

MINUTES
MILWAUKIE CITY COUNCIL WORK SESSION
NOVEMBER 20, 2012

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

Council Present: Council President Chaimov and Councilors Dave Hedges and Mike Miller

Excused: Councilor Joe Loomis

Staff Present: City Manager Bill Monahan, City Recorder Pat DuVal, Finance Director Casey Camors, Assistant Finance Director Rina Byrne, Operations Director Gary Parkin, Library Director Katie Newell, Planning Director Steve Butler, Community Development Director Kenny Asher, and Parks and Sustainability Director JoAnn Herrigel

City Manager's Report

Mr. Monahan reviewed the evening's agenda and discussed how issues and concerns brought up at the previous meeting's audience participation would be addressed. The recognition event for Councilors Chaimov and Loomis on December 18 would tentatively begin at 7:30 p.m. at the Oddfellows Hall.

Mayor Ferguson would attend the RiverHealth meeting and hoped to provide a copy of the proposed wastewater treatment agreement between Milwaukie and Clackamas County Service District #1.

Wastewater Rates Discussion

Ms. Camors introduced Fletcher Davis, StepWise Utility Advisors, who was engaged to work with the Citizens Utility Advisory Board (CUAB) to develop a wastewater rate proposal that provided the City with the required revenue and incorporated the desired options.

Mr. Davis reported the goals of the study were to recover the full costs the City incurred for wastewater service for all its customers, produce a fair and equitable assignment of costs for treatment charges, and separate the City's costs from Clackamas County Service District #1 (CCSD1) treatment costs on customers' bills. He reviewed the capital expenditure projections and operations costs. Treatment costs jumped 43% in 2013 and accounted for 70% of all operation and maintenance expenses. The Board and staff also looked at inflation related to personnel costs, projected a CCSD1 annual 5% rate increase, and all other cost increases at 3%. Over 95% of income is generated by rates, and little growth was projected in the City. The interim 30% increase implemented by the City Council would not continue to be adequate. Mr. Davis showed graphs of revenues and operating expenses and the impact to reserves if there were no rate increases in addition to projected rate increases.

Mr. Davis went on to explain the cost of service that was reasonable and rational with defensible rates. He discussed the customer classes and how different customers used the system and certain inequities between customers. Milwaukie has approximately 6,000 residential customers and a total of 9,319 equivalent dwelling units (EDU). He discussed flow and loading characteristics and the rate design as it related to restaurants, fast foods, supermarkets, and heavy industrial. The goal of the rate design

was to recover total revenue requirements, and he noted CCSD1 treatment costs would be clearly identified on customers' bills. All rates would have three components: the CCSD1 charge, the billing and administrative charge, and the infrastructure charge which would all tie back to the cost of service.

Beth Kelland, CUAB chair, commented that she was surprised by the data and noted commercial customers were spot on. She commented on the difficulty of maintaining business classes.

Councilor Miller was surprised at the administrative costs.

Councilor Hedges asked about EDUs and how Clackamas County was charging.

Mr. Parkin replied commercial customers were getting a bit of a break because of how EDUs were measured.

Mr. Davis noted there were some inequities within business classes.

Council President Chaimov was most interested in getting guidance from the CUAB and how it felt about getting to a point of equity.

Mr. Parkin gave an overview of the process that included draft alternatives and analyses.

Ledding Library Board Report

Mr. Docken, Ledding Library Board Chair, discussed accomplishments and activities during the previous year and the upcoming 2012 / 2013 work plan. He discussed changes taking place within the Library District, the Ledding Library expansion proposals, and the how the digital era might impact the traditional library.

Ms. Newell reviewed circulation and patron counts and gave an overview of the Library Expansion Task Force (LETF). People perceive the Library as a place for the community and more than a space for books. The intent would be to have self-run programs that would not require increased staffing.

Councilor Miller was impressed with the report and the numbers of people involved with the Library both as patrons and volunteers. He appreciated the notion of a community center.

Council President Chaimov asked what the City Council could do to help make the Library better for the people it served.

Mr. Docken thought the Library was well-managed and appreciated the City Council's support. He added it was nice to have a functional city.

Mayor Ferguson appreciated the current efforts to invigorate the Author's Series.

Ms. Newell commented on the recent Poetry Series reading featuring Ursula K. LeGuin at the Milwaukie High School Black Box Theater that attracted an audience of about 150.

Riverfront Task Force Update

Ms. Herrigel was joined by Gary Klein and Dave Green of the Riverfront Task Force. She discussed the December opening of Riverfront Park Phase 1, Klein Point, and the capital campaign. She provided highlights of the 2012 / 2015 Riverfront Park Work Plan and discussed access, permitting, grant opportunities, and the feasibility of taking

a general obligation bond to the voters. She also noted changes to the transient dock concept and boat ramp orientation. If everything aligned, then construction could be completed in 2015 along with light rail.

Mr. Green emphasized that the grant applications to Oregon Parks and Recreation and the State Marine Board hinged on resolution of the access issue with Water Environment Services (WES).

Mr. Klein agreed the WES access matter was the most critical domino.

Ms. Herrigel explained the Willamette River in water work window and the possibility of upland work while the paperwork was in process. She discussed funding opportunities and noted \$3.5 million at this point was not a solid number and could change. There were a number of events that would likely take place in 2013 that would create the momentum for which the public was waiting.

Councilor Hedges thought voters would be more likely to approve the whole lot rather than just part of the necessary funds.

Mayor Ferguson talked about the added value of City involvement in funding and the sense of ownership by those who had contributed to the capital campaign.

Mr. Green recommended getting the permits in place and applying for grants prior to making a commitment on a general obligation bond measure. The funding needs would become clearer including grants and private commitments. There would also be many ways to phase the project and build incrementally. It was inspiring to see the Park and visualize what would happen next.

Council President Chaimov observed that people were pleased with what had been done recently and were curious about when more would be done.

Planning Commission Comments Related to Amendments to Public Area Requirements and Downtown Code

Mr. Butler was joined by Planning Commission members Lisa Batey, Chair, Mark Gamba, and Scott Churchill. Staff had been working on changes with the notion of fast tracking certain elements of the public area requirements (PAR). The Planning Commission held a public hearing last week and questioned the amendments and felt the need for additional review time.

Ms. Batey said rather than voting on the package, the Planning Commission thought it best to come back to the City Council for direction. She felt that downtown zoning generally needed to be revisited. While there were some Commissioners who were more amenable, there was definitely a question about taking additional time for a closer look. She added that no one had testified in favor of the amendments.

Mr. Gamba said the Commission members were pretty much in agreement that PARs needed to be changed, but those were not the only issue in the downtown. He noted the current efforts in the South Downtown and current zoning. He felt it was a big package that needed to be addressed quickly rather than applying a Band-Aid to the real problems.

Mayor Ferguson explained there had been discussions with particularly one business owner who expressed the desire to address some of the issues quickly.

Mr. Churchill commented on the need to update the Comprehensive Plan; however, he understood it was not budgeted. He discussed the perception of spot zoning in the

downtown area. He and others felt there should be some thoughtful forward movement and had no objection to spilling over into January. He added that the Historic Milwaukie Neighborhood District Association (NDA) did not feel it had received notice in time to thoroughly review the materials prior to the Planning Commission hearing.

Ms. Batey suggested involving those who worked on the previous Downtown Plan and let them weigh in on the process.

Council President Chaimov understood there was a willingness to suspend requiring businesses to not make improvements while that section of the code was being addressed. If getting that fix done required more work than anticipated, then the Planning Commission was the group of experts to work on it. If that group felt it needed more time because the calculus was not appropriate, then it should take the time it felt it needed.

Councilor Hedges said it was putting a Band-Aid on a single problem but not actually fixing the problem except for one person. He agreed taking a step back was an appropriate action. If anyone else came forward, then they could be offered the same deal. Take the time to come up with a more permanent solution and not only solve the PARs but also address the types of businesses coming in. He encouraged allowing the Planning Commission the time it needed.

Councilor Miller agreed. The matter went to the Planning Commission to review and dissect the issues and make a recommendation to the City Council using its best judgment. He was personally not supportive of the PARs because of the costs related to starting a new business. He encouraged the Planning Commission to take the time necessary to solve the problem.

Mr. Monahan understood the City Council would consider a resolution and some type of development agreement related to PARs, and the Planning Commission was to take the time it needed.

Mayor Ferguson discussed upcoming Planning Commission interviews and appointments. He planned to recommend appointing alternate Planning Commission member Sine Adams to fill a current vacancy and to interview new applicants with Councilor Miller.

Councilor Miller discussed the makeup of the Planning Commission.

Mayor Ferguson adjourned the work session at 6:56 p.m.

Respectfully submitted,



Pat DuVal, Recorder

WORK SESSION



"financial guidance that
makes a difference"

StepWise Utility Advisors, LLC.

