

AGENDA

MILWAUKIE CITY COUNCIL WORK SESSION JANUARY 6, 2004

MILWAUKIE CITY HALL

Second Floor Conference Room
10722 SE Main Street

WORK SESSION – 5:30 p.m.

Discussion Items:

	<u>Time</u>	<u>Topic</u>	<u>Presenter</u>
1.	5:30 p.m.	Timing of Sewer Rate Discussion	Alice Rouyer
2.	5:40 p.m.	ODOT Special Transportation Area Letter of Support	Alice Rouyer
3.	5:45 p.m.	Proposed Resolution Opposing People's Utility District in Clackamas County	Mayor Bernard
4.	6:00 p.m.	Introduce Clackamas County Fire District Chief Norm Whiteley	Mike Swanson
5.	6:20 p.m.	Recess Work Session	
6.		Adjourn	

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 preceding items.
- Executive Session: The Milwaukie City Council may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. 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.
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To: City Council

Through: Mike Swanson, City Manager

From: Alice Rouyer, Director of Community Development & Public Works

Subject: Schedule for considering water and sewer rates

Date: December 26, 2003 for the January 6, 2003 meeting

Action Requested

Provide direction on schedule for consideration of proposed water rates and reconsideration of sewer rates adopted in July 2003.

Background

At the September 16, 2003 meeting staff presented findings from a water cost of service study completed during summer 2003. That presentation also included a proposal to increase water rates to keep up with the cost of providing water service. Water rates were last increased in Milwaukie eight years ago. On September 6, the consultant presented the City's current water fund revenue requirements and a review of the overall financial health, fiscal policies and operations of the water department. During the course of the study, the consultant team discovered that the water department had not been funding the cost of capital depreciation for some time, contrary to sound financial practices. Capital depreciation consists of funding a proportional replacement cost of long-lasting infrastructure or equipment over the useful life of that infrastructure. A good example is proportional budgeting to replace the water tank facility at 40th/Harvey. The consultant developed three rate scenarios for Council consideration on September 6.

At the September 6 meeting, Council voted to postpone consideration of the water rate increase until such time as the sewer rate increases passed by Council on July 14, 2003 could be reconsidered. At that time staff anticipated that both items could be considered on November 18, 2003.

In early November, staff requested that Council delay both items to January 20, 2004 to allow more data to be gathered from the Wastewater Consolidation Study currently underway. This study is evaluating a variety of possibilities including decommissioning the Kellogg Wastewater Treatment Plant and consolidating service at the Tri County Wastewater Treatment Plant. The County consultant team is currently evaluating costs associated with such a consolidation. Staff has since learned that the results of this financial analysis are not expected to be released until February or March 2004. This information will be essential in helping the Council reconsider the sewer rate increases adopted on July 14, 2003.

Therefore, staff recommends the following:

- 1) That Council consider the water rate increases on January 20, 2004 as originally scheduled. If this item continues to be postponed, the City will lose ground in funding replacement costs for longer-life infrastructure such as water tanks and water treatment facilities. It is fiscally prudent for the Council to consider the water rate increases in a timely manner in order to properly save for these replacement costs.
- 2) That sewer rate reconsideration be postponed to a date to determined in February or March 2004. Staff will present the Wastewater Consolidation Study results to Council as information becomes available. The Council's participation in considering and implementing an option will be critical. The Council will need to evaluate how the City will contribute financially toward wastewater treatment consolidation efforts.

While the water and sewer rates are both represented on one City utility bill, the rates and fiscal health of each fund are independent of one another. It is therefore important to consider these issues separately. Staff believes that this recommendation is the best compromise to address the concerns of Council about overall utility rates while also considering the needs of each individual utility fund. Staff is seeking Council concurrence with this recommendation at the January 6, 2003 work session.

Concurrence

The City Manager, Engineering Director and Water Supervisor concur with this recommendation.

Fiscal Impact

Consideration of the water rates on January 18, 2003 will allow the City to begin funding capital depreciation of water infrastructure such as storage tanks, wells and water treatment facilities. Deferring such a decision has potential to sets the City back in saving for replacement of this infrastructure. Reconsideration of sewer rates in February or March 2004 will allow the City to better evaluate sewer fund revenue needs in light of results from the Wastewater Consolidation Study.

Work Load Impacts

This recommendation will allow Engineering staff to close out the water rate project and move on to other work priorities. Finishing this project in January will also make more efficient use of the consultant budget, as project delays often lead to increased consultant costs.



To: City Council

Through: Mike Swanson, City Manager

From: Alice Rouyer, Director of Community Development & Public Works

Subject: Letter of support for ODOT Special Transportation Area designation on McLoughlin Blvd. through downtown Milwaukie

Date: December 26, 2003 for the January 6, 2003 meeting

Action Requested

Authorize the Mayor to sign a letter of support to the Oregon Transportation Commission for a state Special Transportation Area designation on McLoughlin Blvd. through downtown Milwaukie.

Background

Since summer 2000, staff has been working with ODOT on a preliminary design for the McLoughlin Boulevard project through downtown Milwaukie between Harrison and Washington streets. This project will add a new traffic signal at Monroe and move the Jefferson Street signal south one block to Washington to allow for signal spacing every two blocks through downtown. The signals will provide additional places for pedestrians and bicycles to cross McLoughlin from downtown to the future Milwaukie Riverfront Park. Wider sidewalks, street trees, and planted street medians will also be included in the design. In 2001 the City was awarded approximately \$3.9 million to build these improvements.

Negotiating these design improvements with ODOT has been a long process. ODOT has consistently negotiated for maintaining roadway design features benefiting through-traffic on McLoughlin such as fewer traffic signals and maintaining higher travel speeds. At times, the City's goals to connect downtown with the Riverfront have been inconsistent with ODOT's goals.

