

**MINUTES**  
**MILWAUKIE CITY COUNCIL WORK SESSION**  
**JUNE 18, 2013**

**Mayor Ferguson** called the work session to order at 5:20 p.m. in the City Hall Conference Room.

Council Present: Council President Hedges and Councilors Scott Churchill, Mark Gamba, and Mike Miller

Staff Present: City Manager Bill Monahan, Assistant to the City Manager Teri Bankhead, City Recorder Pat DuVal, Planning Director and Interim Community Development Director Steve Butler, Parks and Sustainability Director JoAnn Herrigel, Public Affairs Coordinator Grady Wheeler, Program Coordinator Beth Ragel, Engineering Manager Jason Rice, and Library Director Katie Newell.

**Manager's Report**

**Mr. Monahan** reviewed the proposal for public/permitted parking lots made by the Downtown Milwaukie Business Association. The document addressed parking restrictions, time limit durations, and signage for the city-owned parking lots west of City Hall and recommended implementation by July 1, 2013. He discussed the location of the Library employee parking spaces.

A brief discussion of the countywide road improvement proposal would be added to the June 20 study session. He suggested that Council comments would direct his statements on behalf of the City of Milwaukie at the July 1 Clackamas County Managers' meeting. The North Clackamas Parks and Recreation District (NCPRD) was scheduling a parks tour on July 10 featuring Milwaukie parks, and he sought Council representation for the event.

**Mr. Monahan** discussed outreach to downtown businesses relative to scheduling the Main Street grinding and paving project. Engineering Department staff spoke with 42 businesses in the downtown which represented about 80% of the total number. Of those, 18 stated paving this year was preferable, 7 preferred next year, and 16 had no preference. Thirty businesses preferred night paving.

**Mr. Rice** said based on input from the downtown businesses, staff recommended paving Main Street this year with a majority of work being done at night. ADA ramp work would begin in August with paving in September with a duration of one to two weeks.

**Councilor Churchill** commented on trouble spots where the asphalt was right up to the curb and problems being encountered by a number of property owners. He did not see a lot of feathering needed on the side streets and discussed what benefits might be gained with a street crown to get back a functional curb. He requested that staff take a second look.

**Mr. Rice** commented on possible measures to ensure the stormwater element worked efficiently. To be as least disruptive to residents, work would likely start at Scott Street in the later afternoon and progress southward. Ideally, the entire length will be removed in one night. This was a resurfacing project and not reconstruction.

**City Council Work Session – June 18, 2013**

**Approved Minutes**

**Page 1**

**It was City Council consensus to direct staff to move forward with the Main Street Paving Project this year and that work should take place at night.**

### **Arts Committee (artMOB) Annual Report**

**Ms. Ragel** was joined by artMOB **Committee Chair Jeff Davis**. This was an annual report to the City Council to review the Committee's accomplishments, current projects, and future goals and priorities. The artMOB received free consultant help from the Regional Arts and Culture Council to assist with member and Committee development, launched the Word Press website and e-newsletter, and received a \$1,100 grant from the Clackamas Cultural Coalition for the "Teen Moms Have a Future" film project. The artMOB coordinates the First Friday speakers' series, the Clackamas County Arts Alliance "RiPPLe" bike rack grant, the City Hall Sculpture Garden, and annual Scarecrow Contest.

**Ms. Ragel** reviewed the draft future goals and proprieties: raise awareness of the artMOB in the broader community, key leaders, and artists; establish and enhance Milwaukie's identity as a center and incubator for arts and culture; and establish the Milwaukie Mural Arts Program. She discussed collaboration with the Pacific Northwest College of the Arts (PNCA) and staff involvement in doing a full blown branding project. PCNA has worked with prominent firms in the region on this type of project.

**Mr. Davis** noted the artMOB was calling for three new pieces for the Sculpture Garden. The theme this round was people.

**Councilor Gamba** appreciated what the Committee had been done for the City and Goals 2 and 3 fell in nicely with the Downtown Refresh project and particularly with murals facing McLoughlin Boulevard.

**Councilor Churchill** congratulated the artMOB on its progress and community outreach efforts. He cautioned that brand identification was difficult to do by committee and urged Neighborhood District Association (NDA) and City involvement.

**Mr. Davis** explained the intent was that the artMOB would have a seat at the table in the branding effort but not drive the project.

**Ms. Ragel** added collaborative design was done like a studio project with the burden of work on the students during the semester and discussed the PCNA process.

The Council supported the mural project, and **Mayor Ferguson** asked that the City Council be in the loop on the rebranding project.

### **Garbage Rate Discussion**

**Ms. Herrigel** and **Rick Winterhalter**, Clackamas County Office of Sustainability, provided information on the proposed rate increase for residential, commercial, and some drop box services to reflect increases in the Metro tip fee and labor related costs. The return on revenues (ROR) was 8.1% in 2012 and was projected to be 6.97% in 2013 without any increases. Metro had recently approved a tip fee increase of \$.49 per ton. Other factors included fuel and personnel costs and a decline in recycling revenues. She reviewed the proposed rate changes and if adopted would result in a 7.4% ROR.

**Mayor Ferguson** discussed the feasibility of those generating more garbage paying more and promoting recycling. Was there a way to restructure the rates to make them more proportional?

**City Council Work Session – June 18, 2013**

**Approved Minutes**

**Page 2**

**Councilor Gamba** agreed with the Mayor's comments and asked why businesses got a break.

**Ms. Herrigel** explained there was no yard debris collection for commercial customers. She discussed the feasibility of public education to get people to use smaller cans.

**Councilor Gamba** understood the same truck was sent to pick up solid waste without regard to the container size. However, if containers were smaller, then fewer trucks would go to the landfill.

**Mr. Winterhalter** added certain costs of running the trucks were shared by all classes of customers. The bulk of the costs, about 80%, was collection.

The group discussed the seemingly low drop box rates and the 90 gallon roller carts versus the 20 gallon garbage cans.

**Mayor Ferguson** thought having the 20 and 32 gallon cans in the \$.15 increase range would be an incentive, and he noted the number of calls he received from residents about their garbage rates.

**Councilor Miller** was concerned that everyone had to pay for yard debris recycling and asked if paying for use had been considered. He discussed a prorated program for 20 and 90 gallon cans.

**Ms. Herrigel** believed the City of Gresham had that type of yard debris program at one time and would contact that city for information.

**Mayor Ferguson** suggested a rate reset as he thought things may have gone out of adjustment over time.

**Councilor Churchill** was concerned about the 8% ROR. This was a captive audience, so he had no problem staying on the lower end of 8%. He supported resetting rates and encouraged increased drop box rates. He recommended lower rates to encourage use of smaller can.

**Council President Hedges** was concerned that too complicated a process would make bill preparation difficult.

**Ms. Herrigel** understood the direction was to have a discussion of resetting rates. The adoption of new rates would be taken off the July 2, 2013, City Council agenda but not pushed beyond September.

**Mayor Ferguson** said there would likely be some kind of rate increase this year and take the next year to look at a new rate structure.

### **Preliminary Survey Results**

**Mr. Wheeler** was joined by DHM Principal **Adam Davis** and Associate **James Kandell** who reported on the results of the public opinion poll. **Mr. Kandell** said the basic charge was to gauge voter support for a bond measure to make the TriMet payment and briefly summarized the process to date.

