

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
FEBRUARY 15, 2011**

CALL TO ORDER

Mayor Ferguson called the 2096th meeting of the Milwaukie City Council to order at 7:09 p.m. in the City Hall Council Chambers.

Present: Mayor Ferguson, Council President Greg Chaimov and Councilors Dave Hedges, Joe Loomis, and Mike Miller

Staff present: City Manager Bill Monahan, City Attorney Tim Ramis (arrived 8 p.m.), City Recorder Pat DuVal, Resource and Economic Development Specialist Alex Campbell

PLEDGE OF ALLEGIANCE

PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS

A. Community Safety Appreciation Week

Mayor Ferguson read a proclamation naming February 28 through March 4, 2011 as *Community Safety Appreciation Week* in the City of Milwaukie.

CONSENT AGENDA

It was moved by Councilor Miller and seconded by Councilor Hedges to approve the consent agenda consisting of:

- A. **Resolution 13-2011**: A Resolution of the City Council of the City of Milwaukie, Oregon, Approving the Support of the City of Milwaukie in the Legislative Effort to Correct a Technical Change to the HRA VEBA Program;
- B. **Resolution 14-2011**: A Resolution of the City Council of the City of Milwaukie, Oregon, Appointing Jon Stoll to the Milwaukie Budget Committee;
- C. **Resolution 15-2011**: A Resolution of the City Council of the City of Milwaukie, Oregon, Appointing Elizabeth Arne to the Milwaukie Arts Committee;
- D. **Resolution 16-2011**: A Resolution of the City Council of the City of Milwaukie, Oregon, Appointing Lars Campbell to the Milwaukie Arts Committee;
- E. **Resolution 17-2011**: A Resolution of the City Council of the City of Milwaukie, Oregon, Approving an Intergovernmental Agreement with the City of West Linn to Outsource Finance Director Services and Authorizing the City Manager to Sign the Agreement;
- F. **Resolution 18-2011**: A Resolution of the City Council of the City of Milwaukie, Oregon, Adopting Fiscal Policies; and
- G. **City Council Minutes**:
 - 1. September 21, 2010 Work Session
 - 2. October 5, 2010 Work Session

Motion passed with the following vote: Councilors Miller, Chaimov, Hedges, and Loomis and Mayor Ferguson voting "aye." [5:0]

AUDIENCE PARTICIPATION

None.

PUBLIC HEARING

A. Continue Milwaukie Municipal Code Amendments 19.321.7 and 19.321.3 – Ordinance

Mr. Monahan provided a brief background on the proposed amendments.

It was moved by Councilor Chaimov and seconded by Councilor Loomis to continue the proposed Milwaukie Municipal Code amendments 19.321.7 and 19.321.3 to the regular City Council meeting of March 15, 2011. Motion passed with the following vote: Councilors Miller, Chaimov, Hedges, and Loomis and Mayor Ferguson voting “aye.” [5:0]

OTHER BUSINESS

A. Possible Transportation Growth Management (TGM) Grant Application

Mr. Campbell provided the report in which staff requested Council to provide direction on the City’s request for Transportation Growth Management (TGM) funding. This was a State program sponsored jointly by the Department of Land Conservation and Development (DLCD) and the Oregon Department of Transportation (ODOT). The program is administered by ODOT and is intended to support integrated local land use and transportation planning. He noted grants were awarded for planning and not project development or design. In the pre-application process, City staff submitted two possible projects: station area planning for the Tacoma Station and the Hwy 224/99E refinement plan. He discussed the merits of each and how staff felt each would rank. The grant request would be \$100,000 to \$125,000 for one project, and the minimum local match could be covered by the City’s in-kind contribution of staff time.

Councilor Hedges could see the merits of both projects but preferred the Tacoma Station area planning option.

Councilor Chaimov’s impression was that this program was not suitable for some sort of planning that would make the Oak Street/Hwy 224 intersection less like a scrum.

Mr. Campbell thought it might be in the City’s best interest to make it more like a scrum. ODOT would probably like it to not be there at all. One of the real challenges was that there might be outcomes from this process Milwaukie may not like because it would be shining light on an ODOT facility. It may result in a better traffic flow through restricted movements, but it might not benefit Milwaukie residents.

Councilor Chaimov would be inclined to add that to the list making Oak Street/Hwy 224 a better intersection for residents yet not making it significantly less useful. Putting that aside he would prefer working on the station area planning for the Tacoma Station for better use and access to facilitate the potential for a baseball facility in that area.

Councilor Miller saw both of these as worthwhile projects but felt something needed to be done with 37th Avenue/Hwy 224 intersection. He felt something would happen in terms of Tacoma as light rail was being built. Improvements to these Hwy 224 intersections would be of the greatest benefit to Milwaukie residents.

Mr. Campbell said there was also a question of scale. This money was not available to design specific projects. There was a project identified in the Transportation System Plan (TSP) to correct those intersections, so staff felt it had an idea of what needed to be done. These grant funds were for planning and could not be used for actual design of the improvement.

Councilor Loomis agreed with Councilor Hedges. His priority would be the Tacoma Station. Would this project be feasible for connecting the Springwater Corridor and Riverfront Park?

Mr. Campbell replied next spring the region would be talking about spending flexible funds for use on design and construction, and he felt the project outlined by Councilor Loomis might be eligible. The challenge would be determining who was responsible for picking up the match.

Russ Stoll, Milwaukie. He understood ODOT would be responsible for reconfiguring the Tacoma/99E area and asked if that design work had been completed. It seemed a number of things had not been decided yet. The station was entirely in Portland, and the Citizens Advisory Committee was working on the issues. The most immediately impacted property was Pendleton. He suggested the City Council consider citizen concerns related to Railroad Avenue and Harmony Road including the preservation of the oak savannah.

Mr. Campbell replied this project will be cognizant of the needed ODOT planning. The station was largely in Portland, and the vast majority of the questions had to do with the area north of Tacoma. Portland and ODOT staffs were on board with this being advanced as a Milwaukie project. He discussed the Harmony Road project, and he did not get the overall sense of that project was to support development.

Councilor Hedges felt it was fair to say the position of the Linwood, Lewelling, and Hector Campbell Neighborhoods was to stop the project because of the potential for traffic going into the neighborhoods. He did not think there was much point in doing anything with Railroad Avenue as it was scheduled for work in the future.

Mayor Ferguson thought both were good projects, and the Tacoma Station planning would probably get the nod from most people.

B. Council Reports

Mayor Ferguson interviewed individuals for Planning Commission and recommended that Russ Stoll be appointed to fill Teresa Bresaw's unexpired term. He further recommended that Linda Hedges and Art Ball be appointed as members-at-large to the Public Safety Advisory Committee (PSAC). By consensus of Council, staff was directed to prepare resolutions for adoption at the next meeting.

Mayor Ferguson and Councilors reported on meetings they had attended and announced upcoming community events.

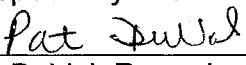
Mayor Ferguson announced the Milwaukie City Council would meet in executive session immediately following adjournment of the regular session pursuant to ORS 192.660(2)(h) to consult with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

ADJOURNMENT

It was moved by Councilor Chaimov and seconded by Councilor Miller to adjourn the meeting. Motion passed with the following vote: Councilors Miller, Chaimov, Hedges, and Loomis and Mayor Ferguson voting "aye." [5:0]

Mayor Ferguson adjourned the regular session at 7:58 p.m.

Respectfully submitted,



Pat DuVal, Recorder

REGULAR SESSION

AGENDA

MILWAUKIE CITY COUNCIL FEBRUARY 15, 2011

MILWAUKIE CITY HALL
10722 SE Main Street

2096th MEETING

REGULAR SESSION – 7:00 p.m.

- | | Page # |
|---|-----------|
| 1. CALL TO ORDER
Pledge of Allegiance | |
| 2. PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS | |
| 3. CONSENT AGENDA <i>(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the "Consent" portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)</i> | 1 |
| A. HRA VEBA Technical Fix – Resolution | 2 |
| B. Appoint Jon Stoll to the Budget Committee – Resolution | 8 |
| C. Appoint Bette Arne to the Milwaukie Arts Committee – Resolution | 9 |
| D. Appoint Lars Campbell to the Milwaukie Arts Committee Resolution | 10 |
| E. Approve Intergovernmental Agreement with the City of West Linn for Financial Services – Resolution | 11 |
| F. Adopt Fiscal Policies for City of Milwaukie – Resolution | 17 |
| G. City Council Meeting Minutes: | 32 |
| 1. September 21, 2010 Work Session | |
| 2. October 5, 2010 Work Session | |
| 4. AUDIENCE PARTICIPATION <i>(The Presiding Officer will call for statements from citizens regarding issues relating to the City. Pursuant to Section 2.04.140, Milwaukie Municipal Code, only issues that are "not on the agenda" may be raised. In addition, issues that await a Council decision and for which the record is closed may not be discussed. Persons wishing to address the Council shall first complete a comment card and return it to the City Recorder. Pursuant to Section 2.04.360, Milwaukie Municipal Code, "all remarks shall be directed to the whole Council, and the Presiding Officer may limit comments or refuse recognition if the remarks become irrelevant, repetitious, personal, impertinent, or slanderous." The Presiding Officer may limit the time permitted for presentations and may request that a spokesperson be selected for a group of persons wishing to speak.)</i> | |
| 5. PUBLIC HEARING <i>(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)</i> | |
| A. Continue Milwaukie Municipal Code Amendments 19.321.7 and 19.321.3 – Ordinance
Staff: Bill Monahan, City Manager | |

6. **OTHER BUSINESS** *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)* **39**

- A. **Possible Transportation Growth Management (TGM) Grant Application** **40**
Staff: Alex Campbell, Resource and Economic Development Specialist
- B. **Council Reports**

7. **INFORMATION**

8. **ADJOURNMENT**

Public Information

- **Executive Session:** The Milwaukie City Council will meet in executive session immediately following adjournment of the regular session pursuant 192.660(2)(h) to consult with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.
- 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.
- For assistance/service per the Americans with Disabilities Act (ADA), please dial TDD 503.786.7555
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.

