

**MINUTES**  
**MILWAUKIE CITY COUNCIL WORK SESSION**  
**MAY 1, 2012**

**Mayor Ferguson** called the work session to order at 5:03 p.m. in the City Hall Conference Room.

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

Staff Present: City Manager Bill Monahan, Finance Director Casey Camors, Assistant Finance Director Rina Byrne, Community Services Director JoAnn Herrigel, Community Development/Public Works Director Kenny Asher, Planning Director Katie Mangle, Public Affairs Coordinator Grady Wheeler, and City Attorney Tim Ramis

**City Manager's Report**

**Mr. Monahan** reviewed the evening's agenda and future agendas. He provided Ledding Library statistics including circulation, patron visits, and computer sessions for the year to date. He discussed the recovery of fees related to the recent Land Use Board of Appeals (LUBA) matter, and it was agreed to send LUBA the letter requesting return of the fee.

**Mr. Monahan** discussed the business registration fee on duplexes and their possible exclusion. **Councilor Hedges** requested background information on the 2008 ordinance adoption related to this matter.

**Councilor Miller** said he would like to look into basing business taxes on income. **Mayor Ferguson** recalled a number of business owners were reluctant to submit their financial information.

**Councilor Chaimov** recommended providing the minutes from those meetings.

**Community Development and Planning Active Projects**

**Mr. Asher** updated the City Council on the Dark Horse Comics relocation/real estate study and the interest in the remaining funds in the Public Area Requirements (PAR) grant program. The company was moving forward quickly with the remodel of its annex building at the corner of Main and Jefferson Streets creating 4 or 5 street-level retail spaces. **Mr. Monahan** explained the public area requirements program and the City's future responsibility.

**Councilor Hedges** was reluctant to spend City money in this manner as long as police training was not fully funded.

**Councilor Loomis** was in favor of moving forward.

**Mr. Monahan** suggested addressing the matter at the May 15 work session after staff provided background information on the implementation of the grant program

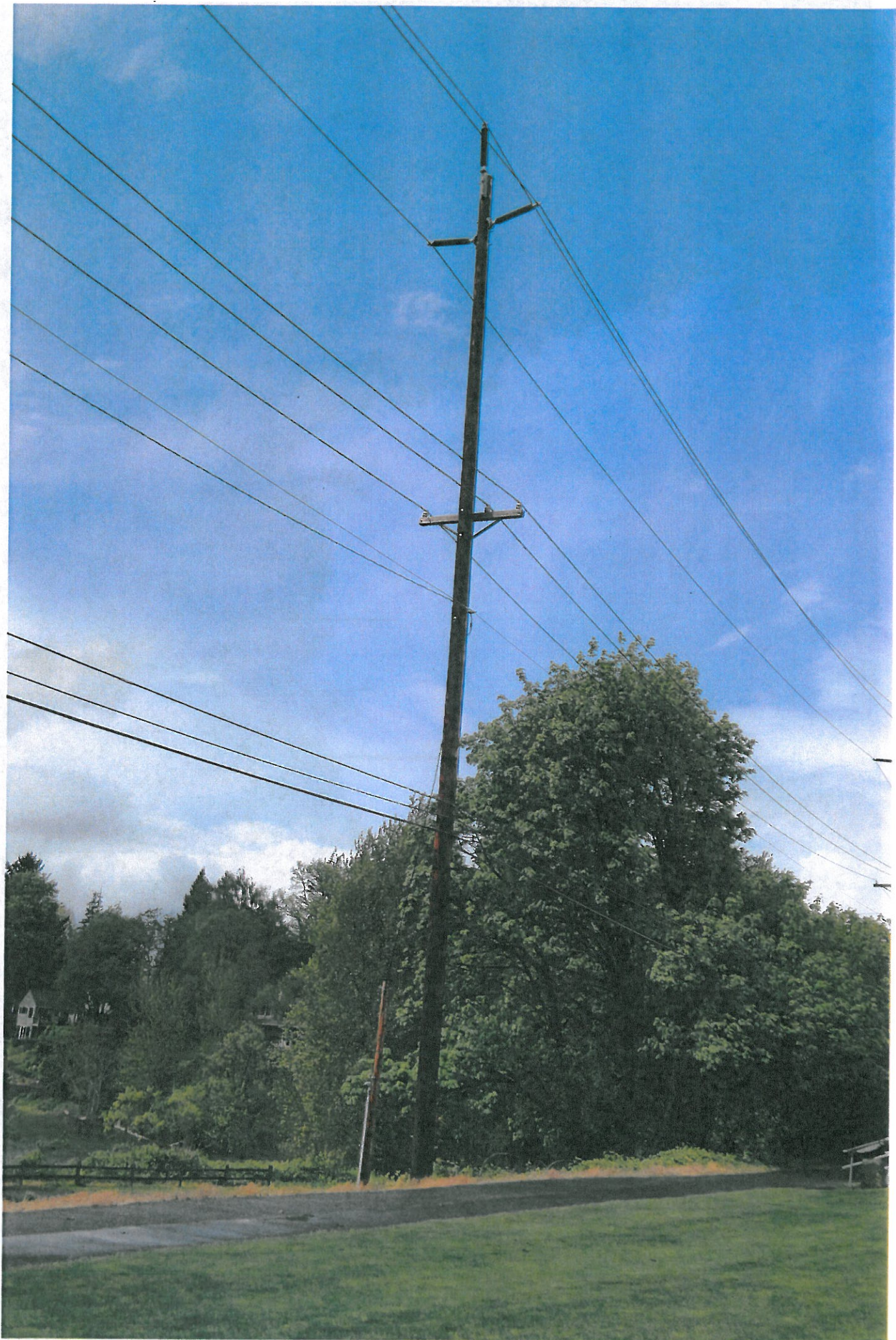
**Mr. Asher** reported another Oregon Department of Transportation (ODOT) grant opportunity had come up to fund bike/pedestrian crossing over McLoughlin Boulevard. The City was working with TriMet and may look at scaling back the project to be more competitive in this round. In response to a question from Councilor Miller, Mr. Asher said there would be a match from the general fund if the City were successful this time.