56 Inverness Dr. East, Suite 111
Englewood, CO 80112
(866) 935-3101

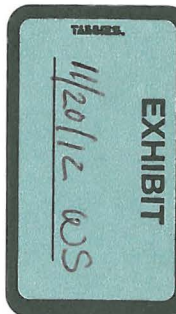
www.StepWiseAdvisors.com

City of Milwaukie, OR

Sewer Rate Study City Council Work Session



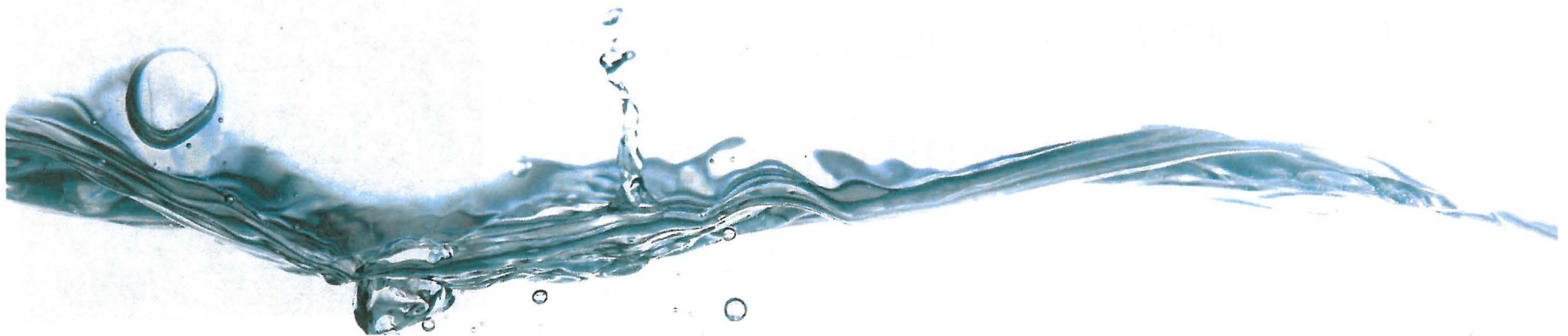
November 20th, 2012



Agenda

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1. Goals of the Study
2. Finance Plan Results
3. Review of Cost of Service by Customer Class
4. Rate Discussion



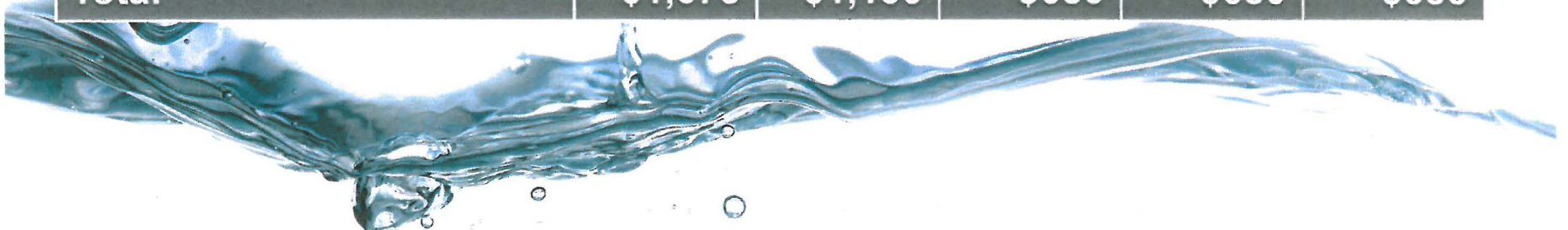
Goals of the Study

- Recover the full costs the City incurs to provide wastewater service to all of its customers.
- Produce a fair and equitable assignment of the costs of wastewater treatment charges assessed by CCSD #1.
- Allow the City to separate the City's costs from the CCSD#1 costs on customers' bills.

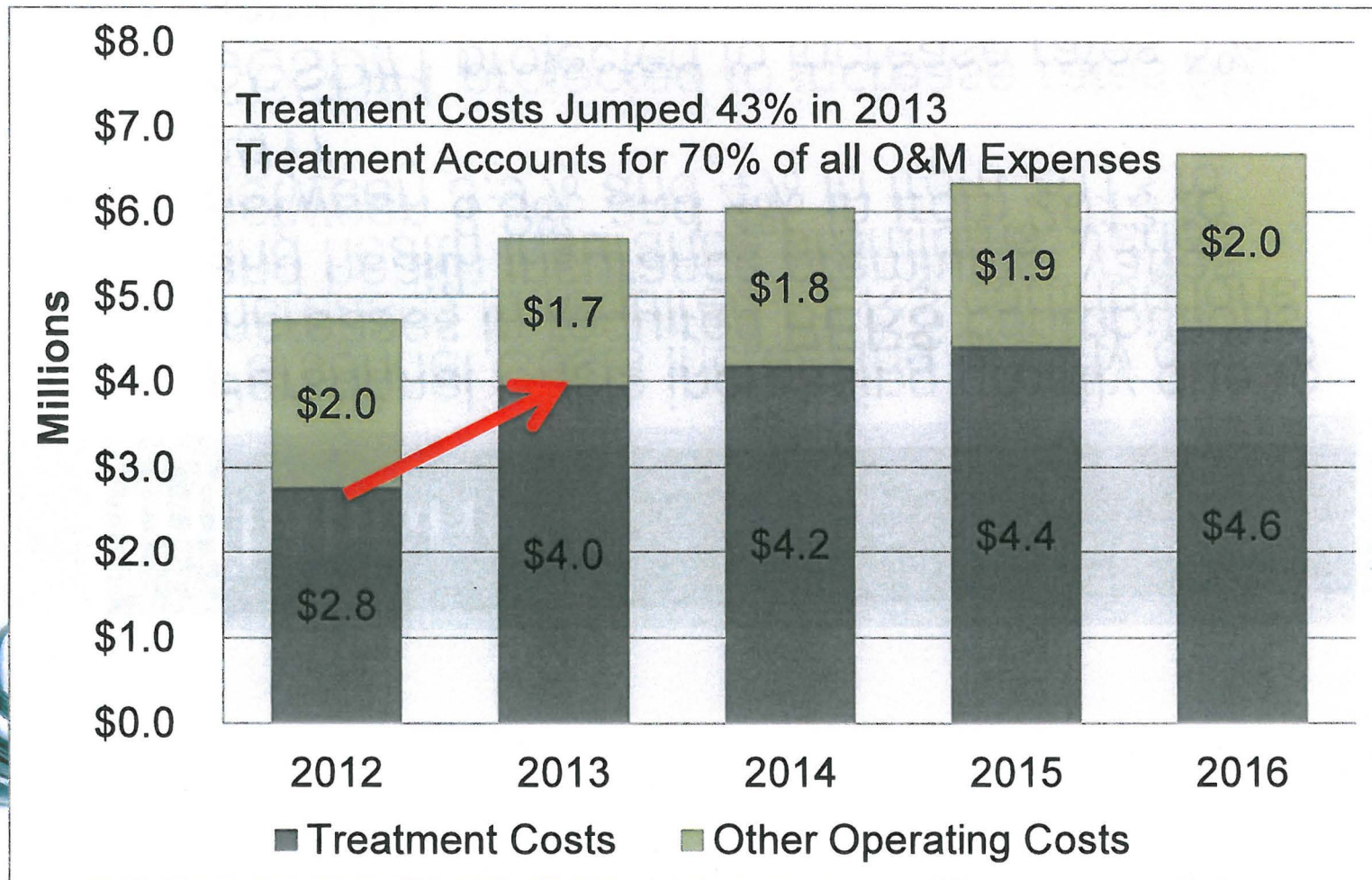
Projecting Capital Expenditures

Project Name	2013	2014	2015	2016	2017
Wastewater Main Repair	\$110				
Harrison St. LRT Crossing Replacement	\$62				
Monroe St LRT Replacement	\$110				
Pipe Replacement for Light Rail and SSMP	\$1,393				
Brookside Forcemain Extension		\$450			
Clay/Concrete Pipe Replacement Program		\$530	\$530	\$530	\$530
Wastewater Main Repair Program		\$100	\$100	\$100	\$100
Wastewater Manhole Repair Program		\$50	\$50	\$50	\$50
Total	\$1,675	\$1,130	\$680	\$680	\$680

There is an immediate need to fund \$2.8M in CIP over the next two years. CIP in 2012? \$2,500. Values are in \$1,000's



