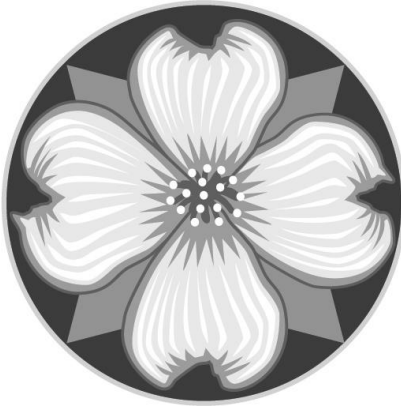




Regular Session

RS

Milwaukie City Council

COUNCIL REGULAR SESSION

City Hall Council Chambers, 10722 SE Main Street
& Zoom Video Conference (www.milwaukieoregon.gov)

REVISED AGENDA**FEBRUARY 1, 2022**

(Revised January 31, 2022)

Council will hold this meeting by video conference and will take limited in-person testimony.

The public is strongly encouraged to participate in this meeting by joining the Zoom webinar or watching live on the [city's YouTube channel](#) or Comcast Cable channel 30 in city limits. The public may come to City Hall to provide in-person comment only; all in-person audience member(s) will be asked to leave the building after they have made their comments.

To participate in this meeting by phone dial 1-253-215-8782 and enter Webinar ID 850 4752 8318 and Passcode 776934. To raise your hand by phone dial *9.

Written comments may be submitted by email to ocr@milwaukieoregon.gov. Council will take limited verbal comments. **For Zoom webinar login information** visit <https://www.milwaukieoregon.gov/citycouncil/city-council-regular-session-317>.

Note: agenda item times are estimates and are subject to change.

Page #

1. **CALL TO ORDER** (6:00 p.m.)
 - A. **Pledge of Allegiance**
 - B. **Native Lands Acknowledgment**
2. **ANNOUNCEMENTS** (6:01 p.m.) **2**
3. **PROCLAMATIONS AND AWARDS**
 - A. **Celebrating Black Excellence Month – Proclamation** (6:05 p.m.) **4**
Presenters: Desi Nicodemus, Councilor, and
The Milwaukie Historical Society
4. **SPECIAL REPORTS**
 - A. **Fiscal Year (FY) 2021 Audit – Report** (6:15 p.m.) **6**
Staff: Bonnie Dennis, Finance Director
5. **COMMUNITY COMMENTS** (6:35 p.m.)

To speak to Council, please submit a comment card to staff. Comments must be limited to city business topics that are not on the agenda. A topic may not be discussed if the topic record has been closed. All remarks should be directed to the whole Council. The presiding officer may refuse to recognize speakers, limit the time permitted for comments, and ask groups to select a spokesperson. **Comments may also be submitted in writing before the meeting, by mail, e-mail (to ocr@milwaukieoregon.gov), or in person to city staff.**

6. CONSENT AGENDA (6:40 p.m.)

Consent items are not discussed during the meeting; they are approved in one motion and any Council member may remove an item for separate consideration.

- | | |
|---|--------------|
| A. Approval of Council Meeting Minutes of: | 166 |
| 1. January 4, 2022, work session, and | |
| 2. January 4, 2022, regular session. | |
| B. An Appointment to the Arts Committee – Resolution | 174 |
| C. Authorization of a Contract for Park Design Services – Resolution | 177 |
| D. A Nomination to the Milwaukie Community Center / Community | 199-1 |
| Advisory Board (C/CAB) – Resolution (added to the agenda) | |

7. BUSINESS ITEMS

- A. None Scheduled.**

8. PUBLIC HEARINGS

- A. Comprehensive Plan Implementation, Tree Code Amendments 201**
(continued) – Ordinance & Resolution (6:45 p.m.)
Staff: Natalie Rogers, Climate & Natural Resources Manager, and
Vera Kolias, Senior Planner

9. COUNCIL REPORTS (8:55 p.m.)

10. ADJOURNMENT (9:00 p.m.)

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at ocr@milwaukieoregon.gov or phone at 503-786-7502. To request Spanish language translation services email espanol@milwaukieoregon.gov at least 48 hours before the meeting. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [city's YouTube channel](#) and Comcast Channel 30 in city limits.

Servicios de Accesibilidad para Reuniones y Aviso de la Ley de Estadounidenses con Discapacidades (ADA)

La ciudad se compromete a proporcionar igualdad de acceso para reuniones públicas. Para solicitar servicios de asistencia auditiva y de movilidad, favor de comunicarse a la Oficina del Registro de la Ciudad con un mínimo de 48 horas antes de la reunión por correo electrónico a ocr@milwaukieoregon.gov o llame al 503-786-7502. Para solicitar servicios de traducción al español, envíe un correo electrónico a espanol@milwaukieoregon.gov al menos 48 horas antes de la reunión. El personal hará todo lo posible para responder de manera oportuna y atender las solicitudes. La mayoría de las reuniones del Consejo de la Ciudad se transmiten en vivo en el [canal de YouTube de la ciudad](#) y el Canal 30 de Comcast dentro de los límites de la ciudad.

Executive Sessions

The City Council may meet in executive session pursuant to Oregon Revised Statute (ORS) 192.660(2); all discussions are confidential; news media representatives may attend but may not disclose any information discussed. Final decisions and actions may not be taken in executive sessions.



COUNCIL REGULAR SESSION

City Hall Council Chambers, 10722 SE Main Street
& Zoom Video Conference (www.milwaukieoregon.gov)

2351st Meeting

MINUTES

FEBRUARY 1, 2022

Council Present: Councilors Lisa Batey, Angel Falconer, Desi Nicodemus, Council President Kathy Hyzy, and Mayor Mark Gamba

Staff Present: Joseph Briglio, Community Development Director
Kelly Brooks, Assistant City Manager
Bonnie Dennis, Finance Director
Justin Gericke, City Attorney
Vera Kolias, Senior Planner
Keith McClung, Assistant Finance Director
Ann Ober, City Manager

Peter Passarelli, Public Works Director
Natalie Rogers, Climate and Natural Resources Manager
Scott Stauffer, City Recorder
Laura Weigel, Planning Manager
Courtney Wilson, Urban Forester

Mayor Gamba called the meeting to order at 6:08 p.m.

1. CALL TO ORDER

A. Pledge of Allegiance.

B. Native Lands Acknowledgment.

2. ANNOUNCEMENTS

Mayor Gamba announced upcoming activities, including opportunities for the public to comment on the Milwaukie Redevelopment Commission's (MRC's) five-year urban renewal plan, a heritage lecture, how to nominate individuals for the city's volunteer of the year award, and natural habitat enhancement work events.

3. PROCLAMATIONS AND AWARDS

A. Celebrating Black Excellence Month – Proclamation

Councilor Nicodemus, the Milwaukie Historical Society's **Greg Hemer**, and Milwaukie resident **Sabina Spicer** introduced the proclamation and remarked on the importance of celebrating Black excellence. **Mayor Gamba** proclaimed February to be Celebrating Black Excellence Month in Milwaukie.

4. SPECIAL REPORTS

A. Fiscal Year (FY) 2021 Audit – Report

Dennis introduced Tonya Moffit, partner with Merina + Co. the city's audit firm, and Mack Stilson, chair of the city's Audit Committee. **Moffit** explained how the audit was conducted, noted that the city had received awards for its financial statements, and reported that the city's audit for FY21 was clean, the highest result that can be given.

Stilson thanked Merina + Co., the Audit Committee, and finance department staff for their work to ensure the integrity of the audit process and report.

The group acknowledged that Merina + Co. would no longer be conducting audits and the city would issue a request for proposals (RFP) to find a new audit firm.

5. COMMUNITY COMMENTS

Mayor Gamba reviewed the public comment procedures and **Ober** reported that there was no follow-up report from the January 18 community comments. It was noted that no audience member wished to address Council.

6. CONSENT AGENDA

It was moved by Councilor Batey and seconded by Councilor Falconer to approve the Consent Agenda as presented.

A. City Council Meeting Minutes:

1. January 4, 2022, work session, and
2. January 4, 2022, regular session.

B. Resolution 11-2022: A resolution of the City Council of the City of Milwaukie, Oregon, making an appointment to the Arts Committee.

C. Resolution 12-2022: A resolution of the City Council of the City of Milwaukie, Oregon, authorizing a contract with GreenWorks, P.C. for community engagement, design, and development services for Balfour Park, Bowman-Brae Park, and Scott Park.

D. Resolution 13-2022: A resolution of the City Council of the City of Milwaukie, Oregon, nominating Wilda Parks to serve as the city's representative to Milwaukie Community Center / Community Advisory Board (C/CAB).

Motion passed with the following vote: Councilors Falconer, Batey, Nicodemus, and Hyzy and Mayor Gamba voting "aye." [5:0]

7. BUSINESS ITEMS

A. None Scheduled.

8. PUBLIC HEARING

A. Comprehensive Plan Implementation, Tree Code Amendments (continued) – Ordinance and Resolution

Call to Order: **Mayor Gamba** called the continued public hearing on the proposed tree code amendments, file #ZA-2021-002, to order at 6:40 p.m.

Purpose: **Mayor Gamba** announced that the purpose of the hearing was to take comment on the proposed code as part of the Comprehensive Plan implementation.

Conflict of Interest: No Council member declared a conflict of interest.

Staff Presentation: **Rogers** reviewed the proposed code amendments, noting changes made since the January 18, 2022, Council hearing and clarifying aspects of the code related to tree preservation credits and tree removal permits and fees. **Council President Hyzy** and **Rogers** noted that no permit or fee would be required to remove a tree smaller than six inches in diameter or for pruning a tree.

Rogers and **Mayor Gamba** discussed residential non-development situations where a permit and fee would be required to remove a tree. The group remarked on how the city would provide guidance to private property owners in identifying replacement tree types, treating sick trees, and connecting property owners with planting assistance programs. They noted that the city would not buy, treat, or plant trees on private property.

Rogers, Councilors Batey and Falconer, and Council President Hyzy continued to discuss residential non-development situations where a permit and fee would be required to remove a tree, noting that property owners would be able to appeal a permit decision to the city manager. **Councilor Nicodemus, Rogers, and Mayor Gamba** commented on how often and why property owners removed healthy trees. **Council President Hyzy and Rogers** noted that removing invasive tree species would not require a permit or fee and thinning trees would only require the standard permit fee.

Councilor Nicodemus and Rogers commented on other cities' tree codes and whether they had led to an increase in the number of tree removal permits being applied for.

Rogers and Mayor Gamba noted when accessory dwelling unit (ADU) construction would require tree permits. **Rogers and Passarelli** reviewed how tree canopy would be measured using a tree species list and what fees would be assessed based on the type of development and trees being removed. The group discussed residential development situations where permits and fees would be assessed.

Rogers and Passarelli presented the proposed and alternate mitigation fee structures aimed at penalizing developers who remove large parts of the tree canopy. **Councilor Batey and Rogers** remarked on using tree canopy loss to determine a mitigation fee.

Rogers discussed the proposed residential development tree canopy standards meant to preserve the canopy through intentional plantings. **Councilor Batey, Passarelli, and Rogers** remarked on the possibility of developers planting but not caring for trees over time and the requirement to obtain financial bonds to protect tree plantings.

Rogers explained how the proposed canopy standards accounted for the preservation of significant trees. **Councilors Falconer and Batey and Rogers** remarked on the need to discuss the proposed tree code along with the housing code changes to weigh the costs of preserving trees with the need for more housing. **Mayor Gamba** suggested Council was getting into the deliberation part of the hearing.

Rogers discussed residential development tree removal situations where permits and fees would apply and what mitigation steps a developer could take to avoid fees while preserving the existing tree canopy. **Rogers** suggested the goal of the tree code was to make sure that trees were considered and incorporated into development projects.

Rogers reviewed the proposed tree code enforcement fees and how affordable housing developments could avoid the financial impacts of mitigation fees. **Rogers** noted next steps in the Council hearing process on the proposed tree code.

Correspondence: No additional correspondence had been received on the tree code.

Mayor Gamba recessed the meeting at 8:00 p.m. and reconvened at 8:08 p.m.

Conduct of Hearing: **Mayor Gamba** reviewed the public comment procedures.

Audience Testimony:

Neil Schulman, North Clackamas Watershed Council (NCWC), expressed support for the proposed tree code and remarked on how the city and NCWC could work with developers to build new housing and save trees. **Schulman** suggested that the proposed code should retain the city's tree canopy standards, that the alternate mitigation fee schedule introduced by staff should be adopted, and that the city work with NCWC to develop strong development tree planting plans.

Ted Labbe, Urban Greenspaces Institute (UGI), agreed with Schulman, suggested that the proposed code was unique among city codes in the region, and urged Council to adopt the proposed tree code and middle housing code changes.

Paul Anderson, Milwaukie resident, remarked that the city's 40% tree canopy goal was unrealistic and suggested that charging fees meant to help the community meet an unachievable outcome was not right. **Anderson** added that forgoing residential housing spacing requirements to protect trees was not a good idea.

Micah Meskel, Portland Audubon Society, and member of the Comprehensive Plan Implementation Committee (CPIC) commended the city for working on the proposed tree, housing, and parking code changes and agreed with Schulman and Labbe. **Meskel** suggested changes to the proposed tree code to further protect significant large heritage trees and the proposed housing code to better retain the tree canopy and replace trees lost to construction. **Meskel** commented on partnerships the Audubon Society had sought with private property owners to maintain existing trees.

Mayor Gamba commented on continuing the hearing to the next regular session and Council expressed support for the plan to take further testimony.

Staff Response to Testimony: **Rogers** commented on the feasibility of the city reaching the 40% tree canopy goal, noting how the goal had been developed through and remarking on how the goal would be balanced with construction needs on a development project-by-project basis.

Rogers responded to the proposal to change the code to further protect large heritage trees, noting that staff supported such a program and planned to investigate such a program after the code was adopted. **Mayor Gamba**, **Rogers**, and **Councilor Batey** remarked on whether the tree code could be adjusted to include additional large tree protections to protect heritage trees until the city had a heritage tree program.

Council President Hyzy asked about bonding for a tree and **Passarelli** explained when and how a property owner or developer would secure a warranty bond to ensure that newly planted trees are protected or replaced. **Councilor Batey** commented on personal experiences in seeking a bond for new plantings. **Councilor Batey** and **Passarelli** noted that bonding details would be in the Master Fee Schedule.

Audience Testimony (continued):

Anderson suggested the 40% tree canopy goal had not been tested and many properties would not be able to meet the goal and would have to pay a lot of fees.

Anthony Allen, Milwaukie resident, thanked the city for the work on the tree code and agreed with Anderson that the tree code seemed unfair to smaller property owners that would not be able afford fees imposed by the code. **Mayor Gamba** clarified that the canopy goal would only be triggered if a property were developed. **Rogers** concurred with Mayor Gamba, reported that many properties in the city were already at or near the canopy goal, and commented on what the community could do to meet the goal.

Stauffer noted that Anderson had expressed interest in speaking again and **Mayor Gamba** explained the public hearing comment process, noting opportunities for public comments to be made at future hearings on the tree code. **Rogers** noted that community members could email their questions to staff.

Mayor Gamba reviewed the plan to hear an updated staff report and take further comments at the next hearing on the proposed tree code.

Continue Hearing: It was moved by Council President Hyzy and seconded by Councilor Falconer to continue the hearing on the Comprehensive Plan Code Amendments, file #ZA-2021-002, to a date certain of February 15, 2022. Motion passed with the following vote: Councilors Falconer, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]

9. COUNCIL REPORTS

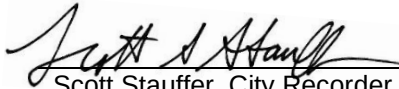
None.

10. ADJOURNMENT

It was moved by Councilor Nicodemus and seconded by Councilor Falconer to adjourn the Regular Session. Motion passed with the following vote: Councilors Falconer, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]

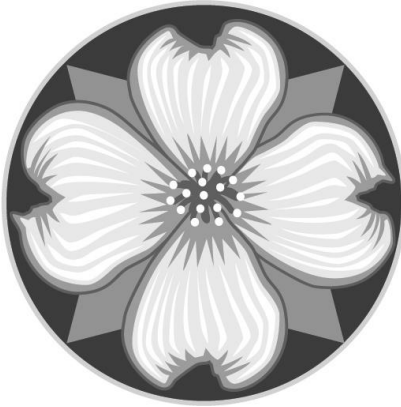
Mayor Gamba adjourned the meeting at 8:57 p.m.

Respectfully submitted,



Scott Stauffer, City Recorder

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RS Agenda Item

2

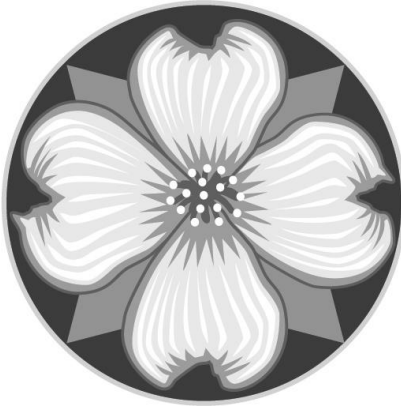
Announcements



SPRING PARK & ELK ROCK ISLAND HABITAT ENHANCEMENT

Mayor's Announcements – February 1, 2022

- **Redevelopment Area Five-Year Action Plan**
 - Weigh in on the improvements you would like to see in downtown and central Milwaukie
 - Join the conversation at engage.milwaukieoregon.gov
- **80 Years from Incarceration – Japanese American Story – Wed., Feb. 2 (6 PM)**
 - Join the first Ledding Library Lecture Series event of the year that commemorates the 80th anniversary of the incarceration of Japanese Americans before and during World War II and the aftermath.
 - Watch on Comcast Channel 30 or on the city's YouTube Channel.
- **2021 Volunteer of the Year – Nominations Accepted Until Mon., Feb. 14**
 - Nominate someone who has gone above and beyond in 2021
 - Submit a nomination at engage.milwaukieoregon.gov
- **Volunteer! Spring Park/Elk Rock Island Enhancement – Sat., Feb. 5 (9 AM – 12 PM)**
 - Volunteers will maintain trails, plant native plants, and place donated holiday trees for fish habitat.
 - Tools, gloves, and refreshments provided
 - Questions? Contact mjordan@ncprd.com or call 971-313-2031
 - Sign up today at ncprd.com/nature-volunteer-application
- **LEARN MORE AT WWW.MILWAUKIEOREGON.GOV OR CALL 503-786-7555**



RS Agenda Item

3

Proclamations & Awards

PROCLAMATION

WHEREAS, in February, we recognize and acknowledge the struggles of Black Americans for racial justice that stirred the very conscience of our nation and are helping to guide the shape of her character; and

WHEREAS, Black Americans for generations have courageously led the pursuit of justice and equality, from Harriet Tubman to Martin Luther King, Jr. and beyond; as our nation struggles to overcome the systemic racism that results in persistent inequality, such leaders are crucial to guide us to the principle that all people are created equal; and

WHEREAS, Black Americans have made significant contributions to our nation's economic, educational, political, artistic, literary, scientific, and technological advancements, despite historical and current injustices; and

WHEREAS, in Milwaukie, we celebrate the contributions of Black Americans who have been active in our community, including entrepreneurial boxing promoter George Moore and Milwaukie Pastry Kitchen proprietors Hurtis and Dorothy Hadley; and

WHEREAS, recent incidents have given rise to greater awareness of the continued discrimination and even violence that Black Americans face daily, and the importance of a greater national dialogue to promote understanding, and break down barriers; and

WHEREAS, as individuals, we must learn more about the history of Black Americans generally, and in Oregon in particular, and work to build a Milwaukie where every person has equitable access to educational and employment opportunities, and housing.

NOW, THEREFORE, I, Mark Gamba, Mayor of the City of Milwaukie, a municipal corporation in the County of Clackamas, in the State of Oregon, and with the full support and sponsorship of the City Council, Milwaukie Historical Society, and the Oregon Black Pioneers, do hereby proclaim **February 2022** to be **Celebrating Black Excellence Month** in Milwaukie and recommend its observance with appropriate programs and activities.

IN WITNESS WHEREOF, and with the consent of the City Council of the City of Milwaukie, I have hereunto set my hand on this 1st day of **February 2022**.

Mark Gamba, Mayor
ATTEST:

Scott S. Stauffer, City Recorder



Milwaukie Museum

PRESERVING MILWAUKIE'S HISTORY FOR FUTURE GENERATIONS

3737 SE Adams St.

www.milwaukiehistoricalsociety.com



milwaukiemuseum@gmail.com



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Helping Hands*



David Parker Consulting LLC
Logistics, Transportation Process Evaluation, Systems Review

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Construction Company



**Milwaukie
Garden Club**

Dieringers Properties

Thank You 2021 Corporate Sponsors

Proud Member



*Keeping History Alive
in Clackamas County*

LEDDING LIBRARY LECTURE SERIES

80 YEARS FROM INCARCERATION
JAPANESE AMERICAN
STORY



日系アメリカ人の話

Wednesday February 2nd 6:00PM

Watch Live on Comcast Channel 30 and City of Milwaukie YouTube Channel

Starring

Amy Mishima Peterson

Sansei (3rd Generation Japanese American)
Docent and Speaker for Japanese American
Museum of Oregon

Jacob Sherman

Avid Local Historian
Local Researcher on Nikkei
Milwaukie Museum

Special Address by Councilor Desi Nicodemus

The lecture will commemorate the 80th year anniversary of Japanese American Internment by discussing the before, during, and aftermath of internment of Japanese Americans during World War II. We will also explore our local Japanese Families and their influence on Milwaukie

To view the program please turn to Channel 30 on Comcast or City of Milwaukie YouTube Channel
(https://www.youtube.com/channel/UCRFbfqe3OnDWLQKSB_m9cAw)

Find it on line during the day of the event by visiting the City Calendar at www.milwaukieoregon.gov

Sponsored By



CITY OF MILWAUKIE



Amy Mishima Peterson



Jacob Sherman



Councilor Nicodemus



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Proclamation Black Excellence

Historical Figures

Leaders in Government



George
Washington



Harry Wills



Hurtis, Sr. &
Dorothy Hadley



Libra Forde



Councilor
Nicodemus

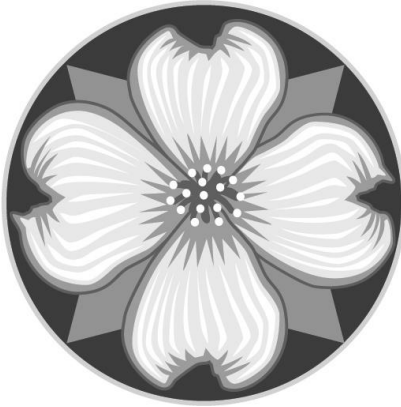


Jon Hennington

Black Excellence Speaker



Sabina Spencer



RS Agenda Item

4

Special Reports

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Reviewed: Keith McClung, Assistant Finance Director

From: Bonnie Dennis, Finance Director

Subject: **Fiscal Year 2021 Audit Presentation**

Date Written: Jan. 20, 2022

ACTION REQUESTED

Informational only.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[April 19, 2021](#): The Audit Committee met to discuss the risk assessment, audit scope, and plan for the fiscal year (FY) 2021 audit.

November 2021: Merina+Co (Merina) performed the audit remotely.

December 23, 2021: Merina issued a “clean” opinion on the city’s Annual Comprehensive Financial Report (ACFR) for the FY ending June 30, 2021.

[January 20, 2022](#): Merina met with the Audit Committee to review the results of the financial statement audit for the FY ending June 30, 2021.

ANALYSIS

The ACFR for the FY ending June 30, 2021 was audited by the city’s independent audit firm, Merina. The city was issued a “clean” opinion. The Council presentation of the audit results will be from Tonya Moffitt, partner with Merina, and Mack Stilson, Audit Committee Chair.

BUDGET, CLIMATE, & WORKLOAD IMPACTS

None.

COORDINATION, CONCURRENCE, OR DISSENT

None.

ATTACHMENTS

1. ACFR for the FY ending June 30, 2021.
2. People’s Annual Financial Report for the FY ending June 30, 2021.



2021

Annual Comprehensive Financial Report

Milwaukie, Oregon • Fiscal Year Ended June 30, 2021

CITY OF MILWAUKIE, OREGON

ANNUAL COMPREHENSIVE
FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2021



This report was printed on recycled paper

CITY OF MILWAUKIE, OREGON

Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021

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CITY OF MILWAUKIE, OREGON

Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021

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SECTION I

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL
GFOA CERTIFICATE OF ACHIEVEMENT
ELECTED AND APPOINTED OFFICIALS
ORGANIZATIONAL CHART



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December 23, 2021

Mayor Mark Gamba, City Councilors and
Citizens of the City of Milwaukie, Oregon

The Annual Comprehensive Financial Report (ACFR) of the City of Milwaukie, Oregon (city) for the fiscal year ended June 30, 2021 is hereby submitted.

This report presents the financial position of the city as of June 30, 2021 and the results of its operations for the fiscal year then ended. The financial statements and supporting schedules have been prepared in accordance with the generally accepted accounting principles (GAAP) of the United States of America and meet the requirements of the standards prescribed by the Oregon Secretary of State Audits Division. We believe the data, as presented, is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various city funds.

The accuracy of the city's financial statements and the completeness and fairness of their presentation is the responsibility of city management. The city maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

The city's annual financial statements are a culmination of on-going monitoring of revenues and expenditures to ensure compliance with financial policies and appropriation requirements. Additionally, financial reports are posted to the city's website for review by the City Council, Budget Committee members and the public. The city did not experience any operating deficits during the fiscal year.

Merina & Company LLP (Merina), Certified Public Accountants, issued an unmodified or "clean" opinion on the city's financial statements for the fiscal year ended June 30, 2021. The independent auditor's report is located within the Financial Section of this report.

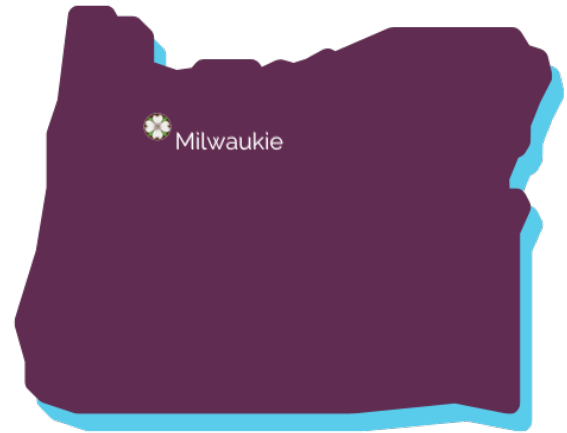
GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located immediately following the independent auditor's report.

MILWAUKIE CITY HALL
10722 SE Main Street
Milwaukie, Oregon 97222
www.milwaukieoregon.gov

GOVERNMENT PROFILE

Milwaukie was settled in 1847 by pioneer brothers Seth and Henderson Luelling. On February 4, 1903, a petition to incorporate as a City was approved by the residents of Milwaukie. The first council meeting was held on June 2, 1903, presided over by William Shindler, the first Mayor of Milwaukie. The initial funding for the City came from \$1 donations from each elected City official.

The City of Milwaukie is a community where citizens, civic organizations, businesses and City government work together to ensure that the community retains its hometown identity, high quality of life and its natural beauty. Today, Milwaukie serves a population of 20,600 and is close to the region's business core and urban amenities, with the City of Portland just to the north. At the same time, the City provides a small-town atmosphere and distinct neighborhoods. The City is approximately twenty-six miles from Portland International Airport.



The City is a full-service municipality that operates under a Council/City Manager form of government. The elected City Council consists of the mayor and four councilors who act as the board of directors. The City Council sets policies for City government, enacts ordinances and hires, directs and evaluates the City manager. In turn, the City manager is the City's chief executive officer, responsible for overall management and administration.

Municipal services are provided by City employees and headed by the City manager. The City operates its own police department, a municipal court, a library and provides services for street operations, building permits, water, sewer and surface water utilities.

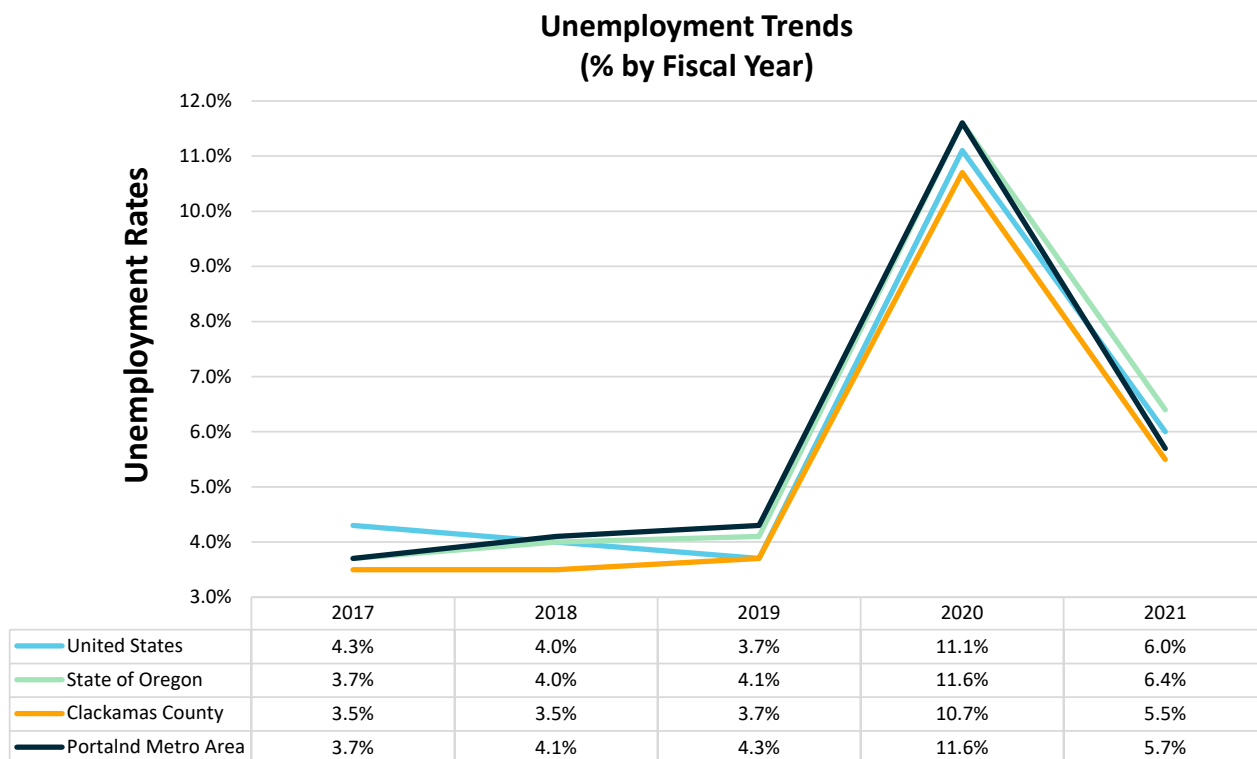
The City maintains budgetary controls to ensure compliance with legal provisions in the biannual appropriated budget adopted by the City Council. The legal level of budgetary control (the position in which expenditures cannot legally exceed the appropriated amount) is established by program within each individual Fund. The City Council must hold public hearing for budget supplementals that exceed more than 10% of the fund or a budget transfer can occur without public hearing but city council approval for less than 10%. The City Manager, Finance Director and Department Directors have the authority to transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department in accordance with the adopted budget and corresponding resolution.

The City lies within Clackamas County, which is headed by a board of commissioners and is based in neighboring Oregon City. Clackamas Fire District No. 1 (CCFD) provides fire and emergency services to the community. Parks and recreation are maintained and operated by North Clackamas Parks and Recreation District, which was formed in 1990 with Milwaukie as an original member. The City is also part of Metro, the tri-county urban services district based in Portland, and receives light rail and bus services from TriMet, the Portland metropolitan area transit provider.

LOCAL ECONOMY

The City's economy is linked with that of the entire Portland Metropolitan area and has been primarily a residential community with a low ratio of heavy industry and retail-based commercial activity. Much of its growth occurred in the 1960s when population increased from 9,100 to 15,000 residents. Today, the City has emerged as an industrial employment center with two major industrial parks. In addition, Milwaukie's central location has attracted major businesses such as Blount International, Inc. and Precision Castparts, Inc.

Below is a chart showing a five-year comparison of unemployment rates for the state and local areas as well as the U.S. by fiscal year. The area's unemployment rate has steadily declined since the great recession prior to 2011. Although recent events of the pandemic have shown a significant spike in unemployment rates across the nation in 2020. As illustrated in the chart, rates have declined in 2021 nationally. Locally Milwaukie has an approximate rate of 6.1%.



LONG-TERM FINANCIAL PLANNING

Long-term financial planning is the cornerstone of any solid financial process. The City's controlling document is the *Five-Year Financial Forecast*, which includes reserves by fund that fall within the policy guidelines set by City Council and which is reviewed by the Budget Committee during the budget process. Reserve policy guidelines are measured as a percentage of annual operating expenditures and generally range between 17 and

50 percent depending on the fund. The *Five-Year Financial Forecast* is included in the 2021-2022 biennial budget that was adopted in June 2020.

The Master Fee Schedule guiding the City's rates and charges is updated with the City's biennial budget process. The utility rate increases are approved by City Council with the support of the Budget Committee and the Citizens Utility Advisory Board. Utility rates consist of the Safe Access for Everyone (SAFE) and Street Surface Maintenance Program (SSMP) fees that have a basis based on type of use. These rates are either increased or decreased dependent upon the Construction Cost Index (CCI).

The City's long-term debt consist of a \$10.0 million in general obligation bonds, \$2.6 million in outstanding PERS bond, \$1.0 million in DEQ loans, \$25.5 million in full faith and credit obligations for a total City debt of \$39.1 million. The City maintains a credit rating of Aa2 representing a solid financial position.

Property Tax Rate Limitation

City Council passed Ordinance No. 1958 in February 2006 following a 2005 ballot measure (3-166) where the voters authorized CCFD to annex fire & medical services into the City of Milwaukie. The ballot measure required that the City reduce its property tax rate certification so that the total rate levied by the City and CCFD is no more than the total rate currently levied. Therefore, the actual property tax rate levied by the City is the permanent tax rate of \$6.5379 per \$1,000 of assessed value comprised of the CCFD rate of \$2.4012 and Milwaukie's rate of \$4.1367.

MAJOR INITIATIVES

The City has continued to establish and work toward clearly defined goals, objectives, and performance measures. During the budget review process, measures continued to be updated and reconsidered. The process is a continuing cycle of setting goals and objectives, reviewing short- and long-term goals, evaluating results, and reassessing the goals and their priority. These performance measures are included in the budget document and offer a historical perspective on operating trends for City departments. The use of performance measures is an important tool to ensure that resources are being used efficiently and effectively in pursuit of council's goals.

The City continues to strive towards embracing transparency, accountability and continuous improvement to the community. City Council convene annually to discuss goals and objectives for the City. During this process in fiscal year 2021, City Council identified two primary goals for the City which can include new or existing goals. Those goals are:



Climate Change Mitigation and Resilience Action – Brings implementation of our Climate Action Plan forward that will allow the city to do its part in the global efforts. City Council declared a climate emergency in January 2020, calling for an acceleration of the climate goals outlined in the plan, pushing the City to achieve net-zero carbon emissions from electricity by 2040.



Equity, Justice and Inclusion – Commits the city to the pursuit of an entirely equitable Milwaukie by making equity, inclusion, and justice as a primary goal recognizing that Black, Indigenous, and other People of Color (BIPOC) have suffered horrific inequities and crimes against humanity in addition to restrictions from generational wealth building in this country. This goal establishes a steering committee, relationship-building, training for staff, and implementation of policies, procedures, and practices throughout the city.

Other initiatives include:

The new city hall and completing a plan for the old city hall as the city is working towards moving staff to a 21,000 square foot building just blocks from the old city hall on main street. The new city hall will include some renovation work to accommodate city council chambers and front-counter customer service areas. The old city hall will be either sold or leased as a result of this move.

The Water and Wastewater departments continue to work on the SCADA Design and construction. SCADA is a system for remote monitoring and control of the water and wastewater system while providing site security, control capabilities, data acquisition, and a simplified user interface. The total project is approximately \$1.6 million and will be substantially completed in the next fiscal year.

Expanding the urban canopy by developing a robust urban forest program. Included in this work are resources for a tree inventory that will help the community better understand and predict the future of Milwaukie's urban forest. Updates to the city Code to include tree permitting for both commercial and residential properties while lastly providing tools for staff to strategically plant trees where the community needs it most.

Lastly, the unprecedented pandemic from 2020 continues throughout 2021 and likely into 2022. The city has adjusted the working culture with several changes as a result of the pandemic. The city has moved back into city buildings after being quarantined for nearly 18 months and continue to conduct city services while maintaining social distancing.

NATIONAL AWARDS

Annual Financial Reporting Award. Since the early nineties, the City received the *Certificate of Achievement for Excellence in Financial Reporting* award from the Government Finance Officers Association (GFOA). In order to receive this award, a government unit must publish an easily readable and efficiently organized Annual Report whose contents conform to program standards and satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

People's Annual Financial Reporting Award. The City has consecutively received the *Award for Outstanding Achievement in Popular Annual Financial Reporting* from the GFOA. In order to receive this award, a government unit must publish a Popular or People's Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Distinguished Budget Presentation Award. Additionally, the City received the *Distinguished Budget Presentation Award* for its biennium 2021-2022 budget document from the GFOA. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a governmental entity, its financial staff, and its management. This international award program was established in 1984 to encourage exemplary budgetary practices and to provide peer recognition for government finance officers who prepare budget documents. A budget's proficiency is rated in four major categories: as a policy document, an operations guide, a financial plan and a communications device.

These awards are prestigious national awards that recognize conformance with the highest standards for preparation of state and local government financial reports.

AUDIT COMMITTEE

In July 2012, the City Council established an audit committee to ensure that audits are completed annually in accordance with Oregon state law, provide oversight of the independent auditors, assist in the review and selection of audit firms, and ensure transparent communication back to the City Council and the citizens of Milwaukie.

The composition of the members was recently amended in February 2021 to include one council member, one budget committee member and three citizen members with an interest in municipal government. Preference is first given to Certified Public Accountants residing within City limits and second to Certified Public Accountants with a City affiliation. Terms are for two years.

The members of the Milwaukie Audit Committee are Mack Stilson (Chair), Councilor Kathy Hyzy, Mary Rowe (Budget Committee liaison and Vice Chair), community members Mona Henry and Matthew Dake.

ACKNOWLEDGMENTS

The preparation of this report was a combined effort of the dedicated Finance staff under the direction of Bonnie Dennis. A special thank you is given to the Finance staff of Keith McClung, Judy Serio, Kelli Tucker and Joe Gardner in the completion of this year's audit and report. We wish to express our appreciation to everyone who contributed to the preparation of this report. We also express gratitude to the Mayor and Councilors for their dedication and support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Ann Ober
City Manager



Bonnie J. Dennis, MBA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Milwaukie,
Oregon**

For its Annual Comprehensive Financial
Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF MILWAUKIE, OREGON
Elected and Appointed Officials

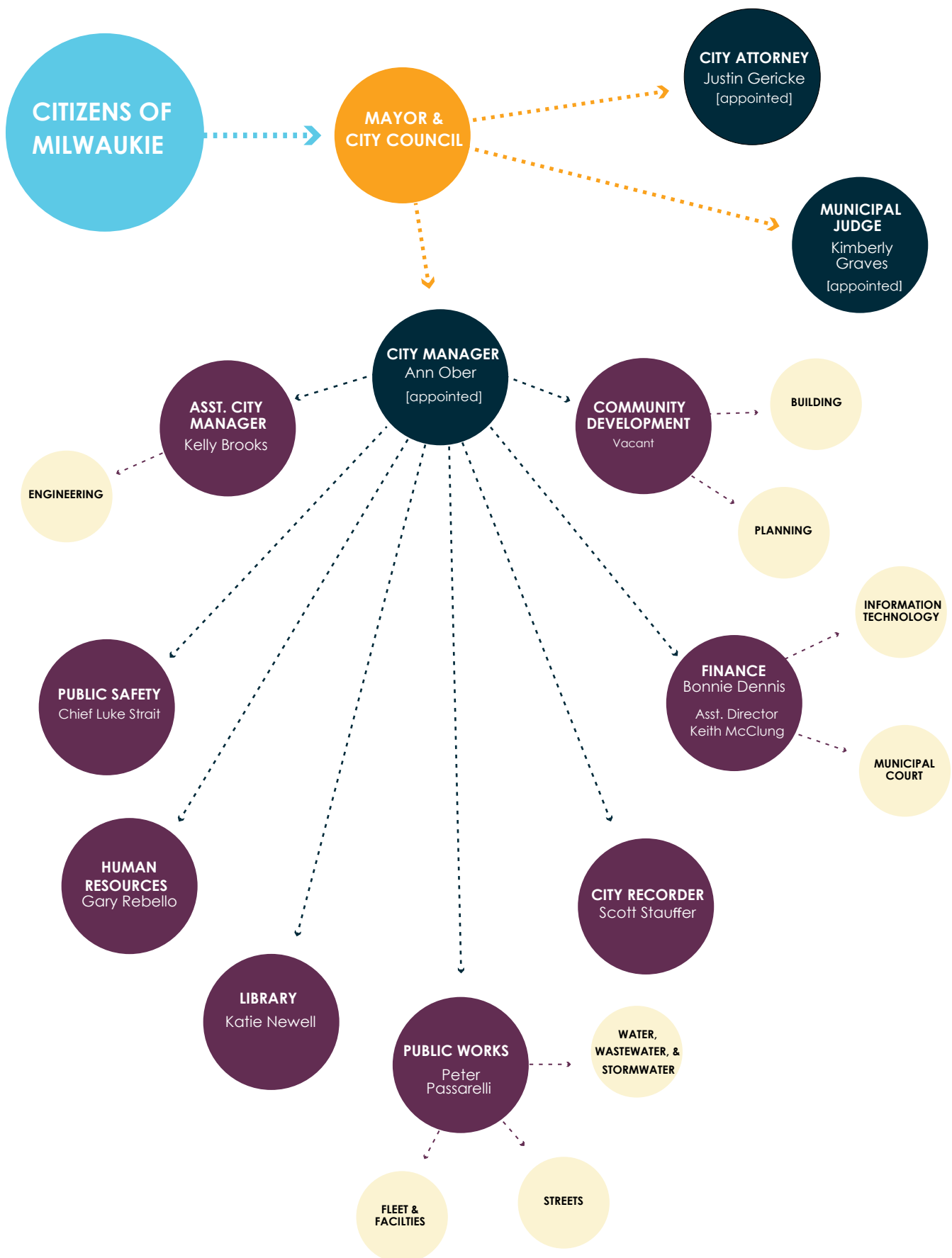
Elected Officials	Term Expires
Mark Gamba, Mayor	December 31, 2022
Angel Falconer, Councilor	December 31, 2024
Lisa Batey, Councilor	December 31, 2022
Kathy Hyzy, Councilor	December 31, 2022
Desi Nicodemus, Councilor	December 31, 2024

Appointed Officials	Position
Ann Ober	City Manager
Justin Gericke	City Attorney
Kimberly Graves	Municipal Court Judge

Management Team:

Kelly Brooks	Assistant City Manager
Vacant	Community Development Director
Scott Stauffer	City Recorder
Bonnie Dennis, MBA	Finance Director
Keith McClung, CPA	Assistant Finance Director
Gary Rebello, SPHR CCP	Human Resources Director
Katie Newell	Library Director
Luke Strait	Police Chief
Peter Passarelli, PE	Public Works Director

ORGANIZATIONAL CHART





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SECTION II

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
BASIC FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER SUPPLEMENTARY INFORMATION
OTHER FINANCIAL SCHEDULES



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Milwaukie, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Milwaukie, Oregon, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Milwaukie, Oregon's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Milwaukie, Oregon, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Milwaukie, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

City of Milwaukie, Oregon's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Milwaukie's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Milwaukie's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Milwaukie's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of the city's net OPEB liability and changes in net OPEB liability, schedule of the city's proportionate share, and schedule of the city's contributions, as listed in the table of contents under required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Milwaukie, Oregon's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, other financial schedules, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 23, 2021, on our consideration of City of Milwaukie, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Merina+Co
Tualatin, Oregon
December 23, 2021



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CITY OF MILWAUKIE, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR END JUNE 30, 2021

Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of Milwaukie (City) for the fiscal year ended June 30, 2021. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The City's assets totaled \$157.0 million on June 30, 2021, consisting of \$98.8 million in capital assets, \$30.6 million in unrestricted cash and investments, \$22.4 million in restricted cash and investments, and \$5.2 million in other assets. Total assets increased by \$.7 million (.46%) from the previous fiscal year.
- The City's liabilities totaled \$69.2 million on June 30, 2021 consisting of \$62.7 million in long-term liabilities and \$6.5 million in accounts payable and other liabilities. Total liabilities increased by \$2.5 million (4%) from the previous fiscal year.
- The assets of the City exceeded its liabilities by \$87.8 million at the close of fiscal year 2021. Unrestricted net position totaled \$9.9 million with the remainder of the City's net position invested in capital assets (\$78.1 million) and restricted for capital projects, building operations, library services, debt service, and public safety (\$6.2 million).
- The deferred outflows of resources for the City increased to \$7.3 million, compared to \$5.6 million in fiscal year 2020. The primary increase relates to pension and OPEB assets as return on investments within their respective plans was higher than originally forecasted.
- The deferred inflows of resources for the City decreased to \$0.9 million, compared to \$1.2 million in fiscal year 2020. The primary decrease relates to pension and OPEB liabilities as the change in proportionate share was less for the City in 2021.
- For its governmental activities, the City generated \$13.5 million in charges for services and received \$4.4 million in operating and capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$34.8 million for the year, resulting in a net expense of \$16.9 million. The City also received \$14.3 million of general revenues, resulting in a decreased net position of \$2.6 million.
- For its business-type activities, the City generated \$18.2 million in charges for services and capital grants and contributions to fund direct expenses of \$15.7 million. Business-type activities had an increase in net position of \$2.6 million.
- Fund balance in the City's governmental funds was \$35.7 million on June 30, 2021, a decrease of \$1.6 million from the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to this discussion and analysis, the financial section of this annual report contains the *basic financial statements, required supplementary information, and other supplementary information*. The basic financial statements include *notes* that explain the information in the financial statements and provide additional details.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid.

The two government-wide statements report the City's *net position* and how it has changed over the preceding year. Net position—the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the City's *financial health or position*.

Increases or decreases in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. To assess the overall health of the City, additional nonfinancial factors such as changes in the City's property tax base, and the condition of the City's infrastructure must be considered.

The government-wide financial statements of the City are divided into two categories:

- **Governmental activities** – Includes the majority of the City's basic services such as community development, code enforcement, police, library, highways and streets, and general administration. Property taxes, charges for services, grants and contributions fund most of these activities.
- **Business-type activities** – The City charges fees to customers to help cover the costs of certain services it provides. The City's water, wastewater, and stormwater services are included here.

Statement of Net Position

Net position serves as a useful indicator of a government's financial position. The City has continued to see assets exceeding liabilities. At the close of fiscal year 2021, assets exceeded liabilities by \$88.0 million.

By far the largest portion of the City's net position (63%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure); less any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves either cannot or are not expected to be used or liquidated to repay these liabilities.

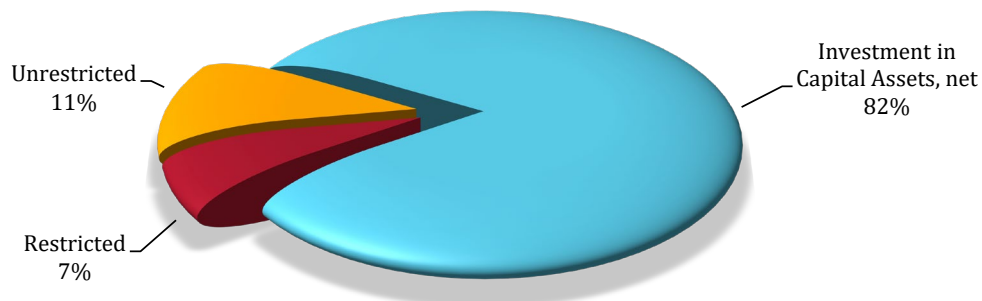
Combined net position of the City of Milwaukie on June 30, 2021 and 2020 was as follows:

Statement of Net Position

(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Current and other assets	\$ 39,915	\$ 41,002	\$ 18,297	\$ 17,835	\$ 58,212	\$ 58,837
Capital assets	67,527	68,290	31,276	29,167	98,803	97,457
Total assets	107,441	109,292	49,573	47,002	157,015	156,294
Deferred outflows of resources	6,607	5,148	739	553	7,346	5,701
Long-term liabilities	59,357	57,502	3,336	2,869	62,693	60,372
Other liabilities	4,085	3,552	2,398	2,711	6,483	6,262
Total liabilities	63,442	61,054	5,734	5,580	69,176	66,634
Deferred inflows of resources	849	1,067	95	115	944	1,182
Net position:						
Net investment in capital assets	47,783	48,178	30,312	28,106	78,095	76,284
Restricted for:						
Library services	-	1	-	-	-	1
Public safety	517	2,277	-	-	517	2,277
Debt service	442	360	12	12	454	372
Building operations	2,567	2,295	-	-	2,567	2,295
Urban renewal	990	513	-	-	990	513
Capital projects	1,700	1,775	-	-	1,700	1,775
OPEB Asset	96	-	11	-	107	-
Unrestricted	(4,339)	(3,080)	14,149	13,742	9,809	10,662
Total net position	\$ 49,757	\$ 52,319	\$ 44,483	\$ 41,860	\$ 94,240	\$ 94,179

Classification of Net Position



As of June 30, 2021, the City had positive balances in five categories of net position for the City. Total net position increased from the prior year by \$.1 million (1%) to \$94.2 million.

A portion of the City's net position (\$6.2 million or 4.0%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position (\$9.9 million or 10.5%) may be used to meet the City's ongoing obligations to citizens and creditors.

Statement of Activities
Changes in Net Position
(in thousands)

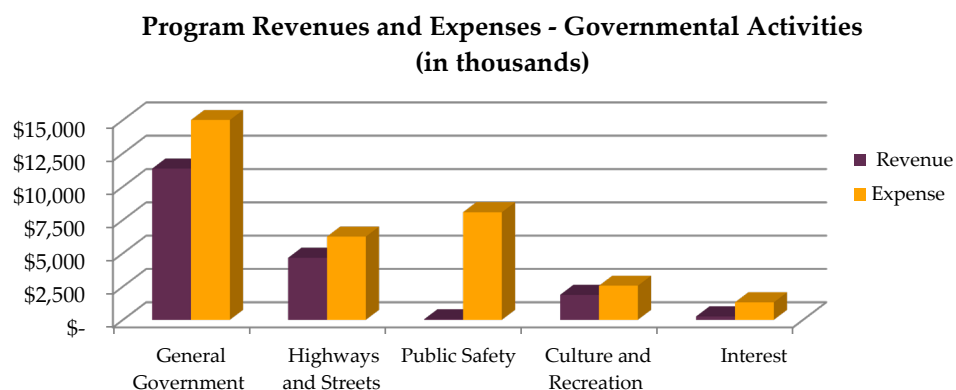
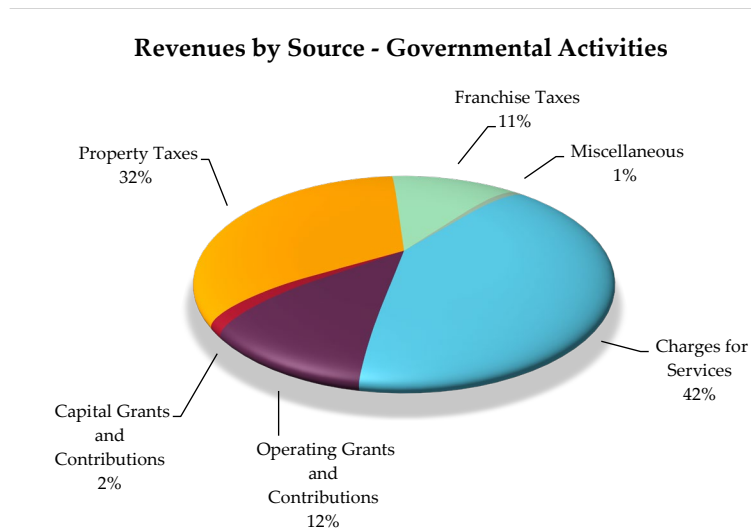
	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenues						
Program revenues:						
Charges for services	\$ 13,535	\$ 14,813	\$ 17,934	\$ 17,374	\$ 31,469	\$ 32,188
Operating grants and contributions	3,937	3,525	-	-	3,937	3,525
Capital grants and contributions	466	219	308	83	774	302
General revenues:						
Property taxes	10,391	9,839	-	-	10,391	9,839
Franchise taxes	3,682	3,749	-	-	3,682	3,749
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Miscellaneous	257	1,758	41	317	299	2,076
Total revenues	32,269	33,903	18,283	17,775	50,552	51,679
Expenses						
Governmental activities:						
General government	16,618	13,319	-	-	16,618	13,319
Highways and streets	6,253	6,116	-	-	6,253	6,116
Public safety	8,078	8,093	-	-	8,078	8,093
Culture and recreation	2,564	4,641	-	-	2,564	4,641
Interest on long-term debt	1,319	1,392	-	-	1,319	1,392
Business-type activities:						
Water	-	-	4,090	3,432	4,090	3,432
Wastewater	-	-	7,911	7,800	7,911	7,800
Stormwater	-	-	3,660	3,187	3,660	3,187
Total expenses	34,832	33,560	15,660	14,419	50,491	47,980
Change in net position	(2,562)	343	2,623	3,355	61	3,700
Net Position - beginning	52,319	51,976	41,860	38,505	94,179	90,480
Net position - ending	\$ 49,757	\$ 52,319	\$ 44,483	\$ 41,860	\$ 94,240	\$ 94,179

Governmental Activities

Governmental activities decreased the City's net position by \$2.6 million in fiscal year 2021, compared to a \$.3 million increase in the prior fiscal year. This year's decrease is mainly attributable to an increase of \$2.8 million in the net pension liability and a decline in fines/forfeitures revenue and investment earnings of \$.4 million and \$.5 million, respectively. The net pension liability is actuarially determined and represents a proportionate share for Milwaukie. As pension costs increase, the City expects this trend to continue into the future. The decreases in fines and forfeitures are the result of decreased enforcement of traffic violations during COVID-19. Investment earnings declined due to decreasing interest rates in the LGIP, where the City maintains the majority of cash assets.

The decline in net position was offset by an increase in property taxes and lease proceeds of \$.5 million and \$.5 million, respectively. The property tax increase is a result of additional properties coming into the tax base and prior year collections of outstanding balances. Lease proceeds increased in fiscal year 2021 due to a full 12-month cycle related to rent.

The revenues in the following pie chart include all program and general revenues for governmental activities including property taxes, franchise taxes, charges for services, operating and capital grants and contributions, and miscellaneous revenues. Property taxes continue to be the major source of revenue for the City's governmental activities, once interfund service payments are factored out of charges for services.

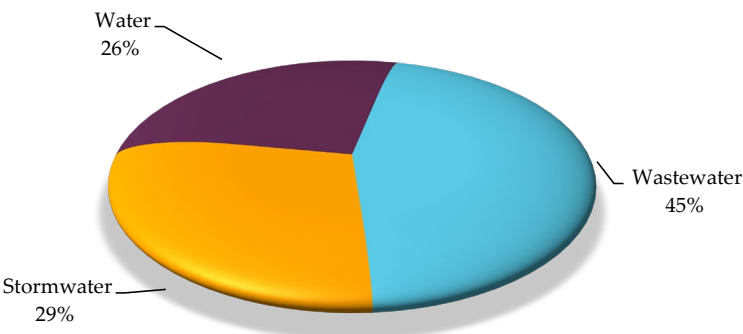


Business-type Activities

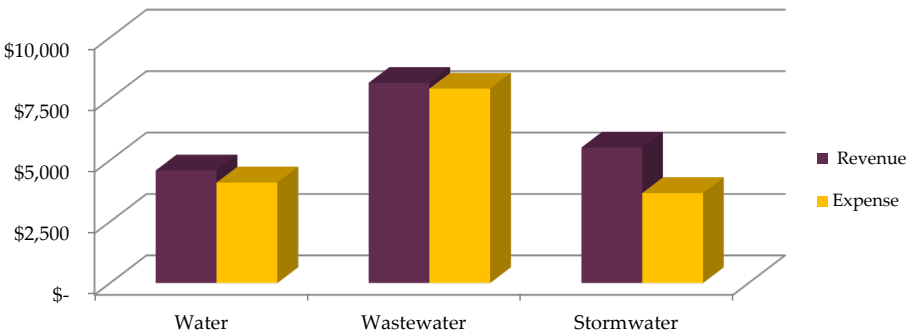
Business-type activities increased the City’s net position by \$2.6 million due to a planned increase in utility rates year over year. In addition, the utility funds did not expend all of the budgeted capital for improvements during the fiscal year due to COVID-19 and other project delays.

The Water, Wastewater, and Stormwater fund revenues represent approximately 26 percent, 45 percent, and 29 percent, of all utility revenue, respectively. The Water fund accounts for all services that provide clean water to residents and businesses. The Wastewater fund accounts for all sewer collection services and the Stormwater fund accounts for surface water management services.

Revenues by Utility - Business-Type Activities



**Program Revenues and Expenses - Business-Type Activities
(in thousands)**



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2021, the City's governmental funds reported a combined ending fund balance of \$35.7 million, a decrease of \$1.6 million for the year. Unassigned fund balance increased to \$11.5 million as of June 30, 2021 and is available for spending at the City's discretion.

General Fund

The General Fund accounts for all the general governmental services provided by the City. At June 30, 2021, total fund balance was \$12.1 million, which is an increase of \$1.0 million for the year. The City's General Fund is funded with property taxes and franchise taxes, as well as charges for services provided to other funds. For 2021, the City increased the charges for services provided to other funds by \$.5 million and reduced the amount transferred to other funds \$0.6 million. These increases were offset by a decrease in revenue tied to the CARES Act money received in 2020. General Fund expenditures increased \$0.5 million to \$18.8 million in fiscal year 2021 as a result of increased personnel costs.

Transportation Fund

The Transportation Fund is a special revenue fund that accounts for the operation and maintenance of the City's street and sidewalk systems, including medians. Charges for service increased by \$0.1 million to \$2.1 million. Total expenditures decreased to \$7.7 million, consisting of capital projects (\$4.7 million), debt service (\$2.0 million), transfers to other funds (\$2.0 million) and personnel, materials and services (\$0.9 million). As a result, the Transportation Fund had an overall decrease in fund balance of \$3.7 million for the fiscal year ending June 30, 2021. At June 30, 2021 the fund balance was \$15.2 million.

Other Governmental Funds

The other governmental funds are considered as nonmajor funds which include the Systems Development Charges Fund, Library Fund, City Hall Fund, Building Fund, Affordable Housing Fund, Milwaukie Redevelopment Commission, and Debt Service Fund. These funds had a combined fund balance of \$8.4 million. Further details on these funds can be found starting on page 81.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original general fund budget for the 2021-2022 biennium budget period amounted to \$49.7 million. There have been several supplemental budget resolutions adopted during the biennium to reallocate departmental budget authority and allow for previously unanticipated expenditures.

During fiscal year 2021, there were two budget resolutions that included the following transfers and one supplemental adjustment related to the CARES Act funds received.

- Library fund transferred \$2,000 to appropriations related to a grant for new technology.
- City manager department added a transfer from the community development department of \$13,000 to fund programming needs related to work on diversity, equity and inclusion.
- Stormwater fund transferred \$25,000 from excess revenue to offset restoration costs associated with the Kellogg Dam.
- CARES Act Funds required a supplemental to move the intergovernmental proceeds to the departments and funds that had costs related to the COVID-19 pandemic.
- The supplemental adjustment also included a transfer from the general fund and intergovernmental grant proceeds totaling \$255,000 to the Affordable Housing Fund for Business Relief Grants.

Actual revenues (budgetary basis) were \$13.0 million for the first fiscal year of the biennium and expenditures were \$18.8 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the City had invested \$98.8 million in capital assets, net of depreciation as reflected in the following table, representing a net increase (additions, deductions and depreciation) of \$1.3 million in fiscal year 2021. Governmental capital assets totaled \$67.5 million while business-type capital assets totaled \$31.3 million.