# WORK SESSION

EXHIBIT

5/1/12 WS





EXHIBIT

5/1/12 WS

<b>Ledding Library Statistics - 2012</b>							
<b>Circulation of items</b>							
	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b>Check outs</b>	57,923	57,184	62,997	59,208			237,312
<b>Computer sessions</b>							
	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b># of sessions</b>	3,173	2,942	2,951	2,822			11,888
<b>Patron visits</b>							
	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b># patron visits</b>	-	-	22,389	21,229			43,618
<b>Volunteer Statistics</b>							
	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b>Number</b>	108	102	130				340
<b>Hours worked</b>	653	570	606				1,829
<b>Programs Offered</b>							
	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b>Programs</b>	28	54	59				141
<b># Attending</b>	626	1215	1386				3227

EXHIBIT

TABLER

5/1/12 WS



**DARK HORSE COMICS®**

10956 SE Main Street, Milwaukie, Oregon 97222, USA | 503.652.8815 | f: 503.654.9440 | darkhorse.com

April 30, 2012

Kenny Asher  
Planning Director  
City of Milwaukie

Dear Kenny,

Approximately one year ago, the City Council extend the life of the public area improvement grant program until June 30, 2012. We having been fighting through some financing issues because the current Suburban Explorations loans were done through Lehman Bros. Those assets were sold when Lehman was dismantled. It has taken much more time than anticipated to fight through this situation. However, it is now all resolved.

But, we are not as far along as I thought we surely would have been at this time a year ago. As we complete our budget for the remodel, I need to know the status of the remaining \$6000 in the grant program. There is about a 50/50 chance of actually breaking ground by June 30. So, what must happen to use the grant? Do we need a completed project? Do we need to have broken ground? Or, would we just need to have filed for building permits? Your guidance will be most helpful for our project.

Thank you.

  
Neil Hankerson



# MILWAUKIE

*Dogwood City of the West*

## Memorandum

To: City Council

From: Kenny Asher, Community Development/Public Works Director  
Katie Mangle, Planning Director

CC: Bill Monahan, City Manager  
JoAnn Herrigel, Community Services Director

Date: May 1, 2012

Re: CD & Planning Active Projects: City Council Update

### Community Development

- Dark Horse Relocation/Real Estate Study
- ODOT Yard/Minor League Baseball
- Light Rail Project Management
- South Downtown Implementation
- Light Rail Station Building
- Kellogg for Coho Initiative

### Planning

- Neighborhood Main Streets
- Residential Development Standards
- Annexations
- Land Use and Development Review
- Downtown Facade Improvement Program
- Tacoma Station Area Planning
- Zoning Code Enforcement
- Parks Plans
- Transportation System Plan

### Community Development

#### **Dark Horse Relocation/Real Estate Study**

Dark Horse is now rapidly moving ahead with the remodel of the Main and Jefferson "Annex" building. A loan has been filed with the SBA and drawings are being prepared for both the appraisal and the new spaces. Four to five retail spaces will be created on the ground floor, and Dark Horse is working with a realtor to begin attracting tenants. The design team will soon be coming to the city for a preapplication conference and permitting could begin on the project as soon as June. Dark Horse is interested in Council support for constructing Public Area Requirements, as was done for the Main and Monroe project (see Neil Hankerson letter).

#### **South Downtown Implementation**

Staff is working on assembling a design team for the Adams Street Connector project, which will improve the key street between Main Street and the future Milwaukie Main Street light rail station. Adams street is envisioned to become a bike/ped path in the future (under the South Downtown Concept Plan), but in the meantime must continue to serve cars coming to the post office and the archery store, as well as the parking lot to the south of the Tae Kwon Do building. The design team will create a concept that beautifies the street, connects it with the new sidewalks on 21<sup>st</sup>, resolves the parking and traffic circulation issues, and creates "festival" or gathering space that can temporarily serve as a plaza or gathering area for the farmers market and other events until redevelopment occurs adjacent to Adams, or when the city can build out the permanent plaza.

## **Kellogg for Coho**

The City has been invited to present at the next NOAA/NMFS presentation on the NRDA portfolio of projects under the Portland Superfund process. Potentially responsible parties are assembling to hear from the most promising restoration projects within the lower Willamette. The KFCI has been identified as one of five projects most likely to receive private funding from either a potentially responsible party or a private mitigation banking company that would do the project and sell the credits later. Simultaneously, staff is interviewing consultants that can serve as the city's project manager, the responsibilities of which are to tie together the funding issues, sediment issues, bridge/dam replacement issues, channel restoration design and community outreach. Several options are on the table. Staff is also working to see if the MTIP funding can be tapped for any of this work.