**Mr. Davis** summarized his experience and said a key thing to remember was that the surveyors spoke with a sample of the population most likely to vote in an off year election. They tended to be older and more long term residents.

**Mr. Kandell** commented on quality control measures, methodology, and margin of error. Those surveyed had voted in the last five primary or general elections. He briefly reviewed the findings with 57% feeling that the City was headed in the right direction.

**City Council Work Session – June 18, 2013**

**Approved Minutes**

**Page 3**

People most valued the small town feel, convenient location, and the quiet and peaceful environment. Public Safety and education were the most important services to Milwaukie residents and people were concerned about light rail, road maintenance, and keeping the City garbage free. The details would be available when the verbatim responses were completed. Residents were split on support of the bond measure, and nearly all residents were familiar with the project. There were several soft questions related to support for additional projects, but no dollar amounts were attached. He suggested there would need to be more public education on what major service cuts might be necessary to fulfill the TriMet commitment.

**Councilor Miller** asked for a breakdown of homeowners and renters, and **Mr. Davis** responded about 22% were renters.

**Portland General Electric (PGE) Schedule Letter**

As the allotted work session time had expired, this item was moved to a future agenda.

**Mayor Ferguson** adjourned the work session at 6:59 p.m.

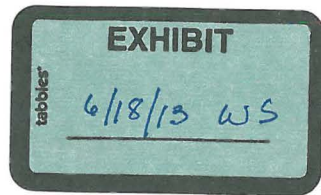
Respectfully submitted,



---

Pat DuVal, Recorder

# WORK SESSION



### Main Street Paving Data/Recommendation

The Engineering Staff was able to speak with approximately 80% of the businesses downtown.

Staff was able to speak with 42 businesses in total (see attached spreadsheet). Of the 42 businesses contacted, 18 businesses stated paving this year was preferable, 7 stated that next year was preferable, and 16 had no preference.

Of the businesses contacted, 2 businesses preferred day paving, 30 preferred night paving, and 4 did not have a preference on the time of day of paving work.

Engineering Staff recommends paving Main Street this year and commencing the work at night. It appears from the canvassing effort that the majority of businesses preferred the paving work be done this year or had no preference. The work would be bid out in conjunction with the Harrison Street Reconstruction work under one contract. The work would commence in mid August starting on Main Street. Once the work on Main Street was finished, then the contractor would move equipment and commence work on Harrison.



## City of Milwaukie Survey

PREPARED FOR  
City of Milwaukie  
June 2013

[www.dhmresearch.com](http://www.dhmresearch.com)

**dhm** RESEARCH  
DAVIS, HIBBITTS & MIDGHALL INC.



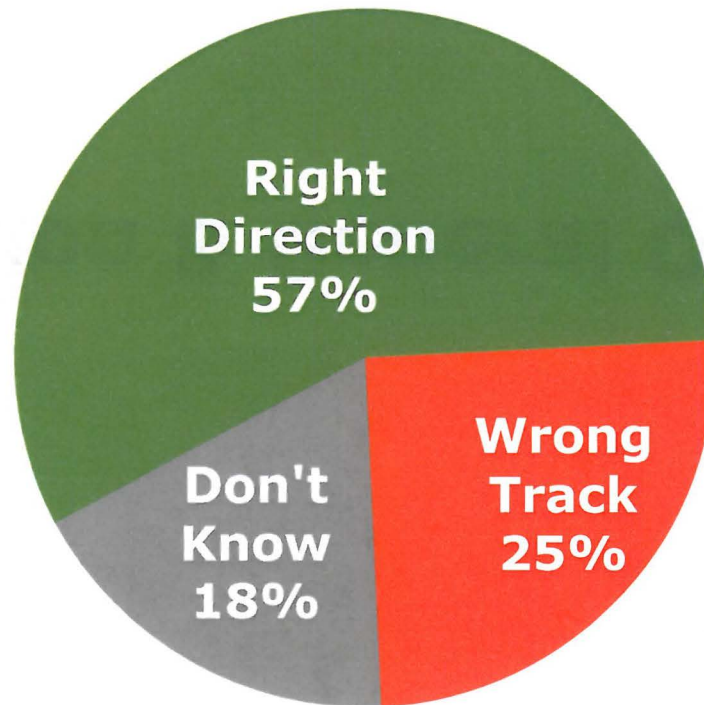
# Methodology

- Telephone survey of 300 residents
- Utilized listed land line and cell phone sample
- Conducted June 6-9, 2013
- Averaged 11 minutes in length
- Quotas for age and gender for representative sample of expected voter turnout
- Quality control measures including callbacks and validations
- Margin of error +/- 5.7%, at 95% confidence level

# **Introduction & General Questions**

# The majority of residents feel the city is heading in the right direction

## City of Milwaukie Direction



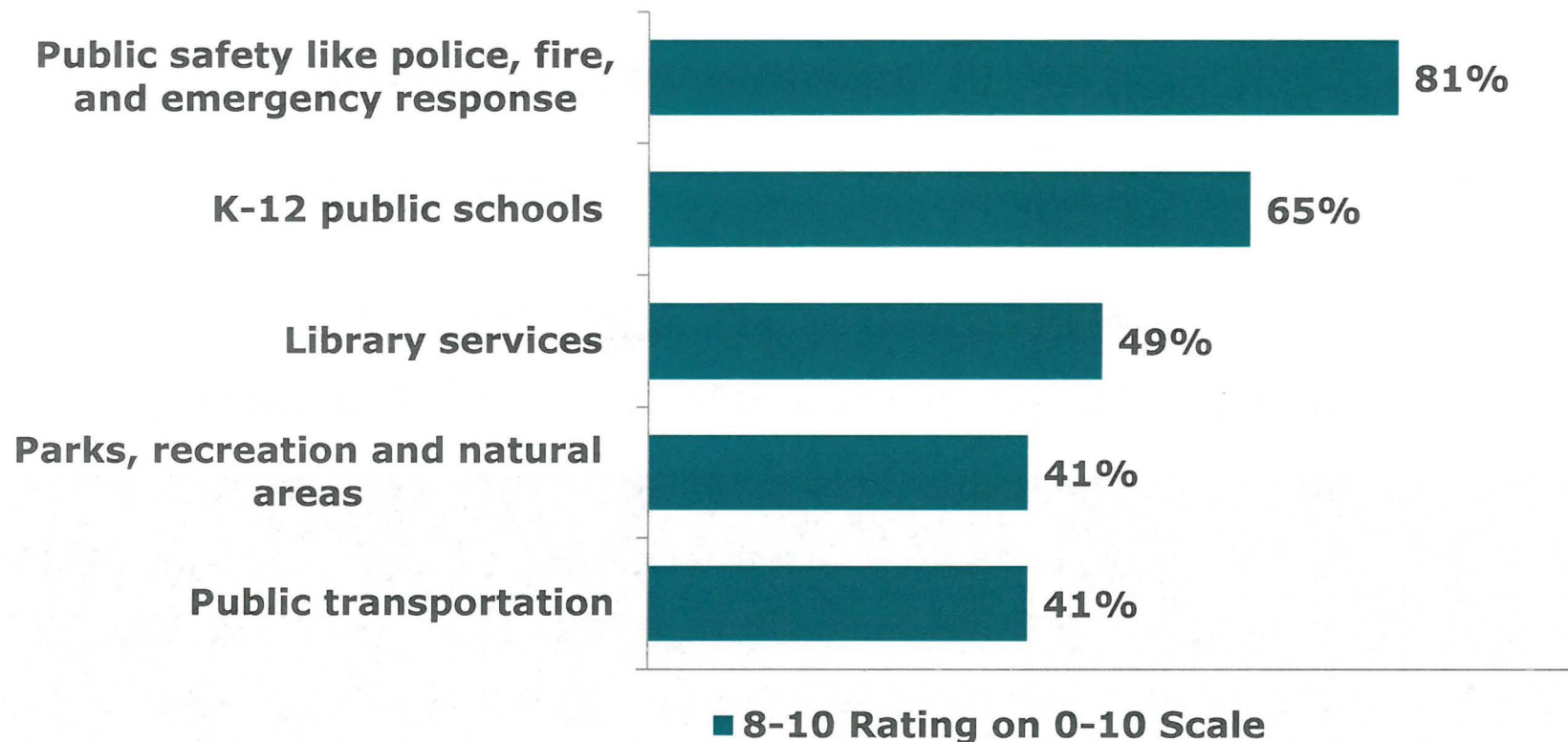
**Aspects of the city that residents value most are the fact that Milwaukie is a small town, it is conveniently located, and it is quiet and peaceful**

