

COUNCIL AGENDA



Jean Hale

11/14/90

X.T.

Crissy June →

→
Y. A. ...

1990 CITY COUNCIL GOALS

- 1) DEVELOP A FUNDING BASE THAT ENSURES CONTINUED STABILITY AND ALSO ALLOWS FOR PLANNED GROWTH
- 2) ENCOURAGE ECONOMIC DEVELOPMENT
- 3) IMPROVE UTILITY AND TRANSPORTATION SYSTEMS
- 4) CONTINUE EFFORTS TO IMPROVE COMMUNICATIONS WITH THE COMMUNITY
- 5) CONTINUE TO EVALUATE SERVICE DELIVERY SYSTEMS TO BETTER MEET THE EXPECTATIONS OF THE COMMUNITY
- 6) ENCOURAGE DOWNTOWN REVITALIZATION
- 7) FOSTER COMMUNITY PRIDE
- 8) PROMOTE POSITIVE INTERGOVERNMENTAL RELATIONS
- 9) BROADEN CULTURAL AND RECREATIONAL OPPORTUNITIES

LEBANON CITY COUNCIL
November 14, 1990
7:30 p.m.

485 S. 5th Street
School Administration Offices - Board Room

NO NOON SESSION

CALL TO ORDER/FLAG SALUTE
ROLL CALL

APPROVAL OF MINUTES

- 1) Minutes of the October 24, 1990 City Council meeting

LEGISLATIVE ACTION

- 2) EMPLOYEE AND SPOUSE FITNESS ROOM PARTICIPATION

Presented by: Laird Bryan, Wellness Committee Chairman

Approval of Wellness Committee proposal by MOTION

- 3) CHANGES TO WATER AND WASTEWATER RATES AND FEES

Presented by: Judy Wendland, Finance Director

Adoption of water rates by RESOLUTION

Amendment of Section 13.04.580, Lebanon Municipal Code, regarding the adjustment of water charges and user fees for all users by ORDINANCE

- 4) APPROPRIATION OF WETLANDS GRANT FUNDS

Presented by: Judy Wendland, Finance Director

Approval of RESOLUTION appropriating grant funds

5) APPROPRIATION OF ENTREPRENEURIAL GRANT FUNDS

Presented by: Judy Wendland, Finance Director

Approval of RESOLUTION appropriating grant funds

6) APPROPRIATION OF UNANTICIPATED CIVIL FORFEITURE FUNDS

Presented by: Judy Wendland, Finance Director

Approval of RESOLUTION appropriating forfeiture funds

7) RECOMMENDATION FOR NORTHWEST NATURAL GAS FRANCHISE AGREEMENT

Presented by: Judy Wendland, Finance Director

Approval of ORDINANCE granting gas utility franchise agreement

OTHER MATTERS

8) APPOINTMENT OF COMMISSIONER TO CITY OF LEBANON PLANNING COMMISSION - Mayor Smith

CITIZEN COMMENTS

ADJOURNMENT

AGENDA ITEM 1

MINUTES OF THE OCTOBER 24, 1990 LEBANON CITY COUNCIL MEETING

The Lebanon City Council met in regular session on October 24, 1990 at 7:30 p.m. in the gymnasium of the Lebanon School District Offices, 485 S. 5th Street. The meeting was called to order by Mayor Bob Smith. Present in addition to Mayor Smith were Councilors Lyle Winters, John Richard, Ron Miller Jr., Ken Toombs, Diane Branson and Gerald Lynch. Also in attendance were City Attorney Tom McHill, City Administrator Joseph Windell, Director of Public Works Jim Ruef, Finance Director Judy Wendland and Police Chief Walt Richmond.

The minutes of the October 10, 1990 Lebanon City Council meeting were approved as submitted.

Finance Director Wendland addressed the Council regarding the awarding of the sale of the Oak Street Improvement Bonds. She noted that the bond sale was held today at 4:00 p.m. with the lowest bid going to U.S. National Bank at an interest rate of 6.98952.

RESOLUTION NO. 36, A RESOLUTION OF THE CITY OF LEBANON, OREGON, AWARDING THE SALE OF GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 1990 was read by title only. Motion by Councilor Lynch, seconded by Councilor Winters to adopt the Resolution. Motion passed unanimously.

Finance Director Wendland also addressed the Council regarding the change in the effective date of the Northwest Lebanon Urban Renewal Plan. She noted that the effective date has changed due to Entek, who applied for and received a retroactive exemption from property taxes under the Enterprise Zone statutes. Exempting property from taxes removes the assessed value from the tax roles, with the result being a negative increment in the frozen value totaling approximately \$5 million.

ORDINANCE BILL NO. 18, A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 2062 ADOPTING AN URBAN RENEWAL PLAN AS INCORPORATED HEREIN BY REFERENCE AND MAKING CERTAIN FINDINGS, DETERMINATIONS AND EFFECTIVE DATE was read by title only. Motion by Councilor Toombs, seconded by Councilor Lynch to adopt the Ordinance. Motion passed by a roll call vote of 6-0. Thereupon Mayor Smith declared the Bill passed and the title of the Bill became the title of Ordinance No. 2083.

City Attorney McHill addressed the Council regarding the City accepting jurisdiction for portions of certain county roads. Mr. McHill stated that portions of Hansard Avenue and Oak Street will be transferred from county records to city jurisdiction. Public Works Ruef added that in exchange for these portions of roads, the City will receive \$230,000 for acceptance. He stated that the transfer amount was determined by the square rate footage costs from the road work completed this past spring on Oak Street.

In addition to the City accepting jurisdiction for portions of the above county roads, the City was asked to adopt a Resolution requesting that the Linn County Commissioners surrender jurisdiction of a portion of 5th Street north of Walker Road, which is approximately 400 feet in length. Mr. Ruef stated that the City and County agreed that the City would take jurisdiction over only if the road was repaired and up to city standards. He added that over the summer an overlay had been done on this portion of 5th Street and is now complete.

ORDINANCE BILL NO. 19, A BILL FOR AN ORDINANCE ACCEPTING JURISDICTION OF CERTAIN COUNTY ROADS TO THE CITY OF LEBANON AND DECLARING AN EMERGENCY was read by title only. Motion by Councilor Toombs, seconded by Councilor Richard to adopt the Ordinance. Motion passed by a roll call vote of 6-0. Thereupon Mayor Smith declared the Bill passed and the title of the Bill became the title of Ordinance No. 2084.

Motion by Councilor Miller, seconded by Councilor Branson to amend the Resolution by deleting section #3. Motion passed unanimously.

RESOLUTION NO. 37, A RESOLUTION REQUESTING THE BOARD OF COUNTY COMMISSIONERS OF LINN COUNTY TO SURRENDER JURISDICTION OF CERTAIN COUNTY ROADS LOCATED WITHIN THE CITY OF LEBANON was read by title only. Motion by Councilor Richard, seconded by Councilor Winters to adopt the Resolution as amended. Motion passed unanimously.

Public Works Director Ruef addressed the Council regarding proposing no parking along a portion of Park Street. Mr. Ruef stated that the area involves parked vehicles at the intersection of South Park Street and the alley directly behind the Coast to Coast Store and Lebanon Skating Rink. He indicated that all property owners and store owners have been notified and they have indicated that they are agreeable to a no parking zone for the area.

RESOLUTION NO. 38, A RESOLUTION PROHIBITING STREET PARKING ON A PORTION OF PARK STREET was read by title only. Motion by Councilor Branson, seconded by Councilor Toombs to adopt the Resolution. Motion passed unanimously.

Public Works Director Ruef also addressed the Council regarding the repair of hazardous sidewalks at three locations throughout the City. He indicated that all of these repairs stemmed from complaints received from outside citizens. He added that at all three locations, the property owners have been notified numerous times but have failed to take any action. The areas that are in need of repair are the following: 45 Grove Street; 183/185 W. Sherman Street; 224 Second Street. Mr. Ruef added if the property owners fail to put in sidewalks within the designated time, the City will then repair the sidewalks.

RESOLUTION NO. 39, A RESOLUTION ORDERING THE REPAIR AND RECONSTRUCTION OF CERTAIN SIDEWALKS was read by title only. Motion by Councilor

Councilor Toombs questioned if funds were available to construct/repair these sidewalks and that if citizens did not comply, the City would have to pay for those costs, By doing this the City might be setting a precedent and we might not be able to pay for all of the sidewalks needing repair. He also indicated that he did not believe the sidewalk at 45 Grove Street is in need of repair and that many other sidewalks in town are much worse.

Mr. Ruef stated that monies are available for these repairs and that the department follows adopted sidewalk needs assessment study criteria for determining whether or not repair is needed on a sidewalk or not. He added that the next step in the sidewalk repair process would be to order the sidewalk to be repaired by a contractor, approval of repair costs, and those costs to be placed as a lien against the property.

Public Works Director Ruef also addressed the Council with a sidewalk that has reached the final step in the sidewalk/repair process. He indicated that the property owners did not comply within the 60 days time period and a lien has been placed on the property for the costs of the repair. That amount totals \$459.91.

ORDINANCE BILL NO. 20, A BILL FOR AN ORDINANCE APPROVING COSTS FOR CERTAIN SIDEWALK REPAIRS (390 D STREET) was read by title only. Motion by Councilor Winters, seconded by Councilor Branson to adopt the Ordinance. Motion passed by a roll call vote of 6-0. Thereupon Mayor Smith declared the Bill passed and the title of the Bill became the title of Ordinance No. 2085.

Public Works Director Ruef addressed the Council regarding the leasing of a railroad switch engine for the City's shortline railroad that was acquired a few years back. Mr. Ruef stated that this engine would be used by the businesses at the Santiam Canal Industrial Park (S.C.I.P.) He added that in order for the industries to use the engine a lease would be taken out and the lessee would be responsible for all maintenance, fuel costs and liability insurance. They would also require that the lessee shall only have a qualified person to operate the engine who would be covered by workers compensation. Mr. Ruef stated that Rick Franklin Corporation, who is located at S.C.I.P. has offered to donate to the City in the form of a grant, an amount equal to the purchase price of the engine. That amount totals \$1,482. In order for the City to purchase this engine and to use the funds out of this budget year, it must be received in the form of a grant. He added further that a Resolution was prepared appropriating grant funds.

RESOLUTION NO. 40, A RESOLUTION APPROPRIATING GRANT FUNDS was read by title only. Motion by Councilor Lynch, seconded by Councilor Winters to adopt the Resolution. Motion passed unanimously.

Upon the consensus of the Council, Mayor Smith declared November 13 as Philanthropy Day in Lebanon and signed a proclamation in honor of this event.

B.J. Schwegman, 1083 F Street appeared before the Council and inquired as to the status of proposed new car wash facility that was to be built at the intersection of Highway 20 and Russell Drive.

City Administrator Windell indicated that staff would have to contact the persons that took out building permits to find out the status. He indicated that permits are valid for a period of up to a year.

Mr. Schwegman also inquired as to the status of a proposed Bi-mart store for Lebanon. Mayor Smith responded that the developers have been interested in two parcels of land but have not finalized their plans for any project.

Jean Hale, 786 5th Street, appeared before the Council and thanked staff for taking down the damaged tree in River Park that she had reported to the Public Works Department several weeks ago. She also reported that her water meter had recently been changed due to a leak and that the meter still looks like it has a leak problem. She added that she had spoke with two members of the Public Works Department about the problem and they indicated that the meter probably only had moisture collecting. She indicated that she went and observed all of her neighbors meters along 5th Street to see if hers could compare. Mrs. Hale stated that none of the others were leaking or contained moisture. Mrs. Hale also mentioned that she had recently seen the City of Philomath's crosswalks and commented on how well they were marked and that Lebanon should take notice.

Mayor Smith reported that no staff members will be attending the League of Oregon Cities Conference this year due to possible budget problems after the November 6 election, especially if Ballot Measure #5 is passed.

The time being 8:17 p.m., the Lebanon City Council recessed for five minutes before convening an Executive Session.