3.
CONSENT AGENDA

3.A.



To: Mayor and City Council
Through: Bill Monahan, City Manager
From: Cynthia Trosino
Subject: HRA VEBA Technical Fix
Date: January 26, 2011

Action Requested

Adopt the resolution approving the support of the City of Milwaukie in the legislative effort to correct a technical change to the HRA VEBA program. This would include the use of the City of Milwaukie logo and a letter of support from the City of Milwaukie.

History of Prior Actions and Discussions

None

Background

Brad Hawkins, Policy Analyst for Douglas County PUD is working on behalf of the Washington PUD association to seek a federal legislative fix to the internal revenue code.

He indicates this is a non-controversial, technical fix as it relates to the HRA/VEBA plans and is preparing this for the 112th Congress.

The problem as he describes it is that an IRS ruling prohibits an HRA from providing medical reimbursements to non-dependent beneficiaries when no surviving spouse or qualified dependents remain after a participant's death. This is a problem for participants who are single, or outlive their spouse, have adult children...etc.

He indicates it should be a bipartisan success for Congressional members because many local governments utilize HRA/VEBA.

He is also contacting other associations that represent political subdivisions that would benefit from this fix such as schools, ports, sewer/water districts, cities and counties.

He is working to raise awareness of this issue throughout Oregon, Washington and Idaho.

The City of Milwaukie is one of four HRA VEBA employers in Rep. Blumenauer's Congressional District. He serves on the House Ways & Means Committee with a Washington State Congressman. Senator Wyden serves on the Senate Finance Committee with Washington State Senator Cantwell.

He is hoping Oregon and Washington Republicans and Democrats will co-sponsor this legislation.

If Milwaukie decides to support this he would ask that we allow use of our logo in the Oregon joint letter to Senator Wyden, that we send an individual City of Milwaukie letter to Senator Wyden and Rep. Blumenauer and make a phone call to Rep. Blumenauer's office on behalf of the city as a constituent.

He has also contacted the City of Gresham and Multnomah County along with other jurisdictions. Both the City of Gresham and Multnomah County are in support and participating.

He sees Milwaukie as a key constituent for Oregon because we are the only agency that is in Representative Blumenauer's district.

He feels Blumenauer would be more likely to support this if agencies from his own district were involved in requesting it.

He is available and very willing to have a conference call to provide more information and can be reached at: 509-881-2225 bhawkins@dcpud.org

This change to the HRA VEBA would benefit those employees who are participating in the program.

Fiscal Impact

None

Work Load Impacts

There should be minimal impact to work load. It would involve providing the logo, writing a letter and making a phone call.

Alternatives

Choose not to participate



AOC

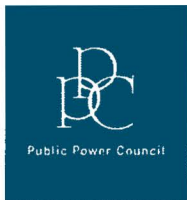
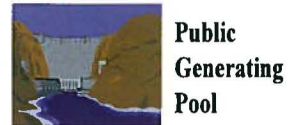
Association of Oregon Counties

S | D | A | O

SPECIAL DISTRICTS
ASSOCIATION OF OREGON



Tualatin Valley Water District



January 24, 2011

The Honorable Ron Wyden
United States Senate
223 Dirksen Senate Office Building
Washington, DC 20510

Subject: HRA VEBA Technical Fix

Dear Senator Wyden,

Health reimbursement arrangements (HRAs) have become an essential retirement planning tool used by thousands of governmental employees in Oregon and throughout the country. Many political subdivisions in Washington, Oregon, and Idaho participate in voluntary employees' beneficiary association (VEBA) trusts which provide HRAs.

A 2006 IRS ruling imposes rules on HRAs which cause participants in these plans to lose earned benefits if they die without a spouse or dependent. In 2008, Congress passed the Worker, Retiree, and Employer Recovery Act of 2008 (HR 7327) that addressed this situation for certain HRA plans (those created in conjunction with public retirement systems), but not all. A technical fix is needed to include plans established by or on behalf of a state or political subdivision, such as a city, county, port, public utility district, or school district. This is a non-controversial, technical fix that is actually revenue positive to the federal government.

With your support and leadership, legislation can be introduced and passed in the 112th Congress that makes this much needed correction. For your convenience, the attached document summarizes this issue and includes proposed legislative changes. If your office needs additional information, please contact Deborah Sliz at Morgan Meguire at dsliz@morganmeguire.com or 202-661-6180 or Brad Hawkins at Douglas PUD at bradh@dcpud.org or 509-881-2225.

Sincerely,

Michael J. McCauley

Michael J. McCauley
Executive Director
League of Oregon Cities

Mike McArthur

Mike McArthur
Executive Director
Association of Oregon Counties

Greg Baker

Greg Baker
Executive Director
Special Districts Association of Oregon

Curt Abbott

Curt Abbott
President
Oregon People's Utility
District Association

Greg DiLoreto

Greg DiLoreto
Chief Executive Officer
Tualatin Valley Water District

Kevin Owens

Kevin Owens
General Manager
Columbia River PUD

Greg Booth

Greg Booth
General Manager
Clatskanie PUD

Roger Gray

Roger Gray
General Manager
Eugene Water & Electric Board

Dwight Langer

Dwight Langer
General Manager
Northern Wasco County PUD

Scott Brattebo

Scott Brattebo
Executive Director
Public Generating Pool

Scott Corwin

Scott Corwin
Executive Director
Public Power Council

Larry Lehman

Larry Lehman
City Manager
City of Pendleton

Erik Kvarsten

Erik Kvarsten
City Manager
City of Gresham

Gary H. Wheeler

Gary H. Wheeler
Mayor
City of Medford

Lou Ogden

Lou Ogden
Mayor
City of Tualatin

Bonita L. Maplethorpe

Bonita L. Maplethorpe
Chief Financial Officer
Tigard-Tualatin School District

Nick Hogan

W. Nick Hogan
Finance Director
Hood River County School District

Marit Nelson

Marit Nelson
Director of Finance &
Administrative Services
Columbia River Fire & Rescue

Cc: Oregon State Congressional Delegation
Senator Maria Cantwell, Washington
Senator Mike Crapo, Idaho

Mindy Harris

Mindy Harris
Chief Financial Officer
Multnomah County

Attachment: HRA Briefing Paper

PARTICIPANTS IN HRAs SHOULD NOT LOSE THEIR EARNED BENEFITS

Health reimbursement arrangements (HRAs) have become an essential retirement planning tool used by thousands of governmental employees in the state of Washington and throughout the country. Many political subdivisions in Washington, Oregon, and Idaho participate in voluntary employees' beneficiary association (VEBA) trusts which provide HRAs. IRS Revenue Ruling 2006-36 prohibits an HRA from providing medical reimbursements to non-dependent beneficiaries when no surviving spouse or qualified dependents remain after a participant's death. This ruling will cause many participants to lose earned benefits. The elimination of medical reimbursements to non-dependent beneficiaries is a huge concern for employees contemplating continued participation in their HRA plan. The fear of potentially losing earned benefits within this key retiree medical savings tool due to an untimely death strongly discourages individual HRA savings for future healthcare expenses.

In 2008, Congress passed the Worker, Retiree, and Employer Recovery Act of 2008 (HR 7327) to partially fix this problem, but the changes only addressed public retirement system plans. A technical fix is also needed for plans established by or on behalf of a state or political subdivision, such as a city, county, port, PUD, or school district.

HRAs provide a valuable medical savings benefit to employers and employees alike, encouraging savings that will be used to pay medical costs or medical insurance premiums. It is estimated that there are well over 500,000 governmental employees nationwide participating in these types of programs who are responsibly seeking to save to pay for the high cost of medical insurance when they retire. If legislation is not enacted to remove the effect of IRS Revenue Ruling 2006-36, continued use of HRAs by many employees will be in jeopardy.

Proposed Change to Recently Amended Internal Revenue Code 105

The text below is current law added by HR 7327 (Public Law 110-458) and the blue changes show the new proposed language to include other workers inadvertently left out due to the narrow scope of HR 7327 language.

- (a) IN GENERAL. Section 105 of the 1986 Code (relating to amounts received under accident and health plans) is amended by adding at the end the following new subsection:

“(j) SPECIAL RULE FOR CERTAIN GOVERNMENTAL PLANS.

“(1) IN GENERAL. For purposes of subsection (b), amounts paid (directly or indirectly) to the taxpayer from an accident or health plan described in paragraph (2) shall not fail to be excluded from gross income solely because such plan, ~~on or before January 1, 2008,~~ provides for reimbursements of health care expenses of a deceased plan participant's beneficiary.

“(2) PLAN DESCRIBED. An accident or health plan is described in this paragraph if such plan is funded by a medical trust that is established in connection with a public retirement system or established by or on behalf of a state or a political subdivision thereof and ~~that~~:

“(A) has been authorized by State legislature, or

“(B) has received a favorable ruling from the Internal Revenue Service that the trust's income is not includible in gross income under section 115 or 501(c)(9).

- (b) EFFECTIVE DATE. – The amendment made by subsection (a) shall apply to payments before, on, or after the date of the enactment of this Act.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
APPROVING THE SUPPORT OF THE CITY OF MILWAUKIE IN THE LEGISLATIVE
EFFORT TO CORRECT A TECHNICAL CHANGE TO THE HRA VEBA PROGRAM.**

WHEREAS, the City of Milwaukie is requested to support a legislative effort for a technical fix to the HRA VEBA; and

WHEREAS, participating would require the use of the City of Milwaukie logo; and

WHEREAS, this would improve the application of the HRA VEBA plan administration;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Milwaukie supports this legislative effort and the use of the City of Milwaukie logo.