Projecting Operations



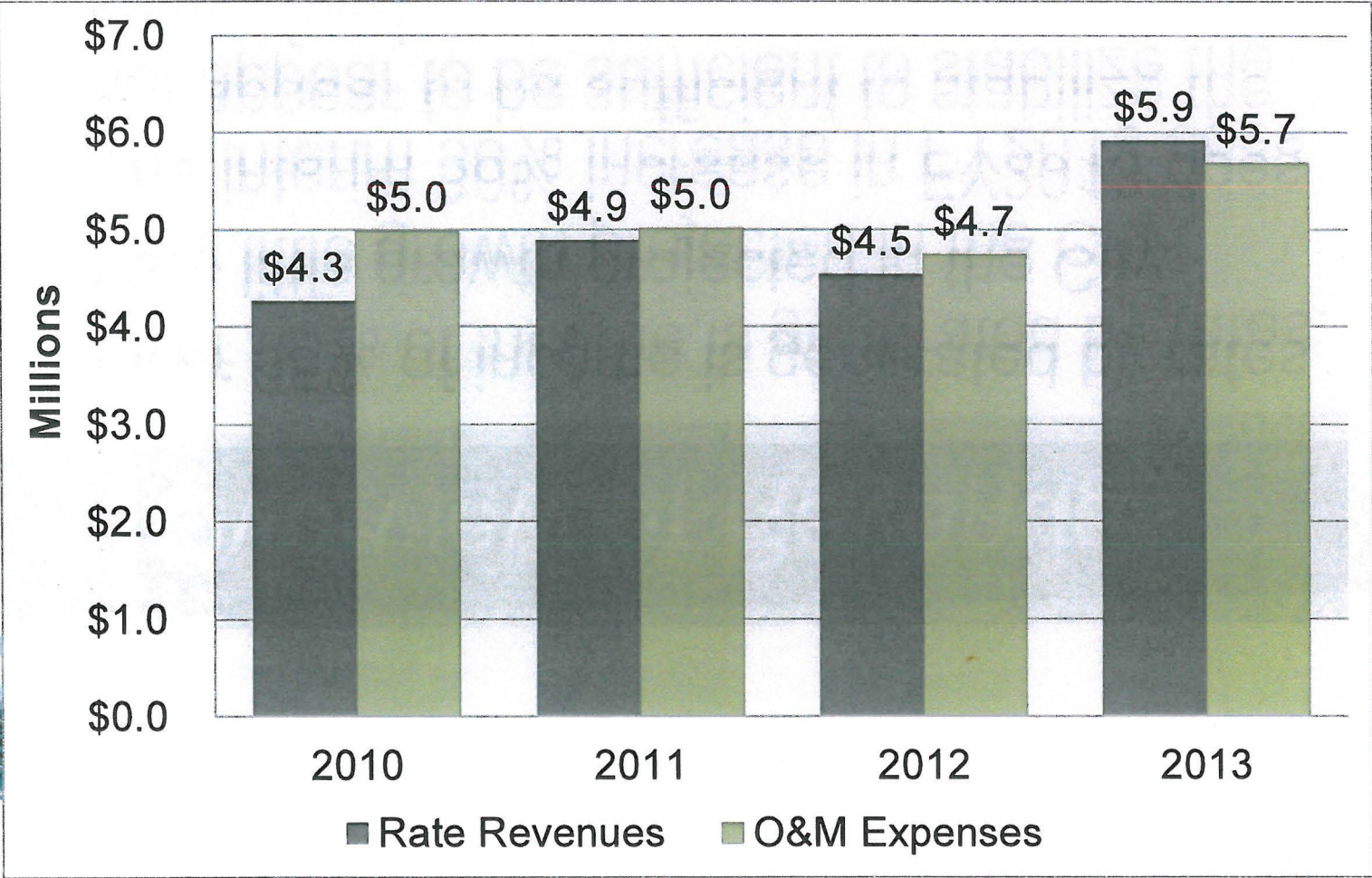
Inflation

- Personnel Costs increasing greatly due to increases in required PERS contributions and health insurance premiums: varies between 8.9% and 4% in from 2013 to 2017.
- CCSD#1 projected to increase rates 5% annually.
- All other costs projected to increase by 3% annually.
- Inflation values provided by Finance.

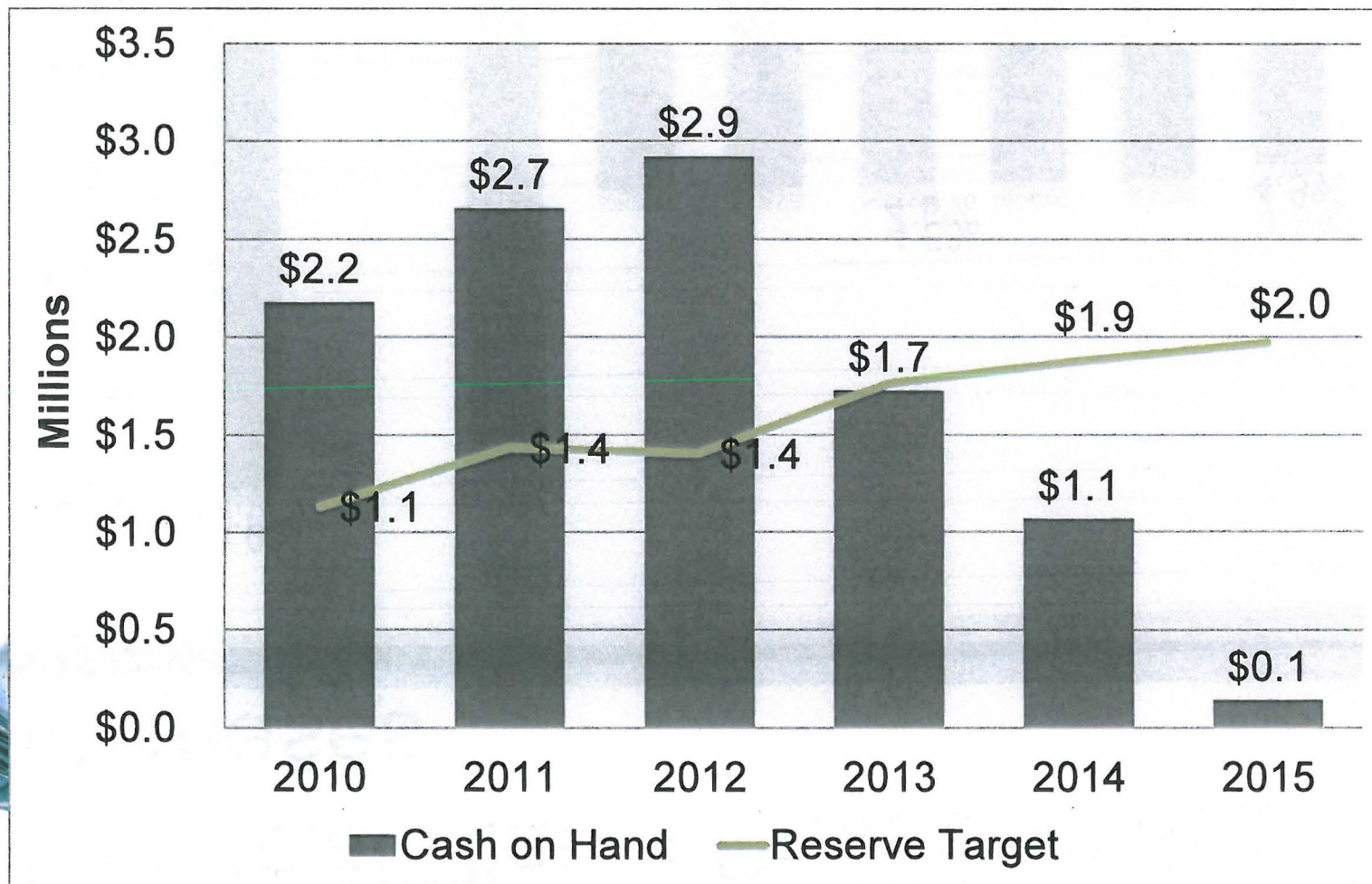
Overview of Revenues

- Over 95% of income is generated by rates.
- Very little growth projected in the City.
- The interim 30% increase in FY2013 does not appear to be sufficient to stabilize the sewer fund.