Motion by Councilor Miller, seconded by Councilor Toombs to adjourn the regular business of the City Council and convene the Executive Session pursuant to ORS 192.660 (1)(i) City Administrator's quarterly review.

The time being 8:35 p.m., the Lebanon City Council adjourned Executive Session and reconvened the regular order of the Council.

There being no further business to come before the Council the meeting was adjourned at 8:40 p.m.

AGENDA ITEM 2



CITY OF LEBANON

M E M O R A N D U M

TO: Joseph A. Windell
City Administrator

DATE: October 31, 1990

FROM: Walter R. Richmond *WR*
Chief of Police

SUBJECT: Wellness Committee

Attached is a proposal from the Wellness Committee for employee and spouse participation in the fitness room. I think it is worthy of approval by motion.

ref
Attachment



CITY OF LEBANON

M E M O R A N D U M

TO: Joseph A. Windell
City Administrator

DATE: October 31, 1990

FROM: The Wellness Committee

SUBJECT: Proposal to Permit Employees' Spouses to Use the Fitness Room

The Wellness Committee, on behalf of employees of the City of Lebanon, is submitting this proposal asking Council to allow spouses to use the fitness room. A previous request was denied when the City chose not to take on the additional liability. This proposal is being resubmitted because of the interest level among the employees. The City's insurance carrier has reviewed the request with the stipulation that access would be limited to employees and spouses and has taken a new position regarding liability to the City. If the Council approves this proposal, full- and part-time City of Lebanon employees on permanent status, and their spouses, will be approved to utilize the fitness room.

If the proposal is approved, the "Guidelines for Use of the Fitness Room" will be amended to include spouses, and the following rules:

- Employees and their spouses must possess an identification card, which will be issued by the City. This card is given to each individual after they have viewed the training videotape on care and use of the equipment in the fitness room, read the "Guidelines for Use of the Fitness Room", and signed off the signature sheet for both. The identification card is necessary for police department security purposes, especially with regard to the people who are not familiar to the dispatchers. It can only be used by the person to whom it is issued; misuse of the card will result in forfeiture of fitness room privileges.
- The City employee need not be present in order for the spouse to use the fitness room.

We have attached the following information for your ready reference:

Memos dated 9/20/90, 10/17/90, and 10/18/90
Fitness Room Survey
Guidelines for Use of the Fitness Room
Signature Sheet
Fitness Room Sign-In

ref:



CITY OF LEBANON

M E M O R A N D U M

TO: MAYOR AND CITY COUNCIL

DATE: SEPTEMBER 20, 1990

FROM: JOSEPH A. WINDELL, CITY ADMINISTRATOR

SUBJECT: USE OF WEIGHT ROOM BY EMPLOYEE SPOUSES AND DEPENDENTS

As you know, we have a well equipped weight room for our employees use. The Wellness Committee has done a good job of providing rules, regulations and has recently developed a video tape on instruction of how to use each piece of equipment.

Initially, Judy and I researched the liability issue of having a weight room and who and how it would be used. Through discussions with our Agent of Record, I decided that because of the lack of daily supervision, we would limit the use to only our employees. During the last few months, I have been approached by a few employees about the use of the room by their spouses and dependents. I explained our reasoning behind our rules and it seemed to satisfy most. More recently, I have had a request from the Lebanon Police Department Auxiliary. I have provided you with a copy of our rules and sign-in sheet.

If the Council is interested in permitting the use of the weight room by spouses and dependents, I would recommend that the Council direct me to have the Wellness Committee establish additional rules to allow for such use.



CITY OF LEBANON

M E M O R A N D U M

TO: Joseph A. Windell
City Administrator

DATE: October 17, 1990

FROM: Walter R. Richmond *WR*
Chief of Police

SUBJECT: Wellness Committee

The Wellness Committee met October 10, 1990. Here is some information on the progress made during, and since, that meeting.

The committee made a recommendation for purchasing some additional equipment; that request is contained in the attached memo. Arrangements were made prior to the meeting to have minor repairs made to some of the existing equipment; these repairs are in process at this time.

There is still some confusion regarding the funding available for wellness. Is there a budget for the Wellness Committee? and how many dollars, if any, are available?

Also on the agenda was an information gathering session for creating guidelines for spousal use of the fitness room. Jim and Kathy Pointer were in attendance for this purpose. The Pointers had done some research on their own and found that a local insurance company would insure spouses independent of the City for \$500 per year. To find out the amount the City's insurance would charge to insure spouses, it was determined that a call would be made to Art Richards. Also, a survey would be passed out to City employees to gather additional information for the guidelines.

The call was made to Art Richards following the committee meeting. The question was posed to him of what the additional cost to the City would be if the spouses used the facility. He indicated that there would be no additional premium fee charged, it was a matter of whether the City would be willing to take on the additional liability should a family member be injured. When he learned that only spouses (and not children) would be participating in the program, he said it "changed things significantly," and that this is "no longer an issue of concern." He stated that if the program was limited to employees and their spouses, the concerns addressed in his previous correspondence (i.e., security, liability, instruction, etc.) were no longer applicable, as the letter was written with individuals under the age of 18 in mind.

I feel the committee is willing to work out any rough edges and make compromises to get a "Spouse Program" off the ground, if approved.



CITY OF LEBANON

M E M O R A N D U M

TO: Joseph A. Windell
City Administrator

DATE: October 18, 1990

FROM: Wellness Committee

SUBJECT: Survey Results

As you are aware, a survey was distributed to all permanent City employees. There were 90 questionnaires sent out, and 62 were returned (69 percent). We have attached a copy of the survey with the total number of responses to each question.

A proposal asking Council to approve spousal use of the fitness room will be forthcoming at the November 14th Council meeting.

ref
Attachment

TO: THE CITY OF LEBANON EMPLOYEES AND THEIR SPOUSES

Please complete this survey whether, or not, you would be interested in utilizing the City exercise room, and return it to the secretary of the department you (or your spouse) work in. The deadline for this survey is October 17th.

___ NOT INTERESTED IN COMPLETING THIS SURVEY.

- 1. Yes ___ No ___ As a City employee, I presently utilize the fitness room?
- 2. Yes ___ No ___ As the spouse of a City employee, I would utilize the fitness room if I were permitted to do so.
- 3. Yes ___ No ___ As a City employee, I do not utilize the exercise equipment at this time but would, if my spouse were permitted to use it as well.

IF THE ANSWER(S) TO NUMBERS 2 AND 3 IS "YES", PLEASE CONTINUE THE SURVEY....IF YOU ANSWERED "NO" YOU'RE FINISHED....THANKS FOR YOUR TIME!

4. How frequently would you use the fitness room?

- ___ One to three times per week
- ___ Three to five times per week
- ___ Five times, or more, per week

5. What hours would use the fitness room?

- ___ Between 8 a.m. and noon
- ___ Noon time only
- ___ Between noon and 5 p.m.
- ___ Between 5 p.m. and 8 p.m.
- ___ Between 8 p.m. and 8 a.m.

6. Which of the following pieces of equipment would you utilize?

- | | |
|-------------------------------------------------------|-----------------------|
| ___ Treadmill | ___ Stairstep Machine |
| ___ Exercise Bicycle | ___ Rowing Machine |
| ___ Recumbent Bicycle | ___ Bench Press |
| ___ Dumbbells | ___ Marcy Machine |
| ___ Stretching and Limbering Exercises (Exercise Mat) | |
| ___ Aerobics Video Tape | |

COMMENTS:

TO: THE CITY OF LEBANON EMPLOYEES AND THEIR SPOUSES

Please complete this survey whether, or not, you would be interested in utilizing the City exercise room, and return it to the secretary of the department you (or your spouse) work in. The deadline for this survey is October 17th.

★

4 NOT INTERESTED IN COMPLETING THIS SURVEY.

4 Abstained 1. Yes 30 No 28 As a City employee, I presently utilize the fitness room?

24 Abstained 2. Yes 22 No 19 As the spouse of a City employee, I would utilize the fitness room if I were permitted to do so.

31 Abstained 3. Yes 14 No 15 As a City employee, I do not utilize the exercise equipment at this time but would, if my spouse were permitted to use it as well.

IF THE ANSWER(S) TO NUMBERS 2 AND 3 IS "YES", PLEASE CONTINUE THE SURVEY....IF YOU ANSWERED "NO" YOU'RE FINISHED....THANKS FOR YOUR TIME!

4. How frequently would you use the fitness room?

- 34 less often
- 26 One to three times per week
- 1 Three to five times per week
- 2 Five times, or more, per week

EMPLOYEES
29 USE THE FITNESS ROOM.

10 MORE WOULD USE IF THEIR SPOUSE WAS ALLOWED ALSO

5. What hours would use the fitness room?

- 4 VARIOUS OTHERS
- 2 Between 8 a.m. and noon
- 45 Noon time only
- 1 Between noon and 5 p.m.
- 19 Between 5 p.m. and 8 p.m.
- 10 Between 8 p.m. and 8 a.m.

39 - 10 ABSTAINED FROM COMPLETING THIS SECTION

6. Which of the following pieces of equipment would you utilize?

- | | |
|-------------------------------------------------------------|-----------------------------|
| <u>29</u> Treadmill | <u>25</u> Stairstep Machine |
| <u>26</u> Exercise Bicycle | <u>20</u> Rowing Machine |
| <u>19</u> Recumbent Bicycle | <u>16</u> Bench Press |
| <u>18</u> Dumbbells | <u>18</u> Marcy Machine |
| <u>28</u> Stretching and Limbering Exercises (Exercise Mat) | |
| <u>35</u> Aerobics Video Tape | |

COMMENTS:

GUIDELINES FOR USE OF FITNESS ROOM

REMEMBER...THIS IS YOUR FACILITY. WE NEED YOUR HELP AND IDEAS TO MAKE IT FUN AND SUCCESSFUL.

THE EXERCISE ROOM IS TO BE USED BY CITY OF LEBANON EMPLOYEES ONLY. CHILDREN AND NON-EMPLOYEES SHOULD NOT BE IN THE ROOM AT ANY TIME.

- A physical examination is recommended before beginning an exercise program.
- Employees must learn safe and proper use of equipment prior to using equipment. **Note: Personnel must familiarize themselves with the users manuals on each piece of equipment prior to using it and document this on the signature sheet attached to the manual.**
- It is strongly recommended that no employee exercise alone. A spotter must be present when free weights are in use.
- Employees must sign the sign-in sheet when using the facility and specify the pieces of equipment they use.
- Shower room lockers may be used by all City employees.
- The exercise room is available for use by City employees 24-hours a day and must be used on their own time.
- The "exit" door on the west end of the hallway is for emergency use only.
- Use of this room is as a fitness facility only. No "rough housing" or "horseplay" is permitted.
- Please report any faulty equipment to the police department secretary.
- Stereo volume should remain at a level that will not penetrate other rooms that might be in use at some time during your exercise period.
- Please be courteous to others in the building by closing the partition to the room while exercising.
- Please help keep the room clean and safe by not:
 - Smoking or chewing tobacco and/or gum.
 - Bringing food or drink into the area.
 - Wearing street clothes or shoes (use common sense).
- Be sure to close the windows, turn off the lights, and turn off the stereo before leaving the area.



Sedgwick James

Sedgwick James of Oregon, Inc.

111 Southwest Columbia, Portland, Oregon 97201-5897

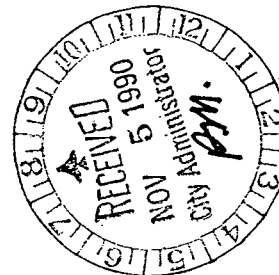
Telephone (503) 248-6400; inside Oregon 1-800-452-0122, outside Oregon 1-800-547-0135

Telex 360128, Facsimile (503) 274-2481

J- copy in Council agenda.