Introduced and adopted by the City Council on .

This resolution is effective on .

Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Schrader Ramis PC

Pat DuVal, City Recorder

City Attorney

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
APPOINTING JON STOLL TO THE MILWAUKIE BUDGET COMMITTEE.**

WHEREAS, a vacancy exists on the Milwaukie Budget Committee; and

WHEREAS, Milwaukie Municipal Code Section 2.14.020 states, the board shall consist of the members of the governing body and an equal number of members appointed from the electors of the municipal corporation.

WHEREAS, Jon Stoll possesses the necessary qualifications to serve on the Milwaukie Budget Committee.

Now, therefore, the City Council of the City of Milwaukie, Oregon, resolves as follows:

SECTION 1: That Jon Stoll is appointed to the Milwaukie Budget Committee.

SECTION 2: That his term of appointment shall commence on immediately upon adoption of this resolution and shall expire on March 31, 2014.

SECTION 3: This resolution takes effect immediately upon passage.

Introduced and adopted by the City Council on _____.

Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:

Jordan Schrader Ramis PC

Pat DuVal, City Recorder

City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, APPOINTING ELIZABETH ARNE TO THE MILWAUKIE ARTS COMMITTEE.

WHEREAS, a vacancy exists on the Arts Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, “the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body,” and

WHEREAS, Elizabeth Arne possesses the necessary qualifications to serve on the Arts Committee.

Now, therefore, the City Council of the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Elizabeth Arne is appointed to the Arts Committee.

SECTION 2: That her term of appointment shall commence immediately upon adoption of this resolution and shall expire on March 31, 2013.

SECTION 3: This resolution takes effect immediately upon passage.

Introduced and adopted by the City Council on _____.

Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:

Jordan Schrader Ramis PC

Pat DuVal, City Recorder

City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, APPOINTING LARS CAMPBELL TO THE MILWAUKIE ARTS COMMITTEE.

WHEREAS, a vacancy exists on the Arts Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, “the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body,” and

WHEREAS, Lars Campbell possesses the necessary qualifications to serve on the Arts Committee.

Now, therefore, the City Council of the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Lars Campbell is appointed to the Arts Committee.

SECTION 2: That his term of appointment shall commence immediately upon adoption of this resolution and shall expire on March 31, 2012.

SECTION 3: This resolution takes effect immediately upon passage.

Introduced and adopted by the City Council on _____.

Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:

Jordan Schrader Ramis PC

Pat DuVal, City Recorder

City Attorney



To: Honorable Mayor and City Councilors
From: Pat DuVal, City Recorder
Through: Bill Monahan, City Manager
Richard Seals, CPA CMA CFM, Finance Director
Casey Camors, CPA, Assistant Finance Director
Subject: Intergovernmental Agreement with the City of West Linn for Financial Services
Date: February 7, 2011 for the February 15, 2011 Regular Session

Action Requested

Adopt the resolution approving an intergovernmental agreement with the City of West Linn for finance director services.

Background

When he accepted the City Manager position in October 2010, Bill Monahan acknowledged the financial management challenges faced by the City of Milwaukie and was prepared to look beyond the status quo. The City has struggled to recruit and retain a quality finance director for more than 10 years. During that period of time, it has employed four individuals and over the past year contracted for interim finance director services. The lack of continuity has rippled throughout the organization and limited the City's ability to execute core financial processes and engage in sound financial management practices.

While Mr. Monahan was considering alternatives, an opportunity to contract with the City of West Linn for the use of its Finance Director, Richard Seals, and Assistant Finance Director, Casey Camors, to provide the necessary Finance Director leadership emerged. For approximately the past sixty days both cities have been performing due diligence on an outsourced finance director relationship between the Cities of West Linn and Milwaukie. This agreement is envisioned as an innovative way for Milwaukie to solve its current financial leadership issue and for West Linn staff to develop further professionally.

On February 1, 2011, the Milwaukie City Council voted unanimously to approve the intergovernmental agreement. The West Linn City Council will consider the agreement at its February 14 meeting, and staff is recommending approval. Legal counsel for both entities reviewed the agreement and proposed and agreed upon language amending the mutual indemnity clause. The main provisions of the agreement are that Milwaukie will have an onsite finance director, either Mr. Seals or Ms. Camors, five days per week to oversee the financial management and long-range planning for the Finance Department. Milwaukie would agree to compensate the City of West Linn \$100,000 annually.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF WEST LINN TO OUTSOURCE FINANCE DIRECTOR SERVICES AND AUTHORIZING THE CITY MANAGER TO SIGN THE AGREEMENT

WHEREAS, the City has struggled to recruit and retain a finance director since a long-term director retired in 2000; and

WHEREAS, the since 2000 the lack of continuity in leadership in the position of finance director has resulted in limitations in the City's ability to perform core financial processes and engage in sound financial management practices, and

WHEREAS, the City is preparing to engage in its annual budget preparation cycle through June, and

WHEREAS, the City has identified a viable option to outsource the position of finance director to the City of West Linn through an intergovernmental agreement authorized under ORS 190.010, and

WHEREAS, the City of West Linn has demonstrated the ability to perform professional financial management services at a high level, and has existing capacity to take on responsibility for Milwaukie, and

WHEREAS, the cities have developed a scope of professional financial management services and negotiated consideration, and

WHEREAS, the cities have agreed to an original term of the agreement to continue through June 30, 2013.

Now, therefore, the City of Milwaukie, Oregon, resolves as follows:

Section 1: That the City Council of the City of Milwaukie agrees to the terms of an intergovernmental agreement with the City of West Linn where West Linn will provide professional financial management services to Milwaukie.

Section 2: That the expiration date for the original term of the agreement is June 30, 2013 and the term may be extended and renewed for one-year periods by mutual agreement of the parties

Section 3: The city manager is authorized to sign the agreement on behalf of the City of Milwaukie.

Section 4: This resolution takes effect immediately upon passage.

Introduced and adopted by the City Council on February 15, 2011.

Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Schrader Ramis PC

Pat DuVal, City Recorder

City Attorney

Resolution No. _____

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF MILWAUKIE AND THE CITY OF WEST LINN
TO PROVIDE
PROFESSIONAL FINANCIAL MANAGEMENT SERVICES**

THIS INTERGOVERNMENTAL AGREEMENT is made and entered into by the CITY OF MILWAUKIE, an Oregon municipal corporation (hereinafter "Milwaukie"); and the CITY OF WEST LINN, an Oregon municipal corporation (hereinafter "West Linn").

RECITALS:

A. ORS Chapter 190.010 authorizes governmental entities such as Milwaukie and West Linn to enter into written agreements for the performance of any or all functions and activities that either entity has the authority to perform on its own; and

B. Milwaukie desires the performance of professional financial management services and West Linn is willing to establish and carry out professional financial management services for Milwaukie, and

AGREEMENT:

NOW THEREFORE, the Parties hereto agree as follows:

1. Description of Services to be Provided. West Linn shall provide professional financial management services for Milwaukie beginning February 1, 2011, until the expiration or termination of this agreement. The financial management services so contracted shall be provided as set forth in Exhibit "A" attached hereto and incorporated herein by reference and generally include management over Milwaukie's Finance, Information Technology, Municipal Court and Risk Management functions.

2. Term. The original term of this agreement shall continue through June 30, 2013. The term may be extended and renewed for one-year periods, expiring annually each June 30, by mutual agreement of the parties with written acknowledgment no less than sixty days prior to each termination date.

3. Staffing. Parties shall continue to serve as employer of their respective employees.

4. Consideration. Milwaukie shall pay West Linn the sum of \$8,333.33 per month for professional financial management services provided by this agreement

through June 30, 2012. Effective July 1, 2012 compensation shall increase to \$8,583.33 per month through June 30, 2013.

5. Termination of Agreement. Either Party may terminate this agreement providing 60 days notice in writing to the City Manager of the other respective City.

6. Amendment Provisions. The terms of this agreement may be amended by mutual agreement of the Parties. Any amendment shall be in writing, shall refer specifically to this agreement, and shall be executed by the parties.

7. Defense and Indemnification. Subject to the Oregon Constitution and the limits of the Oregon Tort Claims Act, each Party agrees to hold harmless, defend, and indemnify the other Party, its officers, employees and agents against any and all claims, demands, actions or suits (including all attorneys' fees and costs) arising from this Agreement where the claim, suit, action, loss, damage, injury or liability is attributable to the acts or omissions of the indemnifying Party, its officers, employees or agents. Nothing in this section shall require a Party to indemnify the other Party from liability arising from the sole negligence of the other Party, its officers, employees, or agents.

8. Notice. Any notice under this agreement shall be in writing and shall be effective when actually delivered or when deposited in the mail, addressed to the parties as follows:

Milwaukie: City Manager
 City of Milwaukie
 10722 SE Main Street
 Milwaukie, OR 97222

West Linn: City Manager
 City of West Linn
 22500 Salamo Road
 West Linn, OR 97068

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to be on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that he executed it.

Notary Public for Oregon

My Commission Expires: _____

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ADOPTING FISCAL POLICIES.

WHEREAS, the City Council requested City staff and the Budget Review Board to draft fiscal policies; and

WHEREAS, City staff drafted fiscal policies based upon Government Finance Officers Association policy guidelines; and

WHEREAS, the draft policies were reviewed by City management; and

WHEREAS, the draft policies were reviewed and revised by the Budget Review Board; and

WHEREAS, the Budget Review Board approved the fiscal policies and recommend their approval by the City Council, and

WHEREAS, the City Council held a work session with the Budget Review Board; and

WHEREAS, the City Council approved by motion the Fiscal Policies at their January 18, 2011 meeting

Now, therefore, the City of Milwaukie, Oregon, resolves as follows:

Section 1: That the City Council of the City of Milwaukie adopts the fiscal policies as presented for the City of Milwaukie attached as Exhibit A to this resolution.