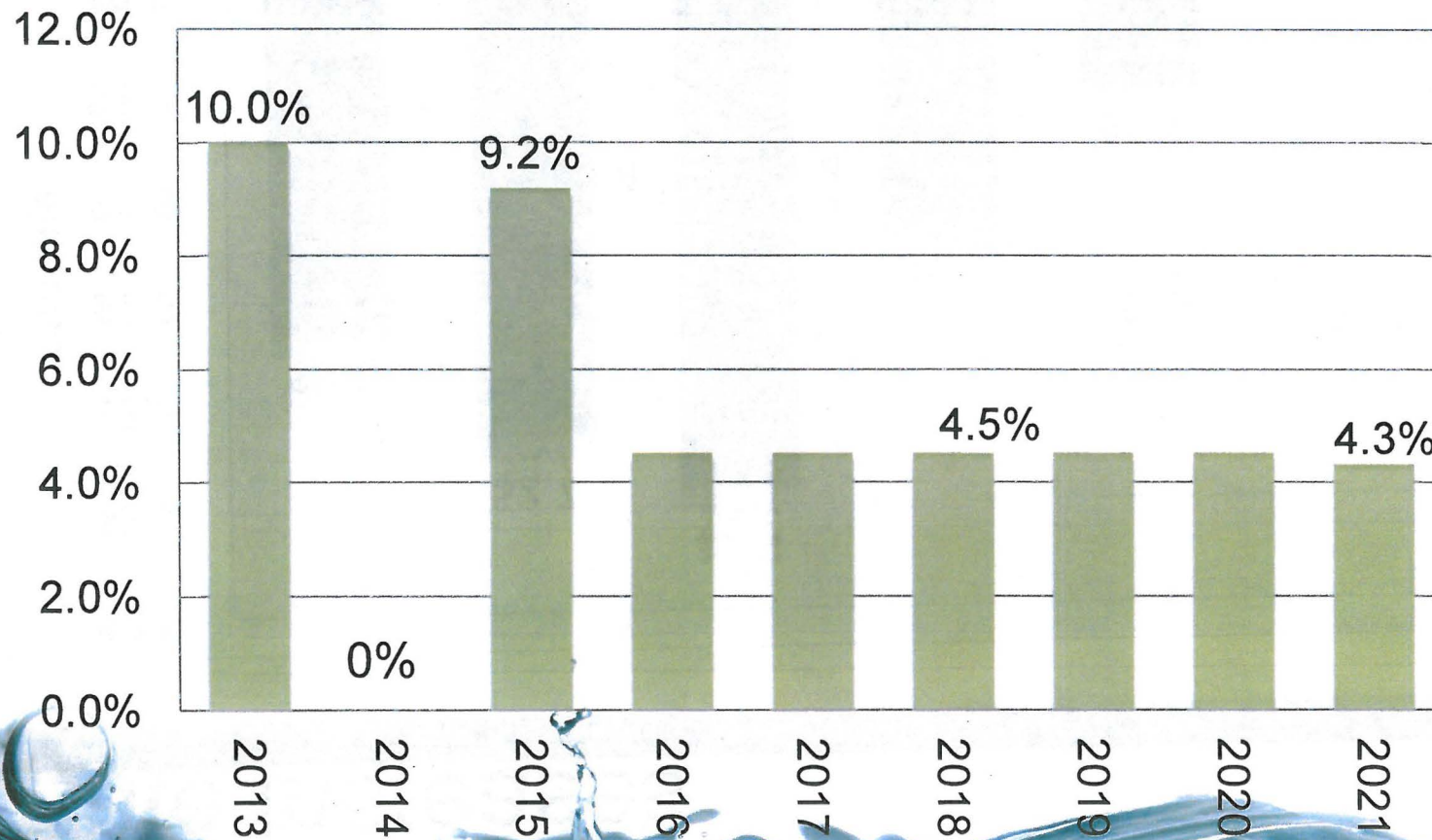
Revenues vs. Operating Expenses



Reserve Requirements – No New Rate Increases



Financial Plan = Projected Rate Increases

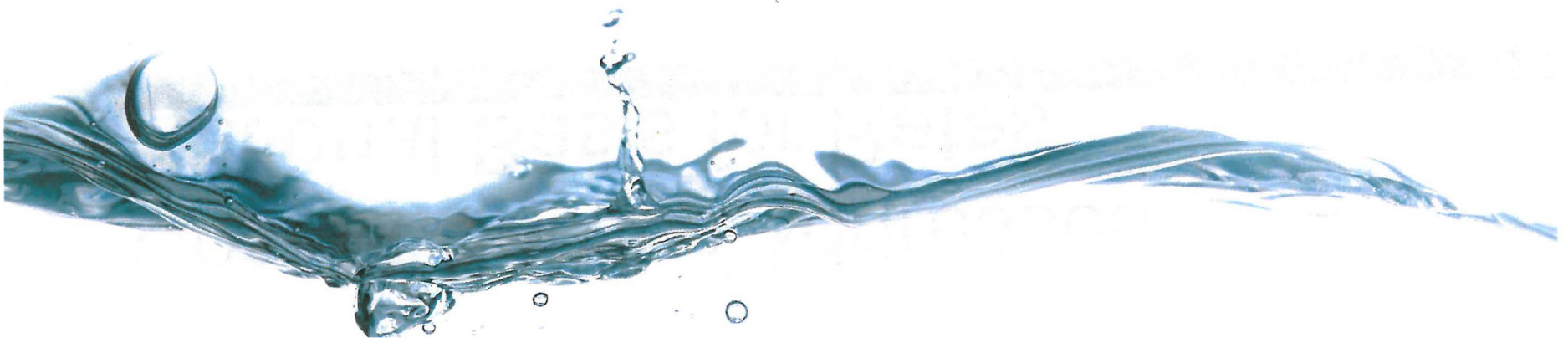


■ Rate Increases

What is Cost-of-Service?

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- It's an allocation of the revenue requirements to the different customer classes
- It helps identify and justify differences between rates charged to those classes



Cost-of-Service Addresses Rational Basis for Rates

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Reasonable

- Based on costs incurred
- Determined financial plan

Rational

- Linked to use of system
- Determined in cost-of-service

Defensible
Rates

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graph TD; Reasonable[Reasonable] --> Defensible((Defensible Rates)); Rational[Rational] --> Defensible;
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Customers Use the System in Different Ways

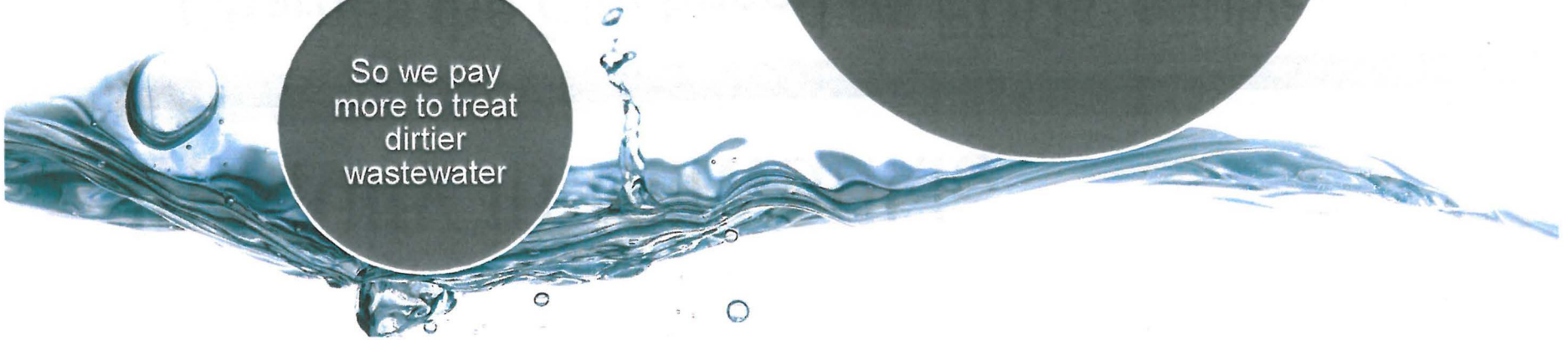
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Some customers have high concentration of wastewater



Customers with higher concentrations pay more

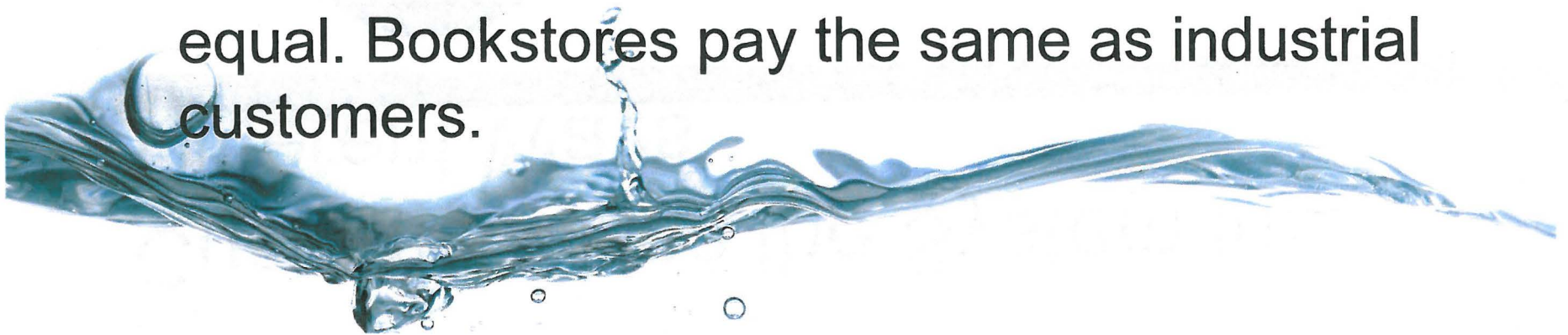
So we pay more to treat dirtier wastewater



Inequity in Milwaukie

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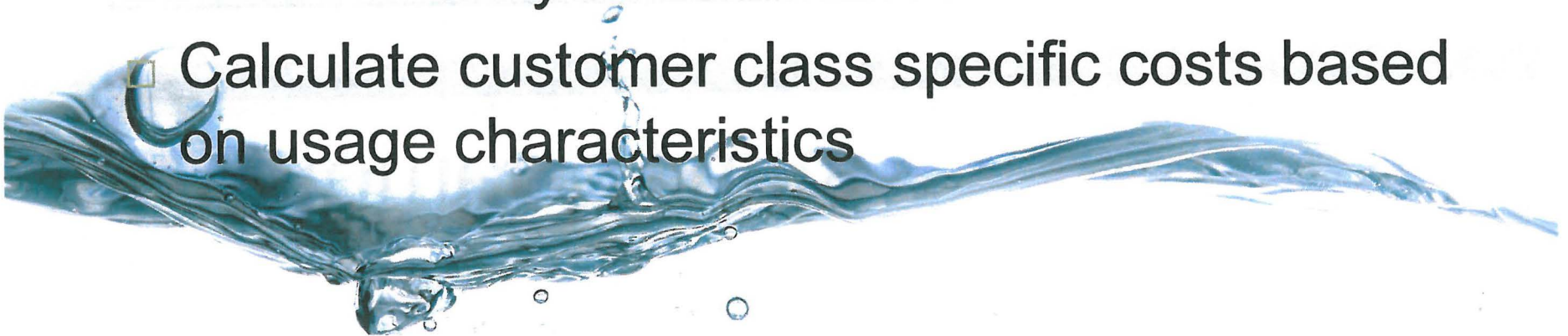
- Charges the City based on EDUs, equivalent dwelling units. \$30.25 per EDU.
 - One residential customer = 1 EDU
 - 10 CCF from a commercial customer = 1 EDU
 - 100 CCF = 10 EDUs.
 - Average residential sewer EDU is billed 5 CCF!
- All commercial customers are not created equal. Bookstores pay the same as industrial customers.