Over the past few months, Metro has been appealing to the Oregon State Transportation Commission to support the goals of local governments by applying Special

Transportation Area (STA) designations in communities where highways pass through downtown areas. The STA designation was created by legislation passed in 1999. The designation amends the Highway Design Manual to offer design features on highways such as narrower travel lanes, slower travel speeds, wider sidewalks, etc. All of these features are consistent with what the City is trying to accomplish with its McLoughlin project. However, no community in the state has yet received such a designation from ODOT. Metro's Joint Policy Committee on Transportation (JPACT) was concerned about this track record and wanted to ensure that future boulevard design projects in communities like Milwaukie would be supported by ODOT staff.

Metro has included Milwaukie along with Oregon City, Portland, Clackamas County, and Hillsboro as candidate areas for the STA designation. ODOT staff has helped Metro and City staff to make sure mutual goals for all agencies can be met with this designation. In Milwaukie's case, ODOT staff worked with the City to ensure that the boundaries of the designation would meet the City's and ODOT's needs. Both the City and ODOT have agreed that an appropriate boundary along McLoughlin Blvd. for this designation is Hwy. 224 to the north and River Road to the south. This will allow the appropriate pedestrian, bicycle and auto design features to be included through the entire extent of downtown Milwaukie without extending into the North Industrial area or south to unincorporated Clackamas County.

The Oregon Transportation Commission is expected to take action on Metro's request for the STA designation in downtown Milwaukie at their meeting on July 14, 2004. ODOT staff has indicated that a letter of support for this designation to the Oregon Transportation Commission would be helpful as the Commission takes action on this request. If the Council authorizes the Mayor to sign the attached letter, staff will fax the letter to ODOT staff in Salem for inclusion in the Commission's packet. Staff believes that this designation will be helpful during the negotiation of the final design of the McLoughlin project. Design is currently underway and will be concluded by summer 2004.

Concurrence

The City Manager, Community Development & Public Works Director, Engineering Director and Planning Director concur with the STA designation.

Fiscal Impact

The STA designation has no direct fiscal impact on the City. All of the STA design features are already included in the budget for the McLoughlin Blvd. project.

Work Load Impacts

The STA designation offers no direct workload impacts. Negotiations with ODOT for certain roadway design features will be easier with the designation.

Attachments

Letter of support to Oregon Transportation Commission



Oregon Transportation Commission
355 Capitol St. NE Room 101
Salem, OR 97301-3871

RE: Special Transportation Area designation in Milwaukie

Dear Commissioners:

The City of Milwaukie supports Metro's recommendation to designate a Special Transportation Area along Hwy. 99E through downtown Milwaukie. The designation will help ODOT and Milwaukie city staff negotiate mutually beneficial design elements into a \$4.1 million boulevard project along McLoughlin between Harrison & Washington Streets.

The City of Milwaukie has been working with ODOT staff since 2000 to implement a bold downtown plan that envisions strong connections between downtown Milwaukie and the future Milwaukie Riverfront Park. Better traffic signal spacing, a new traffic signal, wider sidewalks, street trees, a planted median and a narrower cross section design are among the improvements that will help the City achieve its long term vision to build a strong connection between downtown and the riverfront park. The STA designation will be helpful in achieving these goals.

The City appreciates ODOT staff's help in moving this recommendation from Metro's JPACT to the Oregon Transportation Commission. Lidwien Rahman and Robin McArthur of ODOT Region 1 were especially helpful to the City over the past three months.

We look forward to Commission's endorsement of this recommendation in January. Please contact Alice Rouyer, Director of Community Development & Public Works at (503) 786-7654 if you have any questions.

Sincerely,

James Bernard
Mayor

RESOLUTION _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, OPPOSING THE FORMATION OF AN ELECTRIC PEOPLE'S UTILITY DISTRICT IN CLACKAMAS COUNTY.

WHEREAS, Portland General Electric (PGE) has been serving Oregon for over 100 years; and

WHEREAS, condemnation of this business through establishment of an entirely new government entity with independent taxing powers is a distraction the community does not need as it struggles to maintain existing businesses and government services; and,

WHEREAS, condemnation of private businesses sends the wrong messages to businesses looking to invest in Oregon; and,

WHEREAS, a PUD would add uncertainty to an economy that is strained and would further promote the view that Oregon and Clackamas County are "anti-business;" and,

WHEREAS, a start up government utility would need to go deeply into debt to acquire the facilities of the two companies and such debt would have to be repaid either through rates or through additional taxes; and,

WHEREAS, A PUD condemnation proceeding will result in protracted litigation taking years and millions of dollars to resolve; and,

WHEREAS, creating a new government utility could cost Oregon private sector jobs; and,

WHEREAS, a start-up government utility would own little, if any power generation and would be dependent on the volatile wholesale market for nearly all power supply; and,

WHEREAS, the proposal to form a new People's Utility District in Oregon will increase uncertainty and risk for customers of Portland General Electric; and,

NOW, THEREFORE BE IT RESOLVED, that the Mayor and the city council of the City of Milwaukie oppose the formation of the PUD and the subsequent condemnation and forced government takeover of the assets of the Portland General Electric distribution system in Clackamas County.

Approved and effective on this _____ day of _____, 2003.