Section 2: This resolution takes effect immediately upon passage.

Introduced and adopted by the City Council on February 15, 2011.

Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Schrader Ramis PC

Pat DuVal, City Recorder

City Attorney

City of Milwaukie Fiscal Policies

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Purpose

The City of Milwaukie is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of the Fiscal Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the City Council as the basic framework for overall financial management of the City, to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

1. Provide an adequate financial base to sustain the desired level of municipal services to maintain the social wellbeing and physical conditions of the City.
2. Deliver cost effective and efficient services to citizens.
3. Provide and maintain essential public facilities, utilities, and capital equipment.
4. Protect and enhance the City's credit rating so as to obtain the lowest cost of borrowing and assure taxpayers and the financial community that the City is well managed and financially sound.
5. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents and businesses.
6. Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, the Governmental Accounting Standards Board and other professional standards.
7. Fully comply with finance related legal mandates, laws and regulations.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, accounting and financial reporting, reserves and internal controls. These policies are reviewed annually by management, the Budget Review Board, and City Council and amended as necessary, as part of the budget process.

Revenue Policies

1. The City will strive for and maintain diversified and stable revenue sources to prevent undue or unbalanced reliance on any one source of funds. Revenue diversity will also reduce risk to the City from short-term fluctuations in any one revenue source.
2. One-time revenues will be used only for one-time expenditures. The City will minimize using temporary revenues to fund continuing programs and services.
3. The City will maximize the use of service and user charges in lieu of ad valorem taxes and subsidies from other City funds, for services that can be identified and where costs are directly related to the level of service provided. The Council may establish fees at less than "full cost recovery"

when deemed in the public interest. The City will periodically and systematically review user fees and charges to take into account the effects of additional service costs and inflation.

4. Unless prohibited by law, City fees may be deferred or waived by the City Manager or City Council action when it can be demonstrated that a direct public benefit will be obtained. In addition, the City Council may direct that City fees, e.g., system development charges, building permit fees, planning fees, be paid on behalf of applicants and City Council's action will include a determination of the source of funds to pay such fees. Fees that are deferred or waived by the City Manager exceeding \$1,000 will be communicated to the Council.
5. All fees, charges or assessments that are deferred for later payment will be evidenced by a written promissory note or agreement. The City may charge periodic interest, processing fees and additional interest and penalties for delinquencies as appropriate.
6. Water, Wastewater and Stormwater funds will be self-supporting through user fees. Utility rates will be established to fully recover costs, including operation, administration, replacement of assets, capital expansion, with consideration given to return on investment and existing and or anticipated debt to insure a debt coverage ratio of no less than 1.50.
7. Fee adjustments will be based on five-year financial plans that will be reviewed an updated annually.
8. The City Manager shall approve all grant applications before their submission. Additionally, all potential grants that require matching funds, on-going resource requirements, or include new or additional continuing compliance requirements shall be evaluated and considered before submittal of the application. The City Council will be provided the evaluation with the request for their acceptance of the grant.
9. Revenues will be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively. The City will estimate its revenues by an objective, analytical process using best practices as defined by the Government Finance Officers Association.

Budget Policies

1. The City will prepare an annual budget with the participation of all departments that incorporates GFOA recommendations relative to budgeting for results and outcomes.
 - a. Determine how much money is available. The budget should be build on expected revenues. This includes base revenues, any new revenue sources, and the potential use of fund balance.
 - b. Prioritize results. The results or outcomes that matter most to citizens should be defined. Elected leaders should determine what programs are most important to their constituents.
 - c. Allocate resources among high priority results. The allocations should be made in a fair and objective manner.
 - d. Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.
 - e. Budget available dollars to the most significant programs and activities. The objective is to maximize the benefit of the available resources.
 - f. Set measures of annual progress, monitor, and close the feedback loop. These measures should spell out the expected results and outcomes and how they will be measured.
 - g. Check what actually happened. This involves using performance measures to compare actual versus budgeted results.
 - h. Communicate performance results. Internal and external stakeholders should be informed of the results in an understandable format.
2. All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: 1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and 2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.
3. The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget. Additionally, the Budget Review Board as established by its charge, shall review the budget of selected departments and/or City functions and shall make recommendations on service levels and the appropriate budget resources necessary to achieve that service level, consistent with its Council approved annual work plan to the full Budget Committee.
4. A cost allocation plan will be developed and incorporated into the City budget. The cost allocation plan will be the basis for distribution of general government and internal service costs to other funds and capital projects.
5. The City Council shall adopt the budget at the fund, departmental or program level as a total dollar amount for all appropriations except contingency,

unappropriated ending fund balance and reserves, which shall be stated separately.

6. At a minimum, a mid-year review process will be conducted by the City Manager in order to address any necessary adjustments to the adopted budget.
7. The City will submit the Adopted Budget Document to the Government Finance Officer's Association (GFOA) to obtain the Award for Distinguished Budget Presentation.
8. A budget calendar will be prepared detailing the key elements in the development of the budget. (Please see exhibit 1).

Expenditure Control Policies

1. Expenditures will be controlled through appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted budget. Each Department or Division Manager or Director will be responsible for the administration of his/her department/division budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limitations.
2. The City Manager will administer expenditure control at the category level and program or divisional level. Additionally, the City Manager may give authorization to mandate this level of control down to any line item level. Expenditures anticipated to be in excess of these levels require approval of the City Manager, or Finance Director. Any increase in a budget category anticipated to exceed \$50,000 will require City Council approval.
3. All purchases of goods and services must comply with the City's Purchasing Policies, guidelines and procedures and with State laws and regulations.
4. All compensation planning and collective bargaining will include analyses of total cost of compensation, which includes analysis of salary increases, health benefits, pension contributions, and other fringe benefits. The City will only propose operating personnel costs that can be supported by continuing operating revenues.
5. City staff are to make every effort to control expenditures to ensure City services and programs provided to its citizens and taxpayers are cost effective and efficient. Expenditures that will reduce future costs will be encouraged.

Capital Improvement Investment Policies

1. A five-year Capital Improvement Program (CIP) encompassing all City facilities, including utilities infrastructure, buildings and major equipment and vehicles,

- shall be prepared and updated annually. A public process will be utilized to consider public testimony on the CIP, including review and approval of the CIP by the Citizens Utility Advisory Board (CUAB), Budget Review Board, and the City Council. The five-year CIP will be incorporated into the City's budget and long-range financial planning processes and as such its annual review and approval is anticipated to occur approximately six months, i.e., prior to December 31, prior to the beginning of the subsequent fiscal year. (Please see exhibit 1, Budget Calendar).
2. Projects included in the CIP shall describe the need for the project, the scope of work, total cost estimates, future operating and maintenance costs and how the project and future operations and maintenance will be funded.
 3. An objective process, e.g., a rating matrix that includes but is not limited to neighborhood association support for projects within or directly or indirectly impacting a neighborhood association, public safety considerations, engineering, operations, connectivity, inter-departmental and or inter-governmental commitments or requirements, and funding availability, will be established to evaluate and rank CIP projects with respect to each utility and to the overall needs of the City. The ranking of projects will be used to allocate resources to ensure projects are completed effectively and efficiently.
 4. Changes to the CIP such as addition of new projects, significant change to the scope of the project or reprioritization of projects will require City Manager or City Council approval.
 5. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future operating maintenance and replacement costs. The City recognizes that deferred maintenance increases future capital costs, thus placing a burden on future residents. Therefore, the CIP will include an orderly and systemic replacement of capital facilities and equipment.
 6. The City will establish and fund infrastructure and building reserves adequate to sustain each utility and the City's building facilities. The City will also establish major repairs and replacement reserves to provide stable funding of major repairs and replacements. The reserves will be included and identified as separate components of fund balance in the various funds.
 7. The City will utilize "pay-as-you-go" funding for capital improvement expenditures considered recurring, operating or maintenance in nature whenever possible. The City may also utilize "pay-as-you-go" funding for capital improvements when current revenues and adequate fund balances are available or when issuing debt would adversely affect the City's credit rating or debt terms are unfavorable relative to the benefits derived from the capital improvement.

8. The City will consider the use of debt financing for capital projects and equipment under the following circumstances:
 - a. When the use of debt will result in total project cost savings that exceed borrowing costs.
 - b. When the project's useful life will exceed the terms of the financing.
 - c. When resources are deemed sufficient and reliable to service the long-term debt.
 - d. When market conditions present favorable interest rates for City financing.
 - e. When the issuance of debt will not adversely affect the City's credit rating.

Financial Planning Policies

1. The Finance Department, collaborating with other departments, will prepare a long-term financial plan for each fund to promote responsible planning for the use of resources. The long-term financial plan will include projected revenues, expenditures and reserve balances for the next five years.
2. The City's financial plan should be strategic, reflecting the City Council and community priorities for service while providing resources that fund desired service levels.
3. Long-term projections of revenues and expenditures will be based upon disclosed assumptions, and prepared consistent with best practices established by the Government Finance Officers Association.
4. The five-year financial plan will be integral to the development of the annual budget and will be included in the proposed budget presented to the Budget Committee. (Please see exhibit 1, Budget Calendar).

Economic Development Funding Policies

1. The City may utilize economic development incentives to encourage value-added development and accrue public benefits to the City of Milwaukie. Public benefits may include but are not limited to, the following:
 - a. A benefit that materially enhances the financial position of the City by increasing its employment base or assessed valuation.
 - b. A contribution to the basic infrastructure of the City that is greater than that which would be required of the development alone.
 - c. A benefit that increases access to other public services.
2. Economic development incentives may include formation of improvement or redevelopment districts, reimbursement, deferral of certain fees and charges, use of discount lease rates or other forms of financial incentives. All such incentives

will be evaluated as to the costs, risks and level of benefit as well as the financial impact of such incentives on the City's operating and capital budgets.