Capital Assets, Net of Accumulated Depreciation
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Land and easements	\$ 6,216	\$ 6,216	\$ 1,204	\$ 1,204	\$ 7,420	\$ 7,420
Buildings and improvements	24,433	26,835	5,285	5,728	29,718	32,563
Vehicles and equipment	1,664	1,736	1,961	1,526	3,624	3,261
Furniture and fixtures	414	463	-	-	414	463
Infrastructure	30,109	31,527	19,989	18,841	50,098	50,368
Construction in progress	4,691	1,513	2,837	1,868	7,528	3,381
Capital assets, net	<u>\$ 67,527</u>	<u>\$ 68,290</u>	<u>\$ 31,276</u>	<u>\$ 29,167</u>	<u>\$ 98,803</u>	<u>\$ 97,456</u>

The following table reconciles the change in capital assets for the fiscal year. Expenditures for construction projects in progress at fiscal year-end are included in additions. Reductions are for capital asset dispositions and transfers of construction projects completed during the fiscal year. When applicable, additions include capital contributions from outside developers with the revenue from these contributions reflected in program revenues on the *Statement of Activities*.

Assets utilized in governmental activities decreased by a net \$.8 million from the prior fiscal year, while business-type activities increased by a net \$2.1 million. The increases include assets for infrastructure such as pipe replacements and street improvements. Capital asset additions include completion of various projects throughout the community. More detailed information about the City's capital assets is presented in the Notes to the Basic Financial Statements, beginning on page 37.

Change in Capital Assets

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Beginning balance	\$ 68,290	\$ 56,347	\$ 29,167	\$ 26,385	\$ 97,456	\$ 82,732
Additions	7,490	39,077	4,333	4,267	11,824	43,344
Reductions and adjustments	(2,045)	(23,019)	(19)	-	(2,064)	(23,019)
Depreciation	(6,209)	(4,115)	(2,205)	(1,485)	(8,414)	(5,600)
Ending balance	<u>\$ 67,527</u>	<u>\$ 68,290</u>	<u>\$ 31,276</u>	<u>\$ 29,167</u>	<u>\$ 98,803</u>	<u>\$ 97,456</u>

Debt Outstanding

As of the end of the fiscal year, the City had \$39.1 million in long-term debt obligations outstanding, a decrease from the prior year by \$2.6 million due to debt repayments. More detailed information about the City's long-term debt obligations is presented in the Notes to the Basic Financial Statements, beginning on page 49.

Outstanding Long-term Debt Obligations as of June 30th (in thousands)

	Fiscal Year Ending	
	2021	2020
Governmental:		
Pension Bonds \$	2,650	\$ 2,920
Light Rail GO Bond	2,710	2,870
Library GO Bond	7,305	7,695
Milwaukie Bay Park FFCO	570	630
Transportation FFCO	17,602	18,917
City Hall FFCO	6,420	6,700
Bond Premiums	888	941
	<u>38,146</u>	<u>40,673</u>
Business-Type:		
Oregon DEQ	965	1,061
Total	<u><u>\$ 39,110</u></u>	<u><u>\$ 41,734</u></u>

The City has maintained its Aa2 rating with Moody's Investor Service. Credit ratings reflect the City's ability to continue to participate in the public bond markets while obtaining the lowest interest rate costs available.

Under Oregon Revised Statutes, general obligation debt issues are limited to three percent of the real market value of all taxable property within the City's boundaries. As of June 30, 2021, the City carried \$10.0 million general obligation debt subject to this \$118.0 million limit.

Economic Factors

The City of Milwaukie is predominantly residential in nature, with commercial property and industrial property representing approximately nine percent and fifteen percent of the City's taxable assessed value, respectively. Therefore, the City receives a significant share of its revenue directly from local residents in the form of property taxes and charges for services.

The State of Oregon does not have a sales tax, making property taxes the primary funding source for general government, public safety, and culture and recreation services provided by the City. The underlying taxable assessed value continues to be below real market values (currently about 61 percent); therefore, overall real market values would have to decrease an additional 39 percent before the City's property tax revenue stream would be significantly impacted.

Property taxes and charges for services provided approximately 73% of revenue used for governmental activities. Other significant revenue sources include operating grants and contributions, franchise fees, and capital grants and contributions.

Business-type activities are primarily funded with utility fees and charges. The Citizens' Utility Advisory Board (CUAB) oversees utility rate studies and reviews financial forecasts for each utility to recommend rates to the City Council for adoption. On January 1, 2017, City Council adopted the Safe Access For Everyone (SAFE) fee in order to improve safety and access throughout the City such as improvements for ADA compliance, bicycle and pedestrian accessibility. The commercial rates based on square footage and type of business; single-family residential rates are fixed at \$5.64 monthly. On June 5, 2019, the City Council adopted a new rate structure for water fees, providing a tiered system. With this new rate structure, there were no fee increases to water. Wastewater received a decrease in the administrative fee but had an increase of 2.5 percent in volume charges. Stormwater received an increase of 2.5 percent in volume charges.

Requests for Information

This financial statement report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives and expends. If you have questions about this report or need additional financial information, contact Bonnie Dennis at the City of Milwaukie, 10722 SE Main Street, Milwaukie, Oregon 97222 or e-mail dennisb@milwaukieoregon.gov.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

STATEMENT OF ACTIVITIES

FUND FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS



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CITY OF MILWAUKIE, OREGON

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and investments	\$ 14,170,714	\$ 16,387,331	\$ 30,558,045
Restricted cash and investments	22,400,279	12,056	22,412,335
Property taxes receivable	294,683	-	294,683
Accounts receivable, net of allowance	2,608,957	1,837,417	4,446,374
Prepaid expenses	343,856	49,392	393,248
Net OPEB Asset	96,076	10,739	106,815
Capital assets not being depreciated:			
Land and easements	6,216,125	1,204,140	7,420,265
Construction in progress	4,691,090	2,837,285	7,528,375
Capital assets net of accumulated depreciation:			
Buildings and improvements	24,433,228	5,284,661	29,717,889
Vehicles and equipment	1,663,505	1,961,302	3,624,807
Furniture and fixtures	414,052	-	414,052
Infrastructure	30,108,930	19,988,834	50,097,764
TOTAL ASSETS	107,441,495	49,573,157	157,014,652
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources - pension	6,320,491	706,539	7,027,030
Deferred outflows of resources - OPEB	286,672	32,046	318,718
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,607,163	738,585	7,345,748
LIABILITIES:			
Accounts payable	1,593,654	1,825,207	3,418,861
Accrued salaries and payroll taxes payable	325,912	46,165	372,077
Accrued compensated absences payable	1,359,635	107,343	1,466,978
Accrued interest payable	142,412	1,931	144,343
Deposits payable	31,235	13,498	44,733
Unearned revenue	632,017	403,910	1,035,927
Noncurrent liabilities:			
Long-term obligations, due within one year	1,288,093	96,458	1,384,551
Long-term obligations, due in more than one year	36,857,450	868,120	37,725,570
Net pension liability	20,389,779	2,279,283	22,669,062
Total OPEB liability	822,078	91,896	913,974
TOTAL LIABILITIES	63,442,265	5,733,811	69,176,076
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources - pension	659,807	73,758	733,565
Deferred inflows of resources - OPEB	189,575	21,193	210,768
TOTAL DEFERRED INFLOWS OF RESOURCES	849,382	94,951	944,333
NET POSITION:			
Net investment in capital assets	47,783,054	30,311,644	78,094,698
Restricted for:			
Public safety supplies	517,087	-	517,087
Debt service	442,433	12,056	454,489
Building operations	2,567,039	-	2,567,039
Urban renewal	990,274	-	990,274
Capital projects	1,700,195	-	1,700,195
OPEB asset	96,076	10,739	106,815
Unrestricted	(4,339,147)	14,148,541	9,809,394
TOTAL NET POSITION	\$ 49,757,011	\$ 44,482,980	\$ 94,239,991

The notes to basic financial statements are an integral part of this statement.

CITY OF MILWAUKIE, OREGON

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FUNCTION / PROGRAM	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General government	\$ 16,617,503	\$ 9,554,231	\$ 1,801,127	\$ -	\$ (5,262,145)	\$ -	\$ (5,262,145)
Highways and streets	6,252,845	2,106,561	2,086,130	466,427	(1,593,727)	-	(1,593,727)
Public safety	8,077,794	-	44,065	-	(8,033,729)	-	(8,033,729)
Culture and recreation	2,563,953	1,874,093	5,898	-	(683,962)	-	(683,962)
Interest on long-term debt	1,318,564	-	-	-	(1,318,564)	-	(1,318,564)
TOTAL GOVERNMENTAL ACTIVITIES	34,830,659	13,534,885	3,937,220	466,427	(16,892,127)	-	(16,892,127)
BUSINESS-TYPE ACTIVITIES:							
Water	4,089,801	4,580,981	-	-	-	491,180	491,180
Wastewater	7,910,617	8,145,889	-	-	-	235,272	235,272
Stormwater	3,659,987	5,207,399	-	307,540	-	1,854,952	1,854,952
TOTAL BUSINESS-TYPE ACTIVITIES	15,660,405	17,934,269	-	307,540	-	2,581,404	2,581,404
TOTAL ACTIVITIES	\$ 50,491,064	\$ 31,469,154	\$ 3,937,220	\$ 773,967	(16,892,127)	2,581,404	(14,310,723)
GENERAL REVENUES:							
Property taxes, levied for general purposes					10,391,227	-	10,391,227
Franchise taxes					3,681,645	-	3,681,645
Unrestricted investment earnings					218,055	41,364	259,419
Gain on sale of capital assets					39,251	-	39,251
TOTAL GENERAL REVENUES					14,330,178	41,364	14,371,542
CHANGE IN NET POSITION					(2,561,949)	2,622,768	60,819
NET POSITION - beginning					52,318,960	41,860,212	94,179,172
NET POSITION - ending					\$ 49,757,011	\$ 44,482,980	\$ 94,239,991

The notes to basic financial statements are an integral part of this statement.

CITY OF MILWAUKIE, OREGON

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2021

	General Fund	Transportation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and investments	\$ 11,294,232	\$ 736,797	\$ 2,139,685	\$ 14,170,714
Restricted cash and investments	205,441	15,751,667	6,443,171	22,400,279
Property taxes receivable	284,866	-	9,817	294,683
Accounts receivable	2,083,126	515,228	10,603	2,608,957
Prepaid expenditures	311,646	4,123	28,087	343,856
TOTAL ASSETS	\$ 14,179,311	\$ 17,007,815	\$ 8,631,363	\$ 39,818,489
LIABILITIES:				
Accounts payable	278,502	1,210,671	104,481	1,593,654
Accrued salaries and payroll taxes	268,109	13,970	43,833	325,912
Deposits payable	31,235	-	-	31,235
Unearned revenue	18,479	562,854	50,684	632,017
TOTAL LIABILITIES	596,325	1,787,495	198,998	2,582,818
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	261,916	-	9,089	271,005
Unavailable revenue - municipal court assessments	1,158,904	-	-	1,158,904
Unavailable revenue - assessment liens	99,883	-	-	99,883
TOTAL DEFERRED INFLOWS OF RESOURCES	1,520,703	-	9,089	1,529,792
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,117,028	1,787,495	208,087	4,112,610
FUND BALANCES:				
Nonspendable	311,646	4,123	28,087	343,856
Restricted	205,441	-	6,349,414	6,554,855
Committed	-	15,216,197	-	15,216,197
Assigned	-	-	2,045,775	2,045,775
Unassigned	11,545,196	-	-	11,545,196
TOTAL FUND BALANCES	12,062,283	15,220,320	8,423,276	35,705,879
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,179,311	\$ 17,007,815	\$ 8,631,363	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources
and therefore, are not reported in funds. 67,526,930

Other assets are not available to pay for current-period expenditures and
are therefore deferred in the funds:

Property tax revenues	(11,580)	
Municipal court assessments	86,472	
Net OPEB asset	96,076	
Deferred outflows of resources - pensions	6,320,491	
Deferred outflows of resources - OPEB	286,672	
Revenues available	1,454,900	8,233,031

Liabilities, including accrued liabilities and bonds payable, that are not due
and payable in the current period and therefore, are not reported in funds:

Accrued compensated absences payable	(1,359,635)	
Accrued interest payable	(142,412)	
Net pension liability	(20,389,779)	
Total OPEB liability	(822,078)	
Deferred inflows of resources - pensions	(659,807)	
Deferred inflows of resources - OPEB	(189,575)	
Long-term debt obligations	(38,145,543)	(61,708,829)
Net position of governmental activities		<u>\$ 49,757,011</u>

The notes to basic financial statements are an integral part of this statement.

CITY OF MILWAUKIE, OREGON

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Transportation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 8,084,761	\$ -	\$ 2,294,886	\$ 10,379,647
Franchise taxes	2,452,264	1,229,381	-	3,681,645
Intergovernmental	1,395,052	2,475,290	2,097,191	5,967,533
Fines and forfeitures	413,837	-	3,334	417,171
Licenses and permits	568,682	-	1,044,624	1,613,306
Charges for services	7,000,000	2,106,561	-	9,106,561
Systems development charges	-	-	291,767	291,767
Proceeds from lease	-	-	504,000	504,000
Investment earnings	69,673	86,439	61,943	218,055
Miscellaneous	91,962	12,444	31,610	136,016
TOTAL REVENUES	20,076,231	5,910,115	6,329,355	32,315,701
EXPENDITURES:				
Current:				
General government	11,186,471	-	1,863,798	13,050,269
Highways and streets	-	2,978,960	-	2,978,960
Public safety	6,686,648	-	-	6,686,648
Culture and recreation	-	-	1,897,069	1,897,069
Debt service:				
Principal	294,720	1,290,000	890,000	2,474,720
Interest	165,750	705,332	484,568	1,355,650
Capital outlay	477,881	4,714,975	279,997	5,472,853
TOTAL EXPENDITURES	18,811,470	9,689,267	5,415,432	33,916,169
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,264,761	(3,779,152)	913,923	(1,600,468)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	39,251	-	-	39,251
Transfers from other funds	-	49,000	315,000	364,000
Transfers to other funds	(364,000)	-	-	(364,000)
TOTAL OTHER FINANCING SOURCES (USES)	(324,749)	49,000	315,000	39,251
NET CHANGE IN FUND BALANCES	940,012	(3,730,152)	1,228,923	(1,561,217)
FUND BALANCES - beginning	11,122,271	18,950,472	7,194,353	37,267,096
FUND BALANCES - ending	\$ 12,062,283	\$ 15,220,320	\$ 8,423,276	\$ 35,705,879

The notes to basic financial statements are an integral part of this statement.

CITY OF MILWAUKIE, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds		\$ (1,561,217)
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was greater than depreciation.

Capital outlay	\$ 5,472,853	
Depreciation expense	(6,208,984)	(736,131)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and transfers) is to decrease net position.		(27,038)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(86,242)
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The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents debt issued during the current fiscal year and scheduled principal payments on existing debt.

Long-term debt principal repayments	2,474,720	2,474,720
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net pension liability and related deferrals	(2,768,032)	
Net OPEB liability and related deferrals	(13,049)	
Accrued interest payable	37,086	
Accrued compensated absences payable	64,780	
Amortization of bond premium	53,174	(2,626,041)

Change in net position of governmental activities		<u>\$ (2,561,949)</u>
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The notes to basic financial statements are an integral part of this statement.

CITY OF MILWAUKIE, OREGON

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Stormwater Fund	Total
ASSETS:				
Current assets:				
Cash and investments	\$ 4,341,877	\$ 6,006,946	\$ 6,038,508	\$ 16,387,331
Restricted cash and investments	-	12,056	-	12,056
Accounts receivable, net of allowance for doubtful accounts	481,509	848,281	501,741	1,831,531
Prepaid expenses	26,838	16,839	5,715	49,392
Total current assets	4,850,224	6,884,122	6,545,964	18,280,310
Noncurrent assets:				
Other receivable	-	5,886	-	5,886
Net OPEB asset	4,502	2,443	3,794	10,739
Capital assets not being depreciated	1,451,534	543,679	2,046,214	4,041,427
Capital assets, net of accumulated depreciation	11,000,863	9,125,255	7,108,679	27,234,797
Total noncurrent assets	12,456,899	9,677,263	9,158,687	31,292,849
TOTAL ASSETS	17,307,123	16,561,385	15,704,651	49,573,159
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows of resources - pensions	296,162	160,749	249,628	706,539
Deferred outflows of resources - OPEB	13,433	7,291	11,322	32,046
TOTAL DEFERRED OUTFLOWS OF RESOURCES	309,595	168,040	260,950	738,585
LIABILITIES:				
Current liabilities:				
Accounts payable	225,475	1,304,005	295,727	1,825,207
Accrued salaries and payroll taxes payable	19,893	10,947	15,327	46,167
Accrued compensated absences payable	45,149	37,128	25,066	107,343
Accrued interest payable	-	1,931	-	1,931
Deposits payable	13,498	-	-	13,498
Unearned revenue	-	283,910	120,000	403,910
Current portion of long-term debt	-	96,458	-	96,458
Total current liabilities	304,015	1,734,379	456,120	2,494,514
Noncurrent liabilities:				
Net pension liability	955,413	518,575	805,295	2,279,283
Total OPEB liability	38,520	20,908	32,468	91,896
Long-term debt	-	868,120	-	868,120
TOTAL LIABILITIES	1,297,948	3,141,982	1,293,883	5,733,813
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows of resources - pensions	30,918	16,781	26,059	73,758
Deferred inflows of resources - OPEB	8,883	4,823	7,487	21,193
TOTAL DEFERRED INFLOWS OF RESOURCES	39,801	21,604	33,546	94,951
NET POSITION:				
Net investment in capital assets	12,452,397	8,704,354	9,154,893	30,311,644
Restricted for debt service	-	12,056	-	12,056
Restricted for OPEB asset	4,502	2,443	3,794	10,739
Unrestricted	3,822,070	4,846,986	5,479,485	14,148,541
TOTAL NET POSITION	\$ 16,278,969	\$ 13,565,839	\$ 14,638,172	\$ 44,482,980

The notes to basic financial statements are an integral part of this statement.

CITY OF MILWAUKIE, OREGON

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Stormwater Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 4,490,866	\$ 8,092,696	\$ 5,117,836	\$ 17,701,398
Capital grant	-	-	307,540	307,540
Miscellaneous	35,115	4,193	33,563	72,871
TOTAL OPERATING REVENUES	4,525,981	8,096,889	5,458,939	18,081,809
OPERATING EXPENSES:				
Salaries and wages	1,113,836	462,467	811,829	2,388,132
Materials and services	2,205,623	6,817,094	2,020,081	11,042,798
Depreciation	770,342	625,992	828,077	2,224,411
TOTAL OPERATING EXPENSES	4,089,801	7,905,553	3,659,987	15,655,341
OPERATING INCOME	436,180	191,336	1,798,952	2,426,468
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	1,870	14,722	24,772	41,364
Interest expense	-	(5,064)	-	(5,064)
TOTAL NONOPERATING REVENUES (EXPENSES)	1,870	9,658	24,772	36,300
TRANSFERS	55,000	49,000	56,000	160,000
CHANGE IN NET POSITION	493,050	249,994	1,879,724	2,622,768
NET POSITION - beginning	15,785,919	13,315,845	12,758,448	41,860,212
NET POSITION - ending	\$ 16,278,969	\$ 13,565,839	\$ 14,638,172	\$ 44,482,980

The notes to basic financial statements are an integral part of this statement.

CITY OF MILWAUKIE, OREGON

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users of services	\$ 4,486,957	\$ 8,166,858	\$ 5,127,144	\$ 17,780,959
Payments to suppliers for goods and services	(2,681,449)	(6,411,975)	(2,463,582)	(11,557,006)
Payments to employees for services	(814,152)	(398,204)	(348,631)	(1,560,987)
NET CASH FROM OPERATING ACTIVITIES	991,356	1,356,679	2,314,931	4,662,966
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfers from other funds	55,000	49,000	56,000	160,000
Principal paid on capital debt	-	(96,458)	-	(96,458)
Interest paid on capital debt	-	(5,064)	-	(5,064)
Acquisition and construction of capital assets	(1,587,661)	(885,528)	(1,860,262)	(4,333,451)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(1,532,661)	(938,050)	(1,804,262)	(4,274,973)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earnings received on investments	1,870	14,722	24,772	41,364
NET INCREASE IN CASH AND INVESTMENTS	(539,435)	433,351	535,441	429,357
CASH AND INVESTMENTS - beginning	4,881,312	5,585,651	5,503,067	15,970,030
CASH AND INVESTMENTS - ending	\$ 4,341,877	\$ 6,019,002	\$ 6,038,508	\$ 16,399,387
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income	\$ 436,180	\$ 191,336	\$ 1,798,952	\$ 2,426,468
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation expense	770,342	625,992	828,077	2,224,411
Pension expense (income)	234,413	19,379	110,085	363,877
OPEB expense (income)	6,002	(5,116)	554	1,440
(Increase) decrease in accounts receivable	(39,024)	69,969	(24,255)	6,690
(Increase) decrease in prepaid expenses	(24,635)	(16,839)	(5,715)	(47,189)
Increase (decrease) in accounts payable	(400,688)	470,958	(380,571)	(310,301)
Increase (decrease) in deposits payable	4,498	-	-	4,498
Increase (decrease) in accrued salaries and payroll taxes payable	1,541	(604)	(1,215)	(278)
Increase (decrease) in accrued compensated absences payable	2,727	1,604	(10,981)	(6,650)
NET CASH FROM OPERATING ACTIVITIES	\$ 991,356	\$ 1,356,679	\$ 2,314,931	\$ 4,662,966

The notes to basic financial statements are an integral part of this statement.

CITY OF MILWAUKIE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Milwaukie, Oregon (City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity

The City is a municipal corporation, incorporated in 1903. It operates under its own charter with a Council/City Manager form of government. The City Council, composed of the Mayor and four councilors, comprise the legislative branch of the government. Individual departments are under the direction of the City Manager who is appointed by the Council.

The City provides a full range of municipal services to the community, which includes police protection and municipal court services, traffic control and improvement, street maintenance and improvement, water, sewer and stormwater management services, community development, planning and zoning regulation, building inspection and regulation, and community library services.

Basis of Presentation – Government-wide Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for service revenues.

Government-wide financial statements display information about the City as a whole. The effect of interfund activity has been removed from these statements except for interfund services provided and used and reimbursements between funds which, if eliminated, would distort the direct costs and program revenues reported for the various functions. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not attributable to a specific program are reported as general revenues.

Basis of Presentation – Fund Financial Statements

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has only governmental and proprietary type funds. Major individual governmental funds and major individual enterprise funds are reported in the fund financial statements. Nonmajor funds are reported in the aggregate.

The City reports the following major governmental funds:

- *General Fund* - Accounts for the City's legislative and administration, human resources, finance, information technology, municipal court, community development, engineering, planning, facilities management, fleet services, and related debt service. The primary revenue sources are property taxes, franchise taxes, reimbursement charges for services to other funds, fines and forfeitures, licenses and permits, and miscellaneous income.
- *Transportation Fund* - Accounts for the operation and maintenance of the City's street and sidewalk systems including medians. The primary sources of revenue are intergovernmental revenues that include state and local gas taxes dedicated to construction and maintenance of local streets, fees for service, franchise fees, PGE privilege tax, and charges for services.

The City has nonmajor governmental funds that are reported as special revenue, debt service and capital projects funds. Nonmajor funds are:

- *Systems Development Charges Fund* - Accounts for the receipt and expenditures of system development charges (SDCs) dedicated to streets, water, wastewater and stormwater systems.
- *City Hall Fund* - Accounts for the City's purchase of the new City Hall and sales lease-back agreement with Advantis Credit Union.
- *Building Fund* - Accounts for the receipt and expenditure of dedicated revenue sources related to building permits and inspections and is primarily supported by licenses and permit revenues.
- *Library Fund* - Accounts for the operation of the City's Ledding Library. Major revenue sources are intergovernmental revenues and property taxes.
- *Affordable Housing Fund* – Accounts for the collection of construction excise taxes to fund incentives for the development and construction of affordable housing.

- *Milwaukie Redevelopment Commission Fund* – Accounts for the urban renewal redevelopment. The primary revenue source is property taxes.
- *Debt Service Fund* - Accounts for the accumulation of resources for the payment of general obligation bonds and full faith and credit obligation principal and interest.

The City reports each of its three proprietary funds as major funds:

- *Water Fund* – Accounts for the operation and maintenance of water service and distribution facilities and is primarily supported through fees for service.
- *Wastewater Fund* – Accounts for the operation and maintenance of the wastewater collection and treatment systems and is primarily supported through fees for service.
- *Stormwater Fund* – Accounts for the operation and maintenance of the stormwater management and collection systems and is primarily supported through fees for service.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. *Basis of accounting* refers to when transactions are recorded. The government-wide financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus, as are the proprietary fund financial statements. An economic resource measurement focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual basis accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented on the modified accrual basis of accounting with a current financial resource measurement focus. The measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual basis of accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become *measurable* and *available*). *Measurable* means the amount of the transaction can be determined and revenues are considered *available* when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues, franchise taxes, intergovernmental revenues, grants, and investment income.

A deferred inflow of resources arises on the balance sheet of the governmental funds when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes not deemed available to

finance operations of the current period, long-term assessments receivable and court receivables. In the government-wide Statement of Activities, with a full

accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow of resources created on the Balance Sheet of the governmental funds for unavailable revenue is eliminated. In the government-wide Statement of Net Position, deferred outflows of resources and deferred inflows of resources are recorded for pensions and other post-employment benefits.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government are recognized.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position

Cash and Investments

Cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of funds held in the Oregon State Treasurer's Local Government Investment Pool (LGIP) and a U.S. Treasury Bill. The individual funds' portion of the cash pool is presented as "Cash and investments" in the basic financial statements.

The LGIP is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any public funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The City's investment policy, adopted by the City Council, essentially mirrors the requirements of the Oregon Revised Statutes.

Receivables and Revenues

Property taxes are levied and become a lien against property on July 1 of the year in which they are due. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

In the fund financial statements, property taxes receivable collected within 60 days of fiscal year end are considered *measurable* and *available*, and therefore, are recognized as revenue. The property taxes receivable portion beyond 60 days is recorded as deferred inflows of resources. Assessments are recognized as receivables at the time property owners are assessed on property improvements. Court receivables are recognized at the time the citation is adjudicated. These receivables are entirely offset by deferred inflows of resources, as assessment and court receivable revenue is recognized upon collection.

In the government-wide financial statements, property taxes, court receivables and assessment receivables are recognized as revenue when earned and are shown net of an allowance for uncollectible amounts.

Enterprise fund receivables include billings for residential and commercial customers utilizing the City’s water, sewer, and stormwater services and are reported net of an allowance for uncollectible accounts, determined based upon an estimated percentage of the receivable balance.

Capital Assets

Purchased or constructed capital assets are recorded at historical cost. Donated capital assets are recorded at acquisition cost at the time of donation. Infrastructure (bridges, roads, and drainage systems) acquired during the year has been recorded at cost or fair value if donated by developers. The City defines capital assets as assets with an initial cost of more than \$10,000 and an estimated useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Useful Lives (in years)
Buildings and structures	30 – 50
Improvements other than buildings	10 – 50
Vehicles and equipment	4 – 30
Infrastructure	20 – 50

Accrued Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave since the City does not pay out sick leave banks when employees separate from service. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. As compensated absences are due and payable on demand, they are considered due within one year. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of termination or retirement.

Long-term Obligations

In the government-wide financial statements, and in the proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. When significant, bond premiums, discounts, and amounts deferred on refundings, are amortized over the applicable bond term. In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs in the year of issue. The face amount of debt issued and related premium are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Pension Obligations

The City's net pension liability, deferred inflows and outflows related to pensions, and pension expense have been determined on the basis reported by the Oregon Public Employees Retirement System (OPERS).

Other Postemployment Benefits Obligations

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's two separate plans the Implicit Rate Subsidy and Oregon Public Employees Retirement Systems (OPERS) and additions to/deductions from Implicit Rate Subsidy and OPERS's fiduciary net position have been determined on the same basis as they are reported by Implicit Rate Subsidy and OPERS. For this purpose, Implicit Rate Subsidy and OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Equity

In the government-wide Statement of Net Position, equity is referred to as Net Position and is segregated into the following three components: 1) net investment in capital assets, 2) legally restricted by outside parties for a specific purpose, and 3) unrestricted.

Fund balance of governmental funds is reported in various categories based on the nature of any limitations on the use of resources for specific purposes. Fund balance is categorized as follows:

- *Non-spendable* – Includes items that are not in a spendable form either because the underlying resources are not in spendable form or because they are legally or contractually required to be maintained.
- *Restricted* – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- *Committed* – Includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest decision-making authority. The City Council reserves the authority by Ordinance and City Code to establish and modify commitments of revenues and ending fund balance.
- *Assigned* – Includes items assigned by specific uses, authorized by Council or officials or other bodies delegated by Council.
- *Unassigned* – This is the residual classification used for balances not assigned to another category in the general fund. Deficit fund balances in other governmental funds are also presented as unassigned.

GASB Statement 54 requires the highest legal authority to approve authorized commitments of fund balance and to approve who can authorize making assignments of fund balance. The City has designated the City Manager and/or Finance Director to make assignments of fund balance. Reserve policy guidelines are measured as a percentage of annual operating expenditures and generally range between 5 and 17 percent depending on the fund.

Net Position Flow Assumptions

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to have been applied. It is the City's policy to deplete restricted net position first before unrestricted net position is depleted.

Fund Balance Flow Assumptions

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which resources are considered to have been applied. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When components of restricted fund balance can be used for the same purpose, committed fund balance is depleted second, followed by assigned fund balance. Unassigned fund balance is applied last.

Deferred Inflows and Outflows of Resources

A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. Deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

Use of Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Note 2. Cash and Investments

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by Oregon Revised Statutes and a Council adopted investment policy. Authorized investments consist of U.S. Treasury obligations

including treasury notes, bonds and strips; Federal instrumentality securities from specific federal agencies; commercial paper rated at least A-1 or an equivalent rating; corporate bonds rated at least Aa or an equivalent rating; bankers acceptances rated at least Aa or an equivalent rating; Oregon State Treasurer's Local Government Investment Pool (LGIP) limited by State statute; certificates of deposit; repurchase agreements and obligations of the states of Oregon, California, Idaho and Washington rated AA or better.

As of June 30, 2021, the City's cash and investments were comprised of the following:

Cash on hand	\$ 5,431
Deposits with financial institutions	1,899,883
Oregon State Treasurer's LGIP	51,065,066
Total cash and investments	<u>\$ 52,970,380</u>

	Government Activities	Business-type Activities	Total
Cash and investments	\$ 14,170,714	\$ 16,387,331	\$ 30,558,045
Restricted cash and investments	22,400,279	12,056	22,412,335
Total cash and investments	<u>\$ 36,570,993</u>	<u>\$ 16,399,387</u>	<u>\$ 52,970,380</u>

Deposits. Deposits with financial institutions are comprised of bank demand deposits. To provide additional security required and authorized by Oregon Revised Statutes, Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the State of Oregon. At the fiscal year end, bank balances of \$2,171,774 were covered by federal depository insurance (FDIC) or by collateral held by one or more of the state's authorized collateral pool managers. Cash on hand balances representing petty cash accounts are uninsured and uncollateralized.

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the average maturities in the City's pooled investment portfolio to eighteen months or less.

Credit risk. State law and the City's investment policy limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its use of these investment types to the top two ratings issued by NRSROs, where applicable. The State of Oregon Local Government Investment Pool (LGIP) is not rated by NRSROs.

Concentration of credit risk. The City's investment policy, as it relates to investing outside of the LGIP, does not allow for an investment in any one issuer that is in excess of five percent of the City's total investments (ORS 294.035).

Custodial credit risk. Custodial risk is the risk that in the event of failure of the counterparty the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2021, all City deposits are insured or collateralized and are therefore not subject to custodial credit risk.

The City participates in an external investment pool, the State of Oregon Treasury Local Government Investment Pool (LGIP). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes (ORS) and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Oregon Investment Council and is responsible for all funds in the State Treasury.

Investments held by the City at June 30, 2021 were as follows:

	Weighted Average	
	Maturity	Fair Value
Investments in the State Treasurer's Local		
Government Investment Pool	0.62	\$ 51,065,066
Total Cash Equivalents	0.62	\$ 51,065,066

Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn. These investments are further governed by portfolio guidelines issued by the Oregon Short Term Fund Board, which establishes diversification percentages and specifies investment types and maturities. The portion of the external investment pool belonging to local government participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report. A copy of the State's Annual Comprehensive Financial Report may be obtained at the Oregon State Treasury, 350 Winter Street NE, Salem, Oregon 97310-0840.

Note 3. Receivables

As of June 30, 2021, accounts receivable are reflected in the basic financial statements net of an allowance for uncollectible accounts. The allowance for uncollectible accounts pertains only to utility billing collections in the business-type activities, and street maintenance fees in governmental activities.

Accounts, contracts, assessments and grants	4,743,123
Allowance for uncollectible accounts	(296,748)
Total accounts receivable	<u>\$ 4,446,375</u>
Accounts receivable - governmental activities	2,608,958
Accounts receivable - business-type activities	1,837,417
Total accounts receivable	<u>\$ 4,446,375</u>

Note 4. Unavailable and Unearned Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are considered to be available to liquidate liabilities in the current period. Governmental funds also report a liability in connection with resources that have been received, but not yet earned. Amounts reported below as unearned are reported as unearned revenue in governmental activities on the *Statement of Net Position*. At the end of the fiscal year, various components of deferred inflows of resources and unearned revenue were reported in the governmental funds as follows:

	Deferred Inflows of Resources	Unearned Revenue
Municipal court collections receivable	\$ 1,158,904	\$ -
Property taxes receivable	271,005	-
Assessment liens receivable	99,883	-
Contract receivable	-	8,684
Lease receivable	-	42,000
Fees in lieu of construction	-	562,852
Bail escrow	-	15,700
Seized cash & deposits	-	2,781
	<u>\$ 1,529,792</u>	<u>\$ 632,017</u>

Note 5. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance as of June 30, 2020	Additions	Reductions and adjustments	Balance as of June 30, 2021
Governmental activities:				
Capital assets not being depreciated:				
Land and easements	\$ 6,216,125	\$ -	\$ -	\$ 6,216,125
Construction in progress	1,512,934	5,195,700	(2,017,544)	4,691,090
Total capital assets not being depreciated	7,729,059	5,195,700	(2,017,544)	10,907,215
Capital assets being depreciated:				
Buildings and improvements	37,056,321	161,589	-	37,217,910
Vehicles and equipment	5,288,079	279,742	(286,195)	5,281,626
Furniture and fixtures	491,943	-	-	491,943
Infrastructure	67,505,381	1,853,366	-	69,358,747
Total capital assets being depreciated	110,341,724	2,294,697	(286,195)	112,350,226
Less accumulated depreciation for:				
Buildings and improvements	(10,221,276)	(2,563,406)	-	(12,784,682)
Vehicles and equipment	(3,552,547)	(324,731)	259,157	(3,618,121)
Furniture and fixtures	(28,697)	(49,194)	-	(77,891)
Infrastructure	(35,978,164)	(3,271,653)	-	(39,249,817)
Total accumulated depreciation	(49,780,684)	(6,208,984)	259,157	(55,730,511)
Total capital assets being depreciated, net	60,561,040	(3,914,287)	(27,038)	56,619,715
Total capital assets, net	\$ 68,290,099	\$ 1,281,413	\$ (2,044,582)	\$ 67,526,930
	Balance as of June 30, 2020	Additions	Reductions and adjustments	Balance as of June 30, 2021
Business type activities:				
Capital assets not being depreciated:				
Land and easements	\$ 1,204,142	\$ -	\$ -	\$ 1,204,142
Construction in progress	1,867,889	3,600,423	(2,631,027)	2,837,285
Total capital assets not being depreciated	3,072,031	3,600,423	(2,631,027)	4,041,427
Capital assets being depreciated:				
Buildings and improvements	9,427,340	-	-	9,427,340
Vehicles and equipment	4,770,348	733,027	-	5,503,375
Infrastructure	38,602,411	-	2,604,746	41,207,161
Total capital assets being depreciated	52,800,099	733,027	2,604,746	56,137,876
Less accumulated depreciation for:				
Buildings and improvements	(3,699,315)	(443,364)	-	(4,142,679)
Vehicles and equipment	(3,243,909)	(298,164)	-	(3,542,073)
Infrastructure	(19,761,721)	(1,482,883)	26,278	(21,218,326)
Total accumulated depreciation	(26,704,945)	(2,224,411)	26,278	(28,903,078)
Total capital assets being depreciated, net	26,095,154	(1,491,384)	2,631,024	27,234,798
Total capital assets, net	\$ 29,167,185	\$ 2,109,039	\$ (3)	\$ 31,276,225

Depreciation expense was charged to functions/programs for governmental and business-type activities respectively as follows:

	Governmental	Business-type	
	Activities	Activities	Total
General government	\$ 2,361,805	\$ -	\$ 2,361,805
Highways and streets	3,193,882	-	3,193,882
Public safety	254,561	-	254,561
Culture and recreation	398,736	-	398,736
Water	-	770,342	770,342
Wastewater	-	625,992	625,992
Stormwater	-	828,077	828,077
Depreciation expense	\$ 6,208,984	\$ 2,224,411	\$ 8,433,395

Note 6. Interfund Transfers

Transfers for services between funds are to cover administrative services, provide for additional funding for reserve purposes, contribute towards the cost of capital projects, and to provide for other operational resources. For the fiscal year ended June 30, 2021, all City transfers are properly classified under charges for services for financial reporting purposes. Transfers of capital assets are also made between funds to ensure full utilization of useable assets.

The City made transfers from all funds to the General Fund for specific projects and designated needs. Total transfers of \$7,000,000 were approved by the City Council in the original 2021-22 budget. During fiscal year 2021, a \$364,000 budget adjustment transferred out of the General Fund to provide business relief grants in the Affordable Housing Fund (\$132K) and various cost relief efforts related to unforeseen events including the COVID-19 pandemic into the transportation, building and SDC funds (\$232K).

Note 7. Leases

Leases which meet certain criteria established by the GASB are classified as capital leases. When these leases are initiated, the assets and related liabilities are recorded at the lesser of the present value of minimum lease payments or the fair value of the lease. Leases which do not meet the criteria of a capital lease are classified as operating leases and related rental payments are charged to operations in their respective funds.

In prior years the City entered into lease agreements as lessee for financing the acquisition of various office equipment valued at \$221,438 related to the governmental funds only. However, future obligations under the remaining agreements are immaterial, totaling \$47,824, with \$41,322 due in the first 12 months. The remaining \$6,502 will be recognized through 2026. The City has elected not to capitalize the leases as the largest remaining individual balance of \$6,060 is below the threshold for capitalization. The equipment has between 3 and 5 year estimated useful lives.

Note 8. Long-term Liabilities

In the following tables, information regarding the City's long-term liabilities is presented separately with respect to governmental and business-type activities. The following table presents current year changes in those obligations and the current portions due for each issue. For the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. As compensated absences are due and payable on demand, they are considered due within one year.

<u>Government-type activities</u>	Balance as of June 30, 2020	Additions	Reductions	Balance as of June 30, 2021	Due within one year
2005 PERS Unfunded Actuarial Liability					
Bonds, interest rates of 4.0% to 5.5%, original amount of \$4,285,000, due 2028	\$ 2,920,000	\$ -	\$ (270,000)	\$ 2,650,000	\$ 305,000
2018 Refinanced Oregon Special Public Works Fund (SPWF) Loan for North Main Village public area improvements, interest rate of 4-5%, original amount of \$738,000, due 2031	402,174	-	(24,720)	377,454	24,919
2014 Full Faith and Credit Obligations for Milwaukie Bay Park enhancements, interest rate from 3-4%, original amount of \$965,000, due 2029	630,000	-	(60,000)	570,000	60,000
2020 Full Faith and Credit Obligations for Milwaukie City Hall, interest rates from 2-4%, original amount \$6,700,000 due 2040	6,700,000	-	(280,000)	6,420,000	285,000
2014 General Obligation Bonds for refinancing of Light-Rail enhancements, interest rate of 3-4%, original amount of \$3,695,000, due 2034	2,870,000	-	(160,000)	2,710,000	165,000
2016 General Obligation Bonds for Library expansion, interest rate of 2-4%, original amount of \$9,200,000, due 2036	7,695,000	-	(390,000)	7,305,000	395,000
2018 Full Faith and Credit Obligations for Transportation, interest rate of 3.5-5%, original amount of \$20,970,000, due 2048	18,515,000	-	(1,290,000)	17,225,000	-
Bond issuance premiums	941,263	-	(53,173)	888,090	53,174
Long-term debt obligations	40,673,437	-	(2,527,893)	38,145,544	1,288,093
Compensated absences for governmental activities	1,424,415	1,070,219	(1,135,000)	1,359,634	1,359,634
Total governmental activities	42,097,852	1,070,219	(3,662,893)	39,505,178	2,647,727
<u>Business-type activities</u>					
State of Oregon loan:					
2010 Oregon DEQ Loan, amortized fees in lieu of interest, interest rate of 0%, original loan draws of \$2,229,318 in 2010 and \$1,622,016 in 2011, one-half converted to grant in 2012, due 2031	1,061,036	-	(96,458)	964,578	96,458
Compensated absences for business-type activities	113,993	151,050	(157,700)	107,343	107,343
Total business-type activities	1,175,029	151,050	(254,158)	1,071,921	203,801
Total long-term obligations	\$ 43,272,881	\$ 1,221,269	\$ (3,917,051)	\$ 40,577,099	\$ 2,851,528

Future maturities of principal and interest are as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,288,093	\$ 1,259,314	\$ 96,458	\$ 4,250	\$ 1,384,551	\$ 1,263,564
2023	1,358,301	1,218,368	96,458	3,750	1,454,759	1,222,118
2024	1,418,520	1,174,939	96,458	3,250	1,514,978	1,178,189
2025	1,483,749	1,128,133	96,458	2,750	1,580,207	1,130,883
2026	1,568,993	1,073,945	96,458	2,250	1,665,451	1,076,195
2027-2031	6,524,014	4,658,324	482,288	4,000	7,006,302	4,662,324
2032-2036	5,583,394	3,866,696	-	-	5,583,394	3,866,696
2037-2041	1,695,480	3,326,140	-	-	1,695,480	3,326,140
2042-2046	11,065,000	2,636,620	-	-	11,065,000	2,636,620
2047-2048	6,160,000	372,000	-	-	6,160,000	372,000
	<u>\$ 38,145,544</u>	<u>\$ 20,714,479</u>	<u>\$ 964,578</u>	<u>\$ 20,250</u>	<u>\$ 39,110,122</u>	<u>\$ 20,734,729</u>

Debt Covenants

The City pledges its net operating revenues in the wastewater fund at 135 percent of annual debt service on the Oregon Department of Environmental Quality (DEQ) loan. Additionally, the City is required to keep \$12,056 in a loan reserve account. If loan is defaulted, by failure to make required principal or interest payments, the DEQ could declare all principal and interest and all other amounts due immediately. It could also prevent the City from applying for future state assistance. At June 30, 2021 the City was compliant with these terms.

Note 9. Employee Retirement Pension Plans

Plan Description. The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon.

Defined Benefit Plan Benefits

OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by State statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Benefits under the defined benefit pension plan program include a retirement allowance payable monthly for life that may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020 and will be indexed with inflation in later years.

Benefits generally vest after five years of continuous service. Retirement is allowed at age fifty-eight with unreduced benefits, but retirement is generally available after age fifty-five with reduced benefits. Retirement benefits based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statute.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met: (1) member was employed by a OPERS employer at the time of death; (2) member died within 120 days after termination of OPERS-covered employment; (3) member died as a result of injury sustained while employed in a OPERS-covered job; or (4) member was on an official leave of absence from a OPERS-covered job at the time of death.

Disability Benefits. A member with ten or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retirement and may experience annual benefit fluctuations due to changes in the fair value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0 percent.

ORS 238A OPSRP Defined Benefit Plan Benefits

This portion of the defined benefit pension plan of OPERS provides benefits to members hired on or after August 29, 2003. Benefits under this portion of OPSRP provide a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

- For police and fire members, 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- For general service members, 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65 or age 58 with 30 years of retirement credit.

Members become vested on the earliest of the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, or if the pension program is terminated, the date on which termination becomes effective.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020 and will be indexed with inflation in later years.

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives 50 percent of the pension that would otherwise have been paid to the deceased member, for life.

Disability Benefits. A member who has accrued ten or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the cost-of-living changes in fiscal year 2016 and beyond vary based on the amount of the annual benefit.

Contributions. OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. The City's rates for the year ended June 30, 2021 were 23.39 percent for OPERS and 13.99 percent for OPSRP – general employees, and 18.62 percent for OPSRP – police employees, of salary covered under the plan. These rates are reported inclusive of the retiree healthcare rates disclosed in a separate note disclosure. The contribution requirements for plan members and the City are established by ORS Chapter 238 and may be amended by the Oregon Legislature. Employer required contributions for the year ended June 30, 2021, were approximately \$1,995,000.

In September 2005, the City issued \$4,285,000 in pension obligation bonds to pay the City's unfunded actuarial liability as identified by OPERS based on the December 31, 2003 system valuation. Debt service on these bonds is made by the General Fund and recovered through interfund transfers. Further details are contained in the long-term liabilities footnote to these financial statements.

Plan Audited Financial Report. Both OPERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at www.pers.state.or.us.

Pension Assets/Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources related to Pensions. At June 30, 2021, the City reported a liability of \$22,669,062 for its proportionate share of the plan pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The City's proportionate share was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the cost sharing pool as actuarially determined. At June 30, 2021 and 2020, the City's proportion was 0.10387483 and 0.10370708 percent, respectively. For the year ended June 30, 2021, the City recognized pension expense of \$5,073,518 for the defined benefit portion of the pension plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 997,713	\$ -
Changes in assumptions	1,216,577	42,626
Net difference between projected and actual earnings on pension plan investments	2,665,587	-
Changes in proportionate share	151,507	690,939
Differences between employer contributions and proportionate share of system contributions	-	-
Subtotal	5,031,384	733,565
City contributions subsequent to the measurement date	1,995,646	-
Total	<u>\$ 7,027,030</u>	<u>\$ 733,565</u>

The deferred outflow of resources of \$1,995,646 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 970,053
2023	1,304,149
2024	1,189,857
2025	838,921
2026	(5,161)
Total	<u>\$ 4,297,819</u>

Actuarial Assumptions. The employer contribution rates effective July 1, 2019 through June 30, 2021 were set using the entry age normal actuarial cost method.

For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the

amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over twenty years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over sixteen years.

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

- | | |
|-------------------------------------|---|
| • Valuation Date | December 31, 2018 |
| • Measurement Date | June 30, 2020 |
| • Experience Study Report | 2018, published July 2019 |
| • Actuarial Cost Method | Entry Age Normal |
| • Actuarial Assumptions | |
| ▪ Inflation Rate | 2.50 percent |
| ▪ Long-term Expected Rate of Return | 7.20 percent |
| ▪ Discount Rate | 7.20 percent |
| ▪ Projected Salary Increases | 3.50 percent |
| ▪ Cost of Living Adjustments (COLA) | Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Morongo Valley</i> decision; blend based on service. |
| ▪ Mortality | <p>Health retirees and beneficiaries: Pub-2010 healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> |

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study that reviewed experience for the four-year period ended on December 31, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as the City's proportionate share of the net pension liability if calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset)	\$ 33,661,683	\$ 22,669,062	\$ 13,451,237

Long-term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class/Strategy	Assumed Asset Allocation			Actual Allocation % ³
	Low Range %	High Range %	Target %	
Debt Securities	15.0	25.0	20.0	20.0
Public Equity	27.5	37.5	32.5	31.8
Private Equity	9.5	15.5	12.5	11.4
Real Estate	14.0	21.0	17.5	22.9
Alternative Equity	7.50	17.5	15.0	10.5
Opportunity Portfolio ¹	0.00	3.0	0.0	2.1
Risk Parity ²	0.00	2.5	2.5	1.3
			100%	100%

¹ Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan net assets.

² Risk Parity is a new investment strategy added to the asset allocation mix in 2019.

³ Based on the actual investment value at 6/30/2020.

Asset Class	Target Allocation	Annual Arithmetic Return	Compounded Annual (Geometric) Return	Standard Deviation
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60	3.70	3.68	2.10
Bank/Leveraged Loans	3.60	5.40	5.19	6.85
High Yield Bonds	1.20	6.13	5.74	9.35
Large/Mid Cap US Equities	16.17	7.35	6.30	15.50
Small Cap US Equities	1.35	8.35	6.68	19.75
Micro Cap US Equities	1.35	8.86	6.79	22.10
Developed Foreign Equities	13.48	8.30	6.91	17.95
Emerging Market Equities	4.24	10.35	7.69	25.35
Non-US Small Cap Equities	1.93	8.81	7.25	19.10
Private Equity	17.50	11.95	8.33	30.00
Real Estate (Property)	10.00	6.19	5.55	12.00
Real Estate (REITS)	2.50	8.29	6.69	21.00
Hedge Fund of Funds - Diversified	1.50	4.28	4.06	6.90
Hedge Fund - Event-driven	0.38	5.89	5.59	8.10
Timber	1.12	6.36	5.61	13.00
Farmland	1.12	6.87	6.12	13.00
Infrastructure	2.24	7.51	6.67	13.85
Commodities	1.12	5.34	3.79	18.70
	<u>100.00%</u>			
Assumed Inflation - Mean			2.50%	1.65%

Payable to OPERS. At June 30, 2021, the City owed \$119,891 to OPERS for defined benefit contributions. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Individual Account Program (IAP)

Plan Description. During the 2003 legislature, the Individual Account Program (IAP) was established to provide an individual account-based retirement benefit for new employees hired on or after August 29, 2003. Active participants in OPERS defined benefit pension plans also participate in the IAP defined contribution plan.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives in a lump sum, the member's account balance, rollover account balance and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary is entitled to receive the remaining installment payments or a lump-sum payment.

Contributions. Members of OPERS and OPSRP are required to contribute 6 percent of their salary covered under the plan which is invested in IAP. The City makes this contribution on behalf of its employees. For the fiscal year ended June 30, 2021, the City contributed \$566,570 representing the employees' 6 percent portion.

Deferred Compensation Plan

The City has a deferred compensation plan (Plan) created in accordance with the Internal Revenue Code Section 457(g). The Plan is managed by independent plan administrators. The Plan is available to all employees of the City. The City contributes 2 – 2.5 percent of covered wages to the Plan depending on the employees bargaining unit status and employees may defer a portion of their salary until future years. City Council may establish or amend plan provisions including contribution requirements. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The Plan's assets are held in a custodial account for the exclusive benefit of participants and beneficiaries and are not subject to the claims of the City's creditors, nor can they be used by the City for any purpose other than the payment of benefits to the Plan participants. Accordingly, Plan assets and related liabilities are not recorded in the City's basic financial statements.

Note 10. Other Postemployment Benefits (OPEB)

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

Financial Statement Presentation

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB on Financials
Net OPEB Asset	\$ -	\$ 106,815	\$ 106,815
Deferred Outflows of Resources			
Net difference between projected and actual earnings on investments	186,180	11,879	198,059
Change in Proportionate Share	-	46,694	46,694
Contributions After the Measurement Date	55,519	1,648	57,167
Changes of Assumptions or Inputs	16,798	-	16,798
Total OPEB Liability	(913,974)	-	(913,974)
Deferred Inflows of Resources			
Difference between expected and actual experience	(38,216)	(10,920)	(49,136)
Change in Proportionate Share	-	(905)	(905)
Changes of Assumptions or Inputs	(155,049)	(5,678)	(160,727)
OPEB Expense (Income)*	\$ 67,404	\$ 6,500	\$ 73,904

*Included in program expenses on Statement of Activities

Implicit Rate Subsidy

Plan Description. The City does not have a formal, stand-alone postemployment benefit plan for its employees; however, the City is required by ORS 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. The City maintains a single employer defined benefit plan allowing eligible retirees to purchase health insurance benefits at premium rates set equal to the rates paid by active employees.

Funding Policy. The City collects insurance premiums from all retirees each month then pays health insurance premiums for all retirees at tiered rates to the insurance company. The required contributions to the plan include the City's pay-as-you-go amount and amount paid by retirees. For the fiscal year ended June 30, 2021, the City's retirees paid 100% of their insurance premium costs.

The program values the implicit retiree health insurance subsidy as the difference between the health insurance premiums and the expected age-adjusted claim costs for early retirees. Contribution amounts shown are the estimated implicit employer contributions.

Benefits Provided. The program is a defined benefit plan that provides post-employment health insurance to eligible City retirees. The program allows eligible retirees and their dependents to purchase the City's health insurance benefits at premium rates set equal to the rates paid by active employees. As of the valuation date of July 1, 2020, there were 147 active employees, six retired employees, and one ineligible spouse of a retiree in the City.

Net OPEB liability, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB. The City's net OPEB liability of \$913,974 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2020.

The City recognized OPEB expense from this plan of \$67,404 for the year ended June 30, 2021. Additionally, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 186,180	\$ (38,215)
Changes of assumptions	16,798	(155,049)
Total (prior to post-MD contributions)	202,978	(193,264)
Contributions subsequent to the MD	55,519	-
Total	<u>\$ 258,497</u>	<u>\$ (193,264)</u>

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2022	\$ (6,961)
2023	(6,961)
2024	(6,961)
2025	(6,961)
2024	(6,961)
Thereafter	44,519
Total	<u>\$ 9,714</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the City's net OPEB liability calculated using the discount rate of 2.21 percent, as well as what the total liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.21%)	1% Increase (3.12%)
Net OPEB Liability	\$ 986,401	\$ 913,974	\$ 846,335

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the City's net OPEB liability, as well as what the liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 816,363	\$ 913,974	\$ 1,030,270

PERS Retirement Health Insurance Account (RHIA)

Plan Description. As a member of Oregon Public Employees Retirement System (OPERS), the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, or online at <https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

Benefits Provided. Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. An eligible surviving spouse or dependent of a deceased OPERS retiree may receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS, or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions. PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2018 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The City's contribution rates for the period were 0.06% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total contributions were \$1,648 for the year ended June 30, 2021.

OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the City reported an asset of \$106,815 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the net OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2021, the City's proportionate share was 0.05242193%, which is a decrease from its proportion of 0.09821427% as of June 30, 2020.

For the year ended June 30, 2021, the City recognized OPEB expense from this plan of \$6,500. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (10,920)
Changes of assumptions	-	(5,678)
Net difference between projected and actual earnings on investments	11,879	-
Changes in proportionate share	46,694	(905)
Total (prior to post-MD contributions)	58,573	(17,503)
Contributions subsequent to the MD	1,648	-
Total	<u>\$ 60,221</u>	<u>\$ (17,503)</u>

Deferred outflows of resources to OPEB of \$1,648 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 13,102
2023	19,830
2024	4,391
2025	3,747
Thereafter	-
Total	<u>\$ 41,070</u>

Actuarial Methods and Assumptions

The net OPEB liability in the December 31, 2018 actuarial valuation was determined using actuarial methods and assumptions consistent with those disclosed for the OPERS Pension Plan. See note 9 for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate

The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.2%, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.20%) or 1-percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net OPEB Liability (Asset)	\$ (86,235)	\$ (106,815)	\$ (124,412)

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2020 measurement period that require disclosure.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

Note 11. Fund Balance Classification

Governmental fund balances were classified as follows as of June 30, 2021:

	General Fund	Transportation Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Prepaid expenditures	\$ 311,647	\$ 4,123	\$ 28,087	\$ 343,857
Restricted				
Public safety supplies	205,441	-	-	205,441
Infrastructure	-	-	2,352,601	2,352,601
Building operations	-	-	2,564,106	2,564,106
Debt service	-	-	442,433	442,433
Urban revitalization	-	-	990,274	990,274
	<u>205,441</u>	<u>-</u>	<u>6,349,414</u>	<u>6,554,855</u>
Committed				
Street services	-	15,216,197	-	15,216,197
Assigned				
Library services	-	-	797,025	797,025
City Hall remodel	-	-	1,248,750	1,248,750
Unassigned	<u>11,545,195</u>	<u>-</u>	<u>-</u>	<u>11,545,195</u>
Total fund balance	<u>\$ 12,062,283</u>	<u>\$ 15,220,320</u>	<u>\$ 8,423,276</u>	<u>\$ 35,705,879</u>

Note 12. Commitments and Contingencies

The City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the city's financial position.

Following this paragraph are various commitments and contingencies that the City is involved with.

Clackamas County Service District No.1 – The City has an intergovernmental agreement with Clackamas County Service District No.1 (District) to treat sewage wastewater. Pertinent terms of this agreement are as follows:

- The original agreement for wastewater treatment services dated November 25, 1970 was extended and modified several times. In May 2012 the City and District signed a memorandum of understanding for services effective July 1, 2012 through June 30, 2037.
- Following an independent review of the number of sewer connections during fiscal year 2012, the baseline number of Equivalent Dwelling Units (EDUs) was determined to be 10,939.
- The City agreed to pay up to \$30.25 per EDU per month in year one and the District's wholesale rate thereafter. The wholesale rate for this fiscal year was \$37.95 per EDU. This amounts to approximately \$5.2 million each fiscal year.
- EDU counts are updated semi-annually on March 1 and September 1.

Clackamas Fire District No.1 – The City has various agreements with Clackamas County Fire District No.1 (Fire District) as follows:

- The City passed Ordinance No. 1958 in February 2006 following Ballot Measure 3-166 where voters authorized the annexation of fire services into the Fire District. This Ordinance reduces the City's permanent tax rate of \$6.5379 per \$1,000 of Assessed Value by the permanent rate of the Fire District equating to \$2.4012 offset by their annual bonded debt rate until then-existing bonds were paid off in fiscal year 2015.
- The City has an intergovernmental agreement with the Fire District for its use of Station 2 at the City's Public Safety Building. This agreement, signed in December 2014, provides that the Fire District will pay the City one dollar (\$1) annually for rent, \$500 per month for general maintenance and janitorial services, and its share of utilities.
- This same intergovernmental agreement with the Fire District provides the City exclusive use of the Fire District's facility at 6596 SE Lake Road. The agreement provides that the City will pay for utilities, cleaning and all other operating costs with the Fire District paying for any interior and exterior maintenance.

Clackamas River Water – The City has an intergovernmental agreement with Clackamas River Water (CRW) for joint billing services. Pertinent terms of this agreement are as follows:

- The City and CRW signed an agreement in January 2015 authorizing the City to perform meter reading, custom billing and customer service activities to customers served by CRW through January 31, 2025.
- Provide a combined utility bill for property owners; however, services for water are still maintained by CRW and services for wastewater, stormwater and street maintenance are maintained by the City.
- The City receives a 5% administration fee monthly from CRW charges collected in the previous month.

City of Lake Oswego – The City has an intergovernmental cooperative agreement with the City of Lake Oswego to provide public safety 911/communication dispatching services for Milwaukie's Police Department. Pertinent terms of this agreement are as follows:

- Dispatching services include, but are not limited to, 24-hour-per-day answering of emergency telephone lines (including 911 calls) for fire, police, and emergency medical service requests, radio communications with police personnel regarding emergency and routine police matters, and other dispatching services for law enforcement purposes.
- As part of this agreement, the State redirects the City's state-allocated 911 monies directly to the City of Lake Oswego to help offset the annual contract costs summarized below. These annual monies from the State average approximately \$144,000 per fiscal year.
- The Agreement effective July 1, 2018 through June 30, 2022 estimates the annual contract cost for Fiscal Year 2022 to be \$638,000.

Oregon Department of Transportation – The City entered into an intergovernmental agreement effective July 1, 2007 to have with Oregon Department of Transportation (ODOT) commence collecting \$0.02 cents per gallon motor vehicle fuel license tax (i.e., local gas tax) on fuel dealers that sell, use or

distribute fuel in the City. This local gas tax is in addition to the state gas tax (which currently is at \$0.30 cents per gallon). Pertinent terms of this agreement are as follows:

- The agreement expires on September 30, 2031 unless extended.
- Ordinance No. 1970 limits the use of this local gas tax fund to the purposes associated with the administration, construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads and streets within the city.

Other Commitments – The City has entered into various contracts in the ordinary course of business. The most significant contracts include the following:

Project	Significant Contracts Outstanding	Costs as of June 30, 2021	Remaining Costs	Estimated Completion
McBrod Ave Improvements	\$1,967,794	\$1,215,387	\$752,407	2021
Meek Street Pipe Installation (Construction)	\$1,393,332	\$1,248,567	\$144,765	2021
Meek Street Pipe Installation (Design)	\$701,114	\$664,386	\$36,728	2021
Linwood Ave Safe Routes to Schools (Design)	\$632,812	\$452,909	\$125,932	2022

Note 13. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. Except for unemployment compensation, the City purchases commercial insurance to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from the previous fiscal year. Workers compensation claims are insured through incurred loss retrospective policies and the City is self-insured for unemployment compensation claims. Settled claims have not exceeded coverage for any of the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

Note 14. Property Tax Limitation

The citizens of the State of Oregon approved the first property tax limitation in 1990 – Measure 5. This limitation divides property taxes into an education category and a non-education category. The tax rate in the education category was limited to \$5 per thousand of real market value for fiscal year 1995-96 and thereafter. The non-education category was limited to \$10 per thousand of real market value. Although non-education taxes to the City do not currently generally exceed the \$10 per \$1,000 of property real market value limitation, this limitation may affect the availability of future tax revenues for the City.

