The City Council will receive monthly budget comparison reports.
- c. Department Managers will receive monthly budget comparison reports.

2. External Reporting:

- a. The City will prepare and publish a Comprehensive Annual Financial Report (CAFR), including the annual independent audit results, in accordance with generally accepted accounting principles (GAAP). The CAFR will be submitted to the State prior to December 31st each year.
- b. The City will submit the CAFR to the Government Finance Officers Association (GFOA) by December 31st each year to be considered for the Award for Excellence in Financial Reporting.
- c. The City will provide the CAFR and/or other financial information as required by any laws, statutes, bond disclosure requirements, debt requirements, contractual requirements, or other similar obligations.

**CITY of THE DALLES**313 COURT STREET
THE DALLES, OREGON 97058(541) 296-5481 ext. 1122
FAX: (541) 296-6906**AGENDA STAFF REPORT**
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION:	AGENDA REPORT #
June 13, 2011	Action Items 13, C	11-058

TO: Honorable Mayor and City Council**FROM:** Gene E. Parker, City Attorney**THRU:** Nolan K. Young, City Manager *ny***DATE:** May 31, 2011**ISSUE:** Approval of an agreement with the Northern Wasco County PUD for installation of equipment on the PUD's poles for the Downtown High Speed Wireless System**RELATED CITY COUNCIL GOAL:** Goal 3: Promote economic development opportunities that will provide job creation and retention and enhance livability. Tier I (F): Work with Q-Life to install wi-fi over downtown business district.**PREVIOUS AGENDA REPORT NUMBERS:** #11-005, #11-046.**BACKGROUND:** On January 17, 2011, the City Council awarded the contract for the construction of the Downtown High Speed Wireless System to Gorge Networks. On May 18th, the City Manager and City Attorney met with Mr. James Foster and Paul Titus, representing the PUD, to review certain provisions of the agreement which had been prepared by the PUD. The agreement has a "Favored Nations Status" provision which essentially means that the PUD has to offer all licensees who seek to enter into pole attachment agreements, similar terms and provisions to ensure equitable treatment for the licensees.

The proposed agreement was not finalized as of the time of the preparation of this staff report, but staff is hopeful that a copy of the agreement can be provided soon to the Council for their review prior to the meeting on June 13th. It is anticipated the agreement will have been modified to provide that the liability insurance coverage to be provided by the City will consistent with the

policy limits of the liability coverage which the City currently has. The agreement initially included a provision which had the City providing a surety bond to guarantee the City's performance of its obligations. This provision will be modified to provide that in the event the City reaches a point where it requires a 100 or more pole attachments, the PUD has the right to give the City six months notice to provide a surety guarantee in an amount determined by the PUD, and if the City does not provide this guarantee, the PUD can terminate the pole attachment agreement.

The City anticipates it will need approximately 18 pole attachments. The Agreement provides for an application fee of \$75 for each 10 pole attachments. The Agreement contemplates the City will pay a monthly payment for power consumption resulting from the equipment attached to the poles. The Agreement sets out the formula for determining the monthly charge. The PUD structured the rate to give the City a discounted rate.

BUDGET IMPLICATIONS: The City should incur approximately \$1,350 in application fees for the pole attachments, and there will also be a monthly consumption charge for each attachment.

ALTERNATIVES:

- A. Staff Recommendation. *Move to authorize the City Manager to execute the agreement with the Northern Wasco County PUD for installation of equipment for the Downtown High Speed Wireless System.*



CITY of THE DALLES

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AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Action Items 13, D	11-057

TO: Honorable Mayor and City Council

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

DATE: May 24, 2011

ISSUE: Consideration of a Compensation Package for Exempt Employees for Fiscal Year 2011-12

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

- 1) Exempt employees (Dept Managers, Supervisors, Confidential Secretaries, Planning Staff);
- 2) Full time contract employees (City Manager and City Attorney);
- 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 first year of a three-year contract in FY 2011-12. They are scheduled to receive a 1 % COLA on January 1, 2012. The Police Association contract for FY 2011-12 is still being negotiated. SEIU will receive City contribution of 100% of employee portion of the insurance premium payments and 85% contribution for dependent premiums.