James Bernard, Mayor

ATTEST:

City Recorder

RESOLUTION NO. 20-2003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON IN OPPOSITION TO THE FORMATION OF AN ELECTRIC PEOPLE'S UTILITY DISTRICT (PUD) IN MULTNOMAH COUNTY

WHEREAS, a petition to form a Multnomah County Electric PUD has been filed with Multnomah County; and

WHEREAS, the PUD petitioners have stated that they intend to provide electric energy within the proposed Multnomah County PUD in part with assets currently owned by Portland General Electric (PGE); and

WHEREAS, partitioning the current PGE system into smaller units will cause increased costs to remaining customers outside of Multnomah County; and

WHEREAS, a PUD will create uncertainty in an economy that is already strained, promoting the view that the Metro area is "anti-business," thus sending a negative message to businesses considering the Willamette Valley area a place to locate or expand at a time when the Oregon economy is struggling; and

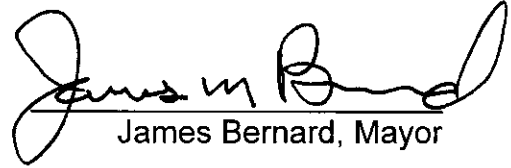
WHEREAS, local governments face the loss of millions of dollars annually in property taxes paid by PGE and Pacific Power; and

WHEREAS, the new proposed PUD will not have access to lower-priced BPA preference power in the foreseeable future, and, even when available, BPA rates have increased forty-five (45) 45 percent in the last two years and are due to increase another fifteen (15) percent this year; and

WHEREAS, a start-up government utility would almost certainly commence operations with no power generation and would be dependent on the volatile wholesale market for nearly all power supply. It would sever Multnomah County from the integrated generating, transmission and distribution systems of PGE and Pacific Power;

NOW, THEREFORE, BE IT RESOLVED, that the Milwaukie City Council opposes formation of the Multnomah County PUD.

Introduced and adopted by the City Council of the City of Milwaukie on the
20th day of May 2003.


James Bernard, Mayor

ATTEST:



Pat DuVal, City Recorder

APPROVED AS TO FORM:



Ramis, Crew, Corrigan & Bachrach, LLP

RESOLUTION NO. 40-2003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, IN OPPOSITION TO THE FORMATION OF AN ELECTRIC PEOPLE'S UTILITY DISTRICT (PUD) IN YAMHILL COUNTY

WHEREAS, Portland General Electric (PGE) has been serving Oregon for over 100 years; and,

WHEREAS, condemnation of a private business through establishment of an entirely new government entity with independent taxing authority is a distraction the community does not need as it struggles to deal with maintaining existing businesses and government services; and,

WHEREAS, condemnation sends the wrong messages to businesses looking to invest in Oregon; and,

WHEREAS, a PUD would add uncertainty to an economy that is already severely strained and further promote the view that Oregon is "anti-business;" and,

WHEREAS, local government services face the prospect of losing as much as \$60 million annually in taxes and franchise fees paid by PGE; and,

WHEREAS, energy conservation and renewable programs in Oregon stand to lose an estimated \$10-15 million a year in public purpose funds; and,

WHEREAS, a start up government utility would need to go deeply into debt to acquire the facilities of PGE and such debt would have to be repaid either through rates or through new taxes; and,

WHEREAS, a PUD condemnation proceeding will result in protracted litigation taking years and millions of dollars to resolve; and,

WHEREAS, creating a new government utility could cost Oregon thousands of private sector jobs and create a negative impact on the overall economy; and,

WHEREAS, a start-up government utility would own little, if any power generation and would be dependent on the volatile wholesale market for nearly all power supply; and,

WHEREAS, Yamhill County would no longer be served by the integrated generation, transmission and distribution systems of PGE; and,

WHEREAS, using the state's limited federally tax-exempt bonds to purchase PGE's distribution system in Yamhill County would harm the state's low-income housing and economic development programs and local efforts; and,

WHEREAS, PGE contributes nearly \$1 million each year to local charitable causes – contributions that are not charged to ratepayers; and,

WHEREAS, PGE has a demonstrated record for high customer service satisfaction and exceptional reliability performance; and,

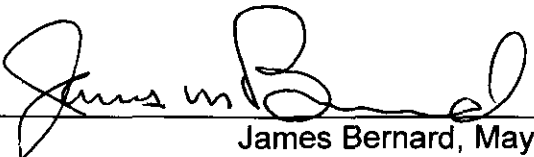
WHEREAS, the proposal of government take-over by formation of a new People's Utility District in Yamhill County will increase uncertainty and risk for the remaining electric customers of PGE; and,

WHEREAS, The Yamhill PUD proposal offers not a single persuasive argument for customers of PGE to support formation; and,


NOW, THEREFORE BE IT RESOLVED, that the Mayor and the city council of the City of Milwaukie oppose the formation of the PUD and the subsequent condemnation and forced government takeover of the assets of Portland General Electric's distribution systems in Yamhill County.

Introduced and adopted by the City Council of the City of Milwaukie on September 16, 2003.

This resolution is effective September 16, 2003.


James Bernard, Mayor

ATTEST:


Pat DuVal, City Recorder



The Oregonian 12/10/2003 - Metro

PUD gains ample signatures

- [PUD Facts & Answers](#) ▶
- [PGE & Allies Misdeeds](#) ▶
- [Refundable Donations](#)
- [Non-PUD Acquisition](#)
- [PGE Bankruptcy Plan](#) ▶
- [Several Dozen Quotes](#)
- [PGE Democrat Bashing](#)
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- [Property Tax Issue](#)
- [The Reliability Issue](#) ▶
- [The Oregon PUC](#) ▶

Backers hope a measure to form a Clackamas County public utility district for electricity will appear on the May ballot

By **SARAH HUNSBERGER**
THE OREGONIAN

GLADSTONE — A petition to form a Clackamas County public utility district contained more than enough valid signatures to put the question on the ballot next year, county elections officials said.

Sherry Hall, county clerk, sent a memo to county commissioners this week certifying that the petitioners gathered 4,340 valid signatures. The law required 3,827 signatures.

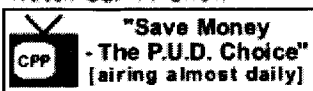
The measure is headed for the May ballot but first will be the subject of a couple of public hearings and a study by state energy officials.