A second property tax limitation was approved in November 1996 and later modified in May 1997 – Measures 47 and 50, respectively. This limitation set a maximum permanent tax rate for the City exclusive of bonded debt at \$6.5379 per \$1,000 assessed value. Assessed values can only grow by a maximum of 3 percent per year, exclusive of new construction and annexations.

Note 15. Subsequent Events

On August 30, 2021, the City received the first installment \$2.3 million from the American Rescue Plan Act (ARPA). The City is anticipating an additional \$2.1 million in FY 2023.



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REQUIRED SUPPLEMENTARY INFORMATION

*Schedules of Revenues, Expenditures and Changes in Fund
Balances – Budget and Actual*

Schedule of Net OPEB Liability

Schedule of Changes in Net OPEB Liability

*Schedule of the City's Proportionate Share of the
Net OPEB (Asset)/Liability*

*Schedule of the City's Proportionate Share of the
Net Pension (Asset)/Liability*

Schedule of the City's Contributions

Notes to Required Supplementary Information

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (required supplementary information)

GENERAL FUND

SPECIAL REVENUE MAJOR FUNDS

Transportation Fund

CITY OF MILWAUKIE, OREGON

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with
	Original	Final	1st Year FY 2020-21	Final Budget
REVENUES:				
Property taxes	\$ 15,836,000	\$ 15,836,000	\$ 8,084,761	\$ (7,751,239)
Franchise taxes	4,660,000	4,660,000	2,452,264	(2,207,736)
Intergovernmental	2,639,000	2,879,000	1,395,052	(1,483,948)
Fines and forfeitures	1,540,000	1,540,000	413,837	(1,126,163)
Licenses and permits	1,425,000	1,425,000	568,682	(856,318)
Investment earnings	150,000	150,000	69,673	(80,327)
Miscellaneous	200,000	190,000	91,962	(98,038)
TOTAL REVENUES	26,450,000	26,680,000	13,076,231	(13,603,769)
EXPENDITURES:				
City Council	289,000	289,000	121,411	(167,589)
City Manager	2,599,000	2,962,000	1,139,340	(1,822,660)
City Attorney	524,000	524,000	208,981	(315,019)
Community Development	3,296,000	3,395,000	712,633	(2,682,367)
Public Works Admin	2,182,000	2,182,000	942,231	(1,239,769)
Engineering Services	3,212,000	3,212,000	1,329,756	(1,882,244)
Facilities Management	3,282,000	3,298,000	1,325,631	(1,972,369)
Finance	3,020,000	3,029,000	1,380,586	(1,648,414)
Fleet Services	1,365,000	1,365,000	550,121	(814,879)
Human Resources	874,000	874,000	374,562	(499,438)
Information Technology	3,006,000	3,104,000	1,289,103	(1,814,897)
Municipal Court	543,000	543,000	241,368	(301,632)
Planning	1,899,000	1,899,000	820,690	(1,078,310)
Code Enforcement	531,000	531,000	209,562	(321,438)
City Recorder	878,000	878,000	362,941	(515,059)
PEG	36,000	36,000	5,123	(30,877)
Police Department	14,969,000	14,358,000	6,871,475	(7,486,525)
Nondepartmental				
General Services	1,930,000	1,833,000	925,956	(907,044)
Contingency	894,000	894,000	-	(894,000)
TOTAL EXPENDITURES	45,329,000	45,206,000	18,811,470	(26,394,530)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(18,879,000)	(18,526,000)	(5,735,239)	12,790,761
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	39,251	39,251
Transfers from other funds	14,270,000	14,270,000	7,000,000	(7,270,000)
Transfers to other funds	(23,000)	(364,000)	(364,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	14,247,000	13,906,000	6,675,251	(7,230,749)
NET CHANGE IN FUND BALANCES	(4,632,000)	(4,620,000)	940,012	5,560,012
FUND BALANCES - beginning	8,941,000	9,738,000	11,122,271	1,384,271
FUND BALANCES - ending	\$ 4,309,000	\$ 5,118,000	\$ 12,062,283	\$ 6,944,283

CITY OF MILWAUKIE, OREGON

TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	
	Original	Final	1st Year FY 2020-21	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 7,984,000	\$ 7,984,000	\$ 2,475,290	\$ (5,508,710)
Franchise fees	2,384,000	2,384,000	1,229,381	(1,154,619)
Charges for services	4,328,000	4,328,000	2,106,561	(2,221,439)
Investment earnings	210,000	210,000	86,439	(123,561)
Miscellaneous	179,000	179,000	12,444	(166,556)
Proceeds from Debt	21,000,000	21,000,000	-	(21,000,000)
TOTAL REVENUES	36,085,000	36,085,000	5,910,115	(30,174,885)
EXPENDITURES:				
Personnel services	1,268,000	1,317,000	563,377	753,623
Materials and services	1,542,000	1,542,000	385,583	1,156,417
Debt service	2,637,000	2,637,000	1,995,332	641,668
Capital outlay	14,247,000	14,247,000	4,714,975	9,532,025
Contingency	4,070,000	4,120,000	-	4,120,000
TOTAL EXPENDITURES	23,764,000	23,863,000	7,659,267	(16,203,733)
EXCESS OF REVENUES OVER EXPENDITURES	12,321,000	12,222,000	(1,749,152)	(15,308,090)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	49,000	49,000	-
Transfers to other funds	(4,120,000)	(4,120,000)	(2,030,000)	1,066,697
TOTAL OTHER FINANCING SOURCES (USES)	(4,120,000)	(4,071,000)	(1,981,000)	1,066,697
NET CHANGE IN FUND BALANCES	8,201,000	8,151,000	(3,730,152)	(14,241,393)
FUND BALANCES - beginning	17,935,000	17,935,000	18,950,472	(4,269,780)
FUND BALANCES - ending	\$ 26,136,000	\$ 26,086,000	\$ 15,220,320	\$ (18,511,173)

CITY OF MILWAUKIE, OREGON

SCHEDULE OF THE CITY'S NET OPEB LIABILITY AND CHANGES IN NET OPEB LIABILITY

For the Last Ten Years

SCHEDULE OF NET OPEB LIABILITY (TOL)

Fiscal year Ended June 30,	City's Total OPEB liability	City's covered payroll	TOL as a percentage of covered payroll
2021	\$ 913,974	\$ 11,647,433	7.8%
2020	698,535	11,377,967	6.1%
2019	668,101	10,798,700	6.2%
2018	825,960	9,921,800	8.3%
2017	843,871	9,351,333	9.0%
2016 ¹	-	-	-
2015 ¹	-	-	-
2014 ¹	-	-	-
2013 ¹	-	-	-
2012 ¹	-	-	-

SCHEDULE OF CHANGES IN NET OPEB LIABILITY (TOL)

Fiscal year Ended June 30,	TOL beginning balance	Service Costs	Interest on the TOL	Benefit payments	Economic or Demographic gains/losses	Changes of assumptions	TOL ending balance
2021	\$ 698,535	\$ 48,752	\$ 25,613	\$ (31,228)	\$ 209,482	\$ (37,180)	\$ 913,974
2020	668,101	43,361	26,362	(61,101)	-	21,812	698,535
2019	825,960	55,573	30,755	(45,297)	(58,326)	(140,564)	668,101
2018	843,871	59,530	25,046	(49,572)	-	(52,915)	825,960
2017	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-

¹ Actuarial information not available.

CITY OF MILWAUKIE, OREGON

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE

JUNE 30, 2021

CITY'S PROPORTIONATE SHARE OF THE NET RHIA OPEB LIABILITY (ASSET)

Measurement Date	City's ² proportion of the net OPEB liability (asset)	City's ² proportionate share of the net OPEB liability (asset)	City's covered payroll	City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability / (asset)
2020	0.05242193%	\$ (106,815)	\$ 11,377,967	-0.9%	150.1%
2019	0.09821427%	(189,785)	10,798,700	-1.8%	96.8%
2018	0.09505729%	(106,110)	9,921,800	-1.1%	108.9%
2017	0.00967439%	(39,733)	9,351,333	-0.4%	94.2%
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-

CITY'S PROPORTIONATE SHARE OF THE OREGON PUBLIC EMPLOYEE RETIREMENT PENSION PLAN (OPERS) NET PENSION LIABILITY (ASSET)

Measurement Date	City's ² proportion of the net pension liability (asset)	City's ² proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability / (asset)
2020	0.10387483%	\$ 22,669,062	\$ 11,377,967	199.2%	75.8%
2019	0.10370708%	17,938,841	10,798,700	166.1%	84.6%
2018	0.10363730%	15,699,686	9,921,800	158.2%	82.1%
2017	0.10160770%	13,696,756	9,351,333	146.5%	83.1%
2016	0.10097892%	15,159,281	8,793,003	172.4%	80.5%
2015	0.09405887%	5,400,354	8,468,557	63.8%	91.9%
2014	0.10109889%	(2,291,623)	8,611,274	(26.6%)	103.6%
2013 ¹	-	-	-	-	-
2012 ¹	-	-	-	-	-
2011 ¹	-	-	-	-	-

¹ Actuarial information not available.

² Actuarial information provided by OPERS actuary.

CITY OF MILWAUKIE, OREGON

SCHEDULE OF THE CITY'S CONTRIBUTIONS

JUNE 30, 2021

SCHEDULE OF CITY'S OPEB RHIA PLAN CONTRIBUTIONS²

Fiscal year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2021	\$ 1,648	\$ 1,648	\$ -	\$ 11,647,433	0.01%
2020	48,729	48,729	-	11,377,967	0.43%
2019	48,677	48,677	-	10,798,700	0.45%
2018	46,027	46,027	-	9,921,800	0.46%
2017	47,590	47,590	-	9,351,333	-
2016 ¹	-	-	-	-	-
2015 ¹	-	-	-	-	-
2014 ¹	-	-	-	-	-
2013 ¹	-	-	-	-	-
2012 ¹	-	-	-	-	-

SCHEDULE OF CITY'S OREGON PUBLIC EMPLOYEE RETIREMENT PENSION PLAN (OPERS) CONTRIBUTIONS²

Fiscal year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2021	\$ 1,995,646	\$ 1,995,646	\$ -	\$ 11,647,433	17.1%
2020	1,954,083	1,954,083	-	11,377,967	17.2%
2019	1,404,433	1,404,433	-	10,798,700	13.0%
2018	1,336,107	1,336,107	-	9,921,800	13.5%
2017	928,786	928,786	-	9,351,333	9.9%
2016	906,240	906,240	-	8,793,003	10.3%
2015	825,536	881,500	(55,964)	8,468,557	10.4%
2014	774,851	860,200	(85,349)	8,611,274	10.0%
2013 ¹	-	-	-	-	0.0%
2012 ¹	-	-	-	-	0.0%

¹ Information not available.

² Actuarial information provided by OPERS actuary.

³ Restated from 2020 Annual Comprehensive Financial Report

CITY OF MILWAUKIE, OREGON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2021

Required Supplementary Information includes budgetary comparisons for the general, city hall, transportation, and library funds. The budgetary comparison information for all other funds can be found in Other Supplementary Information which follows this section. Budgets are prepared on a biennium term using the modified accrual basis of accounting.

1. Budgetary Information

Municipal budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law). The City Manager is responsible for submitting a proposed budget to the Budget Committee comprised of the City Council and an equal number of citizens of the City. The City is required to prepare a budget for each fund.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10 percent by Council without returning to the Budget Committee. After the Council adopts the budget and certifies the total ad valorem taxes to be levied, no additional tax levy may be made for that budget period.

The City Council legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and sets the level by which expenditures cannot legally exceed appropriations. In the general fund, the levels of budgetary control established by resolution are set at the department level. For all other funds, the levels of budgetary control are personnel services, materials and services, debt service, capital outlay, transfers and operating contingency. Appropriations lapse at the end of the biennium.

The City Council may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and review by the Budget Committee before City Council adoption. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. For the fiscal year ended June 30, 2021, one supplemental budget resolution and three budget transfers were approved through the second year of the 2018-2020 biennium.

2. Oregon Public Employee Retirement Pension Plan (PERS)

Changes in Assumptions – A summary of key changes implemented with the December 31, 2015 actuarial valuation which was used in the pension calculations and amounts reported for fiscal year ended June 30, 2021, along with additional detail and a comprehensive list of changes in methods and assumptions from the December 31, 2014 actuarial valuation can be found at: <http://www.oregon.gov/pers>.

Changes in Plan Provisions Subsequent to Measurement Date – On July 28, 2017 the PERS Board lowered the assumed investment rate of return from 7.5% to 7.2% effective on January 1, 2019. This rate will be used for the determination of contribution rates beginning July 1, 2019. The Board revises the assumed rate based on the long-term projection of investment returns that can be expected from the asset allocations of the Oregon Investment Council and related capital market expectations. An estimate of the result of this change is not readily available at this time.

3. Other Postemployment Benefits (OPEB)

Changes of Benefit Terms – OPEB (implicit rate subsidy plan) - There were no changes of benefit terms used to measure the June 30, 2021 net OPEB liability.

Changes of Assumptions – OPEB (implicit rate subsidy plan) – Below is a summary of key assumption changes implemented with the July 1, 2018 valuation utilized in the OPEB amounts reported for fiscal year ended June 30, 2021.

- Changes in Actuarial methods and Allocation Procedures – The Actuarial Cost Method was changed from the Projected Unit Credit (PUC) Cost Method to the Entry Age Normal (EAN) Cost Method.
- Health Care Cost Trend – Medical and vision costs increased to 6.0 per year.
- General Inflation – General inflation decreased to 2.5 percent.

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental

Combining & Individual Fund Financial Statements

Capital Projects Fund

Systems Development Charges Fund – accounts for systems development charges which are restricted for capacity increasing capital projects.

Special Revenue Funds

Building Fund – accounts for building activities which are restricted by statute.

City Hall Fund – accounts for activities related to the sale-leaseback of the new city hall building.

Library Fund - accounts for the operation of the City's Ledding Library. Major revenue sources are intergovernmental revenues.

Affordable Housing Fund – accounts for the collection of construction excise taxes to fund incentives for the development and construction of affordable housing.

Milwaukie Redevelopment Commission Fund – accounts for economic development which generates redevelopment in specific areas.

Debt Service Fund

Debt Service Fund – accounts for the payment of general obligation bonds and full faith and credit obligation principal and interest.



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CITY OF MILWAUKIE, OREGON

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2021

	Capital Projects	Special Revenue					Debt Service	Total
	Systems Development Charges	Building	City Hall	Library	Affordable Housing	Milwaukie Redevelopment Commission	Debt Service	Non-Major Funds
ASSETS:								
Cash and investments	\$ -	\$ -	\$ 1,290,750	\$ 848,935	\$ -	\$ -	\$ -	\$ 2,139,685
Restricted cash and investments	1,732,938	2,606,426	-	-	671,828	989,546	442,433	6,443,171
Property taxes receivable	-	-	-	-	-	9,817	-	9,817
Accounts receivable	10,603	-	-	-	-	-	-	10,603
Prepaid expenditures	13,005	2,933	-	12,149	-	-	-	28,087
TOTAL ASSETS	1,756,546	2,609,359	1,290,750	861,084	671,828	999,363	442,433	8,631,363
LIABILITIES:								
Accounts payable	47,667	33,712	-	16,685	6,417	-	-	104,481
Accrued salaries and payroll taxes	-	8,608	-	35,225	-	-	-	43,833
Unearned revenue	8,684	-	42,000	-	-	-	-	50,684
TOTAL LIABILITIES	56,351	42,320	42,000	51,910	6,417	-	-	198,998
DEFERRED INFLOWS OF RESOURCES:								
Unavailable revenue - property taxes	-	-	-	-	-	9,089	-	9,089
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	9,089	-	9,089
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	56,351	42,320	42,000	51,910	6,417	9,089	-	208,087
FUND BALANCES:								
Nonspendable	13,005	2,933	-	12,149	-	-	-	28,087
Restricted	1,687,190	2,564,106	-	-	665,411	990,274	442,433	6,349,414
Assigned	-	-	1,248,750	797,025	-	-	-	2,045,775
TOTAL FUND BALANCES	1,700,195	2,567,039	1,248,750	809,174	665,411	990,274	442,433	8,423,276
TOTAL LIABILITIES, DEFERRRED INFLOW OF RESOURCES AND FUND BALANCES	\$ 1,756,546	\$ 2,609,359	\$ 1,290,750	\$ 861,084	\$ 671,828	\$ 999,363	\$ 442,433	\$ 8,631,363

CITY OF MILWAUKIE, OREGON

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Capital Projects			Special Revenue			Debt Service	
	Systems					Milwaukie		Total
	Development		City		Affordable	Redevelopment		Non-Major
	Charges	Building	Hall	Library	Housing	Commission	Debt Service	Funds
REVENUES:								
Property taxes	\$ -	\$ -	\$ -	\$ 963,000	\$ -	\$ 469,886	\$ 862,000	\$ 2,294,886
Intergovernmental	-	-	-	1,879,991	132,000	-	85,200	2,097,191
Licenses and permits	-	1,044,624	-	-	-	-	-	1,044,624
Proceeds from lease	-	-	504,000	-	-	-	-	504,000
Systems development charges	170,866	-	-	-	120,901	-	-	291,767
Fines and forfeitures	-	-	-	3,334	-	-	-	3,334
Investment earnings	10,160	17,945	14,536	-	5,810	7,241	6,251	61,943
Miscellaneous	1,435	1,466	17,000	5,169	6,212	328	-	31,610
TOTAL REVENUES	182,461	1,064,035	535,536	2,851,494	264,923	477,455	953,451	6,329,355
EXPENDITURES:								
Personnel services	-	403,943	-	1,667,912	-	-	-	2,071,855
Materials and services	-	117,855	-	229,157	132,000	-	-	479,012
Debt service:								
Principal	-	-	-	-	-	-	890,000	890,000
Interest	-	-	-	-	-	-	484,568	484,568
Capital outlay	279,997	-	-	-	-	-	-	279,997
TOTAL EXPENDITURES	279,997	521,798	-	1,897,069	132,000	-	1,374,568	4,205,432
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(97,536)	542,237	535,536	954,425	132,923	477,455	(421,117)	2,123,923
OTHER FINANCING SOURCES (USES):								
Transfers to other funds	-	(270,000)	(504,000)	(780,000)	-	-	-	(1,554,000)
Transfers from other funds	23,000	-	-	-	132,000	-	504,000	659,000
TOTAL OTHER FINANCING SOURCES (USES)	23,000	(270,000)	(504,000)	(780,000)	132,000	-	504,000	(895,000)
NET CHANGE IN FUND BALANCES	(74,536)	272,237	31,536	174,425	264,923	477,455	82,883	1,228,923
FUND BALANCES - beginning	1,774,731	2,294,802	1,217,214	634,749	400,488	512,819	359,550	7,194,353
FUND BALANCES - ending	\$ 1,700,195	\$ 2,567,039	\$ 1,248,750	\$ 809,174	\$ 665,411	\$ 990,274	\$ 442,433	\$ 8,423,276

CITY OF MILWAUKIE, OREGON

SYSTEMS DEVELOPMENT CHARGES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with Final Budget
	Original	Final	1st Year FY 2020-21	
REVENUES:				
Systems development charges	\$ 711,000	\$ 711,000	\$ 170,866	\$ (540,134)
Investment earnings	40,000	40,000	10,160	(29,840)
Miscellaneous	-	-	1,435	1,435
TOTAL REVENUES	<u>751,000</u>	<u>751,000</u>	<u>182,461</u>	<u>(568,539)</u>
EXPENDITURES:				
Capital outlay	1,939,000	1,939,000	279,997	(1,659,003)
Contingency	260,000	260,000	-	(260,000)
TOTAL EXPENDITURES	<u>2,199,000</u>	<u>2,199,000</u>	<u>279,997</u>	<u>(1,919,003)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,448,000)</u>	<u>(1,448,000)</u>	<u>(97,536)</u>	<u>1,350,464</u>
OTHER FINANCING USES:				
Transfers from other funds	23,000	23,000	23,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(1,425,000)</u>	<u>(1,425,000)</u>	<u>(74,536)</u>	<u>1,350,464</u>
FUND BALANCES - beginning	<u>2,003,000</u>	<u>2,003,000</u>	<u>1,774,731</u>	<u>(228,269)</u>
FUND BALANCES - ending	<u>\$ 578,000</u>	<u>\$ 578,000</u>	<u>\$ 1,700,195</u>	<u>\$ 1,122,195</u>

CITY OF MILWAUKIE, OREGON

BUILDING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	
	Original	Final	1st Year FY 2020-21	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 912,000	\$ 912,000	\$ 1,044,624	\$ 132,624
Intergovernmental	2,000	2,000	-	(2,000)
Investment earnings	40,000	40,000	17,945	(22,055)
Miscellaneous	2,000	2,000	1,466	(534)
TOTAL REVENUES	956,000	956,000	1,064,035	108,035
EXPENDITURES:				
Personnel services	902,000	902,000	403,943	(498,057)
Materials and services	208,000	208,000	117,855	(90,145)
Contingency	420,000	420,000	-	(420,000)
TOTAL EXPENDITURES	1,530,000	1,530,000	521,798	(1,008,202)
EXCESS OF REVENUES OVER EXPENDITURES	(574,000)	(574,000)	542,237	1,116,237
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(560,000)	(560,000)	(270,000)	290,000
TOTAL OTHER FINANCING SOURCES (USES)	(560,000)	(560,000)	(270,000)	290,000
NET CHANGE IN FUND BALANCES	(1,134,000)	(1,134,000)	272,237	1,406,237
FUND BALANCES - beginning	2,104,000	2,104,000	2,294,802	463,039
FUND BALANCES - ending	\$ 970,000	\$ 970,000	\$ 2,567,039	\$ 1,869,276

CITY OF MILWAUKIE, OREGON

CITY HALL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL**

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with Final Budget
	Original	Final	1st Year FY 2020-21	
REVENUES:				
Proceeds from lease	\$ 1,008,000	\$ 1,008,000	\$ 504,000	\$ (504,000)
Investment earnings	-	-	14,536	14,536
Miscellaneous Revenue	-	-	17,000	17,000
TOTAL REVENUES	<u>1,008,000</u>	<u>1,008,000</u>	<u>535,536</u>	<u>(472,464)</u>
EXPENDITURES:				
Construction in process	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>(120,000)</u>
TOTAL EXPENDITURES	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>(120,000)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>888,000</u>	<u>888,000</u>	<u>535,536</u>	<u>(352,464)</u>
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(504,000)</u>	<u>(496,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(504,000)</u>	<u>(496,000)</u>
NET CHANGE IN FUND BALANCES	<u>(112,000)</u>	<u>(112,000)</u>	<u>31,536</u>	<u>143,536</u>
FUND BALANCES - beginning	<u>1,060,000</u>	<u>1,060,000</u>	<u>1,217,214</u>	<u>157,214</u>
FUND BALANCES - ending	<u>\$ 948,000</u>	<u>\$ 948,000</u>	<u>\$ 1,248,750</u>	<u>\$ 300,750</u>

CITY OF MILWAUKIE, OREGON

LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	
	Original	Final	1st Year FY 2020-21	Variance with Final Budget
REVENUES:				
Property taxes	\$ 1,896,000	\$ 1,896,000	\$ 963,000	\$ (933,000)
Intergovernmental	3,733,000	3,733,000	1,879,991	(1,853,009)
Fines and forfeitures	70,000	70,000	3,334	(66,666)
Investment earnings	20,000	20,000	-	(20,000)
Miscellaneous	10,000	12,000	5,169	(6,831)
TOTAL REVENUES	5,729,000	5,731,000	2,851,494	(2,879,506)
EXPENDITURES:				
Personnel services	3,739,000	3,739,000	1,667,912	(2,071,088)
Materials and services	393,000	395,000	229,157	(165,843)
Contingency	364,000	364,000	-	(364,000)
TOTAL EXPENDITURES	4,496,000	4,498,000	1,897,069	(2,600,931)
EXCESS OF REVENUES OVER EXPENDITURES	1,233,000	1,233,000	954,425	278,575
OTHER FINANCING USES:				
Transfers to other funds	(1,580,000)	(1,580,000)	(780,000)	(800,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,580,000)	(1,580,000)	174,425	(800,000)
NET CHANGE IN FUND BALANCES	(347,000)	(347,000)	174,425	(521,425)
FUND BALANCES - beginning	371,000	371,000	634,749	263,749
FUND BALANCES - ending	\$ 24,000	\$ 24,000	\$ 809,174	\$ (257,676)

CITY OF MILWAUKIE, OREGON

AFFORDABLE HOUSING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with Final Budget
	Original	Final	1st Year FY 2020-21	
REVENUES:				
Excise tax	\$ 194,000	\$ 194,000	\$ 120,901	\$ (73,099)
Intergovernmental	-	123,000	132,000	9,000
Investment earnings	4,000	4,000	5,810	1,810
Miscellaneous	9,000	9,000	6,212	(2,788)
TOTAL REVENUES	207,000	330,000	264,923	(65,077)
EXPENDITURES:				
Materials and services	300,000	423,000	132,000	(291,000)
Contingency	15,000	15,000	-	(15,000)
TOTAL EXPENDITURES	315,000	438,000	132,000	(306,000)
EXCESS OF REVENUES OVER EXPENDITURES	(108,000)	(108,000)	132,923	240,923
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	132,000	132,000	-
TOTAL OTHER FINANCING SOURCES (USES)	-	132,000	132,000	-
NET CHANGE IN FUND BALANCES	(108,000)	24,000	264,923	240,923
FUND BALANCES - beginning	369,000	369,000	400,488	31,488
FUND BALANCES - ending	\$ 261,000	\$ 393,000	\$ 665,411	\$ 272,411

CITY OF MILWAUKIE, OREGON

MILWAUKIE REDEVELOPMENT COMMISSION FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL**

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with Final Budget
	Original	Final	1st Year FY 2020-21	
REVENUES:				
Property taxes	\$ 456,000	\$ 456,000	\$ 469,886	\$ 13,886
Proceeds from debt	2,000,000	2,000,000	-	(2,000,000)
Investment earnings	2,000	2,000	7,241	5,241
Miscellaneous	-	-	328	328
TOTAL REVENUES	2,458,000	2,458,000	477,455	(1,980,545)
EXPENDITURES:				
Materials and services	170,000	170,000	-	(170,000)
Capital outlay	1,000,000	1,000,000	-	(1,000,000)
Contingency	100,000	100,000	-	(100,000)
Debt service	200,000	200,000	-	(200,000)
TOTAL EXPENDITURES	1,470,000	1,470,000	-	(1,470,000)
EXCESS OF REVENUES OVER EXPENDITURES	988,000	988,000	477,455	(510,545)
NET CHANGE IN FUND BALANCES	988,000	988,000	477,455	(510,545)
FUND BALANCES - beginning	495,000	495,000	512,819	17,819
FUND BALANCES - ending	\$ 1,483,000	\$ 1,483,000	\$ 990,274	\$ (492,726)

CITY OF MILWAUKIE, OREGON

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with Final Budget
	Original	Final	1st Year FY 2020-21	
REVENUES:				
Property taxes	\$ 1,718,000	\$ 1,718,000	\$ 862,000	\$ (856,000)
Intergovernmental	170,000	170,000	85,200	(84,800)
Investment earnings	-	-	6,251	-
TOTAL REVENUES	<u>1,888,000</u>	<u>1,888,000</u>	<u>953,451</u>	<u>(934,549)</u>
EXPENDITURES:				
Debt service:				
Principal	1,810,000	1,810,000	890,000	(920,000)
Interest	1,078,000	1,078,000	484,568	(593,432)
TOTAL EXPENDITURES	<u>2,888,000</u>	<u>2,888,000</u>	<u>1,374,568</u>	<u>(1,513,432)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(421,117)</u>	<u>578,883</u>
OTHER FINANCING USES:				
Transfers from other funds	1,000,000	1,000,000	504,000	(496,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,000,000</u>	<u>1,000,000</u>	<u>504,000</u>	<u>(496,000)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>82,883</u>	<u>82,883</u>
FUND BALANCES - beginning	<u>5,000</u>	<u>5,000</u>	<u>359,550</u>	<u>354,550</u>
FUND BALANCES - ending	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 442,433</u>	<u>\$ 437,433</u>



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PROPRIETARY FUNDS

Individual Fund Financial Statements

Proprietary Funds

These funds account for operations of the City's enterprise activities. All proprietary funds are major funds of the City.

Water Fund – accounts for the City's water utility operations including maintenance and operations. All water related revenues and expenditures, including capital replacement are included in this fund.

Wastewater Fund – accounts for the operations and maintenance of the wastewater, collections, and treatment systems. All wastewater related revenues and expenditures, including capital replacement are included in this fund.

Stormwater Fund – accounts for the operations and maintenance of the stormwater management and collection systems. All stormwater related revenues and expenditures, including capital replacement are included in this fund.

CITY OF MILWAUKIE, OREGON

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with
	Original	Final	1st Year FY 2020-21	Final Budget
REVENUES:				
Water charges	\$ 8,259,000	\$ 8,377,700	\$ 4,470,549	\$ (3,907,151)
Reimbursement fees	16,000	16,000	20,317	4,317
Investment earnings	80,000	80,300	1,870	(78,430)
Miscellaneous	68,000	68,000	35,115	(32,885)
TOTAL REVENUES	8,423,000	8,542,000	4,527,851	(4,014,149)
EXPENDITURES:				
Personnel services	1,811,000	1,866,000	873,421	(992,579)
Materials and services	1,858,000	1,858,000	925,623	(932,377)
Capital outlay	4,655,000	4,655,000	1,587,661	(3,067,339)
Contingency	1,100,000	1,100,000	-	(1,100,000)
TOTAL EXPENDITURES	9,424,000	9,479,000	3,386,705	(6,092,295)
EXCESS OF REVENUES OVER EXPENDITURES	(1,001,000)	(937,000)	1,141,146	2,078,146
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	55,000	55,000	-
Transfers to other funds	(2,620,000)	(2,620,000)	(1,280,000)	1,340,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,620,000)	(2,565,000)	(1,225,000)	1,340,000
NET CHANGE IN FUND BALANCES	(3,621,000)	(3,502,000)	(83,854)	3,418,146
FUND BALANCES - beginning	5,188,000	5,188,000	4,630,057	(557,943)
FUND BALANCES - ending	\$ 1,567,000	\$ 1,686,000	4,546,203	\$ 2,860,203
RECONCILIATION TO NET POSITION - GAAP BASIS:				
Adjustment for capital assets not being depreciated			1,451,534	
Adjustment for capital assets, net of accumulated depreciation			11,000,863	
Adjustment for net pension liability			(955,413)	
Adjustment for Net OPEB asset			4,502	
Adjustment for total OPEB liability			(38,520)	
Adjustment for deferred outflows of resources			309,595	
Adjustment for deferred inflows of resources			(39,801)	
NET POSITION - GAAP BASIS, ending			\$ 16,278,969	

CITY OF MILWAUKIE, OREGON

WASTEWATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with Final Budget
	Original	Final	1st Year FY 2020-21	
REVENUES:				
Wastewater charges	\$ 15,646,000	\$ 15,646,000	\$ 8,070,393	\$ (7,575,607)
Reimbursement fees	102,000	102,000	43,076	(58,924)
Investment Earnings	200,000	200,000	14,722	(185,278)
Miscellaneous	14,000	14,000	4,193	(9,807)
TOTAL REVENUES	15,962,000	15,962,000	8,132,384	(7,829,616)
EXPENDITURES:				
Personnel services	1,048,000	1,048,000	448,206	(599,794)
Materials and services	11,485,000	11,534,000	5,537,094	(5,996,906)
Debt service:				
Principal	194,000	194,000	96,458	(97,542)
Interest	10,000	10,000	5,064	(4,936)
Capital outlay	3,392,000	3,392,000	885,528	(2,506,472)
Contingency	1,880,000	1,880,000	-	(1,880,000)
TOTAL EXPENDITURES	18,009,000	18,058,000	6,972,350	(11,085,650)
EXCESS OF REVENUES OVER EXPENDITURES	(2,047,000)	(2,096,000)	1,160,034	3,256,034
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	49,000	49,000	98,000
Transfers to other funds	(2,610,000)	(2,610,000)	(1,280,000)	1,330,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,610,000)	(2,561,000)	(1,231,000)	1,428,000
NET CHANGE IN FUND BALANCES	(4,657,000)	(4,657,000)	(70,966)	4,684,034
FUND BALANCES - beginning	6,116,000	6,116,000	5,524,837	(591,163)
FUND BALANCES - ending	\$ 1,459,000	\$ 1,459,000	5,453,871	\$ 4,092,871
RECONCILIATION TO NET POSITION - GAAP BASIS:				
Adjustment for capital assets not being depreciated			543,679	
Adjustment for capital assets, net of accumulated depreciation			9,125,255	
Adjustment for net pension liability			(518,575)	
Adjustment for Net OPEB asset			2,443	
Adjustment for total OPEB liability			(20,908)	
Adjustment for deferred outflows of resources			168,040	
Adjustment for unearned revenue			(201,784)	
Adjustment for deferred inflows of resources			(21,604)	
Adjustment for loan payable - due within one year			(96,458)	
Adjustment for loan payable less portion due within one year			(868,120)	
NET POSITION - GAAP BASIS, ending			\$ 13,565,839	

CITY OF MILWAUKIE, OREGON

STORMWATER FUND

SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget for the 2021-2022 Biennium		Actual	Variance with Final Budget
	Original	Final	1st Year FY 2020-21	
REVENUES:				
Stormwater charges	\$ 10,102,000	\$ 10,127,000	\$ 5,117,836	\$ (5,009,164)
Investment earnings	80,000	80,000	24,772	(55,228)
Proceeds from debt	2,500,000	2,500,000	307,540	(2,192,460)
Miscellaneous	54,000	54,000	33,563	(20,437)
TOTAL REVENUES	12,736,000	12,761,000	5,483,711	(7,277,289)
EXPENDITURES:				
Personnel services	1,747,000	1,747,000	701,190	(1,045,810)
Materials and services	1,435,000	1,516,000	660,081	(855,919)
Debt service	185,000	185,000	-	(185,000)
Capital outlay	6,962,000	6,962,000	1,860,262	(5,101,738)
Contingency	920,000	920,000	-	(920,000)
TOTAL EXPENDITURES	11,249,000	11,330,000	3,221,533	(8,108,467)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,487,000	1,431,000	2,262,178	831,178
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	56,000	56,000	-
Transfers to other funds	(2,780,000)	(2,780,000)	(1,360,000)	1,420,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,780,000)	(2,724,000)	(1,304,000)	1,420,000
NET CHANGE IN FUND BALANCES	(1,293,000)	(1,293,000)	958,178	2,251,178
FUND BALANCES - beginning	4,981,000	4,981,000	5,131,666	1,108,844
FUND BALANCES - ending	\$ 3,688,000	\$ 3,688,000	6,089,844	\$ 3,360,022
RECONCILIATION TO NET POSITION - GAAP BASIS:				
Adjustment for capital assets not being depreciated			2,046,214	
Adjustment for capital assets, net of accumulated depreciation			7,108,679	
Adjustment for net pension liability			(805,295)	
Adjustment for Net OPEB asset			3,794	
Adjustment for total OPEB liability			(32,468)	
Adjustment for deferred outflows of resources			260,950	
Adjustment for deferred inflows of resources			(33,546)	
NET POSITION - GAAP BASIS, ending			\$ 14,638,172	

OTHER FINANCIAL SCHEDULES

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

SCHEDULE OF ACCOUNTABILITY OF INDEPENDENTLY
ELECTED OFFICIALS

CITY OF MILWAUKIE, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

JUNE 30, 2021

Future Debt Service Principal									
Fiscal year	2014 Full Faith & Credit Bond	2018 Full Faith & Credit Bond	2020 Full Faith & Credit Bond	GO Bonds Series 2014	GO Bonds Series 2016	SPWF Loan	PERS UAL Bonds	Oregon DEQ Loan	Total
2022	\$ 66,459	\$ 13,118	\$ 285,000	\$ 177,801	\$ 415,797	\$ 24,919	\$ 305,000	\$ 96,458	\$ 1,384,552
2023	71,459	13,118	290,000	182,801	430,797	30,127	340,000	96,458	1,454,760
2024	71,459	13,118	290,000	192,801	440,797	30,346	380,000	96,458	1,514,979
2025	76,459	13,118	295,000	197,801	450,797	30,575	420,000	96,458	1,580,208
2026	81,459	13,118	300,000	207,801	470,797	30,819	465,000	96,458	1,665,452
2027	81,459	13,118	305,000	212,801	485,797	36,074	510,000	96,458	1,740,707
2028	86,459	13,118	310,000	217,801	500,797	36,339	230,000	96,458	1,490,972
2029	87,535	13,118	315,000	222,801	510,797	36,617	-	96,458	1,282,326
2030	-	13,118	325,000	232,801	520,797	36,906	-	96,458	1,225,080
2031	-	13,118	330,000	242,801	530,797	42,208	-	96,456	1,255,380
2032	-	13,118	335,000	252,801	545,797	42,524	-	-	1,189,240
2033	-	13,118	345,000	262,801	555,797	-	-	-	1,176,716
2034	-	13,118	355,000	273,867	570,797	-	-	-	1,212,782
2035	-	13,118	365,000	-	585,797	-	-	-	963,915
2036	-	13,118	370,000	-	602,530	-	-	-	985,648
2037	-	13,118	385,000	-	-	-	-	-	398,118
2038	-	13,118	395,000	-	-	-	-	-	408,118
2039	-	13,118	405,000	-	-	-	-	-	418,118
2040	-	13,118	420,000	-	-	-	-	-	433,118
2041	-	13,118	-	-	-	-	-	-	13,118
2042	-	13,118	-	-	-	-	-	-	13,118
2043	-	2,638,118	-	-	-	-	-	-	2,638,118
2044	-	2,728,118	-	-	-	-	-	-	2,728,118
2045	-	2,823,118	-	-	-	-	-	-	2,823,118
2046	-	2,928,118	-	-	-	-	-	-	2,928,118
2047	-	3,033,118	-	-	-	-	-	-	3,033,118
2048	-	3,153,105	-	-	-	-	-	-	3,153,105
Totals	\$ 622,748	\$ 17,579,173	\$ 6,420,000	\$ 2,877,479	\$ 7,618,688	\$ 377,454	\$ 2,650,000	\$ 964,578	\$ 39,110,120

Future Debt Service Interest									
Fiscal year	2014 Full Faith & Credit Bond	2018 Full Faith & Credit Bond	2020 Full Faith & Credit Bond	GO Bonds Series 2014	GO Bonds Series 2016	SPWF Loan	PERS UAL Bonds	Oregon DEQ Loan	Total
2022	\$ 22,800	\$ 640,832	\$ 74,343	\$ 96,775	\$ 200,180	\$ 18,435	\$ 132,606	\$ 4,250	\$ 1,190,221
2023	20,400	640,832	72,031	90,175	188,330	17,225	117,344	3,750	1,150,087
2024	17,800	640,832	70,407	83,375	176,030	15,758	100,330	3,250	1,107,782
2025	15,200	640,832	68,451	76,175	163,430	14,278	81,316	2,750	1,062,432
2026	12,400	640,832	66,313	68,775	146,230	12,784	60,298	2,250	1,009,882
2027	9,400	640,832	63,645	62,925	128,230	11,279	37,030	1,750	955,091
2028	6,400	640,832	60,779	56,925	114,280	9,513	11,510	1,250	901,489
2029	3,200	640,832	57,712	50,775	104,680	7,736	-	750	865,685
2030	-	640,832	54,438	42,375	94,880	5,947	-	250	838,722
2031	-	640,832	50,978	33,575	84,255	4,145	-	-	813,785
2032	-	640,832	47,234	24,375	72,143	2,079	-	-	786,663
2033	-	640,832	43,266	16,575	59,018	-	-	-	759,691
2034	-	640,832	39,007	8,450	45,643	-	-	-	733,932
2035	-	640,832	34,412	-	31,205	-	-	-	706,449
2036	-	640,832	29,595	-	15,950	-	-	-	686,377
2037	-	640,832	24,051	-	-	-	-	-	664,883
2038	-	640,832	18,282	-	-	-	-	-	659,114
2039	-	640,832	12,363	-	-	-	-	-	653,195
2040	-	640,832	6,294	-	-	-	-	-	647,126
2041	-	640,832	-	-	-	-	-	-	640,832
2042	-	640,832	-	-	-	-	-	-	640,832
2043	-	640,832	-	-	-	-	-	-	640,832
2044	-	548,956	-	-	-	-	-	-	548,956
2045	-	453,932	-	-	-	-	-	-	453,932
2046	-	352,068	-	-	-	-	-	-	352,068
2047	-	246,400	-	-	-	-	-	-	246,400
2048	-	125,600	-	-	-	-	-	-	125,600
Totals	\$ 107,600	\$ 15,825,260	\$ 893,601	\$ 711,250	\$ 1,624,484	\$ 119,179	\$ 540,434	\$ 20,250	\$ 19,842,058

CITY OF MILWAUKIE, OREGON

SCHEDULE OF ACCOUNTABILITY OF INDEPENDENTLY ELECTED OFFICIALS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Oregon Revised Statutes (ORS) Section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of the City of Milwaukie.

SECTION III

STATISTICAL SECTION

STATISTICAL SECTION

This section provides further details as a context for a better understanding of the financial statements.

Contents	Page
Financial Trends	101
These schedules contain trend information to help the reader understand how financial performance has changed over time.	
Revenue Capacity	106
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	111
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	116
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	119
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: The information in these schedules is derived from the annual financial reports or annual financial statements for the relevant year, unless otherwise noted. The City implemented GASB Statement 54 in fiscal year 2011, GASB Statement 63 in fiscal year 2013, GASB Statement 65 in fiscal year 2014, GASB 68 in fiscal year 2015 and GASB 75 in fiscal year 2018.

CITY OF MILWAUKIE, OREGON

NET POSITION BY COMPONENT

for the last ten fiscal years

(accrual basis of accounting)

(in thousands)

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
		(restated)	(restated)					(restated)		
Governmental activities										
Net investment in capital assets	\$ 38,433	\$ 41,361	\$ 41,361	\$ 42,965	\$ 43,558	\$ 40,950	\$ 43,107	\$ 48,328	\$ 48,178	\$ 47,783
Restricted	2,235	1,788	1,789	1,921	2,200	11,587	12,250	7,851	7,221	6,313
Unrestricted	7,031	8,115	1,427	5,166	866	(7,168)	(6,469)	(4,702)	(3,080)	(4,339)
Total governmental activities net position	47,699	51,265	44,577	50,052	46,624	45,369	48,888	51,477	52,319	49,757
Business-type activities										
Net investment in capital assets	16,528	18,041	18,041	18,903	20,506	22,410	23,102	25,228	28,106	30,312
Restricted	12	12	12	12	12	12	12	12	12	23
Unrestricted	4,426	5,726	5,302	7,659	9,102	9,744	11,975	13,265	13,742	14,148
Total business-type activities net position	20,966	23,779	23,355	26,574	29,620	32,166	35,090	38,505	41,860	44,483
Primary government										
Net investment in capital assets	54,961	59,402	59,402	61,868	64,064	63,360	66,209	73,556	76,284	78,095
Restricted	2,247	1,800	1,801	1,933	2,212	11,599	12,262	7,863	7,233	6,336
Unrestricted	11,457	13,841	6,729	12,825	9,968	2,576	5,506	8,563	10,662	9,809
Total primary government net position	\$ 68,665	\$ 75,043	\$ 67,932	\$ 76,626	\$ 76,244	\$ 77,535	\$ 83,978	\$ 89,983	\$ 94,179	\$ 94,240

CITY OF MILWAUKIE, OREGON

CHANGES IN NET POSITION

for the last ten fiscal years

(accrual basis of accounting)

(in thousands)

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 9,489	\$ 9,109	\$ 9,322	\$ 7,811	\$ 10,757	\$ 10,568	\$ 11,437	\$ 12,078	\$ 13,319	\$ 16,617
Highways and streets	2,155	2,126	1,028	1,851	4,026	5,548	4,324	5,686	6,116	6,253
Public safety	6,720	6,636	6,458	5,412	7,685	7,201	7,630	7,711	8,093	8,078
Culture and recreation	1,770	2,630	2,665	2,309	3,102	3,240	3,185	3,537	4,330	2,564
Interest on long-term debt	273	487	407	408	367	568	560	1,310	1,392	1,319
Total governmental activities expenses	20,407	20,988	19,880	17,791	25,937	27,125	27,136	30,322	33,250	34,831
Business-type activities:										
Water	2,520	2,526	2,610	2,573	2,840	3,183	3,169	3,450	3,432	4,090
Wastewater	4,801	6,067	6,062	6,052	6,545	6,832	7,044	7,373	7,800	7,910
Stormwater	1,660	1,569	1,578	1,776	2,132	2,387	2,701	2,981	3,187	3,660
Total business-type activities expenses	8,981	10,162	10,249	10,401	11,517	12,402	12,914	13,803	14,419	15,660
Total primary government expenses	\$ 29,388	\$ 31,150	\$30,130	\$28,192	\$37,454	\$39,527	\$40,050	\$44,125	\$47,669	\$50,491
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,052	\$ 5,150	\$ 5,323	\$ 5,695	\$ 6,773	\$ 7,391	\$ 9,981	\$ 11,408	\$ 9,906	\$ 9,554
Highways and streets	609	693	633	635	748	1,088	1,679	2,283	2,030	2,107
Public safety	1,734	1,693	1,609	948	307	307	447	-	772	-
Culture and recreation	59	67	60	60	60	-	-	1,782	1,794	1,874
Operating grants and contributions	3,555	4,610	4,454	4,324	2,935	4,742	4,030	3,143	3,525	3,937
Capital grants and contributions	80	107	145	1,731	1,478	312	2,139	-	219	466
Total governmental activities program revenues	11,089	12,320	12,224	13,393	12,301	13,840	18,277	18,616	18,246	17,938
Business-type activities:										
Charges for services:										
Water	2,354	2,819	3,158	3,698	3,965	3,798	4,075	4,522	4,340	4,581
Wastewater	4,947	6,316	6,627	6,894	7,290	7,668	7,935	7,964	8,042	8,146
Stormwater	1,840	1,989	2,212	2,581	2,946	3,382	3,835	4,348	4,993	5,207
Capital grants and contributions	1,929	10	-	-	-	-	-	-	83	308
Total business-type activities program revenues	11,070	11,134	11,997	13,173	14,201	14,848	15,845	16,835	17,458	18,242
Total primary government program revenues	\$ 22,159	\$ 23,454	\$ 24,220	\$ 26,566	\$ 26,502	\$ 28,689	\$ 34,122	\$ 35,451	\$ 35,704	\$ 36,180

Continued on next page

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense) Revenue										
Governmental activities	\$ (9,318)	\$ (8,668)	\$ (7,656)	\$ (4,399)	\$ (13,636)	\$ (13,285)	\$ (8,859)	\$ (11,706)	\$ (15,004)	\$ (16,893)
Business-type activities	2,089	972	1,747	2,772	2,684	2,446	2,932	3,032	-	2,582
Total primary government net expenses	<u>\$ (7,229)</u>	<u>\$ (7,696)</u>	<u>\$ (5,909)</u>	<u>\$ (1,627)</u>	<u>\$ (10,952)</u>	<u>\$ (10,838)</u>	<u>\$ (5,928)</u>	<u>\$ (8,674)</u>	<u>\$ (15,004)</u>	<u>\$ (14,311)</u>
General Revenues										
Governmental activities:										
Property taxes, levied for general purposes	\$ 6,487	\$ 6,565	\$ 7,014	\$ 7,590	\$ 7,925	\$ 8,927	\$ 9,292	\$ 9,430	\$ 9,839	\$ 10,391
Property taxes, levied for debt service	-	-	-	-	-	-	-	-	-	-
Franchise taxes	2,594	2,479	2,439	2,568	2,570	2,857	3,256	3,624	3,749	3,682
Intergovernmental	97	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	60	77	66	87	75	246	488	1,196	1,287	218
Gain on disposition of capital assets	-	4	-	75	-	-	39	44	471	39
Transfers	(214)	-	(93)	(448)	(362)	-	-	-	-	-
Total governmental activities	<u>9,021</u>	<u>9,125</u>	<u>9,426</u>	<u>9,872</u>	<u>10,208</u>	<u>12,030</u>	<u>13,076</u>	<u>14,294</u>	<u>15,346</u>	<u>14,330</u>
Business-type activities:										
Interest and investment earnings	9	-	-	-	-	99	55	377	317	41
Gain on disposition of capital assets	-	-	-	-	-	-	15	7	-	-
Transfers	214	-	93	448	362	-	-	-	-	-
Total business-type activities	<u>223</u>	<u>-</u>	<u>93</u>	<u>448</u>	<u>362</u>	<u>99</u>	<u>70</u>	<u>384</u>	<u>317</u>	<u>41</u>
Total primary government	<u>\$ 9,244</u>	<u>\$ 9,125</u>	<u>\$ 9,519</u>	<u>\$ 10,320</u>	<u>\$ 10,570</u>	<u>\$ 12,129</u>	<u>\$ 13,145</u>	<u>\$ 14,678</u>	<u>\$ 15,663</u>	<u>\$ 14,372</u>
Change in Net Position										
Governmental activities	\$ (297)	\$ 457	\$ 1,770	\$ 5,474	\$ (3,428)	\$ (1,255)	\$ 4,216	\$ 2,589	\$ 342	\$ (2,563)
Business-type activities	2,312	972	1,840	3,220	3,046	2,545	3,001	3,416	317	2,623
Total primary government	<u>\$ 9,170</u>	<u>\$ 1,429</u>	<u>\$ 3,610</u>	<u>\$ 8,694</u>	<u>\$ (382)</u>	<u>\$ 1,291</u>	<u>\$ 7,217</u>	<u>\$ 6,004</u>	<u>\$ 659</u>	<u>\$ 61</u>

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CITY OF MILWAUKIE, OREGON

FUND BALANCES OF GOVERNMENTAL FUNDS

for the last ten fiscal years

(modified accrual basis of accounting)

(in thousands)

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ -	\$ 36	\$ 35	\$ 65	\$ 146	\$ 130	\$ 125	\$ 110	\$ 95	\$ 312
Restricted	23	28	30	39	30	33	19	16	2,182	205
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	5,759	5,380	5,974	5,676	5,939	7,175	7,408	9,038	8,845	11,545
Total general fund	<u>\$ 5,782</u>	<u>\$ 5,444</u>	<u>\$ 6,039</u>	<u>\$ 5,780</u>	<u>\$ 6,115</u>	<u>\$ 7,338</u>	<u>\$ 7,552</u>	<u>\$ 9,164</u>	<u>\$11,122</u>	<u>\$12,062</u>
All other governmental funds										
Nonspendable	\$ -	\$ 33	\$ 105	\$ 154	\$ 815	\$ 816	\$ 818	\$ 38	\$ 26	\$ 32
Restricted	2,211	1,995	1,618	1,725	1,799	11,199	11,878	7,993	5,317	6,349
Committed	1,739	1,322	1,459	1,954	1,627	2,858	3,858	21,705	20,168	15,216
Assigned	389	231	390	594	691	812	1,086	1,862	634	2,046
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 4,339</u>	<u>\$ 3,581</u>	<u>\$ 3,572</u>	<u>\$ 4,426</u>	<u>\$ 4,932</u>	<u>\$15,685</u>	<u>\$17,640</u>	<u>\$31,598</u>	<u>\$26,145</u>	<u>\$23,643</u>

CITY OF MILWAUKIE, OREGON

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

for the last ten fiscal years

*(modified accrual basis of accounting)
(in thousands)*

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property taxes	\$ 6,429	\$ 6,564	\$ 7,019	\$ 7,587	\$ 7,892	\$ 8,898	\$ 9,287	\$ 9,660	\$ 9,825	\$ 10,380
Intergovernmental	3,634	4,233	4,270	5,747	5,765	4,424	7,895	5,411	5,850	5,967
Franchise taxes	2,579	2,479	2,439	2,568	2,570	2,857	3,256	3,624	3,749	3,682
Fines and forfeitures	1,502	1,754	1,690	1,252	1,267	1,065	879	844	806	417
Licenses and permits	964	1,112	626	667	985	1,058	1,766	2,864	1,702	1,613
Charges for services	4,637	5,176	5,155	5,042	5,158	6,447	7,099	8,646	8,772	9,106
Miscellaneous	114	223	224	327	303	636	914	2,046	2,308	1,150
Total revenues	19,859	21,541	21,423	23,189	23,940	25,386	31,097	33,094	33,012	32,315
Expenditures:										
Current:										
General government	8,328	8,066	8,165	7,867	8,687	9,168	10,552	11,073	11,587	13,050
Highway and streets	1,891	1,883	1,753	1,712	1,708	2,117	2,072	3,264	1,010	2,979
Public safety	5,897	5,877	5,590	5,955	6,149	6,435	6,655	6,839	6,779	6,686
Culture and recreation	1,553	2,329	2,339	2,350	2,468	2,689	2,636	2,793	1,998	1,897
Debt service:										
Principal	144	378	196	3,983	379	778	792	2,039	2,089	2,475
Interest	273	253	415	557	380	564	581	1,320	1,297	1,356
Capital outlay	1,385	7,508	2,441	5,181	2,967	1,274	6,119	11,217	16,584	5,473
Total expenditures	19,471	26,294	20,899	27,607	22,738	23,025	29,407	38,547	41,344	33,916
Excess (deficiency) of revenues over (under) expenditures	388	(4,753)	524	(4,417)	1,202	2,361	1,689	(5,453)	(8,332)	(1,601)
Other financing sources (uses):										
Transfers from other funds	-	-	-	-	57	-	-	311	4,121	364
Transfers to other funds	-	-	-	-	(419)	-	-	(311)	(6,955)	(364)
Proceeds from sale of capital assets	-	6	-	-	-	-	95	44	471	39
Proceeds from bond premium	-	-	-	-	-	-	-	394	-	-
Issuance of debt	-	3,650	63	4,660	-	9,200	-	-	6,700	-
Proceeds from borrowing	-	-	-	-	-	-	385	20,585	-	-
Bond premium on issuance of debt	-	-	-	353	-	416	-	-	-	-
Total other financing sources (uses)	-	3,656	63	5,013	(362)	9,616	480	21,023	4,337	39
Net change in fund balances	\$ 388	\$ (1,097)	\$ 586	\$ 595	\$ 840	\$ 11,977	\$ 2,169	\$ 15,570	\$ (3,995)	\$ (1,562)
Debt service as a percentage of noncapital expenditures	2.3%	3.4%	3.3%	20.2%	3.8%	6.2%	5.9%	12.3%	13.7%	13.5%

CITY OF MILWAUKIE, OREGON

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

for the last ten fiscal years

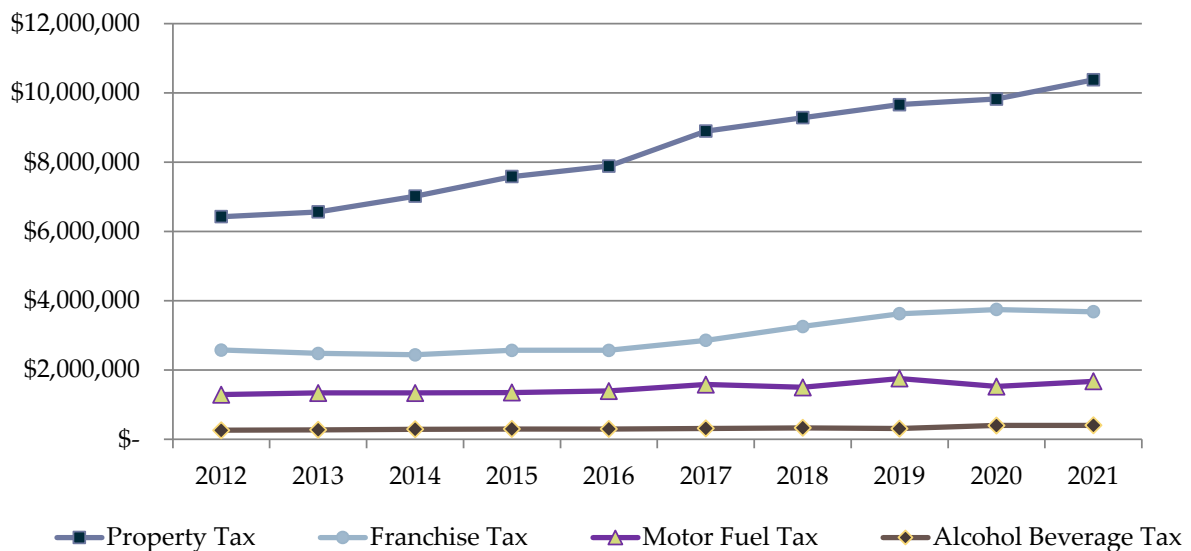
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Franchise Tax	Motor Fuel Tax ¹	Alcoholic Beverage Tax ¹	Total
2012	\$ 6,428,522	\$ 2,578,604	\$ 1,289,164	\$ 260,353	\$ 10,556,643
2013	6,563,755	2,478,784	1,336,694	272,331	10,651,564
2014	7,018,918	2,438,915	1,337,709	287,203	11,082,745
2015	7,586,610	2,567,903	1,351,269	295,213	11,800,995
2016	7,891,754	2,570,403	1,393,489	297,093	12,152,739
2017	8,898,323	2,857,017	1,578,903	314,256	13,648,499
2018	9,287,485	3,255,650	1,497,631	327,481	14,368,247
2019	9,663,776	3,624,295	1,756,320	310,238	15,354,629
2020	9,825,418	3,748,904	1,523,745	396,248	15,494,315
2021	10,379,647	3,681,645	1,675,491	401,410	16,138,193

Notes:

¹ Motor fuel and alcoholic beverage taxes are assessed by the State of Oregon, including the City of Milwaukie's Local Gas Tax, with the City's portion allocated back to the City.

Trend Lines of Tax Revenues by Source



CITY OF MILWAUKIE, OREGON

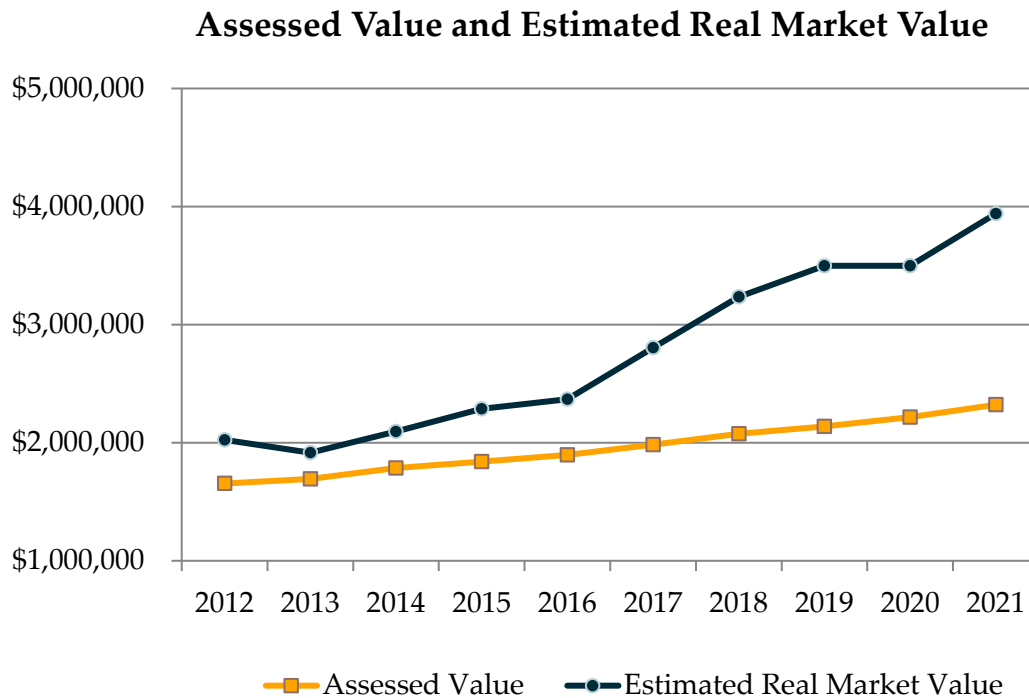
ASSESSED VALUE AND ESTIMATED REAL MARKET VALUE OF TAXABLE PROPERTY for the last ten fiscal years (in thousands)

Fiscal year	Assessed Value					Total direct tax rate	RMV	Assessed value as a percentage of RMV
	Real property	Personal property	Manufactured structure	Public utility	Total assessed value (AV)		Estimated real market value (RMV)	
2012	\$ 1,534,190	\$ 55,064	\$ 1,212	\$ 63,771	\$ 1,654,237	4.0718	\$ 2,023,966	82
2013	1,573,358	57,836	1,265	61,501	1,693,960	4.0731	1,915,291	88
2014	1,655,121	65,752	1,229	62,537	1,784,639	4.0777	2,094,734	85
2015	1,705,226	65,570	1,245	67,219	1,839,260	4.2660	2,286,961	80
2016	1,764,097	60,350	1,201	71,879	1,897,527	4.1866	2,368,057	80
2017	1,838,296	73,811	1,281	69,117	1,982,505	4.5718	2,804,852	71
2018	1,913,170	80,904	1,370	80,373	2,075,816	4.5276	3,235,850	64
2019	1,988,267	82,662	1,477	65,811	2,138,216	4.4208	3,499,027	61
2020	2,063,500	84,629	1,581	65,428	2,215,138	4.4208	3,498,809	63
2021	2,162,802	94,799	1,634	62,188	2,321,424	4.4208	3,940,188	59

Notes:

Property is generally assessed as of July 1st of each fiscal year.