November 1, 1990

Ms. Judy Wendland, Finance Director
City of Lebanon
925 Main Street
Lebanon, OR 97355



RE: Employee Spouse Access to Police Exercise Room

Dear Judy:

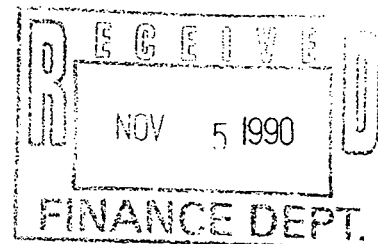
On February 23 of this year, I sent you a letter concerning our advise on allowing family members access to the Police Exercise Room. My principal concern at the time I dictated this letter was two-fold. First, it was contemplated that children of the employee were going to be allowed access to the weightlifting facility. I still feel strongly that children should not be allowed access to the Weight Room for the same reason stipulated in my February 23rd letter. Since then, the City of Lebanon has reconsidered opening Police Exercise Rooms to employees and their spouses only. Based on the assumption that only spouses and employees, ie. adults are using the facilities, I think the benefits outweigh the concerns and therefore, would endorse this suggestion. The second thing that has caused me to soften my attitude on risks assumed by the City is the information contained in the attached item entitled Municipal Risk Management - The Art of Accepting Risk. This was written by Craig Gibons, who is a Risk Manager in the public sector as well as a Risk Management Consultant. His letter basically states that when you are in the private sector, if something is too risky, you just don't do it, but when you are on the public sector, you don't really have the same luxury, because "private sector organizations choose their risks carefully, public sector organizations have the risks chosen for them". He state that from a pure risk management perspective, most risk managers would advocate closing down city government. I think Mr. Gibons makes some very interesting points that need to be taken into account when we talk about the risk management philosophy of the City of Lebanon.

Please review this and give me a call if you want to discuss it further. In the meantime, should you want to open the weightlifting facility to the employees and their spouses, again, I think this is okey.

Sincerely,

Arthur G. Richards, ARM

Assistant Vice President
AGR/abr



MUNICIPAL RISK MANAGEMENT

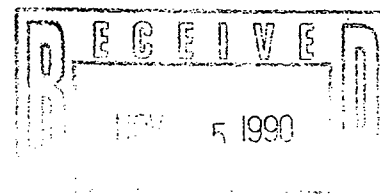
The Art of Accepting Risks

Risk avoidance is a common, simple, and effective risk management technique. If something is too risky, just don't do it. When private sector organizations contemplate a decision, the decision makers always have the option to say "no" and protect their organization's assets. More often than not, government entities don't have that option. Governments are in the business of accepting risks. Put another way, private sector organizations choose their risks carefully, public sector organizations have their risks chosen for them.

Law enforcement is a good example. It is one of the major risks that governments can't refuse to accept. It is also a high risk undertaking from just about any perspective. Deadly force is involved, constitutional issues are involved, risk of personal injury to officers is involved, and almost every action a police department takes has been argued in decades of litigation involving state and federal constitutions. But governments don't have the option of avoiding these risks. They are required to accept them.

The duty to accept risks puts cities in a unique risk management situation. From a pure risk management perspective, most risk managers would advocate closing down City Government. No organization in its right mind would take on all the risks city hall takes. But city hall is mandated to take on those risks, so risk management can't avoid them.

Craig Gibons
Risk Management Consulting
107 Cross Place
Eugene, OR 97402
(503) 344-6456



AGENDA ITEM 3



CITY OF LEBANON

M E M O R A N D U M

TO: Joseph A. Windell, City Administrator DATE: November 6, 1990

FROM: Judy Wendland, Finance Director *JW*

SUBJECT: Changes to Water and Wastewater Rates and Fees

At its meeting on October 29, the Utility Rate Review Committee made several recommendations regarding fee changes which were to be voted on at the November 14 City Council meeting. The changes in fees will be effective December, 1990 for the bills that go out January 1, 1991.

The required resolution and ordinance are attached. The changes made are listed below:

1. Decrease amount charged to sewer customers outside the City limits from three times the regular sewer rate to one and one half times the regular rate. *cover hook up cost*
2. Increase the security deposit to \$75 from \$60.
3. Change the fees for water hookup to cover more of the costs. Residential is increased from \$250 to \$300. All other meter sizes will be charged at time and materials (total city cost).
4. A new fee of \$60 to cover the cost of installing a meter only, instead of the full \$250 fee should be added.

In addition the committee recommended that a fee of less than the standard commercial rate be charged for irrigation meters when no usage is recorded. The fee should reflect the cost of billing and depreciation of the system, excluding the costs associated with having a building on the property.

Staff recommends that instead of developing a new fee schedule for these meters, (there are only 3 or 4 we know of), that the standby fees currently in place be used when no usage is recorded. If there is usage, the fee automatically changes to the commercial rate for that size.

The savings by meter size are listed below:

<u>Meter Size</u>	<u>Standby Charge</u>	<u>Minimum Charge</u>	<u>Savings</u>
3/4"	\$ 7.20	\$ 13.94	\$ 6.74
1"	9.72	18.84	9.12
1 1/4"	14.55	28.27	13.72
1 1/2"	21.74	42.06	20.32
2"	38.70	75.05	36.35
3"	69.00	137.54	68.54
4"	115.00	237.65	122.65
6"	230.00	450.28	220.28

Because this fee was already in place, it is automatically retroactive. We will be able to make refunds if necessary. I have sent copies of this memo to the members of the utility rate review committee. Any feedback they have will be presented to you at the City Council meeting.

Action required:

Approve resolution by motion.

Approve ordinance by motion, with roll call vote.

JW/plw

Utility Rate Committee Members
Name and Address

Dear

Enclosed you will find a copy of the cover memo regarding the changes to water rates discussed at our October 29 meeting. At the meeting we did not discuss whether the correction for the fee for irrigation meters should be made retroactive. However, since it is a correction to an unforeseen circumstance, rather than a change, I recommend that it be made retroactively.

Since the committee decided that those with irrigation meters should pay something each month, using the standby fees instead of creating a new code for irrigation meters is simple, equitable, and cost effective.

If you have any comments about these fees, please let me know before the City Council meeting on Wednesday, November 14.

If you have any questions, please don't hesitate to call. I can be reached at 451-7474.

Yours truly,

Judy Wendland
Finance Director

cc: City Council packets

RESOLUTION ADOPTING) RESOLUTION NO. _____
 WATER RATES) for 1990

WHEREAS, the City Council of the City of Lebanon did on November 28, 1987 adopt Section 13.04.380 of the Municipal Code providing that Water Use Rates should be established by Resolution; and

WHEREAS, on October 29, 1990 the Utility Rate Review Committee recommended to the City Council that some Water fees should be changed; and

WHEREAS, The City Council finds that such increases are fair and equitable and required to protect the health and safety of the citizens of the City of Lebanon;

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

Effective December 1, 1990 the water use fees shall be:

WATER USE FEE SCHEDULE

Domestic Service Charge

For each domestic account a monthly service charge shall be assessed as follows:

Commodity Charge - Domestic

<u>Meter Size</u>	<u>Base Rate</u>	First Block Second Block		<u>Special Summer Rate</u>
		<u>1 - 6 Units</u>	<u>7 & Up Units</u>	
3/4"	7.20	2.44	1.22	.61
1"	9.72	2.44	1.22	.61
1 1/4"	14.55	2.44	1.22	.61
1 1/2"	21.74	2.44	1.22	.61
2"	38.70	2.44	1.22	.61

Special Summer Water Rate for Domestic Users

For those domestic users whose usage during the months of June, July, August and September (billed on or about the first of July, August, September and October) exceeds nine (9) units, the rate shall be one half (1/2) of the second block rate. The second block rate is the rate charged per unit for more than six (6) units of water use.

For those whose average usage during the months of November, December, January, February and March is fewer than nine (9) units, the special rate shall apply to all usage which exceeds the average usage for the five (5) month period. The average shall be calculated on the

greater of actual use or one (1) unit per month. This special rate, like the other summer rates, shall apply to those months billed on or about the first of July, August, September and October.

Base Rate:

The base rate of each water bill shall consist of two components: a fee for availability of the system (70% of the base fee), and a fee for bill collection costs (30% of the base fee). Each component shall be separately stated on the bill.

Multi-family Dwelling Units:

Each dwelling unit within the multi-family structure which is not separately metered shall be charged one base fee per month equal to the base fee for a 3/4" residential meter. The consumption charge shall be based on the size of meter actually connected to the service. If the meter provides service only to dwelling units, there is no additional base fee for the meter connected to the structure.

COMMERCIAL AND INDUSTRIAL SERVICE CHARGE

For each Commercial or Industrial account a monthly service charge shall be assessed as follows:

<u>Minimum Fee</u>	<u>Size of Meter</u>	<u>Minimum Fee Includes # Units</u>
\$ 13.94	3/4" or less	5
18.84	1"	5
28.27	1 1/4"	6
42.06	1 1/2"	7
75.05	2"	10
137.54	3"	14
237.65	4"	24
450.28	6"	126

Commodity Charge

\$3.58 per 100 cu. ft. for the first 1,200 cu. ft. per inch of meter size.

\$1.36 per 100 cu. ft. for the next 1,200 cu. ft. per inch of meter size.

\$.92 per 100 cu. ft. for all additional cu. ft.

Note: The size of the 1,200 cu. ft. blocks are for a 1 inch meter and will be increased or decreased for each 1/4" of meter size but in no event will said blocks be reduced below those for a 3/4" meter.

PRIVATE FIRE PROTECTION SERVICE CHARGE

For each Private Fire Protection Service account, a monthly service charge shall be assessed as follows:

<u>Privately Owned and Maintained Hydrants</u>	<u>City Owned and Maintained Hydrants</u>
\$ 4.77 each 2" connection or smaller	\$8.97 each 4" hydrant (nominal size)
6.44 each 4" connection	
10.52 each 6" connection	
16.96 each 8" connection	

SPECIAL SERVICE FEES:

<u>Service Connection Fees</u>	<u>Size of Meter</u>
\$ 300	3/4"
Cost of materials and labor	1"
Cost of materials and labor	1 1/2"
Cost of materials and labor	2"

Turn On Charge: \$20.00 during normal working hours
\$40.00 after normal working hours

Service Deposit: \$75.00

Establishing Two Billing Addresses for the Same Service Address:

\$12.50 one time cost, per service address

Meter installation to existing service:

\$60.00

STANDBY WATER SERVICE CHARGE

For all Residential, Commercial, or Industrial Standby Water Services, including irrigation meters, the charge shall be:

<u>Meter Size</u>	<u>Monthly Charge</u>
3/4"	\$ 7.20
1"	9.72
1-1/4"	14.55
1-1/2"	21.74
2"	38.70
3"	69.00
4"	115.00
6"	230.00

NOTE: Should the water use for a Standby Water Service exceed 1 unit in any one meter read period the service charge will resort to the standard Residential or Commercial rate as appropriate for that month.

FIRE HYDRANT METER DEPOSIT

<u>Deposit</u>	<u>Size of Meter</u>
\$ 125	3/4"
175	1"
485	1 1/2"
550	2"

Meter Test Deposit: \$10.00

Pressure Test Deposit: \$10.00

Section 2. This Resolution supersedes and replaces all prior resolutions.

Passed by the Council by a vote of ____ for and ____ against and approved by the Mayor this ____ day of November, 1990.

MAYOR

ATTEST:

CITY ADMINISTRATOR

A BILL FOR AN ORDINANCE AMENDING)	ORDINANCE BILL NO. _____
SECTIONS 13.04.580, LEBANON)	for 1990
MUNICIPAL CODE, REGARDING THE)	
ADJUSTMENT OF WATER CHARGES AND)	ORDINANCE NO. _____
USER FEES FOR ALL USERS)	

The people of the City of Lebanon do ordain as follows:

Section 1:

Section 13.04.580 is hereby amended to read as follows:

13.04.580 Rates-Adoption, review and updating-Applicability.

Rates to be applied to each charge before mentioned shall be adopted by resolution of the City Council and shall be reviewed and updated no less than once every two years to reflect the actual costs of operation, maintenance, replacement and financing of the wastewater treatment works. Rates established by resolution of the City Council shall apply to users within the boundaries of the city limits. Any user outside the city limits of the city, making use of the wastewater system shall pay one and one-half times the rate established for users within the city limits.