## **What do you value most about living in the City of Milwaukie?**

- 1. Small town**
- 2. Proximity/Convenience**
- 3. Quiet/Peaceful**
- 4. Proximity to Portland**
- 5. Public safety**
- 6. Friendly residents**

# Public safety and education are the most important services to Milwaukee residents

## Importance of Community Services (Top Box 8-10)



**Almost all mention light rail unprompted when asked about issues in the city they would like city government to do something about**

**What would you say are the two biggest issues facing the City of Milwaukee that you would like your city government to address?**

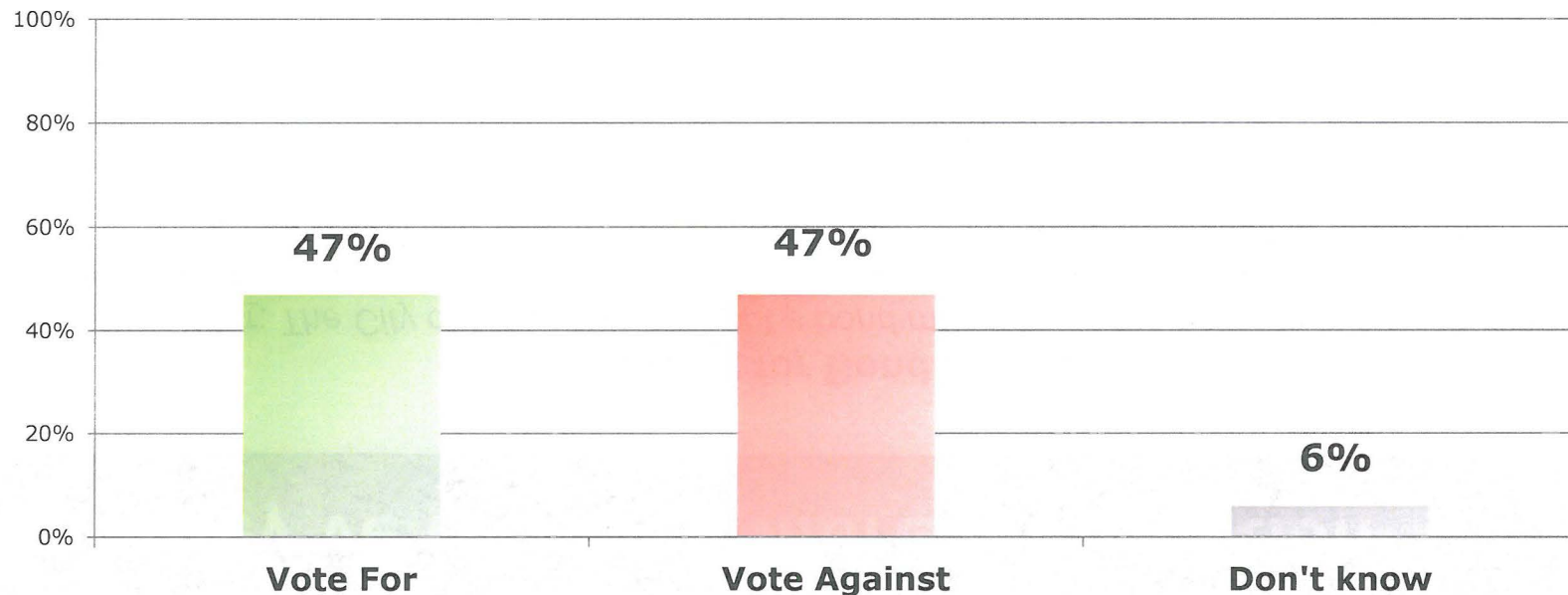
- 1. Disapprove of light rail project**
- 2. Approve of light rail project/Finish project**
- 3. High cost of water bill**
- 4. Road Infrastructure**
- 5. Sewer plant**
- 6. Cleaning the city/Garbage management**

# **Bond Measure Support**

# Initially, residents are split on support for the bond measure

## Initial Support for Bond Measure

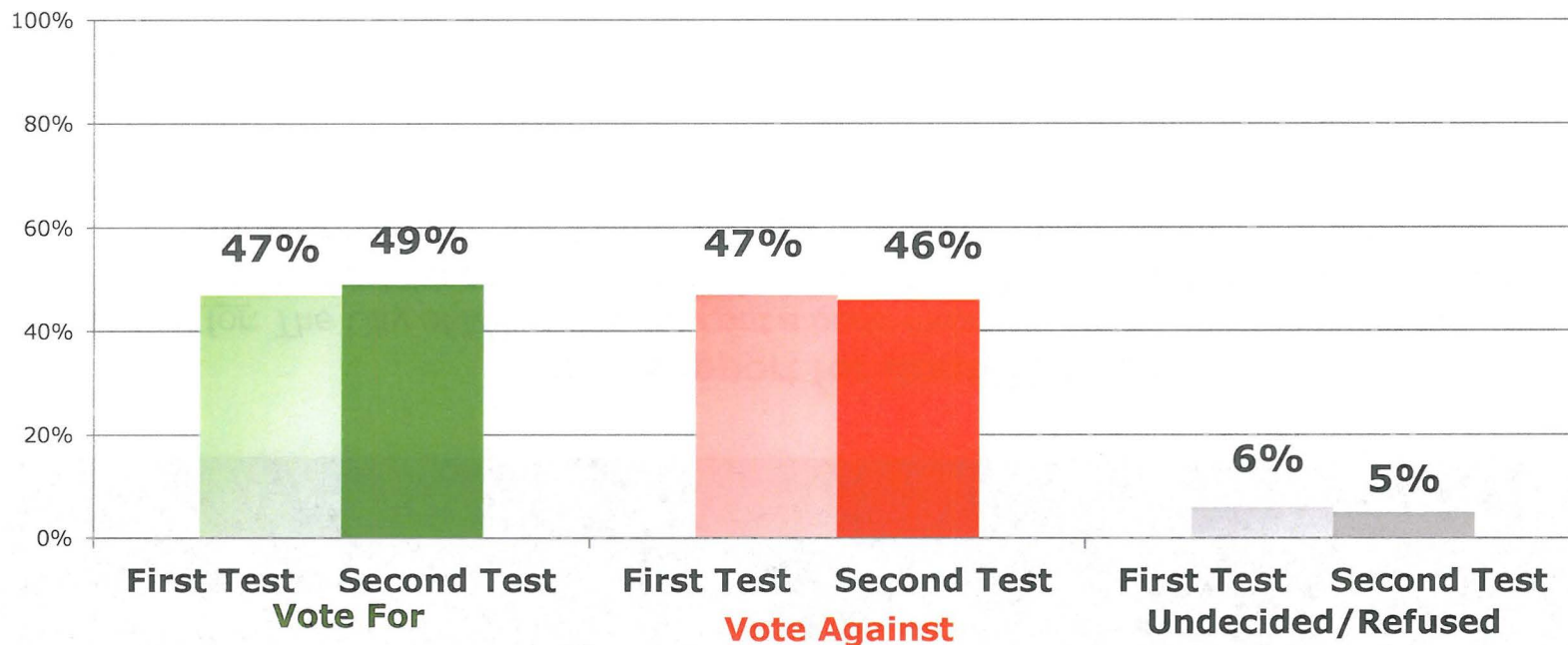
Support for: *The City of Milwaukie may put a bond measure on the ballot to avoid reducing city services, and to fund the city's portion of the Portland – Milwaukie light rail project. This measure would cost \$38 a year for the average owner of a home assessed at \$200,000.*