Source: Clackamas and Multnomah County Departments of Assessment and Taxation.



CITY OF MILWAUKIE, OREGON

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS

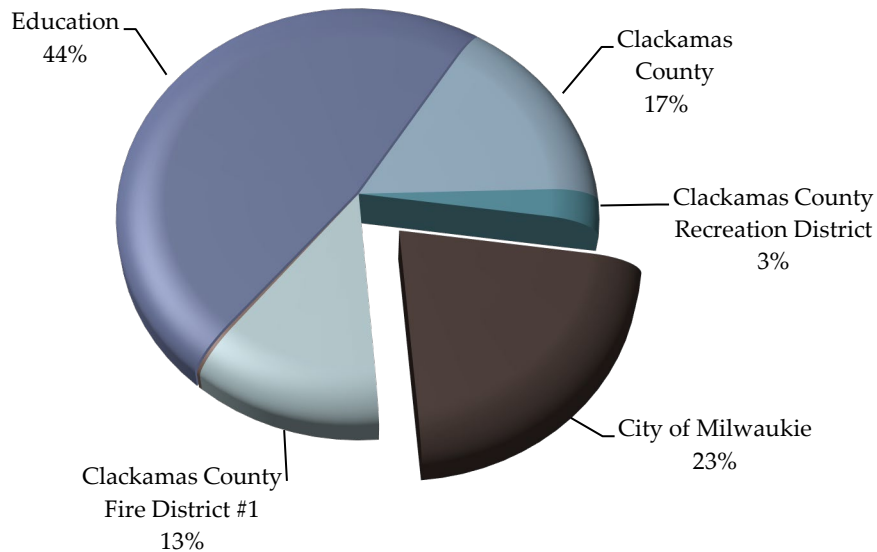
for the last ten fiscal years

(rate per \$1,000 of assessed value)

Fiscal year	City direct rates					Overlapping rates								Total direct and overlapping
	Permanent tax rate	Bonded debt tax rate	Less	Less	Total direct	North	Clackamas County	County	County	Clackamas Community College	Education	Other		
			CCFD#1 permanent tax rate	CCFD#1 bonded debt rate		Clackamas School District		Fire Dist #1	Recreation District		Service District			
2011	\$ 6.5379	\$ -	\$ (2.4012)	\$ (0.0686)	\$ 4.0681	\$ 6.58	\$ 3.29	\$ 2.47	\$ 0.50	\$ 0.70	\$ 0.36	\$ 0.99	\$ 18.97	
2012	6.5379	-	(2.4012)	(0.0649)	4.0718	7.22	3.77	2.47	0.51	0.68	0.36	0.36	19.44	
2013	6.5379	-	(2.4012)	(0.0636)	4.0731	6.78	3.77	2.36	0.51	0.70	0.36	0.49	19.04	
2014	6.5379	-	(2.4012)	(0.0590)	4.0777	7.09	3.22	2.46	0.54	0.71	0.37	0.49	18.95	
2015	6.5379	0.1859	(2.4012)	(0.0562)	4.2664	6.82	3.22	2.46	0.54	0.71	0.37	0.05	18.43	
2016	6.5379	0.1438	(2.4012)	(0.0939)	4.1866	7.24	3.22	2.50	0.54	0.75	0.37	0.05	18.84	
2017	6.5379	0.5277	(2.4012)	(0.0926)	4.5718	7.23	3.22	2.49	0.54	0.74	0.37	0.05	19.21	
2018	6.5379	0.4972	(2.4012)	(0.1063)	4.5276	7.22	3.22	2.51	0.54	0.75	0.37	0.05	19.19	
2019	6.5379	0.4270	(2.4012)	(0.0913)	4.4724	7.24	3.22	2.49	0.54	0.74	0.37	0.05	19.13	
2020	6.5379	0.3729	(2.4012)	(0.0888)	4.4208	8.69	3.22	2.49	0.54	0.74	0.37	0.05	20.52	
2021	6.5379	0.3729	(2.4012)	(0.0888)	4.4208	8.69	3.22	2.49	0.54	0.74	0.37	0.05	20.52	

Source: Clackamas County Assessor's Office.

Property Tax Percentage Split
by Government Type



CITY OF MILWAUKIE, OREGON

PRINCIPAL PROPERTY TAXPAYERS

current year and nine years ago

Name	2021			2012		
	Assessed value	Rank	% of total value	Assessed value	Rank	% of total value
PCC Structurals Inc.	\$ 89,703,423	1	3.9%	\$ 23,278,280	3	1.4%
Oregon Tool	62,224,122	2	2.7	47,320,155	1	2.9
Waverly Greens Apts	25,558,321	3	1.1	15,960,623	4	1.0
Lincoln Advisory Group LTD	20,330,588	4	0.9			
Comcast Corporation	22,535,000	5	1.0	35,088,400	2	
Carlston Greg	17,784,445	6	0.8			
KIMCO Realty Group	14,250,829	7	0.6			
Alliance Communities Inc.	12,914,029	8	0.6			
Portland General Electric Co	13,771,000	9	0.6	10,932,000	6	0.7
Gramark Company LLC	11,450,646	10	0.5			
SE International Way SPE LLC				8,781,476	10	0.9
Downs Alice M Trustee				8,905,274	9	0.5
Moda Plaza Inc				9,207,582	8	0.6
Holland Partners				9,873,108	7	0.6
International Airport Centers LLC				15,006,269	5	0.9
Sub-total, top ten	290,522,403		12.5	184,353,167		11.1
All other City taxpayers	2,030,901,483		87.5	1,469,883,692		88.9
Total City taxpayers	\$ 2,321,423,886		100.0%	\$ 1,654,236,859		100.0%

Source: Clackamas County Assessor's Office.

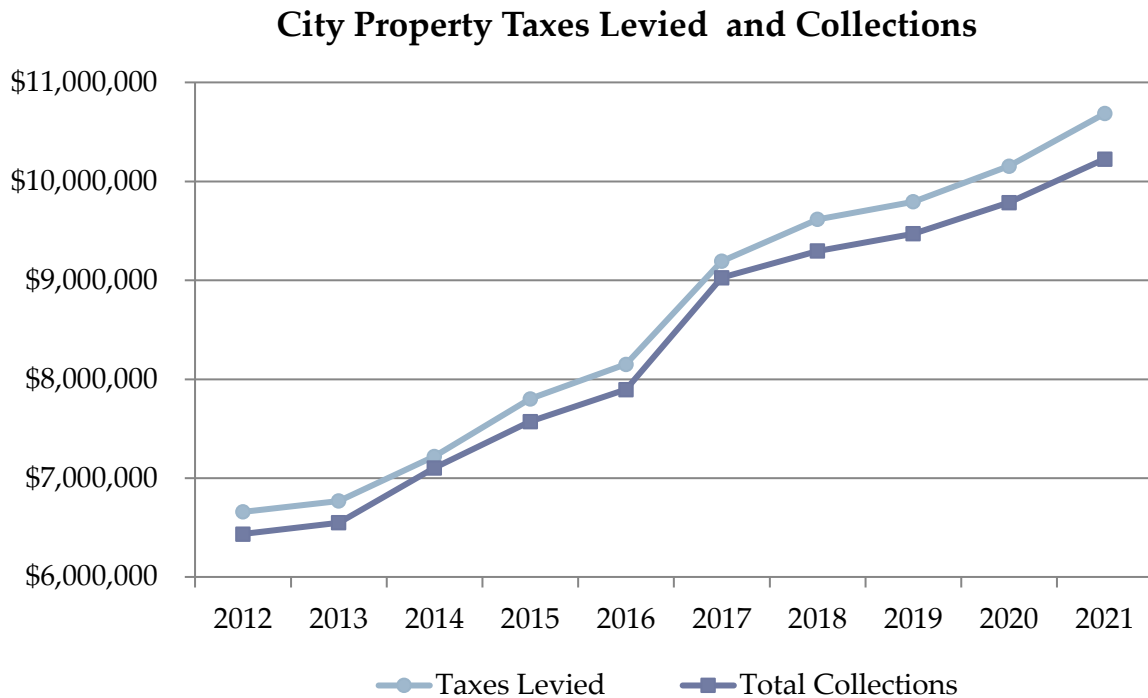
CITY OF MILWAUKIE, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS

for the last ten fiscal years

Fiscal year	Taxes levied for the fiscal year	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
		Amount	Percentage of levy		Amount	Percentage of levy
2012	\$ 6,660,414	\$ 6,239,599	94%	\$ 195,351	\$ 6,434,950	97%
2013	6,769,000	6,362,993	94	186,454	6,549,447	97
2014	7,220,047	6,821,366	94	282,670	7,104,036	98
2015	7,802,935	7,389,248	95	183,226	7,572,474	97
2016	8,150,481	7,752,374	95	143,618	7,895,992	97
2017	9,194,072	8,899,767	97	126,840	9,026,607	98
2018	9,616,768	9,136,795	95	160,038	9,296,833	97
2019	9,795,064	9,366,814	96	105,043	9,471,857	97
2020	10,154,688	9,703,887	96	81,790	9,785,677	96
2021	10,686,569	10,226,486	96	-	10,226,486	96

Source: City of Milwaukie Finance Department.



CITY OF MILWAUKIE, OREGON

RATIOS OF OUTSTANDING DEBT BY TYPE *for the last ten fiscal years*

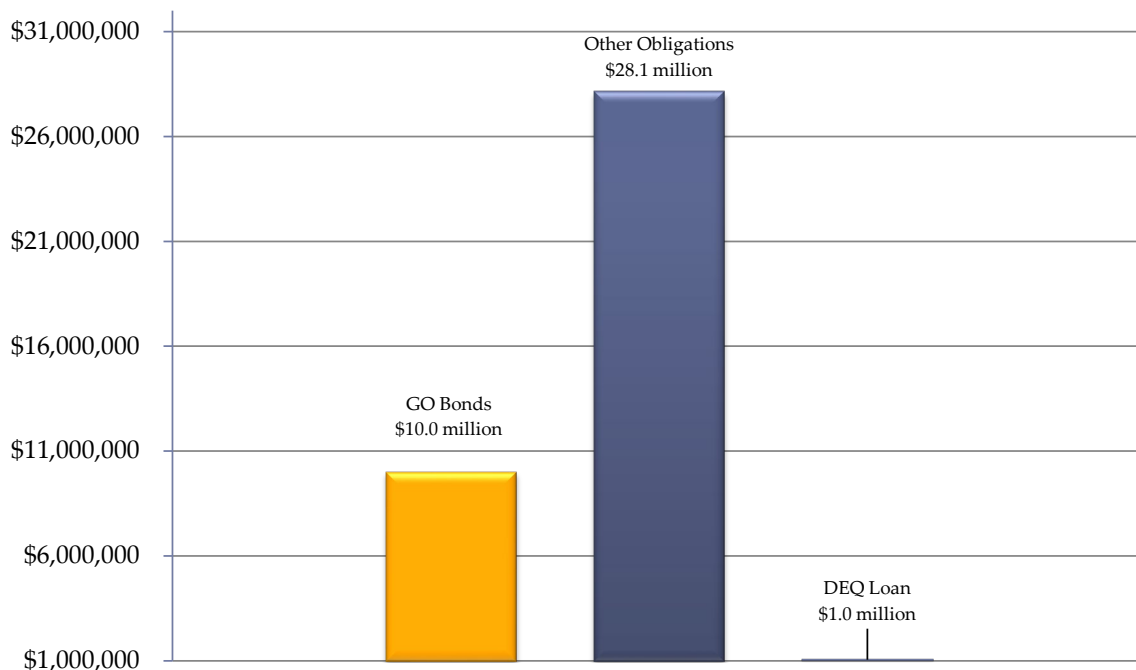
Fiscal year	Governmental Activities			Business-type Activities	Total primary government	Percentage of Personal income	Per capita **
	General obligation bonds	Other Obligations	Total	Wastewater/ DEQ loan			
2012	\$ -	\$ 5,172,425	5,172,425	\$ 1,832,700	\$ 7,005,125	0.80	343
2013	-	8,444,314	8,444,314	1,736,200	10,180,514	1.14	498
2014	-	8,311,646	8,311,646	1,639,700	9,951,346	1.06	487
2015	3,829,279	5,494,629	9,323,908	1,543,200	10,867,108	1.10	530
2016	3,683,083	5,245,813	8,928,896	1,446,700	10,375,596	1.00	506
2017	12,819,141	4,904,904	17,724,045	1,350,200	19,074,245	1.71	930
2018	12,654,084	4,576,066	17,230,150	1,253,952	18,484,102	1.58	899
2019	11,643,363	24,472,780	36,116,143	1,157,494	37,273,637	3.03	1,816
2020	11,079,766	29,593,671	40,673,437	1,061,036	41,734,473	*	2,030
2021	10,015,000	28,130,544	38,145,544	964,578	39,110,122	*	1,899

* Information unavailable at this time.

**Population data can be found on page 115.

Source: Annual financial statements of the City of Milwaukie.

Outstanding Debt by Type



CITY OF MILWAUKIE, OREGON

RATIOS OF GENERAL BONDED DEBT OUTSTANDING for the last ten fiscal years

Fiscal year	General obligation bonds	Less: amounts available in debt service fund	Net	Percentage of net over assessed value of property ¹	Per capita ²
2012	\$ -	\$ -	\$ -	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	3,829,279	(100,460)	3,728,819	0.20	182
2016	3,683,083	(110,750)	3,572,333	0.18	174
2017	12,819,141	(245,984)	12,573,157	0.63	613
2018	12,654,084	(368,719)	12,285,365	0.59	598
2019	11,643,363	(358,944)	11,284,419	0.53	550
2020	11,079,766	(359,550)	10,720,216	0.48	522
2021	10,015,000	(442,433)	9,572,567	0.41	465

Notes:

¹ Assessed value property data can be found on page 106.

² Population data can be found on page 115.

CITY OF MILWAUKIE, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

as of June 30, 2021

Governmental unit	Real Market Values of Overlapping Districts	Tax-Supported Debt Outstanding	Percentage Overlapping ¹	Overlapping Debt Applicable to the City of Milwaukie
Debt repaid with property taxes:				
Clackamas Community College	\$ 65,044,593,127	\$ 84,925,428	6.01%	\$ 5,100,112
Clackamas County	88,187,427,081	125,400,000	4.43	5,554,468
Clackamas City RFPD 1	40,336,577,772	26,735,165	9.75	2,607,267
Clackamas City SD 12 (North Clackamas)	25,604,909,209	693,051,684	15.26	105,729,193
Metro	358,995,131,497	920,585,000	1.10	10,087,770
Multnomah County	186,758,200,567	690,660,604	0.01	101,527
Multnomah City SD 1J (Portland)	142,128,385,666	1,450,005,667	0.02	281,301
Portland Community College	285,951,317,436	545,535,000	0.01	52,371
Subtotal, overlapping debt	1,193,006,542,355	4,536,898,548		129,514,009
Direct debt outstanding:				
City of Milwaukie	3,940,188,152	38,145,543	100.00%	38,145,543
Total direct and overlapping debt outstanding	\$ 1,196,946,730,507	\$ 4,575,044,091		\$ 167,659,552

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Notes:

- ¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

Source: Oregon State Treasury Department, Debt Management Division.

CITY OF MILWAUKIE, OREGON

LEGAL DEBT MARGIN INFORMATION

for the last ten fiscal years
(in thousands)

	Fiscal Year Ended				
	2012	2013	2014	2015	2016
Debt maximum limitation	\$ 60,719	\$ 57,459	\$ 62,842	\$ 68,609	\$ 71,042
Debt applicable to maximum limit	-	-	-	3,585	3,450
Legal debt margin available	<u>\$ 60,719</u>	<u>\$ 57,459</u>	<u>\$ 62,842</u>	<u>\$ 65,024</u>	<u>\$ 67,592</u>
Debt applicable to the maximum limit as a percentage of debt limitation	0.00%	0.00%	0.00%	5.23%	4.86%
	2017	2018	2019	2020	2021
Debt maximum limitation	\$ 84,146	\$ 97,075	\$ 104,971	\$ 104,964	\$ 118,206
Debt applicable to maximum limit	12,125	12,654	11,095	29,594	28,131
Legal debt margin available	<u>\$ 72,021</u>	<u>\$ 84,421</u>	<u>\$ 93,876</u>	<u>\$ 75,370</u>	<u>\$ 90,075</u>
Debt applicable to the maximum limit as a percentage of debt limitation	14.41%	13.04%	10.57%	28.19%	23.80%

Legal debt margin calculation for fiscal year ended June 30, 2021:

Total property real market value	\$ 3,940,188,152
	<u>3%</u>
Debt maximum limitation (3% of total property real market value) ¹	<u>118,205,645</u>
Amount of debt applicable to debt limit:	
Total debt	39,110,121
Less debt excluded from debt limit:	
SPWF loan	(377,454)
PERS UAL bonds	(2,650,000)
Full Faith and Credit Obligation bonds	(24,621,921)
Oregon DEQ loan	(964,578)
Less funds applicable to the payment of principal in the debt service fund per ORS 287.004	<u>-</u>
Net amount of debt applicable to limit	<u>10,496,168</u>
Legal debt margin - amount available for future indebtedness	<u>\$ 107,709,477</u>
Percentage of City's indebtedness to total allowed	8.88%

Notes:

¹ Pursuant to Oregon Revised Statutes 287.004, outstanding general obligation debt is limited to three percent of real market value.

Source: Clackamas County Department of Assessment and Taxation.

CITY OF MILWAUKIE, OREGON

PLEDGED-REVENUE COVERAGE

for the last ten fiscal years

Wastewater Department of Environmental Quality Loan						
Fiscal year	Utility service charges	Less: operating expenses	Net available revenue	Debt service requirements		Coverage
				Principal	Interest	
2012	\$4,539,621	\$3,503,728	\$1,035,893	\$ 96,229	\$ 9,405	9.81
2013	6,323,714	4,802,943	1,520,771	96,458	4,461	15.07
2014	6,531,522	5,815,520	716,002	96,458	4,220	7.11
2015	6,893,855	5,772,119	1,121,736	96,458	7,958	10.74
2016	7,289,147	6,186,770	1,102,377	96,500	7,250	10.63
2017	7,649,464	6,409,137	1,240,327	96,500	6,993	11.98
2018	7,928,079	6,563,122	1,364,957	96,458	6,511	13.26
2019	7,967,674	6,868,920	1,098,754	96,458	6,029	10.72
2020	8,036,514	6,872,488	1,164,026	96,458	6,029	11.36
2021	8,092,696	7,278,799	813,897	96,458	5,064	8.02

Source: Annual financial statements of the City of Milwaukie.

CITY OF MILWAUKIE, OREGON

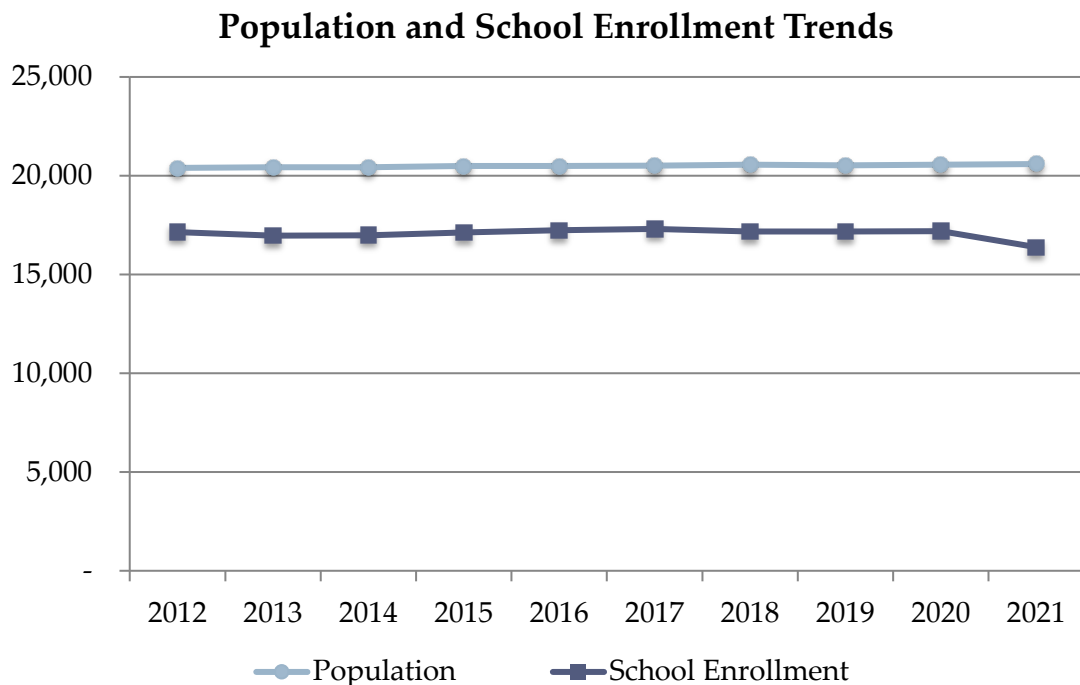
DEMOGRAPHIC AND ECONOMIC STATISTICS

for the last ten fiscal years

Fiscal year	Population	Personal income (in thousands)	Per capita personal income	School enrollment	Unemployment rate
2012	20,400	\$ 879,301	\$ 43,103	17,152	8.7
2013	20,435	893,582	43,728	16,976	7.8
2014	20,435	935,800	45,794	16,993	4.6
2015	20,491	992,215	48,422	17,130	5.5
2016	20,491	1,034,570	50,489	17,241	5.2
2017	20,510	1,114,288	54,329	17,309	3.7
2018	20,556	1,171,507	56,991	17,177	4.1
2019	20,528	1,230,058	59,921	17,177	4.3
2020	20,556	*	*	17,200	4.6
2021	20,600	*	*	16,384	5.9

* Information unavailable at this time.

Sources: Center for Population Research and Census,
Portland State University Bureau of Economic Analysis,
State of Oregon Employment Department, and
Oregon Department of Education.



CITY OF MILWAUKIE, OREGON

PRINCIPAL EMPLOYERS

current year and nine years ago

Employer	2021			2012		
	Employees	Rank	Percentage of total City employment	Employees	Rank	Percentage of total City employment
Oregon Tool	709	1	4.89%			
North Clackamas School District ¹	486	2	3.35	385	4	2.79%
Providence Milwaukie Hospital	464	3	3.20			
OECO LLC	228	4	1.57	300	5	2.17
Consonus Pharmacy Services	184	5	1.27			
Wendell & Wild	181	6	1.25			
ODS Plaza	172	7	1.19			
Alpine Food Distributing	162	8	1.12			
Dave's Killer Bread	147	9	1.01			
City of Milwaukie	145	10	1.00			
PCC Structurals Inc.				500	2	
Bob's Red Mill Natural Foods				250	7	1.81
United Grocers				630	1	4.57
R M International				500	3	3.62
Safeway				280	6	2.03
To Your Home from Willamette				200	8	1.45
Stoner Electric Group				150	10	1.09
Marquis Home Health				200	9	1.45
Total	<u>2,878</u>		<u>19.85%</u>	<u>3,395</u>		<u>24.60%</u>

Notes:

- ¹ North Clackamas School District has approximately 2,189 employees. There are 486 employees in the schools located in Milwaukie including Milwaukie High School, Ardenwald, Lewelling, Linwood, Milwaukie Elementary and Rowe Middle School.

Source: City of Milwaukie Finance Department.

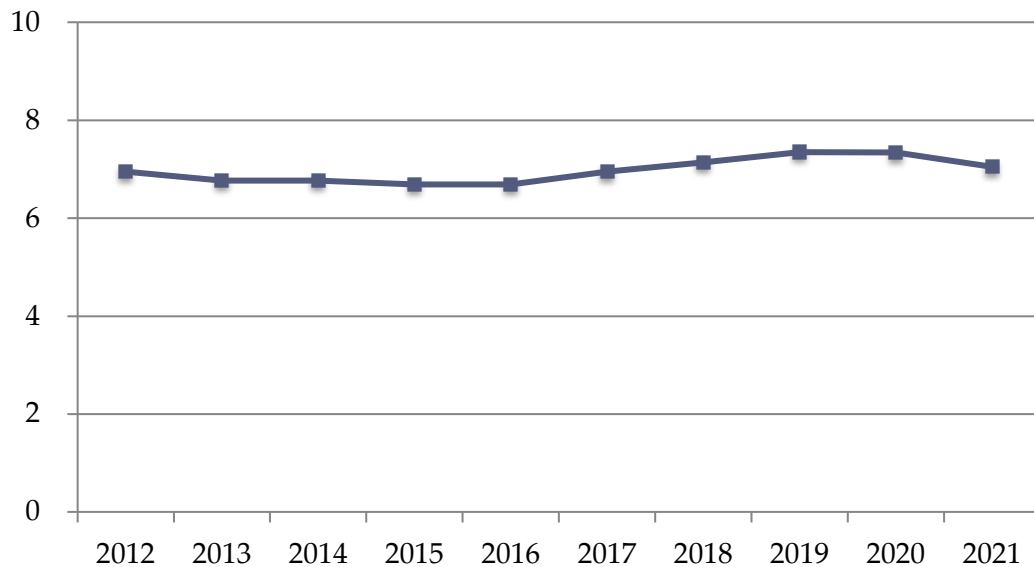
CITY OF MILWAUKIE, OREGON

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION *for the last ten fiscal years*

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	20.50	20.50	20.50	18.90	17.70	25.00	24.00	24.50	24.50	26.00
Public safety	42.00	42.25	42.25	41.85	41.85	42.75	42.75	41.75	41.75	40.50
Community services	24.76	23.76	23.76	25.26	26.46	26.26	27.26	28.01	28.01	27.25
Community development	24.50	23.50	23.50	20.60	20.60	17.00	20.00	23.00	23.00	20.00
Facilities	2.67	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Fleet services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Transportation	6.30	6.00	6.00	5.50	5.50	5.00	5.00	6.00	6.00	5.50
Water	7.30	7.00	7.00	7.20	7.20	8.20	8.20	8.20	8.20	7.50
Wastewater	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.50
Stormwater	5.80	5.25	5.25	7.80	7.80	8.30	8.50	8.50	8.50	8.00
Total FTEs	141.83	138.26	138.26	137.11	137.11	142.51	146.71	150.96	150.96	145.25
City Population	20,400	20,435	20,435	20,491	20,491	20,510	20,556	20,528	20,556	20,600
FTEs per 1,000 of population	6.95	6.77	6.77	6.69	6.69	6.95	7.14	7.35	7.34	7.05

Source: City of Milwaukie Finance Department.

10-Year Trend of FTEs per 1,000 of City Population



CITY OF MILWAUKIE, OREGON

OPERATING INDICATORS BY FUNCTION for the last ten fiscal years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Public safety										
Citations:										
Traffic	10,306	14,959	12,522	9,159	9,813	7,633	4,340	4,288	4,418	558
Parking	721	949	463	243	1,629	1,261	1,459	2,238	2,324	1,838
City ordinance	114	137	92	141	93	85	96	91	54	38
Non-traffic violation	127	119	126	147	148	72	9	9	2	4
Total citations processed	11,268	16,164	13,203	9,690	11,683	9,051	5,904	6,626	6,798	2,438
Number of seat belt classes	34	65	54	27	42	58	31	29	17	0
Number of officers per 1,000 capita	1.90	1.60	1.60	1.60	1.60	1.60	1.60	1.57	1.60	1.12
Culture and recreation										
Library items in collections ¹	121,982	120,075	117,693	118,024	115,040	114,360	95,152	92,394	90,399	96,144
Circulation	709,618	720,951	725,861	711,150	685,157	660,438	635,428	512,487	397,577	324,896
Average circulation per capita	33.70	18.43	18.25	17.84	17.08	16.34	15.80	12.39	9.54	7.78
Number of library programs	505	539	611	663	627	615	623	471	380	264
Attendance at library programs	12,619	15,580	17,230	19,565	20,079	20,513	19,834	13,992	12,747	11,889
Number of library volunteers	1,507	1,561	1,473	1,607	1,547	1,470	1,386	937	756	299
Library volunteer hours	8,679	9,591	9,004	9,798	9,948	8,646	7,758	6,135	3,621	1,866
Community development										
Building:										
Building permits issued	587	157	144	185	240	218	298	261	228	246
Inspections performed	1,430	1,514	1,577	1,693	1,872	2,128	3,107	4,443	4,452	4,065
Investigations	55	50	40	48	15	26	36	42	38	34
Violations resolved	19	25	29	33	9	18	24	35	30	25
Planning:										
Land use applications processed ²	72	67	58	87	100	156	139	131	112	105
Business-type activities:										
Water										
Service connections	6,929	6,690	6,777	6,813	6,870	6,870	6,845	6,911	6,926	6,929
Number of fire hydrants maintained	409	792	788	789	404	105	6	90	146	94
Sanitary sewer (in feet)										
Sewer mainline cleaning	110,610	143,034	109,594	134,263	99,998	74,360	41,312	113,523	61,418	62,053
Mainline inspections completed	125,894	152,541	124,525	134,663	165,396	70,326	49,755	121,281	69,905	73,934

Notes:

- ¹ Reduction in collection due to the construction of a new library and a temporary library location in 2018 and 2019. Also, there was a reduction in 2020 and 2021 due to the COVID-19 pandemic.
- ² Previous years (FY 2013 - FY 2015) have been corrected.

Source: City of Milwaukie Departments.

CITY OF MILWAUKIE, OREGON

CAPITAL ASSET STATISTICS BY FUNCTION for the last ten fiscal years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government										
City-owned building facilities	5	5	5	5	5	5	5	5	6	6
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	24	24	24	24	24	21	21	21	21
Culture and recreation										
Library facility	1	1	1	1	1	1	1	1	1	1
Community development										
Residential Construction	\$ -	\$ 1,343	\$ 2,029	\$ 2,370	\$ 2,135	\$ 6,994	\$30,685	\$ 7,849	\$19,602	\$15,737
Commercial Construction	9,822	16,804	1,656	610	303	5,266	41,264	69,440	12,864	14,992
Total value of new building construction (in thousands) ¹	\$ 9,822	\$18,147	\$ 3,685	\$ 2,980	\$ 2,438	\$12,260	\$71,949	\$77,289	\$32,466	\$30,729
Highways and streets										
Miles of streets (street lane miles)	165	158	158	160	160	160	157	159	159	160
Surface water catch basins	1,613	1,603	1,622	1,631	1,631	1,679	1,685	1,701	1,752	1,778
Business-type activities:										
Water										
Water mains (miles)	100	100	100	100	100	100	101	100	100	100
Number of pump stations	4	5	5	5	5	5	5	5	5	5
Number of water storage reservoirs	3	3	3	3	3	3	3	3	3	3
Sanitary sewer										
Sanitary sewer (miles)	78	79	79	79	79	79	79	79	79	79
Number of sewer manholes	1,688	1,695	1,697	1,692	1,692	1,692	1,700	1,706	1,721	1,724

Source: City of Milwaukie Departments.



SECTION IV

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS

CITY OF MILWAUKIE, OREGON

COMPLIANCE SECTION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Oregon Administrative Rules 162-10-050 through 162-10-320, incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report.

The following report from Merina+Co. is contained in this section:

- Independent Auditor's Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon State Regulations

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON STATE REGULATION**

Honorable Mayor and City Council
City of Milwaukie, Oregon

We have audited the basic financial statements of City of Milwaukie, Oregon, as of and for the year ended June 30, 2021 and have issued our report thereon dated December 23, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Report on Compliance

As part of obtaining reasonable assurance about whether City of Milwaukie, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*

Internal Control Over OAR 162-10-0230

In planning and performing our audit of the financial statements, we considered City of Milwaukie, Oregon's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of

expressing an opinion on the effectiveness of City of Milwaukie, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Milwaukie, Oregon's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
December 23, 2021



CITY OF MILWAUKIE

FINANCE DEPARTMENT

Finance Director Bonnie Dennis, MBA • DennisB@milwaukieoregon.gov

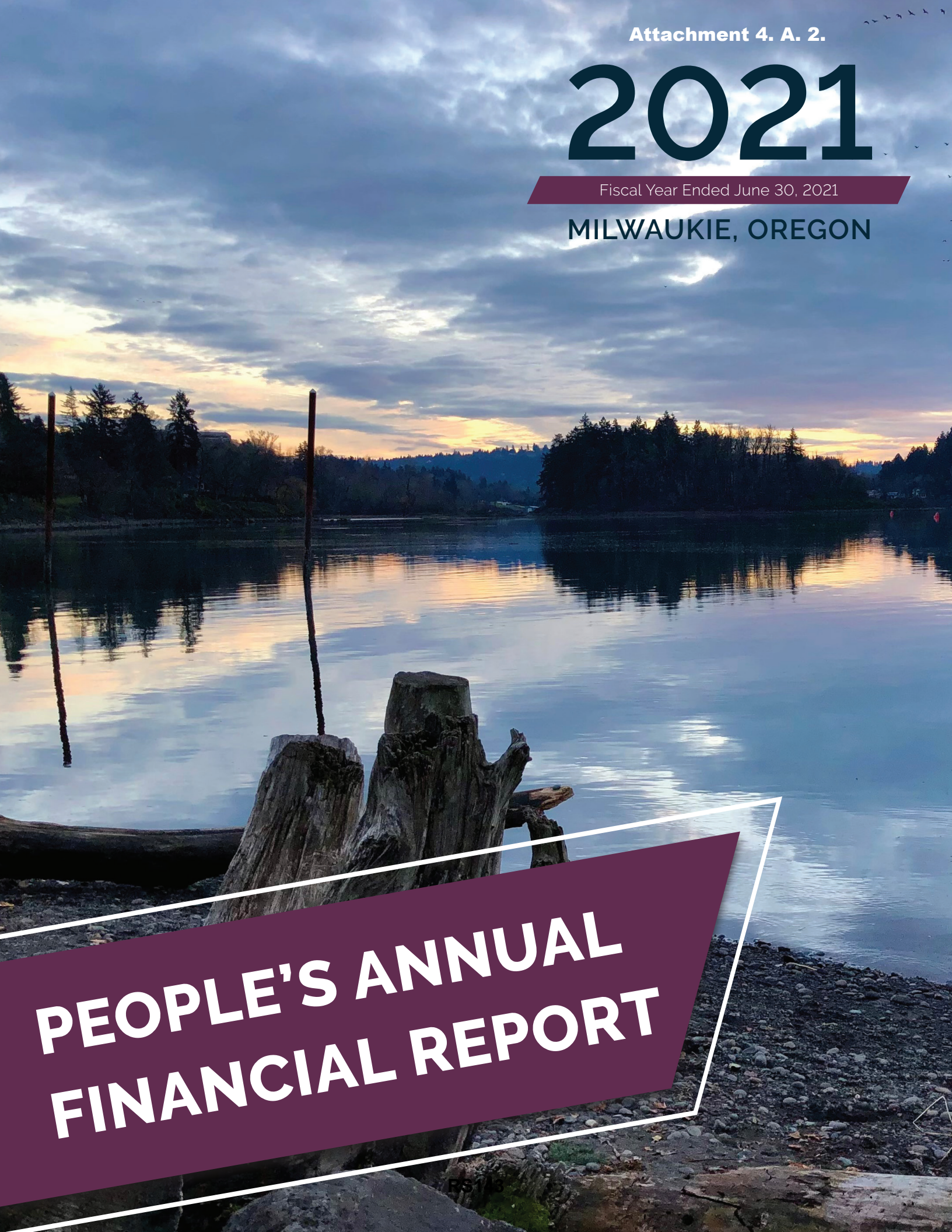
Assistant Finance Director Keith McClung, CPA • McClungK@milwaukieoregon.gov

10722 SE Main St., Milwaukie, OR 97222 • 503.786.7555 • www.milwaukieoregon.gov/finance

2021

Fiscal Year Ended June 30, 2021

MILWAUKIE, OREGON



PEOPLE'S ANNUAL FINANCIAL REPORT

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CITY OF MILWAUKIE

The information in this report is drawn from the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. Please review the Annual Comprehensive Financial Report online, or contact Finance Director Bonnie Dennis at dennisb@milwaukieoregon.gov to request a copy or ask questions about this report.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Milwaukie

Oregon

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

LETTER FROM THE CITY MANAGER



Milwaukie Community Members,

One of the primary roles of government is to use taxpayer dollars to provide high-quality programs and services, while doing so in a thoughtful, responsible and transparent manner. This includes providing regular reports about the city's finances. We are proud to present the People's Annual Financial Report (PAFR) for the fiscal year ended June 30, 2021.

The PAFR is designed to provide a summary of the city's financial activities. It's a high-level report for those who wish to learn more about how Milwaukie's money is spent. Within this report, you will find a condensed and simplified format of the Annual Comprehensive Financial Report. It's important to note, this report is unaudited and presented on a non-Generally Accepted Accounting Principles (GAAP) basis. It contains summarized financial information and does not provide

all the necessary financial statements or note disclosures required by GAAP. The Annual Comprehensive Financial Report is a more detailed and complete financial presentation, which is prepared in conformity with GAAP and audited by the city's independent auditors.

The City of Milwaukie is proud to have received all three of the Government Finance Officers Association (GFOA) awards for local government finance:

- Distinguished Budget Presentation Award
- Certificate of Achievement for Excellence in Financial Reporting
- Award for Outstanding Achievement in Popular Annual Financial Reporting

It's our belief that participating in GFOA award programs improves everyone's understanding of Milwaukie finances. Receiving these awards highlights our shared belief that financial information, presented in formats consistent with the highest standards in governmental financial reporting, is the best way to achieve financial transparency.

Throughout the year, the Finance Department works on budgets, audits, financial policies, financial forecasts and financial management. We would like to thank the hard-working staff of the finance department, who are responsible for producing this report, as well as the Annual Comprehensive Financial Report. Their commitment to accountability and integrity provides a great service to the Milwaukie community.

We invite you to seek more in-depth information online. The Annual Comprehensive Financial Report, Biennial Budget, and other detailed reporting are available at www.milwaukieoregon.gov/finance. This webpage also includes information about department operations, capital projects, agendas, meetings and much more.

For any questions about this report, please email **Finance Director Bonnie Dennis** at dennisb@milwaukieoregon.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Ober", written in a cursive style.

Ann Ober
City Manager

FORM OF GOVERNMENT

Milwaukie operates under a Council-Manager form of government. The Mayor and City Councilors are responsible for establishing policy and providing direction to the City Manager. The Mayor and City Councilors are elected at-large and serve staggered four-year terms. The Mayor presides at official meetings and work sessions.

The city's administration is committed to professionalism and efficiency. It continues to provide this *People's Annual Financial Report*, which is published as part of the Finance Department's ongoing mission to provide the utmost transparency and understanding about Milwaukie's finances.



ELECTED OFFICIALS (as of June 30, 2021)



MAYOR
Mark Gamba



COUNCILOR #1
Angel Falconer



COUNCILOR #2
Lisa Batey



COUNCILOR #3
Desi Nicodemus



COUNCILOR #4
Kathy Hyzy
Council President

CURRENT APPOINTED OFFICIALS

City Manager Ann Ober · **City Attorney** Justin Gericke · **Municipal Court Judge** Kimberly Graves

CITY COUNCIL GOALS & PRIORITIES

On Sep. 21, 2021, City Council approved Resolution 51-2021, adopting goals for 2021-2022. Below is the formally-adopted language for City Council's current goals. For more information, visit www.milwaukieoregon.gov/citycouncil/goals. To view the latest updates about the city's efforts to pursue these goals, visit www.milwaukieoregon.gov.

GOAL 1

CLIMATE CHANGE MITIGATION AND RESILIENCE ACTION

Whereas, climate change is the single largest threat to the future citizens of Milwaukie; and whereas, the Milwaukie community vision calls for Milwaukie to become a net zero city by the year 2040 as our contribution towards forestalling the worst effects of climate change; and whereas, the city has adopted a climate action plan.

Therefore, be it resolved by the City Council of the city of Milwaukie, Oregon, that the city will take aggressive steps to minimize climate change and increase climate-related resilience by implementing specific actions identified in the city's climate action plan that provide the greatest impact possible.

Be it further resolved, that in its actions and planning, the city of Milwaukie will strive to be a model for climate change reduction for both its residents and other cities.



GOAL 2

EQUITY, JUSTICE AND INCLUSION

Whereas, Black, Indigenous and people of color have suffered horrific inequities and crimes against humanity in this country for centuries; and the violent death of George Floyd sparked an international demand for an end to systematic racism; and the Milwaukie 2040 vision calls for a flourishing city that is entirely equitable, delightfully livable and completely sustainable for all residents; and the city's work to achieve that vision only started with writing a new Comprehensive Plan that will begin to reverse code provisions and zoning that have long disenfranchised our BIPOC neighbors.

Therefore, the city commits to a series of immediate actions, including listening sessions to inform subsequent changes to city practices, policies and codes; work on relationship-building with Milwaukie's Black, indigenous, and people of color residents to define the next steps forward; to fund equity, inclusion, and justice training for all staff, including the police department; and City Council will further our own education about systemic racism. A budget adjustment will be presented to move additional resources to fund these efforts.



ABOUT MILWAUKIE

Nestled along the banks of the Willamette River, Milwaukie enjoys the comforts of a small town, as well as the benefits of its close location to Portland. Milwaukie strives to stay true to itself and the spirit of the community, even if that's unconventional at times, while upholding a strong sense of optimism that keeps everyone persistent in their pursuit for shared successes. Woven through the fabric of the community is the value placed on ingenuity, equity and community connection. These strengths have contributed to the recently-completed visioning process that received an outpouring of support from the community, and led Milwaukie to receive the 2017 Award for Public Involvement and Participation from the Oregon chapter of the American Planning Association. They can also be found in the city's robust and thriving business community. With more than 1,500 companies, including Oregon Tool, Bob's Red Mill, Dark Horse Comics and Precision Castparts Corporation, Milwaukie is home to several of Oregon's largest and most iconic employers.

The city's administration is committed to professionalism, efficiency, and customer service. The city operates its own police department, municipal court, water, wastewater and stormwater utilities, and provides street operations, planning, building inspections, engineering, community development and library services.

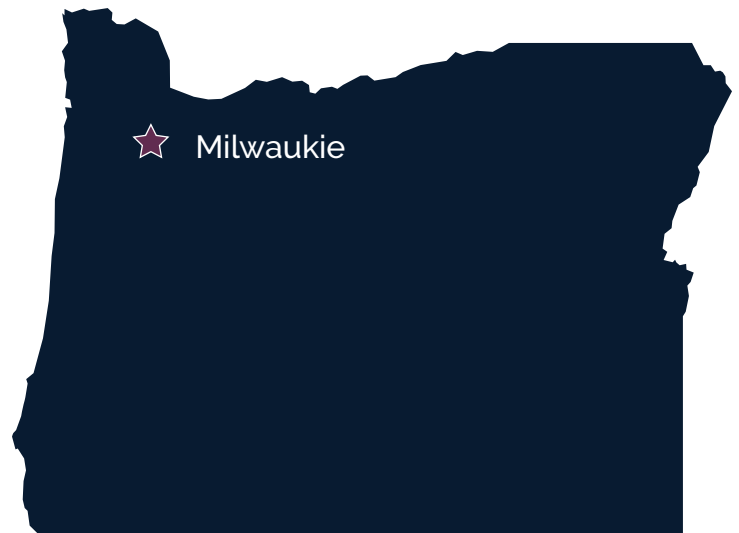
Clackamas Fire District #1 provides fire and emergency services and North Clackamas Parks & Recreation District provides parks and recreation services. Milwaukie lies within Clackamas County, which is headed by five commissioners and is based in Oregon City. Milwaukie is also part of Metro, the tri-county urban services district based in Portland.

FACTS & FIGURES FOR FISCAL YEAR 2021

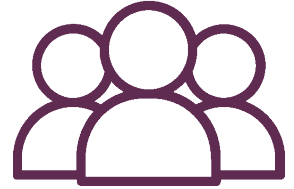
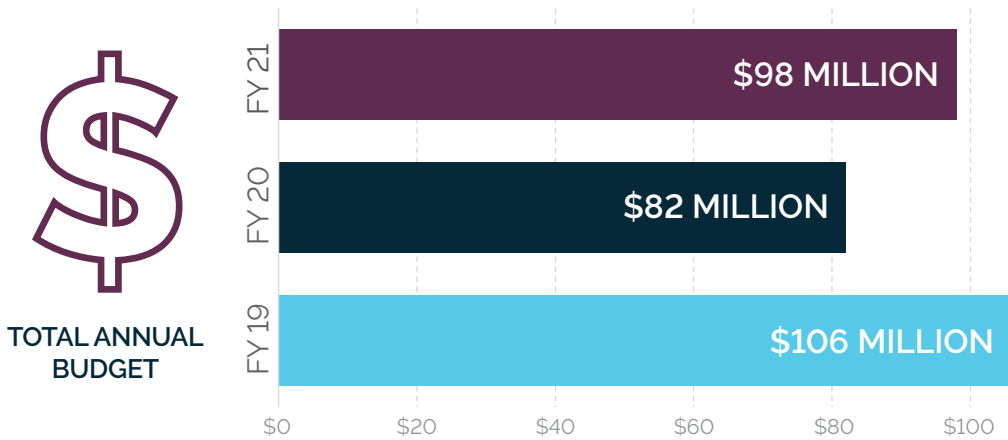
City Property Tax Rate	\$4.1367/\$1,000 TAV
City Bonded Debt Tax Rate	\$0.4108/\$1,000 TAV
Total Property Tax Rate:	\$21.5814/\$1,000 TAV
City Share of Total:	21%
Total Annual Budget	\$98 million
Population	20,600
City Employees	145 FTE
Outstanding Debt	\$39.1 million
Bond Rating*	Aa2 *
City-Maintained Roads	160 lane miles
Building Permits	246
Sewer Miles	79
Water Lines Maintained	100 miles
Number of Traffic Citations	558
Average Library Circulation Per Capita	7.78
Unemployment Rate	5.9%

* Investment Grade - Rated as high quality and very low credit risk.

RANK	EMPLOYER	EMPLOYEES
1	Oregon Tool	709
2	North Clackamas School District	486
3	Providence Milwaukie Hospital	464
4	OECO LLC	228
5	Consonus Pharmacy Services	184
6	Wendell & Wild	181
7	ODS Plaza	172
8	Alpine Food Distributing	162
9	Dave's Killer Bread	147
10	City of Milwaukie	145



CITY OPERATION NUMBERS



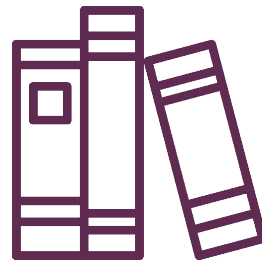
145

FULL-TIME
EMPLOYEES



4,065

INSPECTIONS
PERFORMED



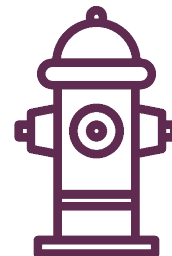
96,144

LIBRARY ITEMS
IN COLLECTION



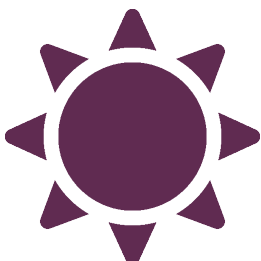
2,438

CITATIONS PROCESSED
*(traffic, non-traffic, parking
and city ordinance)*



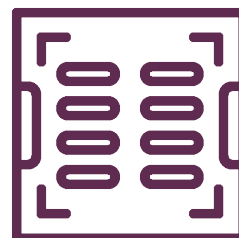
94

FIRE HYDRANTS
MAINTAINED



2,260

KW OF SOLAR
CAPACITY



1,778

CATCH BASINS
MAINTAINED

BOARDS, COMMITTEES & COMMISSION

The City of Milwaukie has 13 appointed boards, commissions and committees. Qualified applicants are appointed by City Council following an application and interview process. Terms for membership are two years for all, but the Budget Committee and Planning Commission. For more information or to apply, visit www.milwaukieoregon.gov/bc.

Arts Committee

The Milwaukie Arts Committee works to connect artists with resources, and to connect the community with art. The committee oversees many projects and programs, including the City Hall Sculpture Garden, public murals and City Hall Art Gallery, as well as several arts and culture related events throughout the year.

Audit Committee

The Audit Committee ensures audits of the financial statements are completed annually, that oversight of the City's independent auditors is a shared responsibility between City management and the City Council, and that the City Council has the opportunity to assist City management in the review and selection of the City's independent auditor to ensure transparency in the management of city audits.

Budget Committee

This committee works in accordance with the provisions of ORS 294.336 to review the annual city budget document, as prepared by the city budget officer, and recommend an approved budget to City Council for adoption.

Milwaukie Center Community Advisory Board

The Community Advisory Board advises City Council and North Clackamas Parks & Recreation District (NCPRD) about Milwaukie Center needs. The board weighs-in on capital improvement projects, programs and policies, and makes budget recommendations to NCPRD.

Citizens Utility Advisory Board

This board was established for the purpose of advising City Council about the methods and manner in which city utility rates and capital improvements are both scheduled and carried out.



RS150

Community Action Board

This board is a county-level social needs group that advocates on issues related to people and households with low-incomes. The mayor of Milwaukie serves as a member and appoints an alternate to attend meetings in his or her absence.

Design & Landmarks Committee

The Design & Landmarks Committee was established to advise the Planning Commission and City Council about urban design, architectural and historic preservation activities including but not limited to design review of development proposals in the downtown, education and outreach, designation of historic districts and landmarks, and historic and cultural resources inventories.

Library Board

This board was established for the purpose of advising City Council and Ledding Library staff about the needs of library patrons. They are also responsible for reviewing library policies and donations of personal property or funds to the library, as well as the operating budget for the Ledding Library.

Park & Recreation Board

This board was created to focus greater energy and resources toward meeting community park and recreation needs through cooperative partnership between the city and North Clackamas Parks & Recreation District.

Planning Commission

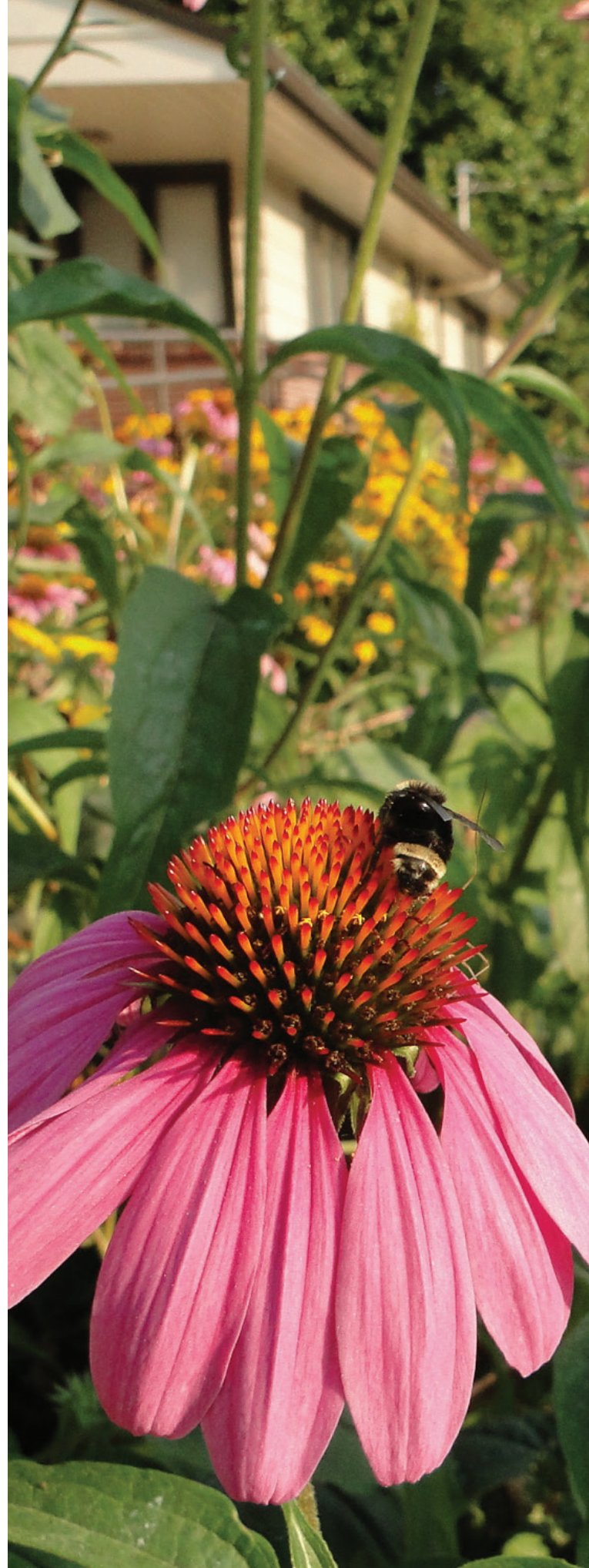
The Planning Commission was established for the purpose of reviewing and advising on matters of planning and zoning according to the provisions of the Comprehensive Plan, Zoning Ordinance, and other planning implementation documents.

Public Safety Advisory Committee

The Public Safety Advisory Committee makes recommendations about community livability concerns related to public safety in Milwaukie and its urban growth boundary. Committee members include representatives from each of the city's seven neighborhoods.

Tree Board

The Tree Board maintains the city's plan for trees and shrubs in public places, and advises both City Council and North Clackamas Parks & Recreation District about tree-related policies.



OVERVIEW OF AUDITED RESULTS

The following summary highlights are taken directly from the Management Discussion and Analysis section of the fiscal year 2021 Annual Comprehensive Financial Report:

- The city's assets totaled \$157.0 million on June 30, 2021, consisting of \$98.8 million in capital assets, \$30.6 million in unrestricted cash and investments, \$22.4 million in restricted cash and investments, and \$5.2 million in other assets. Total assets increased by \$.7 million (.46%) from the previous fiscal year.
- The city's liabilities totaled \$69.2 million on June 30, 2021, consisting of \$62.7 million in long-term liabilities and \$6.5 million in accounts payable and other liabilities. Total liabilities increased by \$2.5 million (4%) from the previous fiscal year.
- The assets of the city exceeded its liabilities by \$87.8 million at the close of fiscal year 2021. Unrestricted net position totaled \$9.99 million with the remainder of the city's net position invested in capital assets (\$78.1 million) and restricted for capital projects, building operations, library services, debt service, and public safety (\$6.2 million).
- The deferred outflows of resources for the city increased to \$7.3 million, compared to \$5.6 million in fiscal year 2020. The primary increase relates to pension and OPEB assets as return on investments within their respective plans was higher than originally forecasted.
- The deferred inflows of resources for the city decreased to \$0.9 million, compared to \$1.2 million in fiscal year 2020. The primary decrease relates to pension and OPEB liabilities as the change in proportionate share was less for the city in 2021.
- For its governmental activities, the city generated \$13.5 million in charges for services and received \$4.4 million in operating and capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$34.8 million for the year, resulting in a net expense of \$16.9 million. The city also received \$14.3 million of general revenues, resulting in a decreased net position of \$2.6 million.
- For its business-type activities, the city generated \$18.2 million in charges for services and capital grants and contributions to fund direct expenses of \$15.7 million. Business-type activities had an increase in net position of \$2.6 million.
- Fund balance in the city's governmental funds was \$35.7 million on June 30, 2021, a decrease of \$1.6 million from the previous fiscal year.



RS152

STATEMENT OF NET POSITION

	AS OF June 30, 2021	AS OF June 30, 2020	AS OF June 30, 2019
ASSETS			
Current assets & other assets	\$58,211,500	\$58,836,920	\$63,940,833
Capital assets	98,803,152	97,457,275	82,732,496
Total assets	157,014,652	156,294,195	146,673,329
DEFERRED OUTFLOWS OF RESOURCES			
Pension • OPEB	7,345,748	5,701,102	6,098,118
LIABILITIES			
Current liabilities	6,482,919	6,262,357	7,415,915
Long-term liabilities	62,693,157	60,371,846	53,641,425
Total liabilities	69,176,076	66,634,203	61,057,340
DEFERRED INFLOWS OF RESOURCES			
Pension • OPEB	944,333	1,181,922	1,232,450
NET POSITION	\$94,239,991	\$94,179,172	\$90,481,657

STATEMENT OF ACTIVITIES

	FISCAL YEAR 2021	FISCAL YEAR 2020	FISCAL YEAR 2019
Revenues	\$50,551,883	\$51,366,554	\$50,128,819
Expenses	(50,491,064)	(47,669,039)	(44,124,833)
Increase (decrease) in net position	60,819	3,697,515	6,003,986
Net position	94,239,991	90,481,657	83,978,167
Restatement	-	-	499,504
Net position	\$94,239,991	\$94,179,172	\$90,481,657

FINANCIAL POLICIES

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

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

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

To review all financial policies for the city, see page 17 of the *adopted budget for the 2021-2022 biennium* at www.milwaukieoregon.gov/finance/budgets.

FINANCIAL PLANNING

The City of Milwaukie prepared a 5-year financial forecast prior to the development of the budget. The 5-year model takes into account projected increases and decreases in revenues and expenditures. This information is shared during budget deliberations. Financial forecasts are key to strategizing, studying different financial outcomes, modeling demographic trends, anticipating changes in revenue streams, and forecasting utility rates.

The Budget Committee unanimously approved the 2021-2022 Biennial Budget, which was then adopted by City Council on June 16, 2020. Since the adoption of the budget, there has been two transfers and one supplemental budget. A transfer does not require a public hearing, whereas a supplemental does because it is adjusting appropriations by more than 10% of the original adoption. The 2021-2022 supplemental was related to an increase in contractual services for the building fund due to an increase in building permit activity. A supplemental budget transfer was adopted to create the City Hall Fund and transfer appropriations for the purchase. Prior biennial budgets were unanimously approved by the Budget Committee and subsequently adopted by City Council. Each biennium budget had at least two supplemental budgets that were presented to the budget committee prior to adoption by City Council. Those supplementals are typically due to staffing changes or increases related to capital expenditures. To best illustrate trends, below are the fiscal year budget amounts for the most recently adopted budget, including supplemental budgets, along with comparative fiscal years.



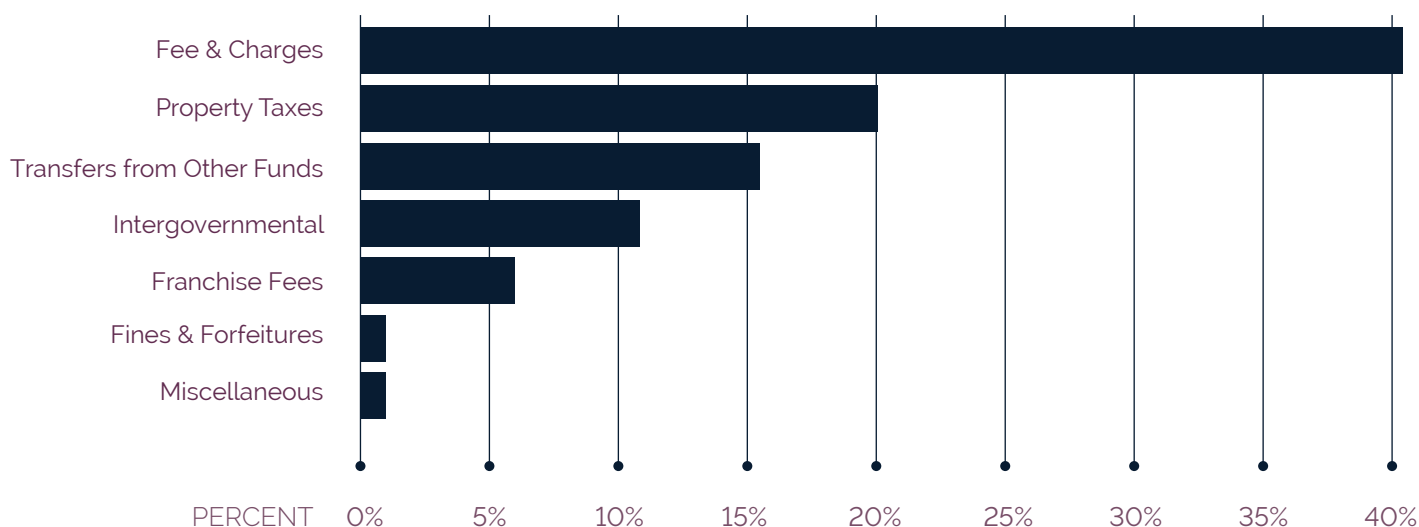
BUDGET OVERVIEW

	FISCAL YEAR 2021	FISCAL YEAR 2020	FISCAL YEAR 2019	FISCAL YEAR 2018
Personnel Services	\$20,019,000	\$19,703,000	\$18,185,000	\$16,907,000
Materials & Services	14,102,000	13,589,000	13,370,000	12,429,000
Debt Service	3,985,000	3,344,000	2,748,000	930,000
Transfers	7,868,000	7,820,000	6,674,000	5,220,000
Annual Operating Budget	45,974,000	44,456,000	40,977,000	35,486,000
Capital Outlay	18,639,000	24,547,000	27,857,000	20,477,000
Reserves	9,549,000	13,483,000	25,876,000	12,051,000
TOTAL CITY BUDGET	\$74,162,000	\$82,486,000	\$94,710,000	\$68,014,000

Note: The budgeted data presented is projected data which may differ significantly from the Generally Accepted Accounting Principles derived data in the Annual Comprehensive Financial Report.