The City has two full-time contract employees; City Attorney and City Manager. The City Council annually considers a COLA and/or salary adjustment for the City Manager and the City Attorney after their annual evaluations. Both evaluations have been scheduled for June 8th. 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.

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. We completed a salary survey in the fall of 2010 (copy attached) and found that 11 of the 24 exempt position classifications, four of which are Department Managers, were below the average for comparable cities, with four positions (two are Department Managers) more than 5% low. Because of the failing economy, we have not followed a prior plan to make salary adjustments in January and July of 2009 and January 2010.

The group that is most behind in salaries is the Department Managers with four of the six below the average. The two that are above have duties beyond the positions they were compared to. The City Clerk is a General Services Manager and the Librarian is a County Librarian. This makes the comparison less accurate.

This year the annual CPI for 2010 is 1.4%. We have identified four alternatives for addressing the COLA.

1. No COLA. This is based on the poor economy. One concern with this approach is that many of these positions are already behind comparable positions in other cities and have received lower COLA's than both union groups for the past five years (see attached comparison table).
2. 1% COLA January 1, 2012. Uses the amount in the SEIU contract. The estimated addition cost of this option is \$13,922.
3. 1% Salary Adjustment July 1, 2011. To correct some of the inequities as compared to Union groups and other cities. Additional cost of \$28,010.
4. NO COLA with some salary adjustment for select positions. Any adjustment should be 3% (1 range in the salary) for the positions furthest below the salary survey average.

We recommend a continuation of an 85% pick up of dependent's share of health insurance premiums for exempt employees.

Future Salary Adjustments: We recommend prior to January we consider the City's ability to adjust some of the exempt position salaries furthest below the average.

VEBA: Two years ago, the City established VEBA accounts for employees to help with health costs both now and at the time they retire. The new SEIU contract has expanded the opportunities for employees to put money into their VEBA accounts. We would like to recommend that this year in lieu of the CPI increase (1.4%) for the exempt employees we give them additional opportunities to place money in their VEBA accounts.

1. **Employees Earning Compensatory Time:** We recommend the maximum accrual be increased to 120 hours and that any employee with over 80 hours of comp. time at the end of June will have the value of the additional hours (up to 40 hours) paid into their VEBA account.

2. Management Employees: These employees receive “E” days in lieu of overtime. They currently are allowed to receive the value of half of their annual “E” day accrual (if not used by June 30th) into a VEBA account. We propose to amend that so any “E” days not used by the employee by June 30th will be paid into their VEBA account.
3. Sick Leave Incentive: Non-union employees with over 800 hours in their sick leave banks on June 30th, receive the value of up to forty hours of pay into their VEBA accounts. Leave banks cannot go below 800 hours. We propose to increase the amount of possible annual VEBA contribution to the value of 64 hours. This is eight of the 12 days added to the sick leave bank each year.

Other Adjustments: Development Inspector: We are proposing that the Development Inspectors title be added to, to become Development Inspector/Project Manager. The Urban Renewal workload has significantly increased over the past year as numerous projects continue to be planned, designed, and built. A fair amount of these work duties have been given to the Development Inspector to function more as a Project Manager. Adding these duties requires a higher level of work performance so the position qualifies to receive increased pay. We are recommending a two-range increase from Q to N, which is equivalent to the Associate Planner and Engineer-in-Training positions. This 6% increase would cost the City an additional \$8,928.