# Residents remain split on support for the bond measure; both at the start of the survey and after they've received more information

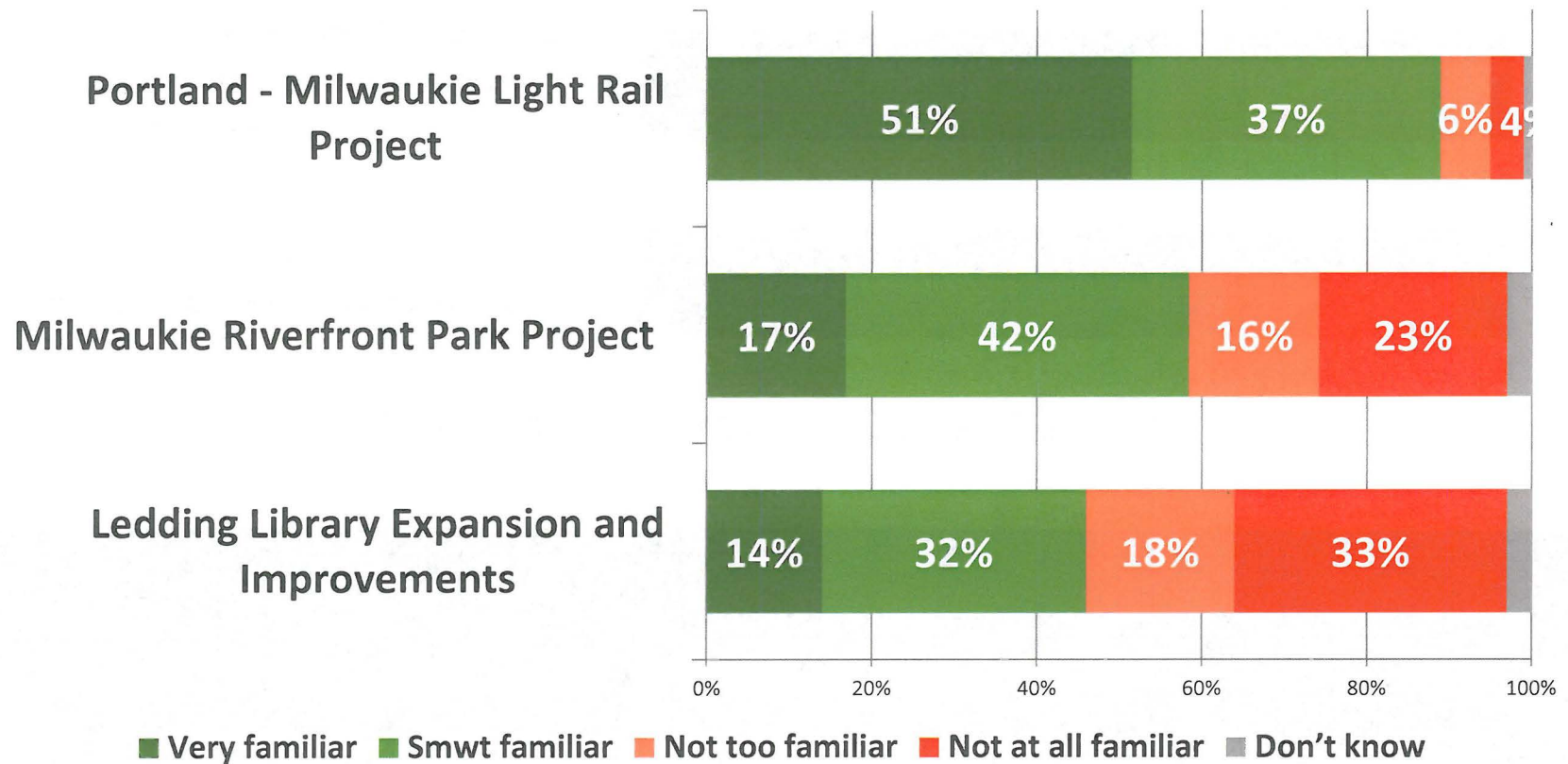
## Support for Bond Measure

Support for: *The City of Milwaukie may put a bond measure on the ballot to avoid reducing city services, and to fund the city's portion of the Portland – Milwaukie light rail project. This measure would cost \$38 a year for the average owner of a home assessed at \$200,000.*