3. The fiscal impact evaluation will be presented to City Council along with the City Manager's recommendation. The City Council shall make the final decision concerning proposed economic development incentives including any repayment of incentives if performance requirements are not met.
4. Funding for economic development incentives must be identified before approval of all such incentives.
5. A development incentive shall not be provided if the development does not provide sufficient public benefit or if the cost and risks to the City will have a materially adverse impact on the City's finances or operations.

Pension and Retirement Funding Policies

1. All current pension liabilities shall be funded on an annual basis.
2. In addition to providing pension benefits, the City provides certain health and dental care benefits for retired employees. Funding the liability for future retiree benefits will be determined by City Council action.

Cash Management and Investment Policies

1. The Finance Director or their designee shall invest all City funds according to four criteria, in order of their importance: (1) legality, (2) safety, (3) liquidity, and (4) yield.
2. The City shall maintain and comply with a written Investment Policy that has been approved by City Council.
3. The City will consolidate or pool cash balances from various funds for investment purposes and will allocate investment earnings to each participating fund.
4. The City's investment securities will be protected through third party custodial safekeeping.
5. Quarterly investment reports summarizing investment holdings and compliance with the City's Investment Policy will be prepared and posted on the City's website.

Accounting and Financial Reporting Policies

1. The City will comply with the following accounting and reporting standards:
 - a. Generally Accepted Accounting Principles (GAAP) developed by Governmental Accounting Standards Board,
 - b. Government Accounting, Auditing and Financial Reporting standards prescribed by the Government Finance Officer's Association (GFOA),
 - c. Government Accounting Standards, issued by the Comptroller General of the United States,
 - d. Oregon Revised Statutes relating to Municipal finance, and
 - e. U.S. Office of Management and Budget (OMB) Circular A-133,
2. Monthly financial reports comparing actual to budgeted expenditures will be prepared timely by the Finance Department and posted on the City's website. Reports will be distributed to City Management and the City Council. Significant budget to actual variances will be identified and explained. If an additional appropriation is anticipated, such shall be noted.
3. A system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations.
4. In accordance with State law, a comprehensive financial audit including an audit of federal grants will be performed annually by an independent public accounting firm with the objective of expressing an opinion on the City's financial statements and assessing the accounting principals used and evaluating the internal controls in place.
5. The City will prepare its financial statements and maintain its accounting and internal control systems in accordance with applicable standards with the goal of obtaining an unqualified opinion from its auditors.
6. The City will prepare a Comprehensive Annual Financial Report (CAFR) and submit its CAFR to the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program.
7. Upon request, all departments will provide notice of all significant events and financial and related matters to the Finance Director for the City's annual disclosures to the municipal markets as required by SEC Regulation 15-C-2-12. Full disclosure will be provided in the financial statements and bond representations. Significant events include delinquencies and defaults related to the City's bonds, adverse tax opinions or events affecting the tax exempt status of bonds, the release, substitutions or sale of property securing repayment of bonds and other events having a significant impact on the City's finances and outstanding bonds. The Finance Director will notify all Nationally Recognized Municipal Securities Information Repositories of these significant events.

8. The City's asset capitalization policy is to capitalize and depreciate assets greater than \$10,000 with a useful life beyond one year. Capital assets costing less than \$10,000 or having a useful life of one year or less will be treated as operating expenditures.

Debt Management Policies

1. The Finance Director will structure all debt issuances and oversee the on-going management of all City debt. Debt includes general obligation bonds, lease purchase obligations, revenue bonds, special assessment obligations, promissory notes, equipment financing agreements and any other contractual arrangements that obligate the City to make future principal and interest payments.
2. No debt shall be issued for which the City has not identified specific revenue sufficient for repayment. The Finance Director shall prepare an analysis of the source of repayment prior to issuance of any debt.
3. The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that can be funded from current resources, unless the use of debt is otherwise determined to be in the best interest of the City.
4. The City may utilize short-term debt or inter-fund loans as permitted, to cover temporary cash flow deficiencies due to timing of cash flows, such as may result from delay in receipting grant proceeds or other revenues and delay in issuance of long-term debt.
5. When issuing long-term debt, the City will ensure that the debt is soundly financed by:
 - a. Incurring debt only when necessary for capital improvements too large to be financed from current available resources,
 - b. Insuring that capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project,
 - c. Determining that the benefits of the project financed exceed the cost of financing including interest costs,
 - d. Analyzing the source of repayment, debt coverage ratios and the impact of debt service on annual fixed costs prior to issuance of long-term debt.
6. All bond issuances, promissory notes, and capital leases will be authorized by resolution of the City Council.
7. The City will consider establishing a credit rating when issuing debt in the capital markets and once established maintain or enhance the credit rating.

Reserve Policies

1. The City will maintain sufficient contingency and reserves in each fund for the ability to:
 - a. Maintain a positive fund balance at all times
 - b. Mitigate short-term volatility in revenues
 - c. Mitigate short-term economic downturns (two years or less)
 - d. Absorb unanticipated operating needs that arise during the fiscal year but were not anticipated during the budget process
 - e. Sustain City services in the event of an emergency
 - f. Meet operating cash flow requirements before the collection of property taxes, grant proceeds and other operating revenues
 - g. Absorb unexpected claims or litigation settlements
 - h. Meet major facility and equipment repair and replacement needs
 - i. Meet requirements for debt reserves

2. Reserve amounts for individual funds:
 - a. General Fund - General Fund undesignated reserves are desired to be sufficient to meet expenditure requirements without the use of short-term borrowing. This is anticipated to be approximately twenty-five percent (25%) of General Fund operating expenditures.
 - b. Building Inspection Fund – Building Inspection Fund undesignated reserves are desired to be at least fifty percent (50%) (approximately six months) of the operating budget to provide operational stability given the volatility of the revenue sources for this fund.
 - c. Water, Wastewater and Stormwater Funds – The City desires to maintain undesignated operating reserves of at least twenty five percent (25%, or three months) of the operating budget for its utility funds. Additionally, a major capital repair and replacement reserve and capital improvement reserve, are desired to be created and maintained in each fund.
 - d. All other funds –undesignated reserves of at least seventeen percent (17%, or two months) of the operating budget in all other operating funds unless it can be demonstrated that less than 17% is adequate to meet the needs of the each fund are desired.

2. The City may use reserves on a one-time or temporary basis for purposes described above. In the event that reserve funds are presently or decrease to levels below the levels desired by this policy, the City will develop a plan to restore reserves to the desired levels.

Definition of Terms

Budget Review Board (BRB) – is an advisory board appointed by the City Council consisting of the five citizen members of the budget committee. The board was established to provide the Council the citizen member’s expertise developed during the budget process during the year when the budget committee was not in session.

Government Finance Officers Association (GFOA) – is the national finance officers organization whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Category level – for budget control purposes, categories include personal services, materials and services, capital outlay, debt service, transfers, contingency, reserves and unappropriated.

Program level – for budget control purposes, programs may include library services, community services, administration, finance, human resources, etc.

Divisional level – for budget control purposes, divisional level would include water, street, storm water, and wastewater divisions within the public works department. Other divisions may include the police field services, police administration, and police support services within the police department.

Capital Improvement Plan (CIP) – The CIP is a schedule of capital projects including estimated cost and timing. There is a separate CIP for each major infrastructure system in the City, e.g., water, streets, sidewalks, storm water, wastewater, information technology, City facilities and vehicles.

Debt Coverage Ratio (DCR) – represents the ratio of “net revenues” available to pay scheduled debt service. A ratio of 1.0 reflects “net revenues” equal to scheduled debt service. A ratio greater than 1.0 reflects “net revenues” in excess of scheduled debt services and a ratio less than 1.0 indicates “net revenue” is less than scheduled debt service.

Oregon Revised Statutes (ORS) – Oregon’s compilation of state laws including rules of civil procedure.

**Exhibit 1
Budget Calendar**

Description	Parties	Proposed Date	Latest Date
Council approval of CIP	Council, City Mgr, dept heads	End of Dec	End of Jan
Estimate current year-end revenue and expenditures (ORS 294.361 and 294.352)	Dept heads	End of Jan	Mid-Feb
Review December financials, preliminary year-end estimates, five-year financial projections and budget process with Budget Committee	Dept heads	End of Jan	Mid-Feb
Council Goal Setting	Council with Dept heads	Early Jan	End of Jan
Requested budget prepared and provided to finance	Dept heads	End of Feb	Mid-Mar
Updates to five-year financial plan, e.g., staffing and other assumptions provided to finance director	Dept heads	End of Feb	Mid-Mar
Dept meetings with City Manager and Finance Director	Dept heads, staff and City Mgr	Mid-Mar	End of Mar
Budget narratives completed	Dept heads	Early April	End of April
Update year-end revenue and expenditure estimates	Dept heads	Monthly	Monthly
Publish "Notice of Budget Committee Meeting" (ORS 294.401)	Finance Dir	Xx days before meeting	Xx days before meeting
Publish "Second Notice of Budget Committee Meeting" (ORS 294.401)	Finance Dir	Xx days before meeting	Xx days before meeting
Provide Proposed Budget (ORS 294.396) and Five-Year Financial Projections to Budget Committee	Finance Dir	End of April	Mid-May
First Budget Committee meeting (ORS 294.401)	Budget Committee, City Mgr and dept heads	1 st Council meeting in May	2 nd Council meeting in May
Additional Budget Committee meetings (ORS 294.406)	Budget Committee, City Mgr and dept heads	Week following 1 st Council meeting in May	Week following 2 nd Council meeting in May
Budget Committee approves budget (ORS 294.406)	Budget Committee	Mid-May	End of May
Publish "Notice of Budget Hearing" (ORS 294.413, 416, 418)	Finance Dir	Xx days before meeting	Xx days before meeting
City Council holds public hearing; adopts budget; levies taxes (ORS 294.430, 435)	City Council	1 st Council meeting in June	June 30

Adopted Budget goes into effect
Adopted Budget submitted to County Assessor and
Department of Revenue (ORS 294.555)

City-wide	July 1	July 1
Finance Dir	July 1	July 15

MINUTES

**MILWAUKIE CITY COUNCIL WORK SESSION
SEPTEMBER 21, 2010**

Council President Chaimov called the work session to order at 5:45 p.m. in the City Hall Conference Room.

