

RESOLUTION NO. 19-1997

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, SETTING THE AMOUNT, STATING THE METHODOLOGY AND ADOPTING A PROJECT PLAN FOR SYSTEM DEVELOPMENT CHARGES FOR WATER SERVICES; AND REPEALING RESOLUTION NO. 43-1994.

Whereas, Milwaukie Municipal Code Section 13.28.040 authorizes the establishment and amendment of system development charges for the City by resolution; and

Whereas, Milwaukie Municipal Code Section 13.28.050 provides for adopting by resolution the methodology used to establish the system development charges; and

Whereas, pursuant to Milwaukie Municipal Code Section 13.28.080 the City Council has the authority to adopt and amend its system development charge project plan by resolution; and

Whereas, Financial and Consulting Solutions Group, Inc. has reviewed annual budgets and the City's five year utility Capital Improvement Plan, has developed revised projections of revenues and expenses and has developed a recommendation for an increase in system development charges for water services; and

Whereas, the increase in charges is not an alternative source of funding to make up for as valorem property tax reductions:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Milwaukie that:

Section 1. Pursuant to Section 13.28.080 of the Milwaukie Municipal Code, the City of Milwaukie Capital Improvement Program for Fiscal Years 1997/1998 through 2001/2002 is hereby adopted for use as the water system development charge project plan for the City of Milwaukie.

Section 2. The methodology used for calculation of the water system development charge is as follows:

A. Utility Plant-in-Service (6/30/96)-For Reimbursement

	Replacement Cost*	Original Cost
Property, Plant & Equipment	\$19,034,210	\$10,157,025
less: Accumulated Depreciation	<u>\$7,087,348</u>	<u>\$3,781,947</u>
Net Plant in Service	\$11,946,862	\$6,375,078

less: Utility Debt Outstanding	\$330,000	\$330,000
less: Contributed Capital net SDC Payments	\$3,930,030	\$2,097,141
plus: Accumulated Depreciation on Contributed Capital	<u>\$2,181,683</u>	<u>\$1,164,189</u>

Net Utility Cost or Value**

Replacement Cost less Contributed
Capital, Debt Outstanding and
Depreciation=

\$9,868,515

*Assumes Average Asset Age of 17 Years

**Typically, Original Cost bases define cost;
Replacement Cost bases are an approximation
of value

B. Future Capital Needs for Improvements

Improvements to Plant	<u>\$3,073,000</u>
Total	\$3,073,000
less: Available Capital Funds	<u>\$0</u>
Net Future Facilities Cost	\$3,073,000

C. Capacity Analysis

Growth Rate	0.6%	
Existing Number of ERUs		11,475
Additional ERUs Available w/Improvements		<u>348</u>
Total Available Capacity		11,824

D. Calculation of System Development Charges

Total Capacity in Units		11,824
1. Reimbursement Fee		
Total Capacity Investment	\$9,868,515	
Reimbursement Fee per unit		\$835
2. Improvement Fee		
Future Facility Costs	\$3,073,000	
Improvement Fee per unit		\$260
3. Integrated System Development Charge		
Reimbursement Fee		\$835
Improvement Fee		<u>\$260</u>

Total System Development Charge

\$1,095


Section 3. Based upon the methodology set out in the above section, the total water service system development charge for the City of Milwaukie is \$1,095, to be collected at the time of issuance of any permit listed in Milwaukie Municipal Code Section 13.28.090(A).

Section 4. The City Council determines that the fees, rates or charges imposed by this resolution are not a tax subject to the property tax limitations of Article XI, Section 11(b) of the Oregon Constitution.

Section 5. The fees and charges established in this resolution shall be effective on July 1, 1997.

Section 6. Resolution No. 43-1994, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, SETTING THE AMOUNT, STATING THE METHODOLOGY AND ADOPTING A PROJECT PLAN FOR SYSTEM DEVELOPMENT CHARGES FOR WATER SERVICES; AND REPEALING RESOLUTION NO. 22-1991, is hereby repealed.

Introduced and adopted by the City Council on May 20, 1997.


Craig Lomnicki, Mayor

ATTEST;

Pat Dewal
City Recorder

APPROVED AS TO FORM:

Paula J. Bury
City Attorney