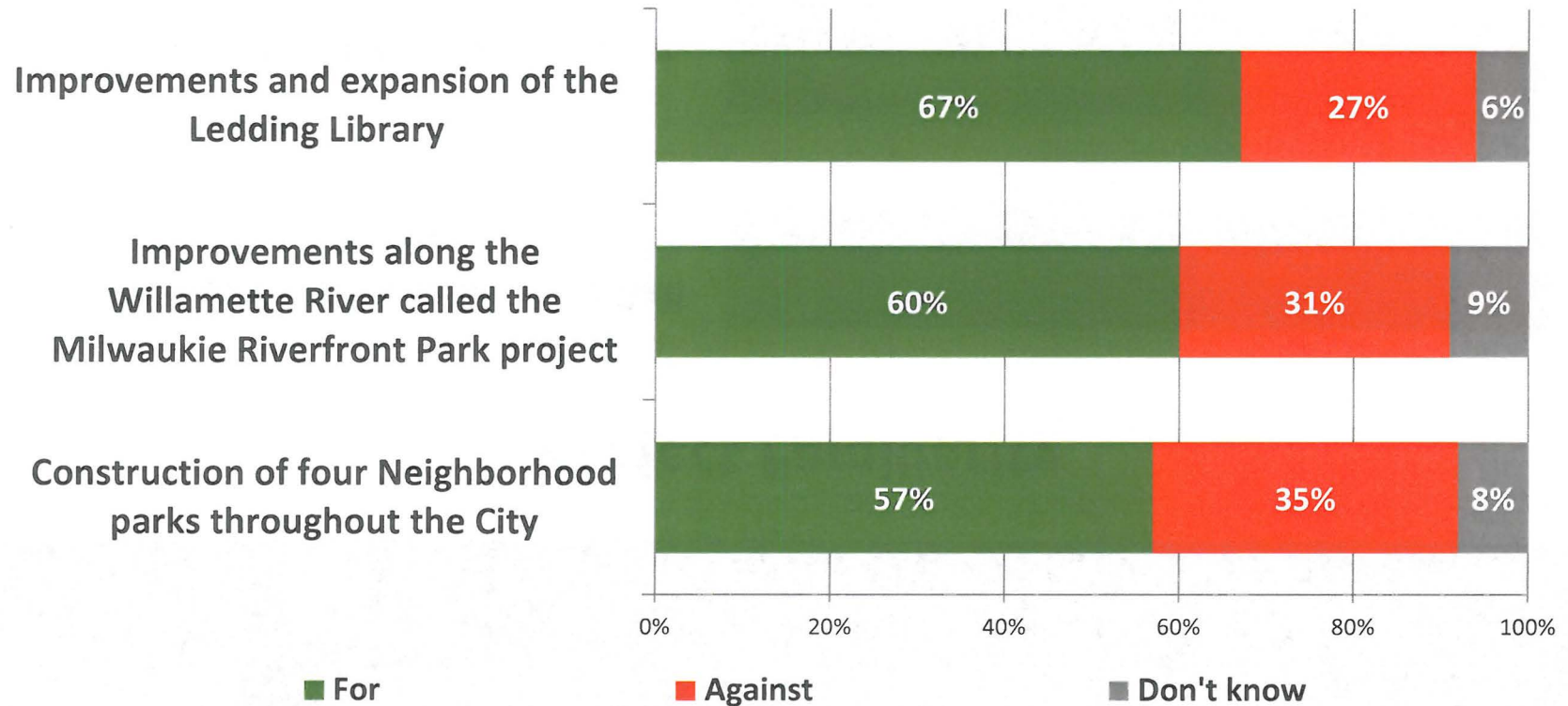
# Nearly all residents are familiar with the Portland – Milwaukie Light Rail Project

## Project Familiarity



# The addition of specific city projects may help with support for the bond measure

## Support for Additional Projects



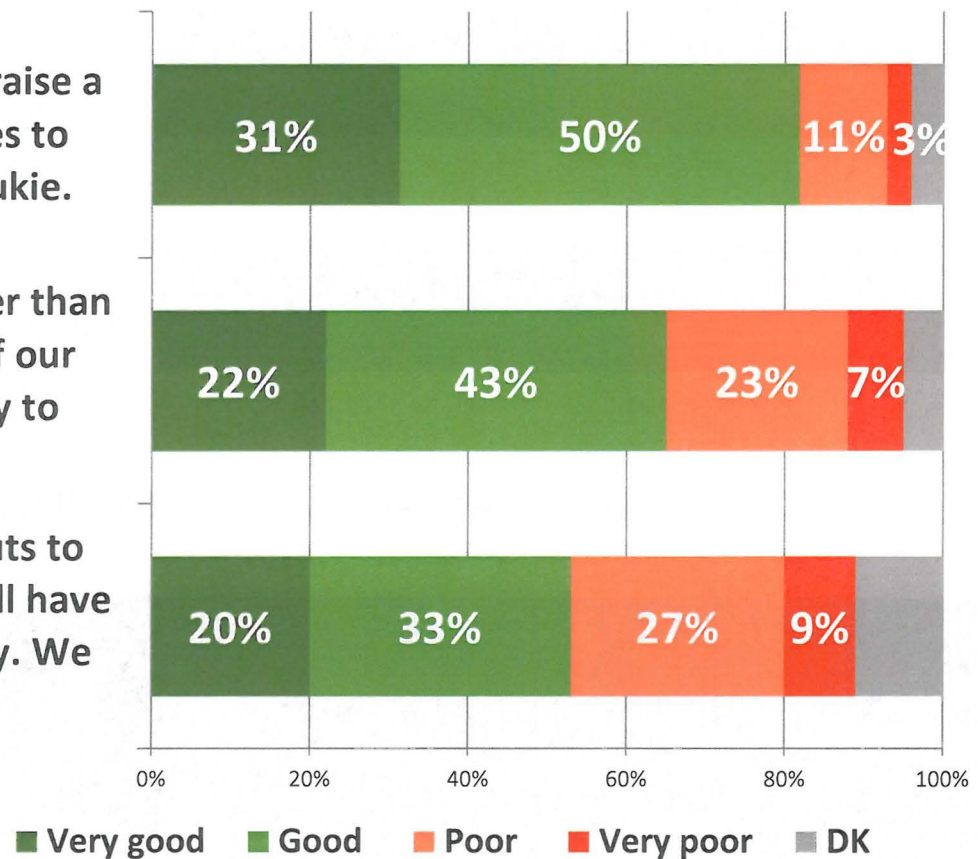
# The most convincing reason to support the measure is that Milwaukie is a great place to live and the need to maintain core services to keep it that way

## Reasons to Support Bond Measure

Milwaukie is a great place to live and raise a family. We need to fund core services to maintain the quality of life in Milwaukie.

Leading Library is 20,000 sq. ft. smaller than the national standard for the City of our size. We need to expand the library to better serve all residents.

The city may have to make major cuts to services and cuts to these services will have a negative impact on our community. We need to fund core services.



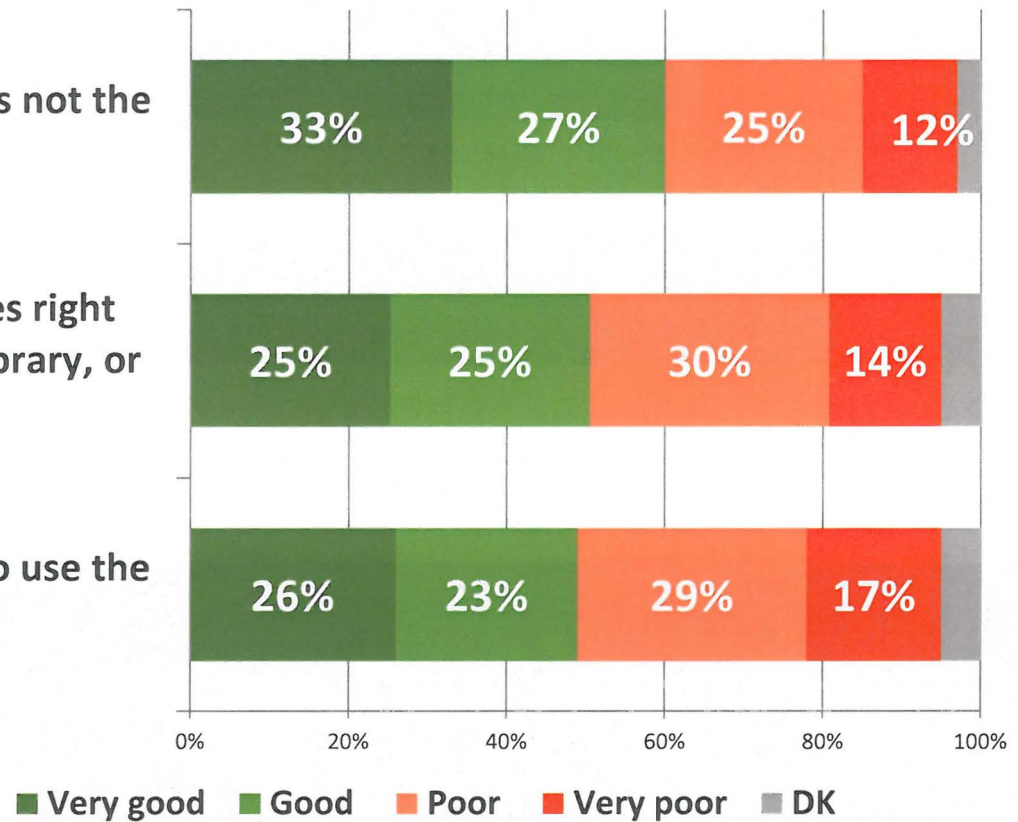
# The economy may be the biggest barrier