COUNCIL ALTERNATIVES:

Staff Recommendation:

- Alternative 1: Approve an exempt employee compensation package for FY 2011-12 that includes: No COLA and continue the current share in the insurance premium, and approve the proposed amendment to VEBA contribution and reclassification of Development Inspector to Development Inspector/Project Manager.
- Alternative 2: Approve an exempt employee compensation package for FY 2011-12 that includes: 1% COLA January 1, 2012, and continue the current share in the insurance premium, and approve the proposed amendment to VEBA contribution and reclassification of Development Inspector to Development Inspector/Project Manager.
- Alternative 3: Approve an exempt employee compensation package for FY 2011-12 that includes: 1% Salary Adjustment July 1, 2011, continue the current share in the insurance premium, and approve the proposed amendment to VEBA contribution and reclassification of Development Inspector to Development Inspector/Project Manager.
- Alternative 4: Approve an exempt employee compensation package for FY 2011-12 that includes: No COLA with some specific salary adjustments for exempt employees, and continue the current share in the insurance premium

Alternative 5: Postpone action on exempt employee COLA or salary adjustment to allow for further research.

Alternative 6: Approve some other exempt employee COLA and/or salary adjustments.

Salary Comparison

Position	Average Top Salary	The Dalles Top Salary	% Difference The Dalles versus	\$ Difference The Dalles versus
Non-Union (exempt)				
Public Works Director	\$7,478.42	\$7,248.77	-3%	(\$229.65)
Comm. Devel. Director	\$7,402.11	\$7,248.77	-2%	(\$153.34)
Finance Director	\$7,790.79	\$7,248.77	-7%	(\$542.02)
Police Chief	\$8,037.00	\$7,248.77	-11%	(\$788.23)
City Clerk /Recorder	\$6,006.28	\$7,248.77	17%	\$1,242.49
Library Director	\$6,721.25	\$7,248.77	7%	\$527.52
City Engineer	\$5,755.44	\$6,636.65	13%	\$881.21
Police Captain	\$6,670.43	\$6,252.85	-7%	(\$417.58)
Water Quality Sprv (Plant Mgr)	\$6,135.55	\$6,070.73	-1%	(\$64.82)
Water Dist. Mgr	\$5,441.11	\$5,722.00	5%	\$280.89
Water Collect. Mgr	\$5,469.87	\$5,722.00	4%	\$252.13
Project Engineer	\$4,817.73	\$5,722.24	16%	\$904.51
Police Sergeant	\$5,799.87	\$5,722.24	-1%	(\$77.63)
Senior Planner	\$5,461.39	\$5,555.57	2%	\$94.18

Engineer in Training	\$4,384.72	\$4,936.06	11%	\$551.35
Accountant	\$5,017.05	\$4,936.06	-2%	(\$80.98)
Associate Planner	\$4,863.09	\$4,936.06	1%	\$72.97
Development Inspector	\$4,339.40	\$4,517.19	4%	\$177.79
Accountant in Training	\$3,830.35	\$4,257.89	10%	\$427.55
Executive Secretary	\$4,093.37	\$4,013.47	-2%	(\$79.90)
Admin Scrty (Public Works--PW)	\$3,682.35	\$3,462.05	-6%	(\$220.30)
Planning Tech	\$3,520.79	\$3,783.08	7%	\$262.29
Senior Library Tech	\$3,676.34	N/A	N/A	N/A
Code Enforcement	\$3,388.15	\$3,361.21	-1%	(\$26.94)

History of Salary Increases for City Employees by Group

Fiscal Year	SEIU	Police	Exempt		CPI *	Dec 31st
2001-2002	4.00%	1.208%	1.208%		3.50%	2000
2002-2003	4.25%	5.00%	4.00%		3.50%	2001
2003-2004	4.25%	1.50%	2.40%	Note 1	1.90%	2002
2004-2005	3.50%	2.40%	5.50%		2.20%	2003
2005-2006	2.30%	2.50%	5.00%		2.30%	2004
2006-2007	3.00%	6.00% **	3.00%		3.20%	2005
2007-2008	6.00% **	6.00% **	4.00%		3.30%	2006
2008-2009	6.50%	8.10%	3.50%	Note 2	3.10%	2007
2009-2010	4.30%	4.70%	3.15%		3.70%	2008
2010-2011	3.20%	3.50%	3.00%		-0.07%	2009
2011-2012						2010
Totals	41.30%	40.91%	34.76%		26.63%	

* CPI - West Urban Wage Earners & Clerical Workers

** Top Step Employees

Note 1 Police Union opted for only a 1.5% COLA for a zero
increase in the insurance premium paid by employees.