## **Planning**

### **Land Use and Development Review**

The Planning department is currently reviewing and processing the following permits related to construction of the Portland Milwaukie Light Rail project:

- Downtown Milwaukie Station (platforms and access). Type II Parking determination. Pending decision.
- Downtown Milwaukie Station (platforms and access). Type III Design Review, Community Service Use, and Variance. DLC meeting scheduled for 5/23, PC hearing 6/12.
- Light rail substation and signal / communications buildings. Type II Parking determination.

Scot Siegel, the City's contract planning project manager, is overseeing the work of planning staff on these applications.

### **Neighborhood Main Streets**

The PSU student group who have been studying our neighborhood commercial areas is starting to wrap up their recommendations. A final community open house is scheduled for May 19<sup>th</sup>, and the students will present their findings and recommendations to the Planning Commission and City Council in June. Then the City will need to determine which of the possible next steps to take.

### **Planning Commission**

At the next regularly scheduled Commission meeting on May 8, staff will share the recently completed behavior guidelines for boards, committees and commissions.

**MILWAUKIE CITY COUNCIL  
WORK SESSION**

**MAY 1, 2012**

**MILWAUKIE CITY HALL**

Conference Room  
10722 SE Main Street

A light dinner will be served

**WORK SESSION – 5:00 P.M.**

Presenter

Page #

1. 5:00 p.m. City Manager's Report

Bill Monahan

**EXECUTIVE SESSION – 5:30 P.M.**

The Milwaukie City Council will meet in executive session pursuant to ORS 192.660(2)(h) to consult with counsel concerning rights and duties regarding current litigation or litigation likely to be filed.

**WORK SESSION – resumes**

2. 5:45 p.m. Garbage Rate Discussion

JoAnn Herrigel

1

3. 6:00 p.m. Quarterly Financial Report to the Budget Committee

Casey Camors

2

4. 6:45 p.m. Adjournment

**Information**

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

**Public Notice**

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



Agenda Item: WS.2.  
Meeting Date: 5/1/2012

## **COUNCIL AGENDA ITEM SUMMARY**

**Issue/Agenda Title:** Garbage Rate Review Update/Status

**Prepared By:** JoAnn Herrigel and Rick Winterhalter (Clackamas County)

**Dept. Head Approval:** JoAnn Herrigel

**City Manager Approval:** Bill Monahan

**Reviewed by City Manager:**

### **ISSUES BEFORE THE COUNCIL**

Staff from the City and County have received financial data from the City's franchised haulers and are in the midst of reviewing it. Rick Winterhalter, from Clackamas County's Office of Sustainability, has provided a status report on the rate review conducted to date and will attend the May 1 work session to answer any questions Council might have.

### **STAFF RECOMMENDATION**

None. No action is requested.

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

Each year, the City's franchised garbage haulers submit financial information to the City showing their revenues and expenses for the previous year. The City, with the assistance of Clackamas County staff, and a contracted financial analyst, reviews this data and determine whether a rate increase is necessary. This annual review is underway and staff is providing Council with a status update and some ideas regarding what is anticipated in the way of garbage rate impacts for the coming year.

### **OTHER ALTERNATIVES CONSIDERED**

None. No action requested.

### **CITY COUNCIL GOALS**

None.

### **ATTACHMENT LIST**

None.

### **FISCAL NOTES**

None at this time.



Agenda Item: WS.3.  
Meeting Date: 5/1/12

**To: Mayor and City Council**

**Through: Bill Monahan, City Manager**

**From: Casey Camors, Finance Director  
Richard Seals, Finance Director**

**Subject: Quarterly Financial Report for the third quarter ended March 31, 2012**

**Date: April 20, 2012**

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#### **ACTION REQUESTED**

Presentation of and review of Quarterly Financial Report for informational purposes only.

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

*January 2012* - The Budget Committee reviewed the Quarterly Financial Report for the second quarter ended December 31, 2011.

#### **BACKGROUND**

The City of Milwaukie Finance Department prepares an annual financial report (Comprehensive Annual Financial Report), Budget Document and four Quarterly Financial Reports every fiscal year. The Quarterly Financial Reports are prepared for the Budget Review Board and City Council, collectively referred to as the City's Budget Committee, to inform them as to the financial results for the quarter ended and year-to-date. These reports are issued timely by the Finance Department and significant budget-to-actual variance are identified and explained.

The City of Milwaukie Quarterly Financial Report through the third quarter ended March 31, 2012 includes:

- Executive Summary with Quarterly Highlights
- Budget-to-Actual comparisons for all City Funds and Departments

City-wide resources at March 31, 2012 total \$25,200,000 (excluding fund balance carryover of \$13,600,000) as compared to total year-to-date City-wide requirements of \$21,000,000 resulting in an increase to Unappropriated Ending Fund Balance of \$4,200,000.

Council Staff Report – Quarterly Financial Report 12/31/11  
Page 1 of 2

**FISCAL IMPACTS**

Not applicable

**WORK LOAD IMPACTS**

Not applicable

**ALTERNATIVES**

Not applicable

**ATTACHMENTS**

Quarterly Financial Report for the third quarter ended March 31, 2012



# Quarterly Financial Report

Reporting Financial Results  
for the third quarter ended  
March 31, 2012

Milwaukie Finance

## ***Executive Summary***

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We are pleased to offer this financial report of City operations for your review. This report covers financial operations through the third quarter ended March 31, 2012 relating to the fiscal year ending June 30, 2012.