Council Present: Council President Greg Chaimov and Councilors Deborah Barnes, Joe Loomis, and Susan Stone

Staff Present: City Manager Pro Tem Pat DuVal, Engineering Director Gary Parkin, Community Development and Public Works Director Kenny Asher, Planning Director Katie Mangle

Media: Bobby Allyn, *The Oregonian*

City-wide School Zone Standardization

Mr. Parkin updated the City Council on efforts to bring Milwaukie's designated school zones in line with City standards. He showed maps of the City's existing school zones and reviewed the proposed changes and current enforcement difficulties. He noted the proposal to remove school zone signage on Filbert Street and better highlight the crosswalks for pedestrian safety.

Councilor Loomis said he thought highlighting the crosswalk was a good idea and would make neighbors happy, but he did not understand why it could not remain a school zone regardless of the difficulty of enforcement. Having people slow to 20 mph in that area was a good thing.

Mr. Parkin replied signage that did not follow a certain guideline lost its effectiveness, and the Police Department did not want to enforce something that was not warranted.

Councilor Stone asked if Mr. Parkin was saying that Olsen and Filbert Streets did not need school zone signage.

Mr. Parkin replied based on school zone signage standards those streets were not warranted, but Engineering did have some flexibility.

Councilor Stone asked how long it had been a school zone.

Mr. Parkin replied there was an accident in 1995, but he was not sure that resulted in the school zones on Olsen and Filbert Streets. Staff had not found the underlying traffic regulations.

Councilor Loomis thought shortening the school zone, a raised crosswalk, and additional signage made sense. He shared that he lived next to the walking path which was heavily used. There were hedges that the property owners tried to maintain for better visibility. He mentioned there used to be poles in the trail area that were installed to require bicyclists to dismount, but those poles were removed due to ADA regulations. He felt raised crosswalks were a good idea.

Mr. Parkin agreed raised crosswalks were a good thing and noted the Walk Safely Milwaukie Program was designed to protect pedestrians.

Councilor Loomis suggested also having a discussion with the Ardenwald neighborhood regarding the flashing lights on 32nd Avenue as they were installed

CITY COUNCIL WORK SESSION – SEPTEMBER 21, 2010

DRAFT MINUTES

Page 1 of 4

after an accident involving a child. He asked if Ardenwald was a “walk only” school now.

Mr. Parkin replied there was bus service. He reviewed the proposed changes for Lewelling Elementary.

Council President Chaimov asked Mr. Parkin if he had taken the proposed plan to all the neighborhood association meetings.

Mr. Parkin responded all the neighborhoods were given the plan, and most of the information was given out at the Walk Safely Milwaukie meeting. He attended the Linwood Neighborhood meeting and responded to questions regarding the changes. They asked that a continuous sidewalk be added in the area around the school as part of the Walk Safely Milwaukie program. The big change at Hector Campbell was removing a zone that was outside of the criteria and relocating the flashing lights from Monroe. There were no changes for Rowe Middle School, and they were thinking about removing the zone on Shell Lane just east of the school. In the downtown area they increased the length of the school zones within the light rail envelope. The high school zone was enlarged to include 21st Avenue, which may change with the light rail development.

Councilor Barnes suggested flashing lights at the high school because students often cross the street to the parking lot without looking.

Councilor Loomis added that also happened a lot during sporting events.

Jeff Klein discussed continuation of the of the school zone down Stanley Avenue and on to Willow Street. He noted all of the Wichita students were now walking to Lewelling.

Councilor Stone discussed safe walking routes to schools. She would not be in favor of removing the flashing lights on 32nd Avenue or the signage on Filbert and Olsen near the walking path. She had heard unfavorable comments from the neighborhood about doing so. She asked if staff had talked with the School District regarding the proposed changes.

Mr. Parkin replied staff had not done so yet.

Mr. Klein noted there had been changes in walking and bussing patterns with school attendance changes.

Councilor Stone asked if the schools had established walking routes for students. The locations of the flashing lights on 32nd Avenue were a result of a lot of work with the Pedestrian Safety Task Force. She was curious how many students were walking on 42nd Avenue. Although flashing lights were expensive, safety was a priority. She felt signage was important to bring attention to the fact that one was driving in a school zone.

Mr. Parkin said there were additional safety measures that could be taken, and it did not have to be a school zone to have a crossing.

Council President Chaimov recommended that Mr. Parkin take this proposal to the Neighborhood Associations for a focused discussion as well as schedule a meeting with School District representatives. Subsequently, he suggested staff prepare a revised report to accomplish goals with better community support.

Councilor Stone noted the City of Portland received \$.5 million in Oregon Department of Transportation (ODOT) grants over the past 7 months to address safe routes to school. Safety must be a priority in Milwaukie.

South Downtown Concept Plan

Mr. Asher provided background on the project and noted he hoped to bring a resolution before City Council in October establishing direction. He discussed the involvement of the South Downtown Steering Committee, a group of 25 members who met 3 times, in reviewing the phases of the project. Out of these meetings came quite a bit of consensus in support of the concept plan. The plan showed an egg-shaped plaza facing the Willamette at the current intersection of Main and Adams Streets. Main Street would continue through the plaza but could be closed off for special events. The consultant team felt strongly that it was important to keep as many streets open as possible so people could get to it and through it. The recommendation was that the Farmers' Market move to that end of town when the Plan was completed. The buildings had a relationship to the plaza which would be at the same elevation as the proposed pedestrian bridge over McLoughlin Boulevard to Riverfront Park. Dogwood Park would be expanded and improved with the project. He pointed out 4 clear development sites on a map. Committee members were not comfortable with the level of planning definition on the private property, so they were screened out in the Plan for the time being.

Councilor Stone asked how the City would fund such a project.

Mr. Asher replied \$3 million would come from light rail, and \$15 million was for Kellogg for Coho Project that would be funded by an environmental agency. \$9 million was for the pedestrian bridge which would likely not happen right away. He believed it was a mistake to talk about money without first determining what the community wanted. He gave some examples of funding that would help pay for the project.

Council President Chaimov said when the new Council was seated and a new City Manager hired, then there could be a focus on setting priorities and how this Plan might fit with the community's vision. What should be happening between now and then was to make sure this project stayed vibrant and alive for possible for inclusion on the priority list.

Mr. Asher thought the Plan represented a lot of progress, but it would be a mistake for the Council to do anything affirmative that would require this much focused attention and resources if we did not know for certain that it was a priority.

Ms. Mangle explained her role on the light rail team is to be the advocate and steward for the stations. Based on the work done by the community and consultants, it was pretty clear what the City would ask TriMet to build. There were some great conversations about the Plan at the Farmers' Market. Light rail would be submitting its permits in the spring, so it was important for Milwaukie to deliver a clear message.

Councilor Barnes was glad the language was more solid and understandable. She liked the plaza where small businesses could locate and the idea of moving the Farmers' Market. She appreciated that a committee made up of members with such diverse views could come to consensus and hoped the Plan had momentum.

Councilor Loomis noted Mr. Asher had done a good job of facilitating the meetings. Even when some people were entrenched and vocal, the meetings were very productive. This Plan could be timeless.

Councilor Stone was unsure if he liked the idea of the plaza's being open to vehicular traffic. What were the advantages of allowing cars?

Ms. Mangle said it was mainly about access to the businesses. One of the volunteers owned a restaurant and said it was good to have visibility in the area and not pedestrian-only traffic. Streets would have to be planned very carefully with treatments to slow traffic in the area. Connectivity was important for all modes, and the focus was to create more life and liveliness.

Councilor Loomis said another major factor was commercial access.

Councilor Stone asked why there was a need for an over and under crossing in the same area.

Mr. Asher replied he thought the community would say the more connections with the riverfront the better. He felt the pedestrian bridge was a long shot, but they are keeping it in the Plan because of the interest.

Ms. DuVal added that she was on the project management team and enjoyed the experience. This was an accurate representation of the Steering Committee's wishes.

Council President Chaimov adjourned the work session at 7:00 p.m.

Pat DuVal, City Recorder

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION
OCTOBER 5, 2010

Mayor Ferguson called the work session to order at 5:30 p.m. in the City Hall Conference Room.

Council Present: Mayor Ferguson, Council President Greg Chaimov, and Councilors Deborah Barnes, Susan Stone and Joe Loomis

Staff Present: City Manager Pro Tem Pat DuVal, Interim Finance Director Andy Parks, and Interns Joe Gardner and Dane Kelley

Utility Billing Audit and Rate Equity Updates

Mr. Parks reported a 20% error rate was found on commercial accounts. Thirty-seven accounts received refunds totaling \$37,805, and 83 accounts were under billed by approximately \$350,000 total. He had reached payment agreements with the entities, and balances would be collected over the next year. Mr. Parks also reported that 20% of the residential audit had been completed, and so far the error rate was about 15%. That error rate was declining as staff began researching more typical residential accounts. Out of 180 errors found to date, 38 accounts were issued credits totaling \$11,773. One of the main causes was leaks. When leaks were suspected to be the cause of high consumption readings, crews were dispatched to the properties to carry out inspections. The audit identified a number of residential accounts that had been under billed by more than \$200 for a total of \$8,115 with one of them being approximately \$5,000. Collections for amounts less than \$200 were not being pursued as directed by City Council. He planned to have the residential portion of the audit done by the end of October. In November and December he planned to reallocate staff time to the monthly billing project. Staff would then return to auditing the accounts in January with the anticipated completion in February. He discussed common issues identified in the audit.