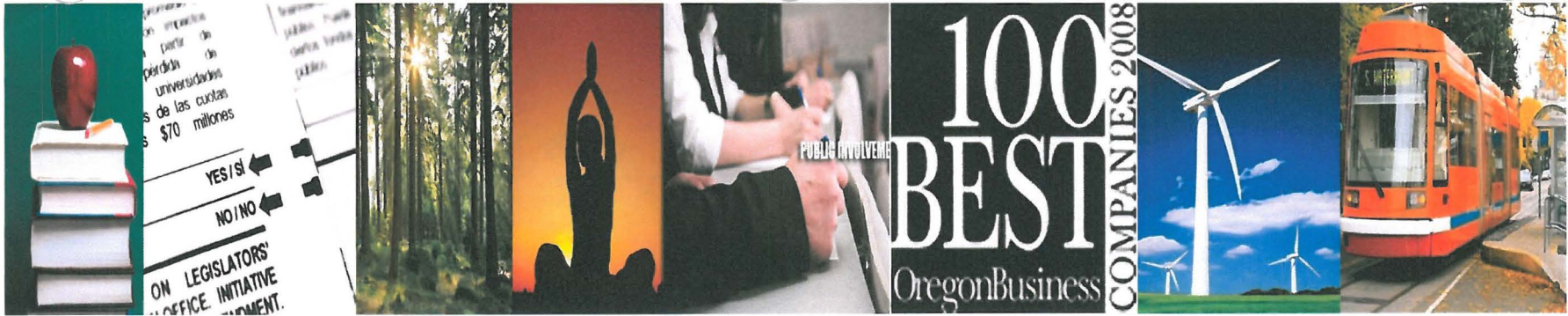
## Reasons to Oppose Bond Measure

The economy is still slow, and this is not the right time to raise taxes.

There are more important priorities right now than improving light rail, the library, or parks.

Government can't be trusted to use the money wisely.





## Adam Davis James Kandell

adavis@dhmresearch.com  
jkandell@dhmresearch.com  
(503) 220-0575

[www.dhmresearch.com](http://www.dhmresearch.com)

 @DHMresearch

 facebook.com/dhmresearch

**REVISED**

## **AGENDA**

### **MILWAUKIE CITY COUNCIL WORK SESSION**

**JUNE 18, 2013**

#### **MILWAUKIE CITY HALL**

10722 SE Main Street

A light dinner will be served

**5:00 p.m. Executive Session** – The Milwaukie City Council will meet in executive session pursuant to ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations and ORS 192.660(2)(e) to deliberate with persons designated by the governing body to negotiate real property transactions.

- |    |           |  |                                     |    |
|----|-----------|--|-------------------------------------|----|
| 1. | 5:30 p.m. | Arts Committee Update                              | Beth Ragel and<br>Committee members | 1  |
| 2. | 5:50 p.m. | Garbage Rate Discussion                            | JoAnn Herrigel                      | 5  |
| 3. | 6:00 p.m. | Preliminary Survey Results                         | Grady Wheeler                       | 12 |
| 4. | 6:30 p.m. | Portland General Electric (PGE) Schedule<br>Letter | Councilor Gamba                     |    |
| 5. | 6:45 p.m. | Adjournment  |                                     |    |

#### **Information**

Executive Session: The City Council may meet in executive session pursuant to ORS 192.660(2). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

#### **Public Notice**

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the one previous to it.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.
- The City of Milwaukie is committed to providing equal access to information and public meetings per the Americans with Disabilities (ADA). If you need special accommodations, please call 503.786.7502 or email [ocr@ci.milwaukie.or.us](mailto:ocr@ci.milwaukie.or.us) at least 48 hours prior to the meeting.



To: Mayor and City Council

Through: Bill Monahan, City Manager

From: Beth Ragel, Program Coordinator

Subject: Milwaukie Arts Committee (artMOB) annual report

Date: June 18, 2013

#### Action Requested

Provide input on artMOB's future goals and priorities.

#### Background

**Spring, 2008:** Based on the community's suggestion, the Milwaukie Arts Committee was created in March of 2008 (Ord.1978) and the first members appointed in May of 2008 (Res. 52-2008). The ten-person committee quickly adopted the name "artMOB". This name is an acronym for 'Art--Milwaukie on Board'.

**June 2013:** Currently, five of the ten committee positions are filled. The committee has identified three priority areas and individual members are developing work plans based on these goals and their own interests, skills and availability.

#### Recent Accomplishments:

- Garnered free consultant help from George Thorn, through the Regional Arts and Culture Council (RACC) to help with committee member/board development
  - artMOB board retreat in March
  - Three key goal areas defined
  - Individual member work plan template created tied back to key goal areas

- Launched artMOB’s Word Press website which staff liaison, Beth Ragel, is currently updating regularly
  - artMOB member is hosting the site
  - Promoting content through artMOB and City social media channels
  - Engaging guest bloggers including arts experts and local leaders
- Launched artMOB Mail Chimp e-newsletter
  - 80+ subscribers
  - 50%-60% open rate (25-40% is typical for non-profits and governments)
- Received \$1,100 grant from Clackamas Cultural Coalition to do “Teen Moms Have a Future” film project
  - 70+ people attended showing with a standing ovation
  - Project received positive press with a feature in the Oregonian and the Clackamas Review

**Current and Ongoing Projects:**

- Coordinating artMOB speaker series May-October
  - May: Received grant from Oregon Humanities Conversation Project for “Jazz and the Art of Community Building” with Tim DuRoche
  - June: “From Space to Place: The Art of Placemaking” with Keith Daly
  - July: Networking event for artists and arts supporters
  - August: “The Fine Art of Success” with Marla Baggetta and special guest
- Partnering with We Love Clean Rivers to receive “Ripple” bike rack grant for one bike rack
  - Bike rack to be installed in September (probably at Riverfront) with a dedication ceremony
- Manage Sculpture Garden rotating art collection
  - Will conduct call for three new pieces to install in September (theme is “People”)
- Annual Scarecrow Contest:
  - This year artMOB will host the fourth annual Scarecrow Contest, with the entries being displayed on the City Hall front lawn. artMOB hopes to grow the event in the future.