"It came out great," said Barbara Kemper, one of the chief petitioners. She said she was thrilled that the measure qualified for the ballot with signatures to spare.

The initiative would ask county voters to approve formation of a new public utility to provide electricity service, not including the area now served by the Canby Utility Board, a municipal public utility. It also would ask voters to allow the PUD to impose a one-time levy to pay for an engineering study. Most households would pay less than \$1 total for the one-time levy, said Tom Civiletti of the Oregon Public Power Coalition.

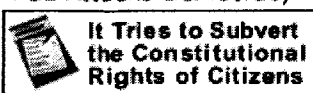
The new public utility would have the power to condemn Portland General Electric's assets and begin providing electricity to customers.

Watch Our TV Show



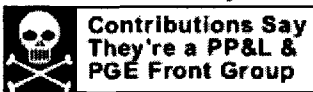
Click Above for the Schedule

PGE Attacks Democracy



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Deceitful Citizens Against...

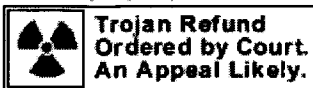


Click Above

The proposal is nearly identical to one Multnomah County voters rejected in November. Similar proposals also are in the works in Washington, Yamhill, Marion and Polk counties.

Jim Coleman, county counsel, told county commissioners during a work session Tuesday that there are several steps before an election can occur.

PGE Improperly Collected...

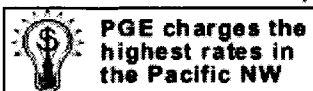


Click Above

The Oregon Office of Energy has to hold a public hearing at least 30 days after receiving the petition and publish an informational report on the proposal within 60 days.

"We don't make a decision one way or another whether this is a good idea or not," said Diana Enright, an Office of Energy spokeswoman. Enright said the report must address how the proposed district might affect taxes and power rates, although she said that's often difficult to determine.

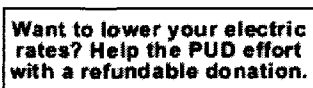
PUDs are Business Friendly



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Once the Office of Energy completes its report, the Clackamas County commissioners will hold a hearing. The commissioners will be responsible for setting the boundaries of the proposed PUD and setting an election date.

Make a Donation!



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Petitioners submitted their signatures so the measure could appear on the May ballot, and county commissioners said Tuesday that they're aiming for that election.

Portland General Electric, which heavily financed a campaign against this year's failed Multnomah County proposal, will also oppose the Clackamas County proposal.

"We're basically preparing for putting together a campaign and would expect to file the necessary papers when the ballot measure is created," said Scott Simms, a PGE spokesman.

Simms said PGE was encouraged by the defeat of the Multnomah County measure.

But Kemper also said she's encouraged by the Multnomah County measure.

"I've talked to some people from Multnomah County, and they began to get very aware of how PGE was really overloading the whole airwaves and everything with propaganda. . . . They started to get suspicious of that," Kemper said. "I think that we have a pretty good chance partly because of that, and partly because we have a little better idea of how to handle a campaign ourselves now."

Sarah Hunsberger: 503-294-5922; shunsberger@news.oregonian.com



TO: Mayor and City Council
FROM: Mike Swanson, City Manager
DATE: December 29, 2003
RE: Annexation of the City to Clackamas County Fire District 1
("District")

ACTION REQUESTED

The action that is requested of Council is direction to staff to prepare and present to the Council a resolution and supporting financial data proposing annexation of the City by the District.

BACKGROUND

In 1999 the City and District "consolidated" fire and emergency medical services. This was accomplished by contract between the parties that provides, among other things, for a transfer of the City's Fire Department employees to the District and appointment of the District Fire Chief as the City's Fire Chief.¹ The City pays the District an annual amount for the cost of the services provided. Facility maintenance costs are borne by the City.

In 2002 the City Council adopted a resolution proposing annexation of the City to the District, and the District Board approved the request and was prepared to forward it to the voters for their consideration.²

The attached June 5, 2002 Council Staff Memo argued that annexation to the District would serve two purposes. One was to free General Fund money for other uses, and the other was to strengthen the City's political influence within the District. If the annexation had been approved, it would have served as a tax increase. This was openly acknowledged as a major purpose of the annexation. However, in discussions with community members it was apparent that the

¹ Attached to this memorandum is a May 24, 2002 memorandum regarding "Costs/Benefits of Fire District Contract" that was generated to address the question of the savings that had been generated by the consolidation.

² Attached to this memorandum is a June 5, 2002 Council Memo regarding "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, PROPOSING ANNEXATION OF THE ENTIRE CITY TO CLACKAMAS COUNTY FIRE DISTRICT NO. 1 FOR THE PURPOSE OF RECEIVING SERVICES FROM THE DISTRICT" together with a copy of the resolution that was adopted.

proposal was far too complicated. If additional revenue was needed, the community's advice was to make a direct request for it. Thus, the annexation was abandoned, and a local option levy was placed on the ballot. When it chose this course the Council noted that annexation should still be pursued "as a housekeeping measure" in 2004—thus this proposal.

The process for annexation is relatively simple. The Council forwards a request to the District Board, who will consider it. If the District Board approves the request, it will notify the City, and the Council orders an election. This election is proposed for September 2004.³ Oregon City is considering similar action.