### **QUARTERLY HIGHLIGHTS**

This third quarter financial report summarizes the financial results for the fiscal year ending June 30, 2012 (year-to-date) and highlights certain topics of interest.

#### ***Continuous Improvement***

The Finance Department continuously reviews the format, delivery, and presentation of financial information, as we recognize that this quarterly report format can be improved. With this quarterly report, we continue offering this Executive Summary section providing narrative highlights, insights, and other financial updates that occurred during the quarter which the Finance Directors feel may be of interest.

Going forward, we will be trying out new formats with our Quarterly Financial Reports with the goal of providing even better information in more meaningful ways. Be sure to let us know your impressions as we appreciate your feedback.

#### ***Reorganized Fund Structure***

At the end of last fiscal year the previously overly-complex structure of 29 Funds, including eight (8) internal service Funds and six (6) enterprise Funds was revised. We have reduced the overall number of Funds from 29 to 8 Funds. This new Fund structure provides the foundation for solid and transparent financial planning well into the future.

#### ***Third quarter Financial Results***

As a reminder, the City receives the majority of its property taxes in November and hence we now see collections in the General Fund for property taxes at 98 percent and in the Library Fund at 92 percent. We received our franchise fee distribution from PGE in March, which was slightly more than anticipated. All of the City's expenditure categories are doing well at this point with their quarterly variance percentages mostly ranging from 50 to 75 percent which is as expected in the third quarter of operations.

In terms of fund balances, Milwaukie Finance proposed a \$400,000 positive overall adjustment to fund balances to the City's auditors as of June 30, 2011. They concurred with our findings and these Fund budgets have been adjusted in this Quarterly Report. These positive adjustments are good news as we continue our forecasting and planning for the quickly approaching TriMet commitment.

In 2009 the City received a loan from Oregon DEQ to provide funding for the North East Sewer Extension project. The terms of the loan included that 50 percent would be forgiven upon

completion of the project. On November 1, 2011 the City was notified that the amount forgiven was \$1,929,000. The remainder of the loan will be repaid in installments of approximately \$100,000 to \$110,000 per year until 2031. The amount forgiven is included as revenue in the intergovernmental line of the Wastewater Fund and as expenditure in the debt service line of the Wastewater Fund. The City received \$250,000 from Clackamas County to subsidize the reimbursement district which is included in the Wastewater Fund.

The Water Fund's ending fund balance continues to be a concern as it ended last year with a negative balance causing this fund to be on "watch" status. Last fiscal year, water revenues came in \$200,000 short of budget leaving this fund with a deficit balance of \$109,000. Water revenues are currently at 69% of the annual budget, with three wet months remaining. Fund balance has deteriorated further to a deficit of \$169,000 at March 31. Expenditures are slightly under budget thus far – the deficit is a result of poor water sales.

The Building Inspection Fund is also on a "watch" status as fund balance continues to decline, with an already low start to the fiscal year. As of March 31, 2012 fund balance is \$60,000 below the 50 percent policy requirement.

### ***Supplemental Budget***

A full Budget Committee meeting was held on December 6<sup>th</sup> to discuss a mid-year supplemental budget for budget items that rolled over the fiscal year-end and/or came up since the budget was adopted. The same evening, the City Council adopted Resolution 100-2011, directing the preparation of Biennial Budgets for the City of Milwaukie effective for the Biennium beginning July 1, 2012.

On December 20, 2011, Council passed Resolution 104-2011, adopting the supplemental budget and revising appropriations. These revisions to the appropriated budget have been included in this third quarter report.

### ***Financial Reports Issued***

In addition to this quarterly report, the Finance Department has issued the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2011 as well as the first ever City of Milwaukie Popular Annual Financial Report (PAFR) for the Fiscal Year Ended June 30, 2011. The City was also a first time recipient this year of the Government Finance Officers Association Distinguished Budget Presentation Award for the Fiscal Year 2012 Budget.

### ***Improvements to Finance Department Webpage***

Substantial improvements have recently been made to the Finance webpage to include the addition of financial material and relevant topical items. If you have not visited this website recently, we would encourage you to do so and let us know what else you would like to see: <http://www.ci.milwaukie.or.us/finance>.

### ***Two Utility Assistant Programs Offered***

As a reminder, the City of Milwaukie continues to offer its residential customers a *Low Income Utility Program*. This reduced rate program is a waiver of the established base charge for water

service; one-half of the established base charge for wastewater (sewer) and storm water service; one-half of the established volume charge for wastewater service; and waiver of the street maintenance fee. For more information on the eligibility requirements for the *Low Income Utility Program*, please visit: <http://www.ci.milwaukie.or.us/finance/low-income-program> or call (503) 786-7525.

New with the FY 2012 Budget, a pilot program was approved called the *Emergency Utility Assistance Program*. Modeled after a similar successful program in West Linn, the idea is to provide emergency seed money to reduce City utility obligations to help those who find themselves in poor economic situations. This program is generally geared towards utility accounts showing solid payment history, but due to some emergency or dramatic loss in income, the citizen is unable to catch up on their utility obligations. This program just gives a little bit of help to get back on track with regular monthly payments.