Note 2 Certain SEIU Clerical positions increased by 3% 01/09
Seven Police Officers increased by 3% 01/09



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AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Action Items 13, E	11-059

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

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

DATE: May 31, 2011

ISSUE: Resolution No. 11-020 Implementing GASB 54 by Committing the Ending Fund Balances of the Special Assessments Fund 036 and the Capital Projects Fund 037 to Specific Purposes.

BACKGROUND: In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, "Fund Balance and Governmental Fund Type Definitions", which requires the governing body to adopt a fund balance policy and make certain decisions regarding the use of resources and classifications of ending fund balance in order for the annual Financial Reports to be in compliance with generally accepted accounting principles (GAAP). GASB 54 must be implemented in the Annual Financial Reports for fiscal year 2010-2011.

GASB 54 creates classifications of fund balances consider "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent". The new categories are listed below:

- **Nonspendable** – assets that are not liquid, such as prepaid items or inventory, or legally or contractually required to be maintained intact, such as the principal amount on an endowment.
- **Restricted** – assets with constraints on use set by legislation, governmental regulations, specific purpose grants, debt covenants, etc.

- **Committed** – assets under constraints imposed by the governing body via resolution or ordinance that are in place at the end of the fiscal year. These constraints remain binding until formally rescinded or changed by the governing body using the same method (resolution or ordinance) that was used to create them. The difference between “Restricted” and “Committed” is that under “Committed”, the governing body can remove constraints it has imposed upon itself.
- **Assigned** – assets designated by either the governing body or staff (if authorized) to be used for a specific purpose narrower than the purpose of the fund.
- **Unassigned** – the excess of total ending fund balance over nonspendable, restricted, committed and assigned amounts. Only the General Fund may have a positive (surplus) amount in the unassigned category since money remaining in any other fund is automatically designated or assigned to the purposes of that fund. In funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative (deficit) unassigned fund balance.

GASB 54 also redefines Special Revenue Funds to allow ending fund balances to be classified only as “Restricted” or “Committed”.

The current restrictions on the City’s governmental funds are shown below:

<u>Fund</u>	<u>Category</u>	<u>Constrained By</u>
Street Fund	Restricted	State Statute re: use of State Gas Taxes and local fuel taxes
Library Fund	Committed	Intergovernmental Agreement with Wasco County
Special Grants Fund	Restricted	Grant and Contributor Specific Intent
Public Works Reserve Fund	Committed	Reserve type fund as defined by State Budget Law – Committed by Resolution 11-017
Community Benevolence Fund	Committed	Grant and Contributor Specific Intent – Committed by Ordinance No. 00-316
Street/Bridge Replacement Fund	Restricted	Reserve type fund as defined by State Budget Law – Committed by Resolution No. 11-017
State Office Building Fund	Committed	Lease Agreements with State Agencies
Unemployment Reserve Fund	Restricted	Reserve type fund as defined by State Budget Law – Committed by Resolution No. 11-017
FFCO 2008 Bond Debt Svc Fund	Restricted	Bond Covenant

2009 FFCO Bond Debt Svc Fund	Restricted	Bond Covenant
Special Assessments Fund	Undefined Committed	Council has not yet formally committed this fund balance Special Ordinance 07-514 (06/11/07) committing 1% of the 4.25% NW Natural Gas Franchise Fee (.235% of total fees collected) to "multi-frontage lot relief" for residential LIDS.
Capital Projects Fund	Undefined	Council has not yet formally committed this fund balance
Urban Renewal Capital Fund	Restricted	State Statute re: use of Urban Renewal taxes/revenues
Urban Renewal Debt Svc Fund	Restricted	Urban Renewal Note dated October 15, 2009

As demonstrated above, the City has not yet formally committed the ending fund balances of the the Capital Projects Fund or the Special Assessments Fund.