Passed by the Council by a vote of ____ for and ____ against and approved by the Mayor this ____ day of November, 1990.

MAYOR

ATTEST:

CITY ADMINISTRATOR

JW/plw

AGENDA ITEM 4



CITY OF LEBANON
M E M O R A N D U M

TO: Joseph A. Windell, City Administrator DATE: November 6, 1990

FROM: Judy Wendland, Finance Director *JW*

SUBJECT: Resolution Appropriating Wetlands Grant Funds

The City has received a \$10,000 grant from the state and an additional \$2,000 in matching funds from PP&L, Consumers Power, and Telephone Utilities to conduct a Survey of wetlands in industrial sites.

The resolution to appropriate the funds for the grant is attached.

Action Required:

Adopt the resolution by motion.

A RESOLUTION APPROPRIATING)
GRANT FUNDS)

RESOLUTION NO /
FOR 1990 →

WHEREAS in October, 1990 The City of Lebanon received an unanticipated grant from the State of Oregon Timber Dependent Communities Opportunity Fund in the amount of \$10,000 and an additional grant in the amount of \$2,000 in matching funds paid one-third each by Consumers Power, Pacific Power and Light, and Telephone Utilities for the specific purpose of conducting a wetlands reconnaissance survey of vacant industrial land, and

WHEREAS, Oregon Local Budget Law, under ORS 294.326(2), provides that money from an unanticipated grant which has been transferred to a municipal corporation in trust for a specific purpose may be lawfully expended after enactment of an appropriation resolution;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lebanon hereby adopts this resolution in the full amount of \$12,100.00 for the purposes shown below, and is hereby appropriated as follows:

50-574-61130	CONTRACT SERVICES	\$11,900
50-574-61240	DEPT OPERATING EXP	100
50-574-61250	DEPT OPERATING SUPPLIES	<u>100</u>
		\$12,100

Passed by the Council by a vote of ____ for and ____ against and approved by the Mayor this ____ day of November, 1990.

MAYOR

ATTEST:


CITY ADMINISTRATOR

AGENDA ITEM 5



CITY OF LEBANON
M E M O R A N D U M

TO: Joseph A. Windell, City Administrator DATE: November 6, 1990

FROM: Judy Wendland, Finance Director 

SUBJECT: Resolution Appropriating Entrepreneurial Grant Funds

The City has received a \$24,600 grant from the state to establish an East Linn County Entrepreneurial Development Program. The information from the State is attached.

The resolution to appropriate the funds for the grant is attached.

Action Required:

Adopt the resolution by motion.

A RESOLUTION APPROPRIATING) RESOLUTION NO _____
 GRANT FUNDS) FOR 1990

WHEREAS, the City of Lebanon has received a grant from the State of Oregon under the Timber Dependent Communities Opportunity Grant program in the amount of \$24,600; and

WHEREAS, Oregon Local Budget Law, under ORS 294.326(2), provides that money from an unanticipated grant which has been transferred to a municipal corporation in trust for a specific purpose may be lawfully expended after enactment of an appropriation resolution;

NOW, THEREFORE, BE IT RESOLVED that City Council of the City of Lebanon hereby adopts this resolution in the full amount of \$24,600.00 for the purposes shown below, and is hereby appropriated as follows:

50-573-61130	CONTRACT SERVICES	\$24,400
50-573-61240	DEPT OPERATING EXP	100
50-573-61250	DEPT OPERATING SUPPLIES	<u>100</u>
		\$24,600

Passed by the Council by a vote of ____ for and ____ against and approved by the Mayor this ____ day of November, 1990.

 MAYOR

ATTEST:

 CITY ADMINISTRATOR

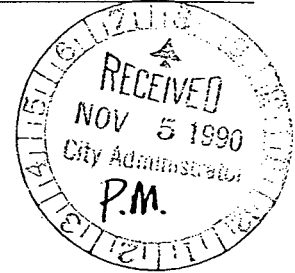
OREGON

ECONOMIC
DEVELOPMENT
DEPARTMENT

775 Summer St. NE
Salem, Oregon 97310 U.S.A.
Telephone: (503) 373-1200
FAX: (503) 581-5115

November 1, 1990

Joe Windell, City Administrator
City of Lebanon
925 Main Street
Lebanon, Oregon 97355



Dear Mr. Windell:

This letter is to notify you that you have been awarded a second Timber Dependent Communities Opportunity Grant as part of the State effort to provide resources to timber dependent, rural communities throughout Western Oregon.

The Community Initiatives Section has recommended that you receive \$24,600 in grant funds for your proposal to establish an East Linn County Entrepreneurial Development Program.

The Grant Review Committee did recommend some conditions for funding regarding your proposal. These conditions, along with the schedule for receiving grant funds, are outlined in the Grant Agreement that is attached. It is important that no money is spent against the grant funds until this Agreement has been signed by all parties and initial conditions have been met. Please carefully review these conditions and the general contract terms, and, if you still wish to proceed, sign and return the contract to the Community Initiatives Program.

In the meantime, congratulations on your successful proposal. Lynn Youngbar and Marilyn Johnston of the Community Initiatives Program (373-1046) are willing to assist you with any questions or concerns you may have.

Sincerely,

David Lohman
David H. Lohman
Senior Deputy Director

Enclosure

- c: John Pascone
- Jeri Chenelle
- Scott Proctor
- Representative/Senator
- County Commissioners



Neil Goldschmidt
Governor

FILE COPY
COUNCIL READ FILE

AL BARRIOS
copy - Judy LBCC, LEB
Doag
me -> FAX - LBCC J. PASCONE

967-6550

STATE OF OREGON
 TIMBER DEPENDENT COMMUNITIES OPPORTUNITY FUND
 GRANT AGREEMENT

This Grant Agreement is entered into between the State of Oregon, acting by and through the Oregon Economic Development Department, hereafter called Grantor, and the CITY OF LEBANON, hereafter called Recipient.

Section 1. Recitals

A. Legal Basis of Award

The grant award, which is the subject of this Grant Agreement, is authorized by a motion adopted by the Emergency Board Subcommittee in a meeting July 13, 1990 and adopted by the full Emergency Board on July 14, 1990. The minutes to that meeting are attached to this agreement as Exhibit A and describe the intended use of these grant moneys.

B. Eligibility of the Recipient

The Recipient has applied for and is authorized to receive funding under the Timber Dependent Communities Opportunity Fund in accordance with the Criteria established by the Grantor and attached hereto as Exhibit B.

C. Approval of Application

The Grantor has reviewed the Recipient's application and determined that the proposed project to

**ESTABLISH AN EAST LINN COUNTY ENTREPRENEURIAL
 DEVELOPMENT PROGRAM
 ("Project")**

is feasible and merits funding provided that the following conditions are met:

- (1) That the Recipient prepare a workplan which provides information regarding the program of work and coordination with other East Linn County communities and submit it to the Grantor for review and approval. The Recipient must also provide a plan for local continuation of funding for the project, referencing specific funding sources.

- (2) That the work involved in providing the East Linn County Entrepreneurial Development Program be contracted to Linn-Benton Community College for delivery of services.
- (3) That the Recipient establish a tracking system to ascertain the numbers of Dislocated Timber Workers served as a result of this project.
- (4) That the Grantor review and approve any modifications to the Project workplan prior to the time they are implemented.
- (5) That the Recipient provide and substantiate the match that is available to the Project.

Section 2. Exhibits

Incorporated herein as part of this Grant Agreement are:

- A. Minutes to July 13, 1990 Emergency Board Subcommittee meeting, attached as Exhibit A.
- B. Criteria for Opportunity Fund Grants, attached as Exhibit B.

Section 3. Grant

In reliance on the approved application made by the Recipient, the Grantor agrees to provide funds up to the amount of \$24,600 ("Grant") from the Timber Dependent Communities Opportunity Fund for the purposes set forth in the approved application and described in Section 1(C).

The Grant shall be disbursed to the Recipient in the following manner:

- o 60% or \$14,700 shall be paid to the Recipient upon execution of this Agreement by both parties and after the condition in Section 1(C)(1) has been met.
- o 20% or \$4,950 shall be paid to the Recipient upon receipt of the mid-Project report, due no later than February 1, 1991. This written report shall include a brief summary of the status of the Project to date, tasks completed to date and those still to be completed, description of problems encountered, and an itemization of how the Grant and matching funds were spent.

- o The final 20% of the funds, or \$4,950, shall be paid to the Recipient upon completion of the Project and upon Grantor's receipt of the final report, due no later than June 30, 1991. The final report will include a summary of the Project, significant results, a description of Project activities and problems, and complete information on Grant and matching fund expenditures.

Section 4. Covenants of the Recipient

A. Compliance with federal, state, and local laws.

The Recipient agrees to comply with all applicable federal, state, and local laws and regulations in administering and distributing the funds provided under this Grant Agreement.

B. Matching Funds

The Recipient agrees that the project is receiving local commitment demonstrated through cash and/or in-kind match in the amount of \$10,000.

C. Financial Records

The Recipient shall maintain a complete set of records related to the Grant in accordance with generally accepted government accounting principals. The Recipient will permit the Grantor and any authorized representative of the State access to and the right to examine all records, books, papers, or documents related to the Grant.

D. Indemnification

The Recipient, to the extent permitted by its charter, shall indemnify and hold harmless the State of Oregon and the Grantor, its officers, agents, employees, and members from all claims, suits, and actions resulting from or arising out of the activities of the Recipient or its subcontractors, agents, or employees in connection with the Grant.

Section 5. Amendments

The terms of this Grant Agreement will not be waived, altered, modified, supplemented, or amended in any manner except by written instrument signed by both parties.

Section 6. Waiver

The failure of the Grantor to enforce any provision of this Agreement shall not constitute a waiver by the State of its right to enforce that or any other provision of the Agreement.

Section 7. Termination and Default

A. Termination

This Agreement may be terminated by mutual consent of both parties or upon 30 days' written notice of termination by either party, delivered to the other party by certified mail or in person. In the event of termination, the Recipient shall, within 30 days of termination, return all unexpended portions of the Grant to the Grantor.

B. Default

The Grantor by written notice of default to the Recipient reserves the right to terminate this Agreement for just cause and without liability if the Recipient fails to perform any of the provisions of this Agreement, or so fails to pursue the Project as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from the Grantor, fails to correct such failures within 15 days or such longer period as the Grantor may authorize.

C. Remedies

In the event the Recipient is found in default on this Agreement, the Grantor may pursue any or all of the remedies available at law or in equity. Such remedies may include, but are not limited to, termination of the Grant Agreement and stop payment on or return of the award.

Section 8. Term of Agreement

The Recipient may begin work on project as described in Section 1 (c) upon signature of all parties to this Agreement. The entire Project and final written report must be completed no later than June 30, 1991.

This Grant Agreement is hereby executed by the parties on the dates set forth below.

STATE OF OREGON
Economic Development Department

City of Lebanon

GRANTOR

GRANTEE

By *David Zahra*
(Signature) (Signature)

DEPUTY DIRECTOR
(Title)

_____ (Title)

11/2/90
(Date)

_____ (Date)

Non-agenda Item - July 13, 1990 meeting

Department of Economic Development

Bradbury: The issue that we are dealing with in this comes from the Subcommittee -- we had a \$500,000 fund in lottery that was to be used for lottery evaluation and at the May Emergency Board we decided not to spend on lottery evaluation and we spent \$275,000 of it on federal forest planning and tourism. The other \$225,000 the expenditure was deferred to give us a little more time to understand the nature of timber dependent communities and a few other things.

So, I will make a motion - and I understand there will be an amendment to the motion - but, I will move that the Emergency Board instruct the Department of Economic Development to submit its plan for use of the \$225,000 to the September meeting of the Emergency Board.

Katz: The motion is from Subcommittee.