The reasons for annexation to the District remain the same as in the past. First, the cost savings that prompted the original consolidation remain and are made permanent through annexation. Much of the savings can be attributed to administrative savings and the ability to better plan the emergency response system. For example, elimination of two chiefs when one could serve an area is an administrative savings that is apparent. In addition, the ability to better plan station locations over a larger area permits elimination of facilities that "over serve" an area. Second, the present contractual arrangement has served both organizations since 1999, but it also deprives the City of real political influence, and it does not permit either to plan for the long-term. As a contract city Milwaukie has no vote in District matters nor are its citizens eligible for District Board membership. Third, City residents benefit from the size and professionalism of the District. The District was the first fully accredited fire department in the State. Without the resources of a large department, accreditation would not have been possible. Fourth, a successful annexation does free the General Fund of the obligation to fund the District contract. The amount is roughly equivalent to the District's permanent rate. Simply put, the City would gain the authority to levy roughly an additional amount, because the funds that are freed are within its permanent rate. However, I believe that it would be a mistake to exercise this authority. Annexation to the District should be pursued for its own sake because it serves a valid public purpose on its own. The revenue authority that a successful annexation provides should be reserved to the future.

Our 2002 local option levy and the County's 2003 transportation utility fee were defeated within the City by roughly the same margin—and that margin was wide. We need additional revenue to provide the essential public services we believe this community needs and wants, but for the time being we are being told time and again not to seek them from new taxes. Therefore, I believe that we will need to pledge not to use the authority gained from a successful annexation to increase the tax burden on Milwaukie's citizens. If that choice is to be made, it will have to await future action.

³ The Oregon Legislature recently adopted HB 2818. It eliminates the need for the District Board to call an election within the District if the population of the City to be annexed is less than twenty percent of the population of the District. However, an election may be required upon presentation of a petition signed by ten percent of the electors of the District or 100 electors of the District.



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Local People.

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Norm Whitely takes over Clackamas County Fire

David Stroup - 09/30/03

North Clackamas welcomes a new fire chief this week with the selection of longtime local firefighter Norm Whitely to replace Randy Bruegman, who left to take over the Fresno, Calif. Fire Department.

Whitely's been in the fire service for some 33 years — all either with Clackamas County Fire District #1 (CCFD) or working for one of the smaller local agencies that eventually became part of CCFD through mergers. He'll take over the regional fire district at a time when budgets are tight and the district is trying to reclaim tax revenue now going to special districts.

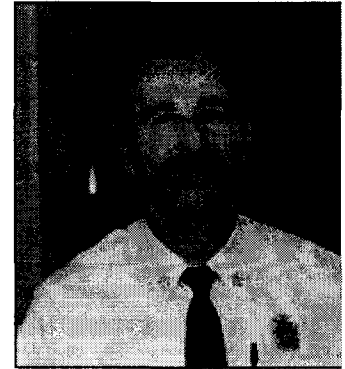


Photo by DAVID
STROUP
Chief Norm Whitely

"When a new leader comes on board," Whitely said, "the most important thing to me is to assemble ... to focus on what our strategic plans and goals and objectives are — to review, and draw a road-map of how we'll meet those goals."

The man he's replacing, Bruegman, also held the position of President of the International Association of Fire Chiefs. The departing chief said farewell Sept. 9, and the CCFD Board decided to find a new chief from within the organization's ranks.

"I believe the state of the department is excellent," Whitely said — though he added that "one of the priorities is stabilizing funding."

Fire-service experience

Whitely's family moved from California to the Beavercreek area when he was just 12. "For the most part, I've lived in the Oregon City, Beavercreek Clark area for the past 38 years," he said.

He said he got his start in the fire service when he was just 16: "That was back in the days — in 1970 — when Beavercreek had a little two-bay station, all volunteer. It was a lot of young adults there who volunteered for the community," he said. "I got to live a young man's dream, I guess. There weren't a lot of calls — grass fires, out-buildings and barns, a few structure fires. We had very limited equipment — 'turn-out' coats and helmets. We didn't even have boots and pants."

He graduated high school and joined a "volunteer sleeper program" with Oregon City. "You move into the fire station to live — and to take calls and get training," he explained. "I lived there for four years as a volunteer sleeper, and worked part-time when they were short." Back then, Oregon City's department was sharing facilities with a CCFD crew. "I got to go out with two fire departments," he said. "One was more rural, the other was city fire department ... and I knew quite early that was what I wanted to do."

Over the years, he said, he's seen a lot of changes in local fire service — "just enormous changes — safety, but in the services we provide to the public, as well." That includes emergency medical services, fire prevention and local and regional fire planning. "The fire service has taken leaps and bounds over the past 33 years ... to what it is today."

Budget battle brewing?

"Randy left the department in good shape," Whitely said. The new chief believes CCFD doesn't face a budget shortfall right now — but he said the agency *does* need to look at their future funding levels.

He said no new bonds or levies will likely be needed; their last bond paid for several new fire stations and station remodels, and there's even mon

left over for a Pleasant Valley expansion. "I think we're doing fine there," he said.

CCFD officials are also planning to cope with the expansion of the Urban Growth Boundary towards Damascus and Boring. "We're working closely with [Metro]," he said. Fire service is currently provided out there by the Boring Rural Fire Protection District: "I think they would possibly talk about a possible merger ... or a sharing of services," Whitely said.

Potentially overshadowing other budget issues, however, is Clackamas County Fire's quest for the return of the Tax Increment Financing (TIF) money. Those funds are currently going to special Urban Renewal districts; Bruegman said that CCFD is losing some \$1.6 million a year it could be receiving.

"It's one of the [Fire] Board's major objectives to recapture that revenue for fire protection," Whitely said. "I do feel that the taxpayers in Fire District #1 shouldn't be subsidizing regional issues from fire tax dollars

Still, Whitely said he's looking forward to working with officials to sort out the district's issues; he believes they'll have to put some work into educating people about the district's positions and concerns.

"I've put my entire life and career into the Fire District," he said. "I would probably call myself a firefighter's chief.... That's where I come from. I want to keep in touch with the people out there on the street — the line personnel. I look forward to that."

Share your thoughts & opinions with our editor.

(If you don't include your address and phone number. We will not be able to publish your comments. Your e-mail address will not be published.)