***Reminder that Citizens can now pay their Utility Bill Online***

You may now make your monthly Utility Bill payments on-line via credit card using the City's new online payment program from the convenience and security of your home computer. You can also make a payment by calling 1-800-701-8560, 24 hours a day, 7 days a week (a "live" person is available if you call between 8am to 9pm EST). Of course, the regular "non-online" ways of making payments are still available. These new services are simply one additional way to make payments for your convenience.

We value your trust and promise to ensure fiscal integrity in all that we do. As you review this quarterly report, I welcome your questions, comments, and any suggestions you may have. As always, the best way to contact us is by email at: [camorsc@ci.milwaukie.or.us](mailto:camorsc@ci.milwaukie.or.us).

Respectfully,



Casey Camors, CPA  
Finance Director, City of Milwaukie



Richard Seals, CPA CMA CFM CFE  
Finance Director, City of Milwaukie

April 6, 2012

City of Milwaukie, Oregon  
Quarterly Financial Report  
Budget-to-Actual  
Through the third quarter ended March 31, 2012

**All City Funds**

Fund	Beginning	Year to Date		Ending	Change in Fund Balance
	Fund Balance as of July 1 2011	through March 31, 2012		Fund Balance as of March 31, 2012	
		Revenues	Expenditures		
1. General Fund	\$ 6,485,256	\$ 11,698,864	\$ 11,338,945	\$ 6,845,175	\$ 359,919
2. Library Fund	-	2,015,047	1,163,992	851,055	851,055
3. Building Inspection Fund	96,034	145,467	180,543	60,958	(35,076)
4. Transportation Fund	1,320,951	2,086,234	1,583,139	1,824,046	503,095
5. Water Fund	(109,025)	1,809,612	1,869,997	(169,410)	(60,385)
6. Wastewater Fund	2,721,894	6,014,625	3,571,250	5,165,269	2,443,375
7. Stormwater Fund	1,080,742	1,369,902	1,084,041	1,366,603	285,861
8. Systems Development Charges Fund:					
Transportation SDC Department	449,488	1,997	-	451,485	1,997
Water SDC Department	431,187	1,475	165,756	266,906	(164,281)
Wastewater SDC Department	798,355	12,010	-	810,365	12,010
Stormwater SDC Department	339,858	470	2,272	338,056	(1,802)
Totals	<u>\$ 13,614,740</u>	<u>\$ 25,155,703</u>	<u>\$ 20,959,935</u>	<u>\$ 17,810,508</u>	<u>\$ 4,195,768</u>

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the third quarter ended March 31, 2012**

**General Fund**

Revenue	Year to Date through March 31, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
Property taxes	\$ 4,951,000	\$ 5,111,194	103%	\$ 5,212,000	\$ 5,111,194	\$ (100,806)	98%
Licenses & permits	258,000	318,279	123%	343,000	318,279	(24,721)	93%
Franchise fees	1,366,000	1,376,495	101%	1,708,000	1,376,495	(331,505)	81%
Intergovernmental	1,254,000	881,990	70%	1,670,000	881,990	(788,010)	53%
Fines & forfeitures	1,386,000	1,029,652	74%	1,847,000	1,029,652	(817,348)	56%
Miscellaneous	441,000	57,754	13%	586,000	57,754	(528,246)	10%
	9,656,000	8,775,364	91%	11,366,000	8,775,364	(2,590,636)	77%
Transfers	3,471,000	2,923,500	84%	4,629,000	2,923,500	(1,705,500)	63%
<b>Total revenue</b>	<b>13,127,000</b>	<b>11,698,864</b>	<b>89%</b>	<b>15,995,000</b>	<b>11,698,864</b>	<b>(4,296,136)</b>	<b>73%</b>
<b>Expenditures</b>							
Community Services	594,000	530,597	89%	790,000	530,597	259,403	67%
Code Enforcement	147,000	123,268	84%	196,000	123,268	72,732	63%
Public Access Studio	84,000	64,508	77%	112,000	64,508	47,492	58%
Police Administration	378,000	356,043	94%	505,000	356,043	148,957	71%
Police Field Services	4,047,000	3,998,348	99%	5,397,000	3,998,348	1,398,652	74%
Police Support Services	261,000	243,907	93%	349,000	243,907	105,093	70%
Planning Services	435,000	402,950	93%	579,000	402,950	176,050	70%
Municipal Court	297,000	278,097	94%	395,000	278,097	116,903	70%
City Council	39,000	31,789	82%	51,000	31,789	19,211	62%
City Manager	483,000	446,768	92%	642,000	446,768	195,232	70%
Human Resources	267,000	256,056	96%	356,000	256,056	99,944	72%
Finance	570,000	474,063	83%	759,000	474,063	284,937	62%
Records and Information Management	306,000	263,049	86%	408,000	263,049	144,951	64%
Information Systems Technology	963,000	892,707	93%	1,283,000	892,707	390,293	70%
Community Development & Public Works	1,110,000	779,839	70%	1,481,000	779,839	701,161	53%
Engineering Services	462,000	434,473	94%	617,000	434,473	182,527	70%
Fleet Services	585,000	499,933	85%	780,000	499,933	280,067	64%
Facilities Management	867,000	706,076	81%	1,157,000	706,076	450,924	61%
Non-Departmental	634,000	556,474	88%	1,056,000	556,474	499,526	53%
<b>Total expenditures</b>	<b>12,529,000</b>	<b>11,338,945</b>	<b>91%</b>	<b>16,913,000</b>	<b>11,338,945</b>	<b>5,574,055</b>	<b>67%</b>
Revenue over (under) expenditures	598,000	359,919		(918,000)	359,919	1,277,919	
Beginning fund balance	5,010,000	6,485,256		5,010,000	6,485,256	1,475,256	
<b>Ending fund balance</b>	<b>\$ 5,608,000</b>	<b>\$ 6,845,175</b>		<b>\$ 4,092,000</b>	<b>\$ 6,845,175</b>	<b>\$ 2,753,175</b>	