Hanneman: The motion from the Subcommittee is part of, as I heard the Senator phrase it, to submit the report in more detail. My amendment to the motion would be to allow expenditure of the \$225,000 at this point and not wait until the September Emergency Board meeting and my reason is that that is near the end of the biennium and if the timber dependent communities are going to receive any value from the funding, that we ought to go ahead and do that now, but as the Senator indicated I think the report that we will see in September as the Subcommittee instructed will be in more detail, and it will be definitive and I think the discussion we had ensures that we are on the right track should the amendment pass and the \$225,000 be allowed.

Katz: I am going to accept your motion to amend the original motion, but I need some information. Why didn't the Subcommittee recommend the expenditure of those resources now and what concern do you have for expenditure now as opposed to waiting for the next Emergency Board meeting?

Bradbury: We basically didn't have a clear plan in our mind yesterday, and felt that coming back in September would be okay. That's why we did what we did. Other members of the Subcommittee can speak if they want to.

Katz: Anybody else want to discuss it? No? Okay -

Bradbury: Madame Chair, if I could I would like to have about a one minute saliliquoy? or whatever you call it - with Dave Lohman, the Deputy Director to establish some sort of standards for the use of this money, and then I would be very comfortable to support the motion. If that would be okay. Dave, could you -

Katz: Mr. Lohman, will you come up? -- Do what you were going to do in September, and do it now.

Bradbury: I think I can do this very briefly. Representative Agrons, myself, Dave Lohman and Lynn Youngbar and Joe Cortright from Trade and Economic Development had a meeting not too long ago and talked about taking the original Department's proposal for the \$225,000 and slightly expanding it, calling it a Timber Dependent Opportunity Fund, or whatever, and the key issues were that we wanted the money clearly --- that timber dependent communities would receive some waiting in terms of applying for this money #1, and #2 that there would be real weighting? given to leverage for the money because it is such a small amount of money - any leverage would make it that much better; and #3 that we wanted to see projects that would be projects - sort of an experimental nature - or at least that we could learn from for the future, if at all possible. Those were the three areas that we were talking about putting some priority in the use of this money and I just wanted to confirm that that would be acceptable, or what the Department would pursue.

Lohman: For the record, the answer is yes.

Katz: But, I heard some questions asked of you that demands more than a yes or no response.

Bradbury: I didn't ask any questions that demanded any more than what he just said.

Katz: Well then, I have some questions.

Hill: I still don't have any idea what this \$225,000 would go for.

Katz: Would you sort of share with the Committee what your plans are.

Lohman: Madame Chair, we proposed in May an opportunity fund for communities that have gone through the SWOT analysis in southwest Oregon through our community initiatives program. For them to have an opportunity, once they have identified -- after going through this strategic analysis - (its Strength Weaknesses Opportunity and Threats) and what they come out with at the end of that are some - hopefully and we believe realistic action items that they can take, and some of these were discussed this morning in Sweet Home and Myrtle Creek and some other places -- they would like to be able to go out and recruit some businesses and we think there might be a possibility of doing that. They don't have any industrial land ready yet. They need to go through some processes with LCDC and other things to get that land ready. What we would like to do is use this money on an application competitive basis to allow some of those communities to take some of those action steps that they want to pursue.

Katz: Did they go through the SWOT already?

Lohman: Those communities did, and I think what we talked about as we modified this proposal slightly in conversations with the Co-Chairs and staff of the interim Forest Products Policy Committee, was that we would not limit it strictly to those 19 communities in southwest Oregon that have gone through the SWOT analysis because we know there are some additional timber dependent communities that didn't have the opportunity yet to do that. But we would give some weight - some points - in the competitive process for timber dependent communities. We would give extra points for leverage - that is if they are bringing in federal dollars as well, or local dollars - any other dollars than state.

Katz: Could you give us an idea of anything you know about that might qualify for some of this money to give Senator Hill a better idea of what it is going to be spent on for those communities that have gone through the SWOT process?

Lohman: Yes. The two I mentioned are live ones. We have actual proposals from Myrtle Creek and Lebanon [Sweet Home] to do a - in the case of Sweet Home, they need to do a feasibility study of what it is going to cost to bring the infrastructure into that proposed industrial site. They would like some marketing money - I am not sure the marketing money is necessary - I think we may be able to help them within the Department for the normal processes. There is about three pieces to the Sweet Home proposal. A similar proposal in Myrtle Creek; another proposes has been to work with several of the communities that identified cottage industries. They have people who have beginning cottage industries now. In Mill City, Cave Junction and Mapleton that our consultants say have the possibility of really growing. What they need is a little bit of seed money along the lines of a self-employment project

described by Senator Hill this morning. We were proposing to take some portion of that, roughly \$40,000, just to provide seed financing for small cottage industries that look like they have a real potential of blossoming.

There is in Oakridge an information center that they would like to set up at a rest stop they have there now. This would be to provide information to visitors that come through. They have some funds from the forest service already to provide the materials to do this. It is fixing up an existing building actually. They have materials from the forest service; they have YCC crews that can do the work, and they needed some additional amount of money - I don't remember precisely what it was for, but it was for additional materials in the neighborhood of \$8,000.

Katz: How does the Keosck deal with dislocation due to the timber
--

Lohman: Oakridge is one of the worst hit areas in the state because they used to have two mills and now they have virtually none. One is operating a little bit of time. They have gone through their strategic planning process and determined that they have some recreational potential that they are not tapping right now. It is not a big deal. They are never going to be Bend, but they do have an opportunity to capture some of the people that just travel through there right now and don't even know that there -- there is a lot of recreational opportunity. It is a beautiful area if you get outside of town, but nobody knows.

Sowa: When the proposal came for it for the southwest cities, I didn't have any objection to the southwestern towns getting some money, however, need to continue to stress that there is a lot of other small communities, especially in Clackamas County that are really suffering from timber industry problems, and I would like your assurance that they would have equal opportunity to apply for these funds.

Lohman: The answer would be yes. We do intend that, and that is part of what we agreed working with the interim committee. I know that Molalla is one of those that has not had an opportunity to have a SWOT analysis but is very heavily impacted and has some what appear to be good ideas - things they could do.

Katz: Are you monitoring the Department's activities?

Bradbury: Oh, yeh.

Hanneman: It's a small amount of money and it's close to the end of the biennium; it's there and the account can't be used now and it should be.

Lohman: I should mention one thing in fairness. This is the proposal that we in the Department would prefer. There is another proposal for expenditure of that \$225,000 to help backfill a couple of programs that have - because of lottery shortfalls - have been hurt; the Oregon Marketplace program and the Small Business Development Center program. I just want to make you aware that that is the same \$225,000 that has been targeted for that purpose. We are trying to figure out a way to help out those programs apart from this, but I don't have that resolution in hand yet. I just wanted you to know before you take action.

Katz: The motion is actually to release \$225,000 to the Department of Economic Development for the purposes of funding the Forest Products Opportunity Fund projects.

Trow: I have been working to try to get some of that money for the Oregon Marketplace program, so I am going to vote 'no' just to be consistent with what I have been trying to do.

Larry
Hill: I share Senator Trow's interest in looking at the Oregon Marketplace and also the Small Business Development centers. Not that the SWOT has a lot merit, but there is a difference in the type of ----- and what leverage be obtained, and with the other two programs we are capitalizing on investments already made by individuals and firms. Both the Small Business Development Center and Oregon Marketplace really leverages investments already there, and I don't feel comfortable at this point supporting the -

Katz: You have heard the motion ---

Lattimer: (roll call) Ayes: 10; No: 3; Excused: 4

Katz: Motion to amend the main motion carries. You are now voting on the main motion. Further discussion? Any objections? Anybody want to object? (No response)

Katz: That item has been adopted.

EXHIBIT B

Criteria For Opportunity Fund Grants

1. The application must be submitted by a local entity (such as an economic development group, a community response team, etc.) that has developed a strategic plan for diversifying the local economy in light of expected timber supply cutbacks. It is necessary that the application be co-sponsored by a governmental body of the community that is authorized to receive and expend the funds locally.
2. Since the intent of this Fund is to build resources into rural, timber-dependent communities, applications are limited to communities with populations less than 10,500 according to the July, 1989 population data from Portland State University's Center for Population Research and Census.
3. Projects to be funded must be part of the proposed action plan of a completed strategic plan undertaken by an economic development group and approved by the community as part of a larger, longer-term economic strategy.
4. Proposed projects must be: (a) ready to begin immediately; (b) able to be completed by June 30, 1991; and (c) an innovative step in furthering an economic strategy. Additional consideration will be given to projects that are capable of being replicated in other parts of the state.
5. Local commitment for the project should be demonstrated through (a) substantial cash or in-kind match, and (b) written evidence that future costs and coordination for the project will be continued locally once funding is over.
6. There must be some justification of actual or expected local impact from a reduction in timber supply in the community and the need for such a project.

90-76

September 7, 1990



ECONOMIC
DEVELOPMENT
DEPARTMENT

775 Summer St. NE
Salem, Oregon 97310, U.S.A.
Telephone: (503) 373-1200
FAX: (503) 581-5115

CONTACT: Kathy Dimond
373-1206
Lynn Youngbar
373-1046

FIRST ROUND OF OPPORTUNITY GRANTS ANNOUNCED

SALEM--Eight rural communities will receive \$113,250 in grants in the first round of funding from the Opportunity Grant Fund, the Oregon Economic Development Department announced today.

The grants were awarded to begin diversifying the economies of timber-dependent communities with populations under 10,500 in Western Oregon.

"Some of the projects we selected are unique. Many will offer us expertise we can share with other similar communities looking for ways to build on their natural strengths such as cottage industry, light industry, tourism and retirement," said Lynn Youngbar, director of the department's Community Initiatives program.

Grants to additional communities will follow within the next two weeks.

"We have a balance of about \$108,000 in the fund. We still have questions about a number of proposed projects. We should be able to announce the remaining grants very soon," Youngbar said.

Only communities with a completed strategic plan could apply to the fund. The projects must be ready to begin immediately and be completed by June 30, 1991. Each project must also be an innovative step in furthering the community's economic strategy.

The grant fund, approved by the Legislative Emergency Board on July 13, follows on the heels of intensive community analysis and technical assistance in 7 timber dependent counties (a total of 19 communities) by the Community Initiatives program. The department worked with these communities over the past year to develop SWOT (strength, weaknesses, opportunities and threats) analyses. Some of these communities have participated in an intensive training program to develop diversification strategies. Though many of the 19 communities applied for grants through the fund, all Western Oregon communities that fit the criteria were asked to apply.

"These are not quick-fix projects. Because we've asked each community to tie their requests to their strategic plan, we feel we are filling needs that will strengthen each community's economy for the long term and eventually lead to new jobs," Youngbar said.

MORE (over)

Opportunity Fund -- 3

Lebanon This community will receive a \$10,000 grant to do a wetlands reconnaissance survey of vacant industrial land. Since federal law now restricts development of wetlands, many designated industrial sites in the state may not be suitable for development. Willamette Valley locations such as Lebanon face impediments to industrial recruitment and expansion and manufacturing job creation because of wetlands. To carry out the community's goal of increased manufacturing employment, it is essential that Lebanon quantify the wetlands constraint on its industrial sites.

Sweet Home Sweet Home will receive a \$20,000 grant to conduct a comprehensive marina development feasibility study for Foster Lake. The study will be used as part of a recruitment initiative to attract a private developer to participate in a public/private partnership to develop a marina facility at Foster Lake. One of Sweet Home's strategic plan goals is to further develop and promote recreation opportunities at Foster Lake.

Harrisburg Part of Harrisburg's strategic plan calls for developing the downtown and waterfront area as an historic and specialty business market area. The community will receive an \$11,900 grant to create a development plan for the riverfront and downtown.

END

AGENDA ITEM 6



CITY OF LEBANON
MEMORANDUM

TO: Joseph A. Windell, City Administrator DATE: November 6, 1990

FROM: Judy Wendland, Finance Director *JW*

SUBJECT: Appropriation of Unanticipated Civil Forfeiture Funds

The Police Department has already obtained almost \$2,500 under the new forfeiture laws, and anticipates collecting that much more before the end of the fiscal year.