WHERE THE CITY'S MONEY COMES FROM

The City of Milwaukie budgets at the “fund” level. The city maintains nine distinct funds to account for governmental services. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, and balances and changes, which are segregated for specific activities and objectives.



MAJOR REVENUE TYPES

Fees & Charges (41%)

Charges for water, wastewater, stormwater, and street maintenance are charged to all users in Milwaukie. The fees for water, sewer, wastewater, stormwater, and street maintenance are established through the City fees and charges resolution; this resolution is updated each year. City Council approves utility rates based on costs to provide services.

Property Taxes (20%)

Milwaukie's permanent tax rate is applied to the projected taxable assessed value of property to generate revenues to support core city operations. The city assumes a 94% collection rate for property tax revenue, so the budgeted total amount of property taxes is approximately 94% of the total calculated property tax revenue. Taxable assessed values of existing property are limited to an increase of three percent per year; value added to a community via new construction increases the assessed value more than the three percent growth rate limited by Measure 50.

The city passed Ordinance No. 1958 in February 2008 following the annexation Ballot Measure 3-166 where the voters authorized the annexation of fire services into Clackamas Fire District No. 1 (CFD). This ordinance reduces the city's permanent tax rate of \$6.5379 per \$1,000 of assessed value by the permanent rate of the Fire District, equating to \$2.4012 offset by its annual bonded debt rate until then existing bonds were paid off in fiscal year 2014-15. Accordingly, the actual property tax rate levied by the city is its permanent tax rate of \$6.5379 less CFD's permanent rate of \$2.4012 or \$4.1367.

Transfers from Other Funds (16%)

Transfers from other funds occur when revenues are transferred between funds; revenue is received by a fund providing an internal service from a fund receiving the service, where the cost of the service is shown as an expense. All city services that receive reimbursement charge revenue are consolidated into the General Fund. The amount that other funds are charged for reimbursement costs is based on

WHERE THE CITY'S MONEY COMES FROM

individual metrics identified for each city service. The city calculates inter-fund reimbursement charges when services are provided to another fund. The cost of these services is based on a cost allocation methodology, which assumes that the services provided have value, and that value is shown as a reimbursement amount.

Intergovernmental (12%)

State revenues are distributed to cities based on state statute, which defines formulas incorporating population and per capita income. The League of Oregon Cities provides the source data for State Revenue Sharing projections. Pursuant to ORS 221.770, the City of Milwaukie must elect to receive its proportionate share of the revenues to be apportioned to the cities by the State of Oregon for the fiscal year. Further, ORS 221.760 provides that cities located in a county having more than 100,000 inhabitants, according to the most recent federal decennial census, can disburse state shared revenue funds only if the city provides four or more of the following services: police protection; fire protection; street construction, maintenance, and lighting; sanitary sewer; storm sewers; planning, zoning, and subdivision control; one or more utility services.

Franchise Fees (7%)

The city receives franchise fees for the use of public rights of way within Milwaukie for utility, solid waste and recycling collection, and similar services. Fees are paid for the right to this access.

Fines & Forfeitures (2%)

Proceeds from fines and forfeitures are collected from traffic, parking and other city-issued citations.

Miscellaneous (2%)

This revenue includes investment interest, recovery of prior period expenses and the sale of assets.



MAJOR REVENUE TYPES BREAKDOWN

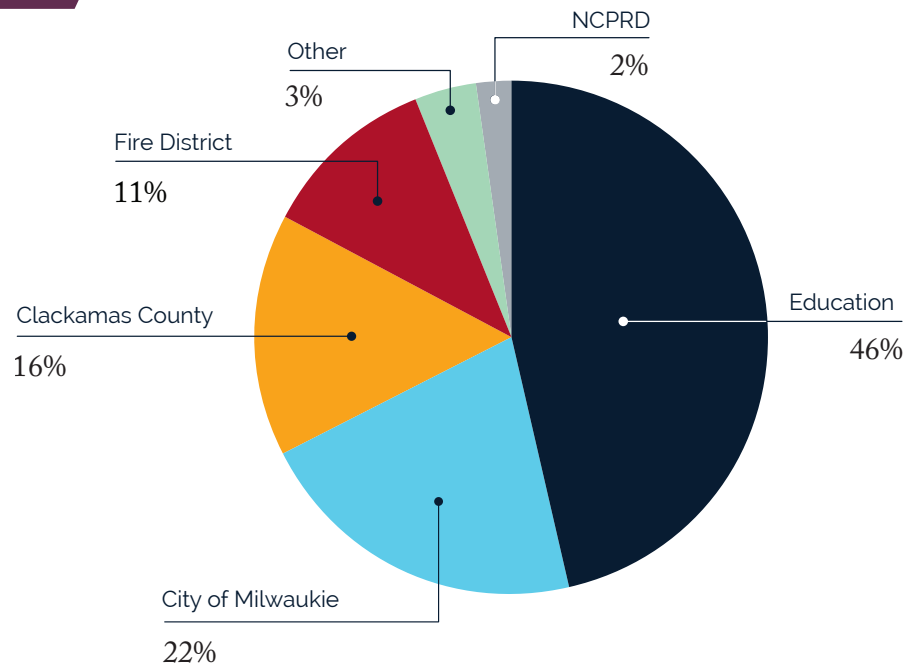
TYPE	BUDGET <i>(in thousands)</i>	%
Fees & Charges	\$ 20,584	41%
Intergovernmental	5,879	12%
Property Taxes	9,886	20%
Transfers from Other Funds	7,868	16%
Franchise Fees	3,471	7%
Fines & Forfeitures	885	2%
Miscellaneous	1,153	2%
TOTAL	\$ 49,726	100%

WHERE YOUR TAXES GO

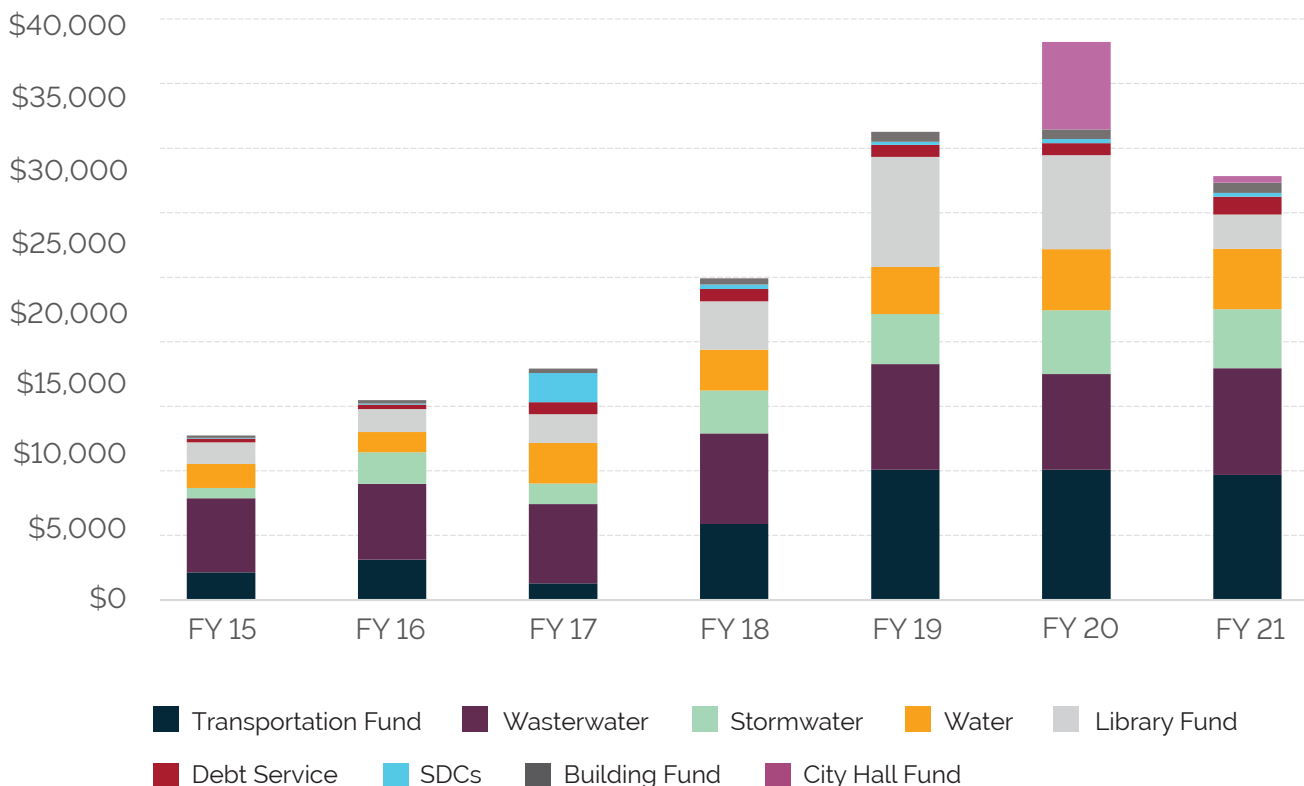
Milwaukie Property Tax Dollars

Clackamas County assesses property taxes on behalf of the county, schools, special districts, and the City of Milwaukie on a consolidated property tax bill. Of this tax bill, 22% of the total* is allocated to the City of Milwaukie. Of every dollar paid, \$0.22 goes to the city. For a complete breakdown of how property taxes are distributed throughout the county, review the pie chart to the right.

* Source: Clackamas County Rate Book



TOTAL ACTUAL EXPENDITURES BY FUND (in thousands)



HOW THE CITY SPENDS MONEY

The City of Milwaukie plans for expenditures using several short and long-range planning tools. Five-year financial forecasts, prior to the development of the budget, guide short-term spending. The five-year forecasting model anticipates projected increases and decreases in revenues and expenditures. Forty five percent of total expenditures are represented by Personnel Services and Materials & Services. These requirements relate to the people who provide city services and the materials they need to complete their job requirements. Citywide, budgeted requirements are expected to increase for inflation going forward.

Personnel Services (31.0%)

Citywide, personnel services requirements increased in the 2021-2022 biennium due primarily to the addition of full-time equivalent positions and increasing benefit costs.

Capital Outlay (28.8%)

The Capital Outlay requirements decreased from prior year due to timing and planning of infrastructure projects over the 2021-2022 biennium.

Materials & Services (21.8%)

Citywide, Materials & Services requirements stayed flat year over year. The 2021-2022 biennium amounts are identified using an inflationary cost increase from the prior biennium.

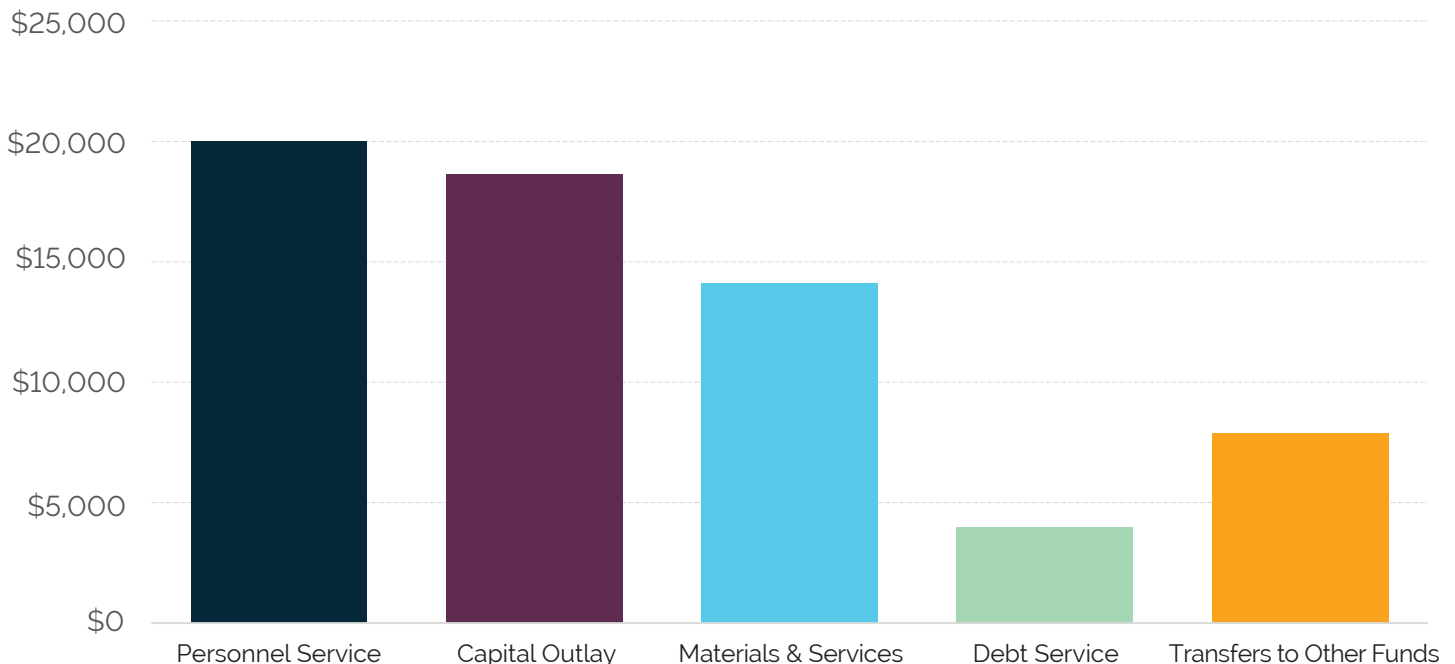
Debt Service (6.2%)

Biennial debt service requirements are based on known obligations of the city.

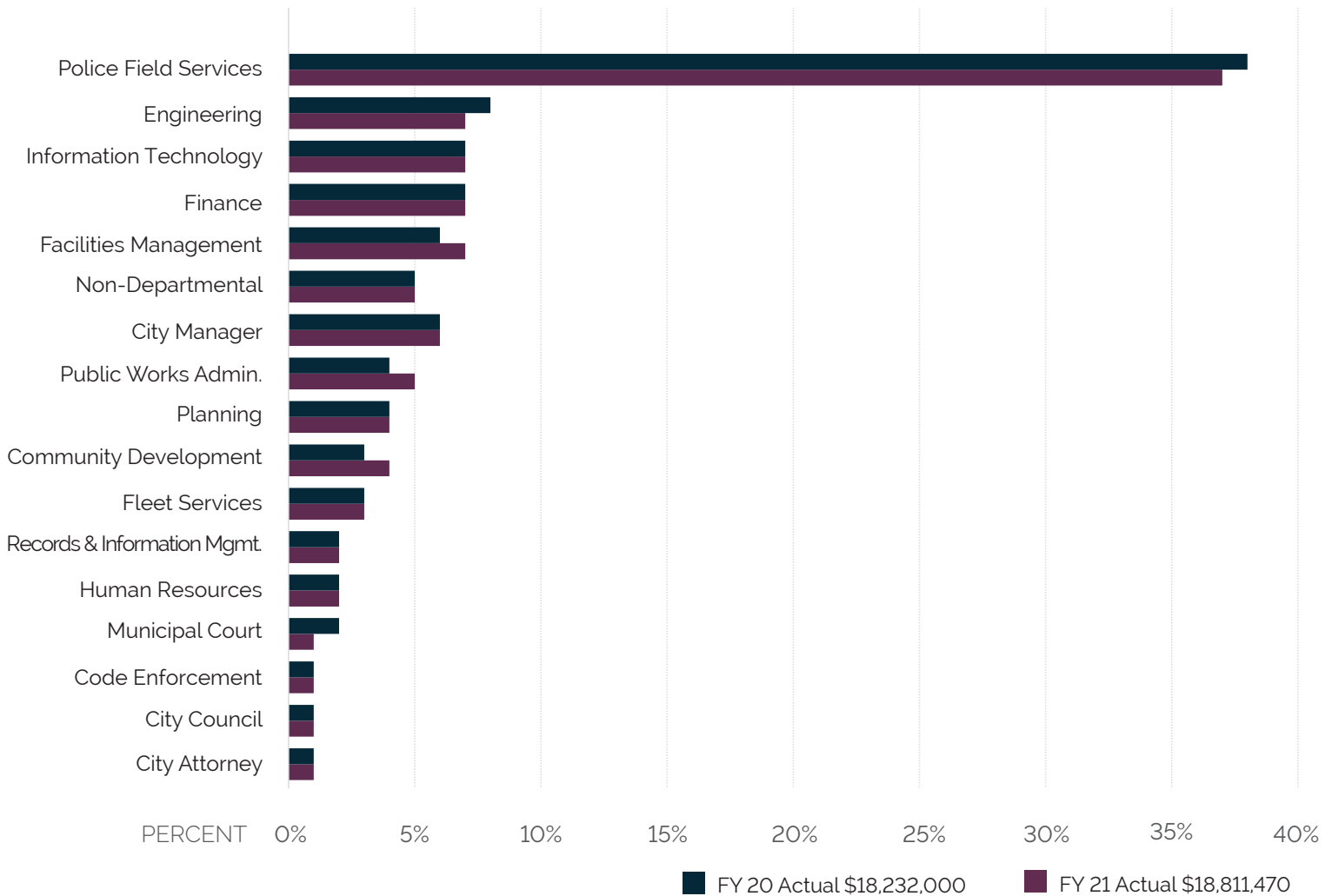
Transfers to Other Funds (12.2%)

Transfers represent transfers to account for the support services costs of General Fund departments.

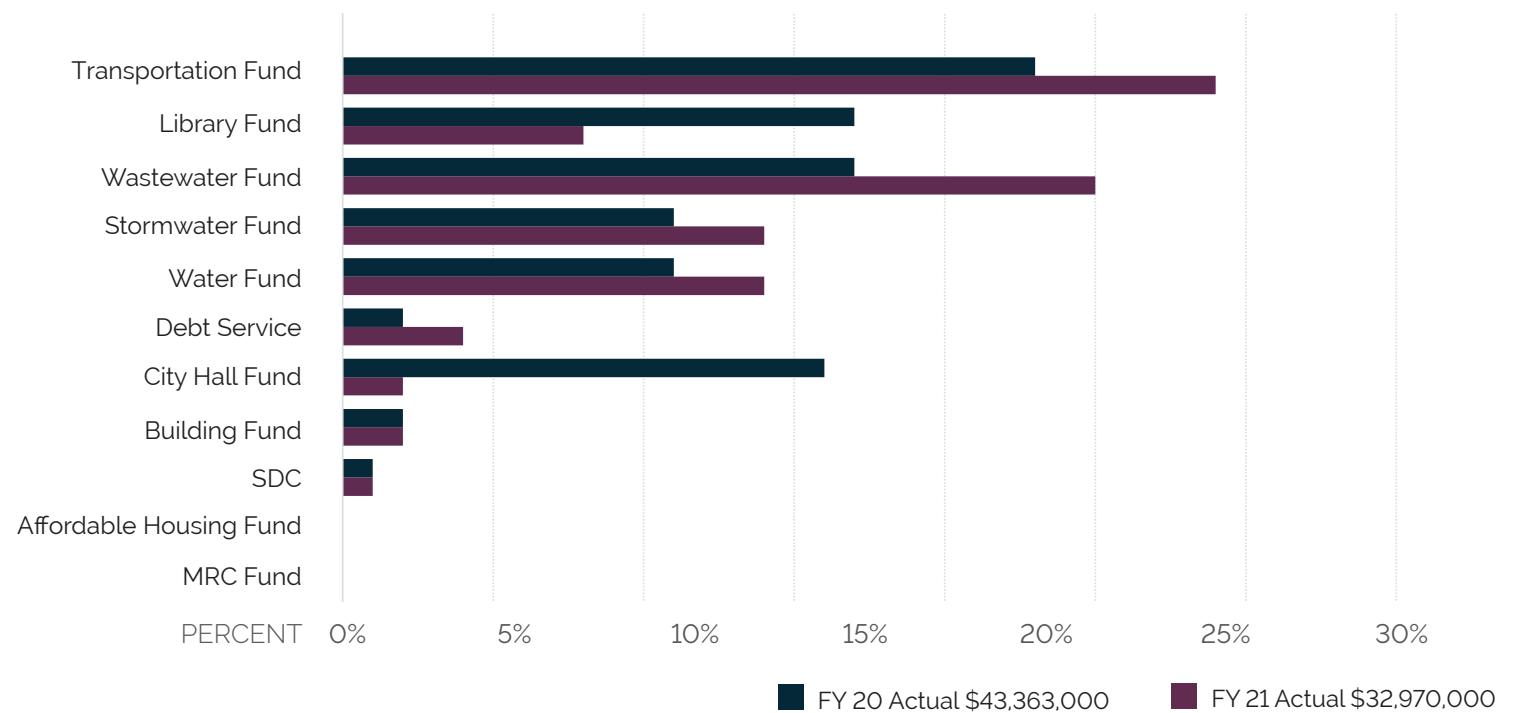
TOTAL BUDGETED EXPENDITURES FOR FY21 (*in thousands*)



GENERAL FUND EXPENDITURES BY DEPARTMENT



ALL CITY EXPENDITURES



RS160

Business-type Activities

Activities financed in whole or in part by fees charged to external parties for goods or services.

Capital Assets

Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible or intangible assets that are used in operations, that have initial useful lives extending beyond one year with an initial cost of more than \$10,000.

Capital Grant

Grant received to support acquisition of capital assets.

Charges for Services

Includes a wide variety of fees charged for services provided to the public and other agencies.

Deferred Inflows of Resources

Refers to an acquisition of an asset that is applicable to a future reporting period.

Deferred Outflows of Resources

Refers to a consumption of an asset that is applicable to a future reporting period.

Fund Balance

The net ending balance of a fund's financial resources that are spendable or available for appropriation.

Governmental Activities

Activities generally financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Governmental Funds

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Net Investment in Capital Assets

Component of net position consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction or improvement of those assets.

Operating Grant

Grant received to support operations.

Restricted Net Position

Component of net position calculated by reducing the carrying value of restricted assets by amounts repayable from those assets, excluding capital-related debt.

Unrestricted Net Position

The portion of net position that is neither restricted nor invested in capital assets.





CITY OF MILWAUKIE

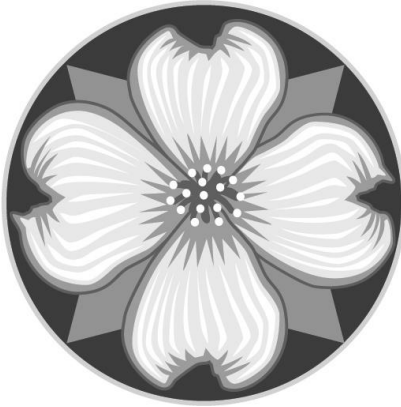
FINANCE DEPARTMENT

Finance Director Bonnie Dennis, MBA • DennisB@milwaukieoregon.gov

Assistant Finance Director Keith McClung, CPA • McClungK@milwaukieoregon.gov

10722 SE Main St., Milwaukie, OR 97222 • 503.786.7555 • www.milwaukieoregon.gov/finance





RS Agenda Item

5

Community Comments

Re: Milwaukie All-Electric Buildings Resolution

Dear Mayor Gamba and City Councillors,

My name is Xanthia Wolland and I am a 24 year old resident of Milwaukie who wants to voice my support for the All-Electric Buildings Resolution in the City of Milwaukie. I am preparing to live my life in a fast changing climate that experiences the hardships of drought, extreme heat, fires, and other unprecedented weather events. Not to mention the negative health impacts which will permeate into everyday life for children, elderly and under-served communities from toxins, gas and smoke. I am very worried for my future and believe inaction on climate is not an option.

We need to decarbonize everything, and fast. Buildings are an extremely important piece to this puzzle accounting for over 20% of U.S. carbon emissions and 17% of Oregon's emissions alone. This transition must also be done equitably and in a way that directly supports low-income, BIPOC and historically-marginalized communities.

I hope the Milwaukie City Council acts on these needs by working toward:

- All-electric public buildings in our community
- Policies that will support all-electric new buildings in Milwaukie
- And support for low-income, renter, and BIPOC communities as we make this transition

It's not a matter of *if* Oregon will transition to all-electric buildings, but *when*. I will be so proud to be a resident of Milwaukie as a leading city of building electrification in Oregon. The road will not be easy, but residents who understand how critical this process is will be right there to support all the way.

Thank you for this opportunity to testify,

Xanthia Wolland
(she/her)

Scott Stauffer

From: Richard <jrmlmail@gmail.com>
Sent: Monday, January 31, 2022 8:51 AM
To: OCR
Subject: Milwaukie Staff Working on Climate Change Issues.

This Message originated outside your organization.

If we have any city employees doing this work I think they should be redeployed to something more useful that directly improves the lives of city residents. This topic is way too political and loosely defined to be of any practical value at the city level.

We don't need more trees to maintain at taxpayer expense. Seems like we have enough already.

How about improving infrastructure like water, sewer, and road improvement services?

As a senior citizen I would like my city to find ways to reduce property taxes not increase them.

Richard Emmel

18:55:52 From Paul to Hosts and panelists:

If it is a street tree who pays for its removal?

18:57:11 From Paul to Hosts and panelists:

I am asking about dead and dying trees.

19:01:24 From Scott Stauffer (he/him) City Recorder to Hosts and panelists:

Hi Paul - thank you for the question. Because Council is in a hearing setting please hold all questions until the audience testimony part of the hearing. We ask that the chat be used only to communicate interest in speaking during the audience testimony part of the hearing which is coming up after the staff presentation.

19:12:17 From Anthony Allen to Everyone:

What would make a permit be refused?

19:20:32 From Scott Stauffer (he/him) City Recorder to Hosts and panelists:

Thank you for the question Anthony. Please hold all questions until the audience testimony part of the hearing.

19:44:24 From Paul to Everyone:

As I mentioned in my first comments about this ordinance, there is a conflict between this ordinance and affordable housing goals.

19:45:05 From Scott Stauffer (he/him) City Recorder to Hosts and panelists:

Thank you for your comment Paul. At this time, we are going to disable the chat. We will turn it back on when its time for audience testimony.

19:46:55 From Scott Stauffer (he/him) City Recorder to Everyone:

Thank you for your comments. We have disabled the chat until the audience testimony part of the hearing.

20:05:29 From Scott Stauffer (he/him) City Recorder to Everyone:

We have turned the chat function back on. Please only use the chat as a way to indicate you would like to speak during the audience testimony part of the hearing.

20:07:28 From Neil Schulman to Hosts and panelists:

Scott, I've raised my hand to testify thanks.

20:08:46 From Scott Stauffer (he/him) City Recorder to Everyone:

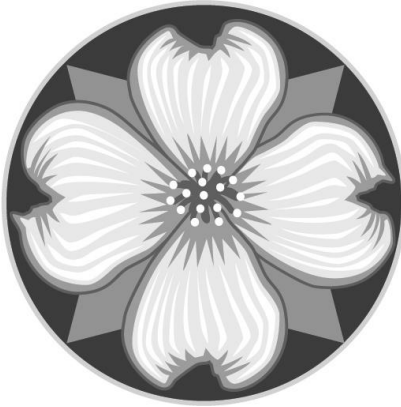
We see you Neil and the others who have raised their hands.

20:55:51 From Paul to Everyone:

I just want to raise another point if no one else wants to talk.

20:56:58 From Scott Stauffer (he/him) City Recorder to Everyone:

Hi Paul - please feel free to email staff at ocr@milwaukieoregon.gov with further comments or attend the next hearing on February 15.



RS Agenda Item

6

Consent Agenda



COUNCIL WORK SESSION

City Hall Council Chambers, 10722 SE Main Street, and
Zoom Video Conference, www.milwaukieoregon.gov

MINUTES

JANUARY 4, 2022

Council Present: Councilors Lisa Batey, Angel Falconer, Desi Nicodemus, Council President Kathy Hyzy, and Mayor Mark Gamba

Staff Present: Joseph Briglio, Community Development Director
Kelly Brooks, Assistant City Manager
Justin Gericke, City Attorney
Adam Moore, Parks Development Coordinator
Ann Ober, City Manager

Peter Passarelli, Public Works Director
Scott Stauffer, City Recorder
Natalie Rogers, Climate and Natural
Resources Manager

Mayor Mark Gamba called the meeting to order at 4:00 p.m.

1. Park Projects Update – Report

Passarelli introduced **Moore** who had started working for the city in fall 2021. **Moore** introduced himself and provided an update on the work to develop Balfour, Bowman-Brae, and Scott parks, explaining that project funding would mostly come from the federal American Rescue Plan Act (ARPA) as distributed by the state, and reviewing project timelines. **Ober** remarked on staff efforts to verify a deadline related to the city's use of funding from the Oregon Coronavirus State Fiscal Recovery Fund (CSFRF).

Councilor Batey and **Moore** commented on steps the Planning Commission would need to take related to updating the park master plans for the project.

Moore discussed the project community engagement goals, noting how staff would use an equity lens to focus outreach and engagement efforts. **Council President Hyzy** appreciated that the project would have an equity focus.

Moore presented and remarked on the request for qualifications (RFQ) process undertaken to select an engagement, design, and development consultant for the project. **Ober** expressed appreciation for **Moore's** work on the RFQ process.

Moore reported that the RFQ panel had selected GreenWorks to be the project consultant and noted next steps including grant agreement work and Council actions.

Mayor Gamba and **Moore** remarked on how quickly the city would need to move to complete the projects and **Council President Hyzy** thanked **Moore** for leading the project. **Moore** appreciated the opportunity to work on the parks project.

It was noted that Councilor Batey left the meeting at 4:27 p.m. due to technical issues and rejoined the meeting at 4:30 p.m.

Councilor Batey asked if any of the parks would be renamed as part of the project. **Moore** reported that staff had researched the history of the current park names and two of the parks – Balfour and Bowman-Brae – were likely named after adjacent streets and Scott Park was named after a pioneer-era resident of Milwaukie whose family had donated the land for the park. **Ober** noted that there had been conversations about renaming Balfour Park. **Councilor Batey** agreed that renaming Balfour and Bowman-Brae parks should be considered.

2. New City Hall Design – Discussion

Brooks provided an update on the move to a new city hall building in 2023, noting that previous Council discussions had concluded that chambers would be on the third floor of the new building and there would be a tenant on the ground floor. **Councilor Batey** was fine with chambers being on the third floor if there was adequate public access to it while the rest of the building was secured. **Ober** added that staff would work to make sure conference rooms would be included in the new city hall.

Council President Hyzy and **Mayor Gamba** suggested the city needed to reconsider activating the ground floor of the new city hall for commercial use given the number of empty store fronts in downtown. **Ober** observed that urban renewal funding may be available to support tenant improvements at the new city hall. **Councilors Falconer and Batey** wanted the ground floor to be activated and were concerned about using urban renewal funds to support a tenant that would compete with existing businesses.

Batey wondered about the possibility of activating the new city hall's parking area.

Brooks summarized that Council was concerned that a new city hall tenant would compete with other downtown businesses and that urban renewal funding should not be used to support improvements at a publicly owned building. **Ober** noted that the city would pay taxes on property that received urban renewal funding. **Brooks** added that use of the outdoor space at the new city hall would be added to the project scope.

Brooks reported that Advantis Credit Union would lease the new city hall building until the end of 2022 and discussed the plans for making improvements in the building. **Mayor Gamba, Brooks,** and **Ober** agreed that using a construction manager/general contract (CM/CG) model was a good approach for the new city hall project.

Brooks remarked on laying out the new city hall in a way that responds to staff needs during a pandemic. **Ober** thanked Stauffer for looking into public meeting space layouts and noted the project budget was small. **Council President Hyzy** hoped the city would try to include space in the new city hall for childcare during public meetings.

Councilor Batey asked why the city was concerned about the project moving quickly and **Ober** expressed concern about the impacts of inflation on project costs. **Brooks** added that the city would lose rent income when Advantis moved and should quickly occupy the new city hall so the current city hall could be used by someone else. **Brooks** also commented on the institutional pressure to finally move after years of discussion.

City Manager Updates – Report (added to the agenda)

Stauffer announced that the January 8, 2022, Council retreat would be rescheduled and discussed plans for Council's January 11 study session trip to the Confederated Tribes of the Grand Ronde's (CTGR's) Chachalu Museum. The group discussed whether the trip to Grand Ronde should be rescheduled due to increasing COVID-19 cases. It was Council consensus to reschedule the study session trip to later in 2022.

Stauffer reported that the city and North Clackamas Parks and Recreation District (NCPRD) had been in conversation with CTGR regarding a Tribal proposal to install First Fish Heron sculptures at Milwaukie Bay Park, an art concept that would be presented to the public at the January 19 Arts Committee meeting. **Ober** added that a CTGR member would be doing a heron themed mural in downtown that had received funding from Council's budget. **Stauffer** noted the art presentation would be recorded and staff would check-in with Council about the proposal after the presentation.

City Council Budget – Discussion (added to the agenda)

Stauffer, Ober, and **Brooks** reviewed Council's budget and requested feedback on the Council budget proposal for the 2023-2024 biennium. They asked if Council supported the staff recommendation to move the art mural funds to the city manager's budget.

The group noted which budget line paid for Council meals and **Mayor Gamba** expressed support for moving the mural funds to the city manager's budget.

Mayor Gamba and **Councilor Batey** supported adding a dedicated line item in the Council budget for the previously discussed lobbyist fees. **Ober** remarked on the creation and future uses of a lobbyist support line item.

Ober summarized that Council supported the recommendation to move the mural funds and proposed a Council budget as outlined by staff.

3. Adjourn

Mayor Gamba adjourned the meeting at 5:12 p.m.

Respectfully submitted,

Scott Stauffer, City Recorder

COUNCIL REGULAR SESSION

City Hall Council Chambers, 10722 SE Main Street, and
Zoom Video Conference, www.milwaukieoregon.gov

2349th Meeting

MINUTES

JANUARY 4, 2022

Council Present: Councilors Lisa Batey, Angel Falconer, Desi Nicodemus, Council President Kathy Hyzy, and Mayor Mark Gamba

Staff Present: Joseph Briglio, Community Development Director
Kelly Brooks, Assistant City Manager
Justin Gericke, City Attorney
Vera Kolias, Senior Planner
Ann Ober, City Manager

Peter Passarelli, Public Works Director
Scott Stauffer, City Recorder
Natalie Rogers, Climate and Natural
Resources Manager
Laura Weigel, Planning Manager

Mayor Gamba called the meeting to order at 6:03 p.m.

1. CALL TO ORDER

A. Pledge of Allegiance.

It was noted that due to technical issues Mayor Gamba left the meeting at 6:05 p.m. and rejoined at 6:07 p.m.

B. Native Lands Acknowledgment.

2. ANNOUNCEMENTS

Mayor Gamba announced upcoming activities, including opportunities for the public to comment on the Milwaukie Redevelopment Commission's (MRC's) five-year plan and nominate individuals for the volunteer of the year award, and clean-up events at Minthorn Springs Nature Area and Homewood Park. **Councilor Batey** noted a Christmas tree recycling event and an indigenous heritage lecture.

3. PROCLAMATIONS AND AWARDS

A. Clackamas Fire District #1 (CFD1) – Update

Brian Stewart, CFD1 Assistant Chief, provided an update on district operations, including the annual Operation Santa program, the number of calls the district responded to in 2021, and winter weather preparedness planning. **Councilor Batey** asked if the pandemic had impacted the number of calls the district responded to. **Stewart** reported it was hard to track COVID-19 symptoms through calls.

Councilor Batey asked for an update on the recent oil spill into Kellogg Creek that had happened due to a fire. **Stewart** had nothing to report on the incident. **Batey** remarked that the event had highlighted a lack of communication about such spills.

Council President Hyzy asked how CFD1 worked with other districts to support each other during the pandemic. **Stewart** explained that CFD1 managed its staffing needs on its own and communicates with other agencies about maintaining service and supplies.

4. SPECIAL REPORTS

A. City Manager Updates – Report (moved to January 4, 2022, work session agenda)

5. COMMUNITY COMMENTS

Mayor Gamba reviewed the public comment procedures and **Ober** reported that there was no follow-up report from the December 21, 2021, community comments.

Charles Bird, Island Station Neighborhood District Association (NDA) Co-Chair, commented on Council's decision to dissolve the Kellogg Good Neighbor Committee (KGNC) and asked Council to attend an Island Station NDA meeting to answer questions about that decision and the plan to continue the committee's work.

6. CONSENT AGENDA

It was moved by Council President Hyzy and seconded by Councilor Nicodemus to approve the Consent Agenda as presented.

A. City Council Meeting Minutes:

1. December 7, 2021, work session.

B. Resolution 1-2022: A resolution of the City Council of the City of Milwaukie, Oregon, establishing the 2022 City Council meeting schedule.

C. Resolution 2-2022: A resolution of the City Council of the City of Milwaukie, Oregon, designating the 2022 papers of record.

D. Resolution 3-2022: A resolution of the City Council of the City of Milwaukie, Oregon, making appointments to city boards and committees.

E. Resolution 4-2022: A resolution of the City Council of the City of Milwaukie, Oregon, acting as the Local Contract Review Board, approving the award of a contract for on-call public information and engagement services.

Motion passed with the following vote: Councilors Falconer, Batey, Nicodemus, and Hyzy and Mayor Gamba voting "aye." [5:0]

7. BUSINESS ITEMS

A. Board and Committee (BC) Code Changes – Ordinance, Resolution

Stauffer reviewed the proposed changes, which involved moving the date that BC terms end on to June 30, extending current BC terms to end on June 30, and revising the Park and Recreation Board (PARB) membership requirements to allow for two non-city resident members. **Stauffer** explained why some BC positions had not been included in the resolution and noted a typographical error in the resolution.

It was moved by Councilor Nicodemus and seconded by Councilor Batey for the first and second readings by title only and adoption of the ordinance amending Municipal Code Chapter 2.10 Boards, Commissions, and Committees Generally and Code Chapter 2.12 Park and Recreation Board. Motion passed with the following vote: Councilors Falconer, Batey, Nicodemus, and Hyzy and Mayor Gamba voting "aye." [5:0]

Ober read the ordinance two times by title only.

Stauffer polled the Council with Councilors Falconer, Batey, Nicodemus, and Hyzy and Mayor Gamba voting "aye." [5:0]

Ordinance 2213:

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING MUNICIPAL CODE CHAPTER 2.10 BOARDS, COMMISSIONS, AND COMMITTEES GENERALLY AND CODE CHAPTER 2.12 PARK AND RECREATION BOARD.

It was moved by Council President Hyzy and seconded by Councilor Nicodemus to approve the resolution extending all current board and committee term dates to June 30. Motion passed with the following vote: Councilors Falconer, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]

Resolution 5-2022:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, EXTENDING ALL CURRENT BOARD AND COMMITTEE TERM DATES TO JUNE 30.

Stauffer noted next steps in the city’s move to an annual BC recruitment process.

B. Wastewater System Development Charges (SDCs) – Discussion

Passarelli noted previous Council discussion about SDCs, explained that staff and the consultant team would introduce a new SDC rate structure proposal, and introduced Doug Gabbard with the FCS Group consultant firm.

Gabbard introduced John Ghilarducci and Zech Hezel with the FCS Group, discussed how SDCs are calculated and used. **Hezel** explained how SDCs are designed to account for forecasted system growth. The group commented on how dry-weather flow data is collected and calculated per equivalent dwelling unit (EDU) and noted that the average Milwaukie family residence used 115 gallons per day.

Hezel discussed the costs that shaped SDCs, including eligible improvement projects, reimbursement fees for eligible projects, and various other adjustments factored into the overall calculation. **Gabbard** noted that the proposed SDC fee schedule was built on the types of housing units the city had and wanted to see more of, including duplexes, multi-family housing, and accessory dwelling units (ADUs). The group remarked on why multi-family units were calculated differently than single-family units, noting that changing the how single-family units were calculated would take a lot of staff time.

Hezel and **Gabbard** presented the SDC fee schedule based on house size, noting that the schedule aligned with Clackamas County Water Environment Services (WES) house sizes. **Councilor Falconer** commented on WES’ process to adopt the updated fees and EDU size. **Passarelli** remarked that the proposed schedule was meant to be less regressive than the current one. **Council President Hyzy** asked where multi-family units would be in the schedule and **Gabbard** believed such units would be in the multi-family category. **Councilor Batey** supported using WES’ house sizes.

Council President Hyzy remarked on the city’s interest in encouraging the development of multi-family housing and wondered if the proposed SDCs would provide enough revenue to support planned infrastructure projects. **Passarelli** commented that staff was comfortable with the proposed rates and noted that the water system master plan review process had shown there were not a lot of capacity projects needed.

Gabbard reviewed data comparing Milwaukie’s current and proposed SDC rates to other cities. **Councilor Batey** commented on how low other cities fees were and **Gabbard** remarked that some of the data needed to be revised.

Passarelli and **Gabbard** noted next steps staff would take to present the proposed SDC fee schedule for Council consideration in spring 2022 and asked for Council feedback on proceeding with a hearing. The group discussed whether to proceed with making changes to the city’s SDCs before WES adopted its fee changes. It was Council consensus to proceed with a hearing in spring 2022 on the proposed SDC changes.

C. Council Budget – Discussion (moved to January 4, 2022, work session agenda)

D. Council Committee Assignments for 2022 – Discussion

Brooks presented the matrix of Council committee assignments and the group discussed assignment changes involving the Oregon Department of Transportation (ODOT) Region 1 Committee, Metro's Policy Advisory Committee (MPAC), the Clackamas Childcare for All Committee, and others. **Brooks** noted the matrix would be presented on the January 18 consent agenda for approval.

E. Legislative and Regional Policy Issues – Discussion

The group discussed letters Council had been asked to send, one to the Oregon State Marine Board regarding boat noise and one to the Oregon Transportation Commission requesting funding support for infrastructure and safety projects. They also remarked on the status of legislation to be considered during the state legislature's 2022 session.

Mayor Gamba recessed the meeting at 7:38 p.m. and reconvened at 7:45 p.m.

F. Comprehensive Plan Implementation – Update (continued from the December 21, 2021, work session)

Kolias reviewed where information about the Comprehensive Plan implementation project was online. **Councilor Batey** and **Kolias** remarked on who in the community had received notifications about the Comprehensive Plan project.

Kolias discussed proposed code changes related to flag lots and back lots and asked for Council feedback. **Mayor Gamba** and **Councilors Falconer and Batey** supported incentivizing setbacks to encourage the construction of more middle housing types.

Councilor Batey was concerned about Council discussing the code changes outside of a hearing. **Gericke** suggested the discussion was for Council to preview the changes and for staff to hear what information Council would like to have in the hearing. **Gericke** agreed that Council should not deliberate on the changes at the current meeting.

In response to a question asked by Councilor Batey, **Kolias** noted that the proposed code language would not change the city's standards for reviewing flag lots.

Kolias explained what the proposed code would change in terms of a structure's maximum coverage of a lot and how a structure could get bonus stories. **Councilor Batey** suggested that any drawings presented with the code changes should reflect the changes. **Kolias** and **Weigel** remarked that staff would confirm that the drawings matched the proposed code requirements.

Mayor Gamba, Kolias, and Councilors Falconer and Batey discussed how to incentivize middle housing through height bonuses and reduced setback requirements.

Briglio and Mayor Gamba remarked on the city's efforts to insert affordable housing into all code sections versus developing an affordable housing code section. The group discussed how the city could best incentivize different housing types and how the code should be structured to best support affordable and middle housing.

Kolias reviewed the proposed code related to parking, which included no off-street parking requirement for most middle housing types. **Councilor Batey** remarked on the Planning Commission's consideration of the parking code changes. **Council President Hyzy** asked for information about how no on-street parking had worked in other cities.

Ober asked if Council wanted staff to prepare an affordable housing code package in the next three months. **Councilor Batey** believed such a package could be added if there was information shared to the public via the Engage Milwaukie website. **Councilor Falconer** and **Ober** clarified that the affordable housing package would be separate from the currently proposed middle housing code. **Ober** summarized that Council supported adding an affordable housing code and staff would come back to Council soon to follow-up on an affordable housing code.

Mayor Gamba commented on experiences in other cities related to parking spots and asked for information about curb cuts and standards. **Kolias** confirmed staff would provide that information during the hearing process.

Kolias presented and discussed the proposed code changes related to increasing the areas where manufactured dwelling parks would be allowed. **Councilor Falconer** asked if staff had reached out to such parks for input on the code changes and **Kolias** reported that there were few parks in the city and staff had not reached out to them. The group remarked on the need to solicit feedback from manufactured dwelling park residents in a separate process and whether the proposed code changes would cause any issues for such housing parks.

Kolias reviewed next steps in the Comprehensive Plan code change hearings process which would start on January 18 with a hearing on the proposed tree code. **Councilor Batey** remarked on the number of comments the Planning Commission had received at its hearing on the tree code. **Mayor Gamba** and **Passarelli** noted that the proposed tree code fee structure would be presented to Council at the February 1 hearing.

8. PUBLIC HEARING

A. None Scheduled.

9. COUNCIL REPORTS

None.

10. ADJOURNMENT

It was moved by Councilor Falconer and seconded by Councilor Nicodemus to adjourn the Regular Session. Motion passed with the following vote: Councilors Falconer, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]

Mayor Gamba adjourned the meeting at 8:40 p.m.

Respectfully submitted,

Scott Stauffer, City Recorder

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Reviewed: Jordan Imlah, Communication Program Manager

From: Scott Stauffer, City Recorder

Subject: **Arts Committee Appointment**

Date Written: Jan. 13, 2022

ACTION REQUESTED

As outlined in the Milwaukie Municipal Code (MMC), Council is asked to consider approving a resolution making an appointment to the Arts Committee.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

On September 20, 2021, a panel consisting of two Council members, the Arts Committee chair, and staff liaison, interviewed several applicants for the committee. The panel nominated two individuals to fill vacancies at that time and identified several other applicants as good candidates to fill future vacancies. The individual listed below was on the panel's future appointee list.

On December 26, committee position 8 became vacant when Hamid Shibata Bennett resigned.

In January 2022, in response to the resignation of Shibata Bennett, the panel nominated the individual named below to fill the current committee vacancy.

ANALYSIS

Authority to fill city board and committee (BC) vacancies is granted to the Mayor and Council by Section 26 of the City Charter. To fill vacant positions, members of Council along with appropriate staff liaisons and committee chairs recruit volunteers and usually conduct interviews from applications received by the city, however interviews are not required by the MMC. Appointed individuals serve for a term length determined by the MMC. Upon the completion of a term, if the individual is eligible, they may be reappointed by Council to serve another term.

Committee appointments are made when a term has expired or when a position has been vacated. Generally, position terms expire in June, but appointments are also made as needed to fill vacancies. Some committees have positions nominated by neighborhood district associations (NDAs) instead of by an interview panel. NDA-nominated appointments are noted if applicable.

All BC positions are term-limited, meaning there is a limit to the number of times that members can be re-appointed. The nominated individual would be appointed to a term that started in April 2021; therefore, they would serve a zero-term through June 30, 2023, and would be eligible for reappointment.

Stefano Iaboni has been nominated to fill position 8. Stefano has lived in Milwaukie since 2020, is a full-time performing artist and teacher, and has performed in many theatrical and comedic productions in Oregon and around the world.

BUDGET, WORKLOAD, AND CLIMATE IMPACTS

There are no fiscal, workload, or climate impacts associated with the recommended actions.

COORDINATION, CONCURRENCE, OR DISSENT

Staff worked with Council members and the committee staff liaison to confirm this nomination.

STAFF RECOMMENDATION

Staff recommends the following appointment:

Arts Committee: 2-year terms, limit of 3 consecutive terms.

Position	Name	Term Start Date	Term End Date
8	Stefano Iaboni	2/1/2022	6/30/2023

ALTERNATIVES

Council could decline to make the recommended appointment, which would result in a continued vacancy on the committee.

ATTACHMENTS

1. Resolution

COUNCIL RESOLUTION No.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
MAKING AN APPOINTMENT TO THE ARTS COMMITTEE.**

WHEREAS Milwaukie Charter Section 26 authorizes the Mayor, with the consent of the Council, to make appointments to boards and committees (BCs); and

WHEREAS a vacancy exists on the Arts Committee; and

WHEREAS the city received applications and convened a panel of Council members, the committee chair, and staff liaison to conduct interviews of qualified applicants; and

WHEREAS the interview panel has nominated the following individual for appointment to the committee:

Arts Committee:

Position	Name	Term Start Date	Term End Date
8	Stefano Iaboni	2/1/2022	6/30/2023

Now, Therefore, be it Resolved by the City Council of the City of Milwaukie, Oregon, that the individual named in this resolution is appointed to the identified city committee for the term dates noted.

Introduced and adopted by the City Council on **February 1, 2022**.

This resolution is effective immediately.

ATTEST:

Mark F. Gamba, Mayor

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: Jan. 20, 2022

Reviewed: Jennifer Lee (as to form), Administrative Specialist II

From: Peter Passarelli, Public Works Director, and
Adam Moore, Parks Development Coordinator

Subject: **Park Community Engagement, Design, and Development Services
Contract: Balfour, Bowman-Brae, Scott Parks**

ACTION REQUESTED

Council is asked to authorize the city manager to sign a personal services agreement with GreenWorks, P.C. in the amount of \$394,434.48 for providing community engagement, design, and development services for Balfour, Bowman-Brae, and Scott Parks.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

Balfour & Bowman-Brae Parks

- [August 11, 2015](#): The Planning Commission recommended adoption by Council of the park master plans for Balfour, Bowman-Brae, and Robert Kronberg Nature Park.
- [October 20, 2015](#): Following a public hearing, the park master plans were adopted by Council but were not implemented due to lack of funding.

Scott Park

- [November 6, 1990](#): Council adopted the Scott Park Master Plan, which has not been fully implemented.
- [May 1, 2018](#): Council repealed the Scott Park Master Plan after a public hearing. Repeal of the plan had been recommended by the Planning Commission after a separate public hearing.

Park Development Project

- [September 14, 2021](#): The park development project was presented by staff and discussed by Council during a study session.
- [January 4, 2021](#): The park development project was presented by staff and discussed by Council during a study session.

ANALYSIS

Project History

The State of Oregon Department of Administrative Services awarded Milwaukie Coronavirus State Fiscal Recovery Funding (CSFRF) to complete the design and construction of the city's remaining neighborhood parks. This will include the refinement of existing plans for Balfour and Bowman-Brae parks, and the creation of a new master plan for Scott Park. Awarded funding totaled \$2,250,000 with an anticipated allocation of \$1,000,000 for Balfour, \$700,000 for Bowman-Brae, and \$550,000 for Scott. Scott Park was also allocated \$60,000 in city general fund

dollars. This project is primarily paid for with Federal American Recovery Plan Act (ARPA) funds received through Oregon's CSFRF. Funding for Balfour Park was provided through Oregon House Bill (HB) 5006, which designated funds for use in Oregon House of Representatives District 41 as requested by Representative Karin Power. Funding for Scott & Bowman-Brae Parks was included in HB 5006 for use in Oregon Senate District 21 as requested by Senator Kathleen Taylor.

Public works staff developed, advertised, and solicited requests for qualifications (RFQ) in November 2021. The RFQ requested professional services from qualified firms, teams, or consultants with demonstrated experience in community engagement, park design, and park development.

RFQs were received from Lango Hansen, 2.Ink Studios, PLACE, and GreenWorks, on December 7, 2021. The submittals were reviewed by a selection committee consisting of the public works director, parks development coordinator, equity program manager, and associate engineer from the city. A member of the city's Park and Recreation Board (PARB) and staff from North Clackamas Parks and Recreation District (NCPRD) also scored all the submissions. The selection team evaluated the submittals based on six criteria: 1) qualifications and experience; 2) project approach and methods; 3) equity, diversity, interpretation services; 4) natural play structures, nature-based play, inclusive play; 5) natural resources and aquatic habitat restoration; 6) and if firms were certified as a minority-owned, women-owned, or emerging small business. The team's selection was GreenWorks. After selection, public works staff and GreenWorks refined the final scope of work and negotiated a price for the services, which totaled \$394,434.48

GreenWorks is expected to begin the project in February 2022, starting with an initial kick-off meeting, data gathering, equity workshop, and existing conditions plans to analyze the three parks in the project. Park master plans are expected to be presented to Council by December 2022. The final GreenWorks work should be completed by December 2023, which will wrap up with assistance in the construction solicitation.

BUDGET IMPACTS

This project is primarily paid for with ARPA funds received through the state. Staff will work on a budget amendment to account for any revenue and expenses in the current fiscal year. All project expenses since March 2020 will be eligible for reimbursement.

WORKLOAD IMPACTS

Public Works staff will lead the effort to develop these three parks while coordinating with other city departments and outside agencies as required. A full-time parks development coordinator has been hired, who will act as project manager and oversee the project consulting team. Under the direction of the public works director, the parks development coordinator will collaborate with NCPRD staff, and staff in the city manager's office, and the planning and engineering departments. In addition to Council, other public boards and commissions, such as the Equity Steering Committee (ESC), PARB, and the Planning Commission will be engaged, particularly as park master plans are created and refined. NCPRD's District Advisory Committee and the Clackamas County Board of County Commissioners, which acts as the

NCPRD Board, will also be informed of the city's progress on the project. Staff will manage workloads and currently have the capacity to manage the work detailed in this report.

COORDINATION, CONCURRENCE, OR DISSENT

Public works staff sought and received input from multiple departments and divisions at the city in the development and scoring of this RFQ. The RFQ was developed with feedback from staff from finance and based on a recent solicitation for community engagement services by the engineering department and the grant application for the ARPA funding from the city manager's office. The submissions received in response to the RFQ were scored by the public works director, parks development coordinator, equity program manager, associate engineer from the city. A member of PARB and staff from NCPRD also scored all the submissions.

STAFF RECOMMENDATION

Authorize the city manager to sign a personal services agreement with GreenWorks for park community engagement, design, and development services at Balfour, Bowmen-Brae, and Scott Parks in the amount of \$394,434.48.

ALTERNATIVES

Council could decide to:

1. Not award the project (defer indefinitely). The three park projects would be removed from the CIP list.
2. Direct staff to renegotiate the fee.
3. Reject all proposals and direct staff to amend the request for proposals and re-advertise for submission of new proposals.

ATTACHMENTS

1. Resolution
2. Park Engagement, Design, and Development Services RFQ



COUNCIL RESOLUTION No.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING A CONTRACT WITH GREENWORKS, P.C. FOR COMMUNITY ENGAGEMENT, DESIGN, AND DEVELOPMENT SERVICES FOR BALFOUR PARK, BOWMAN-BRAE PARK, AND SCOTT PARK.

WHEREAS the City Council has prioritized the development of Milwaukie's undeveloped parks; and

WHEREAS the identified park development projects meet the Coronavirus State Fiscal Recovery Fund Grant requirements; and

WHEREAS the city was provided funding through Oregon House Bill (HB) 5006 for community engagement, design, and development services for Balfour Park, Bowman-Brae Park, and Scott Park; and

WHEREAS the public works staff solicited requests for qualifications in November 2021, evaluated submittals, and selected GreenWorks to provide professional services for the project; and

WHEREAS the public works staff have negotiated the final scope and fee for the professional services.

Now, Therefore, be it Resolved by the City Council of the City of Milwaukie, Oregon, that the city manager is authorized to approve a professional services contract with GreenWorks, P. C. to provide professional services for community engagement, design, and development services for Balfour Park, Bowman-Brae Park, and Scott Park.

Introduced and adopted by the City Council on **February 1, 2022**.

This resolution is effective immediately.

Mark F. Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney



CITY OF MILWAUKIE

REQUEST FOR QUALIFICATIONS

PARK COMMUNITY ENGAGEMENT, DESIGN, & DEVELOPMENT SERVICES

Issue Date: November 10, 2021

Submittals Due: December 7, 2021, 3:30 p.m. PST

1.0 REQUEST FOR QUALIFICATIONS SUMMARY

Through this Request for Qualifications (this "RFQ"), the City of Milwaukie ("City") requests competitive submittals from qualified and experienced engineering firms, individual, or teams ("Submitters" or "you(r)") to provide design services for park community engagement, design, and development services.

The City of Milwaukie intends to award a contract to the successful Submitter(s) regarding this RFQ.

The contract resulting from this Request for Qualifications (RFQ) shall be for a period of approximately twenty-four months, commencing in the Winter of 2022.

2.0 CONTACT AND SUBMITTAL DELIVERY INFORMATION

The Project Manager named below is the City's sole point of contact for this RFQ. Questions and clarifications on this RFQ and its requested services shall be addressed through the City's Bid Management System. For other inquiries related to this solicitation, please email moorea@milwaukieoregon.gov. Proposers shall email one (1) signed PDF version of their submittal to the Project Manager for this solicitation no later than the deadline listed in Section 3.0.

Project Manager	Submittal Delivery Location
Adam Moore 503.786.7624 (direct) moorea@milwaukieoregon.gov	Email submittals to: Adam Moore moorea@milwaukieoregon.gov

Mailed, phone, in person delivery, and facsimile submittals will not be accepted. To be considered for award of the contract, submittals must be received by the Project Manager no later than the date and time listed in Section 3.0. Submittals received after the deadline will not be considered.

3.0 PROCUREMENT SCHEDULE

The City anticipates the following general timeline for receiving and evaluating submittals and selecting a consultant. The City reserves the right to change this schedule for any reason if it is in the City's best interest to do so. Any change to the submission deadline will be done by an addendum to this RFQ.

Procurement Activity	Date
Request for Qualifications Issued	November 10, 2021
Deadline for Questions	November 24, 2021, 5:00pm PST
Deadline for Issuance of Addenda	November 29, 2021
Deadline for Protest of Solicitation	December 1, 2021, 5:00pm PST
Submittal Due Date and Time	December 7, 2021 3:30 p.m. PST
Evaluations of Submittals Complete	December 17, 2021
Notice of Intent to Award Issued	December 22, 2021
Deadline for Protest of Award	December 29, 2021, 5:00pm PST
City Council Hearing	January 18, 2022
Notice of Award	January 19, 2022
Contract Effective Date	January 2022

4.0 PROJECT BACKGROUND

The City of Milwaukie owns 20 properties used as parks, which are managed and maintained by the North Clackamas Parks and Recreational District (NCPRD) through inter-governmental agreements.

The City expects to receive federal funding for this project to revise designs of existing master plans for three parks: Scott, Balfour, and Bowman-Brae and then develop the parks to meet the community's needs. Funding is provided through the federal American Rescue Plan Act (ARPA) through the State of Oregon Coronavirus State Fiscal Recovery Funding and administered in accordance with U.S. Treasury guidance on project eligibility.

The project has a hard deadline of winter 2024 and the City has a strong desire to see all construction complete and open all three parks for use by fall 2024. In order to meet these goals, the City seeks a firm or team of firms to work with relevant City staff, NCPRD staff, public boards, committees, Milwaukie City Council and Planning Commission, and other organizations as identified by the City or its partners and members of the public. The selected firm(s) will lead the public engagement campaign, host public meetings or engagement events, revise existing approved current conditions, master plans, create design and construction specifications, produce bid documents in compliance with the city's Public Contracting Rules, assist with the construction solicitation process, review bids and make recommendations. All engagement will be completed with regard to the IAP2 Spectrum of Public Participation with a strong focus of equity and discussions with residents of diverse

backgrounds. The firm(s) shall demonstrate the ability to reach Milwaukie's BIPOC community and provide recommendations on real-time Spanish and American Sign Language interpretation, should the City wish to include those in the contract. The City may also seek assistance with construction management and the construction contracting portion of the project, therefore successful submittals should demonstrate an ability to provide those services as well. The City reserves the right to subtract or add additional properties, projects, or tasks, to this projects scope of work to fit its changing needs or available funding.

The COVID-19 pandemic has highlighted the need for the City to construct the last of its park developments. The City is greatly lacking in outdoor spaces that allow for social distancing and safe gathering in open air. The lack of developed parks has greatly curtailed outdoor meet ups for families who live in multifamily developments.

For Milwaukie's BIPOC community, the lack of parks is a continuation of the long-standing systemic racism created in our built environment. Historically, BIPOC community members live in places with less immediate access to nature than white residents do. Studies have found that BIPOC communities are almost three times more likely than white communities to live in nature deprived areas, those that have less or no access to parks, paths, and green spaces. (<https://www.nationalgeographic.com/science/article/how-nature-deprived-neighborhoods-impact-health-people-of-color>)

Historical racism in housing practices, city planning, and institutions has shaped the pattern, which has been well documented for decades. During COVID-19-related restrictions, access to outdoor recreation has emerged as a crucial component of people's emotional and physical wellbeing.