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the third quarter ended March 31, 2012**

**Library Fund**

	Year to Date through March 31, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Intergovernmental Revenue	\$ 942,000	\$ 956,590	102%	\$ 992,000	\$ 956,590	\$ (35,410)	96%
Fines	42,000	43,968	105%	56,000	43,968	(12,032)	79%
Miscellaneous	3,000	5,282	176%	4,000	5,282	1,282	132%
Allocation of general property taxes	1,044,000	1,009,207	97%	1,099,000	1,009,207	(89,793)	92%
<b>Total revenue</b>	<b>2,031,000</b>	<b>2,015,047</b>	<b>99%</b>	<b>2,151,000</b>	<b>2,015,047</b>	<b>(135,953)</b>	<b>94%</b>
<b>Expenditures</b>							
Personnel services	1,011,000	1,013,967	100%	1,347,000	1,013,967	333,033	75%
Materials & services	156,000	107,639	69%	208,000	107,639	100,361	52%
Debt service	27,000	25,886	96%	35,000	25,886	9,114	74%
Transfers	564,000	16,500	3%	753,000	16,500	736,500	2%
<b>Total expenditures</b>	<b>1,758,000</b>	<b>1,163,992</b>	<b>66%</b>	<b>2,343,000</b>	<b>1,163,992</b>	<b>1,179,008</b>	<b>50%</b>
Revenue over (under) expenditures	273,000	851,055		(192,000)	851,055	1,043,055	
Beginning fund balance	731,000	-		731,000	-	(731,000)	
<b>Ending fund balance</b>	<b>\$ 1,004,000</b>	<b>\$ 851,055</b>		<b>\$ 539,000</b>	<b>\$ 851,055</b>	<b>\$ 312,055</b>	

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***Building Inspection Fund***

	Year to Date through March 31, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Fees & charges	\$ 162,000	\$ 145,315	90%	\$ 217,000	\$ 145,315	\$ (71,685)	67%
Intergovernmental	3,000	130	4%	2,000	130	(1,870)	7%
Miscellaneous	9,000	22	0%	11,000	22	(10,978)	0%
<b>Total revenue</b>	<b>174,000</b>	<b>145,467</b>	<b>84%</b>	<b>230,000</b>	<b>145,467</b>	<b>(84,533)</b>	<b>63%</b>
<b>Expenditures</b>							
Personnel services	156,000	151,506	97%	208,000	151,506	56,494	73%
Materials and services	12,000	6,537	54%	14,000	6,537	7,463	47%
Transfers	22,500	22,500	100%	30,000	22,500	7,500	75%
<b>Total expenditures</b>	<b>190,500</b>	<b>180,543</b>	<b>95%</b>	<b>252,000</b>	<b>180,543</b>	<b>71,457</b>	<b>72%</b>
Revenue over (under) expenditures	(16,500)	(35,076)		(22,000)	(35,076)	(13,076)	
Beginning fund balance	107,000	96,034		107,000	96,034	(10,966)	
<b>Ending fund balance</b>	<b>\$ 90,500</b>	<b>\$ 60,958</b>		<b>\$ 85,000</b>	<b>\$ 60,958</b>	<b>\$ (24,042)</b>	

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**Transportation Fund**

	Year to Date through March 31, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Dedicated to St/Surf Maintenance Program:							
Fees (from street maintenance fee)	\$ 450,000	\$ 451,243	100%	\$ 598,000	\$ 451,243	\$ (146,757)	75%
Franchise fees (from 1.5% privilege tax)	318,000	324,400	102%	318,000	324,400	6,400	-
Intergovernmental (from local gas tax)	120,000	100,162	83%	161,000	100,162	(60,838)	62%
	<u>888,000</u>	<u>875,805</u>	99%	<u>1,077,000</u>	<u>875,805</u>	<u>(201,195)</u>	81%
Intergovernmental (from state gas tax)	861,000	739,542	86%	1,146,000	739,542	(406,458)	65%
Intergovernmental (other)	135,000	-	-	179,000	-	(179,000)	-
Franchise fees (from utility funds)	456,000	464,994	102%	608,000	464,994	(143,006)	76%
Miscellaneous	21,000	5,893	28%	27,000	5,893	(21,107)	22%
<b>Total revenue</b>	<u>2,361,000</u>	<u>2,086,234</u>	88%	<u>3,037,000</u>	<u>2,086,234</u>	<u>(950,766)</u>	69%
<b>Expenditures</b>							
Personnel services	324,000	296,367	91%	431,000	296,367	134,633	69%
Materials and services	333,000	345,646	104%	443,000	345,646	97,354	78%
Transfers	756,000	756,000	100%	1,008,000	756,000	252,000	75%
Capital outlay	768,000	185,126	24%	1,024,000	185,126	838,874	18%
<b>Total expenditures</b>	<u>2,181,000</u>	<u>1,583,139</u>	73%	<u>2,906,000</u>	<u>1,583,139</u>	<u>1,322,861</u>	54%
Revenue over (under) expenditures	<u>180,000</u>	<u>503,095</u>		<u>131,000</u>	<u>503,095</u>	<u>372,095</u>	
Beginning fund balance	1,240,000	1,240,000		1,240,000	1,240,000	-	
Less: Reserved for fees in lieu	(420,000)	(420,000)		(420,000)	(420,000)	-	
Net available fund balance	<u>820,000</u>	<u>820,000</u>		<u>820,000</u>	<u>820,000</u>	-	
<b>Ending net available fund balance</b>	<u>\$ 1,000,000</u>	<u>\$ 1,323,095</u>		<u>\$ 951,000</u>	<u>\$ 1,323,095</u>	<u>\$ 372,095</u>	