So far \$840 in City Attorney fees and about \$150 in advertising have been incurred for these forfeitures.

As these funds were unanticipated, our auditor will allow us to appropriate them by resolution.

Action required:

Approve resolution by motion.

A RESOLUTION APPROPRIATING) RESOLUTION NO. _____
FORFEITURE FUNDS) FOR 1990

WHEREAS, in Fiscal 1990-91 the City of Lebanon expects to receive unanticipated funds in the amount of \$5,000.00 for the specific purpose of providing funds for the City of Lebanon to conduct criminal investigations and to obtain forfeitures; and

WHEREAS, Oregon Local Budget Law, under ORS 294.326(2), provides that money from any unanticipated grant which has been transferred to a municipal corporation for a specific purpose may be lawfully expended after enactment of an appropriation resolution;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lebanon hereby adopts this resolution in the full amount of \$5,000.00 for the purposes shown below, and is hereby appropriated as follows:

50-563-61010	ADVERTISING	\$ 500.00
50-563-61014	CITY ATTORNEY	1,500.00
50-563-61855	SPECIAL INVESTIGATION	<u>3,000.00</u>
		\$5,000.00

Passed by the Council by a vote of ____ for and ____ against and approved by the Mayor this ____ day of November, 1990.

MAYOR

ATTEST:

CITY ADMINISTRATOR

AGENDA ITEM 7



CITY OF LEBANON

M E M O R A N D U M

TO: Joseph A. Windell, City Administrator DATE: November 6, 1990

FROM: Judy Wendland, Finance Director *JW*

SUBJECT: Finance Committee Recommendation for Northwest Natural Gas Franchise Fee

The Finance Committee will meet Wednesday, February 14 to discuss renewing the Franchise Agreement with Northwest Natural Gas. As a result of that meeting, there should be a committee recommendation regarding the agreement.

The City received a standard franchise agreement from the gas company. This agreement included some changes from the prior agreement with the City. After review of the agreement by the affected departments, City Attorney McHill prepared a revised agreement, a copy of which is attached.

It is possible that in discussions with the committee and Northwest Natural Gas that some of the changes highlighted below may be modified.

Highlights of Changes:

- * Franchises to be paid monthly instead of annually. At City's option, franchise amount may be changed with 60 days notice to Northwest Natural Gas.
- * Length of term of agreement is reduced from 20 years to 5 years.
- * Changed and restored some language to maximize city control over Gas company excavation and relocation of lines.
- * Restored language regarding calculation of gross revenues subject to franchise fee.

If any changes are made, an ordinance incorporating the changes will be distributed at the City Council meeting.

Action required:

Approve ordinance by motion, with roll call vote.

MORLEY, THOMAS, KINGSLEY,

AND MCHILL

ATTORNEYS AT LAW

P.O. BOX 98

80 E. MAPLE STREET

LEBANON, OREGON 97355

PHONE 503 - 258-3194

FAX 503 - 258-1208

November 2, 1990

LAURENCE MORLEY
 WILLIAM R. THOMAS
 CHARD E. KINGSLEY

THOMAS A. MCHILL

Mr. Ronald K. Opitz
 Risk & Land Management Dept.
 Northwest Natural Gas
 220 NW Second Avenue
 Portland, OR 97209

Re: Franchise Agreement

Dear Mr. Opitz:

The standard franchise agreement which has been proposed by Northwest Natural Gas has been referred to me for comment and drafting. After reviewing your proposal with City staff, we have drafted our proposed franchise agreement for your review.

As you know, the City anxiously awaits the results of the upcoming election in order to review all of its franchise agreements. The City has scheduled a meeting of the City Council's Finance Committee for noon, November 14, 1990, at City Hall, to review the franchise agreement. While we do not know whether or not the Finance Committee will want your attendance at that meeting, I wanted to let you know so that you could be available for any comments or discussions with the Finance Committee should they desire to discuss the agreement with you. In the meantime, I await your comments and further proposals on the franchise agreement.

It is our hope that we will take a draft of a franchise agreement to the full City Council on November 14, 1990, at 7:30 p.m. for final approval. Therefore, I think it is important that we receive Northwest Natural Gas's position regarding our proposed franchise agreement prior to November 14.

Very truly yours,

MORLEY, THOMAS, KINGSLEY & MCHILL

Thomas A. McHill

TAM:mm
 Encl

cc: Joseph Windell, City Administrator
 Judy Wendland, Finance Director
 Jim Ruef, Director of Public Works

A BILL FOR AN ORDINANCE GRANTING A) ORDINANCE BILL NO. _____
 NON-EXCLUSIVE GAS UTILITY FRANCHISE) For 1990
 TO NORTHWEST NATURAL GAS COMPANY,)
 AND FIXING TERMS, CONDITIONS, AND) ORDINANCE NO. _____
 COMPENSATION OF SUCH FRANCHISE.)

THE CITY OF LEBANON ORDAINS AS FOLLOWS:

Section 1: Definitions and Explanations.

- (1) As used in this ordinance.
 - (a) "Bridge" includes a structure erected within the City to facilitate the crossing of a river, stream, ditch, ravine or other place, but does not include a culvert.
 - (b) "City" means the City of Lebanon and the area within its boundaries, including its boundaries as extended in the future.
 - (c) "Council" means the legislative body of the City.
 - (d) "Grantee" means the corporation referred to in Section 2 of this ordinance.
 - (e) "Gas mains" includes all gas transmission and distribution facilities located on or under any street, bridge or public place within the City.
 - (f) "Person" includes an individual, corporation, association, firm, partnership and joint stock company.
 - (g) "Public place" includes any city-owned park, place or grounds within the City that is open to the public but does not include a street or bridge.
 - (h) "Street" includes a street, alley, avenue, road, boulevard, thoroughfare or public highway within the City, but does not include a bridge.
- (2) As used in this ordinance, the singular number may include the plural and the plural number may include the singular.
- (3) Unless otherwise specified in this ordinance, any action authorized or required to be taken by the City may be taken by the Council or by an official or agent designated by the Council.

Section 2: Rights Granted.

Subject to the conditions and reservations contained in this ordinance, the City hereby grants to **NORTHWEST NATURAL GAS COMPANY**, a corporation, the right, privilege and franchise to:

- (1) Construct, maintain and operate a gas utility system within the City.
- (2) Install, maintain and operate on and under the streets, and subject to the approval of the City, bridges and public places of the City, facilities for the transmission and distribution of gas to the City and its inhabitants and to other customers and territory beyond the limits of the City; and
- (3) Transmit, distribute and sell gas.

Section 3: Use of Bridges and Public Places by Grantee.

- (1) Before the Grantee may use or occupy any bridge or public place, the Grantee shall first obtain permission from the City so to do and shall comply with any special conditions the City desires to impose on such use or occupation.
- (2) The compensation paid by the Grantee for this franchise includes compensation for the use of bridges and public places located within the City as authorized.

Section 4: Duration.

This franchise is granted for a period of 5 years from and after the effective date of this ordinance.

Section 5: Franchise Not Exclusive.

This franchise is not exclusive, and shall not be construed as a limitation on the City in:

- (1) Granting rights, privileges and authority to other persons similar to or different from those granted by this ordinance.
- (2) Constructing, installing, maintaining or operating any City-owned public utility.

Section 6: Public Works and Improvements Not Affected by Franchise.

The City reserves the right to:

- (1) Construct, install, maintain and operate any public improvement, work or facility;

- (2) Do any work that the City may find desirable on, over or under any street, bridge or public place.
- (3) Vacate, alter or close any street, bridge or public place.
- (4) Whenever the City shall excavate or perform any work in any of the present and future streets, alleys and public places of the City, or shall contract, or issue permits, for such excavation or work where such excavation or work may disturb Grantee's gas mains, pipes and appurtenances, the City shall, in writing, notify Grantee sufficiently in advance of such contemplated excavation or work to enable Grantee to take such measures as may be deemed necessary to protect such gas mains, pipes and appurtenances from damage and possible inconvenience or injury to the public. In any such case, the Grantee, upon request, shall furnish maps or drawings to the City or contractor, as the case may be, showing the approximate location of all its structures in the area involved in such proposed excavation or other work.
- (5) Whenever the City shall vacate any street or public place for the convenience or benefit of any person or governmental agency and instrumentality other than the City, Grantee's rights shall be preserved as to any of its facilities then existing in such street or public place.

Section 7: Continuous Service.

The Grantee shall maintain and operate an adequate system for the distribution of gas in the City. The Grantee shall use due diligence to maintain continuous and uninterrupted 24-hour a day service which shall at all times conform at least to the standards common in the business and to the standards adopted by state authorities and to standards of the City which are not in conflict with those adopted by the state authorities. Under no circumstances shall the Grantee be liable for an interruption or failure of service caused by act of God, unavoidable accident or other circumstances beyond the control of the Grantee through no fault of its own.

Section 8: Safety Standards and Work Specifications.

- (1) The facilities of the Grantee shall at all times be maintained in a safe, substantial and workmanlike manner.
- (2) For the purpose of carrying out the provisions of this section, the City may provide such specifications relating thereto as may be necessary or convenient for public safety or the orderly development of the City. The City may amend and add to such specifications from time to time.

Section 9: Control of Construction.

The Grantee shall file with the city maps showing the location of any construction, extension or relocation of its gas mains in the streets or the City and shall obtain from the City approval of the location and plans prior to commencement of the work. The City may require the Grantee to obtain a permit before commencing the construction, extension or relocation of any of its gas mains.

Section 10: Street Excavations and Restorations.

- (1) Subject to the provisions of this ordinance, the Grantee may make necessary excavations for the purpose of constructing, installing, maintaining and operating its facilities. Except in emergencies, prior to making an excavation in any street, bridge or public place, the Grantee shall obtain from the City approval of the proposed excavation and of its location. The Grantee shall give notice to the City by telephone, electronic data transmittal or other appropriate means prior to the commencement of services or maintenance work and as soon as is practicable after the commencement of work performed under emergency conditions.
- (2) Except as provided in subsection (3) of this section, when any excavation is made by the Grantee, the Grantee shall promptly restore the affected portion of the street, bridge, or public place to the same condition in which it was prior to the excavation. The restoration shall be in compliance with specifications, requirements and regulations of the City in effect at the time of such restoration. If the City requests that the removal or relocation shall be completed within a reasonable specified time period, Grantee shall complete the removal or relocation within said time period or shall indemnify the City for any costs arising from Grantee's failure to do so. Grantee shall be responsible for any defect or inadequacy which may develop in such restorations and shall within sixty (60) days after receiving notice from the City of the existence of a defect or inadequacy, make corrections thereto in a manner satisfactory to the City. If the City determines that the defect or inadequacy presents a danger or serious inconvenience to the public or the defect or inadequacy causes or threatens to cause damage to adjacent pavement, utilities, structures, or other improvements, the City may require that the repairs be made or that acceptable temporary measures be taken within 24 working hours of the time of the request. In the event that Grantee fails to make restorations to the affected portion of the street, bridge, or public place to the satisfaction of the City, the City may make the restoration, and the cost thereof shall be paid by the Grantee.

- (3) At its option, the City may restore or resurface the affected portion of any street, bridge or public place excavated by the Grantee, and the cost thereof shall be paid by the Grantee.

Section 11: Location and Relocation of Facilities.

- (1) All facilities of the Grantee shall be placed so that they do not interfere unreasonably with the use by the City and the public of the streets, bridges and public places and in accordance with any specifications adopted by the City governing the location of facilities.
- (2) The City may require, in the public interest, the removal or relocation of facilities maintained by the Grantee in the streets of the City, and the Grantee shall remove and relocate such facilities within a reasonable time after receiving notice so to do from the City. The cost of such removal or relocation of its facilities shall be paid by the Grantee, but when such removal or relocation is required for the convenience or benefit of any person, governmental agency or instrumentality other than the City, Grantee shall be entitled to reimbursement for the reasonable cost thereof from such person, agency or instrumentality.

Section 12: Compensation.