[Home]

Seat belt save lives! So buckle up.

Monday, December 29, 2003

FOR LIFE YOUR FRIEND.....



11:20:04 AM

**CLACKAMAS COUNTY FIRE DISTRICT #1
ORGANIZATIONAL CHART**

- Fire Prevention
- Training Division
- How to Reach Us
- Specialty Rescue
- Volunteer Services Program
- Employment
- Clackamas Fire & Emergency Medical Service Foundation
- Making a Donation
- Organizational Chart
- Mission Statement

CITIZENS				
BOARD OF DIRECTORS				
<p>FIRE CHIEF <i>Norm Whiteley</i> New Construction Projects Budget</p>				
<p>ADMINISTRATIVE SERVICES / HR <i>Chief Norm Whiteley</i></p> <p>Payroll Finance Information Systems Benefits Personnel Policies Career Development Hiring Civil Service Wellness</p>	<p>COMMUNITY SERVICES FIRE PREVENTION <i>DC Scott Weninger</i></p> <p>Public Education/Information Internal Security Community Events Inspections Fire Cause Determination Marketing Code Enforcement Data Collection</p>	<p>EMS, PLANNING, GOV'T RELATIONS <i>Kyle Gorman</i></p> <p>Emergency Medical Services Emergency Management Financial Analyses Logistics Gvmt Agencies Interaction Physician Services Performance Measurement Accreditation Grant Administration</p>	<p>OPERATIONS <i>DC Ed Kirchhofer</i></p> <p>Emergency Operations Safety Exposure Control Operational Training Technical Rescue Standards of Response Fleet Maintenance Research & Development New Vehicle Acquisitions</p>	<p>TRAINING <i>BC Marc Crain</i></p>

TO: Mayor and City Council
FROM: Mike Swanson, City Manager
DATE: May 24, 2002
RE: Costs/Benefits of Fire District Contract

During the budget presentations there was a question asked about the true savings generated by the contract with CCFD1. Apparently, the Council was quoted a minimal savings of \$7,500 in the first year at some time in the past. I asked Steve to resurrect some numbers to test that figure, and the savings were considerably more.

What follows below is a comparison that carries the following assumptions:

- I have backed out administrative costs of doing business. That is the amount charged to a department for the various administrative functions, but it does not exclude the administrative personnel carried by the department—in this case, for example, the Chief. The reason this is being done is two fold:
 - First, our administrative charges do not seem to be consistent over time, and, therefore, they are not useful in making an analysis of the cost savings over a number of years. Frankly, I don't understand the methodology used prior to my assumption of this job.
 - We eliminated administration from the fire budget effective this fiscal year. You will recall that we adopted a simple methodology that allocated costs according to a department's City funded FTEs. Since CCFD1 personnel were not City employees, they do not give rise to the same level of administration. If we did not exclude administration from all years, the FY 2001-02 numbers would overstate the savings. (I did not eliminate facility charges, even though there was at least a one-time jump that I cannot explain. The contract provides that the City pay the facility charges, so it is a cost that we bear, and it is properly included in the analysis. It is, however, a cost that should have been more properly assessed against CCFD1. Perhaps it was not because the contract did not originally compensate them at an amount equivalent to the rate they charge within the District.)
- I used the year prior to the "consolidation" as the base year for comparison purposes. In addition, I did not use the budgeted figure, but, rather, I used the actual, audited expenditure (except in the final year, inasmuch as the audit is not completed). I also increased it by 3% per year.

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Personnel	\$1,044,471	0	0	0	0
Materials & Services	\$1,794,058	\$201	\$68	\$42	\$40
Admin	(\$279,947)	(\$361,717)	(\$273,107)	(\$255,799)	0
Facility	\$173,649	\$261,120	\$161,926	\$168,218	\$157,689
Vehicle	0	\$57,510	\$70,753	\$39,918	\$5,314
Dispatch	0	\$35,000	0	0	0
Capital	\$29,994	0	0	0	0
Contract	0	\$2,365,114	\$2,436,370	\$2,484,720	\$2,620,262
Total Cost (Less Admin)	\$2,762,225	\$2,357,114	\$2,396,010	\$2,433,099	\$2,783,305
FY 1998 Plus 3%	N/A	\$2,845,092	\$2,930,444	\$3,018,358	\$3,108,909
Difference Between City Owned Department and Contract	N/A	\$487,978	\$534,434	\$585,259	\$325,604

Although they decrease in the past year, similar savings should continue. The contract cost has been gradually increased over the life of the agreement to more closely approximate CCFD1's actual tax rate. The FY 2002 contract amount brings us very close, so the contract cost will now slow as the base year continues to climb by the assumed 3%.

TO: Mayor and City Council
FROM: Mike Swanson, City Manager
DATE: June 5, 2002
RE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, PROPOSING ANNEXATION OF THE ENTIRE CITY TO CLACKAMAS COUNTY FIRE DISTRICT NO. 1, FOR THE PURPOSE OF RECEIVING SERVICES FROM THE DISTRICT.

ACTION REQUESTED

Adopt a resolution proposing annexation of the City to Clackamas County Fire District No. 1. for the purpose of receiving services from the District.

BACKGROUND

Financial Forecast

We have balanced the FY 2002-2003 City budget. Our projections for the following fiscal year show a General Fund shortfall of between \$1,100,000 and \$1,200,000.

Oregon State and local governments have been making similar claims since at least the passage of Ballot Measure 5 in 1990, only to subsequently balance budgets that were claimed to be short of funds. It appears to the public that there is a pattern of bad news followed by last minute good news that leads to a solution. The reality, however, is something different.

What looks like previously undiscovered funds or last minute financial out of the box thinking is all too often just a simple decision to dip into reserves. It is no different from a personal savings account. One establishes a personal spending pattern, but the costs of supporting it have risen. In order to maintain the same spending pattern you dip into savings until they run out. You are then faced with the decision either to eliminate a spending priority(ies) or increase revenues.