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**Water Fund**

	Year to Date through March 31, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Fees and charges	\$ 2,172,000	\$ 1,770,921	82%	\$ 2,555,000	1,770,921	(784,079)	69%
Intergovernmental	12,000	-	-	16,000	-	(16,000)	-
Miscellaneous	36,000	38,691	107%	49,000	38,691	(10,309)	79%
<b>Total revenue</b>	<b>2,220,000</b>	<b>1,809,612</b>	<b>82%</b>	<b>2,620,000</b>	<b>1,809,612</b>	<b>(810,388)</b>	<b>69%</b>
<b>Expenditures</b>							
Personnel services	453,000	383,125	85%	602,000	383,125	218,875	64%
Materials and services	465,000	458,150	99%	618,000	458,150	159,850	74%
Transfers	740,250	740,250	100%	987,000	740,250	246,750	75%
Capital outlay	291,000	288,472	99%	389,000	288,472	100,528	74%
<b>Total expenditures</b>	<b>1,949,250</b>	<b>1,869,997</b>	<b>96%</b>	<b>2,596,000</b>	<b>1,869,997</b>	<b>726,003</b>	<b>72%</b>
Revenue over (under) expenditures	270,750	(60,385)		24,000	(60,385)	(84,385)	
Beginning fund balance	69,000	(109,025)		69,000	(109,025)	(178,025)	
<b>Ending fund balance</b>	<b>\$ 339,750</b>	<b>\$ (169,410)</b>		<b>\$ 93,000</b>	<b>\$ (169,410)</b>	<b>\$ (262,410)</b>	

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**Wastewater Fund**

Revenue	Year to Date through March 31, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
Fees and charges	\$ 3,423,000	\$ 3,620,531	106%	\$ 4,562,000	\$ 3,620,531	\$ (941,469)	79%
Intergovernmental	804,000	1,928,929	240%	1,071,000	1,928,929	857,929	180%
Miscellaneous	24,000	870	4%	30,000	870	(29,130)	3%
Proceeds from Reimbursement District	105,000	267,423	255%	139,000	267,423	128,423	192%
Transfers (final pmt from General Fund)	591,000	196,872	33%	197,000	196,872	(128)	100%
<b>Total revenue</b>	<b>4,947,000</b>	<b>6,014,625</b>	<b>122%</b>	<b>5,999,000</b>	<b>6,014,625</b>	<b>15,625</b>	<b>100%</b>
<b>Expenditures</b>							
Personnel services	312,000	297,771	95%	415,000	297,771	117,229	72%
Materials and services	2,460,000	2,404,991	98%	3,281,000	2,404,991	876,009	73%
Debt service	834,000	2,034,563	244%	1,110,000	2,034,563	(924,563)	183%
Transfers	760,500	760,500	100%	1,014,000	760,500	253,500	75%
Capital outlay	630,000	2,354	0%	840,000	2,354	837,646	-
<b>Total expenditures</b>	<b>4,996,500</b>	<b>5,500,179</b>	<b>110%</b>	<b>6,660,000</b>	<b>5,500,179</b>	<b>1,159,821</b>	<b>83%</b>
Revenue over (under) expenditures	(49,500)	514,446		(661,000)	514,446	1,175,446	
Beginning fund balance	2,314,000	2,721,894		2,314,000	2,721,894	407,894	
<b>Ending fund balance</b>	<b>\$ 2,264,500</b>	<b>\$ 3,236,340</b>		<b>\$ 1,653,000</b>	<b>\$ 3,236,340</b>	<b>\$ 1,583,340</b>	

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**Stormwater Fund**

	Year to Date through March 31, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Fees and charges	\$ 1,365,000	\$ 1,368,725	100%	\$ 1,820,000	\$ 1,368,725	\$ (451,275)	75%
Miscellaneous	30,000	1,177	4%	38,000	1,177	(36,823)	3%
<b>Total revenue</b>	<b>1,395,000</b>	<b>1,369,902</b>	<b>98%</b>	<b>1,858,000</b>	<b>1,369,902</b>	<b>(488,098)</b>	<b>74%</b>
<b>Expenditures</b>							
Personnel services	315,000	294,054	93%	418,000	294,054	123,946	70%
Materials and services	222,000	162,110	73%	294,000	162,110	131,890	55%
Transfers	627,750	627,750	100%	837,000	627,750	209,250	75%
Capital outlay	255,000	127	0%	340,000	127	339,873	-
<b>Total expenditures</b>	<b>1,419,750</b>	<b>1,084,041</b>	<b>76%</b>	<b>1,889,000</b>	<b>1,084,041</b>	<b>804,959</b>	<b>57%</b>
Revenue over (under) expenditures	(24,750)	285,861		(31,000)	285,861	316,861	
Beginning fund balance	1,025,000	1,080,742		1,025,000	1,080,742	55,742	
<b>Ending fund balance</b>	<b>\$ 1,000,250</b>	<b>\$ 1,366,603</b>		<b>\$ 994,000</b>	<b>\$ 1,366,603</b>	<b>\$ 372,603</b>	