- (1) As compensation for the franchise granted by this ordinance, the grantee shall pay to the City an amount equal to three percent (3%) of the gross revenue collected by the Grantee from its customers for gas consumed within the City. Gross revenue shall be computed by deducting from the total billings of the Grantee the total net writeoff of uncollectible accounts, revenues derived from the sale or transportation of gas supplied under an interruptible tariff schedule applying to gas supplied for industrial purposes, revenues paid directly by the United States of America or any of its agencies, and sales of gas at wholesale by the Grantee to any public agency where the public utility or public agency purchasing such gas is not the ultimate customer. The City shall have the option, upon 60 days' written notice to Grantee, to raise the rate of compensation agreed to herein up to the full amount authorized by law.
- (2) The compensation required by this section shall be paid monthly, on or before the 10th day of the month.
- (3) The Grantee shall furnish to the City with each payment of compensation required by this section a written statement, under oath, executed by an officer of Grantee showing the amount of gross revenue of the Grantee within the City for the period of time covered by the payment computed on the

basis set out in subsection (1) of this section. The compensation for the period covered by the statement shall be computed on the basis of the gross revenue so reported. If the Grantee fails to pay the entire amount of compensation due the City through error or otherwise, the difference due the City shall be paid by the Grantee within fifteen (15) days from discovery of the error or determination of the correct amount. Any overpayment to the City through error or otherwise, shall be offset against the next payment due from the Grantee.

- (4) Acceptance by the City of any payment due under this section shall not be deemed to be a waiver by the City of any breach of this franchise occurring prior thereto, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City.

Section 13: Books of Account and Reports.

The Grantee shall keep accurate books of account at an office in Oregon for the purpose of determining the amounts due to the City under section 12 of this ordinance. The City may inspect the books of account at any time during business hours and may audit the books from time to time. The Council may require periodic reports from the Grantee relating to its operation and revenues within the City.

Section 14: Collection Facilities.

The Grantee may maintain facilities in the City where its customers may pay their bills for gas service during normal business hours.

Section 15: Supplying Maps Upon Request.

The Grantee shall maintain on file, at an office in Oregon, maps and operational data pertaining to its operations in the City. The City may inspect the maps and data at any time during business hours. Upon request of the City, the Grantee shall furnish to the City, without charge and on a current basis, maps showing the location of the gas mains of the Grantee in the City.

Section 16: Indemnification.

The Grantee shall indemnify and save harmless the City and its officers, agents and employees from any and all loss, cost and expense arising from damage to property and/or injury to, or death of, persons due to any wrongful or negligent act or omission of the Grantee, its agents or employees in exercising the rights, privileges and franchise hereby granted.

Section 17: Assignment of Franchise.

This franchise shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the Grantee.

Section 18: Termination of Franchise for Cause.

Upon the willful failure of the Grantee, after sixty (60) days' notice and demand in writing, to perform promptly and completely each and every term, condition or obligation imposed upon it under or pursuant to this ordinance, the City may terminate this franchise, subject to Grantee's right to a court review of the reasonableness of such action.

Section 19: Remedies Not Exclusive, When Requirement Waived.

All remedies and penalties under this ordinance, including termination of the franchise, are cumulative, and the recovery or enforcement of one is not a bar to the recovery or enforcement of any other such remedy or penalty. The remedies and penalties contained in this ordinance, including termination of the franchise, are not exclusive and the city reserves the right to enforce the penal provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon the Grantee by or pursuant to this ordinance. A specific waiver of a particular breach of any term, condition or obligation imposed upon the Grantee by or pursuant to this ordinance shall not be a waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation, or a waiver of the term, condition or obligation itself.

Section 20: Acceptance.

The Grantee shall, within thirty (30) days from the date this ordinance takes effect, file with the City its written unconditional acceptance of this franchise, and if the Grantee fails so to do, this ordinance shall be void.

Section 21: Declaration of Emergency.

Inasmuch as the provisions of this Ordinance are necessary for the immediate preservation of the peace, health, and safety of the people of the City of Lebanon, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect immediately upon its passage by the Council and approval by the Mayor.

Passed by the Council of the City of Lebanon by a vote of
_____ for and _____ against, and approved by the Mayor this
_____ day of _____, 1990.

MAYOR


ATTEST:

City Recorder



CITY OF LEBANON
M E M O R A N D U M

TO: Joseph A. Windell, City Administrator DATE: November 14, 1990

FROM: Judy Wendland, Finance Director 

SUBJECT: Finance Committee Recommendations on Northwest
Natural Gas Franchise Agreement

Today, we received a letter from Northwest Natural Gas outlining some changes they wanted to our revised proposal. After receiving direction from the Finance Committee, I spoke with Ron Opitz at Northwest Natural Gas and we agreed on the following changes. His confirming letter was faxed to me late this afternoon and is attached. The City Attorney will distribute copies of the revised ordinance at the City Council meeting this evening.

Duration:

Original NWNG Proposal--20 years, City countered with 5.

Agreement: Ten years

Explanation: NWNG prefers longer agreements so they can show greater financial stability when selling bonds.

Compensation:

City asked for option to change rates with 60 days notice to NWNG, they countered with annual renegotiation.

Agreement:

In first year of the franchise may renegotiate upon 30 days written notice. After that annually.

Explanation:

If the City wishes to increase the fees over 3%, the utility must do it and may pass this cost through to consumers, separately stated on the billing. They simply inform the P.U.C. of the action. However, they wish to negotiate because there may be consequences of increasing fees on industries with interruptible power sources which the city is not aware of that the City may wish to consider in making a decision.

Also, I was mostly concerned with maximizing our flexibility in making a decision during the next few months due to Measure 5. The Finance

Committee will meet in January to consider increases to all Franchise Fees together. Leaving the agreement open for this year will accomodate that, and then being able to reopen annually will be sufficient.

Other matters:

We compromised on being paid quarterly instead of annually, and also changed a couple of sections regarding city's control over excavation of the streets.

The City Attorney, Director of Public Works, and I are satisfied with the ordinance and recommend its passage.

NORTHWEST



NATURAL GAS COMPANY

220 N.W. SECOND AVENUE

PORTLAND, OREGON 97209

(503) 226-4211

November 14, 1990

REVISED

Thomas A. McHill
Attorney at Law
Morley, Thomas, Kingsley and McHill
PO Box 98
Lebanon, OR 97355

Dear Mr. McHill:

Subsequent to receiving and reviewing the City of Lebanon's proposed franchise, I find that we are in agreement with most sections and subsections; however, do recommend some minor changes.

Section 4: Duration

We propose that the franchise be granted for a minimum of 10 years after the effective date.

Section 6: Subsection (4) - Public Works and Improvements Not Affected by Franchise

Delete "or issue permits" from Line 3.

Section 12: Subsection (1) - Compensation

We disagree with the last sentence, which would allow the City to raise the rate of compensation upon 60 days' notice. The compensation is already at 3%, which is the maximum allowed by the Public Utility Commission under our filed tariffs.

During the first year of the franchise agreement, the Grantor may, upon 30 days' prior written notice, initiate the renegotiation of the level of compensation.

Thomas A. McHill
November 14, 1990
Page 2

During the nine remaining years of the franchise agreement, the compensation may be subject to annual renegotiation at or before the anniversary date of the term of the franchise hereby granted, and provided the Grantee be notified, in writing, at least 30 days prior to the anniversary date.

Section 10: Subsection (3), Street Excavation and Restorations

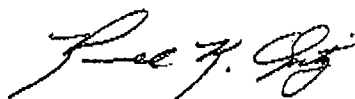
This subsection needs to be eliminated, since it is redundant of Subsection (2) and also grants rights to the Grantor that are not tied to time restrictions nor associated with a stated lack of response on the part of the Grantee concerning a construction restoration project.

Section 12: Subsection (2)

We would suggest that the compensation be paid quarterly and not monthly, since our accounting system is not set up to pay on a monthly basis.

Should you have any questions concerning the suggested revisions or any other matter concerning the franchise agreement, please feel free to call me at your convenience.

Best regards,



Ronald K. Opitz, Manager
Risk & Land Management Department

RKO:dg


cc: R.L. Hordichok



CITY OF LEBANON

M E M O R A N D U M

TO: Joseph A. Windell, City Administrator DATE: November 14, 1990

FROM: Judy Wendland, Finance Director 

SUBJECT: Finance Committee Recommendations on Northwest
Natural Gas Franchise Agreement

Today, we received a letter from Northwest Natural Gas outlining some changes they wanted to our revised proposal. After receiving direction from the Finance Committee, I spoke with Ron Opitz at Northwest Natural Gas and we agreed on the following changes. His confirming letter was faxed to me late this afternoon and is attached. The City Attorney will distribute copies of the revised ordinance at the City Council meeting this evening.

Duration:

Original NWNG Proposal--20 years, City countered with 5.

Agreement: Ten years

Explanation: NWNG prefers longer agreements so they can show greater financial stability when selling bonds.

Compensation:

City asked for option to change rates with 60 days notice to NWNG, they countered with annual renegotiation.

Agreement:

In first year of the franchise may renegotiate upon 30 days written notice. After that annually.

Explanation:

If the City wishes to increase the fees over 3%, the utility must do it and may pass this cost through to consumers, separately stated on the billing. They simply inform the P.U.C. of the action. However, they wish to negotiate because there may be consequences of increasing fees on industries with interruptible power sources which the city is not aware of that the City may wish to consider in making a decision.

Also, I was mostly concerned with maximizing our flexibility in making a decision during the next few months due to Measure 5. The Finance

Committee will meet in January to consider increases to all Franchise Fees together. Leaving the agreement open for this year will accomodate that, and then being able to reopen annually will be sufficient.

Other matters:

We compromised on being paid quarterly instead of annually, and also changed a couple of sections regarding city's control over excavation of the streets.

The City Attorney, Director of Public Works, and I are satisfied with the ordinance and recommend its passage.

NORTHWEST



NATURAL GAS COMPANY

220 N.W. SECOND AVENUE

PORTLAND, OREGON 97209

(503) 226-4211

November 14, 1990

REVISED

Thomas A. McHill
Attorney at Law
Morley, Thomas, Kingsley and McHill
PO Box 98
Lebanon, OR 97355

Dear Mr. McHill:

Subsequent to receiving and reviewing the City of Lebanon's proposed franchise, I find that we are in agreement with most sections and subsections; however, do recommend some minor changes.

Section 4: Duration

We propose that the franchise be granted for a minimum of 10 years after the effective date.

Section 6: Subsection (4) - Public Works and Improvements Not Affected by Franchise

Delete "or issue permits" from Line 3.

Section 12: Subsection (1) - Compensation

We disagree with the last sentence, which would allow the City to raise the rate of compensation upon 60 days' notice. The compensation is already at 3%, which is the maximum allowed by the Public Utility Commission under our filed tariffs.

During the first year of the franchise agreement, the Grantor may, upon 30 days' prior written notice, initiate the renegotiation of the level of compensation.

Thomas A. McHill
November 14, 1990
Page 2

During the nine remaining years of the franchise agreement, the compensation may be subject to annual renegotiation at or before the anniversary date of the term of the franchise hereby granted, and provided the Grantee be notified, in writing, at least 30 days prior to the anniversary date.

Section 10: Subsection (3), Street Excavation and Restorations

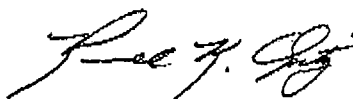
This subsection needs to be eliminated, since it is redundant of Subsection (2) and also grants rights to the Grantor that are not tied to time restrictions nor associated with a stated lack of response on the part of the Grantee concerning a construction restoration project.

Section 12: Subsection (2)

We would suggest that the compensation be paid quarterly and not monthly, since our accounting system is not set up to pay on a monthly basis.

Should you have any questions concerning the suggested revisions or any other matter concerning the franchise agreement, please feel free to call me at your convenience.