### **Draft Future Goals and Priorities:**

artMOB has established the following three primary goals for the next few years, and requests Council's feedback on this direction:

1. Raise the awareness and recognition of artMOB in the broader community, with key leaders and with artists;
2. Establish and enhance Milwaukie's identity as a center and incubator for arts and culture;
3. Establish the Milwaukie Mural Arts Program;

#### **Goal 1: Raise awareness of artMOB In the broader community, with key leaders and with artists:**

Key Tactics:

- Continue enhancing website with fresh content that is cross-promoted via social media
- Continuation of the monthly e-newsletter
- Artist networking events--such as those at our speaker series
- Developing continue partnership with other artists and arts organizations in the area
  - Participating in this year's Poetry Picnic along with the Milwaukie poetry committee and Cultural Forum committee
- Explore partnerships with other organizations

#### **Goal 2: Establish and enhance Milwaukie's identity as a center and incubator for arts and culture:**

Key Tactics:

- Research future grant opportunities—annual grants due in October for next fiscal year
- Explore collaboration with Pacific Northwest College of the Arts (PNCA) Masters in Collaborative Design program as follows:

As the City continues to invest in development projects like the Riverfront Park and the Adams Street Connector Project, and when light rail opens in 2015, the City will begin to benefit from increased investment and redevelopment. Milwaukie has an opportunity now to get ahead of the curve and direct reinvestment and redevelopment in a way that leverages and invests in arts and cultural amenities.

With Council's approval, artMOB would like to pursue a potential project with the Pacific Northwest College of the Arts (PNCA). Peter Schoonmaker, the Department Chair of PNCA's Masters of Fine Arts (MFA) in Collaborative Design, has agreed to talk with us about a potential project in Milwaukie—looking at Milwaukie identity/brand and possibly culminating in a final product/event that coincides with the opening of the Portland-Milwaukie Light Rail line and the Riverfront Park in 2015. The students would probably do their outreach/research/work in the

spring of 2014 which would then lead up to the city/artMOB applying for a grant in the fall of 2014.

With Council's guidance, we would start these conversations almost a year in advance—so we have time to figure out next steps. A full-blown project would likely require more staff time than is currently being allocated to the arts committee. We may be able to scale a project to our needs and staff time—but we will not know more until we have more conversations with PNCA staff. The Department Chair, Mr. Schoonmaker, may be able to attend a future work session at Council's request.

Goal 3: Establish the Milwaukie Mural Arts Program:

Key Tactics:

- In January 2013, Council directed staff to finish work on code changes to define murals and establish a review and permitting process for the placement of murals in Milwaukie. However, given legal implications, budget constraints and staff work load over the last six months, the mural code revisions were put on hold. Staff has recently resumed work on the needed code language. Beth Ragel and Senior Planner, Ryan Marquardt, will be working to develop two separate permitting paths/programs. One path would be a subjective review with a matching grant program and the other an objective review with a permit requirement. It is not known where funding for a matching grant program would be found, but the Arts Committee could possibly do fundraising.

Attachments:

N/A



Agenda Item: WS 2

Meeting Date: 6-18-13

## **COUNCIL AGENDA ITEM SUMMARY**

**Issue/Agenda Title:** Proposed Garbage Rate Change

**Prepared By:** JoAnn Herrigel, Parks and Sustainability Director

**Dept. Head Approval:** Steve Butler, Interim Community Development Director

**City Manager Approval:**

**Reviewed by City Manager:**

### **ISSUE BEFORE THE COUNCIL**

Provide staff with input on a proposed increase for residential, commercial and some drop box services to reflect increases in the Metro tip fee and labor related cost increases.

### **STAFF RECOMMENDATION**

- Increase rates for residential and commercial can and cart service levels by an average of 1%.
- Increase commercial container service by \$.94 per cubic yard serviced. This reflects the adjustments to fuel, labor and disposal costs as mentioned above.
- Increase fees associated with open drop box service and for small compactors by \$.6.00 to \$8.00 to more accurately reflect the cost of service.

### **KEY FACTS & INFORMATION SUMMARY**

For 2012, the haulers' consolidated Return on Revenues (ROR) was 8.10%. The projected ROR for 2013, if rates are not modified, would be 6.97%. This low projection is based on several factors. First, Metro recently approved a tip fee increase of \$.49 a ton, effective September 1, 2013. Disposal expense is approximately 30% of the direct operational expenses. In addition, labor related costs such as insurance are expected to increase over the next year. With the proposed rate increases, the ROR is projected to be 7.40%.

### **OTHER ALTERNATIVES CONSIDERED**

Defer rate increases until 2014, at which time rate increases would be larger per customer.

**CITY COUNCIL GOALS**

None.

**ATTACHMENT LIST**

- 1) Samples of Proposed Rates
- 2) History of Rate Change for 32 Gallon Can/Cart Service

**FISCAL NOTES**

Increases in collection revenue may increase the amount of franchise fees paid to the city by a small amount.



**To:** Mayor and City Council

**Through:** Bill Monahan, City Manager  
Steve Butler, Interim Community Development Director

**From:** JoAnn Herrigel, Parks and Sustainability Director

**Subject:** Proposed Garbage Rate Change

**Date:** June 18, 2013

---

### **ACTION REQUESTED**

Provide staff with input on a proposed increase for residential, commercial and some drop box services to reflect increases in the Metro tip fee and labor related cost increases.

### **HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

- **June 2012**  
Council approved rate increases for residential and commercial garbage rates to reflect a \$4.31 increase in the Metro tip and rising labor and fuel costs.
- **June 2011**  
Council approved rate increases for residential and commercial garbage rates to reflect a \$3.68 increase in the Metro tip fee and rising fuel costs.
- **June 2010**  
Council approved rate increases residential and commercial garbage rates to reflect a \$5.10 increase in Metro tip fee and to achieving parity with Clackamas County rates.

### **BACKGROUND**

Each year, the City's franchised garbage haulers submit financial information to the City showing their revenues and expenses for the previous year. Each hauling company submits multiple spread sheets of information showing, in fairly fine detail, of all expenses and revenues related to the provision of garbage, recycling and yard debris collection service. The information submitted by the individual collectors is consolidated to create a composite 'company'. The City, with the assistance of County staff, and a

contracted financial analyst, reviews this data and determines whether a rate increase is necessary. Costs are adjusted to eliminate those costs allowed for tax purposes but not allowed for determining collection rates. This composite is used to analyze the financial health of the entire system.

The City determines the solid waste franchise system's health based on what is called the "return on revenues" (ROR). Chapter 13.24 of our municipal code states that rates should be adequate to provide a ROR equal to 10% of the composite gross revenue. The code further states that a rate of return within the range of 8% to 10% is sufficient to reflect the level of business risk assumed by the haulers, allow investment in equipment and to ensure quality collection services.

For 2012, the haulers' consolidated ROR was 8.10 %. The projected ROR for 2013, if rates are not modified, would be 6.97%. This low projection is based on several factors. First, Metro recently approved a tip fee increase of \$.49 a ton, (\$94.33 per ton) effective September 1, 2013. Disposal expense is approximately 30% of the direct operational expenses. Second, analysis has been conducted on a range of factors impacting the cost of providing service, including fuel and personnel costs and potential recycling revenues. The market value of recyclables (recycling revenues partially offset costs) experienced a larger than expected decline in 2012. This downward recycling revenue trend is expected to continue and is reflected in the 2013 projections.

All costs projected for 2013-14 have been increased per inflationary factors. The anticipated fuel costs and the disposal fee increase have been factored into the projections used to calculate the proposed fee adjustments.

After reviewing the financial figures for 2012, reviewing the projected Rate of Return for 2013(without a rate increase), conferring with Clackamas County Solid Waste staff, and meeting with the garbage haulers and their financial consultant, City staff has developed a rate increase proposal for Council's consideration. A table of current and proposed rates for the most highly used service levels is attached.