Mr. Gardner added that many customers did not realize the impact of a leak on their utility bills for both sewer and water charges.

Mr. Parks commented on a call he received a call from a customer who felt his bill was too high. Upon researching the account, staff found the winter average jumped from 6 to 26 units. Staff adjusted the account once the leak was fixed which saved the customer over \$100 per bill. Adjustments were being made when the problems were identified and rectified. This has been a good education opportunity for customers.

Councilor Loomis asked if there was a flag to notify utility billing of these kinds of extreme fluctuations in consumption.

Mr. Parks responded there were consumption reports to help in that process, and staff was working with reporting software that included a dollar difference to find mistakes that are not associated with consumption. The finance department was trying to make changes in order to be more consistent and efficient. He briefly discussed "snow bird" service where base charges were still applied. Mr. Gardner and Mr. Kelley had talked to over 100 customers regarding their bills and found that most people did not understand how the winter average was

calculated and what services they are paying for and receiving. The next step in the process would be to get bids on outsourcing bill printing.

Councilor Barnes said last month there were several customers including herself whose checks were never received. She asked Mr. Parks if the cause had been identified.

Mr. Parks responded that the post office investigation did not reveal anything, and the bank did not find anything either. Staff spoke with about 20 affected customers and other payment arrangements had been made.

Councilor Barnes said that was one of the reasons why she was looking forward to online payments.

Mr. Parks said the City currently offered ACH service, but it was used by only about 5% of Milwaukie's utility customers. He discussed transaction and merchant banking fees and whether those would be passed along to the customers or absorbed by the City. ACH was really the most economical payment option, and he discussed the costs related to taking credit card payments over the phone. Most people were sending in their payments with a check. He thought there would be a shift once the online payment option was available.

Councilor Stone thought people could pay by credit card by writing the account number on their payment stub.

Mr. Parks replied there was still processing time to manually enter the payment plus the merchant fees. He asked Council to give some thought to the fees and provide some direction.

Councilor Stone asked for a chart with the charge differences.

Councilor Barnes suggested paperless billing as a feature to reduce printing and postage costs.

Mr. Parks responded that was definitely something finance would look into. The City Council would see these types of things rolling out in the near future. The City Attorney was reviewing the Code regarding how services have been set up, specifically the landlord-tenant relationship, and recommended a number of amendments. He discussed how the bills would be reformatted to make them easier to read and provide more account history.

Council Discussion on Minor League Stadium

Councilor Loomis reported on a conversation he had with an acquaintance regarding a minor league stadium in Milwaukie. He met with Mr. Asher and looked at some locations. The cost was way beyond the City, but there were partnership possibilities. A Single A franchise stadium would cost \$25 million and would hold about 7,000 people. To justify the cost, the stadium would have to be used for more than baseball games. He asked for feedback from City Council about exploring the idea.

Councilor Barnes said it would be great to explore the stadium idea. Could it include other sports such as football and soccer?

Councilor Loomis said the initial conversation was that success in other cities has been from a baseball-only facility.

Councilor Stone asked if it would be an open or closed stadium.

Councilor Loomis responded it would be open and noted Single A seasons started later in the year. They wanted natural grass, but if it were a turf field then it could be used for other things throughout the year. A normal season would be about 40 games. Mr. Asher thought the 14-acre Oregon Department of Transportation (ODOT) property on McLoughlin Boulevard would be a good site. They would need about 7 acres of property for the stadium, so there would be enough room for a public stadium and some private development. Councilor Chaimov would talk with the City of Keizer about the benefits of its stadium. Private investment also needed to be explored.

Mayor Ferguson was supportive, but it was important that it be right-sized for Milwaukie. He thought adding other key amenities would help the facility be successful. It could be used as a practice stadium, for concerts, or possibly a championship game stadium. He supported the idea if Councilor Loomis wanted to continue researching the idea with Mr. Asher.

Mayor Ferguson adjourned the work session at 6:43 p.m.

Respectfully submitted,

Pat DuVal, City Recorder

6.
OTHER BUSINESS



To: Mayor and City Council

Through: Bill Monahan, City Manager, and
Kenneth Asher, Community Development and Public Works Director

From: Alex Campbell, Resource and Economic Development Specialist

Subject: Possible Transportation Growth Management (TGM) Grant
Application

Date: January 28 for February 15, 2011 Regular Session

Action Requested

Provide direction to staff on which planning project the City should request Transportation Growth Management (TGM) funding for FY 2011-12.

History of Prior Actions and Discussions

November 2006: Adopted Resolution 51-2006, accepting TGM grant to support Transportation System Plan update.

March 2003: Council discussed the North Industrial Land Use (NILUS) study – a TGM-funded effort.

Background

TGM is a state program, sponsored jointly by the Department of Land Conservation and Development (DLCD) and the Oregon Department of Transportation (ODOT). The program is administered by ODOT and is intended to support integrated local land use and transportation planning. Attachment 1 includes an overview of the program and award criteria.

The TGM umbrella includes several sub-programs, such as a “quick response” program that funds smaller planning efforts. (One was awarded to TriMet last year, with City

support, to consider Transit Oriented Development opportunities at the planned Tacoma light rail station.) The City has tapped TGM funding in recent years to support the Planning Department's code audit, code "tune up", and residential standards projects. A TGM grant also funded the City's 2007 Transportation System Plan update.

Applications for FY 2011-2012 grants funds are due March 11. Funding agreements would be developed in summer 2011 with the goal of completing all work within one year. (Meeting that timeline can be a challenge given ODOT lead times/contracting processes.)

ODOT made available a pre-application process last fall to get feedback on project ideas. These pre-applications are not required, i.e., the City is still free to submit any application that Council directed staff to develop. The Community Development, Engineering, and Planning directors reviewed their work plans for possible grant-competitive projects in advance of the pre-application process. The list of possible projects was very short. TGM funds are awarded for planning, not project development or design.

Staff submitted pre-applications for two possible projects (the pre-apps themselves are provided as Attachment 2).

1. Station area planning for Tacoma Station: Title 6, recently adopted by Metro, provides direction for how to plan (and select) high capacity transit station areas. The existing zoning and comprehensive plan designations around the future Tacoma light rail station do not take account of light rail. There remain a number of access challenges for multiple modes, both to the station itself and to the adjacent areas where development patterns will be influenced by light rail.
2. Highway 224/99-E Refinement plan. This project would focus on strategies to improve the interaction between Highway 224 and 99-E and address the vision for Highway 224 intersections from Harrison to Oak Streets. This planning effort was identified through the course of the City's development of the 2007 TSP and is listed as a high priority project in the action plan. The currently adopted ODOT plan for Highway 224 is a six lane highway with full grade-separation. This means that cross streets would either be closed or "grade-separated" (i.e., on a bridge) and local access to 224 would be via an inter-change. This plan creates uncertainty for adjoining property owners and appears very unlikely given current fiscal constraints.

TGM staff provided feedback on both proposals. ODOT responded as follows:

Station planning for the Tacoma Station clearly addresses the central goals of program and is very timely. The City would need to, at a minimum, work toward defining the full station boundary with Portland. Key project outcomes would include the identification of

barriers to access, a description of the station area boundary, and development of land use strategy/changes.

ODOT is also very supportive of the Highway 224 “local refinement” effort, recognizing that the uncertainty about the future condition of the expressway is a barrier to development in the area, and that the state has an obligation to assist local communities deal with state facilities. ODOT staff cautioned that the state’s mobility needs will still have to be considered and the outcome of the effort cannot be pre-determined.

Staff anticipates requesting \$100,000 to \$125,000 for one of the above projects. The minimum local match could be covered by City in-kind contribution of staff time in support of either project.

Staff respectfully requests Council’s direction.

Concurrence

The Planning, Engineering, and Community Development directors concurred that either of the two projects described above would be important and useful. Staff has explored the potential for cooperation with Portland staff on the Tacoma Station project and this suggestion was well-received.

Fiscal Impact

No action requested at this time. TGM grants can be matched with in-kind contribution, i.e., staff time.

Work Load Impacts

Either of these efforts would become an important focus of the CD work group in the coming year. Work plans for next year are continuing to evolve, but no additional staffing is anticipated or requested.

Alternatives

As stated above, other projects are still possible. However, staff does not have any other compelling candidates to suggest.

Attachments

1. TGM summary
2. Pre-applications

ATTACHMENT 1

INTRODUCTION & GRANT BASICS

The Transportation and Growth Management (TGM) Program invites application submittals for the 2011 grant cycle. The TGM Program provides resources to help Oregon communities prepare transportation and land use plans to respond to pressing transportation-related growth management issues.

The TGM Program is a joint program of the Oregon Department of Transportation (ODOT) and the Oregon Department of Land Conservation and Development (DLCD). It is funded with federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and State of Oregon funds.

Awarded projects are administered by TGM on behalf of a local jurisdiction according to state and federal requirements.

ELIGIBLE APPLICANTS

Cities, counties, some special districts, councils of governments (COGs) (working on behalf of member governments), tribal governments, metropolitan planning organizations (MPOs), and Metro. Special districts – such as school districts – may be eligible as part of a joint application with a local government for an otherwise eligible project.

Annual Award Cycle

The TGM Program awards grants on an annual basis: both at the start and near the midpoint of a state budget biennium. All grants have a two year period for projects to be completed.