Best regards,



Ronald K. Opitz, Manager
Risk & Land Management Department

RKO:dg

cc: R.L. Hordichok

A BILL FOR AN ORDINANCE GRANTING A) ORDINANCE BILL NO. _____
NON-EXCLUSIVE GAS UTILITY FRANCHISE) For 1990
TO NORTHWEST NATURAL GAS COMPANY,)
AND FIXING TERMS, CONDITIONS, AND) ORDINANCE NO. _____
COMPENSATION OF SUCH FRANCHISE.)

THE CITY OF LEBANON ORDAINS AS FOLLOWS:

Section 1: Definitions and Explanations.

- (1) As used in this ordinance.
 - (a) "Bridge" includes a structure erected within the City to facilitate the crossing of a river, stream, ditch, ravine or other place, but does not include a culvert.
 - (b) "City" means the City of Lebanon and the area within its boundaries, including its boundaries as extended in the future.
 - (c) "Council" means the legislative body of the City.
 - (d) "Grantee" means the corporation referred to in Section 2 of this ordinance.
 - (e) "Gas mains" includes all gas transmission and distribution facilities located on or under any street, bridge or public place within the City.
 - (f) "Person" includes an individual, corporation, association, firm, partnership and joint stock company.
 - (g) "Public place" includes any city-owned park, place or grounds within the City that is open to the public but does not include a street or bridge.
 - (h) "Street" includes a street, alley, avenue, road, boulevard, thoroughfare or public highway within the City, but does not include a bridge.
- (2) As used in this ordinance, the singular number may include the plural and the plural number may include the singular.
- (3) Unless otherwise specified in this ordinance, any action authorized or required to be taken by the City may be taken by the Council or by an official or agent designated by the Council.

Section 2: Rights Granted.

Subject to the conditions and reservations contained in this ordinance, the City hereby grants to **NORTHWEST NATURAL GAS COMPANY**, a corporation, the right, privilege and franchise to:

- (1) Construct, maintain and operate a gas utility system within the City.
- (2) Install, maintain and operate on and under the streets, and subject to the approval of the City, bridges and public places of the City, facilities for the transmission and distribution of gas to the City and its inhabitants and to other customers and territory beyond the limits of the City; and
- (3) Transmit, distribute and sell gas.

Section 3: Use of Bridges and Public Places by Grantee.

- (1) Before the Grantee may use or occupy any bridge or public place, the Grantee shall first obtain permission from the City so to do and shall comply with any special conditions the City desires to impose on such use or occupation.
- (2) The compensation paid by the Grantee for this franchise includes compensation for the use of bridges and public places located within the City as authorized.

Section 4: Duration.

This franchise is granted for a period of 10 years from and after the effective date of this ordinance.

Section 5: Franchise Not Exclusive.

This franchise is not exclusive, and shall not be construed as a limitation on the City in:

- (1) Granting rights, privileges and authority to other persons similar to or different from those granted by this ordinance.
- (2) Constructing, installing, maintaining or operating any City-owned public utility.

Section 6: Public Works and Improvements Not Affected by Franchise.

The City reserves the right to:

- (1) Construct, install, maintain and operate any public improvement, work or facility;

- (2) Do any work that the City may find desirable on, over or under any street, bridge or public place.
- (3) Vacate, alter or close any street, bridge or public place.
- (4) Whenever the City shall excavate or perform any work in any of the present and future streets, alleys and public places of the City, or shall contract for such excavation or work where such excavation or work may disturb Grantee's gas mains, pipes and appurtenances, the City shall, in writing, notify Grantee sufficiently in advance of such contemplated excavation or work to enable Grantee to take such measures as may be deemed necessary to protect such gas mains, pipes and appurtenances from damage and possible inconvenience or injury to the public. In any such case, the Grantee, upon request, shall furnish maps or drawings to the City or contractor, as the case may be, showing the approximate location of all its structures in the area involved in such proposed excavation or other work.
- (5) Whenever the City shall vacate any street or public place for the convenience or benefit of any person or governmental agency and instrumentality other than the City, Grantee's rights shall be preserved as to any of its facilities then existing in such street or public place.

Section 7: Continuous Service.

The Grantee shall maintain and operate an adequate system for the distribution of gas in the City. The Grantee shall use due diligence to maintain continuous and uninterrupted 24-hour a day service which shall at all times conform at least to the standards common in the business and to the standards adopted by state authorities and to standards of the City which are not in conflict with those adopted by the state authorities. Under no circumstances shall the Grantee be liable for an interruption or failure of service caused by act of God, unavoidable accident or other circumstances beyond the control of the Grantee through no fault of its own.

Section 8: Safety Standards and Work Specifications.

- (1) The facilities of the Grantee shall at all times be maintained in a safe, substantial and workmanlike manner.
- (2) For the purpose of carrying out the provisions of this section, the City may provide such specifications relating thereto as may be necessary or convenient for public safety or the orderly development of the City. The City may amend and add to such specifications from time to time.

Section 9: Control of Construction.

The Grantee shall file with the city maps showing the location of any construction, extension or relocation of its gas mains in the streets or the City and shall obtain from the City approval of the location and plans prior to commencement of the work. The City may require the Grantee to obtain a permit before commencing the construction, extension or relocation of any of its gas mains.

Section 10: Street Excavations and Restorations.

- (1) Subject to the provisions of this ordinance, the Grantee may make necessary excavations for the purpose of constructing, installing, maintaining and operating its facilities. Except in emergencies, prior to making an excavation in any street, bridge or public place, the Grantee shall obtain from the City approval of the proposed excavation and of its location. The Grantee shall give notice to the City by telephone, electronic data transmittal or other appropriate means prior to the commencement of services or maintenance work and as soon as is practicable after the commencement of work performed under emergency conditions.
- (2) Except as provided in subsection (3) of this section, when any excavation is made by the Grantee, the Grantee shall promptly restore the affected portion of the street, bridge, or public place to the same condition in which it was prior to the excavation. The restoration shall be in compliance with specifications, requirements and regulations of the City in effect at the time of such restoration. If the City requests that the removal or relocation shall be completed within a reasonable specified time period, Grantee shall complete the removal or relocation within said time period or shall indemnify the City for any costs arising from Grantee's failure to do so. Grantee shall be responsible for any defect or inadequacy which may develop in such restorations and shall within sixty (60) days after receiving notice from the City of the existence of a defect or inadequacy, make corrections thereto in a manner satisfactory to the City. If the City determines that the defect or inadequacy presents a danger or serious inconvenience to the public or the defect or inadequacy causes or threatens to cause damage to adjacent pavement, utilities, structures, or other improvements, the City may require that the repairs be made or that acceptable temporary measures be taken within 24 working hours of the time of the request. In the event that Grantee fails to make restorations to the affected portion of the street, bridge, or public place to the satisfaction of the City, the City may make the restoration, and the cost thereof shall be paid by the Grantee.

Section 11: Location and Relocation of Facilities.

- (1) All facilities of the Grantee shall be placed so that they do not interfere unreasonably with the use by the City and the public of the streets, bridges and public places and in accordance with any specifications adopted by the City governing the location of facilities.
- (2) The City may require, in the public interest, the removal or relocation of facilities maintained by the Grantee in the streets of the City, and the Grantee shall remove and relocate such facilities within a reasonable time after receiving notice so to do from the City. The cost of such removal or relocation of its facilities shall be paid by the Grantee, but when such removal or relocation is required for the convenience or benefit of any person, governmental agency or instrumentality other than the City, Grantee shall be entitled to reimbursement for the reasonable cost thereof from such person, agency or instrumentality.

Section 12: Compensation.

- (1) As compensation for the franchise granted by this ordinance, the grantee shall pay to the City an amount equal to three percent (3%) of the gross revenue collected by the Grantee from its customers for gas consumed within the City. Gross revenue shall be computed by deducting from the total billings of the Grantee the total net writeoff of uncollectible accounts, revenues derived from the sale or transportation of gas supplied under an interruptible tariff schedule applying to gas supplied for industrial purposes, revenues paid directly by the United States of America or any of its agencies, and sales of gas at wholesale by the Grantee to any public agency where the public utility or public agency purchasing such gas is not the ultimate customer. During the first year of the franchise agreement, the Grantor may, upon 30 days' prior written notice, initiate the renegotiation of the level of compensation. During the nine remaining years of the franchise agreement, the compensation may be subject to annual renegotiation at or before the anniversary date of the term of the franchise hereby granted, and provided the Grantee be notified, in writing, at least 30 days prior to the anniversary date.
- (2) The compensation required by this section shall be paid on or before the 10th day of the month next succeeding the end of the quarter.
- (3) The Grantee shall furnish to the City with each payment of compensation required by this section a written statement, under oath, executed by an officer of Grantee showing the amount of gross revenue of the Grantee within the City for the period of time covered by the payment computed on the

basis set out in subsection (1) of this section. The compensation for the period covered by the statement shall be computed on the basis of the gross revenue so reported. If the Grantee fails to pay the entire amount of compensation due the City through error or otherwise, the difference due the City shall be paid by the Grantee within fifteen (15) days from discovery of the error or determination of the correct amount. Any overpayment to the City through error or otherwise, shall be offset against the next payment due from the Grantee.

- (4) Acceptance by the City of any payment due under this section shall not be deemed to be a waiver by the City of any breach of this franchise occurring prior thereto, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City.

Section 13: Books of Account and Reports.

The Grantee shall keep accurate books of account at an office in Oregon for the purpose of determining the amounts due to the City under section 12 of this ordinance. The City may inspect the books of account at any time during business hours and may audit the books from time to time. The Council may require periodic reports from the Grantee relating to its operation and revenues within the City.

Section 14: Collection Facilities.

The Grantee may maintain facilities in the City where its customers may pay their bills for gas service during normal business hours.

Section 15: Supplying Maps Upon Request.

The Grantee shall maintain on file, at an office in Oregon, maps and operational data pertaining to its operations in the City. The City may inspect the maps and data at any time during business hours. Upon request of the City, the Grantee shall furnish to the City, without charge and on a current basis, maps showing the location of the gas mains of the Grantee in the City.

Section 16: Indemnification.

The Grantee shall indemnify and save harmless the City and its officers, agents and employees from any and all loss, cost and expense arising from damage to property and/or injury to, or death of, persons due to any wrongful or negligent act or omission of the Grantee, its agents or employees in exercising the rights, privileges and franchise hereby granted.

Section 17: Assignment of Franchise.

This franchise shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the Grantee.

Section 18: Termination of Franchise for Cause.

Upon the willful failure of the Grantee, after sixty (60) days' notice and demand in writing, to perform promptly and completely each and every term, condition or obligation imposed upon it under or pursuant to this ordinance, the City may terminate this franchise, subject to Grantee's right to a court review of the reasonableness of such action.

Section 19: Remedies Not Exclusive, When Requirement Waived.

All remedies and penalties under this ordinance, including termination of the franchise, are cumulative, and the recovery or enforcement of one is not a bar to the recovery or enforcement of any other such remedy or penalty. The remedies and penalties contained in this ordinance, including termination of the franchise, are not exclusive and the city reserves the right to enforce the penal provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon the Grantee by or pursuant to this ordinance. A specific waiver of a particular breach of any term, condition or obligation imposed upon the Grantee by or pursuant to this ordinance shall not be a waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation, or a waiver of the term, condition or obligation itself.

Section 20: Acceptance.

The Grantee shall, within thirty (30) days from the date this ordinance takes effect, file with the City its written unconditional acceptance of this franchise, and if the Grantee fails so to do, this ordinance shall be void.

Section 21: Declaration of Emergency.

Inasmuch as the provisions of this Ordinance are necessary for the immediate preservation of the peace, health, and safety of the people of the City of Lebanon, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect immediately upon its passage by the Council and approval by the Mayor.

Passed by the Council of the City of Lebanon by a vote of
_____ for and _____ against, and approved by the Mayor this
_____ day of _____, 1990.

MAYOR

ATTEST:

City Recorder

AGENDA ITEM 8

**NO MATERIAL IS IN PACKET
TO BE HANDED OUT ON OR
BEFORE WEDNESDAY**