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**Systems Development Charges Fund**

	Year to Date through March 31, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
System development charges	\$ 81,000	\$ 15,952	20%	\$ 109,000	\$ 15,952	\$ (93,048)	15%
Miscellaneous	21,000	-	-	27,000	-	(27,000)	-
<b>Total revenue</b>	<u>102,000</u>	<u>15,952</u>	<u>16%</u>	<u>136,000</u>	<u>15,952</u>	<u>(120,048)</u>	<u>12%</u>
<b>Expenditures</b>							
Materials and services	45,000	-	-	58,000	-	58,000	-
Capital outlay	447,000	168,028	38%	596,000	168,028	427,972	28%
<b>Total expenditures</b>	<u>492,000</u>	<u>168,028</u>	<u>34%</u>	<u>654,000</u>	<u>168,028</u>	<u>485,972</u>	<u>26%</u>
Revenue over (under) expenditures	(390,000)	(152,076)		(518,000)	(152,076)	365,924	
Beginning fund balance	<u>2,060,000</u>	<u>2,018,888</u>		<u>2,060,000</u>	<u>2,018,888</u>	<u>(41,112)</u>	
<b>Ending fund balance</b>	<u>\$ 1,670,000</u>	<u>\$ 1,866,812</u>		<u>\$ 1,542,000</u>	<u>\$ 1,866,812</u>	<u>\$ 324,812</u>	



Milwaukie Finance

**Mr. Asher** discussed design work on the Adams Street connector between the light rail station sidewalk and Main Street. He discussed the agreement with Metro to utilize Metropolitan Transportation Improvement Program (MTIP) funds to hire a design team and make needed street improvements. Milwaukie would likely partner with TriMet to make this part of the light rail contract in order to reduce costs.

**Mr. Asher** reported on the Kellogg for Coho Initiative. He and representatives from four other potential mitigation projects would make presentations to responsible parties in the Portland Superfund process. Kellogg for Coho is considered to be one of the projects most likely to receive funding.

**Ms. Mangle** briefly reported on current permit reviews related to the Portland Milwaukie Light Rail Project, the upcoming Neighborhood Main Streets Project Open House, and Planning Commission activities.

**Mayor Ferguson** recessed the work session at 5:30 p.m. so the City Council could meet in executive session pursuant to ORS 192.660(2)(h) to consult with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

**Mayor Ferguson** reconvened the work session at 5:50 p.m.

### Garbage Rate Discussion

**Ms. Herrigel** discussed the process and introduced Rick Winterhalter from Clackamas County. Financial information was coming in, and things were looking relatively healthy including the recycling revenue. Trends indicated the rate of return at about 10% and within the 8% to 12% range identified in the franchise agreement.

**Mr. Winterhalter** discussed how Metro calculated its fees and provided an overview of commercial composting efforts. He anticipated an increase of approximately \$0.26 per month on a 32-gallon container.

The group discussed yard debris service, and **Councilor Miller** asked if people could opt out. **Ms. Herrigel** explained it would be difficult from both billing and pick up perspectives.

**Councilor Hedges** asked why Milwaukie had seven haulers and why rates differed between cities.

**Mr. Winterhalter** explained the haulers had efficient routes that overlapped jurisdictional lines. In terms of rates, franchise fees can be applied differently based on policy decisions in cities.

**Councilor Loomis** asked if there were any additional charges for Milwaukie's annual spring clean-up event.

**Mr. Winterhalter** responded the amount was nothing significant.

**Ms. Herrigel** discussed the Riverfront Park and relocation of the power poles. She pointed out the current location of the poles and the number of lines. The top seven lines would remain, but the bottom three could be undergrounded which would cost about \$180,000. PGE asked if the City wanted the poles moved or its money, \$100,000, back. The Riverfront Task Force thought the City should get its money back, put the money into the capital campaign, and look for an additional \$80,000 to underground the lines as the first project. The Task Force recommended that the poles be moved in the next phase of the project. She discussed the gentle slope of the Park design that necessitated the movement of the poles.

**Mayor Ferguson** was inclined to move the poles and get that piece of the project done, and **Councilor Hedges** agreed.

**Councilor Chaimov** was in favor of accepting the Task Force recommendation. The poles had to be moved regardless, and to him it made more fiscal sense and to find the capital to underground the utilities.

**Councilor Miller** agreed but was concerned about finding the additional funds.

**Councilor Loomis** supported the Task Force recommendation.

**Councilor Hedges** would rather the police officers were properly trained than burying power lines.

**Ms. Herrigel** would speak with PGE about moving the poles with the possibility of undergrounding some of the lines in the future.

**Mayor Ferguson** announced the Budget Committee would meet to receive the quarterly financial report and adjourned the City Council work session at 6:20 p.m.

Respectfully submitted,



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Pat DuVal, Recorder