The distribution of these nature disparities is not an accident, this was a choice, made over generations, from redlining, to choosing to exclude minorities from certain neighborhoods, to choosing to put parks in certain neighborhoods, and choosing to pave over communities of color to build highways. ([The Nature Gap - Center for American Progress](#)) As seen with the Albina neighborhood in North Portland with Interstate 5 and the hospital. Completing these parks will allow our community members to gather in safe ways as we continue to battle this and future pandemics.

In 2020, Milwaukie City Council adopted a new council goal focusing on equity, inclusion and justice. The City has spent a significant amount of time this year honing our outreach efforts to assure engagement with our communities of color. The City will be working with our new Equity Council and communities of color throughout the design refinement process to assure these voices and the voices of our changing community are heard prior to development.

4.1 Parks & Process

Of the three parks, Balfour and Bowman-Brae are currently undeveloped and receive only light maintenance, whereas Scott Park is a developed park site and home to the new Ledding Library. Balfour and Bowman-Brae have approved master plans from 2014 which will need to be revised through a City Council resolution and then community service use approval process before the Planning Commission. The

City is open to recommendations though envisions two to three public meetings, townhalls, workshops, or engagement events for each of these parks.

Scott Park has a master plan from the early 1990s, though the plans age and the construction of the new Ledding Library have made that plan obsolete. Scott Park will require the creation of an existing conditions / site plan document prior to the public engagement process. Given the park's downtown location and the popularity of the Ledding Library, as well as the natural resources on site, Scott Park is anticipated to have much broader interest than the other two parks. The City is open to recommendations, though envisions three to four public meetings, townhalls, workshops, or engagement events for Scott Park. Scott Park will require an approved resolution by City Council, however, will not require a formal community use approval process. While the community use approval process is not necessary, the City intends to present the new master plan to the Planning Commission prior to the development review process. Given the natural resources, aquatic habitat, and conservation area on site, Scott Park will also require additional environmental considerations, reviews, and approval processes.

The timeline for the project has a hard deadline of December 2024 due to the federal funding, however, there is a strong desire from the City to have ribbon cuttings at each of the three parks by Fall 2024. A project timeline should be included in the submittal to reach that goal.

Potential benchmarks – which are open to revision based on recommendations and grant agreements – are as follow:

- Winter 2022
 - Enter into contract with selected firm(s) & refine timeline
 - Project kick-off
 - Existing conditions / site plan for Scott Park
 - Begin community engagement
 - Update key stakeholders
- Spring – Summer 2022
 - Engagement and design refinement
- Late Summer 2022
 - City Council resolutions for Balfour & Bowman – Brae Parks
- Fall 2022
 - Community Service Use process for Balfour & Bowman-Brae
- Late Fall 2022
 - City Council resolution for Scott Park
- Winter 2023
 - Update Planning Commission on Scott Park
 - Final design
 - Building permit process

- Late Winter 2023
 - Construction solicitation
- Spring 2023
 - Construction contract(s)
- 2023 – 2024
 - Construction
- Fall 2024
 - Project Completion
 - Ribbon Cutting
- Winter 2024
 - Grant reporting and close out

4.2 Balfour Park

Balfour Park is a 0.8-acre, undeveloped neighborhood park site located in the Ardenwald - Johnson Creek neighborhood at 3103 S.E. Balfour Street in Milwaukie. The City of Milwaukie purchased the land in 2008 with funds from Metro's voter-approved 2006 natural areas bond measure. The site's existing steep topography and mature canopy trees provide a unique opportunity for recreation on a site very special to the neighborhood.

The Balfour Park property offers the potential for a much-needed place for neighbors to come together and enjoy both active and passive recreation. The master plan for the park addresses the functional needs of the park site such as circulation and Right-of-Way improvements and provides a framework for reshaping the site so that it can meet the neighborhood's recreation needs. An open and interactive approach to the master planning process engaged City and NCPRD staff as well as neighbors and community members to create a lasting plan to guide future implementation of the park.

This is a critical moment in the story of the Ardenwald neighborhood. Clackamas County is in the process of redeveloping an existing affordable housing development one block to the south of this property and adding significant density to the community. Developing the park today will provide much needed green space and community space for new and old neighbors to come together in nature.

4.3 Bowman-Brae Park

Bowman-Brae Park is a 0.69-acre undeveloped neighborhood park located at the intersection of SE Bowman Street and SE Brae Street in Milwaukie. The City purchased the land in 2011 with assistance from Metro's voter-approved 2006 natural areas bond measure. The open nature of the site and its location provide an exciting opportunity to meet the neighborhoods needs for flexible recreation. The project would also provide funding to facilitate access to the park.

Bowman-Brae Park is a well-used property within the Lake Road Neighborhood that offers a much-needed place for neighbors to come together and enjoy both active and passive recreation. The existing master plan for the park addresses the functional needs of the park site such as circulation and right-of-way improvements and provides a framework for organizing the site so that it can meet the neighborhood's recreation needs.

The existing master plan for the park includes open lawn, a small picnic shelter, storm water treatment, signage, landscaping, accessible pathways and site features including benches and picnic tables, an accessible play area, fencing and maintenance vehicle access.

4.4 Scott Park

Situated in an important part of downtown Milwaukie, Scott Park lies to the north of City Hall and the transit mall at 10468 SE 21st Avenue in Milwaukie. Ledding Library, situated on the grounds of the park, is a community-wide cultural resource and as such acts as a magnet to the site. Scott Park lies on the west bank of Spring Creek Pond and is designated a natural resource area due to the valuable habitat provided on site for domestic and migratory waterfowl. The site is an important pedestrian destination for downtown residents; it provides both a cultural resource in the library and a needed respite from the everyday stress of an urban environment. Scott Park provides a transition between residential uses and commercial and civic functions.

The Scott Park property was donated by the family of Richard Scott, whereas the Ledding Library parcel was bequeathed to the city by Florence Olson Ledding, stepdaughter of Seth Leweling. In 2020, the City opened a newly constructed Ledding Library on the site, which includes landscaping on the Ledding parcel only. The parcel donated by the Scott family comes with a number of deed restrictions that includes the property being used as a public park and named after the Scott family. In 2020, the city opened a newly constructed Ledding Library on the site. Throughout the design process and since the buildings opening, community members, appointed officials and elected officials have prioritized the completion of the park design and construction.

4.4 Funding

The City was awarded federal funding through the State of Oregon. Awarded funding totals \$2,250,000 with an anticipated break down of \$1,000,000 for Balfour, \$700,000 for Bowman-Brae, and \$550,000 for Scott. Scott Park is also allocated to receive \$60,000 in City of Milwaukie general fund dollars.

5.0 PROJECT SCOPE OF WORK

Selected firm's specific duties activities and key deliverables under the contract may include, but are not limited to, the following:

This project in general consists of three major phases:

- 1) Community engagement with focus on equity,
- 2) Park design revision based on existing Master Plans and conditions,

- 3) Creation of construction specifications and construction solicitation/bid documents.

Services will be completed for each of the three neighborhood parks: Scott, Balfour, and Bowman-Brae. The City may complete the construction contracting and construction management process of the project on its own, though requests information in the submissions.

The City also reserves the right to adjust this project based on its needs. This may include adding or subtracting different items, projects, properties, activities, or deliverables, or tasks from this scope of work.

Based on Submittal recommendations, key elements of each of the three phases of the project may include, but are not limited to the following:

5.1 Community Engagement

Community engagement should reflect the City's goals for equity and community engagement reflected in the City's Community Vision and Action Plan (<https://www.milwaukieoregon.gov/planning/vision>), the City's Adopted Comprehensive Plan (<https://www.milwaukieoregon.gov/planning/comprehensive-plan-update>), the City's Climate Action Plan (<https://www.milwaukieoregon.gov/sustainability/climateaction>), the City's Urban Forest Management Plan (<https://www.milwaukieoregon.gov/sustainability/urbanforest>), and Metro Oregon's Community Engagement Planning Guide, and Metro's accompanying Local Share program resources for engagement <https://www.oregonmetro.gov/tools-partners/grants-and-resources/local-share> (in the event that the City seeks additional Metro Local-Share funding for the parks). Successful submittals will demonstrate an awareness of these goals and an ability to conduct innovative and successful outreach methods with diverse members of the public, particularly those from the BIPOC communities. The selected firm(s) will work with the City's project team and partners to gather information, recommendations, and feedback on future park design and amenities. The outreach strategy will be based on the selected firm(s) recommendation, though may include the following items:

- Public meetings, design workshops, and/or planning charrettes for each of the three parks, either individually or combined
- Public surveying & soliciting public feedback and comments through the City's Engage Milwaukie website Engage.MilwaukieOregon.gov/
- Interviews with representatives from public committees/boards/commissions, focus groups, stakeholders, or neighborhood associations
- With assistance from City staff, ensure that all website content and documents are migrated to the City's website and permanently archived
- Identification of the needed level of public participation using the IAP2 Spectrum of Public Participation and the development of appropriate techniques based on the selected level of participation
- Understanding of the key stakeholders, issues and messages
- Development of a timeline and frequency of appropriate activities and techniques

- Coordination with City staff, including but not limited to the city Managers' office Equity Program Manager, Communication Program Manager, Community Engagement Coordinator, Events and Emergency Management Coordinator, and web team
- Engagement of diverse and disabled audiences
- Creating customer service performance measures and tracking mechanisms
- Providing an accessible and responsive mechanism to receive and respond to inquiries and complaints
- Create and maintain a stakeholder database which includes the first and last name, contact information, dates of contact and notes on issues and questions raised. This database will be provided to the city in Excel at the close of the project.
- Additional elements as recommended by your team, or added by the City

The City desires to utilize the individual park spaces and library for festive in person outreach and engagement events, in the event that such a meeting, etc can be done safely. The City will work with its partners and selected firm(s) to develop such an event.

In addition, the selected firm(s) must use methods to get comments on park designs and concepts from members of Milwaukee's Spanish-speaking community, and other non-English speaking communities, as well as other communities that have been historically left out of the process, such as youth, persons of color, lower income community members, those with disabilities, and more.

Firm(s) may be responsible for the translation of materials into Spanish, including real time interpretation services for in-person or virtual meetings. The City has a strong desire to provide these services, so successful submissions will include options and recommendations on these services. The City is also exploring the use of real time interpretation in American Sign Language in this project and would prefer to see proposals with those services as an option. Translation into other languages, if deemed necessary, will be the responsibility of the City, though the City will entertain recommendations from firms.

The engagement strategy will reflect city branding standards and specific communication goals for this project set by the City prior to project initiation. All informational materials will receive approval from the City. All content will be shared on City managed platforms (website, social media accounts, etc.) unless specifically approved as part of the engagement plan.

5.2 Park Design Revision & Design Completion

The City and its project partners seek a firm or team of firms to provide revised park designs, based on existing master plans for Balfour, Bowman-Brae, and based on the existing conditions for Scott Park. The selected firm(s) will need to produce an updated site plan and/or existing conditions image to serve as a foundation for public discussion. Existing master plan documents are provided in Attachment B.

Through the community engagement process, selected firm(s) will work with the City, its partners, and members of the public, to revise and refine the existing concept designs for Balfour and Bowman-Brae Parks and develop a new concept for Scott Park. These concepts will be refined through the public planning process and then approved through the City's separate approval processes depending on the park. Design process will require support with any necessary environmental and/or natural resource permitting or reviews. Successful submittals will demonstrate an awareness of this process as well as the existing designs and conditions of each park. After approvals, the selected firms will work with the City to produce final design and specs for the building permit and construction solicitation process.

5.3 Construction Specifications, Solicitation Documents, & Bid Assistance

Once final designs are approved, the selected firm(s) will produce construction specifications and construction solicitation documents in compliance with the City's Public Contracting Rules for use by the City in the public bid process. Firm(s) will also provide documents and support through the projects building permit process. The firm/teams will also provide bid assistance to the city which may include but not limited to conducting pre-bid meetings, answering bidder questions, preparing any required addendums to the construction documents and assistance in evaluating bids. The City will use these documents and assistance to hire a construction contractor to develop and construct the parks. Successful firm(s) will demonstrate an ability to produce such documents as well as an awareness of the public procurement process.

5.4 Construction Management Services

If requested by the City, firm(s) may have an opportunity to provide the following construction phase services. The City may request any of the professional services below or none at all.

- A. Attend a pre-construction meeting prior to commencement of work.
- B. Construction Observation: provide construction observation services at intervals as directed by the Project Manager. Respond to reasonable and appropriate requests for information and issue necessary clarifications and interpretations of the contract documents to the City as appropriate to the orderly completion of work. Provide daily inspection reports to the city whenever on-site construction observation is performed.
- C. Final Notice of Acceptability of Work: conduct a final site visit with the Project Manager to determine if the completed work is generally in accordance with the contract documents and the final punch list. Provide notice that the work is generally in accordance with the Contract Documents and recommend for or against final payment. Provide stamped as-built drawings to the Project Manager. Track all changes to the approved plans during the construction process and provide these red-line documents to the Project Manager at the conclusion of construction. The submitter will also be required to provide electronically stamped PDF's of the final, as-built drawings.

6.0 SUBMITTAL REQUIREMENTS

Submit your proposals to the Project Manager as listed in Section 2.0, by December 7, 2021, at 3:30 p.m. Pacific Standard Time. Late submittals will not be considered.

6.1 Cover Letter (Not Scored)

Provide a brief summary of your firm and the services you propose to provide, including any subcontractors or subconsultants you are proposing and brief summary of your approach.

6.2 Qualifications and Experience of Firm and Key Personnel

Provide a description of the firm and personnel's experience in providing services similar to those described in this RFQ. Include a short profile of each key individual proposed to perform work under the contract. Provide an organizational chart of the proposed team. Highlight specific experience that directly translates to the firm's ability to be successful in this role. Include any experience in community outreach for park master plan revision, particularly with BIPOC communities, park design, and park development services. Tell us what sets you and your firm apart from the competition.

6.3 Project Approach and Methods

Describe your firm's project approach and methods to meet the requirements of the Scope of Work. Include a summary of the project management approach and communication protocols. Describe any additional City resources (staff time, materials, etc.) that are necessary to complete any aspect of the project. Tell us how you meet the demands of a complex project such as this, including meeting deadlines when short turn-around times are required. Provide a project timeline and road map of project completion. Project approach and methods should include a recommended approach for completing each of the three major project service phases 1) community engagement, 2) master plan revision, and 3) construction specifications and documents.

6.4 Related Project Examples & Professional References

Provide a brief description of three similar projects performed in the past five years, particularly government park projects of a similar scope and overall construction price range. Experience with State of Oregon and federal funding, record keeping, and reporting requirements is highly desirable. The summary of each project should include photos, site plans, project timelines, specific services your firm provided for community engagement, design services, and construction. Examples provided should be similar in size and scope to the project outlined in this RFQ. Each project should include a professional reference and contact information. The City reserves the right to conduct reference interviews for each of the related projects provided. Information gathered in the interviews will be kept confidential to the City project team.

6.5 Specific Experience with Equity & Diversity Focused Engagement

The City will be revising the existing master plans and creating a new master plan with a focus on engaging the City's BIPOC population. Successful firm(s) will illustrate a successful history of successful engagement with Black, Indigenous, and People of Color communities. Firm(s) may be required to provide translation services into

Spanish. Real time interpretation services for both Spanish and American Sign Language may also be required. Firm(s) with an ability to strengthen, advance, and expand with the City's existing network of relationships with the BIPOC community are highly sought. Successful firm(s) will also demonstrate a cultural understanding of the indigenous community and maintain a historic perspective that pre-dates White / Euro-American settlement. Given the history of Scott Park and current monuments in the park, this topic will need to be handled with sensitivity by the City, its partners, and consulting team. Project could also include development cultural, historical, and environmental educational / interpretive signage that includes pre-White / Euro-American settlement, and the stories of original, indigenous people of these lands. Successful teams will demonstrate experience producing such educational materials in addition to working with the BIPOC community.

6.6 Specific Experience with Natural Play Structures, Playground Safety, and Inclusive Play

Previous public planning and engagement, as well as the City of Milwaukie's existing Comprehensive Plan and Climate Action Plan identify a desire to move away from traditional composite play structures with large amounts of plastics and metals. Successful firm(s) will demonstrate existing experience of designing and constructing safe, natural play structures made of natural and locally sourced play materials wherever possible. Materials made of 100% post-consumer products that mimic natural play structures and amenities may be considered as alternatives, however, the City has a strong desire for at least two or three natural play structures in the City, with one or two being constructed in this project. Successful firm(s) will demonstrate an ability to assist the city and communicate with the public, the benefits and trade off of nature-based play. While natural materials and nature-based play is sought, risk management and public safety are paramount. Firm(s) selected for this project must include certified playground safety inspectors and demonstrate a successful track record of designing safe, inclusive parks and play structures, that focus on nature-based play and natural materials. Play areas will not only need to be physically safe and meet appropriate standards for fall height, entrapment, and entanglement safety, but also demonstrate safe, non-toxic treatment of wood-based materials. The City also has a strong desire provide inclusive play spaces and parks that goes beyond meeting just the bare minimum of American with Disability Act standards for play structures.

6.7 Specific Experience with Natural Resources, Habitat Restoration, and Aquatic Habitat

Scott Park, in particular, has significant natural resources and identified habitat conservation areas on site. Successful submissions will demonstrate firm(s) experience with natural resource management and aquatic habitat restoration. Project work at Scott – which may need to be phased – could potentially include naturalizing the flow of Spring Creek and providing safe viewing of the creek and the aquatic fowl that live there. Potential projects also include developing and design historic, cultural, and environmental education interpretive signage. Successful firms will demonstrate experience producing such interpretive materials.

7.0 GENERAL CONDITIONS OF THIS RFQ

All submittals submitted in response to this RFQ are subject to the conditions and requirements contained within this RFQ. All matters not specifically addressed in this RFQ will be governed by the City's Public Contracting Rules, Oregon Revised Statutes, federal statutes and regulations, and other rules pertaining to procurement and contracting with the City.

7.1 Submittal Preparation and Submission Instructions

Submitters must email submittals to the Project Manager named in Section 2.0 of this RFQ no later than the Submittal due date and time listed in Section 3.0. Submittals must be typewritten, formatted for printing on 8.5" x 11" paper, in no less than 11-point font, and should not exceed a file size of five megabytes (5 MB). For the purposes of page count, consider "1 Page" to mean one side of one printed page. Submitters are encouraged to follow-up with a phone call to the Project Manager if receipt of a Submittal was not confirmed prior to the time submittals are due. IN NO CASE WILL THE CITY BE LIABLE FOR ANY LOST, LATE, OR UNDELIVERABLE SUBMITTALS.

7.2 Questions and Changes

The City reserves the right to make changes to the RFQ by written addenda. Addenda shall be sent to all prospective Proposers known to have obtained the solicitation documents at the time addenda is issued.

Proposers should consult the City's Bid Management System regularly until the deadline to assure that they have not missed any addendum announcements. By submitting a proposal, each proposer thereby agrees that it accepts all risks, and waives all claims, associated with or related to its failure to obtain addendum information.

A prospective Proposer may request a change in the RFQ by submitting a written request to the address set forth in Section 2.0. The request must specify the provision of the RFQ in question and contain an explanation of the requested change. All requests for changes to the RFQ must be submitted to the City no later than the date set forth in Section 3.0.

The City will evaluate any request submitted but reserves the right to determine whether to accept the requested change. Changes that are accepted by the City shall be issued in the form of an addendum to the RFQ. All addenda shall have the same binding effect as though contained in the main body of the RFQ. Written or oral instructions or information concerning the scope of work of the project given out by anyone other than Adam Moore shall not bind the City.

No addenda will be issued later than the date set in Section 3.0, except an addendum, if necessary, postponing the date for receipt of submittals, withdrawing the invitation, modifying elements of the submittal resulting from delayed process, or requesting additional information, clarification, or revisions of submittals leading to obtaining best offers or best and final offers. Each Proposer is responsible for obtaining all addenda prior to submitting a proposal. Receipt of each addendum

must be acknowledged in writing in the Submittal Form (Attachment A) as part of the proposal.

Any requests for clarification or changes to any matter contained in this RFQ must be submitted through the City's Bid Management System no later than 5:00 p.m. on the deadline identified in Section 3.0. Any material changes or clarification of any matter contained in this RFQ will be provided to all known interested parties. Oral comments offered by City staff will not modify this RFQ in any way.

7.3 Cancellation

The City reserves the right to cancel contract award for park community engagement, design and development services at any time before execution of the contract by both parties if cancellation is deemed to be in the City's best interest. In no event shall the City have any liability for the cancellation of contract award.

7.4 Public Records and Disclosure

All information submitted by Submitters shall be public record and subject to disclosure pursuant to the Oregon Public Records Act, except such portions of the submittals for which Submitter requests exception from disclosure consistent with Oregon Law. All requests shall be in writing, noting specifically which portion of the Submittal the Submitter requests exception from disclosure. Submitter shall not copyright, or cause to be copyrighted, any portion of any said document submitted to the City because of this RFQ. Submitter should not mark the entire Submittal document "Confidential."

All submissions become and remain the property of the City and, as such, are considered public information and subject to public disclosure within the context of the federal Freedom of Information Act and ORS 192.345 and 192.355.

Unless certain pages or specific information are specifically marked "proprietary" and qualify as such within the context of the regulations stated in the preceding paragraph, the City shall make available to any person requesting information through the City processes for disclosure of public records, any and all information submitted as a result of this RFQ without obtaining permission from any proposer to do so after the Notice of Intent to Award has been released.

7.5 Conditions of Submittal

By submitting a Submittal in response to this RFQ, the Submitter certifies that:

- The Submitter and each person signing on behalf of any Submitter certifies, and in the case of a sole proprietorship, partnership or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief, no elected official, officer, employee, or person, whose salary is payable in whole or part by the City, has a direct or indirect financial interest in the Submittal, or in the services to which it relates, or in any of the profits thereof other than as fully described in the Submitter's response to this solicitation;

- The Submitter has examined all parts of the RFQ, including all requirements and contract terms and conditions thereof, and, if its Submittal is accepted, the Submitter shall accept the contract documents thereto unless substantive changes are made in same without the approval of the Submitter;
- The Submitters, if an individual, is of lawful age; is the only one interested in this Submittal; and that no person, firm, or corporation, other than that named, has any interest in the Submittal, or in the proposed contract; and
- The Submitter has quality experience providing quality and equitable engagement strategies; financial feasibility analysis; site planning and design; stakeholder meeting coordination; and zoning code audits in a capacity like the duties outlined within the scope of services.

7.6 City Requests for Clarification

The City reserves the right to obtain clarification of any point in a Submittal or to obtain additional information necessary to properly evaluate a Submittal. Failure of a Submitter to respond to such a request for additional information or clarification may result in a finding that the Submitter is non-responsive and consequent rejection of the Submittal.

The City reserves the right to request revisions of submittals after the submission of submittals and before award for obtaining best offers or best and final offers.

7.7 Solicitation Protest Procedures

Any and all complaints regarding this solicitation must be presented in writing by the date identified in Section 3.0. The City will address all timely submitted protests within a reasonable time following the City's receipt of the protest and will issue a written decision to the protesting proposer. Solicitation protests shall be addressed and sent to the Project Manager identified in Section 2.0.

Protests must include:

- A.** The identity of the proposer;
- B.** A clear reference to this RFQ;
- C.** Reason for the protest;
- D.** Proposed changes to the RFQ provisions and/or statement of work; and
- E.** All required information as described in ORS 279B.405(4).

Protests that do not include the required information will not be considered by the City.

7.8 Rejection of Submittals

The City reserves the right to reject any or all submittals received because of this RFQ. Submittals may be rejected for one or more of the following reasons, including but not limited to:

- Failure of the Submitter to adhere to one or more of the provisions established in the RFQ;
- Failure of the Submitter to submit a Submittal in the specified format;

- Failure of the Submitter to submit a Submittal within the established time requirements; or
- Failure of the Submitter to adhere to ethical and professional standards before, during, or following the Submittal process.

The City may reject any Submittal not in compliance with all prescribed public procurement procedures and requirements and may reject for good cause any or all submittals upon a finding of the City that it is in the public interest to do so.

7.9 Modification or Withdrawal of Submittal by Proposer

A submittal may not be modified, withdrawn, or canceled by the Proposer for 120 calendar days following the time and date submittal is received by the City. Submittals provided early may be modified or withdrawn only by notice to the City prior to the submittal due date. Such notice shall be in writing with the signature of the Proposer and submitted to the City's sole point of contact. All such communication shall be so worded as not to reveal material contents of the original submittal.

Withdrawn submittals may be resubmitted up to the due date and time, provided that they are then fully in conformance with the RFQ.

7.10 Affirmative Action/Nondiscrimination

By submitting a Submittal, the Submitter agrees to comply with the Fair Labor Standard Act, Civil Rights Act of 1964, Executive order 11246, Fair Employment Practices, Equal Employment Opportunity Act, Americans with Disabilities Act, and Oregon Revised Statutes. By submitting a Submittal, the Submitter specifically certifies, under penalty of perjury, that the Submitter has not discriminated against minority, women or emerging small business enterprises in obtaining any required subcontracts.

8.0 SUBMITTAL SELECTION AND EVALUATION

8.1 General Information

Each Submittal will be judged on its completeness and quality of its content. The City reserves the right to reject any or all submittals and is not liable for any costs the Submitter incurs while preparing or presenting the Submittal. All submittals will become part of the public file, without obligation to the City. Upon the completion of the evaluations, the City intends to negotiate an Engineering Services Agreement with the Submitter whose Submittal is deemed to be most advantageous to the City. The City reserves the right to negotiate final terms of the contract as the City determines to be in its best interest.

Submittals will be reviewed to ensure minimum requirements are met. Submittals that fail to meet all of the minimum requirements will be deemed non-responsive. The City will notify any Proposers who submit a non-responsive submittal to inform them that it did not meet the requirements and will therefore not be considered for contract award. The City reserves the right to waive non-material deviations if they do not affect the overall quality and cohesiveness of the proposal.

8.2 Selection Review

Scoring will be completed covering all areas listed in Section 8.3 in the Evaluation Criteria. Scores for each Submittal shall be added together to arrive at a final score for each Submitter. Submittals will then be ranked in descending order by the total Submittal score.

If additional information is deemed necessary as part of the evaluations, such information will be solicited to allow the City to complete the evaluation process.

8.3 Scoring and Evaluation Criteria

The City will evaluate the submittals submitted and make a recommendation of award. The criteria listed below will be used to determine the apparent successful Submitter.

Each Submittal shall be limited in length and judged as a demonstration of the Consultant's capabilities and understanding of the project. Evaluation criteria, maximum points and page limitations will be as follows:

Criteria	Maximum No. Pages	Score
Submittal Received by Deadline	Pass	Fail
Submittal Form (Attachment A)	Pass	Fail
Cover Letter	1	0
Submitter's Qualifications and Experience		20
Project Approach and Methods		25
Submitter's Specific Experience with Equity & Diversity based engagement & interpretation services		25
Submitter's Specific Experience with natural play structures & nature-based play		15
Submitter's Specific Experience with natural resource & aquatic habitat restoration		10
Minority-Owned, Women-Owned, and Emerging Small Businesses Certification		5
Total		100 Points

8.4 Ranking of Submittals

Submittals may be ranked by the City based on evaluation of responses with the first-ranked Submittal being that Submitter which is deemed to be the most appropriate and fully able to perform the services, and the second ranked Submittal being the Submitter next most appropriate, all in the sole judgment of the City.

8.5 Intent to Award

Upon evaluation and interview of the top proposers, the City will provide written notice of its intent to award the contract to the firm(s) who best meets the overall needs of the City.

8.6 Protest of Award

In accordance with the City's Public Contracting Rule 70.015(A)(4)(c) and ORS 279B.410, any adversely affected or aggrieved proposers has seven (7) calendar days from the date of the written selection notice to file a written protest, as identified in Section 3.0.

List of Attachments:

ATTACHMENT A – SUBMITTAL FORM

ATTACHMENT B – PARK MASTER PLANS: BALFOUR, BOWMAN-BRAE, SCOTT

ATTACHMENT C – SAMPLE ENGINEERING SERVICES AGREEMENT

ATTACHMENT A – SUBMITTAL FORM

Submittal Representations

The undersigned hereby submits this submittal to furnish all work, services systems, materials, and labor as indicated herein and agrees to be bound by the following documents: Request for Qualifications and associated inclusions and references, specifications, Submittal Form, Proposer response, mutually agreed clarifications, exceptions which are acceptable to the City, and all other Proposer submittals.

The undersigned hereby certifies and represents that the Proposer:

- 1) is properly licensed and adequately experienced, equipped, organized and financed to furnish and deliver the equipment specified and perform the services required;
- 2) has examined and is thoroughly familiar with the Request for Qualifications and fully understands its intent, has carefully reviewed for accuracy all statements in this submittal and attachments, and agrees that the City will not be responsible for any errors or omissions of the Proposer in preparing this submittal. Proposer agrees that this response may not be revoked or withdrawn for 120 calendars days after the date on which submittals are received;
- 3) agrees that if this submittal is accepted it will within ten calendar days after having received the Notice of Intent to Award, execute and return to the City the contract in the form provided and will, at or before that time, deliver any documentation as required; and
- 4) acknowledges that it has received the following Addenda No(s): _____, and agrees that all addenda issued are a part of the RFQ documents and have been considered in preparing this submittal. (Proposer: insert the number of each addendum received; if no addenda were received, write "none" or "zero" in the space.).

Compliance with Laws

Proposer hereby agrees to comply with all applicable federal, state and local laws, rules and regulations, the provisions of which are hereby made a part of the awarded contract.

Certifications / Non-Collusion

The undersigned Proposer hereby certifies that it, its officers, partners, owners, providers, representatives, employees and parties in interest, including the affiant, has not in any way colluded, conspired, connived or agreed, directly or indirectly, with any other proposer, potential proposer, firm or person, in connection with this solicitation, to submit a collusive or sham submittal, to refrain from bidding, or manipulating or ascertain the price(s) of other proposers or potential proposers, or to secure through any unlawful act an advantage over other proposers or the City.

Conflict of Interest

The undersigned Proposer and each person signing on behalf of the Proposer certifies, and in the case of sole proprietorship, partnership, or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief, no member of the City Council, officer, employee, or person, whose salary in whole or in part by the City, has a direct or indirect financial interest in the award of this submittal, or in the services to which this submittal relates, or in any of the profits, real or potential, thereof, except as noted otherwise herein.

Minority-Owned, Women-Owned, and Emerging Small Businesses (MWESB) Certification

☐ YES The undersigned Proposer certifies that their firm is MWESB Certified.

No. _____

☐ NO

Signature Block

The Proposer hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Firm Name

Mailing Address, City, State, Zip

Telephone Number

Proposer Name

Proposer Email Address

Authorizing Signature

Date



**RS 6. D.
2/1/22**

OCR USE ONLY

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Reviewed: Nicole Madigan, Deputy City Recorder

From: Scott Stauffer, City Recorder

Date Written: Jan. 31, 2022

Subject: **Milwaukie Community Center / Community Advisory Board Nomination**

ACTION REQUESTED

As outlined in the Milwaukie Municipal Code (MMC), Council is asked to consider approving a resolution making a nomination to the Milwaukie Community Center / Community Advisory Board (C/CAB).

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

In September 2021 the city was informed by North Clackamas Parks and Recreation District (NCPRD) staff that the city's position on the C/CAB was vacant due to Siri Bernard's resignation.

Throughout the fall the city recruited applicants to fill the city's C/CAB position.

In January 2022 the city received an application from Wilda Parks and after consulting members of Council, staff added a consent agenda item to the February 1 regular session agenda to confirm the applicant's nomination to the C/CAB.

ANALYSIS

Authority to fill city board and committee (BC) vacancies is granted to the Mayor and Council by Section 26 of the City Charter. To fill vacant positions, members of Council along with appropriate staff liaisons and committee chairs recruit volunteers and usually conduct interviews from applications received by the city, however interviews are not required by the MMC. Appointed individuals serve for a term length determined by the MMC. Upon the completion of a term, if the individual is eligible, they may be reappointed by Council to serve another term.

As outlined in MMC 2.20.020(B), Council nominates individuals to fill the city's position on the C/CAB and the NCPRD Board and Clackamas Board of County Commissioners (BCC) makes the final appointment.

Committee appointments are made when a term has expired or when a position has been vacated. Generally, position terms expire in June, but appointments are also made as needed to fill vacancies. C/CAB terms begin November 1 and end October 31, which is different from most city BCs. Some committees have positions nominated by neighborhood district associations (NDAs) instead of by an interview panel. NDA-nominated appointments are noted if applicable.

All BC positions are term-limited, meaning there is a limit to the number of times that members can be reappointed. Since 2011 the city's C/CAB position on the board had been filled by Siri Bernard, with Siri's last term starting in November 2020. The nominated individual would be

ADDED TO THE AGENDA 1/31/22

appointed to the already started term, therefore, they would serve a zero-term through October 31, 2023, and would be eligible for reappointment.

Wilda Parks has been nominated to fill the city's position on the C/CAB. Wilda has lived in Milwaukie since 1998, is a retired chamber of commerce executive, who previously served on the city's Planning Commission before serving on the City Council from 2015-2020.

BUDGET, WORKLOAD, AND CLIMATE IMPACTS

There are no fiscal, workload, or climate impacts associated with the recommended actions.

COORDINATION, CONCURRENCE, OR DISSENT

Staff worked with Council members to confirm this nomination.

STAFF RECOMMENDATION

Staff recommends the following appointment:

C/CAB: 3-year terms, limit of 2 consecutive terms, the NCPRD Board may waive the term limit.

Position	Name	Term Start Date	Term End Date
-	Wilda Parks	2/1/2022	10/31/2023

ALTERNATIVES

Council could decline to make the recommended appointment which would result in a continued vacancy on the board.

ATTACHMENTS

1. Resolution



CITY OF MILWAUKIE

COUNCIL RESOLUTION No.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, NOMINATING WILDA PARKS TO SERVE AS THE CITY'S REPRESENTATIVE TO THE MILWAUKIE COMMUNITY CENTER / COMMUNITY ADVISORY BOARD (C/CAB).

WHEREAS Milwaukie Municipal Code (MMC) 2.20.020(B) states that one of the twelve members of the Milwaukie Community Center / Community Advisory Board (C/CAB) will be nominated by the City Council; and

WHEREAS a vacancy exists on the C/CAB for one member representing the city; and

WHEREAS the MMC states that the City Council's nominee will be considered for approval by the North Clackamas Parks and Recreation District (NCPRD) Board and the Clackamas Board of County Commissioners (BCC); and

WHEREAS the City Council has nominated the following individual for appointment to the board:

Position	Name	Term Start Date	Term End Date
-	Wilda Parks	2/1/2022	10/31/2023

Now, Therefore, be it Resolved by the City Council of the City of Milwaukie, Oregon, that the individual named in this resolution is nominated for appointment by the NCPRD Board and BCC as the city's representative the C/CAB for a term that will expire on October 31, 2023.

Introduced and adopted by the City Council on **February 1, 2022.**

This resolution is effective immediately.

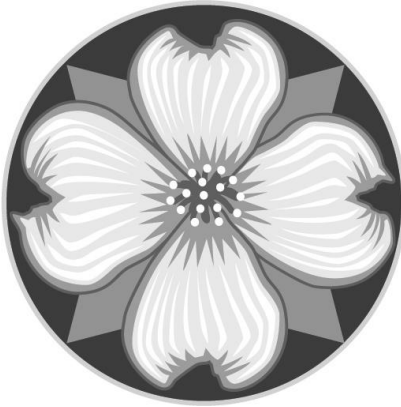
ATTEST:

Mark F. Gamba, Mayor

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney



RS Agenda Item

8

Public Hearings

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: Jan. 20, 2022

Reviewed: Laura Weigel, Planning Manager, and
Peter Passarelli, Public Works Director

From: Natalie Rogers, Climate and Natural Resources Manager, and
Vera Kolias, Senior Planner

Subject: Comprehensive Plan Implementation: Code Amendments – Hearing #2

ACTION REQUESTED

Council is asked to reopen the public hearing for land use file #ZA-2021-002, discuss the proposed amendments to the Milwaukie Municipal Code (MMC) with a focus on Title 16 (Tree Code) and the proposed fee schedule, take public testimony, and ask any clarifying questions of staff regarding the proposed amendments. At a new public hearing on February 15, discussion about the housing and parking code amendments including proposed revisions to Title 19 (Zoning), Title 17 (Land Division), Zoning map, Comprehensive Plan, and Comprehensive Plan Land Use map will begin.

This staff report is focused on the proposed amendments to Title 16 (Tree Code) and the proposed associated fees. Staff reports for the public hearing related to housing and parking will provide background and analysis related to those topics. Please refer to the January 18, 2022 staff report (linked below) for background on the overall project.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[December 1, 2020](#): Staff provided Council with a project update.

[January 19, 2021](#): Staff provided Council with a project update

[February 16](#): The Council packet included a project update.

[April 6](#): Staff provided Council with a project update.

[April 20](#): Staff led a discussion with Council about flag lots and the minimum lot size approach.

[May 11](#): Staff led a study session discussion about Oregon House Bill (HB) 2001 and the model code, parking code recommendations, and standards in the proposed consolidated residential zones.

[June 15](#): Staff provided Council with a project update ahead of the posting of the proposed draft code for public comment over the summer.

Following three work sessions in August, the Planning Commission held three public hearings on the proposed amendments ([October 12](#), [October 26](#), and [November 9](#)). On [November 9](#), the Commission voted 5-2 to recommend approval of the amendments with specific revisions and recommendations to the Council.

[December 21](#): Council work session. Council was presented with the proposed amendments as recommended by the Planning Commission, asked clarifying questions, and requested additional information, specifically on building height and accessory dwelling units (ADUs), and the proposed tree code.

[January 4, 2022](#): Council work session. Council was presented with the proposed code amendments as recommended by the Planning Commission, asked clarifying questions, and requested additional information specifically on parking, maximum lot coverage, and flag lots/back lots.

[January 18, 2022](#): Public hearing #1. Staff presented the project background and the proposed code amendments. Council asked clarifying questions and continued the hearing to February 1 to hear the proposed fee schedule and to take public testimony.

ANALYSIS

Please refer to the [January 18](#) staff report for a detailed review of the project background and the policy mandate related to tree preservation.

Summary of Key Amendments – Tree Code

The final draft code amendments were posted on September 1, 2021 in advance of the first public hearing with the Planning Commission on October 12. Following a review by the Oregon Department of Land Conservation and Development, and the Planning Commission hearings and additional staff review, several recommendations were made to the posted code language. The following is a discussion of the key amendments and includes the recommendations from the Planning Commission from their public hearing on [November 9](#).

Amendments Related to Trees

Amendments related to trees on private property are intended to make the existing Milwaukie tree code consistent with the policies in the Comprehensive Plan and Urban Forestry Management Plan (UFMP).

The existing tree code addresses only trees in the public right-of-way or on public property, like park or street trees. To meet the city's goal of a 40% tree canopy, as identified in the Climate Action Plan (CAP), the UFMP, and the Comprehensive Plan policies, trees on private residential property must also be preserved and protected.

In this package of code amendments, the private tree code is proposed to protect canopy on private residential property. The proposed tree code focuses on the adoption of tree preservation standards, tree canopy standards, mitigation standards, soil volume, and protection standards for development situations, and a simplified permitting process for non-development residential tree removal. For residential development projects, tree canopy protection is prioritized, and tree replacement will be required if trees are removed. For other healthy non-development tree removals on private property, a permit will be required in addition to tree replacement or mitigation. There will be exceptions and a streamlined process for unhealthy or dying trees, trees posing safety hazards, invasive species, and trees significantly impacting infrastructure for which mitigation is impracticable.

The proposed amendments to MMC Title 16 and Title 19 clarify existing code language and update desired tree and plant types to meet city policy goals for greater forest diversity, more

native and climate-resilient species, improving the ecological function, and creating multi-level, uneven-aged canopy.

Key amendments include:

- Regulate preservation and protection of trees on private property in residential zones, including:
 - Define standards for preserving and protecting trees
 - Create a process for application and development review
 - Define rare or threatened trees
 - Establish minimum tree canopy of 40% per lot in development situations
- Amend “Vegetation Buffer Requirements” in MMC 19.401 Willamette Greenway overlay zone to be consistent with updated tree code
- Update “Native Plant List” referenced in Natural Resource Overlay Zone to include other vegetation types and nuisance/prohibited plants. Update native vegetation and native plant definitions to be consistent with new tree code.

Planning Commission Recommendations from November 9 Public Hearing

The proposed code amendment package was posted on [September 1, 2021](#). Following the Planning Commission hearing process, the following key revisions to the Tree Code were recommended in the final vote to recommend approval of the code package (See Attachment 1):

- Revise the non-development tree code type 1 healthy tree removal approval standard to allow for one healthy tree removal under 12” diameter at breast height instead of 18” diameter at breast height.
- Add tree preservation and tree canopy standards variance language where appropriate
- Discuss bonding requirements for development related tree code with Council as allowed in draft residential tree code (MMC 16.32.J.1.c.5)

City Council Clarifying Questions from December 21 Work Session

- Council requested information on public works staff coordination with the planning department on setback variances for tree preservation.
- Council requested information on development tree code triggers. Staff introduced potential development tree code trigger mechanisms to the January 18 hearing. Alternative code language for separate standard requirements depending on building footprint are included in the attached alternative code document.
- Council and staff discussed the canopy standards, and the tree lists to be created by staff for replanting requirements.
- Council and staff discussed bonding requirements.

Code Amendments since January 18 Public Hearing

- Feedback from stakeholders showed interest in providing additional retention incentives for preservation of large trees. To address this, staff are proposing to increase the canopy credit from 100% on a graduated scale up to 150% for existing significant tree canopy for both preservation and canopy standards. A significant tree would be defined as a tree greater than or equal to 12” diameter at breast height. A credit scale would be included in the master fee schedule.

- Revisions to planting window to extend suggested planting season to April.
- Revisions to replanting requirements to clarify that replanting is not required for invasive species removals.
- Staff are proposing alternative code language for affordable housing mitigation standards based on feedback from stakeholders. Instead of reduced preservation requirements for qualified affordable housing, staff are proposing reduced mitigation fees for qualified alternative housing while keeping preservation requirements equivalent to all other housing developments.
- Clarification of non-development type 1 removal permit for healthy tree removal annual allowance.
- Revisions to planting requirements to allow for site flexibility with urban forester approval.

Fee Structure

The code has been developed to provide a framework to help the community achieve its 40% canopy goal. Preserving healthy, functioning, non-invasive trees and existing canopy is necessary to achieving this goal. The proposed fees are intended to serve as a mechanism to support preservation efforts while still allowing for development and landscaping.

The accompanying proposed fee schedule provides financial tools to assist in achieving its 40% goal. Ideally the fees are structured to:

- Promote existing canopy preservation and replanting of trees.
- Provide a mechanism to reduce financial impacts on eligible affordable housing developments if standards cannot be met.
- Reflect the cost to plant and establish new trees.

In cases where removals are necessary, there is a removal fee based on size of tree to be removed and a replanting requirement.

An important topic of discussion during the development of the proposed fee schedule has been impacts on eligible affordable housing. The Tree Board and other stakeholders have voiced concerns that the need for trees in affordable housing is equally or even more important, and that the same canopy standards should apply. These concerns were supported in testimony by the Urban Greenspace Institute at the October Planning Commission public hearing. As a result, staff has provided two potential mitigation fee structures as they relate to eligible affordable housing and canopy preservation for consideration.

Staff recommends the following changes and additions to the current master fee schedule outlined in the tables below. These fees are not adopted within the Tree Code being considered in this hearing and are proposed to be added to the city's [Master Fee Schedule via a separate resolution](#).

Table 1: Proposed Non-Development Tree Permit Fees

Private (non-development) Tree Fees	
Fee Type	Amount
Permit application fees	
Residential Tree Permit Application Fee (Type 1 and 2)	\$50
Healthy tree removal fee beyond one tree per 12-month period* Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80 per inch DBH
8 to <14" DBH	\$100 per inch DBH
14" to <20" DBH	\$150 per inch DBH
20" or greater	\$200 per inch DBH
* No removal fee for 1 st tree less than 12" DBH removed under type 1 permit. Fees in this section are consistent with public tree removal fees.	
Fees in lieu of replanting:	
Planting and Establishment Fee for Non-Development	\$2000 per tree

Table 2: Proposed Private Development Tree Permit Fees

Private Residential Development Tree Fees	
Fee Type	Amount
Permit application fees	
Residential construction tree plan review	\$200
Site inspection	\$50
Site re-inspections	\$175
Mitigation fees	
Fee in lieu of canopy preservation in residential development	\$4000 for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees

	are cumulative based on total canopy reduction. Remaining site canopy <30%-22.5%: \$4000 Remaining site canopy <22.5%-15%: \$4000 Remaining site canopy <15%-7.5%: \$4000 Remaining site canopy <7.5%-0%: \$4000
Fee in lieu of canopy preservation for <u>eligible residential affordable housing</u>	\$4000 for each reduction of 5% site canopy coverage below 20% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <20%-15%: \$4000 Remaining site canopy <15%-10%: \$4000 Remaining site canopy <10%-5%: \$4000 Remaining site canopy <5%-0%: \$4000
Alternative Mitigation Fee Structure for Consideration	
<i>Alternative fee in lieu of canopy preservation in residential development</i>	<i>Increasing fee for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction.</i> <i>Remaining site canopy <30%-22.5%: \$4000 Remaining site canopy <22.5%-15%: \$6000 Remaining site canopy <15%-7.5%: \$8000 Remaining site canopy <7.5%-0%: \$10000</i>
<i>Alternative fee in lieu of canopy preservation for <u>eligible residential affordable housing</u></i>	<i>\$2000 for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction.</i> <i>Remaining site canopy <30%-22.5%: \$2000 Remaining site canopy <22.5%-15%: \$2000 Remaining site canopy <15%-7.5%: \$2000 Remaining site canopy <7.5%-0%: \$2000</i>
Significant Tree Credits Retained significant trees can result in bonus canopy credit. This credit can be applied during pre-development and post development calculations.	
Retained significant tree 12" to <20" DBH	125% existing or future canopy multiplier
Retained significant tree >20" DBH	150% existing or future canopy multiplier

Fees in Lieu of Canopy Standard Mitigation fees can be paid in lieu of replanting requirements to reach 40% site canopy coverage.	
Fee in lieu of canopy standard	\$5 per square foot of canopy necessary to meet 40% site coverage canopy standard
Bonding Requirements	
Tree Protection	150% of appraised value of protected trees held for 3 years
Post Development	\$3500 per newly planted tree for a 5-year period

Enforcement and Restoration Fees	
Fee Type	Amount
Violation Fees	
Violation Review Fee	\$200
Damaged Tree Fee	\$225 per inch DBH
Unpermitted Tree Removal Fees	
6" to <12" DBH	\$2000 per tree
12" to <18" DBH	\$167 per inch DBH
18" to <24" DBH	\$200 per inch DBH
24" DBH or greater	\$250 per inch DBH

Regional Comparison

Comparisons of tree related fees between municipalities is difficult as each community's tree code and fee structure are unique. Many, but not all, local municipalities recognize that trees need to be protected and limit the circumstances in which street and private trees can be removed. Removal fees and methodologies to calculate fees vary. A staff survey of tree-related fees found various techniques that communities use to charge removal fees, including fees based on diameter at breast height (DBH), canopy square footage, or actual appraised value. These differences make it difficult to compare actual fees.

NEXT STEPS

- Council public hearing #3: February 15, 2022 – continue hearing on proposed private tree code and open hearing on proposed middle housing and parking code amendments and continue hearing if necessary.

- Council public hearing #4: March 1, 2022 – continue hearing on proposed middle housing and parking code amendments and continue hearing if necessary.
- Council public hearing #5: March 15, 2022 – continue hearing on proposed middle housing and parking code amendments.

BUDGET IMPACT

The proposed code language calls for the establishment of fees (permit fees, mitigation fees, bonding requirements, etc.) that would be used to fund urban forest activities in future budget years. The fees will be adopted by resolution as part of the master fee schedule. As the urban forest program grows, future revenue generated from permits and mitigation fees will generate additional dedicated revenue for urban forest programs.

WORKLOAD IMPACT

Some additional permits will likely be submitted when the new code is adopted, but this additional activity will be absorbed by staff.

CLIMATE IMPACT

The objective of the implementation project is code amendments that will support a variety of housing opportunities throughout the city, including middle housing, and an updated tree code that will help the city achieve its stated goal of a 40% tree canopy. Tree preservation and canopy expansion is critical for climate mitigation and adaptation in Milwaukie.

COORDINATION, CONCURRENCE, OR DISSENT

Community development, planning, engineering, city manager's office, and public works staff worked on this project.

ATTACHMENTS

1. Ordinance
2. Draft code amendment language (underline/strikeout)
3. Draft code amendment language (proposed changes since January 18 council hearing)
4. Master fee schedule 2021-2022 with proposed fees
5. Tree Code Master Fee Schedule Resolution



COUNCIL ORDINANCE No.

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING MUNICIPAL CODE TITLE 16 ENVIRONMENT FOR THE PURPOSE OF ADDRESSING TREE PRESERVATION (FILE #ZA-2021-002).

WHEREAS it is the City of Milwaukie's intent to increase the city's tree canopy and preserve existing trees to support efforts to achieve a 40% city-wide tree canopy; and

WHEREAS the proposed code amendments implement several of the goals and policies of the city's Comprehensive Plan related to tree preservation; and

WHEREAS legal and public notices have been provided as required by law, and that all residential addresses in the city were notified of the amendments and multiple opportunities for public review and input has been provided over the past 15 months; and

WHEREAS on October 12 and October 26 and November 9, 2021 the Planning Commission conducted public hearings as required by Milwaukie Municipal Code (MMC) 19.1008.5 and adopted a motion in support of the amendments; and

WHEREAS the City Council finds that the proposed amendments are in the public interest of the City of Milwaukie.

Now, Therefore, the City of Milwaukie does ordain as follows:

Section 1. Findings. Findings of fact in support of the amendments are adopted by the City Council and are attached as Exhibit A.

Section 2. Amendments. The Milwaukie Municipal Code (MMC) is amended as described in Exhibit B (underline/strikeout version), and Exhibit C (clean version).

Section 3. Effective Date. The amendments shall become effective 30 days from the date of adoption.

Read the first time on _____, and moved to second reading by _____ vote of the City Council.

Read the second time and adopted by the City Council on _____.
Signed by the Mayor on _____.

Mark F. Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney

EXHIBIT A
Findings in Support of Approval
File #ZA-2021-002
Amendments to MMC Title 16 (Tree Code)

Sections of the Milwaukie Municipal Code not addressed in these findings are found to be inapplicable to the decision on this application.

1. The applicant, the City of Milwaukie, proposes to amend the tree preservation regulations that are established in Title 16 of the Milwaukie Municipal Code (MMC). The land use application file number is ZA-2021-002.
2. The proposed amendments relate to implementation of portions of the Comprehensive Plan related to tree preservation.
3. The proposal is subject to the criteria and procedures outlined in the following sections of the Milwaukie Municipal Code (MMC):
 - MMC Section 19.902 Amendments to Maps and Ordinances
 - MMC Chapter 19.1008 Type V Review

The application has been processed and public notice provided in accordance with MMC Section 19.1008 Type V Review. An initial evidentiary hearing was held by the Planning Commission on November 9, 2021. Public hearings were held by the City Council on **January 18, 2022 and February 1, 2022** as required by law.

4. MMC Section 19.902 Amendments to Maps and Ordinances

MMC 19.902 establishes the general process for amending the City's Comprehensive Plan and land use regulations within the Milwaukie Municipal Code. Specifically, MMC Subsection 19.902.5 establishes Type V review as the process for changing the text of land use regulations, with the following approval criteria:

- a. MMC Subsection 19.905.B.1 requires that the proposed amendment be consistent with other provisions of the Milwaukie Municipal Code.

The proposed amendments have been coordinated with and are consistent with other provisions of the Milwaukie Municipal Code, including MMC Section 19.402 Natural Resources.

This standard is met.

- b. MMC Subsection 19.902.5.B.2 requires that the proposed amendment be consistent with the goals and policies of the Comprehensive Plan.

The goals and policies of the Comprehensive Plan support the amendments to allow the development of a new tree code:

- (a) Section 3 – Natural Resources and Environmental Quality:

Protect, conserve, and enhance the quality, diversity, quantity and resiliency of Milwaukie's natural resources and ecosystems, and maintain the quality of its air, land, and water. Utilize a combination of development regulations, incentives, education and outreach programs, and partnerships with other public agencies and community stakeholders.

(a) Policy 3.4.2:

Pursue the City's goal of creating a 40% tree canopy through a combination of development code and other strategies that lead to preservation of existing trees and planting of new trees and prioritize native and climate-adapted species, while also considering future solar access.

(b) Section 6 – Climate Change and Energy Goals and Policies:

Promote energy efficiency and mitigate the anticipated impacts of climate change in Milwaukie through the use of efficient land use patterns, multimodal transportation options, wise infrastructure investments, and increased community outreach and education as outlined in the City's Climate Action Plan.

(a) Policy 6.1.4:

Develop standards and guidelines that contribute to a 40% citywide tree canopy.

The proposed amendments implement sections of the comprehensive plan related to tree preservation.

Through these updates to the City's municipal code, the following policy mandate is addressed:

- *Increasing the tree canopy and preserving existing trees to support the City's goal of a 40% tree canopy*

The proposed amendments include standards and requirements related to tree preservation, tree removal, and replanting on residentially zoned private property throughout the city. As proposed, the amendments are consistent with and facilitate the actualization of several relevant goals and policies in the City's Comprehensive Plan.

This standard is met.

- c. MMC Subsection 19.902.5.B.3 requires that the proposed amendment be consistent with the Metro Urban Growth Management Functional Plan and relevant regional policies.

The proposed amendments are consistent with the following applicable sections of Metro's Urban Growth Management Functional Plan:

Title 8 – Compliance Procedures

The City's current Comprehensive Plan and land use regulations are in compliance with the Functional Plan. The proposed amendments will be deemed to comply with the Functional Plan if no appeal to the Land Use Board of Appeals is made within the 21-day period set forth in ORS 197.830(9). As required by Metro Code Section 3.07.820.A, the City has provided notice of the proposed amendments to Metro's Chief Operating Officer as much in advance of the City Council hearing on the proposed amendments as possible.

In processing the proposed amendments, the City has followed its own requirements and procedures for citizen involvement. The proposed amendments have been reviewed at a public City Council work session and made available to the City's various Neighborhood District Associations for review. The City has conducted public hearings on the proposed amendments before the Planning Commission and City Council and has published public notice prior to each hearing.

Title 13: Nature in Neighborhoods

The purpose of Title 13 is twofold: (1) to conserve, protect, and restore a continuous ecologically viable streamside corridor system in a manner that is integrated with upland wildlife habitat and with the surrounding urban landscape; and (2) to control and prevent water pollution for the protection of the public health and safety, and to maintain and improve water quality and prevent water pollution. The City is required to comply with Title 13 for all mapped resources located within the City. By meeting the requirements of Title 13, the City also complies with Statewide Planning Goal 5 for riparian areas and wildlife habitat. Metro's 2020 Compliance Report concluded that Milwaukie is in compliance with Title 13.

The proposed code amendments do not propose any changes to the City's habitat protection program or inventory of habitat resources. Further the amendments strengthen the City's approach to habitat conservation with a new tree code that applies to residential properties. The new tree code applies to both new development and non-development activities.

Amendments related to trees on private property are intended to make the existing Milwaukie tree code consistent with the policies in the Comprehensive Plan and Urban Forestry Management Plan.

The current tree code addresses only trees in the public right of way or on public property, like park or street trees. In order to meet the City's goal of a 40% tree canopy, as identified in the Climate Action Plan, Urban Forestry Management Plan, and Comprehensive Plan policies, trees on private residential property must also be preserved and protected.

In the proposed code amendments, private tree code is proposed to protect canopy on private residential property. The proposed tree code focuses on the adoption of tree preservation standards, tree canopy standards, mitigation standards, soil volume and protection standards. For residential development projects, tree canopy protection is prioritized, and tree replacement will be required if trees are removed. For other healthy non-development tree removal on private property, a permit will be required as well as tree replacement or mitigation. There will be exceptions and a streamlined process for unhealthy or dying trees,

trees posing safety hazards, invasive species, and trees significantly impacting infrastructure without practical mitigation.

The proposed amendments to the City's municipal code Title 16 and Title 19 clarify existing code language and update desired tree and plant types to meet City policy goals for greater forest diversity, more native and climate-resilient species, improving the ecological function and creating multi-level, uneven-aged canopy.

The proposed amendments were sent to Metro for comment. Metro did not identify any inconsistencies with the Metro Urban Growth Management Functional Plan or relevant regional policies. The proposed code amendments are in compliance with Metro's Functional Growth Management Plan.

This standard is met.

- d. MMC Subsection 19.902.5.B.4 requires that the proposed amendment be consistent with relevant State statutes and administrative rules, including the Statewide Planning Goals and Transportation Planning Rule.

Goal 1 – Citizen Involvement

To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

The City has an adopted and acknowledged amendment process and has followed that process in making these amendments. Public hearings on the proposed amendments have been held and public notice was published prior to each hearing. In addition, all owners of residential property were sent notice of the public hearings. The Planning Commission members are appointed by an elected City Council, following an open and public selection process.

Goal 2 – Land Use Planning

To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

The proposed amendments will not change the City's land use planning process. The City will continue to have a comprehensive land use plan and implementing regulations that are consistent with the plan. Specifically, the proposed amendments will include standards and requirements related to tree preservation on private property. These changes strengthen the City's existing policies that implement Goal 2.

The proposed amendments were sent to the Department of Land Conservation and Development (DLCD) for comment. The DLCD did not identify any areas where the proposed amendments were inconsistent with State statutes and administrative rules.

This standard is met.

- e. MMC Subsection 19.902.5.B.5 requires that the proposed amendment be consistent with relevant federal regulations.

Relevant federal regulations are those that address land use, the environment, or development in the context of local government planning. Typically, regulations such as those set forth under the following acts may be relevant to a local government land use process: the Americans with Disabilities Act, the Clean Air Act, the Clean Water Act, the Endangered Species Act, the Fair Housing Act, the National Environmental Policy Act, the Religious Land Use and Institutionalized Persons Act, and the Resource Conservation and Recovery Act. None of these acts include regulations that impact the subject proposal or that cannot be met through normal permitting procedures. Therefore, the proposal is found to be consistent with federal regulations that are relevant to local government planning.

This standard is met.

The City Council finds that the proposed amendments to MMC Title 16 (Tree Code) are consistent with the applicable approval criteria for zoning text amendments as established in MMC 19.902.5.B.

5. MMC Section 19.1008 Type V Review

MMC 19.1008 establishes the procedures and requirements for Type V review, which is the process for legislative actions. The City Council, Planning Commission, Planning Manager, or any individual may initiate a Type V application.

The amendments were initiated by the Planning Manager on August 13, 2021.

a. MMC Subsection 19.1008.3 establishes the public notice requirements for Type V review.

(1) MMC Subsection 19.1008.3.A General Public Notice

MMC 19.1008.3.A establishes the requirements for public notice, including a requirement to post public notice of a public hearing on a Type V application at least 30 days prior to the first evidentiary hearing. The notice must be posted on the City website and at City facilities that are open to the public.

A notice of the Planning Commission's October 12, 2021, hearing was posted as required on September 1, 2021. A notice of the City Council's January 18, 2022, hearing was posted as required on December 17, 2021.

(2) MMC Subsection 19.1008.3.B DLCD Notice

MMC 19.1008.3.B requires notice of a Type V application be sent to the Department of Land Conservation and Development (DLCD) as per the standards of MMC Subsection 19.1001.6.C.4.a, which required notice to be sent to DLCD at least 35 days prior to the first evidentiary hearing.

Notice of the proposed amendments was sent to DLCD on August 31, 2021, in advance of the first evidentiary hearing on October 12, 2021.

(3) MMC Subsection 19.1008.3.C Metro Notice

MMC 19.1008.3.C requires notice of a Type V application be sent to Metro at least 35 days prior to the first evidentiary hearing.

Notice of the proposed amendments was sent to Metro on August 31, 2021, in advance of the first evidentiary hearing on October 12, 2021.

(4) MMC Subsection 19.1008.3.D Property Owner Notice (Measure 56)

MMC 19.1008.3.D requires notice to property owners if, in the Planning Manager's opinion, the proposed amendments would affect the permissible uses of land for those property owners.

Notice of the proposed amendments was sent to all residential properties in the city on October 20, 2021 in advance of the November 9, 2021 public hearing related to the proposed amendments to the tree code.

b. MMC Subsection 19.1008.4 Type V Decision Authority

MMC 19.1008.4 establishes that the City Council is the review authority for Type V applications and may approve, approve with conditions, amend, deny, or take no action on a Type V application after a public hearing.