Under the new GASB 54 rules, if the balance of a Special Revenue Fund is not formally restricted or committed by fiscal year end, then it must be reported as part of the General Fund in the fiscal year end audited financial statements.

The Special Assessments Fund and the Capital Projects Fund are both Capital Projects funds. Staff recommends formally committing the ending fund balances of these funds as follows:

- Special Assessments Fund – to construction of future local improvements and repayment of associated debt
- The Capital Projects Fund - to be used for the acquisition or construction of major capital facilities and repayment of associated debt

BUDGET IMPLICATIONS: GASB 54 will not affect the calculation of the ending fund balances. This is just a reclassification of ending fund balances into five possible categories.

ALTERNATIVES:

- Staff Recommendation:** *Move to adopt Resolution No. 11-020 Adopting the Implementation of GASB 54 by Committing the Ending Fund Balances of Various Governmental Funds to Specific Purposes, and Delegating Authority to the City Manager/Budget Officer to "Assign" Ending Fund Balances.*
- Council could choose to not adopt the proposed resolution which would leave certain Governmental Special Revenue Fund balances uncommitted at June 30, 2011. This would result in those fund balance to be rolled into the General Fund in the financial reports for FY10/11, and a possible audit comment to report that we're not in compliance with GASB 54.

RESOLUTION NO. 11-020

**A RESOLUTION IMPLEMENTING GASB 54 BY COMMITTING THE
ENDING FUND BALANCES OF THE SPECIAL ASSESSMENTS FUND
036 AND THE CAPITAL PROJET FUND 037 TO SPECIFIC PURPOSES**

WHEREAS, the City has adopted as a fiscal policy the requirements of Government Accounting Standards Board Statement No. 54 (GASB 54), which takes effect in the fiscal year ending June 30, 2011; and

WHEREAS, GASB 54 requires classification of the ending fund balances into five categories: nonspendable, restricted, committed, assigned, and unassigned; and

WHEREAS, all of the City's funds are classified within the five categories except for the Special Assessments Fund 036 and the Capital Projects Fund 037;

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

Section 1. The City Council hereby formally commits the ending fund balance of the Special Assessment Fund 036 to construction of future local improvements and repayment of associated debt.

Section 2. The City Council hereby formally commits the ending fund balance of the Capital Projects Fund 037 to the acquisition or construction of major capital facilities and repayment of associated debt.

Section 3. This Resolution shall be effective upon adoption.

PASSED AND ADOPTED THIS 13th DAY OF JUNE, 2011

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

AND APPROVED BY THE MAYOR THIS 13th DAY OF JUNE, 2011

SIGNED:

ATTEST:

James L. Wilcox, Mayor

Julie Krueger, MMC, City Clerk



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AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 13, 2011	Discussion Items 14, A	11-048

TO: Honorable Mayor and City Council

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

DATE: May 23, 2011

ISSUE: Main Street Program Participation.

BACKGROUND: For the last couple of years the City has been supporting the Main Street Program, using two separate RARE planners. This item is on the agenda for the City Council to consider both next steps and to have a general discussion as to the type of financial support that the Council wishes to provide, both short term and long term for this program.

The intent of this agenda item is not to give a full update on the progress and future of the Main Street Program but more to take a look at the level of commitment the Council is willing to make to help move this program forward. There will be a future opportunity to receive a project status report.

Attached is Budget Issue Paper 11-025 which talks about funding a six month Main Street Program intern in the Community Development Department. The funding of \$18,036 was included in the Fiscal Year 2011-12 budget.