Following is a description of the rate changes staff is proposing:

- Increase rates for residential and commercial can and cart service levels by an average of 1%. For the most common residential service level, the 32 gallon can/cart collected weekly, this would mean an increase of 25 cents per month, from \$28.65 to \$28.90.
- Increase commercial container service by \$.94 per cubic yard serviced. This reflects the adjustments to fuel, labor and disposal costs as mentioned above.
- Increase fees associated with open drop box service and for small compactors. Currently the composite earnings for drop box service falls well outside the acceptable range and has for several years. The system has seen an increase in use of lidded boxes as businesses attempt to avoid illegal use of their open drop

boxes. The cost of new equipment along with the associated increases in labor expenses warrants this slight adjustment. The last increase on the haul portion of drop box fees was done in 2011. Following are the proposed rate increases for drop box service:

With the rate increases described above, the projected rate of return for 2013 is expected to be 7.40%. While this projection is outside the range of 8% to 10%, the haulers have agreed to a smaller rate increase to minimize the impact on customers.

**CONCURRENCE**

The garbage haulers have reviewed these rates and support their adjustment.

**FISCAL IMPACT**

Increases in collection revenue may increase the amount of franchise fees paid to the city by a small amount.

**WORK LOAD IMPACTS**

None

**ALTERNATIVES**

Defer rate increases until 2014, at which time rate increases would be larger per customer.

**ATTACHMENTS**

- 1) Samples of Proposed Rates
- 2) History of Rate Change for 32 Gallon Can/Cart Service

## Sample of Proposed Garbage Rate Changes - 2013

### Residential and Commercial Can/Cart Service

Cart/Can Service		Adjustment	
Current Rate	Service Level	Proposed	\$
\$ 24.90	20 gal Singlefamily	\$ 25.15	0.25
\$ 28.65	32 gal	\$ 28.90	0.25
\$ 37.80	60 gal	\$ 38.10	0.30
\$ 44.40	90 gal	\$ 44.70	0.30
\$ 12.95	On Call	\$ 13.05	0.10
\$ 12.25	Monthly	\$ 12.35	0.10
\$ 20.40	20 gal Multifamily	\$ 20.65	0.25
\$ 24.15	32 gal Court Apartments	\$ 24.40	0.25
\$ 24.70	35 gal Commercial	\$ 24.95	0.25
\$ 35.75	60 gal Commercial	\$ 36.05	0.30
\$ 38.35	90 gal Commercial	\$ 38.65	0.30

### Commercial Container Service

Commercial Container Service		Adjustment	
Current Rate	Service Level	Proposed	\$
\$ 92.30	1 yard weekly	\$ 93.25	\$ 0.95
\$ 151.99	2 yard weekly	\$ 153.90	\$ 1.91
\$ 296.25	2 yard 2x weekly	\$ 300.06	\$ 3.81
\$ 507.83	4 yard 2x weekly	\$ 515.45	\$ 7.62

Drop Box Service		Adjustment	
Current Rate	Service Level	Proposed	\$
\$113.00	10/20 Cubic Yards	\$ 119.00	\$ 6.00
\$130.00	30 Cubic Yards	\$137.00	\$7.00
\$147.00	40 Cubic Yards	\$155.00	\$8.00

Compactor Service		Adjustment	
Current Rate	Service Level	Proposed	\$
\$128.00	10/20 Cubic Yards	\$ 135.00	\$ 7.00

Attachment 2

History of Rate Change for 32 Gallon Can/Cart Service

Includes: Weekly collection of garbage, recycling and yard debris

<b>Year</b>	<b>Monthly Rate Previous Year</b>	<b>Approved Rate</b>	<b>\$ change</b>	<b>% Change</b>
<b>2013</b>	\$ 28.65	\$ 28.90 (proposed)	\$ .25	1 %
<b>2012</b>	\$ 28.20	\$ 28.65	\$ .45	2 %
<b>2011</b>	\$ 27.45	\$ 28.20	\$ .75	3 %
<b>2010</b>	\$ 26.39	\$ 27.45	\$1.06	4 %
<b>2009</b>	\$ 25.00	\$ 26.39	\$1.39	6 %
<b>2008</b>	\$ 24.00	\$ 25.00	\$1.00	4 %



**To:** Mayor and City Council

**Through:** Bill Monahan, City Manager  
Teri Bankhead, Assistant to the City Manager

**From:** Grady Wheeler, Public Affairs Coordinator

**Subject:** Preliminary Survey Results

**Date:** June 5, 2013

---

#### **ACTION REQUESTED**

Receive and review polling results and preliminary report at the June 18, 2013 Work Session.

#### **HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

April 16, 2013, Work Session: City Staff provided Council with an overview of the process that led to the recommendation of hiring DHM Research Inc. to conduct a public opinion research poll to measure voter support of a potential bond measure that would fund Milwaukie's PMLR debt to TriMet and preserve City services, and to measure support for other specific capital projects. Council directed staff to move forward with hiring DHM Research.

May 23, 2013, Study Session: DHM Research provided Council with a draft of the telephone survey questions and received Council's input.

#### **BACKGROUND**

In June 2012, City Council signed an agreement with TriMet for the City's share of the Portland-Milwaukie Light Rail Project. Council then set a goal to ask Milwaukie voters on a future ballot if they would prefer to:

- Fund a bond measure to pay off the TriMet debt, which was scheduled for payments over 19 years from the City's general fund, and potentially finance other City projects; or
- Continue to make payments out of the City's general fund, which would result in cuts to present-day service levels

In order to best equip Council to make the decision of if, and when, a bond measure should be placed on a ballot, and how to inform voters about that bond measure, Council directed staff to interview public opinion research firms and communication strategists. The selected firm would advise Council on how to proceed. Coordinating with Councilor Hedges and Mayor Ferguson, the Public Affairs Coordinator met with five firms, some specializing in polling, and some in communications. At the conclusion of the interviews, the consensus was to employ the services of DHM Research to devise and conduct a telephone poll to gauge the community's interest and values.

The Public Affairs Coordinator has been working with DHM Research on a series of draft surveys. The final draft was approved on June 4, 2013, and delivered to City Council for its review.

The steps that are to take place after the submission of this staff report:

- DHM Research is to pretest and conduct interviews June 5 to June 9, 2013.
- DHM Research is to compile data and calculate results June 11 to June 13, 2013.
- City Staff will receive a summary of the data gathered for each survey question and a verbatim file of respondents' answers to the open-ended questions.
- Staff will provide the City Council with this information as soon as it is received after June 13, 2013, and before the June 18, 2013 Work Session.
- DHM Research will provide a presentation outlining results and a general summary of the findings at the June 18, 2013 Work Session.
- DHM Research will submit a final report with more detailed analysis the week of June 24, 2013.

#### **CONCURRENCE**

None.

#### **FISCAL IMPACTS**

The contract with DHM Research is for \$12,000.

#### **WORK LOAD IMPACTS**

The Public Affairs Coordinator has acted as the project manager of this effort since mid-April, contributing anywhere from 6 to 12 hours a week to the effort.

#### **ALTERNATIVES**

None.

#### **ATTACHMENTS**

A summary of the data gathered for each survey question and a verbatim file of respondents' answers to the open-ended questions will be delivered shortly after June 13, 2013.