The City Council held a public hearing to consider this application on January 18, 2022 and February 1, 2022, and approved the proposed amendments as presented.

c. MMC Subsection 19.1008.5 Type V Recommendation and Decision

MMC 19.1008.5 establishes the procedures for review and a decision on Type V applications. The process includes an initial evidentiary hearing by the Planning Commission and a recommendation to the City Council, followed by a public hearing and decision by the City Council.

The Planning Commission held an initial evidentiary hearing on the tree code on November 9, 2021, and passed a motion recommending that the City Council approve the proposed amendments. The City Council held a duly advertised public hearing on January 18, 2022 and February 1, 2022, and approved the proposed amendments as presented.

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DRAFT MILWAUKIE RESIDENIAL TREE CODE – UNDERLINE/STRIKEOUT

CHAPTER 16.32 TREE CODE16.32.005 PURPOSE

The purpose of this chapter is to establish processes and standards that ensure the City maximizes the environmental, economic, health, community, and aesthetic benefits provided by its urban forest. It is the intent of this code to establish, maintain, and increase the quantity and quality of tree cover in residential zones and on land owned or maintained by the City and within rights-of-way, and to ensure our urban forest is healthy, abundant, and climate resilient.

This code is designed to:

1. Foster urban forest growth to achieve 40% canopy coverage by 2040.
2. Maintain trees in a healthy condition through best management practices.
3. Manage the urban forest for a diversity of tree ages and species.
4. Manage street trees appropriately to maximize benefits and minimize hazards and conflicts with infrastructure.
5. Ensure the preservation and planting of tree canopy with development and redevelopment of housing in residential zones.
6. Regulate the removal, replanting, and management of trees prior to and following development and redevelopment in residential zones.
7. Implement applicable urban forest goals, policies, objectives, and action items in the Comprehensive Plan, Climate Action Plan, and Urban Forest Management Plan.

16.32.010 DEFINITIONS

The following definitions ~~will shall~~ apply for terminology, used in this chapter. If a definition is not listed in this chapter, the definition in Title 19 will apply. Where definitions are not provided in this chapter or Title 19, their normal dictionary meaning will apply:

“Arbor Day/Week” means a day/week designated by the City to celebrate and acknowledge the importance of trees in the urban environment.

“Arboriculture” means the practice and study of the care of trees and other woody plants in the landscape.

“City” means the City of Milwaukee.

“City Engineer” means the city engineer of the City of Milwaukee or designee.

“City Manager” means the city manager or the city manager's authorized representative or designee.

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“Council of Tree and Landscape Appraisers (CTLA)” means the publishers of the Guide for Plant Appraisal.

“Crown” means area of the tree above the ground, measured in mass, ~~or~~ volume, or area and including the trunk and branches.

“Cutting” means the felling or removal of a tree, or any procedure that naturally results in the death or substantial destruction of a tree. Cutting does not include normal trimming or pruning but does include topping of trees.

“DBH” means the diameter at breast height.

“Dead tree” means a tree that is dead or has been damaged beyond repair or where not enough live tissue, green leaves, limbs, or branches exist to sustain life.

“Diameter at breast height” means the measurement of mature trees as measured at a height 4.5 feet above the mean ground level at the base of the tree. Trees existing on slopes are measured from the ground level on the lower side of the tree. If a tree splits into multiple trunks below 4.5 feet above ground level, the measurement is taken at its most narrow point below the split.

“Drip line” means the perimeter measured on the ground at the outermost crown by drawing an imaginary vertical line from the circumference of the crown, straight down to the ground below.

“Dying tree” means a tree that is diseased, infested by insects, deteriorating, or rotting, as determined by a professional certified in the appropriate field, and that cannot be saved by reasonable treatment or pruning, or a tree that must be removed to prevent the spread of infestation or disease to other trees.

“Hazardous tree” means a tree or tree part the condition or location of which presents a public safety hazard or an imminent danger of property damage as determined by an ISA Qualified Tree Risk Assessor, and such hazard or danger cannot reasonably be alleviated by treatment or pruning.

“Invasive species” means a tree, shrub, or other woody vegetation that is on the Oregon State Noxious Weed List or listed on the City of Milwaukie Invasive Tree List in the Public Works Standards.

“ISA” means the International Society of Arboriculture.

“ISA Best Management Practices” means the guidelines established by ISA for arboricultural practices for use by arborists, tree workers, and the people who employ their services.

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“Major tree pruning” means removal of over 20% of the live crown, or removal of or injury to over 15% of the root system during any 12-month period.

“Master Fee Schedule” is the schedule of City fees and charges adopted by City Council for the services provided by the City.

“Minor tree pruning” means the trimming or removal of less than 20% of any part of the branching structure of a tree in either the crown or trunk, or less than 10% of the root area during a 12-month period.

“NDA” means Neighborhood District Association.

“Noxious weed” means a terrestrial, aquatic, or marine plant designated by the State Weed Board under ORS 569.615.

“Owner” means any person who owns land, or a lessee, agent, employee, or other person acting on behalf of the owner with the owner's written consent.

“Park tree” means a tree, shrub, or other woody vegetation within a City park.

“Person” means any natural person, firm, partnership, association, social or fraternal organization, corporation, estate, trust, receiver, syndicate, branch of government, or any other group or combination acting as a unit ~~means any individual, firm, association, corporation, agency, or organization of any kind.~~

“Planning ~~Director~~ Manager” means the planning ~~director~~ manager of the City of Milwaukie or designee.

“Public agency” means any public agency or public utility as defined in ORS 757.005, or a drainage district organized under ORS Chapter 547.

“Public tree” means a tree, shrub, or other woody vegetation on land owned or maintained by the City, but does not include a tree, shrub, or other woody vegetation in the right-of-way.

“Public Works Director” means the public works director of the City of Milwaukie or designee.

“Right-of-way” ~~means the area between boundary lines of a public way~~ means an area that allows for the passage of people or goods. Right-of-way includes passageways such as freeways, pedestrian connections, alleys, and all streets. A right-of-way may be dedicated or deeded to the public for public use and under the control of a public agency, or it may be privately owned. A right-of-way that is not dedicated or deeded to the public is usually in a tract or easement.

“Shrub” means any plant with multiple woody stems that does not have a defined crown and does not grow taller than a height of 16 feet.

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“Street tree” means a tree, shrub, or other woody vegetation on land within the right-of-way. When any portion of the trunk of a tree crosses a public right-of-way line at ground level, it is considered a street tree.

“Street Tree List” is the list of tree and shrub species approved by the City for planting within the right-of-way.

“Topping” means a pruning technique that cuts branches and/or the main stem of a tree to reduce its height or width.

“Tree” means any living woody plant characterized by one main stem or trunk and many branches, or a multi-stemmed trunk system with a defined crown, that will obtain a height of at least 16 feet at maturity.

“Tree Board” means the city of Milwaukie Tree Board.

“Tree Canopy” means the aggregate or collective tree crowns.

“Tree Fund” means the Tree Fund as created by this chapter.

“Tree removal” means the cutting or removal of 50% or more of the crown, trunk, or root system of a plant, the uprooting or severing of the main trunk of the tree, or any act that causes, or may reasonably be expected to cause the tree to die as determined by an ISA Certified Arborist.

“Urban forest” means the trees that exist within the City.

“Urban Forester” means the Urban Forester of the City of Milwaukie, or designee.

“Urban Forest Management Plan” is the management plan adopted by City Council for the management of the City's urban forest.

“Utility” is a public utility, business, or organization that supplies energy, gas, heat, steam, water, communications, or other services through or associated with telephone lines, cable service, and other telecommunication technologies, sewage disposal and treatment, and other operations for public service.

16.32.014 ADMINISTRATION.

- A. The City Manager is authorized to administer and enforce the provisions of this chapter.
- B. The City Manager is authorized to adopt procedures and forms to implement the provisions of this chapter.

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- C. The City Manager may delegate as needed any authority granted by this chapter to the Public Works Director, the Urban Forester, the Planning ~~Director~~ Manager, the City Engineer, or such other designee as deemed appropriate by the City Manager.

16.32.015 CREATION AND ESTABLISHMENT OF THE TREE BOARD

A. Tree Board Composition

The Tree Board will consist of seven members, at least five of which must be residents of the City, one must be an ISA Certified Arborist, and all seven must be appointed by the Mayor with approval of the City Council.

B. Term of Office

The term of the seven persons appointed by the Mayor will be three years except that the term of two of the members appointed to the initial Tree Board will serve a term of only one year, and two members of the initial Tree Board will be for two years. In the event that a vacancy occurs during the term of any member, their successor will be appointed for the unexpired portion of the term. Tree Board members will be limited to serving three consecutive terms.

C. Compensation

Members of the Tree Board will serve without compensation.

D. Duties and Responsibilities

The Tree Board will serve in an advisory capacity to the City Council. Its responsibilities include the following:

1. Study, investigate, develop, update, and help administer a written plan for the care, preservation, pruning, planting, replanting, removal or disposition of the Urban Forest. The plan will be presented to the City Council for approval every five years and will constitute the official Urban Forestry Management Plan for the City;
2. Provide advice to City Council on policy and regulatory issues involving trees, including climate adaptation and mitigation efforts;
3. Provide outreach and education to the community on tree-related issues and concerns;
4. Organize and facilitate the City's tree planting events and other public events involving trees and Urban Forestry education;

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5. Assist City staff in preparing recommendations regarding the application, membership, and ongoing participation by the City in the Tree City USA Program;
6. Provide leadership in planning the City's Arbor Day/Week proclamation and celebration; and
7. Provide recommendations to City Council on the allocation of funds from the Tree Fund.

The Tree Board, when requested by the City Council, will consider, investigate, make findings, report, and make recommendations on any special matter or question coming within the scope of its work.

E. Operation

The Tree Board will choose its own officers, make its own rules and regulations, and keep minutes of its proceedings. A majority of the members will constitute a quorum necessary for the transaction of business.

16.32.016 CREATION OF A TREE FUND

A. Establishment

A City Tree Fund is hereby established for the collection of any funds used for the purpose and intent set forth by this chapter.

B. Funding Sources

The following funding sources may be allocated to the Tree Fund:

1. Tree permit revenue;
2. Payments received in lieu of required and/or supplemental plantings;
3. Civil penalties collected pursuant to this chapter;
4. Agreed-upon restoration payments or settlements in lieu of penalties;
5. Sale of trees or wood from City property;
6. Donations and grants for tree purposes;
7. Sale of seedlings by the City; and
8. Other monies allocated by City Council.

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C. Funding Purposes

The Tree Board will provide recommendations to the City Council during each budget cycle for how the fund will be allocated. The City will use the Tree Fund for the following purposes:

1. Expanding, maintaining, and preserving the urban forest within the City;
2. Planting and maintaining trees within the City;
3. Establishing a public tree nursery;
4. Supporting public education related to urban forestry;
5. Assessing urban forest canopy coverage; or
6. Any other purpose related to trees, woodland protection, and enhancement as determined by the City Council.

16.32.017 TREE PLANTING ON LAND OWNED OR MAINTAINED BY THE CITY AND WITHIN THE PUBLIC RIGHT-OF-WAY

A. Species

Any tree, shrub, or other woody vegetation to be planted on land owned or maintained by the City or within the public right-of-way must be a species listed on the Street Tree List unless otherwise approved by the Urban Forester.

B. Spacing, size and placement

The spacing, size, and placement of street trees, shrubs, and other woody vegetation must be in accordance with a permit issued by the City under this section. The City may approve special plantings designed or approved by a landscape architect, or for ecological restoration projects where trees are likely to be planted at a much higher density to mimic natural conditions in forest regeneration and account for expected mortality.

C. Permit

No person may plant a street tree without first obtaining a permit from the City. A permit application must be submitted in writing or electronically on a form provided by the City. This permit is at no cost.

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16.32.018 STREET AND PUBLIC TREE CARE

The City will have the right to plant, prune, maintain and remove trees, shrubs, and other woody vegetation on land owned or maintained by the City and within the right-of-way as may be necessary to ensure public safety or that poses a risk to sewers, electric power lines, gas lines, water lines, or other public improvements, or is infested with any injurious fungus, insect, or other pest as determined by the Urban Forester. Unless otherwise exempted in this chapter, the City must obtain a permit for any activities performed under this section.

16.32.019 TREE TOPPING

No person will top any street tree, park tree, or other tree on public property. Trees severely damaged by storms or other causes, or trees existing under utility wires or other obstructions where other pruning practices are impractical, may be exempted from this section at the determination of the Urban Forester.

16.32.020 PRUNING, CORNER CLEARANCE

Subject to enforcement under MMC_12.12.010, any tree, shrub, or other woody vegetation overhanging any street or right-of-way within the City must be maintained by the owner to ensure that no vegetation obstructs the right-of-way.

16.32.021 DEAD OR DISEASED TREE REMOVAL ON PRIVATE LAND

The City may require the removal of any tree, shrub, or other woody vegetation that is dead, diseased, or infested and that poses a significant risk to the public or the urban forest as determined by the Urban Forester. The City or its agents will notify the owners of such trees in writing.

Removal under this section must be completed within the time period specified in the written notice unless extended in writing by the Urban Forester. The owner must notify the City in writing when the required removal has been completed. If the owner does not remove the dead, diseased, or infested vegetation within the time period specified in the notice or extension granted in writing by the Urban Forester, the City will have the right to remove the dead, diseased, or infested vegetation and charge the cost of removal to the owner pursuant to MMC Chapter 8.04. In cases where the owner demonstrates extreme financial hardship, the City Manager may grant a cost waiver in accordance with MMC 16.32.038.

16.32.022 REMOVAL OF STUMPS

All stumps of street trees must be removed by the adjacent property owner below the surface of the ground so that the top of the stump does not project above the surface of the ground.

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16.32.023 INTERFERENCE WITH CITY

No person will prevent, delay, or interfere with the Urban Forester or designee while they are engaged in work activities including, but not limited to inspection of trees subject to the provisions of this chapter, planting, cultivating, mulching, pruning, spraying, or removing any street trees, park trees, or dead, diseased, or infested trees on private land, as authorized in this chapter.

16.32.024 ARBORISTS LICENSE

All businesses doing arboricultural work within the City must have a current business license with the City, and at least one staff member who is an ISA Certified Arborist. The Certified Arborist must be on site for the duration of any arboricultural work being performed and is responsible for certifying that all arboricultural work is performed in accordance with ISA Best Management Practices.

16.32.026 PERMIT FOR MAJOR PRUNING OR REMOVAL OF STREET TREES OR TREES ON LAND OWNED OR MAINTAINED BY THE CITY

A. Applicability

1. No person will perform major tree pruning or remove any tree in a public right-of-way or on public land, without first obtaining a permit issued by the City.
 - a. For public trees, only the City, a public agency charged with maintaining the property, or a utility may submit a permit application.
 - b. For street trees, the applicant must be the owner of the adjacent property, or be authorized in writing by the owner of the adjacent property, where the tree will be pruned or removed.
 - c. No person can remove a street tree without first obtaining a permit from the City. Permit approval may be conditioned upon either replacement of the street tree with a tree listed on the Street Tree List or a requirement to pay to the City a fee as provided in the master fee schedule.
2. For trees on land owned or maintained by the City, this chapter will ~~shall~~ be applied in conjunction with any applicable standards in Title 19 Zoning.

B. Permit Review Process

1. Application

A permit application must be submitted in writing or electronically on a form provided by the City and be accompanied by the correct fee as established in the Master Fee Schedule.

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2. Public Notice and Permit Meeting

Upon the filing of a permit application, the applicant must post notice of the major pruning or tree removal permit application on the property in a location that is clearly visible from the public right-of-way. The applicant must mark each tree, shrub, or other woody vegetation proposed for major pruning or removal by tying or attaching orange plastic tagging tape to the vegetation. The City will provide the applicant with at least one sign containing adequate notice for posting, tagging tape, and instructions for posting the notice. The notice must state the date of posting and that a major pruning or tree removal permit application has been filed for the vegetation marked by orange plastic tagging tape. The notice must state that any person may request a meeting with the City within 14 days from the date of posting to raise questions or concerns about the proposed pruning or tree removal prior to issuance of the permit.

If a meeting is requested, it must be held within 14 days of the request. The City will consider all concerns raised at the meeting but will have final decision-making authority over issuance of the permit based on the criteria and approval standards set forth in subsection C below.

3. Declaration

The applicant will file a declaration on a form provided by the City stating that notice has been posted and that the vegetation proposed for major pruning or removal has been marked.

Once a declaration is filed with the City, the City will provide notice of the application to the appropriate NDA.

4. Exemptions from Public Notice

The following trees, shrubs, or other woody vegetation may be removed without public notice subject to the City's review of the application:

- a. A tree, shrub, or other woody vegetation that is considered an unreasonable risk to the occupants of the property, the adjacent property, or the general public as determined by an ISA Certified Arborist in accordance with current ISA Tree Risk Assessment standards.
- b. A tree, shrub, or other woody vegetation that is an invasive species and that is less than 8 inches in diameter at breast height.
- c. A street tree or public tree that is less than 2 inches in diameter at breast height.

C. Review Criteria and Approval Standards

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The City may issue the permit, deny the permit, or may issue the permit subject to conditions of approval. The City's decision will be final and valid for a period of one year after issuance unless a different time period is specified in the permit. Nothing prevents an application from requesting an amendment to an unexpired permit if the conditions and circumstances have changed.

1. Review Criteria

The City will not permit the major pruning or removal of a healthy, functioning Street Tree or Public Tree without a demonstration by the applicant that extraordinary circumstances exist. Maintenance or the replacement of sidewalks or curbs, removal of tree litter, or other minor inconveniences do not constitute extraordinary circumstances. Decisions regarding major pruning or removal of healthy, functioning Street Trees or Public Trees are fact-specific and are made on a case-by-case basis by the Urban Forester. In determining whether extraordinary circumstances exist that warrant the major pruning or removal of a healthy tree, the Urban Forester will consider:

- a. Whether the species of tree is appropriate for its location,
- b. Whether the species of tree is an invasive species;
- c. Whether the crown, stem, or root growth has developed in a manner that would prevent continued healthy growth or is negatively impacting other trees;
- d. Whether maintenance of the tree creates an unreasonable burden for the property owner; and
- e. Whether the major pruning or removal will have a negative impact on the neighborhood streetscape and any adopted historic or other applicable design guidelines.

2. Approval Standards

A permit will be issued only if the following criteria are met as determined by the Urban Forester:

- a. The proposed major pruning or tree removal will be performed according to current ISA Best Management Practices and an ISA Certified Arborist will be on site for the duration of the tree work.
- b. The tree, shrub, or other woody vegetation proposed for major pruning or removal meets one or more of the following criteria:
 - (1) The tree, shrub, or other woody vegetation is dead or dying and cannot be saved as determined by an ISA Certified Arborist in accordance with ISA standards.

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- (2) The tree, shrub, or other woody vegetation is having an adverse effect on adjacent infrastructure that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices.
 - (3) The tree, shrub, or other woody vegetation has sustained physical damage that will cause the vegetation to die or enter an advanced state of decline. The City may require additional documentation from an ISA Certified Arborist to demonstrate that this criterion is met.
 - (4) The tree, shrub, or other woody vegetation poses an unreasonable risk to the occupants of the property, the adjacent property, or the general public, as determined by an ISA Certified Arborist in accordance with current ISA Tree Risk Assessment standards.
 - (5) Major pruning or removal of the tree, shrub, or other woody vegetation is necessary to accommodate improvements in the right-of-way or on City-owned land, and it is not practicable to modify the proposed improvements to avoid major pruning or removal.
 - (6) The tree, shrub, or other woody vegetation is on the Oregon State Noxious Weed List.
 - (7) The tree, shrub, or other woody vegetation is part of a stormwater management system and has grown too large to remain an effective part of the system.
- c. Any approval for the removal of a healthy tree, shrub, or other woody vegetation must require the applicant to pay a fee as established in the Master Fee Schedule.

D. Performance of Permitted Work

All work performed pursuant to a permit issued by the Urban Forester must be completed within the time period specified in the permit unless a different time period is authorized in writing by the Urban Forester.

E. Replanting

The City will require replanting as a condition of permit approval for the major pruning or removal of a street tree or public tree.

- 1. The replanted tree must be a species included on the Street Tree List unless otherwise approved by the Urban Forester.
- 2. The City will consider alternative planting locations for street trees when replanting at the location of removal conflicts with surrounding infrastructure and the interference would impair the replanted tree.

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- a. For street trees, replanted trees must be planted within the right-of-way fronting the property for which the permit was issued or, subject to the approval of the Urban Forester and with permission in writing from the adjacent property owner, within the right-of-way fronting the adjacent property.
 - b. In lieu of replanting and subject to approval of the Urban Forester, the City can require the owner to pay a fee as established in the Master Fee Schedule.
 - c. For public trees, replanted trees must be planted on the land from which the tree was removed unless a different location is approved by the Urban Forester.
3. The optimal time of year for planting is from September through November. If planting is necessary in other months, the City may condition permit approval to require extra measures to ensure survival of the newly planted tree.

16.32.028 PROGRAMMATIC PERMITS

Programmatic permits may be issued by the Urban Forester for routine public facility or utility operation, planned repair and replacement, and on-going maintenance programs on public properties and rights-of-way. The purpose of a programmatic permit is to eliminate the need for individual permits for tree removal, pruning, or for ongoing activities that cover a wide geographic area and may include the pruning or removal of numerous public and street trees. Programmatic permits are evaluated to prevent cumulative adverse impacts to the urban forest and ensure that any permitted activities meet the goals and objectives of the Urban Forest Management Plan.

A. Application Requirements

Applications for programmatic permits must be submitted in writing or electronically on forms provided by the City and be accompanied by the correct fee.

B. Applicability

Programmatic permits may only be issued to a public agency or a utility as defined in this chapter.

C. Completeness

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1. If the Urban Forester determines an application is incomplete, the Urban Forester will provide written notice to the applicant that describes the additional information needed.
2. The applicant must submit the additional information within 30 days from the date of the notice unless extended in writing by the Urban Forester.
3. If the applicant does not furnish the additional information within 30 days from the date of the notice or any extension granted in writing by the Urban Forester, the application will be denied.

D. Notice of Complete Application

When the Urban Forester determines that the application is complete, the Urban Forester must provide written notice that the application is complete to the applicant and the Tree Board. The notice must provide instructions for how to obtain additional information about the application, comment on the application, and request notification of the Urban Forester's decision.

E. Review Criteria

The Urban Forester may approve a programmatic permit upon a determination that the following criteria are satisfied or will be satisfied with conditions:

1. The proposed activity will result in a net gain to the urban forest functions and benefits described in the purpose statement in MMC 16.32.005 considering the applicant's proposed performance measures, proposed tree planting, and other activities proposed to improve the overall health of the urban forest.
2. The applicant's proposed outreach and notification program provides adequate notice to residents, businesses, and the City prior to performing work authorized under the programmatic permit.

F. Decision

The Urban Forester must issue the permit, deny the permit, or may issue the permit subject to conditions of approval within 120 days of determining the application is complete. The Urban Forester's decision will be final and, if approved, the permit will be valid for a period of up to two years. Nothing prevents an applicant from requesting an amendment to an unexpired permit if the conditions and circumstances have changed. The Urban Forester's decision will be based on an evaluation of the application against the applicable review criteria in MMC 16.32.028 F.

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G. Permit

Approved permits must include the following required information. The Urban Forester may modify the permit at any time to respond to any questions, changes in regulations, or previously unforeseen issues, provided the applicant is notified in writing.

1. Duration. The Urban Forester may approve a programmatic permit for a period of up to 2 years;
2. Geographic area covered by the permit;
3. Permitted activities and any restrictions on the method, number, type, location, or timing of activities;
4. Procedures and thresholds for providing notice to residents, businesses, and the City impacted by the performance of work under the permit;
5. Monitoring, performance tracking, and reporting requirements. The Urban Forester may prescribe rules or procedures that specify the manner in which such tracking and reporting occur; and
6. Traffic control requirements.
7. Annual Report

On the anniversary of permit issuance, the applicant must submit an annual report on a form supplied by the City detailing any work performed under the permit and any work scheduled to be performed.

8. Tree Size Limits
 - a. The programmatic permit will not allow the removal of trees 6 or more inches in diameter, except as provided in this section.
 - b. If an applicant requests removal of a healthy tree 6 or more inches in diameter at time of application or during the period in which the programmatic permit is in effect, an opportunity for public comment will shall be provided in accordance with MMC 16.32.026 B.2
 - c. For any request, the Urban Forester may further limit allowed tree removal in order to meet the review criteria in MMC 16.32.028F.

9. Tree Work

All work performed under a programmatic permit must be performed in accordance with ISA arboricultural practices.

H. Revocation

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1. The Urban Forester may revoke a programmatic permit upon a determination that the applicant is not adhering to the terms of the permit or is acting beyond the activities authorized by permit.

16.32.030 PERMIT AND FEE EXEMPTIONS ON LAND OWNED OR MAINTAINED BY THE CITY AND WITHIN THE PUBLIC RIGHT-OF-WAY

A. Hazardous Tree

If a tree on public properties and rights-of-way is determined to be a hazardous tree by the Urban Forester, the City may issue an emergency removal permit. The removal must ~~shall~~ be in accordance with ISA best management practices, and be undertaken with the minimum necessary disturbance to eliminate the imminent danger.

B. Maintenance

A permit for trees on public properties and rights-of-way is not required for regular maintenance or minor tree pruning that does not require removal of over 20% of the crown, tree topping, or disturbance of more than 10% of the root system during any 12-month period.

C. Public Infrastructure Improvements

Any tree on land owned or maintained by the City and requires removal or pruning to accommodate a city public infrastructure improvement project will require a permit and must meet replanting requirements imposed by this chapter. If it is demonstrated that tree planting, establishment, and tree care-related project costs exceed the tree removal fee costs, the permit will not be subject to a removal fee.

D. Private Utility Services and Dwelling Units

If the Urban Forester determines that a tree, shrub, or other woody vegetation proposed for removal on public properties and rights-of-way has an adverse effect on adjacent private utility services or threatens the structural integrity of a dwelling unit that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices, the permit will not be subject to a removal fee.

16.32.038 LOW INCOME ASSISTANCE

To the extent that City funds are available, the City Manager may grant a property owner an exemption or a reduction in permit fees, removal fees, replanting fees and/or may provide assistance in removing a dead or diseased tree within ~~in~~ the right of way and residential zones. Eligibility and extent of assistance will be based on a

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percentage of the property owner's median household income for the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area. A schedule of different fee reduction and exemption will be determined by the City Manager.

16.32.040 PENALTY

A person who removes a street tree or public tree without first obtaining the necessary permit from the City, removes a tree in violation of an approved permit, or violates a condition of an approved permit must pay a fine in an amount established in the Master Fee Schedule. Any fine imposed under this section must not be less than the cost of the permit and the associated removal fee for which a permit should have been obtained.

16.32.042 TREE PRESERVATION AND PLANTING IN RESIDENTIAL ZONES

A. Applicability

The tree preservation and planting standards in this subsection apply to the following types of development in residential zones:

1. Land Divisions.
2. Construction of New Residential Dwelling Unit.

B. Clear and Objective Tree Preservation Standards

Trees are required to be preserved except when their removal is required for construction, demolition, grading, utilities, and other development impacts. Not more than 25 percent of onsite tree canopy maybe removed below the overall 40 percent site canopy coverage standard unless mitigation is provided according to MMC 16.32.042.D. Tree species on the Oregon Noxious Weed List or Milwaukie Invasive Tree List are not to be included in the total canopy coverage calculations. Affordable housing developments that meet the exemption standards in MMC 3.60.050 (A)1 and 2 may remove up to 50% of the existing canopy below the 40 % site canopy coverage standard without mitigation. See Table 16.32.042 B1. Public right-of-way is not considered part of the development site for the purposes of these calculations.

Table 16.32.042 B1

<u>Development Type</u>	<u>Standard</u>	<u>Allowable Reduction not requiring Mitigation</u>	<u>Remaining Site Canopy Coverage</u>
<u>Residential Developments</u>	<u>40% Site Canopy Coverage</u>	<u>25% below 40%</u>	<u>30%</u>

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<u>Eligible Affordable Housing Developments</u>	<u>40% Site Canopy Coverage</u>	<u>50% below 40%</u>	<u>20%</u>
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Trees listed on the City of Milwaukie Rare or Threatened Tree List must be prioritized for preservation and will incur an additional fee if removed as listed on the Master Fee Schedule. When the trunk of a tree crosses a property line at ground level it is considered an onsite tree for the purposes of these tree preservation standards.

C. Clear and Objective Tree Canopy Standards

In addition to the preservation of onsite trees, at least 40 percent tree canopy is required for a development site unless mitigation is provided according to MMC 16.32.042.D. Public right-of-way is not considered part of the development site for the purposes of these calculations. Tree species on the Oregon Noxious Weed List or Milwaukie Invasive Tree List are not to be included in the total canopy coverage calculations. The following is eligible for credit towards tree canopy requirements when planted or preserved in accordance with City of Milwaukie standards:

1. Seventy-five percent (75%) of the mature crown area of planted onsite trees from the City of Milwaukie Street Tree List or as otherwise approved by the Urban Forester.
2. Fifty percent (50%) of the mature crown area of planted street trees in the public right-of-way directly abutting the development site.
3. One hundred percent (100%) of the existing canopy or mature crown area of onsite trees that are preserved, whichever is greater. In cases where a portion of the crown area of onsite trees extends offsite, the entire crown area is eligible for credit towards the tree canopy requirements. In cases where a portion of the crown area of offsite trees extends onsite, the crown area is not eligible for credit towards the tree canopy requirements.
4. Fifty percent (50%) of the existing crown area of street trees that are preserved in the public right-of-way directly abutting the development site.

When the trunk of a tree crosses a property line at ground level it is considered an onsite tree except when the trunk crosses a public right-of-way line at ground level, it is considered a street tree for the purposes of these tree canopy standards.

D. Mitigation Standards

If the Tree Preservation and/or Tree Canopy Standards are not met, mitigation fees must be provided to the Tree Fund as follows:

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1. The tree preservation fee in the Master Fee Schedule based on the percentage of canopy that if preserved would meet the minimum tree canopy preservation standard as shown in Table 16.32.042 B1.

2. The per-square foot tree canopy fee in the Master Fee Schedule based on the square footage of tree canopy that would be required to meet the 40 percent tree canopy standard.

E. Variance Procedure.

1. Intent

To provide a discretionary option for variances to the tree preservation and/or tree canopy standards in MMC 16.32.042 to allow projects that provide significant environmental benefit.

2. Applicability

The Type III tree preservation and tree canopy variance is an option for proposed developments that chooses not to, or cannot, meet the tree preservation and/or tree canopy standards specified in MMC 16.32.042

3. Review Process

An applicant may apply for a variance to the tree preservation and/or tree canopy standards. The tree preservation and tree canopy variance shall be subject to Type III review and approval by the Planning Commission, in accordance with Section 19.1006.

4. Approval Criteria

The approval authority may approve, approve with conditions, or deny the tree preservation and/or tree canopy variance based on the following approval criteria. The applicant is required to demonstrate that equivalent or greater environmental benefits are provided as preserving or planting the required tree canopy. Examples of activities that may justify a variance include but are not limited to:

- a. Use of techniques that minimize hydrological impacts beyond regulatory requirements (examples include porous pavement, green roofs, infiltration planters/rain gardens, flow through planters, LIDA (low impact development approach) swales, vegetated filter strips, vegetated swales, extended dry basins, and constructed water quality wetlands).
- b. Use of techniques that minimize reliance on fossil fuels and production of greenhouse gases beyond regulatory requirements through the use of energy efficient building technologies, on-site energy production technologies, and green buildings standards (MMC 19.510).

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- c. Use of techniques that preserve and enhance wildlife habitat beyond regulatory requirements, including, but not limited to, the use of native plant species in landscape design, removal of invasive plant species, and restoration of native habitat and preservation of habitat through the use of conservation easements or other protective instruments.
- d. Use of techniques that preserve open space for sustainable urban agriculture through the use of conservation easements or other protective instruments at sites that are not compatible with tree canopy preservation or planting.

F. Tree Protection Standards

Trees to be retained must be protected from development impacts according to the standards in this subsection to be eligible for tree preservation and tree canopy credit. A tree protection plan prepared by an ISA certified arborist that demonstrates adequate protection of the trees to be preserved as determined by the Urban Forester is required. Tree protection methods and specifications must be consistent with ISA best management practices using either the following prescriptive path or performance path tree protection methods:

1. Prescriptive Path for Tree Protection.

a. Establish a root protection zone:

(1) For onsite trees and offsite trees with root protection zones that extend into the site - a minimum of 1-foot radius (measured horizontally away from the center of the tree trunk) for each inch of trunk diameter at breast height. Root protection zones for offsite trees may be estimated.

(2) For street trees – the Urban Forester may prescribe greater or lesser protection than required for onsite and offsite trees.

(3) Existing encroachments into the root protection zone, including structures, paved surfaces and utilities, may remain. New encroachments into the root protection zone are allowed provided:

(a) the area of all new encroachments is less than 25 percent (25%) of the remaining root protection zone area when existing encroachments are subtracted; and

(b) no new encroachment is closer than 1/2 the required radius distance (see Figure 16.32.042.F)

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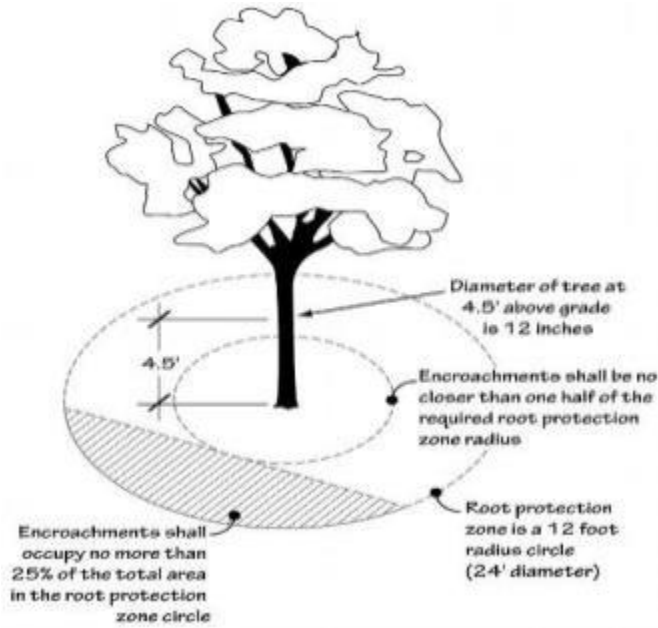


Figure 16.32.042.F – Example of Permissible RPZ Encroachments

b. Protection fencing:

(1) Protection fencing consisting of a minimum 4-foot high metal chain link or no-climb horse fence, secured with 6-foot metal posts must be established at the edge of the root protection zone and permissible encroachment area on the development site. Existing structures and/or existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

(2) When a root protection zone extends beyond the development site, protection fencing is not required to extend beyond the development site. Existing structures and/or existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

c. Signage designating the protection zone and penalties for violations must be secured in a prominent location on each protection fence.

d. Installation of landscaping is not an encroachment. Any in-ground irrigation systems are considered encroachments.

e. The following is prohibited within the root protection zone of each tree: ground disturbance or construction activity including vehicle or

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equipment access (but excluding access on existing streets or driveways), storage of equipment or materials including soil, temporary or permanent stockpiling, proposed buildings, impervious surfaces, underground utilities, excavation or fill, trenching or other work activities.

f. The fence is required to be installed before any ground disturbing activities or construction begins, including clearing and grading, and will remain in place until final inspection.

2. Performance Path for Tree Protection.

When the prescriptive path cannot be met for onsite trees as determined by the Urban Forester, the applicant may propose alternative measures to modify the prescriptive root protection zone, provided the following standards are met:

a. The alternative root protection zone plan is prepared by an ISA certified arborist who has examined the specific tree's size, location, and extent of root cover, evaluated the tree's tolerance to construction impacts based on its species and health, and identified any past impacts that have occurred within the root zone.

b. The arborist has prepared a plan providing the rationale used to demonstrate that the alternate method provides an adequate level of protection based on the findings from the site visit.

c. The protection zone is marked with signage, stating that penalties will apply for violations, and providing contact information for the arborist.

d. If the alternative tree protection method involves alternative construction techniques, an explanation of the techniques and materials used must be provided by the arborist.

e. Variances for the Tree Protection standard for offsite trees are prohibited.

G. Soil Volume Standards

Trees to be planted must be provided access to at least 1,000 cubic feet of soil volume according to the standards in this subsection to be eligible for tree canopy credit. A soil volume plan by an ISA certified arborist is required that demonstrates 1,000 cubic feet of soil volume is available per tree as determined by the Urban Forester or designee. Soil volume methods and specifications must be consistent with ISA best management practices using either the prescriptive path or performance path soil volume methods. The project arborist must verify with the Urban Forester in writing that the soil volume plan has been successfully implemented prior to tree planting.

1. Prescriptive Path for Soil Volume.

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- a. If the existing soils at the site and abutting sites are determined by the project arborist or Urban Forester to be adequate to support healthy tree growth to maturity based on factors including but not limited to compaction levels, drainage, fertility, pH, and potential contaminants, the existing soils may be used to meet the soil volume requirements.
- b. The assumed soil depth will be 3 feet unless otherwise determined by the project arborist or Urban Forester.
- c. A soil volume area of at least 333 square feet must be accessible to each tree when the assumed soil volume depth is 3 feet.
- d. The soil volume areas must be contiguous and within a 50-foot radius of the tree to be planted. Contiguous soil volumes must be at least 3 feet wide for the entire area.
- e. Trees may share the same soil volume area provided that all spacing requirements are met.
- f. Soil volume areas must be protected from construction impacts through any combination of the following methods:

(1) Protection fencing:

(a) Fencing consisting of a minimum 4-foot high metal chain link or no-climb horse fence, secured with 6-foot metal posts established at the edge of the soil volume area on the development site. Existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

(b) When a soil volume area extends beyond the development site, protection fencing is not required to extend beyond the development site. Existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

(c) Signage designating the protection zone and penalties for violations must be secured in a prominent location on each protection fence.

(2) Compaction prevention options for encroachment into soil volume areas:

(a) Steel plates placed over the soil volume area.

(b) A 12-inch layer of coarse wood chips over geotextile fabric continuously maintained over the soil volume area.

(c) A 6-inch layer of crushed gravel over geotextile fabric continuously maintained over the soil volume area.

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g. Soil contaminants are prohibited from the soil volume areas.

2. Performance Path for Soil Volume.

a. If the existing soils at the site and abutting sites are determined by the Urban Forester to be inadequate to support healthy tree growth to maturity based on factors such as compaction levels, drainage, fertility, pH, and potential contamination prior to or resulting from development, a performance path soil volume plan is required.

b. Soils in areas of construction access that do not receive compaction prevention treatment and soils in areas of grading, paving, and construction are considered inadequate for tree growth unless a performance path soil volume plan is provided.

c. The performance path soil volume plan is required to demonstrate the methods that will be used to provide at least 1,000 cubic feet of soil volume with the capacity to support healthy growth to maturity per tree to be planted.

d. The soil volume areas must be contiguous and within a 50-foot radius of the tree to be planted. Contiguous soil volumes must be at least 3 feet wide for the entire area.

e. Trees may share the same soil volume area provided that all spacing requirements are met.

f. The following items may be addressed in performance path soil volume plans but are dependent on specific site conditions and should be verified on a project basis in coordination with other professionals such as civil and geotechnical engineers, landscape architects, and soil scientists as needed:

(1) Compaction Reduction

- (a) tilling
- (b) backhoe turning
- (c) subsoiling

(2) Soil Amendments

- (a) organic amendments
- (b) mineral amendments
- (c) biological amendments
- (d) chemical amendments

(3) Topsoil Replacement (when soil contamination or soil removal occurs)

(4) Soil Under Pavement

- (a) structural soil cells
- (b) structural tree soils

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- (c) soil vaults
- (d) soils under suspended pavement

H. Submittal Requirements

An ISA certified arborist that is also tree risk assessment qualified (TRAQ) must demonstrate compliance with the applicable provisions of MMC 16.32.042.B through G. Other professionals such as engineers, landscape architects, soil scientists, and surveyors may assist the project arborist as needed in preparing the required information, but the arborist must organize, review, and approve the final product. The minimum submittal requirements include an inventory of existing trees, tree preservation plan, tree canopy plan, and arborist report with the following elements:

1. Tree Inventory Requirements

- a. Survey the locations of all trees at least 6-inch DBH, and trees less than 6-inch DBH as specified on the City of Milwaukie rare or threatened tree list. Trees that must be surveyed include those that are onsite, within abutting public rights-of-way, and on abutting sites with root protection zones that extend into the site. The locations and information for trees on abutting sites may be estimated.
- b. Number each tree for identification at the site and on the plans.
- c. Identify the common name and scientific name of each tree.
- d. Measure the DBH of each tree in inches according to accepted ISA standards.
- e. Measure the approximate average crown radius of each tree in feet.
- f. Provide the crown area of each tree using the formula: $(\text{crown radius})^2 \times \pi$.
- g. Assess the health condition of each tree using the following categories:
 - (1) Good (no significant health issues)
 - (2) Fair (moderate health issues but likely viable for the foreseeable future)
 - (3) Poor (significant health issues and likely in decline)
 - (4) Very Poor or Dead (in severe decline or dead)
- h. Identify whether the tree is on the Milwaukie Rare or Threatened Tree List.
- i. Identify whether the tree is proposed for removal or retained.
- j. Organize the tree inventory information in a table or other format approved in writing by the Urban Forester.

2. Tree Preservation Plan Requirements

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- a. Provide a site plan drawn to scale.
- b. Include the existing tree locations and corresponding tree numbers from the tree inventory.
- c. Identify rare or threatened trees as described in the City of Milwaukie rare or threatened tree list.
- d. Identify the following site disturbances:
 - (1) Demolition
 - (2) Tree removal
 - (3) Staging, storage, and construction access
 - (4) Grading and filling
 - (5) Paving
 - (6) Construction of structures, foundations, and walls
 - (7) Utility construction
 - (8) Trenching and boring
 - (9) Excavation
 - (10) Any other demolition or construction activities that could result in ground disturbances and/or tree damage
- e. Locate tree and soil protection fencing to scale.
- f. Locate soil compaction prevention methods to scale.
- g. Identify performance path tree protection and soil volume areas.
- h. Include tree and soil volume protection specifications from the arborist report on the plans including a detail and description of tree and soil volume protection fencing and signage.
- i. The elements of the tree preservation plan may be included on multiple plan sheets for clarity.
- j. The final approved set of construction drawings must include the tree preservation plan to ensure contractors, inspectors, and other professionals have access to the information.

3. Tree Canopy Plan

- a. Provide a site plan drawn to scale.
- b. Include the existing trees to be retained and their crown areas to scale.
- c. Include the trees to be planted and their mature crown areas to scale based on the City of Milwaukie tree canopy list.
- d. Identify the soil volume areas for each tree to be planted to scale.
- e. For performance path soil volume areas, identify the methods and specifications as applicable for:

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- (1) Compaction Reduction;
- (2) Soil Amendments;
- (3) Topsoil Replacement; and/or
- (4) Soil Under Pavement

f. Include a diagram depicting the tree planting that is consistent with ISA best management practices.

g. The minimum size of planted trees is 1.5-inch caliper for broadleaf trees and 5-foot tall for conifers unless otherwise approved by the Urban Forester. Nursery stock must be in good health with the size and quality consistent with ISA best management practices and ANSI Z60.1 standards.

h. The minimum spacing and setback requirements in Table 16.32.042.H must be met based on the mature size class of the tree from the City of Milwaukie tree canopy list unless otherwise approved by the Urban Forester:

Table 16.32.042.H

<u>Spacing/Setback</u>	<u>Small Stature</u>	<u>Medium Stature</u>	<u>Large Stature</u>
<u>between existing and new trees</u>	<u>15 feet</u>	<u>25 feet</u>	<u>35 feet</u>
<u>from habitable buildings</u>	<u>10 feet</u>	<u>15 feet</u>	<u>20 feet</u>
<u>from pavement</u>	<u>2 feet</u>	<u>3 feet</u>	<u>4 feet</u>

i. Root barriers must be installed according to the manufacturer's specifications when a tree is planted within 5 feet of pavement or an underground utility box unless otherwise approved by the Urban Forester.

j. Where there are overhead high voltage utility lines, the tree species selected must be of a type that, at full maturity, will not require pruning to avoid interference with the lines.

k. Where there is existing mature tree canopy or other areas with significant shade, the species selected must be capable of growing as an understory tree according to available scientific literature. However, understory trees can only be planted when the planting of non-understory trees is precluded due to site constraints.

l. The elements of the tree canopy plan may be included on multiple plan sheets for clarity.

m. The final approved set of construction drawings must include the tree canopy plan to ensure contractors, inspectors, and other professionals have access to the information.

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4. Arborist Report

- a. Provide a written narrative that summarizes the information from the tree inventory, tree preservation plan, and tree canopy plan.
- b. Provide findings and calculations that demonstrate whether the tree preservation standards in MMC 16.32.042.B have been met.
- c. Provide findings and calculations that demonstrate whether the tree canopy standards in MMC 16.32.042.C have been met.
- d. If the tree preservation and/or tree canopy standards have not been met, provide calculations for the applicable tree mitigation fees as required by MMC 16.32.042.D.
- e. If the applicant is seeking a variance to the tree preservation and/or tree canopy standards in place of providing mitigation fees, provide findings that demonstrate the proposal provides equivalent or greater environmental benefits as preserving or planting the required tree canopy consistent as required by MMC 16.32.042.E.
- f. Provide findings that demonstrate compliance with the tree protection standards in MMC 16.32.042.F.
- g. Provide findings that demonstrate compliance with the soil volume standards in MMC 16.32.042.G.

I. Non-Development Tree Permit Requirements

- 1. Applicability: A permit is required prior to the removal of the following trees in residential zones on property that is outside the right-of-way and not owned or maintained by the City:
 - a. Trees that are at least 6-inch DBH.
 - b. Trees that are less than 6-inch DBH as specified on the City of Milwaukee threatened tree list.
 - c. Trees that were planted to meet any requirements in MMC 16.32.042.

Permits are not required in residential zones when tree removal is approved with development listed in MMC 16.32.042.A. Permits are also not required in residential zones for the removal of trees that are grown for commercial agricultural or horticultural purposes including fruit trees, nut trees, or holiday trees.

- 2. Type 1 Tree Removal Permit: The following approval standards will be applied to type 1 tree removal permits by the Urban Forester:

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a. Approval Standards: A type 1 permit will be issued only if the following criteria are met as determined by the Urban Forester:

(1) The proposed tree removal will be performed according to current ISA Best Management Practices.

(2) The tree proposed for removal meets one or more of the following criteria:

(a) The tree is dead or dying and cannot be saved as determined by an ISA Certified Arborist in accordance with ISA standards.

(b) The tree is having an adverse effect on adjacent infrastructure or buildings that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices.

(c) The tree has sustained physical damage that will cause it to die or enter an advanced state of decline. The City may require additional documentation from an ISA Certified Arborist to demonstrate that this criterion is met.

(d) The tree poses an unreasonable risk to the occupants of the property, the adjacent property, or the general public, as determined by an ISA Certified Arborist in accordance with current ISA tree risk assessment standards.

(e) The tree is on the Oregon State Noxious Weed List or the Milwaukie Invasive Tree List.

(f) The tree is part of a stormwater management system and has grown too large to remain an effective part of the system.

(g) The tree location conflicts with areas of public street widening, construction or extension as shown in the Transportation System Plan and there is no practicable alternative to removing the tree.

(h) Tree removal is required for the purposes of a building or land use permit, utility or infrastructure installation or utility or infrastructure repair and there is no practicable alternative to removing the tree.

(i) The tree is recommended for removal by a designated fire marshal for Clackamas County because it presents a significant fire risk to habitable structures or limits emergency access for rescue workers, and the risk or access issue

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cannot be abated through pruning or other means that results in tree retention.

(j) An ISA certified arborist determines that thinning of interior trees within a stand of trees is necessary for overall stand health, the thinning will result in no less than 80 percent canopy cover at maturity for the area to be thinned, and that thinning of non-native trees is maximized prior to thinning of native trees.

(k) Healthy trees. One (1) healthy tree may be removed per site per calendar year if the tree meets the following:

i. The tree is less than 12 inches in diameter;

ii. None of the trees are required to be preserved by a condition of a land use review, a provision of this chapter or Title 19, or as part of a required stormwater facility;

(3) Unless removed for thinning purposes (MMC 16.32.042.1.2.a.i) the Urban Forester will condition the removal of each tree upon the planting of a replacement tree as follows:

(a) The minimum size of replacement trees is 1.5-inch caliper for broadleaf trees and 5-foot tall for conifers unless otherwise approved by the Urban Forester. Nursery stock must be in good health with the size and quality consistent with ISA best management practices and ANSI Z60.1 standards.

(b) Replacement trees must be planted in a manner consistent with ISA best management practices. (c) The replacement tree must substantively replace the function and values of the tree that was removed wherever practicable. For example, a long-lived evergreen native tree that abuts a Natural Resources Overlay Zone must be replaced with a long-lived evergreen native tree that abuts a Natural Resources Overlay Zone.

(d) If planting a replacement tree is not practicable, the Urban Forester may allow a tree replacement fee in lieu according to the Master Fee Schedule based on the cost of planting and maintaining a replacement tree for three years.

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3. Type 2 Tree Removal Permit: A type 2 tree removal permit may be approved by the Urban Forester if the type 1 tree removal approval standards cannot be met. The type 2 process is more discretionary than the type 1 process and may consider a range of options for approving, approving with conditions, or denying a tree removal permit application.

a. Review criteria: The City encourages retention of healthy private trees where practical alternatives to removal exist, and where those alternatives meet the owner's objectives for reasonable use and enjoyment of the property. Factors are considered to ensure that significant adverse impacts are avoided or mitigated, weighing the broader economic, ecological, and community concerns. These decisions are fact-specific and are made on a case-by-case basis. The City will not issue a type 2 permit for the removal of a healthy, functioning tree without a demonstration by the applicant that extraordinary circumstances exist. Maintenance or the replacement of pavement, removal of tree litter, or other minor inconveniences do not constitute extraordinary circumstances. Decisions regarding removal of healthy, functioning trees are fact-specific and are made on a case-by-case basis by the Urban Forester. In determining whether extraordinary circumstances exist that warrant the major pruning or removal of a healthy tree, the Urban Forester will consider:

(1) Whether the species of tree is appropriate for its location;

(2) Whether the species of tree is an invasive species;

(3) Whether the crown, stem, or root growth has developed in a manner that would prevent continued healthy growth or is negatively impacting other trees;

(4) Whether maintenance of the tree creates an unreasonable burden for the property owner; and

(5) Whether the removal will significantly affect public safety or neighborhood character based on the following:

(a) The age, size, form, general condition, pruning history and any unique qualities or attributes of the trees;

(b) The cumulative impacts of current and prior tree removals in the area; and

(c) When the tree is associated with a grove, whether removal of the tree will have a significant adverse impact on the viability of other trees or make other trees considerably more vulnerable to windthrow.

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b. Approval Standards: The Urban Forester will at a minimum condition the removal of tree based on MMC 16.32.042 I.2.a.(3) and the Urban Forester may require up to an equivalent number of inches be planted for the total diameter inches of the tree being removed if the tree is greater than 18" DBH.

4. Applications: An application for a tree removal permit must be made upon forms prescribed by the City and contain the following:

- a. Photograph(s) that clearly identify the tree(s) proposed for removal.
- b. The number, DBH, species, and location of the trees proposed to be cut on a site plan of the property drawn to scale.
- c. Information as to whether the tree is within a Habitat Conservation Area overlay district or is part of an approved landscape or mitigation plan.
- d. Any additional information required by the City.
- e. An application for a tree cutting permit must be accompanied by the correct fee as established in the Master Fee Schedule.

5. Application Procedures Type 1 Tree Removal Permit: Type 1 permits are technical determinations regarding the facts of a particular request, and applications of city standards to ensure that work is performed in accordance with best management practices to protect trees, the public, or public infrastructure, and to ensure appropriate tree replacement. Type 1 permits are reviewed administratively by the Urban Forester without public notice, and the decision may be appealed to the City Manager by the applicant.

a. Application Procedures Type 1 Tree Removal Permit.

(1) Applications for a Type 1 Tree Removal Permit must meet the requirements of Section MMC 16.32.042. I.4.

(2) Additional information required.

(a) If the Urban Forester requires additional information to review an application, the Urban Forester will send a notice to the applicant requesting the additional information.

(b) The applicant will have a maximum of 30 days from the date of the Urban Forester's notice to submit the additional information.

(c) If the additional information is not received by the Urban Forester within 30 days from the date of the Urban Forester's notice, the application will be voided on the 31st day. The City will not refund the filing fee.

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b. Decision by the Urban Forester.

(1) The Urban Forester's decision will be based on an evaluation of the facts and applicable standards and review criteria in MMC 16.32.042 I.2.a.

(2) The Urban Forester may issue the permit, deny the permit, or may apply conditions of approval to the permit to ensure the request complies with the applicable review criteria and standards.

(3) Any work done under a permit must be performed in strict accordance with the terms and provisions of this chapter and conditions of approval of the permit.

(4) The Urban Forester must notify the applicant of the decision in writing.

(5) If no appeal is filed as specified in subsection 7, the decision of the Urban Forester is final.

6. Application Procedures Type 2 Tree Removal Permit: Type 2 Tree Removal permits involve the consideration of relevant technical and qualitative factors to prevent risks to public health and safety and to ensure that the impacts of tree removal are mitigated and may require public notice as set forth below. Type 2 permits are reviewed administratively by the Urban Forester, and the decision may be appealed to the City Manager by the applicant.

a. Application.

(1) Generally. Applications for a Type 2 Tree Removal Permit must meet the requirements of Section 16,32.042. I.4.

(2) Additional information required:

(a) If the Urban Forester requires additional information to review an application, the Urban Forester will send a notice to the applicant requesting the additional information.

(b) The applicant will have a maximum of 30 days from the date of the Urban Forester's notice to submit the additional information.

(c) If the additional information is not received by the Urban Forester within 30 days from the date of the Urban Forester's notice, the application will be voided on the 31st day. The City will not refund the filing fee.

(d) Public notice is required if the tree is healthy and larger than 12 inches in diameter.

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b. Decision by the Urban Forester.

(1) The Urban Forester's decision must be based on an evaluation of the facts and applicable standards and review factors in MMC 16.32.042 I.3.

(2) The Urban Forester may issue the permit, deny the permit, or may apply conditions of approval to the permit to ensure the request complies with the applicable review factors and standards.

(3) Any work done under a permit must be performed in strict accordance with the terms and provisions of this chapter and conditions of approval of the permit.

(4) The Urban Forester must notify the applicant of the decision in writing.

(5). If no appeal is filed as specified in subsection 7. below, the decision of the Urban Forester is final.

c. Appeal. The applicant may appeal the Urban Forester's decision. Appeals must be:

(1) Filed with the Urban Forester on forms prescribed by the City;

(2) Filed within 14 days from the date of the Urban Forester's decision; and

(3) Specifically identify how the Urban Forester erred in applying the standards or review criteria.

(4) Appeals are heard by the City Manager.

(5) The City Manager will consider the application against the applicable standards or review criteria, taking into consideration information provided by the applicant and City staff.

(5) The City Manager may affirm or reverse the Urban Forester's decision or remand the decision to the Urban Forester to determine appropriate mitigation.

(6) The appeal decision of the City Manager is final and may not be appealed to another review body within the City.

J. Enforcement

1. City Authority: The City has the ultimate authority to:

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a. Interpret the provisions of MMC 16.32.042 and determine whether code criteria have been met.

b. Establish conditions of permit and land use approval to ensure MMC 16.32.042 is properly implemented.

c. Create rules and procedures as needed to implement MMC 16.32.042. Rules and procedures may include but are not limited to:

(1) City of Milwaukie tree lists.

(2) Tree protection standards, specifications, and procedures.

(3) Tree planting standards, specifications, and procedures.

(4) Tree establishment and maintenance standards, specifications, and procedures.

(5) Performance bonding, letters of credit, and cash assurances to help ensure proper tree protection, planting, and establishment.

(6) Tree protection inspections and oversight.

(7) Soil protection inspections and oversight.

(8) Performance path tree protection standards and specifications.

(9) Performance path soil volume standards and specifications.

(10) Fees for permit applications, reviews, mitigation, inspections, and violations.

2. Penalties: The following penalties may apply to violations of the provisions of MMC 16.32.042:

a. The penalty for illegal tree removal must not be less than the amount established in the Master Fee Schedule and up to the appraised value of the illegally removed tree as determined by an ISA certified arborist plus the arborist's reasonable appraisal fee.

b. Topping, pruning, or otherwise inflicting willful and negligent damage to a tree crown or roots in a manner that is inconsistent with ISA best management practices:

(1) Up to the amount established in the Master Fee Schedule or up to the appraised loss in value of the illegally topped or pruned tree as determined by an ISA certified arborist plus the arborist's reasonable appraisal fee.

(2) Restoration of the tree crown, trunk, or root system as prescribed by an ISA certified arborist and approved by the Urban Forester.

c. Tree protection zone violations:

(1) Up to the amount established in the Master Fee Schedule.

(2) Restoration of the tree protection zone as prescribed by an ISA certified arborist and approved by the Urban Forester.

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d. Evidence of Violation.

(1) If a tree is removed without a type 1 or 2 tree removal permit, a violation will be determined by measuring the stump. A stump that is eight (8) caliper inches or more in diameter will be considered prima facie evidence of a violation of this chapter.

(2) Removal of the stump of a tree removed without a tree removal permit is a violation of this chapter.

(3) Proof of violation of this chapter will be deemed prima facie evidence that such violation is that of the owner of the property upon which the violation was committed.

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CHAPTER 16.32 TREE CODE

16.32.005 PURPOSE

The purpose of this chapter is to establish processes and standards that ensure the City maximizes the environmental, economic, health, community, and aesthetic benefits provided by its urban forest. It is the intent of this code to establish, maintain, and increase the quantity and quality of tree cover in residential zones and on land owned or maintained by the City and within rights-of-way, and to ensure our urban forest is healthy, abundant, and climate resilient.

This code is designed to:

1. Foster urban forest growth to achieve 40% canopy coverage by 2040.
2. Maintain trees in a healthy condition through best management practices.
3. Manage the urban forest for a diversity of tree ages and species.
4. Manage street trees appropriately to maximize benefits and minimize hazards and conflicts with infrastructure.
5. Ensure the preservation and planting of tree canopy with development and redevelopment of housing in residential zones.
6. Regulate the removal, replanting, and management of trees prior to and following development and redevelopment in residential zones.
7. Implement applicable urban forest goals, policies, objectives, and action items in the Comprehensive Plan, Climate Action Plan, and Urban Forest Management Plan.

16.32.010 DEFINITIONS

The following definitions will apply for terminology, used in this chapter. If a definition is not listed in this chapter, the definition in Title 19 will apply. Where definitions are not provided in this chapter or Title 19, their normal dictionary meaning will apply:

“Arbor Day/Week” means a day/week designated by the City to celebrate and acknowledge the importance of trees in the urban environment.

“Arboriculture” means the practice and study of the care of trees and other woody plants in the landscape.

“City” means the City of Milwaukie.

“City Engineer” means the city engineer of the City of Milwaukie or designee.

“City Manager” means the city manager or the city manager's authorized representative or designee.

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“Council of Tree and Landscape Appraisers (CTLA)” means the publishers of the Guide for Plant Appraisal.

“Crown” means area of the tree above the ground, measured in mass, ~~or~~ volume, or area and including the trunk and branches.

“Cutting” means the felling or removal of a tree, or any procedure that naturally results in the death or substantial destruction of a tree. Cutting does not include normal trimming or pruning but does include topping of trees.

“DBH” means the diameter at breast height.

“Dead tree” means a tree that is dead or has been damaged beyond repair or where not enough live tissue, green leaves, limbs, or branches exist to sustain life.

“Diameter at breast height” means the measurement of mature trees as measured at a height 4.5 feet above the mean ground level at the base of the tree. Trees existing on slopes are measured from the ground level on the lower side of the tree. If a tree splits into multiple trunks below 4.5 feet above ground level, the measurement is taken at its most narrow point below the split.

“Drip line” means the perimeter measured on the ground at the outermost crown by drawing an imaginary vertical line from the circumference of the crown, straight down to the ground below.

“Dying tree” means a tree that is diseased, infested by insects, deteriorating, or rotting, as determined by a professional certified in the appropriate field, and that cannot be saved by reasonable treatment or pruning, or a tree that must be removed to prevent the spread of infestation or disease to other trees.

“Hazardous tree” means a tree or tree part the condition or location of which presents a public safety hazard or an imminent danger of property damage as determined by an ISA Qualified Tree Risk Assessor, and such hazard or danger cannot reasonably be alleviated by treatment or pruning.