As we look at long term support of the program, we realize that if we proceed with our original plan for funding of a full time intern for six months that would leave us with six months in the

fiscal year where no additional support is funded. We want to discuss with the Council the concept of changing the internship to half time (20 hours per week) for a full year. This would allow the City and Chamber to further develop a partnership with the Main Street Program and to develop a funding program with the downtown business owners for sustaining this program. By taking a longer period of time to work through the remaining work plan, it may allow the volunteer based Main Street Program to mature further and for the volunteers themselves to assume a stronger role. We are concerned that providing full time staff creates an expectation of the City supporting a full time position for the program. We are not sure that's in the best interest of the program because the program seems to work best if it has strong volunteer support and commitment from those impacted by the program.

With funding in both the fiscal year 2010-11 and 2011-12 budgets, the City Manager's office has hired an intern who will be working for about 11 weeks this summer and is considering another intern to work August through December. If we proceed with a half-time Main Street intern for twelve months, we would extend the second intern's time to a full year including the work plan of half time work on the Main Street program. We are also discussing with the QLife Board, the possibility of QLife purchasing some of the services of this intern to help prepare for strategic planning grant they will be pursuing for State of Oregon Business Department.

BUDGET IMPLICATIONS: Funds are included in the budget for the proposed intern.

COUNCIL ALTERNATIVES:

Staff Recommendation: This is a discussion item. If the Council is supportive of this direction, we will work toward pursuing it.



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BUDGET ISSUE PAPER

CITY OF THE DALLES

BUDGET YEAR AFFECTED	DEPARTMENT(S) AFFECTED	BUDGET DOCUMENT REFERENCE NUMBER
FY 2011-12	Community Development	11-025

TO: City of The Dalles Budget Committee

FROM: Dan Durow, Community Development Director

THRU: Nolan Young, City Manager *ny*

DATE: April 20, 2011

ISSUE: Main Street Program Intern in the Community Development Department

BACKGROUND: City Council has been promoting the Main Street program for about three years. Last year, the City was accepted into the second of three levels of the Main Street program model, that being the "Transforming" level. This level requires certain commitments of staff time and resources and a number of activities to be completed. Through the RARE program, we have been able to meet the staff commitment and make significant progress in organizing the local committee structure. In fact, the State Main Street program administrator has commented that we are making remarkable progress in doing the work of this level. But, a long-term funding strategy has not been developed nor a final legal and organizational structure that would allow the program to operate on its own without direct City support, which is the goal. This will take several more months to finish.

The work is entering a critical stage in terms of continuity and momentum. If it is to be successful, staff support needs to continue at a high level for several more months. The RARE planner, Thomas Gilbertson, will be finishing his commitment in RARE sometime in early August. The City cannot provide continued staff support for Main Street with existing staff and there will not be a RARE participant in FY 2011-12. Other sources of funding which could continue the current work have not been identified.

The CDD intern position will allow the Main Street work to continue uninterrupted. Thomas has indicated his willingness to continue in this proposed intern position after his

RARE commitment ends. The internship budget would be enough for another six months of his time.

BUDGET IMPLICATIONS: The CDD intern position is included in the proposed budget at \$18,036.

RECOMMENDATION: Approve the proposed intern staffing.



May 27, 2011

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

Dear Thomas,

Thank you for submitting the information I requested on progress of implementing a downtown revitalization effort using the Main Street Approach®. I am very impressed with your progress to date, especially with the committee formation. You have done an amazing job in attracting a strong core of volunteers to serve on each of the committees! I know the first year can feel a little frustrating and like you aren't making progress. But, it is important to take the time you need to build a solid foundation so you can support revitalization efforts over the long haul. While Main Street is a comprehensive 4-Point effort, there is a depth and breadth to each of the points and it takes some time for volunteers to become acquainted with their roles and responsibilities. Once this foundation is formed, then the "real work" begins with committees taking on planning and implementing a broad range of activities. I think you are poised to move to this phase now that you have formed the committees. I will be happy to come out to work with the committees for training or work plan development if you would like.

Sincerely,

Sheri Stuart, Coordinator
Oregon Main Street