How to Address Inequity

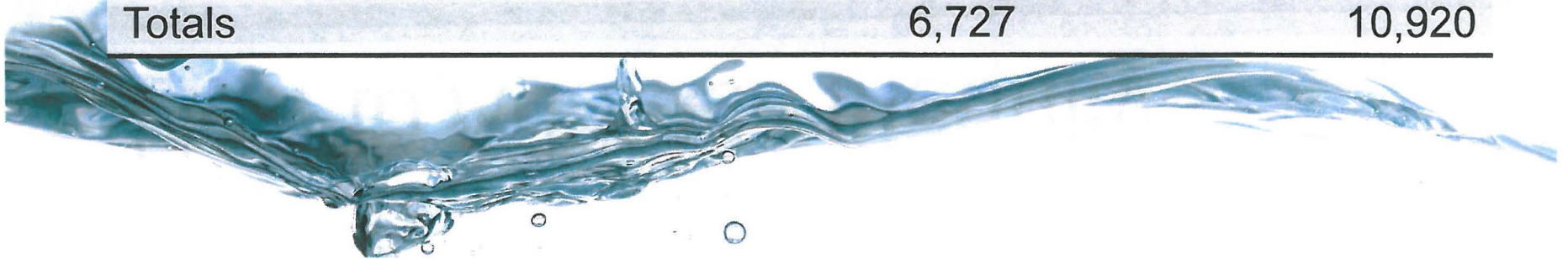
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- Identify high-strength customers
- Quantify load and flows for all customer classes
- Allocate these customer characteristics to functions in the utility
 - ▣ Use previous CCSD COS information
- Allocate utility costs to functions
- ▣ Calculate customer class specific costs based on usage characteristics



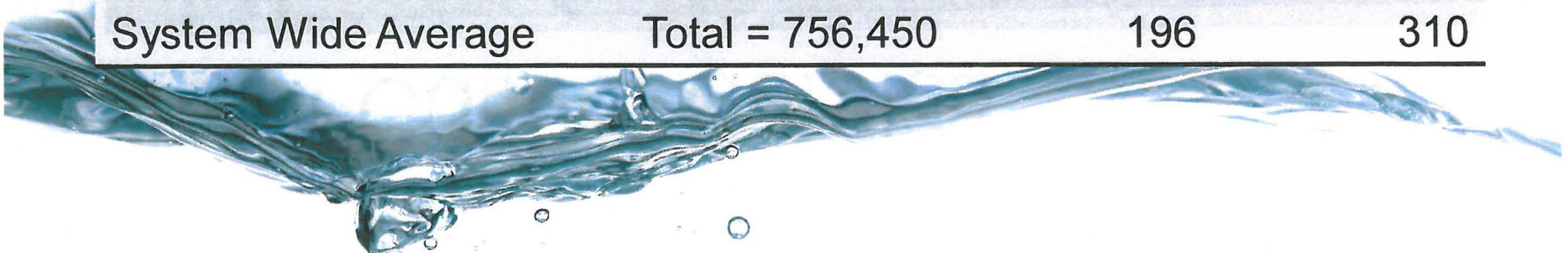
Customer Counts

Customer Class	Number of Customers	Number of EDUs
Residential	6,147	9,319
Normal Commercial	317	606
Restaurant / Fast Food / Supermarket	48	218
Heavy Industrial	19	371
Light Industrial	39	252
Aquatic Park	1	-
Low Income	155	155
Totals	6,727	10,920



Flow and Loading Characteristics

Customer Class	Flow (CCF)	BOD (mg/L)	TSS (mg/L)
Residential	561,857	175	250
Normal Commercial	72,706	175	250
Restaurant / Fast Food / Supermarket	26,168	495	819
Heavy Industrial	44,475	337	928
Light Industrial	30,254	223	327
Aquatic Park	8,052	-	-
Low Income	12,938	175	250
System Wide Average	Total = 756,450	196	310



Total Cost of Service

Class	BOD	TSS	Bills	EDU	Collection Flow	Totals
Residential	\$549,247	\$703,078	\$811,883	\$1,342,069	\$1,517,707	\$4,923,984
Normal Commercial	71,074	90,980	41,924	87,257	196,395	487,631
Restaurant / Fast Food / Supermarket	72,336	107,224	6,340	31,405	70,686	287,991
Heavy Industrial	83,600	206,536	2,520	53,376	120,137	466,171
Light Industrial	37,634	49,587	5,184	36,309	81,723	210,437
Aquatic Park	0	0	9	0	8,548	8,557
Low Income	12,648	16,190	20,461	22,311	34,950	106,560
TOTALS	\$826,540	\$1,173,595	\$888,321	\$1,572,727	\$2,030,147	\$6,491,330



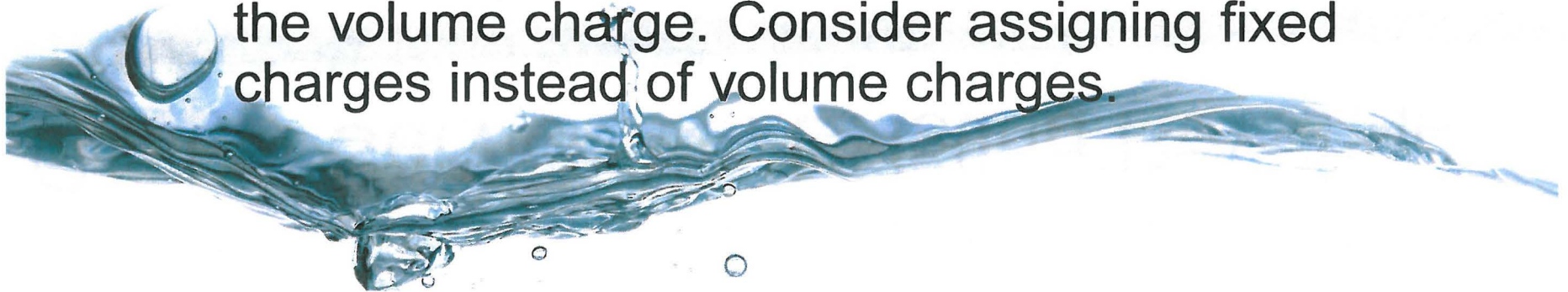
Cost of Service Vs. Existing Revenue

Class	Annual Revenues at Existing Rates	Annual Cost of Service	\$ Change	% Change
Residential	\$4,653,288	\$4,923,984	\$270,696	6%
<u>Low Income</u>	<u>83,385</u>	<u>106,560</u>	<u>23,175</u>	<u>28%</u>
Total Residential	\$4,736,673	\$5,030,544	\$293,871	6%
Normal Commercial	\$658,413	\$487,631	(\$170,782)	-26%
Restaurant / Fast Food / Supermarket	206,534	287,991	81,458	39%
Heavy Industrial	342,076	466,171	124,094	36%
<u>Light Industrial</u>	<u>236,457</u>	<u>210,437</u>	<u>-26,020</u>	<u>-11%</u>
Total Commercial	\$1,443,479	\$1,452,229	\$8,750	1%
Aquatic Park	\$0	\$8,557	\$8,557	N/A
TOTALS	\$6,180,152	\$6,491,330	\$311,178	5.0%

Rate Design

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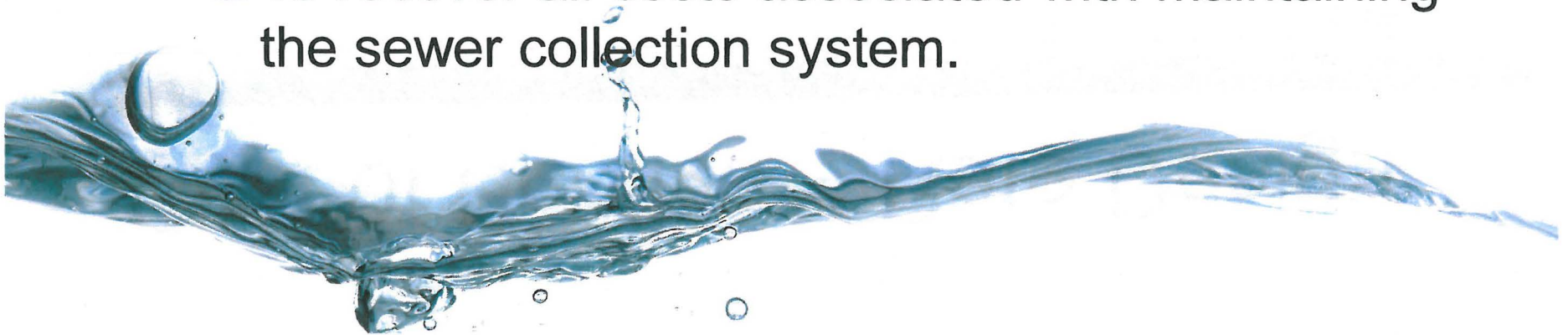
- Our Goals:
 - All rate designs will recover the total revenue requirements.
 - Recover customer class specific cost of service.
 - CCSD #1 costs will be clearly identified in the rate.
 - Review the amount of revenue collected through the volume charge. Consider assigning fixed charges instead of volume charges.



Rates Will Have Three Components

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- CCSD#1 Charge
 - ▣ To recover all treatment charges from CCSD.
- Billing and Administrative Charge
 - ▣ To recover all administrative costs associated with managing the sewer utility.
- Infrastructure Charge
 - ▣ To recover all costs associated with maintaining the sewer collection system.



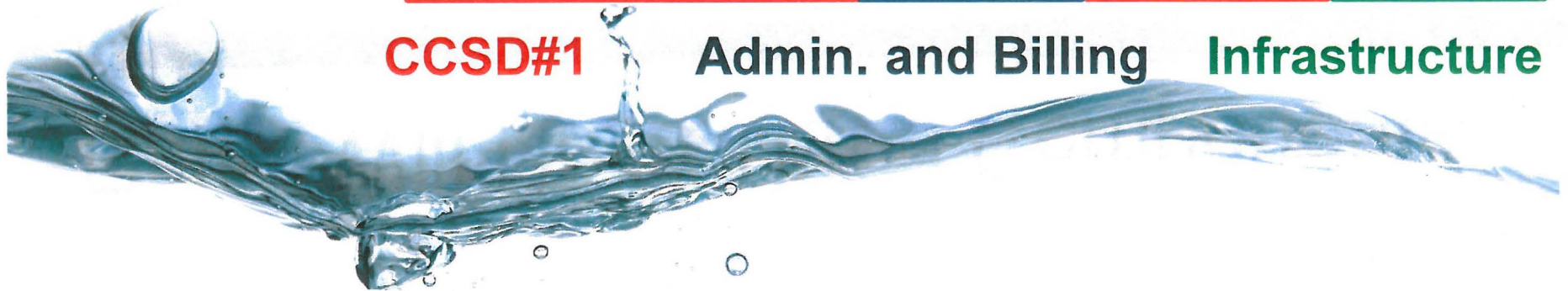
Cost of Service = Rate Design

Class	BOD	TSS	Bills	EDU	Collection Flow
Residential	\$549,247	\$703,078	\$811,883	\$1,342,069	\$1,517,707
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Aquatic Park	0	0	9	0	8,548
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TOTALS	\$826,540	\$1,173,595	\$888,321	\$1,572,727	\$2,030,147