GRANT CATEGORIES

TGM awards two types of grants:

Category 1. Transportation System Planning

Category 2. Integrated Land Use & Transportation Planning

See page 6 for a description of eligible projects for each grant category.

GRANT SELECTION

Projects are selected on a competitive basis. Applications that score the highest in each category in each of the five ODOT regions will be considered for a grant. An award consideration in scoring applications will be ensuring a fair distribution of grant funds to smaller communities. TGM may consult with other state agency staff as a part of the review process to gain further insights about a proposed project.

In June 2011, successful applicants will receive a grant award offer. The successful applicant and a TGM grant manager will prepare a statement of work, select a consultant (as appropriate), and complete an Intergovernmental Agreement. **Initial statement of work negotiations must be completed by November 2011 and projects must be initiated before the next round of grants or the grant award will be withdrawn.**

The grant award becomes final when the Intergovernmental Agreement with ODOT and the local government is signed by all parties.

USE OF CONSULTANTS

For projects with consultants, ODOT, rather than local grantees, will contract with consultants, using pre-qualified teams already under contract to the TGM Program. Using ODOT policies and procedures that meet the federal funding requirements, TGM staff will work with jurisdictions to select the project consultant that best fits the specific planning services needed.

GRANTEE OBLIGATIONS

Match Grantees must provide a match of 11% or more of the total project cost. This may be in the form of cash or staff time and direct project expenses. Communities defined as “distressed” by the Oregon Business Development Department may request a partial match waiver.

The ways to fulfill match requirements vary:

- Grantees not using consultants will bill ODOT for eligible project costs, such as in-house staff labor or other eligible items. ODOT will reimburse the grantee for those costs, less the required match amount.
- Grantees using consultants must submit match reports that document eligible local project costs to meet the match requirement.
- Grantees using consultants and being partially reimbursed for their own work will bill all of their work and be reimbursed for those costs less the required match. Consultants will bill and be paid at 100%.
- Grantees may send cash directly to ODOT.

Statement of Work Grantees are expected to help prepare a project statement of work. This is done before an Intergovernmental Agreement is signed and is *not* a reimbursable expense.

Project Management Local commitment is the key ingredient to a successful TGM grant project. Grantees must provide a project manager who will:

- monitor and coordinate work, including consultant work;
- work with the TGM grant manager to ensure completion of all work on time and within budget;
- serve as principal contact person for the project;
- review consultant work products and payment requests; and
- prepare progress reports and reimbursement requests.

Eligible Costs TGM grants and required match can be spent only on “direct project-related costs.” Eligible costs include salary of local government employees assigned to the project, postage, travel, supplies, and printing.

Equipment purchases and indirect costs, including general administrative overhead, are *not* eligible costs unless you have a federally approved indirect cost plan. *Please Note:* Local expenses for persons or firms who contract with a local government for planning or other services are *not* eligible costs

Costs incurred prior to signing an Intergovernmental Agreement are not eligible project costs. This includes costs of preparing the grant application, preparing a statement of work for the Intergovernmental Agreement, and selecting a consultant.

Title VI/Environmental Justice/Americans with Disabilities Awarded projects are expected to consider environmental justice issues, which is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. The public involvement program must include specific steps to provide opportunities for participation by federal Title VI communities. Grants that include planning for pedestrians must consider Americans with Disabilities Act requirements.

For more information, see:

<http://www.fhwa.dot.gov/environment/ej2000.htm>

<http://www.justice.gov/crt/cor/coord/titlevi.php>

[ADA Home Page - ada.gov - Information and Technical Assistance on the Americans with Disabilities Act](#)

SCHEDULE

<i>March 11, 2011</i>	Grant Applications due by 4:00 p.m.
<i>April-May 2011</i>	Application scoring and ranking
<i>June 2011</i>	Preliminary project selection announcements
<i>November 2011</i>	Must have reached agreement on a detailed statement of work
<i>December 2011</i>	Must have begun consultant selection if using a consultant or begun preparation of an Intergovernmental Agreement (IGA) if not.
<i>June 30, 2013</i>	End of two year grant period. Projects designed to take more than two years to complete should be identified as such in your application and may be phased. Phase two of a project will not have to compete for a TGM grant in the next biennium; continued funding is subject to available funding and continued eligibility of the project.

GRANT ELIGIBILITY REQUIREMENTS

The following are pass/fail requirements for all applicants.

1. A proposed project must have a clear transportation relationship and benefits. A project must entail research, analysis, evaluation of alternative scenarios, development of implementation measures, or public involvement that results in a transportation plan, land use plan, or other product that addresses a transportation problem, need, opportunity, or issue of local or regional importance.
2. A proposed project must result in adoption of a specific product or products that directly address the project objectives, such as a comprehensive plan amendment or element, land use regulation, or Intergovernmental Agreement (e.g., an urban service agreement or access management agreement). Projects that result in adoption-ready products also are eligible. Projects that will primarily do outreach, study an issue, or compile data generally are not eligible.
3. A proposed project must clearly demonstrate that local officials understand the purpose of the grant application and support the outcomes of the project.

GRANT AWARD CRITERIA

1. The project clearly and effectively addresses a local or regional transportation or transportation-related land use issue, problem, need, or opportunity, and demonstrates a clear statement of expected and reasonably achievable outcomes. *15 points*
2. The project is focused on achieving one or more of the following TGM objectives. *30 Points*
 - a. A transportation system or development pattern that results in a balanced, multi-modal transportation system that increases and enhances opportunities for walking, bicycling, or using public transportation.
 - b. Increased opportunities for those who have difficulty obtaining transportation because of age, income, or mental or physical disability, including for students to safely walk or bicycle to school.
 - c. Alternatives to, or delay of the need for, a major transportation improvement. A well-connected and efficient transportation system, including for areas that have been added to or are being considered for inclusion in an urban growth boundary.

- d. Well-planned key industrial sites (including certified sites) and employment centers that contribute to economic revitalization by being ready for development with no unresolved transportation or land use issues.
- e. Preservation or enhancement of the "through movement" function of a state highway.
- f. Alternatives to, or delay of the need for, expansion of an urban growth boundary through increased efficiency in the use of land.
- g. Transportation system or land use pattern that reduces transportation-related emissions that contribute to climate change.

3. The project is timely. *30 Points*

- a. Readiness — The local government and its partners are ready and able to begin the project within the TGM timetable.
- b. Urgency — The project is needed now to enable the jurisdiction to:
 - 1) Address pressing local transportation and land use issues.
 - 2) Make amendments to local plans or regulations necessitated by changes in federal regulations, state requirements, or regional plans.
 - 3) Make amendments to local plans or regulations necessitated by changes that were not anticipated in previous plans including growth, changes in land use patterns, or changes in available funding.
 - 4) Build on, complement, or take a necessary step toward completing other high priority community initiatives.
 - 5) Resolve transportation- or land use-related issues affecting the project readiness of local, regional, or state transportation projects for which funding is expected to be obligated within the near future (for example five to seven years).

4. The approach, budget, and products are reasonable considering scope, objectives, and benefits of the project. Where substantial coordination with other local, regional, and state planning efforts occurs (or will need to occur), the mechanisms and responsibilities for the coordination are clear. *15 points*

5. The application demonstrates that there is local commitment and capability to manage the project considering the complexity of the project, the size of the jurisdiction, and performance on previous TGM projects. *10 points*

ATTACHMENT 2

PRE-APPLICATION 2011 TGM Program Services

Please submit a separate pre-application for each project idea.

Pre-Applicant Information

Contact Alex Campbell

Jurisdiction City of Milwaukie

Mailing Address 6101 SE Johnson Creek Blvd.

Phone/Fax 503 774-8236

E-mail campbella@ci.milwaukie.or.us

City/Zip Milwaukie, OR 97206

Type of Request

Grant Project

- Transportation System Planning
- Integrated Land Use and Transportation Planning

Direct Community Assistance

- Code Assistance
- Quick Response
- TSP Assessment
- Outreach Workshop
- School Siting/ Safe Routes to School*
- Smart Development*
- Main Street Road Show*

Project Title: Tacoma LRT Station Planning

Description of Issue:

The P2M LRT alignment was selected without prior detailed analysis of land use compatibility and access, as will be future practice under the recently adopted HCT plan. Tacoma Station sits on the City of Portland/Milwaukie border in an industrially-zoned area, adjacent to OR 99-E with limited surface street connectivity. No station area zoning or overlay is currently in place, but several parcels in the vicinity have potential for redevelopment. Developer interest in the area has begun, but substantial work on land use and access would be necessary.

Project Objectives/Expected Outcomes:

A station plan with clear direction to address critical issues, including: definition of station area "typology"; appropriate zoning/land use; consideration of Title VI goals and compliance; station connectivity, including bicycle and pedestrian access; and parking management.

Estimated Budget \$ 125,000



PRE-APPLICATION
2011 TGM Program Services

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Pre-Applicant Information

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- Code Assistance
- Quick Response
- TSP Assessment
- Outreach Workshop
- School Siting/ Safe Routes to School*
- Smart Development*
- Main Street Road Show*

Project Title: Highway 224 Access Management/Refinement Plan

Description of Issue:

Under the current RTP, Highway 224 is designated as a principal arterial and has a design classification of thruway, implying a 6-lane cross-section and grade-separation of cross-streets. There is no project in the fiscally constrained project list to achieve that outcome. Uncertainty regarding the future of this stretch of 224 is a barrier to development of incremental improvements and development of adjacent parcels.

Project Objectives/Expected Outcomes:

Define the future planned condition of Highway 224 in this area, including linkage to OR 99-E southbound. Develop short- and medium-term strategies to reduce barriers to local access and development, without degrading regional mobility unacceptably. Define standards that are appropriate for section of thruway as it traverses City of Milwaukie Town Center.

Estimated Budget \$ 100,000