Current Service Levels

The City is in the same position. We provide a basic, supported level of services. We provide a level of police protection of 1.5 officers per 1,000 population, which is more intense than the unincorporated areas that surround us. We will be doubling our code enforcement efforts by an additional staff position, which is more intense than the unincorporated areas that surround us. Our library will be increasing its hours by seven per week and serves both City and unincorporated residents. (We are reimbursed for the latter by funds from the County's General Fund.) We have a public participation effort in our Neighborhood Services Department and Public Access Studio that is more intensely involved with our citizens than the unincorporated areas that surround us. In short, we are a City.

These are examples of the services that will have to bear much of the burden of a FY 2003-2004 General Fund shortfall. They provide a level of service that distinguishes us from unincorporated Clackamas County. In addition, they derive most or all of their funding from the General Fund; it is their revenue source that is most in jeopardy.¹

Proposal

Thus far I have discussed only one solution—namely, cuts in services. That focuses on the expenditure side of the budget. There is another solution available—namely, increasing revenues to meet the projected shortfall. This can be done in a number of ways that have been discussed before.² Annexation of the City to CCFD1 increases the City's available revenues by freeing the General Fund of the obligation to pay for the contract between CCFD1 and the City. It is a tax increase, inasmuch as the annexation imposes the District's permanent tax rate of \$2.4012/\$1,000 valuation on City residents.

But increasing the availability of revenues to support City services is not the only reason to support annexation. Clackamas County Fire District No. 1 is the only fire department in the State that has been fully accredited. It is a well-managed organization that is staffed by a dedicated cadre of professionals, many of whom once served within the City of Milwaukie. Our current contract with the District ensures that we receive fire suppression, prevention, and education from a department recognized as one of the best. At the same time, Milwaukie citizens

¹ We will also have to share any cuts with other possible sources. However, the choices are limited. We would make cuts within Administrative Services, however, any cut of one dollar only return half that amount to the General Fund as the costs are shared throughout the City. In addition, many departments within JCB do not derive their funding from General Fund dollars, and, therefore, cuts within those departments do not help.

² Briefly, there are four options open to us. The first, of course, is to do nothing. The second is to seek voter approval of a general operating local option levy. The third is to seek voter approval of a special purpose local option levy. The final option is for CCFD1 to annex the City to the District, thus freeing the General Fund dollars currently used to pay for the contract between CCFD1 and the City.

are not eligible to occupy a seat on the District's Board of Directors, nor are Milwaukie taxpayers eligible to vote in District affairs. Annexation ensures that Milwaukie's citizens are full partners in this department.

Annexation Process

The process for annexation is relatively simple. First, the Council forwards a request to the District Board (see attached draft). That action will be on the Council's June 18, 2002 agenda. The District Board will consider the request, and, if approved, it will notify the City and order an election within the District. Upon notification, the Council will also order an election within the City. The ballot question will be on the November ballot in both the District and City, and it will require an affirmative vote in both. If passed, City taxpayers will see the District's tax rate on tax statements they receive in the Fall, 2003. That rate will be effective July 1, 2003. In addition, the District's bonded debt rate of \$.17/\$1,000 valuation will also be imposed pursuant to State law.³

CONCLUSION

We are faced with a problem that will not eliminate itself with additional, as yet undiscovered revenues. It is a challenge that others have recently faced. Cities such as Canby have made deep cuts in services to meet their revenues.⁴ Milwaukie has made many of those cuts over the past years. Previous Budget Committees and Councils anticipated this scenario and adjusted expectations. This year I have recommended only 17% of the capital requests for building repairs and improvements. This is not because requests were frivolous, but, rather, the recommendation was made because of a lack of funds. Within the Materials and Services budget category, many downward adjustments were recommended. Again, this is a reflection of declining revenues.

I believe that we have a story to tell. This staff consists of the most dedicated people I have worked with in local government. This community consists of the most active, dedicated people I have worked with in local government. They do not show up for one meeting a month to hear a presentation or two—they actually do something (and know a lot). We provide a level of services that

³ Chief Bruegman and I have discussed this issue in light of the fact that City residents are already paying for the Public Safety Building. There is no way to eliminate the District's assessment for their buildings. However, we have agreed that we would seek to neutralize the effect by adjusting lease payments by the District for use of the Public Safety Building. We would then credit that adjusted amount to the Public Safety Debt Service Fund and reduce the tax burden on City residents by an equivalent amount. If we cannot reach agreement on this issue, we can still choose not to pursue the annexation and redirect our efforts toward a local option levy. Our deadline for placing a question before the voters in November is August 27, 2002.

⁴ Call the City of Canby any time and you will get a message that they are open from Monday through Friday from 1:00 P.M. until 5:00 P.M. In the recent Primary Election Canby voters approved additional taxes to keep the public swimming pool open, but they rejected a local option levy to fund police.

people seem to support. It is not a particularly rich level of services, but it seems to meet the needs of citizens.⁵ If we are to continue that level of services, we will need to expand our revenues. Annexation of the City to CCFD1 could accomplish that while ensuring services from a leader in the field.

RECOMMENDATION

Approval of the attached resolution.

⁵ In the next few months we will be exploring alternate ways of delivering some of our services in order to effect savings. For example, the purchase of dispatch services is projected to save \$300,000 annually. In addition, I am in discussions with a private vendor about the possibility of purchasing parking enforcement services that could expand our parking patrol into the neighborhoods while providing enough savings to support the addition of the Code Enforcement position.