CCSD#1

Admin. and Billing

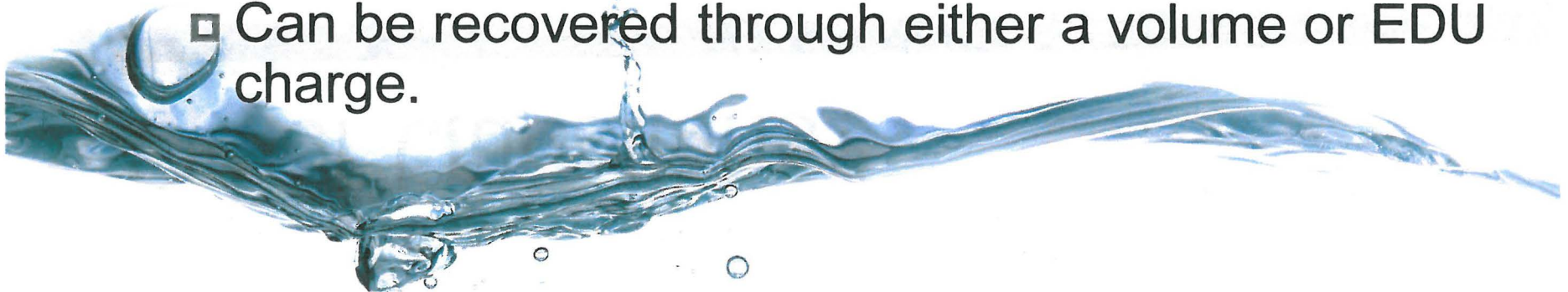
Infrastructure



How will these costs be recovered?

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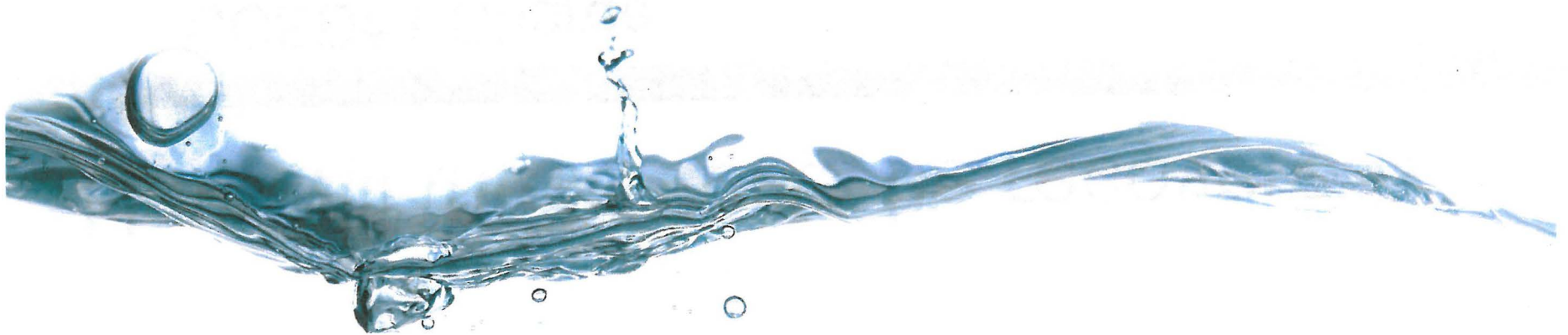
- CCSD#1 Charge
 - ▣ Expense based on EDU
 - ▣ This is where a high strength surcharge is applied.
- Billing and Administrative Charge
 - ▣ Expense the same for all customers, so this will be recovered through a bill service charge.
- Infrastructure Charge
 - ▣ Based on capacity of system and flow.
 - ▣ Can be recovered through either a volume or EDU charge.



Other Questions?

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- Thanks for your time!



11/20/12 WS

	2012	2013	2014	2015
Dec	Obtain WES signature for ODOT Application and letter to Corps retracting objection			
Jan		Draft/submit ODOT Access Application		
Feb-		Finalize ramp and parking design		
March		Corps Permit Issued		
April		Apply for Marine Board and OPRD grants Phase II - (ramp, parking +playground) (\$ 1-2million)		
May				
June		City Council G.O. Bond Decision (\$3.5 Million)	Begin Construction of Phase II	Construct final phases
July				
Aug				
Sept			City Council Assess Capital Camp Funding (\$3 million – private funds)	
Oct				Construction Complete
Nov				
Dec				

REVISED

**MILWAUKIE CITY COUNCIL
WORK SESSION**

NOVEMBER 20, 2012

MILWAUKIE CITY HALL

Conference Room
10722 SE Main Street

A light dinner will be served

WORK SESSION – 5:00 P.M.

		<u>Presenter</u>	<u>Page #</u>	
1.	5:00 p.m.	City Manager's Report	Bill Monahan	
2.	5:20 p.m.	Wastewater Rates Discussion	Casey Camors & Gary Parkin	1
3.	5:50 p.m.	Ledding Library Board Report	Board Members & Katie Newell	7
4.	6:15 p.m.	Riverfront Task Force Update	Task Force Members & JoAnn Herrigel	14
5.	6:30 p.m.	Planning Commission Comments Related to Amendments to the Public Area Requirements and Downtown Code	Steve Butler	
6.	6:46 p.m.	Adjourn		

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 at least 48 hours prior to the meeting.



Agenda Item: WS 2
Meeting Date: 11/20/2012

COUNCIL AGENDA ITEM SUMMARY

Issue/Agenda Title: Wastewater Rate Study progress report
Prepared By: Gary Parkin, Public Works Operations Director
Dept. Head Approval: Casey Camors, Finance Director
City Manager Approval: Bill Monahan, City Manager
Reviewed by City Manager: November 12, 2012

ISSUES BEFORE THE COUNCIL

Review the progress of the wastewater rate study.

STAFF RECOMMENDATION

None, this is an informational report.

KEY FACTS & INFORMATION SUMMARY

At the June 19, 2012 Council work session, Council received information about wastewater rate options that could be incorporated into a rate structure. Council asked staff to move forward with an expert rate consultant and the CUAB in an advisory role, develop a rate structure that continues to include a variable component and look at adding a high-strength component.

OTHER ALTERNATIVES CONSIDERED

None

CITY COUNCIL GOALS

N/A

FISCAL NOTES

This report is informational providing rate information that will be used to address fiscal issues.

ATTACHMENT LIST

1. Staff Report



To: Mayor and City Council

Through: Bill Monahan, City Manager

From: Casey Camors, Finance Director and
Gary Parkin, Public Works Operations Director

Subject: Wastewater Rate Study Update

Date: November 13, 2012 for November 20, 2012 Work Session

ACTION REQUESTED

Review information on the wastewater rate study.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

June 19, 2012: A wastewater rate discussion was held with the Citizens Utility Advisory Board (CUAB).

September 4, 2001: A wastewater rate study was adopted by Council changing from a fixed to volume based wastewater rate.

BACKGROUND

Changes to the City's contract with Clackamas County Service District No. 1 (CCSD #1) compelled the City to look at increasing revenue and updating its rate structure. With the new contract, treatment rates increased dramatically and the treatment cost basis changed from flow-based to a charge per Equivalent Dwelling Unit (EDU).

At the June 19, 2012 work session meeting with the CUAB, options to address the treatment changes were reviewed. Those options included:

Option 1: City Rate + CCSD #1 Treatment Costs w/High-Strength Surcharges

Under this type of approach, the City would pass the CCSD #1 costs through to customers in two ways: a flow-based rate to recover the cost of "normal" wastewater flow and loadings; and a second high-strength surcharge to applicable customers to recover the cost of high-strength wastewater flows.

Option 2: City Rate + CCSD #1 Treatment Costs as an Average Flow-Based Charge

Council Staff Report – Wastewater Rate Study Update
Page 1 of 3

This approach simply reduces the full CCSD #1 charge to a rate per CCF of billed wastewater flow. For example, if the CCSD #1 cost is \$3.96 million, and the total billed flows from Milwaukie were 1.34 million, then the CCSD #1 rate per CCF would be approximately \$2.97. Using this approach and example, the flow-based rate charged by the City would be set at \$2.97 for the CCSD #1 charge (also identified on the bill as such).

Option 3: City Rate + Basic Infrastructure Charges + CCSD #1 Treatment Costs

This approach could be implemented with either of the above options for the CCSD #1 pass-through. The purpose of the basic infrastructure charge is to recover some portion of the cost of operating the basic collection system infrastructure as part of each customer's monthly service charge. The estimated service charge should be applicable to any customer connected to the wastewater system regardless of whether the account is active or inactive. A normal part of evaluating this kind of approach is to develop a number of scenarios with different levels of infrastructure cost recovery included in the monthly fixed charge.

Council gave direction to go with Option 3, with a recommendation to look at adding a high-strength component to the rate.

Stepwise Utility Advisors a rate consulting firm was engaged to work with the CUAB and develop a wastewater rate that provides the City with the required revenue and incorporates the desired elements. Attachment 1 is an outline of the process.

Goals of the Study:

- Recover the full cost the City incurs to provide wastewater service to all of its customers.
- Produce a fair and equitable assignment of the costs of wastewater treatment charges assessed by CCSD #1.
- Allow the City to separate the City's costs from the CCSD#1 costs on customers' bills.

Revenue

- Over 95% of income is generated by rates.
- Very little growth is projected in the City.
- The interim 30% variable rate increase in FY2013 does not appear to be sufficient to stabilize the wastewater fund.

CONCURRENCE

N/A

FISCAL IMPACTS

Goal of the project is to provide a wastewater rate that is fiscally balanced and that can support the funding requirements to operate and maintain the wastewater system appropriately.

WORK LOAD IMPACT

The study itself has required finance, engineering and operational support. The rate to be adopted will provide for the continued maintenance of the system and support a system replacement.

ALTERNATIVES

N/A

ATTACHMENTS

1. Process Outline

Attachment 1

City of Milwaukie, Wastewater Rate Study Finance Plan Review Meeting

Agenda

1. Goals of the Study
2. Finance Plan Results
3. Review Cost of Service by Customer Class
4. Rate Discussion

Goals of the Study

- Recover the full cost the City incurs to provide wastewater service to all of its customers.
- Produce a fair and equitable assignment of the costs of wastewater treatment charges assessed by CCSD #1.
- Allow the City to separate City's cost from CCSD#1 cost on customers' bills.

Financial Planning

Overview of Cost Drivers

- Capital Costs
- O&M Expenses

Projecting Capital Expenditures

Projecting Operations

- Inflation

Overview of Revenues

- Over 95% of income is generated by rates.
- Very little growth projected in the City.
- The interim 30% increase in FY2013 does not appear to be sufficient to stabilize the Wastewater Fund.

Service vs. Volume Charge Interim Rates

Revenues vs. Operating Expenses

Reserve Requirements

- The City requires the Wastewater Fund to maintain three reserve accounts:
 - Reserve for Contingency = 15% of O&M
 - Reserve for Ending Fund Balance = 10% of O&M
 - Debt Service Reserve of \$12,500
- Reserve Requirements – No New Rate Increases
- Financial Plan = Projected Revenue Requirement
- Financial Plan = Projected Rate Increases
- Cost-of-Service**
 - Inequity from CCSD #1
 - Existing Structure’s Inequity
 - How to Address Inequity
 - Allocate utility costs to functions
 - Calculate customer class specific costs based on usage characteristics
 - Total Cost of Service
 - Cost of Service Vs. Existing Revenue
- Rate Design**
 - Our Goals
 - Draft Rates
- Questions?**



To: Mayor and City Council Members

Through: Bill Monahan, City Manager

From: Mark Docken, Library Board Chair, and Katie Newell, Library Director

Subject: Library Board Work Programs for 2011-2012 and 2012-13

Date: November 20, 2012

Action Requested

Review and discuss the Library Board Work Programs for 2011-12 and 2012-13

History of Prior Actions and Discussions

Previous Library Board Work Programs have been presented to the City Council on a yearly basis.

Background

The proposed work program is a plan for fulfilling the Library Board's responsibility to advise the Milwaukie City Council and the Ledding Library staff on library patrons' needs.

The Board's duties, under the general direction of the City Council, include reviewing and commenting on rules and policies for the operation of the library; commenting on the acceptance or rejection of donations of real or personal property or funds donated to the library; and commenting on sites for public library buildings or for location of library facilities and other such activities. Help the library be responsive to what the community needs are now and in the future.

Accomplishments of 2011-2012 a year of transition.

- A new library director, Katie Newell was hired to replace Joe Sandfort.
- Two new board members, Kathy Gannett and Laura Gamble were appointed and one vacancy is waiting to be filled.
- Friends of the Ledding Library have a new President, Nikki Hoff.
- Supported the Library director and staff regarding library operations and policies.
- Instituted "Library2Go" program.
- Founded eBook instruction class.

- Expansion of the Ledding Library service area with the opening of a new library on Sunnyside in Happy Valley.
- Created a WiFi hotspot at the library so patrons can use their own computers.
- Addition of a Facebook presence for the library.
- Revamping of the author series to build it into an ongoing program much like the poetry series.
- Reviewed, discussed and concurred with the proposed FY 2011 – 2012 Library Budget.
- Attended neighborhood association leadership meetings, neighborhood association meetings, city meetings, county meetings, and other community meetings as possible. This attendance was to both receive and give input regarding the Ledding Library.
- Continued to refine the role that the Pond House will serve for the library and to the overall community in Milwaukie.
- Supported and assisted the Friends in all their endeavors including the annual book sale, plant sale, Christmas in October, concerts, and the Pond House Book store.
- Coordinated appearance and testimony at meetings of civic groups including the Budget Committee, the Planning Commission, the Art Mob, and the City Council.
- Participated, through then Library Board Chair Mark Docken, in the Library District Advisory Board (LDAC), which advises the Clackamas County Board of Commissioners on the formulation of policy regarding the funding.
- Planned and implemented the Milwaukie Poetry Series sixth season featuring poets who read from and discussed their work. The series had nine successful readings to capacity crowds at the Pond House. Poetry readings were filmed; the readings are being shown on Milwaukie Cable Television and Willamette Falls Cable and are also on DVDs that can be checked out from the Ledding Library. The Series also sponsored a writing workshop by Paulann Petersen, a Youth Poetry Workshop at Milwaukie High School by Paulann Petersen, five Open Mic Poetry Readings, a Friends of William Stafford birthday celebration in January, Youth Open Mic reading throughout the year and a summer Poetry Picnic. As Series Coordinator Tom Hogan also worked with the Milwaukie Arts Academy to create these events. The Milwaukie Poetry Committee and Library Board also supported poetry readings at the First Friday Arts a la Carte events.
- Worked with the task force in formulating expansion plans for the library.
- Developed an information sheet about the Ledding Library to assist in education and presentations.
- Wrote a competitive grant to help fund the new author series.

Priorities for 2012-2013.

- Support the Library director and staff regarding library operations and policies.

- Continue to encourage Board attendance at community meetings including, but not limited to, Neighborhood Development Associations, various City government meetings as needed, Friends of the Ledding Library, and various civic group meetings, to represent the Library in the community.
- Support the Friends in all their endeavors including the annual book sale, plant sale, Christmas in October, concerts, and the Pond House Book store. Put together a brochure about the Pond House.
- Help develop fundraising strategies to help the Friends and Foundation achieve both short and long term funding goals. Assist Friends in getting about the recognized benchmark of 2.5% of the Library budget giving capacity.
- Establish action plans that promote Library programs and goals through the use of the internet, flyers, newsletters, and other media outlets, such as The Pilot, and the City of Milwaukie website.
- Establish the author series into an ongoing program which enriches the community.
- Support the City in appropriate use of the Pond House to enhance and further City goals.
- Monitor compliance of the Library in reference to LDAC and OLA standards as prescribed by the LDAC policy.
- Continue for a sixth season the Milwaukie Poetry Series at the Library Pond House with a new lineup of poets conducting monthly readings. Also sponsor at least one writing workshop, Open mic poetry readings in the Pond House, a Friends of William Stafford Birthday event, a youth event writing workshop at the Milwaukie Arts Academy, youth open mic readings, a summer Poetry picnic and support poetry readings at the First Friday Arts a la Carte.
- Continue to work with the other partners to revive, develop, and promote the Willamette Readers Series.
- Support and participate in the Library Expansion Task Force (LETF). Provide information and background when needed. Support expansion of the library to better serve the Ledding Library's community and to plan for the future service need.
- Support use of the current site for the library.
- Continue Library2Go/eBook development.

Concurrence

The Library Board and the Library Director have reviewed and concur with the work program.

Fiscal Impact

None. Funds to complete the needs assessment study for the Library Expansion will come from the reserve for the Library Endowment Fund.

Work Load Impacts

The library staff will support the Board's work to accomplish the priorities listed above. The staff liaison to the Board will attend all meetings: take and distribute meeting minutes and work on all duties associated with the work program's priorities.

Attachments

1. Poetry series flyer
2. LDAC Annual Progress Report
3. Ebook fee schedule

The Milwaukie Poetry Series

~ The Sixth Season ~

7 p.m. ~ Ledding Library Pond House
2215 SE Harrison Street, adjacent to Ledding Library
Scheduled for the second Wednesday of each month.

Sept 12, 2012 ~ Ingrid Wendt

Oct 10, 2012 ~ John Daniel

Nov 14, 2012 ~ Ursula Le Guin

Dec 12, 2012 ~ Karen Holmberg

Jan 9, 2013 ~ Matthew Dickman

Feb 13, 2013 ~ Herman Asarnow

March 13, 2013 ~ Cecelia Hagen

Apr 10, 2013 ~ Steve Dieffenbacher

May 8, 2013 ~ Mark Thalman

*June 12, 2013 ~ Andrea Hollander
Budy*

Attachment 2

<p>Library Name: Ledding Library of Milwaukie Service Population: 33,288 Fiscal Year: 2011/2012</p> <p><u><i>Library Service District of Clackamas County - - Annual Progress Report toward OLA Standards</i></u></p>	
<p>1. Is the library open the number of hours mandated by its population served at THRESHOLD level?</p> <p style="text-align: right;">Library open hours Open hours required by OLA Threshold Standards</p>	<p>YES 66 50</p>
<p>2. Does the library staffing adhere to all of the standards for number and qualifications of staff employed as outlined in the OLA standards for THRESHOLD level for its population served?</p> <p style="text-align: right;">Total library FTE Total library FTE needed as per OLA Threshold Standards</p> <p style="text-align: right;">Total staff with an MLS Total staff required to have an MLS as per OLA Threshold Standards</p> <p style="text-align: right;">Library Director has an MLS?</p>	<p>YES 18.7 10.9 5.15 3.6 YES</p>
<p>3. Does the Library collection contain sufficient volumes to meet OLA Threshold standards for the library population served?</p> <p style="text-align: right;">Library volumes owned Library volumes needed for Threshold Standards</p>	<p>YES 121,917 62,356</p>
<p>4. Please report briefly on any changes or improvements to the library due to District. <i>Able to sustain the 66 hours we are opened and our level of staffing.</i></p>	
<p>5. Does the Library provide adequate and reasonable continuing education/training for all staff? Please list annual budget for library staff continuing education here.</p>	<p>YES \$3,000</p>
<p>6. Each year, does the library evaluate a percentage of the materials collection to consider for weeding/withdrawal based on criteria such as use, currency and condition? OLA Threshold standard percentage is 20% evaluated annually. What is your percentage (estimate)?</p>	<p>YES 50%</p>
<p>7. Does the library have a formal written collection development policy?</p>	<p>YES</p>
<p>8. Does the library make available all basic core public services during all open hours? <i>Note: "basic core public services" include circulation, reference, reader's advisory to all ages, interlibrary loan, and technology assistance.</i></p>	<p>YES</p>
<p>9. Does the Library have a written long-range strategic plan that addresses facility needs?</p>	<p>YES</p>