VI. B. 5

TIMELINE
ANNEXATION OF CITY TO DISTRICT

1. City staff prepares report for City Council. Report covers: 1) Why this is being suggested, what's the problem being addressed; 2) Financial effect on City; 3) Financial and service effects on City residents/taxpayers; 4) Financial and service impact on District. The District may be in the best position to address # 4 and at least part of #3. **Responsible Party: Mike Swanson.** *Timeline: Now through June 11th.*
2. City staff prepares motion or resolution [I think a formal resolution with "whereas" clauses outlining the rationale is preferable] proposing annexation of the City to the Fire District. **Responsible Party: Gary Firestone.** *Timeline Now through June 11th.*
3. Report and Recommendation presented to City Council. **Responsible Party: Mike Swanson.** *Timeline: June 18th.*
4. Resolution adopted by City Council and certified to District Board. **Responsible Party: City Council.** *Timeline: June 18th.*
5. Copy of certified Resolution transmitted to District Board. **Responsible Party: City Recorder or other designee.** *Timeline: June 19th.*
6. District prepares Notice of August 6th District Board hearing. **Responsible Party: District Staff.** *Timeline: June 26th.*
7. District sends notice of August 6th District Board meeting to necessary parties [as defined in Metro Code] and posts at place of meeting and multiple places in the City and the District [minimum three places required by statute. I would suggest 20-30]. **Responsible Party: District Staff.** *Timeline: June 26th.* [District assumes its resolution or order is legislative rather than quasi-judicial thus obviating the need for ORS 197 notice to surrounding individual property owners.]
8. District advertises August 6th meeting in Clackamas Review on Thursday July 18th and Thursday July 25th. **Responsible Party: District Staff.** *Timeline: July 10th.*
9. District staff report addressing factors in Metro Code 3.09.050 (b) made available. **Responsible Party: District Staff.** *Timeline: July 19th.*
10. Prepare resolution or order calling election in the District for District Board to adopt on August Sixth. Resolution or order to include Findings and Reasons for Decision which satisfy seven criteria in Metro Code 3.09.050 (d). **Responsible Party: John Osburn.** *Timeline: August 2nd.*
11. Preparation of ballot title for District election. **Responsible Party: John Osburn.** *Timeline: Anytime before August 6th.*
12. District Board hearing and decision to approve or disapprove. If approval, District adoption of resolution or order calling election in District [including ballot title]. **Responsible Party: District Board.** *Timeline: August 6th.*

VI. B. 6

- a. District Elections Officer receives ballot title from District Elections Authority. **Responsible Party: District Elections Officer.** *Timeline: August 7th.*
 - b. District Elections Officer publishes Notice of Election. **Responsible Party: District Elections Officer.** *Timeline: Next Available Edition [after receiving ballot title] of Newspaper of General Circulation in District.*
 - c. Protests of ballot title must be filed. **Responsible Party: Elector Dissatisfied with Title of District Measure.** *Timeline: August 16th.*
13. District Board certifies resolution or order to City. **Responsible Party: District Board/Staff.** *Timeline: August 7th.*
14. City Attorney writes ballot title for City Council. **Responsible Party: Gary Firestone.** *Timeline: Anytime before August 20th.*
15. City Council calls election in City on the annexation of the City to the District. Council action includes "preparation of ballot title" as allowed by ORS 250.285. **Responsible Party: City Council.** *Timeline: August 20th.*
- a. City Elections Officer receives ballot title from City Council. **Responsible Party: City Elections Officer.** *Timeline: August 21st.*
 - b. City Elections Officer publishes ballot title. **Responsible Party: City Elections Officer.** *Timeline: Next Available Edition [after receiving ballot title] of Newspaper of General Circulation in City.*
 - c. Protests of ballot title must be filed. **Responsible Party: Elector Dissatisfied with Title of City Measure.** *Timeline: August 30th.*
16. City and District measures filed with County Elections. **Responsible Party: City & District Staff.** *Timeline: September 4th.*
17. Election held. **Responsible Party: County Elections.** *Timeline: November 5th.*

RESOLUTION NO. 17-2002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, PROPOSING ANNEXATION OF THE ENTIRE CITY TO CLACKAMAS COUNTY FIRE DISTRICT NO. 1, FOR THE PURPOSE OF RECEIVING SERVICES FROM THE DISTRICT.

WHEREAS, Clackamas County Fire District No. 1 ("the District") provides fire suppression, prevention, and education services and emergency medical services within the City of Milwaukie under contract with the City; and

WHEREAS, the District maintains fire stations that most directly serve the residents and properties of the City and which are located at 11300 SE Fuller Road, 3200 SE Harrison Street, 2930 SE Oak Grove Boulevard, and 6600 SE Lake Road; and

WHEREAS, the current contract cost paid by the City is roughly the same as that which would be imposed by the District's permanent tax rate of \$2.4012 per \$1,000 of valuation; and

WHEREAS, with annexation to the District residents of the City may assume a direct role in District affairs; and

WHEREAS, with annexation the District can directly levy property taxes for its services without passing through the City's budget process and residents of the City can vote on tax measures proposed by the District; and

WHEREAS, the City is satisfied with the excellent services provided by the District and desires that the District continue to permanently provide such services; and


WHEREAS, the District is locally, regionally, and nationally recognized as a leader in the effective delivery of fire and emergency medical services and is one of only two nationally accredited fire departments in the State of Oregon.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby proposes annexation of the territory within the City by the District for the purpose of providing fire and emergency medical services.

BE IT FURTHER RESOLVED, that the City Council respectfully requests that the District Board approve this request and take the necessary steps to effect the annexation.

Introduced and adopted by the City Council of the City of Milwaukie, Oregon, on June 18, 2002.

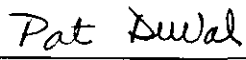
Effective date of this resolution is June 18, 2002.



James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM



Pat DuVal, City Recorder



Ramis, Crew, Corrigan & Bachrach, LLP