Douglas County Libraries Report
Pricing Comparison as of October 31, 2012

	BOOKS				EBOOKS				
	Library Pricing		Consumer Pricing		Library Pricing		Consumer Pricing		
	Baker & Taylor (1)	Ingram (2)	Amazon	Barnes & Noble	Overdrive	3M	Bilbary	Amazon	Barnes & Noble
Top 25 USA Today Best-Selling Books									
1 Bone Bed	\$16.04	\$15.92	\$18.75	\$18.78	*	*		\$12.99	\$12.99
2 Mark of Athena	\$11.07	\$10.99	\$10.98	\$11.09	*	*		\$10.00	\$10.00
3 Killing Kennedy	\$15.51	\$15.40	\$15.95	\$16.26	*	*	\$12.99	\$12.99	\$12.99
4 The Panther	\$15.51	\$15.39	\$16.79	\$17.46	*	*		\$12.99	\$12.99
5 Hidden	\$10.52	\$10.44	\$12.31	\$12.31	*	*	\$9.99	\$9.99	\$9.99
6 The twelve	\$15.51	\$15.40	\$16.80	\$17.06	\$84.00	\$84.00	\$13.99	\$12.99	\$12.99
7 Fifty Shades of Grey	\$9.57	\$9.41	\$9.57	\$10.04	\$47.85	\$47.85	\$9.99	\$9.99	\$9.99
8 Fifty Shades Freed	\$9.57	\$9.41	\$9.57	\$10.04	\$47.85	\$47.85	\$9.99	\$9.99	\$9.99
9 Fifty Shades Darker	\$9.57	\$9.41	\$9.56	\$10.04	\$47.85	\$47.85	\$9.99	\$9.99	\$9.99
10 Casual Vacancy	\$19.39	\$19.25	\$20.09	\$21.00	*	*		\$14.99	\$14.99
11 NYPD Red	\$15.51	\$15.39	\$16.79	\$17.46	*	*		\$12.99	\$12.99
12 Gone Girl	\$13.85	\$13.75	\$13.94	\$14.49	\$25.00	\$25.00	\$12.99	\$12.99	\$12.99
13 Reflected in You	\$9.00	\$8.70	\$9.00	\$10.05	*	*		\$9.99	\$9.99
14 No Easy Day	14.93	\$14.82	\$15.65	\$15.80	*	*		\$12.99	\$12.99
15 Perks of Being a Wallflower (movie-tie in ed.)	\$8.40	\$8.26	\$8.40	\$10.99	*	*	\$9.99	\$9.99	\$9.99
16 Sleep No More	\$15.51	\$15.39	\$18.47	\$19.20	*	*	\$12.99	\$12.99	\$12.99
17 Hungry Girl to the Max!	\$16.79	\$16.50	\$15.04	\$15.04	*	*	\$14.99	\$13.49	\$13.49
18 The Secret Keeper	\$14.95	\$14.84	\$16.19	\$16.83	*	*	\$12.99	\$12.99	\$12.99
19 Bared to You	\$9.00	\$8.85	\$9.00	\$10.98	*	*		\$9.99	\$9.99
20 Mockingjay	\$9.97	\$9.89	\$9.88	\$9.88	*	*	\$12.40	\$5.99	\$5.99
21 Catching Fire	\$9.97	\$9.89	\$9.88	\$9.88	*	*	\$12.40	\$5.99	\$5.99
22 Mad River	\$15.48	\$15.37	\$18.45	\$19.18	*	*		\$12.99	\$12.99
23 Down to You			\$9.99		*	*		\$3.99	\$3.99
24 Cloud Atlas (movie-tie in ed.)	\$9.00	\$8.85	\$10.20	\$13.98	\$45.00	\$45.00		\$11.99	\$11.99
25 Tales from a Not-so-smart Miss Know it all	\$7.75	\$7.69	\$10.35	\$10.98	*	*	\$9.99	\$9.99	\$9.99

10/25/12 issue; source: <http://books.usatoday.com/list/index>

- * Not available to libraries
- 1 Discounted pricing as advertised on website
- 2 Actual

Douglas County Libraries is the public library of Douglas County, Colorado, headquartered in Castle Rock, CO. Our annual collection budget (2012) is \$3.7 million. We serve a population of just under 300,000. For more information, contact Karen Gargan, Associate Director of Finance, kgargan@dclibraries.org.



Agenda Item: **WS 4. Riverfront Task Force Update**
Meeting Date: 11-20- 2012

COUNCIL AGENDA ITEM SUMMARY

Issue/Agenda Title: Riverfront Task Force Update
Prepared By: JoAnn Herrigel, Director of Parks and Sustainability
Dept. Head Approval: Kenny Asher, Director of Community Development
City Manager Approval:
Reviewed by City Manager:

ISSUE BEFORE THE COUNCIL

The Riverfront Task Force meets with Council annually to review their progress on their previous year's work plan and to discuss the next year's proposed work plan.

STAFF RECOMMENDATION

None. Council input requested.

KEY FACTS & INFORMATION SUMMARY

The major work items for fiscal year 2011-12 for the Riverfront Board were presented to Council in March of 2011. Since that time, the Board has been converted to a Task Force and, along with staff, has made significant progress on the Riverfront Park. Major accomplishments for the past year and proposed tasks for the coming year will be reviewed with Council.

OTHER ALTERNATIVES CONSIDERED

NA

CITY COUNCIL GOALS

Continue development of Riverfront Park



To: Mayor and City Council

Through: Kenny Asher, Community Development Director
Bill Monahan, City Manager

From: JoAnn Herrigel, Director of Parks and Sustainability

Subject: Riverfront Task Force Update

Date: November 20, 2012

ACTION REQUESTED

The Riverfront Task Force is interested in Council's direction and input.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

April 2011 – Riverfront Board members met with Council to review previous year's work plan and to discuss a proposed work plan for 2011-12.

BACKGROUND

The major work items for fiscal year 2011-12 for the Riverfront Board were presented to Council in March of 2011. Since that time, the Board has been converted to a Task Force and, along with staff, has made significant progress on the Riverfront Park. A more detailed report of accomplishments and a proposed work plan for 2012-13 will be presented to Council at the November 20 work session. Below are the goals presented in 2011 with status reports for each shown in **bold**.

- Enhanced communication regarding the status of the Riverfront Park construction with the Council and citizens by:
 - Inviting a City Councilor to attend all Riverfront Board meetings and participate in all related activities
Council has not designated a representative to attend the Riverfront Task Force meetings.
 - Providing City Council with quarterly updates on the status of the Riverfront Park design, permit and construction
Staff and Task Force members have addressed Council at over 10 Council meetings since March 2011.
 - Providing each of the seven City neighborhood associations with an update on park status during the next year
Task Force members attended all seven neighborhood meetings to provide updates on the design and construction of Riverfront Park
- Relocating power poles, currently bisecting the upper Riverfront area

Power pole relocation was postponed pending the burial of utility lines. PGE funds (\$100,000) were returned to the City and have been allocated to the Klein Point project as a project match.

- Constructing Phase I of the park, Klein Point Overlook, using Metro Capital grant funds (applied for in March 2011)
Final design permits took longer than anticipated due to the need to include an access road to a manhole north of overlook. Fall/Winter construction was postponed to avoid erosion during rainy season. Klein Point construction began in September 2012 and will be completed in November 2012. An opening event will be held on December 1, 2012.
- Initiating a capital campaign to raise funds for the Riverfront construction
C3 Strategies, the City's capital campaign consultant, has managed the development of project outreach materials, establishment of a fund, hosted by the Oregon Community Foundation, set up a steering committee to guide the fundraising efforts, and are on track to raise at least \$30,000 by April of 2013.

Challenges facing City staff and the Riverfront Board in moving the Riverfront Park toward completion include:

- Pending review and approval of a Joint Permit Application by the Corps of Engineers (submitted in December 2010) This permit review is currently preventing the City's application for grants from the Oregon Marine Board and the Oregon Department of Parks and Recreation
Work with Corps to move park permit forward has resulted in removal of the transient dock from the design and modification of ramp orientation. Final follow-up submittals are in and a decision is expected in winter 2013. Applications to both Oregon Marine Board and Oregon Parks and Recreation will be submitted in April 2013 regardless of Corps permit status.
- Clackamas County's Water Environment Services has expressed major concerns with respect to the safety of their wastewater trucks using the proposed access to the park. The County's cooperation and support is necessary for the City to:
 - 1) Complete the Corps of Engineers approval process, and
 - 2) Submit applications to Oregon Department of Transportation for change of access approval**This circumstance continues to exist despite staff and task force members' attempts to address WES's needs. Council and the Mayor are currently working on this issue.**
- Adequate funding to complete all phases of the park. The capital campaign is optimistic that private sector parties will contribute to this project when 1) the City commits to funding for the project and 2) The Corps of Engineers' permit is issued.
The Mayor is working with WES to determine whether Wastewater funds could be used to fund elements of the park. The Corps permit, while closer to issuance, will not be completed until WES's access concerns have been addressed.