“Invasive species” means a tree, shrub, or other woody vegetation that is on the Oregon State Noxious Weed List or listed on the City of Milwaukie Invasive Tree List in the Public Works Standards.

“ISA” means the International Society of Arboriculture.

“ISA Best Management Practices” means the guidelines established by ISA for arboricultural practices for use by arborists, tree workers, and the people who employ their services.

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“Major tree pruning” means removal of over 20% of the live crown, or removal of or injury to over 15% of the root system during any 12-month period.

“Master Fee Schedule” is the schedule of City fees and charges adopted by City Council for the services provided by the City.

“Minor tree pruning” means the trimming or removal of less than 20% of any part of the branching structure of a tree in either the crown or trunk, or less than 10% of the root area during a 12-month period.

“NDA” means Neighborhood District Association.

“Noxious weed” means a terrestrial, aquatic, or marine plant designated by the State Weed Board under ORS 569.615.

“Owner” means any person who owns land, or a lessee, agent, employee, or other person acting on behalf of the owner with the owner's written consent.

“Park tree” means a tree, shrub, or other woody vegetation within a City park.

“Person” means any natural person, firm, partnership, association, social or fraternal organization, corporation, estate, trust, receiver, syndicate, branch of government, or any other group or combination acting as a unit.

“Planning-Manager” means the planning manager of the City of Milwaukie or designee.

“Public agency” means any public agency or public utility as defined in ORS 757.005, or a drainage district organized under ORS Chapter 547.

“Public tree” means a tree, shrub, or other woody vegetation on land owned or maintained by the City, but does not include a tree, shrub, or other woody vegetation in the right-of-way.

“Public Works Director” means the public works director of the City of Milwaukie or designee.

“Right-of-way” means an area that allows for the passage of people or goods. Right-of-way includes passageways such as freeways, pedestrian connections, alleys, and all streets. A right-of-way may be dedicated or deeded to the public for public use and under the control of a public agency, or it may be privately owned. A right-of-way that is not dedicated or deeded to the public is usually in a tract or easement.

“Shrub” means any plant with multiple woody stems that does not have a defined crown and does not grow taller than a height of 16 feet.

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“Street tree” means a tree, shrub, or other woody vegetation on land within the right-of-way. When any portion of the trunk of a tree crosses a public right-of-way line at ground level, it is considered a street tree.

“Street Tree List” is the list of tree and shrub species approved by the City for planting within the right-of-way.

“Topping” means a pruning technique that cuts branches and/or the main stem of a tree to reduce its height or width.

“Tree” means any living woody plant characterized by one main stem or trunk and many branches, or a multi-stemmed trunk system with a defined crown, that will obtain a height of at least 16 feet at maturity.

“Tree Board” means the city of Milwaukie Tree Board.

“Tree Canopy” means the aggregate or collective tree crowns.

“Tree Fund” means the Tree Fund as created by this chapter.

“Tree removal” means the cutting or removal of 50% or more of the crown, trunk, or root system of a plant, the uprooting or severing of the main trunk of the tree, or any act that causes, or may reasonably be expected to cause the tree to die as determined by an ISA Certified Arborist.

“Urban forest” means the trees that exist within the City.

“Urban Forester” means the Urban Forester of the City of Milwaukie, or designee.

“Urban Forest Management Plan” is the management plan adopted by City Council for the management of the City's urban forest.

“Utility” is a public utility, business, or organization that supplies energy, gas, heat, steam, water, communications, or other services through or associated with telephone lines, cable service, and other telecommunication technologies, sewage disposal and treatment, and other operations for public service.

16.32.014 ADMINISTRATION.

- A. The City Manager is authorized to administer and enforce the provisions of this chapter.
- B. The City Manager is authorized to adopt procedures and forms to implement the provisions of this chapter.

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- C. The City Manager may delegate as needed any authority granted by this chapter to the Public Works Director, the Urban Forester, the Planning Manager, the City Engineer, or such other designee as deemed appropriate by the City Manager.

16.32.015 CREATION AND ESTABLISHMENT OF THE TREE BOARD

A. Tree Board Composition

The Tree Board will consist of seven members, at least five of which must be residents of the City, one must be an ISA Certified Arborist, and all seven must be appointed by the Mayor with approval of the City Council.

B. Term of Office

The term of the seven persons appointed by the Mayor will be three years except that the term of two of the members appointed to the initial Tree Board will serve a term of only one year, and two members of the initial Tree Board will be for two years. In the event that a vacancy occurs during the term of any member, their successor will be appointed for the unexpired portion of the term. Tree Board members will be limited to serving three consecutive terms.

C. Compensation

Members of the Tree Board will serve without compensation.

D. Duties and Responsibilities

The Tree Board will serve in an advisory capacity to the City Council. Its responsibilities include the following:

1. Study, investigate, develop, update, and help administer a written plan for the care, preservation, pruning, planting, replanting, removal or disposition of the Urban Forest. The plan will be presented to the City Council for approval every five years and will constitute the official Urban Forestry Management Plan for the City;
2. Provide advice to City Council on policy and regulatory issues involving trees, including climate adaptation and mitigation efforts;
3. Provide outreach and education to the community on tree-related issues and concerns;
4. Organize and facilitate the City's tree planting events and other public events involving trees and Urban Forestry education;

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5. Assist City staff in preparing recommendations regarding the application, membership, and ongoing participation by the City in the Tree City USA Program;
6. Provide leadership in planning the City's Arbor Day/Week proclamation and celebration; and
7. Provide recommendations to City Council on the allocation of funds from the Tree Fund.

The Tree Board, when requested by the City Council, will consider, investigate, make findings, report, and make recommendations on any special matter or question coming within the scope of its work.

E. Operation

The Tree Board will choose its own officers, make its own rules and regulations, and keep minutes of its proceedings. A majority of the members will constitute a quorum necessary for the transaction of business.

16.32.016 CREATION OF A TREE FUND

A. Establishment

A City Tree Fund is hereby established for the collection of any funds used for the purpose and intent set forth by this chapter.

B. Funding Sources

The following funding sources may be allocated to the Tree Fund:

1. Tree permit revenue;
2. Payments received in lieu of required and/or supplemental plantings;
3. Civil penalties collected pursuant to this chapter;
4. Agreed-upon restoration payments or settlements in lieu of penalties;
5. Sale of trees or wood from City property;
6. Donations and grants for tree purposes;
7. Sale of seedlings by the City; and
8. Other monies allocated by City Council.

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C. Funding Purposes

The Tree Board will provide recommendations to the City Council during each budget cycle for how the fund will be allocated. The City will use the Tree Fund for the following purposes:

1. Expanding, maintaining, and preserving the urban forest within the City;
2. Planting and maintaining trees within the City;
3. Establishing a public tree nursery;
4. Supporting public education related to urban forestry;
5. Assessing urban forest canopy coverage; or
6. Any other purpose related to trees, woodland protection, and enhancement as determined by the City Council.

16.32.017 TREE PLANTING ON LAND OWNED OR MAINTAINED BY THE CITY AND WITHIN THE PUBLIC RIGHT-OF-WAY

A. Species

Any tree, shrub, or other woody vegetation to be planted on land owned or maintained by the City or within the public right-of-way must be a species listed on the Street Tree List unless otherwise approved by the Urban Forester.

B. Spacing, size and placement

The spacing, size, and placement of street trees, shrubs, and other woody vegetation must be in accordance with a permit issued by the City under this section. The City may approve special plantings designed or approved by a landscape architect, or for ecological restoration projects where trees are likely to be planted at a much higher density to mimic natural conditions in forest regeneration and account for expected mortality.

C. Permit

No person may plant a street tree without first obtaining a permit from the City. A permit application must be submitted in writing or electronically on a form provided by the City. This permit is at no cost.

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16.32.018 STREET AND PUBLIC TREE CARE

The City will have the right to plant, prune, maintain and remove trees, shrubs, and other woody vegetation on land owned or maintained by the City and within the right-of-way as may be necessary to ensure public safety or that poses a risk to sewers, electric power lines, gas lines, water lines, or other public improvements, or is infested with any injurious fungus, insect, or other pest as determined by the Urban Forester. Unless otherwise exempted in this chapter, the City must obtain a permit for any activities performed under this section.

16.32.019 TREE TOPPING

No person will top any street tree, park tree, or other tree on public property. Trees severely damaged by storms or other causes, or trees existing under utility wires or other obstructions where other pruning practices are impractical, may be exempted from this section at the determination of the Urban Forester.

16.32.020 PRUNING, CORNER CLEARANCE

Subject to enforcement under MMC 12.12.010, any tree, shrub, or other woody vegetation overhanging any street or right-of-way within the City must be maintained by the owner to ensure that no vegetation obstructs the right-of-way.

16.32.021 DEAD OR DISEASED TREE REMOVAL ON PRIVATE LAND

The City may require the removal of any tree, shrub, or other woody vegetation that is dead, diseased, or infested and that poses a significant risk to the public or the urban forest as determined by the Urban Forester. The City or its agents will notify the owners of such trees in writing.

Removal under this section must be completed within the time period specified in the written notice unless extended in writing by the Urban Forester. The owner must notify the City in writing when the required removal has been completed. If the owner does not remove the dead, diseased, or infested vegetation within the time period specified in the notice or extension granted in writing by the Urban Forester, the City will have the right to remove the dead, diseased, or infested vegetation and charge the cost of removal to the owner pursuant to MMC Chapter 8.04. In cases where the owner demonstrates extreme financial hardship, the City Manager may grant a cost waiver in accordance with MMC 16.32.038.

16.32.022 REMOVAL OF STUMPS

All stumps of street trees must be removed by the adjacent property owner below the surface of the ground so that the top of the stump does not project above the surface of the ground.

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16.32.023 INTERFERENCE WITH CITY

No person will prevent, delay, or interfere with the Urban Forester or designee while they are engaged in work activities including, but not limited to inspection of trees subject to the provisions of this chapter, planting, cultivating, mulching, pruning, spraying, or removing any street trees, park trees, or dead, diseased, or infested trees on private land, as authorized in this chapter.

16.32.024 ARBORISTS LICENSE

All businesses doing arboricultural work within the City must have a current business license with the City, and at least one staff member who is an ISA Certified Arborist. The Certified Arborist must be on site for the duration of any arboricultural work being performed and is responsible for certifying that all arboricultural work is performed in accordance with ISA Best Management Practices.

16.32.026 PERMIT FOR MAJOR PRUNING OR REMOVAL OF STREET TREES OR TREES ON LAND OWNED OR MAINTAINED BY THE CITY

A. Applicability

1. No person will perform major tree pruning or remove any tree in a public right-of-way or on public land, without first obtaining a permit issued by the City.
 - a. For public trees, only the City, a public agency charged with maintaining the property, or a utility may submit a permit application.
 - b. For street trees, the applicant must be the owner of the adjacent property or be authorized in writing by the owner of the adjacent property, where the tree will be pruned or removed.
 - c. No person can remove a street tree without first obtaining a permit from the City. Permit approval may be conditioned upon either replacement of the street tree with a tree listed on the Street Tree List or a requirement to pay to the City a fee as provided in the master fee schedule.
2. For trees on land owned or maintained by the City, this chapter will be applied in conjunction with any applicable standards in Title 19 Zoning.

B. Permit Review Process

1. Application

A permit application must be submitted in writing or electronically on a form provided by the City and be accompanied by the correct fee as established in the Master Fee Schedule.

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2. Public Notice and Permit Meeting

Upon the filing of a permit application, the applicant must post notice of the major pruning or tree removal permit application on the property in a location that is clearly visible from the public right-of-way. The applicant must mark each tree, shrub, or other woody vegetation proposed for major pruning or removal by tying or attaching orange plastic tagging tape to the vegetation. The City will provide the applicant with at least one sign containing adequate notice for posting, tagging tape, and instructions for posting the notice. The notice must state the date of posting and that a major pruning or tree removal permit application has been filed for the vegetation marked by orange plastic tagging tape. The notice must state that any person may request a meeting with the City within 14 days from the date of posting to raise questions or concerns about the proposed pruning or tree removal prior to issuance of the permit.

If a meeting is requested, it must be held within 14 days of the request. The City will consider all concerns raised at the meeting but will have final decision-making authority over issuance of the permit based on the criteria and approval standards set forth in subsection C below.

3. Declaration

The applicant will file a declaration on a form provided by the City stating that notice has been posted and that the vegetation proposed for major pruning or removal has been marked.

Once a declaration is filed with the City, the City will provide notice of the application to the appropriate NDA.

4. Exemptions from Public Notice

The following trees, shrubs, or other woody vegetation may be removed without public notice subject to the City's review of the application:

- a. A tree, shrub, or other woody vegetation that is considered an unreasonable risk to the occupants of the property, the adjacent property, or the general public as determined by an ISA Certified Arborist in accordance with current ISA Tree Risk Assessment standards.
- b. A tree, shrub, or other woody vegetation that is an invasive species and that is less than 8 inches in diameter at breast height.
- c. A street tree or public tree that is less than 2 inches in diameter at breast height.

C. Review Criteria and Approval Standards

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The City may issue the permit, deny the permit, or may issue the permit subject to conditions of approval. The City's decision will be final and valid for a period of one year after issuance unless a different time period is specified in the permit. Nothing prevents an application from requesting an amendment to an unexpired permit if the conditions and circumstances have changed.

1. Review Criteria

The City will not permit the major pruning or removal of a healthy, functioning Street Tree or Public Tree without a demonstration by the applicant that extraordinary circumstances exist. Maintenance or the replacement of sidewalks or curbs, removal of tree litter, or other minor inconveniences do not constitute extraordinary circumstances. Decisions regarding major pruning or removal of healthy, functioning Street Trees or Public Trees are fact-specific and are made on a case-by-case basis by the Urban Forester. In determining whether extraordinary circumstances exist that warrant the major pruning or removal of a healthy tree, the Urban Forester will consider:

- a. Whether the species of tree is appropriate for its location,
- b. Whether the species of tree is an invasive species;
- c. Whether the crown, stem, or root growth has developed in a manner that would prevent continued healthy growth or is negatively impacting other trees;
- d. Whether maintenance of the tree creates an unreasonable burden for the property owner; and
- e. Whether the major pruning or removal will have a negative impact on the neighborhood streetscape and any adopted historic or other applicable design guidelines.

2. Approval Standards

A permit will be issued only if the following criteria are met as determined by the Urban Forester:

- a. The proposed major pruning or tree removal will be performed according to current ISA Best Management Practices and an ISA Certified Arborist will be on site for the duration of the tree work.
- b. The tree, shrub, or other woody vegetation proposed for major pruning or removal meets one or more of the following criteria:
 - (1) The tree, shrub, or other woody vegetation is dead or dying and cannot be saved as determined by an ISA Certified Arborist in accordance with ISA standards.

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- (2) The tree, shrub, or other woody vegetation is having an adverse effect on adjacent infrastructure that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices.
 - (3) The tree, shrub, or other woody vegetation has sustained physical damage that will cause the vegetation to die or enter an advanced state of decline. The City may require additional documentation from an ISA Certified Arborist to demonstrate that this criterion is met.
 - (4) The tree, shrub, or other woody vegetation poses an unreasonable risk to the occupants of the property, the adjacent property, or the general public, as determined by an ISA Certified Arborist in accordance with current ISA Tree Risk Assessment standards.
 - (5) Major pruning or removal of the tree, shrub, or other woody vegetation is necessary to accommodate improvements in the right-of-way or on City-owned land, and it is not practicable to modify the proposed improvements to avoid major pruning or removal.
 - (6) The tree, shrub, or other woody vegetation is on the Oregon State Noxious Weed List.
 - (7) The tree, shrub, or other woody vegetation is part of a stormwater management system and has grown too large to remain an effective part of the system.
- c. Any approval for the removal of a healthy tree, shrub, or other woody vegetation must require the applicant to pay a fee as established in the Master Fee Schedule.

D. Performance of Permitted Work

All work performed pursuant to a permit issued by the Urban Forester must be completed within the time period specified in the permit unless a different time period is authorized in writing by the Urban Forester.

E. Replanting

The City will require replanting as a condition of permit approval for the major pruning or removal of a street tree or public tree.

- 1. The replanted tree must be a species included on the Street Tree List unless otherwise approved by the Urban Forester.
- 2. The City will consider alternative planting locations for street trees when replanting at the location of removal conflicts with surrounding infrastructure and the interference would impair the replanted tree.

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- a. For street trees, replanted trees must be planted within the right-of-way fronting the property for which the permit was issued or, subject to the approval of the Urban Forester and with permission in writing from the adjacent property owner, within the right-of-way fronting the adjacent property.
 - b. In lieu of replanting and subject to approval of the Urban Forester, the City can require the owner to pay a fee as established in the Master Fee Schedule.
 - c. For public trees, replanted trees must be planted on the land from which the tree was removed unless a different location is approved by the Urban Forester.
3. The optimal time of year for planting is from September through November. If planting is necessary in other months, the City may condition permit approval to require extra measures to ensure survival of the newly planted tree.

16.32.028 PROGRAMMATIC PERMITS

Programmatic permits may be issued by the Urban Forester for routine public facility or utility operation, planned repair and replacement, and on-going maintenance programs on public properties and rights-of-way. The purpose of a programmatic permit is to eliminate the need for individual permits for tree removal, pruning, or for ongoing activities that cover a wide geographic area and may include the pruning or removal of numerous public and street trees. Programmatic permits are evaluated to prevent cumulative adverse impacts to the urban forest and ensure that any permitted activities meet the goals and objectives of the Urban Forest Management Plan.

A. Application Requirements

Applications for programmatic permits must be submitted in writing or electronically on forms provided by the City and be accompanied by the correct fee.

B. Applicability

Programmatic permits may only be issued to a public agency or a utility as defined in this chapter.

C. Completeness

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1. If the Urban Forester determines an application is incomplete, the Urban Forester will provide written notice to the applicant that describes the additional information needed.
2. The applicant must submit the additional information within 30 days from the date of the notice unless extended in writing by the Urban Forester.
3. If the applicant does not furnish the additional information within 30 days from the date of the notice or any extension granted in writing by the Urban Forester, the application will be denied.

D. Notice of Complete Application

When the Urban Forester determines that the application is complete, the Urban Forester must provide written notice that the application is complete to the applicant and the Tree Board. The notice must provide instructions for how to obtain additional information about the application, comment on the application, and request notification of the Urban Forester's decision.

E. Review Criteria

The Urban Forester may approve a programmatic permit upon a determination that the following criteria are satisfied or will be satisfied with conditions:

1. The proposed activity will result in a net gain to the urban forest functions and benefits described in the purpose statement in MMC 16.32.005 considering the applicant's proposed performance measures, proposed tree planting, and other activities proposed to improve the overall health of the urban forest.
2. The applicant's proposed outreach and notification program provides adequate notice to residents, businesses, and the City prior to performing work authorized under the programmatic permit.

F. Decision

The Urban Forester must issue the permit, deny the permit, or may issue the permit subject to conditions of approval within 120 days of determining the application is complete. The Urban Forester's decision will be final and, if approved, the permit will be valid for a period of up to two years. Nothing prevents an applicant from requesting an amendment to an unexpired permit if the conditions and circumstances have changed. The Urban Forester's decision will be based on an evaluation of the application against the applicable review criteria in MMC 16.32.028 F.

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G. Permit

Approved permits must include the following required information. The Urban Forester may modify the permit at any time to respond to any questions, changes in regulations, or previously unforeseen issues, provided the applicant is notified in writing.

1. Duration. The Urban Forester may approve a programmatic permit for a period of up to 2 years;
2. Geographic area covered by the permit;
3. Permitted activities and any restrictions on the method, number, type, location, or timing of activities;
4. Procedures and thresholds for providing notice to residents, businesses, and the City impacted by the performance of work under the permit;
5. Monitoring, performance tracking, and reporting requirements. The Urban Forester may prescribe rules or procedures that specify the manner in which such tracking and reporting occur; and
6. Traffic control requirements.
7. Annual Report

On the anniversary of permit issuance, the applicant must submit an annual report on a form supplied by the City detailing any work performed under the permit and any work scheduled to be performed.

8. Tree Size Limits
 - a. The programmatic permit will not allow the removal of trees 6 or more inches in diameter, except as provided in this section.
 - b. If an applicant requests removal of a healthy tree 6 or more inches in diameter at time of application or during the period in which the programmatic permit is in effect, an opportunity for public comment will ~~shall~~ be provided in accordance with MMC 16.32.026 B.2
 - c. For any request, the Urban Forester may further limit allowed tree removal in order to meet the review criteria in MMC 16.32.028F.

9. Tree Work

All work performed under a programmatic permit must be performed in accordance with ISA arboricultural practices.

H. Revocation

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1. The Urban Forester may revoke a programmatic permit upon a determination that the applicant is not adhering to the terms of the permit or is acting beyond the activities authorized by permit.

16.32.030 PERMIT AND FEE EXEMPTIONS ON LAND OWNED OR MAINTAINED BY THE CITY AND WITHIN THE PUBLIC RIGHT-OF-WAY

A. Hazardous Tree

If a tree on public properties and rights-of-way is determined to be a hazardous tree by the Urban Forester, the City may issue an emergency removal permit. The removal must be in accordance with ISA best management practices, and be undertaken with the minimum necessary disturbance to eliminate the imminent danger.

B. Maintenance

A permit for trees on public properties and rights-of-way is not required for regular maintenance or minor tree pruning that does not require removal of over 20% of the crown, tree topping, or disturbance of more than 10% of the root system during any 12-month period.

C. Public Infrastructure Improvements

Any tree on land owned or maintained by the City and requires removal or pruning to accommodate a city public infrastructure improvement project will require a permit and must meet replanting requirements imposed by this chapter. If it is demonstrated that tree planting, establishment, and tree care-related project costs exceed the tree removal fee costs, the permit will not be subject to a removal fee.

D. Private Utility Services and Dwelling Units

If the Urban Forester determines that a tree, shrub, or other woody vegetation proposed for removal on public properties and rights-of-way has an adverse effect on adjacent private utility services or threatens the structural integrity of a dwelling unit that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices, the permit will not be subject to a removal fee.

16.32.038 LOW INCOME ASSISTANCE

To the extent that City funds are available, the City Manager may grant a property owner an exemption or a reduction in permit fees, removal fees, replanting fees and/or may provide assistance in removing a dead or diseased tree within the right of way and residential zones. Eligibility and extent of assistance will be based on a

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percentage of the property owner's median household income for the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area. A schedule of different fee reduction and exemption will be determined by the City Manager.

16.32.040 PENALTY

A person who removes a street tree or public tree without first obtaining the necessary permit from the City, removes a tree in violation of an approved permit, or violates a condition of an approved permit must pay a fine in an amount established in the Master Fee Schedule. Any fine imposed under this section must not be less than the cost of the permit and the associated removal fee for which a permit should have been obtained.

16.32.042 TREE PRESERVATION AND PLANTING IN RESIDENTIAL ZONES

A. Applicability

The tree preservation and planting standards in this subsection apply to the following types of development in residential zones:

1. Land Divisions.
2. Construction of New Residential Dwelling Unit.

B. Clear and Objective Tree Preservation Standards

Trees are required to be preserved except when their removal is required for construction, demolition, grading, utilities, and other development impacts. Not more than 25 percent of onsite tree canopy may be removed below the overall 40 percent site canopy coverage standard unless mitigation is provided according to MMC 16.32.042.D. Tree species on the Oregon Noxious Weed List or Milwaukie Invasive Tree List are not to be included in the total canopy coverage calculations. Affordable housing developments that meet the exemption standards in MMC 3.60.050 (A)1 and 2 may remove up to 50% of the existing canopy below the 40 % site canopy coverage standard without mitigation. See Table 16.32.042 B1. Public right-of-way is not considered part of the development site for the purposes of these calculations.

Table 16.32.042 B1

Development Type	Standard	Allowable Reduction not requiring Mitigation	Remaining Site Canopy Coverage
Residential Developments	40% Site Canopy Coverage	25% below 40%	30%

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Eligible Affordable Housing Developments	40% Site Canopy Coverage	50% below 40%	20%
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Trees listed on the City of Milwaukie Rare or Threatened Tree List must be prioritized for preservation and will incur an additional fee if removed as listed on the Master Fee Schedule. When the trunk of a tree crosses a property line at ground level it is considered an onsite tree for the purposes of these tree preservation standards.

C. Clear and Objective Tree Canopy Standards

In addition to the preservation of onsite trees, at least 40 percent tree canopy is required for a development site unless mitigation is provided according to MMC 16.32.042.D. Public right-of-way is not considered part of the development site for the purposes of these calculations. Tree species on the Oregon Noxious Weed List or Milwaukie Invasive Tree List are not to be included in the total canopy coverage calculations. The following is eligible for credit towards tree canopy requirements when planted or preserved in accordance with City of Milwaukie standards:

1. Seventy-five percent (75%) of the mature crown area of planted onsite trees from the City of Milwaukie Street Tree List or as otherwise approved by the Urban Forester.
2. Fifty percent (50%) of the mature crown area of planted street trees in the public right-of-way directly abutting the development site.
3. One hundred percent (100%) of the existing canopy or mature crown area of onsite trees that are preserved, whichever is greater. In cases where a portion of the crown area of onsite trees extends offsite, the entire crown area is eligible for credit towards the tree canopy requirements. In cases where a portion of the crown area of offsite trees extends onsite, the crown area is not eligible for credit towards the tree canopy requirements.
4. Fifty percent (50%) of the existing crown area of street trees that are preserved in the public right-of-way directly abutting the development site.

When the trunk of a tree crosses a property line at ground level it is considered an onsite tree except when the trunk crosses a public right-of-way line at ground level, it is considered a street tree for the purposes of these tree canopy standards.

D. Mitigation Standards

If the Tree Preservation and/or Tree Canopy Standards are not met, mitigation fees must be provided to the Tree Fund as follows:

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1. The tree preservation fee in the Master Fee Schedule based on the percentage of canopy that if preserved would meet the minimum tree canopy preservation standard as shown in Table 16.32.042 B1.
2. The per-square foot tree canopy fee in the Master Fee Schedule based on the square footage of tree canopy that would be required to meet the 40 percent tree canopy standard.

E. Variance Procedure.

1. Intent

To provide a discretionary option for variances to the tree preservation and/or tree canopy standards in MMC 16.32.042 to allow projects that provide significant environmental benefit.

2. Applicability

The Type III tree preservation and tree canopy variance is an option for proposed developments that chooses not to, or cannot, meet the tree preservation and/or tree canopy standards specified in MMC 16.32.042

3. Review Process

An applicant may apply for a variance to the tree preservation and/or tree canopy standards. The tree preservation and tree canopy variance shall be subject to Type III review and approval by the Planning Commission, in accordance with Section 19.1006.

4. Approval Criteria

The approval authority may approve, approve with conditions, or deny the tree preservation and/or tree canopy variance based on the following approval criteria. The applicant is required to demonstrate that equivalent or greater environmental benefits are provided as preserving or planting the required tree canopy. Examples of activities that may justify a variance include but are not limited to:

- a. Use of techniques that minimize hydrological impacts beyond regulatory requirements (examples include porous pavement, green roofs, infiltration planters/rain gardens, flow through planters, LIDA (low impact development approach) swales, vegetated filter strips, vegetated swales, extended dry basins, and constructed water quality wetlands).
- b. Use of techniques that minimize reliance on fossil fuels and production of greenhouse gases beyond regulatory requirements through the use of energy efficient building technologies, on-site energy production technologies, and green buildings standards (MMC 19.510).

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- c. Use of techniques that preserve and enhance wildlife habitat beyond regulatory requirements, including, but not limited to, the use of native plant species in landscape design, removal of invasive plant species, and restoration of native habitat and preservation of habitat through the use of conservation easements or other protective instruments.
- d. Use of techniques that preserve open space for sustainable urban agriculture through the use of conservation easements or other protective instruments at sites that are not compatible with tree canopy preservation or planting.

F. Tree Protection Standards

Trees to be retained must be protected from development impacts according to the standards in this subsection to be eligible for tree preservation and tree canopy credit. A tree protection plan prepared by an ISA certified arborist that demonstrates adequate protection of the trees to be preserved as determined by the Urban Forester is required. Tree protection methods and specifications must be consistent with ISA best management practices using either the following prescriptive path or performance path tree protection methods:

1. Prescriptive Path for Tree Protection.

a. Establish a root protection zone:

- (1) For onsite trees and offsite trees with root protection zones that extend into the site - a minimum of 1-foot radius (measured horizontally away from the center of the tree trunk) for each inch of trunk diameter at breast height. Root protection zones for offsite trees may be estimated.
- (2) For street trees – the Urban Forester may prescribe greater or lesser protection than required for onsite and offsite trees.
- (3) Existing encroachments into the root protection zone, including structures, paved surfaces and utilities, may remain. New encroachments into the root protection zone are allowed provided:
 - (a) the area of all new encroachments is less than 25 percent (25%) of the remaining root protection zone area when existing encroachments are subtracted; and
 - (b) no new encroachment is closer than 1/2 the required radius distance (see Figure 16.32.042.F)

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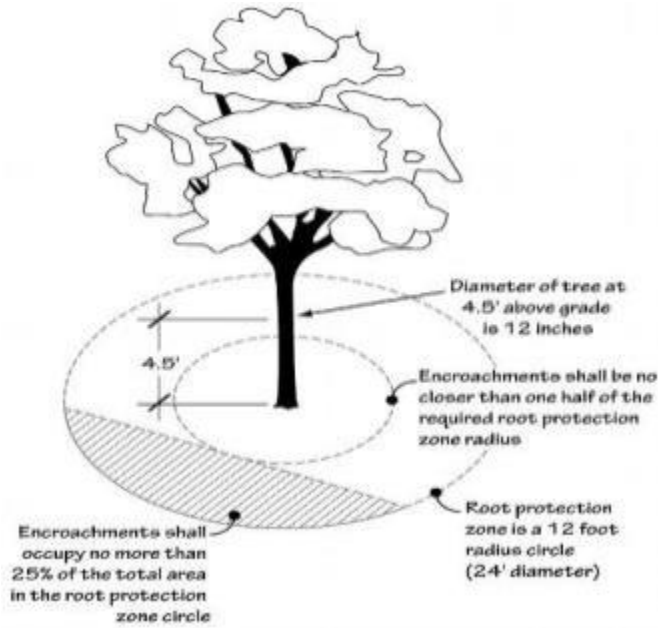


Figure 16.32.042.F – Example of Permissible RPZ Encroachments

b. Protection fencing:

(1) Protection fencing consisting of a minimum 4-foot high metal chain link or no-climb horse fence, secured with 6-foot metal posts must be established at the edge of the root protection zone and permissible encroachment area on the development site. Existing structures and/or existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

(2) When a root protection zone extends beyond the development site, protection fencing is not required to extend beyond the development site. Existing structures and/or existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

c. Signage designating the protection zone and penalties for violations must be secured in a prominent location on each protection fence.

d. Installation of landscaping is not an encroachment. Any in-ground irrigation systems are considered encroachments.

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- e. The following is prohibited within the root protection zone of each tree: ground disturbance or construction activity including vehicle or equipment access (but excluding access on existing streets or driveways), storage of equipment or materials including soil, temporary or permanent stockpiling, proposed buildings, impervious surfaces, underground utilities, excavation or fill, trenching or other work activities.
- f. The fence is required to be installed before any ground disturbing activities or construction begins, including clearing and grading, and will remain in place until final inspection.

2. Performance Path for Tree Protection.

When the prescriptive path cannot be met for onsite trees as determined by the Urban Forester, the applicant may propose alternative measures to modify the prescriptive root protection zone, provided the following standards are met:

- a. The alternative root protection zone plan is prepared by an ISA certified arborist who has examined the specific tree's size, location, and extent of root cover, evaluated the tree's tolerance to construction impacts based on its species and health, and identified any past impacts that have occurred within the root zone.
- b. The arborist has prepared a plan providing the rationale used to demonstrate that the alternate method provides an adequate level of protection based on the findings from the site visit.
- c. The protection zone is marked with signage, stating that penalties will apply for violations, and providing contact information for the arborist.
- d. If the alternative tree protection method involves alternative construction techniques, an explanation of the techniques and materials used must be provided by the arborist.
- e. Variances for the Tree Protection standard for offsite trees are prohibited.

G. Soil Volume Standards

Trees to be planted must be provided access to at least 1,000 cubic feet of soil volume according to the standards in this subsection to be eligible for tree canopy credit. A soil volume plan by an ISA certified arborist is required that demonstrates 1,000 cubic feet of soil volume is available per tree as determined by the Urban Forester or designee. Soil volume methods and specifications must be consistent with ISA best management practices using either the prescriptive path or performance path soil volume methods. The project arborist must verify with the Urban Forester in writing that the soil volume plan has been successfully implemented prior to tree planting.

1. Prescriptive Path for Soil Volume.

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- a. If the existing soils at the site and abutting sites are determined by the project arborist or Urban Forester to be adequate to support healthy tree growth to maturity based on factors including but not limited to compaction levels, drainage, fertility, pH, and potential contaminants, the existing soils may be used to meet the soil volume requirements.
- b. The assumed soil depth will be 3 feet unless otherwise determined by the project arborist or Urban Forester.
- c. A soil volume area of at least 333 square feet must be accessible to each tree when the assumed soil volume depth is 3 feet.
- d. The soil volume areas must be contiguous and within a 50-foot radius of the tree to be planted. Contiguous soil volumes must be at least 3 feet wide for the entire area.
- e. Trees may share the same soil volume area provided that all spacing requirements are met.
- f. Soil volume areas must be protected from construction impacts through any combination of the following methods:

(1) Protection fencing:

- (a) Fencing consisting of a minimum 4-foot high metal chain link or no-climb horse fence, secured with 6-foot metal posts established at the edge of the soil volume area on the development site. Existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.
- (b) When a soil volume area extends beyond the development site, protection fencing is not required to extend beyond the development site. Existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.
- (c) Signage designating the protection zone and penalties for violations must be secured in a prominent location on each protection fence.

(2) Compaction prevention options for encroachment into soil volume areas:

- (a) Steel plates placed over the soil volume area.
- (b) A 12-inch layer of coarse wood chips over geotextile fabric continuously maintained over the soil volume area.
- (c) A 6-inch layer of crushed gravel over geotextile fabric continuously maintained over the soil volume area.

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g. Soil contaminants are prohibited from the soil volume areas.

2. Performance Path for Soil Volume.

a. If the existing soils at the site and abutting sites are determined by the Urban Forester to be inadequate to support healthy tree growth to maturity based on factors such as compaction levels, drainage, fertility, pH, and potential contamination prior to or resulting from development, a performance path soil volume plan is required.

b. Soils in areas of construction access that do not receive compaction prevention treatment and soils in areas of grading, paving, and construction are considered inadequate for tree growth unless a performance path soil volume plan is provided.

c. The performance path soil volume plan is required to demonstrate the methods that will be used to provide at least 1,000 cubic feet of soil volume with the capacity to support healthy growth to maturity per tree to be planted.

d. The soil volume areas must be contiguous and within a 50-foot radius of the tree to be planted. Contiguous soil volumes must be at least 3 feet wide for the entire area.

e. Trees may share the same soil volume area provided that all spacing requirements are met.

f. The following items may be addressed in performance path soil volume plans but are dependent on specific site conditions and should be verified on a project basis in coordination with other professionals such as civil and geotechnical engineers, landscape architects, and soil scientists as needed:

(1) Compaction Reduction

- (a) tilling
- (b) backhoe turning
- (c) subsoiling

(2) Soil Amendments

- (a) organic amendments
- (b) mineral amendments
- (c) biological amendments
- (d) chemical amendments

(3) Topsoil Replacement (when soil contamination or soil removal occurs)

(4) Soil Under Pavement

- (a) structural soil cells
- (b) structural tree soils

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- (c) soil vaults
- (d) soils under suspended pavement

H. Submittal Requirements

An ISA certified arborist that is also tree risk assessment qualified (TRAQ) must demonstrate compliance with the applicable provisions of MMC 16.32.042.B through G. Other professionals such as engineers, landscape architects, soil scientists, and surveyors may assist the project arborist as needed in preparing the required information, but the arborist must organize, review, and approve the final product. The minimum submittal requirements include an inventory of existing trees, tree preservation plan, tree canopy plan, and arborist report with the following elements:

1. Tree Inventory Requirements

- a. Survey the locations of all trees at least 6-inch DBH, and trees less than 6-inch DBH as specified on the City of Milwaukie rare or threatened tree list. Trees that must be surveyed include those that are onsite, within abutting public rights-of-way, and on abutting sites with root protection zones that extend into the site. The locations and information for trees on abutting sites may be estimated.
- b. Number each tree for identification at the site and on the plans.
- c. Identify the common name and scientific name of each tree.
- d. Measure the DBH of each tree in inches according to accepted ISA standards.
- e. Measure the approximate average crown radius of each tree in feet.
- f. Provide the crown area of each tree using the formula: $(\text{crown radius})^2 \times \pi$.
- g. Assess the health condition of each tree using the following categories:
 - (1) Good (no significant health issues)
 - (2) Fair (moderate health issues but likely viable for the foreseeable future)
 - (3) Poor (significant health issues and likely in decline)
 - (4) Very Poor or Dead (in severe decline or dead)
- h. Identify whether the tree is on the Milwaukie Rare or Threatened Tree List.
- i. Identify whether the tree is proposed for removal or retained.
- j. Organize the tree inventory information in a table or other format approved in writing by the Urban Forester.

2. Tree Preservation Plan Requirements

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- a. Provide a site plan drawn to scale.
- b. Include the existing tree locations and corresponding tree numbers from the tree inventory.
- c. Identify rare or threatened trees as described in the City of Milwaukie rare or threatened tree list.
- d. Identify the following site disturbances:
 - (1) Demolition
 - (2) Tree removal
 - (3) Staging, storage, and construction access
 - (4) Grading and filling
 - (5) Paving
 - (6) Construction of structures, foundations, and walls
 - (7) Utility construction
 - (8) Trenching and boring
 - (9) Excavation
 - (10) Any other demolition or construction activities that could result in ground disturbances and/or tree damage
- e. Locate tree and soil protection fencing to scale.
- f. Locate soil compaction prevention methods to scale.
- g. Identify performance path tree protection and soil volume areas.
- h. Include tree and soil volume protection specifications from the arborist report on the plans including a detail and description of tree and soil volume protection fencing and signage.
- i. The elements of the tree preservation plan may be included on multiple plan sheets for clarity.
- j. The final approved set of construction drawings must include the tree preservation plan to ensure contractors, inspectors, and other professionals have access to the information.

3. Tree Canopy Plan

- a. Provide a site plan drawn to scale.
- b. Include the existing trees to be retained and their crown areas to scale.
- c. Include the trees to be planted and their mature crown areas to scale based on the City of Milwaukie tree canopy list.
- d. Identify the soil volume areas for each tree to be planted to scale.
- e. For performance path soil volume areas, identify the methods and specifications as applicable for:

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- (1) Compaction Reduction;
- (2) Soil Amendments;
- (3) Topsoil Replacement; and/or
- (4) Soil Under Pavement

f. Include a diagram depicting the tree planting that is consistent with ISA best management practices.

g. The minimum size of planted trees is 1.5-inch caliper for broadleaf trees and 5-foot tall for conifers unless otherwise approved by the Urban Forester. Nursery stock must be in good health with the size and quality consistent with ISA best management practices and ANSI Z60.1 standards.

h. The minimum spacing and setback requirements in Table 16.32.042.H must be met based on the mature size class of the tree from the City of Milwaukie tree canopy list unless otherwise approved by the Urban Forester:

Table 16.32.042.H

Spacing/Setback	Small Stature	Medium Stature	Large Stature
between existing and new trees	15 feet	25 feet	35 feet
from habitable buildings	10 feet	15 feet	20 feet
from pavement	2 feet	3 feet	4 feet

i. Root barriers must be installed according to the manufacturer's specifications when a tree is planted within 5 feet of pavement or an underground utility box unless otherwise approved by the Urban Forester.

j. Where there are overhead high voltage utility lines, the tree species selected must be of a type that, at full maturity, will not require pruning to avoid interference with the lines.

k. Where there is existing mature tree canopy or other areas with significant shade, the species selected must be capable of growing as an understory tree according to available scientific literature. However, understory trees can only be planted when the planting of non-understory trees is precluded due to site constraints.

l. The elements of the tree canopy plan may be included on multiple plan sheets for clarity.

m. The final approved set of construction drawings must include the tree canopy plan to ensure contractors, inspectors, and other professionals have access to the information.

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4. Arborist Report

- a. Provide a written narrative that summarizes the information from the tree inventory, tree preservation plan, and tree canopy plan.
- b. Provide findings and calculations that demonstrate whether the tree preservation standards in MMC 16.32.042.B have been met.
- c. Provide findings and calculations that demonstrate whether the tree canopy standards in MMC 16.32.042.C have been met.
- d. If the tree preservation and/or tree canopy standards have not been met, provide calculations for the applicable tree mitigation fees as required by MMC 16.32.042.D.
- e. If the applicant is seeking a variance to the tree preservation and/or tree canopy standards in place of providing mitigation fees, provide findings that demonstrate the proposal provides equivalent or greater environmental benefits as preserving or planting the required tree canopy consistent as required by MMC 16.32.042.E.
- f. Provide findings that demonstrate compliance with the tree protection standards in MMC 16.32.042.F.
- g. Provide findings that demonstrate compliance with the soil volume standards in MMC 16.32.042.G.

I. Non-Development Tree Permit Requirements

1. **Applicability:** A permit is required prior to the removal of the following trees in residential zones on property that is outside the right-of-way and not owned or maintained by the City:
 - a. Trees that are at least 6-inch DBH.
 - b. Trees that are less than 6-inch DBH as specified on the City of Milwaukie threatened tree list.
 - c. Trees that were planted to meet any requirements in MMC 16.32.042.

Permits are not required in residential zones when tree removal is approved with development listed in MMC 16.32.042.A. Permits are also not required in residential zones for the removal of trees that are grown for commercial agricultural or horticultural purposes including fruit trees, nut trees, or holiday trees.

2. **Type 1 Tree Removal Permit:** The following approval standards will be applied to type 1 tree removal permits by the Urban Forester:

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a. Approval Standards: A type 1 permit will be issued only if the following criteria are met as determined by the Urban Forester:

(1) The proposed tree removal will be performed according to current ISA Best Management Practices.

(2) The tree proposed for removal meets one or more of the following criteria:

(a) The tree is dead or dying and cannot be saved as determined by an ISA Certified Arborist in accordance with ISA standards.

(b) The tree is having an adverse effect on adjacent infrastructure or buildings that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices.

(c) The tree has sustained physical damage that will cause it to die or enter an advanced state of decline. The City may require additional documentation from an ISA Certified Arborist to demonstrate that this criterion is met.

(d) The tree poses an unreasonable risk to the occupants of the property, the adjacent property, or the general public, as determined by an ISA Certified Arborist in accordance with current ISA tree risk assessment standards.

(e) The tree is on the Oregon State Noxious Weed List or the Milwaukie Invasive Tree List.

(f) The tree is part of a stormwater management system and has grown too large to remain an effective part of the system.

(g) The tree location conflicts with areas of public street widening, construction or extension as shown in the Transportation System Plan and there is no practicable alternative to removing the tree.

(h) Tree removal is required for the purposes of a building or land use permit, utility or infrastructure installation or utility or infrastructure repair and there is no practicable alternative to removing the tree.

(i) The tree is recommended for removal by a designated fire marshal for Clackamas County because it presents a significant fire risk to habitable structures or limits emergency access for rescue workers, and the risk or access issue

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cannot be abated through pruning or other means that results in tree retention.

(j) An ISA certified arborist determines that thinning of interior trees within a stand of trees is necessary for overall stand health, the thinning will result in no less than 80 percent canopy cover at maturity for the area to be thinned, and that thinning of non-native trees is maximized prior to thinning of native trees.

(k) Healthy trees. One (1) healthy tree may be removed per site per calendar year if the tree meets the following:

i. The tree is less than 12 inches in diameter;

ii. None of the trees are required to be preserved by a condition of a land use review, a provision of this chapter or Title 19, or as part of a required stormwater facility;

(3) Unless removed for thinning purposes (MMC 16.32.042.1.2.a.j) the Urban Forester will condition the removal of each tree upon the planting of a replacement tree as follows:

(a) The minimum size of replacement trees is 1.5-inch caliper for broadleaf trees and 5-foot tall for conifers unless otherwise approved by the Urban Forester. Nursery stock must be in good health with the size and quality consistent with ISA best management practices and ANSI Z60.1 standards.

(b) Replacement trees must be planted in a manner consistent with ISA best management practices. (c) The replacement tree must substantively replace the function and values of the tree that was removed wherever practicable. For example, a long-lived evergreen native tree that abuts a Natural Resources Overlay Zone must be replaced with a long-lived evergreen native tree that abuts a Natural Resources Overlay Zone.

(d) If planting a replacement tree is not practicable, the Urban Forester may allow a tree replacement fee in lieu according to the Master Fee Schedule based on the cost of planting and maintaining a replacement tree for three years.

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3. Type 2 Tree Removal Permit: A type 2 tree removal permit may be approved by the Urban Forester if the type 1 tree removal approval standards cannot be met. The type 2 process is more discretionary than the type 1 process and may consider a range of options for approving, approving with conditions, or denying a tree removal permit application.

a. Review criteria: The City encourages retention of healthy private trees where practical alternatives to removal exist, and where those alternatives meet the owner's objectives for reasonable use and enjoyment of the property. Factors are considered to ensure that significant adverse impacts are avoided or mitigated, weighing the broader economic, ecological, and community concerns. These decisions are fact-specific and are made on a case-by-case basis. The City will not issue a type 2 permit for the removal of a healthy, functioning tree without a demonstration by the applicant that extraordinary circumstances exist. Maintenance or the replacement of pavement, removal of tree litter, or other minor inconveniences do not constitute extraordinary circumstances. Decisions regarding removal of healthy, functioning trees are fact-specific and are made on a case-by-case basis by the Urban Forester. In determining whether extraordinary circumstances exist that warrant the major pruning or removal of a healthy tree, the Urban Forester will consider:

- (1) Whether the species of tree is appropriate for its location;
- (2) Whether the species of tree is an invasive species;
- (3) Whether the crown, stem, or root growth has developed in a manner that would prevent continued healthy growth or is negatively impacting other trees;
- (4) Whether maintenance of the tree creates an unreasonable burden for the property owner; and
- (5) Whether the removal will significantly affect public safety or neighborhood character based on the following:
 - (a) The age, size, form, general condition, pruning history and any unique qualities or attributes of the trees;
 - (b) The cumulative impacts of current and prior tree removals in the area; and
 - (c) When the tree is associated with a grove, whether removal of the tree will have a significant adverse impact on the viability of other trees or make other trees considerably more vulnerable to windthrow.

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b. Approval Standards: The Urban Forester will at a minimum condition the removal of tree based on MMC 16.32.042 I.2.a.(3) and the Urban Forester may require up to an equivalent number of inches be planted for the total diameter inches of the tree being removed if the tree is greater than 18" DBH.

4. Applications: An application for a tree removal permit must be made upon forms prescribed by the City and contain the following:

- a. Photograph(s) that clearly identify the tree(s) proposed for removal.
- b. The number, DBH, species, and location of the trees proposed to be cut on a site plan of the property drawn to scale.
- c. Information as to whether the tree is within a Habitat Conservation Area overlay district or is part of an approved landscape or mitigation plan.
- d. Any additional information required by the City.
- e. An application for a tree cutting permit must be accompanied by the correct fee as established in the Master Fee Schedule.

5. Application Procedures Type 1 Tree Removal Permit: Type 1 permits are technical determinations regarding the facts of a particular request, and applications of city standards to ensure that work is performed in accordance with best management practices to protect trees, the public, or public infrastructure, and to ensure appropriate tree replacement. Type 1 permits are reviewed administratively by the Urban Forester without public notice, and the decision may be appealed to the City Manager by the applicant.

a. Application Procedures Type 1 Tree Removal Permit.

(1) Applications for a Type 1 Tree Removal Permit must meet the requirements of Section MMC 16.32.042. I.4.

(2) Additional information required.

(a) If the Urban Forester requires additional information to review an application, the Urban Forester will send a notice to the applicant requesting the additional information.

(b) The applicant will have a maximum of 30 days from the date of the Urban Forester's notice to submit the additional information.

(c) If the additional information is not received by the Urban Forester within 30 days from the date of the Urban Forester's notice, the application will be voided on the 31st day. The City will not refund the filing fee.

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b. Decision by the Urban Forester.

- (1) The Urban Forester's decision will be based on an evaluation of the facts and applicable standards and review criteria in MMC 16.32.042 I.2.a.
- (2) The Urban Forester may issue the permit, deny the permit, or may apply conditions of approval to the permit to ensure the request complies with the applicable review criteria and standards.
- (3) Any work done under a permit must be performed in strict accordance with the terms and provisions of this chapter and conditions of approval of the permit.
- (4) The Urban Forester must notify the applicant of the decision in writing.
- (5) If no appeal is filed as specified in subsection 7, the decision of the Urban Forester is final.

6. Application Procedures Type 2 Tree Removal Permit: Type 2 Tree Removal permits involve the consideration of relevant technical and qualitative factors to prevent risks to public health and safety and to ensure that the impacts of tree removal are mitigated and may require public notice as set forth below. Type 2 permits are reviewed administratively by the Urban Forester, and the decision may be appealed to the City Manager by the applicant.

a. Application.

- (1) Generally. Applications for a Type 2 Tree Removal Permit must meet the requirements of Section 16,32.042. I.4.
- (2) Additional information required:
 - (a) If the Urban Forester requires additional information to review an application, the Urban Forester will send a notice to the applicant requesting the additional information.

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(b) The applicant will have a maximum of 30 days from the date of the Urban Forester's notice to submit the additional information.

(c) If the additional information is not received by the Urban Forester within 30 days from the date of the Urban Forester's notice, the application will be voided on the 31st day. The City will not refund the filing fee.

(d) Public notice is required if the tree is healthy and larger than 12 inches in diameter.

b. Decision by the Urban Forester.

(1) The Urban Forester's decision must be based on an evaluation of the facts and applicable standards and review factors in MMC 16.32.042 I.3.

(2) The Urban Forester may issue the permit, deny the permit, or may apply conditions of approval to the permit to ensure the request complies with the applicable review factors and standards.

(3) Any work done under a permit must be performed in strict accordance with the terms and provisions of this chapter and conditions of approval of the permit.

(4) The Urban Forester must notify the applicant of the decision in writing.

(5) If no appeal is filed as specified in subsection 7. below, the decision of the Urban Forester is final.

c. Appeal. The applicant may appeal the Urban Forester's decision. Appeals must be:

(1) Filed with the Urban Forester on forms prescribed by the City;

(2) Filed within 14 days from the date of the Urban Forester's decision; and

(3) Specifically identify how the Urban Forester erred in applying the standards or review criteria.

(4) Appeals are heard by the City Manager.

(5) The City Manager will consider the application against the applicable standards or review criteria, taking into consideration information provided by the applicant and City staff.

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(5) The City Manager may affirm or reverse the Urban Forester's decision or remand the decision to the Urban Forester to determine appropriate mitigation.

(6) The appeal decision of the City Manager is final and may not be appealed to another review body within the City.

J. Enforcement

1. City Authority: The City has the ultimate authority to:

a. Interpret the provisions of MMC 16.32.042 and determine whether code criteria have been met.

b. Establish conditions of permit and land use approval to ensure MMC 16.32.042 is properly implemented.

c. Create rules and procedures as needed to implement MMC 16.32.042. Rules and procedures may include but are not limited to:

- (1) City of Milwaukie tree lists.
- (2) Tree protection standards, specifications, and procedures.
- (3) Tree planting standards, specifications, and procedures.
- (4) Tree establishment and maintenance standards, specifications, and procedures.
- (5) Performance bonding, letters of credit, and cash assurances to help ensure proper tree protection, planting, and establishment.
- (6) Tree protection inspections and oversight.
- (7) Soil protection inspections and oversight.
- (8) Performance path tree protection standards and specifications.
- (9) Performance path soil volume standards and specifications.
- (10) Fees for permit applications, reviews, mitigation, inspections, and violations.

2. Penalties: The following penalties may apply to violations of the provisions of MMC 16.32.042:

a. The penalty for illegal tree removal must not be less than the amount established in the Master Fee Schedule and up to the appraised value of the illegally removed tree as determined by an ISA certified arborist plus the arborist's reasonable appraisal fee.

b. Topping, pruning, or otherwise inflicting willful and negligent damage to a tree crown or roots in a manner that is inconsistent with ISA best management practices:

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(1) Up to the amount established in the Master Fee Schedule or up to the appraised loss in value of the illegally topped or pruned tree as determined by an ISA certified arborist plus the arborist's reasonable appraisal fee.

(2) Restoration of the tree crown, trunk, or root system as prescribed by an ISA certified arborist and approved by the Urban Forester.

c. Tree protection zone violations:

(1) Up to the amount established in the Master Fee Schedule.

(2) Restoration of the tree protection zone as prescribed by an ISA certified arborist and approved by the Urban Forester.

d. Evidence of Violation.

(1) If a tree is removed without a type 1 or 2 tree removal permit, a violation will be determined by measuring the stump. A stump that is eight (8) caliper inches or more in diameter will be considered prima facie evidence of a violation of this chapter.

(2) Removal of the stump of a tree removed without a tree removal permit is a violation of this chapter.

(3) Proof of violation of this chapter will be deemed prima facie evidence that such violation is that of the owner of the property upon which the violation was committed.

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CHAPTER 16.32 TREE CODE

16.32.005 PURPOSE

The purpose of this chapter is to establish processes and standards that ensure the City maximizes the environmental, economic, health, community, and aesthetic benefits provided by its urban forest. It is the intent of this code to establish, maintain, and increase the quantity and quality of tree cover in residential zones and on land owned or maintained by the City and within rights-of-way, and to ensure our urban forest is healthy, abundant, and climate resilient.

This code is designed to:

1. Foster urban forest growth to achieve 40% canopy coverage by 2040.
2. Maintain trees in a healthy condition through best management practices.
3. Manage the urban forest for a diversity of tree ages and species.
4. Manage street trees appropriately to maximize benefits and minimize hazards and conflicts with infrastructure.
5. Ensure the preservation and planting of tree canopy with development and redevelopment of housing in residential zones.
6. Regulate the removal, replanting, and management of trees prior to and following development and redevelopment in residential zones.
7. Implement applicable urban forest goals, policies, objectives, and action items in the Comprehensive Plan, Climate Action Plan, and Urban Forest Management Plan.

16.32.010 DEFINITIONS

The following definitions ~~will shall~~ apply for terminology, used in this chapter. If a definition is not listed in this chapter, the definition in Title 19 will apply. Where definitions are not provided in this chapter or Title 19, their normal dictionary meaning will apply:

"Arbor Day/Week" means a day/week designated by the City to celebrate and acknowledge the importance of trees in the urban environment.

"Arboriculture" means the practice and study of the care of trees and other woody plants in the landscape.

"City" means the City of Milwaukee.

"City Engineer" means the city engineer of the City of Milwaukee or designee.

"City Manager" means the city manager or the city manager's authorized representative or designee.

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"Council of Tree and Landscape Appraisers (CTLA)" means the publishers of the Guide for Plant Appraisal.

"Crown" means area of the tree above the ground, measured in mass, ~~or volume, or area~~ and including the trunk and branches.

"Cutting" means the felling or removal of a tree, or any procedure that naturally results in the death or substantial destruction of a tree. Cutting does not include normal trimming or pruning but does include topping of trees.

"DBH" means the diameter at breast height.

"Dead tree" means a tree that is dead or has been damaged beyond repair or where not enough live tissue, green leaves, limbs, or branches exist to sustain life.

"Diameter at breast height" means the measurement of mature trees as measured at a height 4.5 feet above the mean ground level at the base of the tree. Trees existing on slopes are measured from the ground level on the lower side of the tree. If a tree splits into multiple trunks below 4.5 feet above ground level, the measurement is taken at its most narrow point below the split.

"Drip line" means the perimeter measured on the ground at the outermost crown by drawing an imaginary vertical line from the circumference of the crown, straight down to the ground below.

"Dying tree" means a tree that is diseased, infested by insects, deteriorating, or rotting, as determined by a professional certified in the appropriate field, and that cannot be saved by reasonable treatment or pruning, or a tree that must be removed to prevent the spread of infestation or disease to other trees.

"Hazardous tree" means a tree or tree part the condition or location of which presents a public safety hazard or an imminent danger of property damage as determined by an ISA Qualified Tree Risk Assessor, and such hazard or danger cannot reasonably be alleviated by treatment or pruning.

"Invasive species" means a tree, shrub, or other woody vegetation that is on the Oregon State Noxious Weed List or listed on the City of Milwaukie Invasive Tree List in the Public Works Standards.

"ISA" means the International Society of Arboriculture.

"ISA Best Management Practices" means the guidelines established by ISA for arboricultural practices for use by arborists, tree workers, and the people who employ their services.

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"Major tree pruning" means removal of over 20% of the live crown, or removal of or injury to over 15% of the root system during any 12-month period.

"Master Fee Schedule" is the schedule of City fees and charges adopted by City Council for the services provided by the City.

"Minor tree pruning" means the trimming or removal of less than 20% of any part of the branching structure of a tree in either the crown or trunk, or less than 10% of the root area during a 12-month period.

"NDA" means Neighborhood District Association.

"Noxious weed" means a terrestrial, aquatic, or marine plant designated by the State Weed Board under ORS 569.615.

"Owner" means any person who owns land, or a lessee, agent, employee, or other person acting on behalf of the owner with the owner's written consent.

"Park tree" means a tree, shrub, or other woody vegetation within a City park.

"Person" ~~means any natural person, firm, partnership, association, social or fraternal organization, corporation, estate, trust, receiver, syndicate, branch of government, or any other group or combination acting as a unit~~ means any individual, firm, association, corporation, agency, or organization of any kind.

"Planning ~~Director-Manager~~" means the planning ~~director-manager~~ of the City of Milwaukie or designee.

"Public agency" means any public agency or public utility as defined in ORS 757.005, or a drainage district organized under ORS Chapter 547.

"Public tree" means a tree, shrub, or other woody vegetation on land owned or maintained by the City, but does not include a tree, shrub, or other woody vegetation in the right-of-way.

"Public Works Director" means the public works director of the City of Milwaukie or designee.

"Right-of-way" ~~means the area between boundary lines of a public way~~ means an area that allows for the passage of people or goods. Right-of-way includes passageways such as freeways, pedestrian connections, alleys, and all streets. A right-of-way may be dedicated or deeded to the public for public use and under the control of a public agency, or it may be privately owned. A right-of-way that is not dedicated or deeded to the public is usually in a tract or easement.

"Shrub" means any plant with multiple woody stems that does not have a defined crown and does not grow taller than a height of 16 feet.

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"Street tree" means a tree, shrub, or other woody vegetation on land within the right-of-way. When any portion of the trunk of a tree crosses a public right-of-way line at ground level, it is considered a street tree.

"Street Tree List" is the list of tree and shrub species approved by the City for planting within the right-of-way.

"Topping" means a pruning technique that cuts branches and/or the main stem of a tree to reduce its height or width.

"Tree" means any living woody plant characterized by one main stem or trunk and many branches, or a multi-stemmed trunk system with a defined crown, that will obtain a height of at least 16 feet at maturity.

"Tree Board" means the city of Milwaukie Tree Board.

"Tree Canopy" means the aggregate or collective tree crowns.

"Tree Fund" means the Tree Fund as created by this chapter.

"Tree removal" means the cutting or removal of 50% or more of the crown, trunk, or root system of a plant, the uprooting or severing of the main trunk of the tree, or any act that causes, or may reasonably be expected to cause the tree to die as determined by an ISA Certified Arborist.

"Urban forest" means the trees that exist within the City.

"Urban Forester" means the Urban Forester of the City of Milwaukie, or designee.

"Urban Forest Management Plan" is the management plan adopted by City Council for the management of the City's urban forest.

"Utility" is a public utility, business, or organization that supplies energy, gas, heat, steam, water, communications, or other services through or associated with telephone lines, cable service, and other telecommunication technologies, sewage disposal and treatment, and other operations for public service.

16.32.014 ADMINISTRATION.

- A. The City Manager is authorized to administer and enforce the provisions of this chapter.
- B. The City Manager is authorized to adopt procedures and forms to implement the provisions of this chapter.

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- C. The City Manager may delegate as needed any authority granted by this chapter to the Public Works Director, the Urban Forester, the Planning ~~Director~~ Manager, the City Engineer, or such other designee as deemed appropriate by the City Manager.

16.32.015 CREATION AND ESTABLISHMENT OF THE TREE BOARD

A. Tree Board Composition

The Tree Board will consist of seven members, at least five of which must be residents of the City, one must be an ISA Certified Arborist, and all seven must be appointed by the Mayor with approval of the City Council.

B. Term of Office

The term of the seven persons appointed by the Mayor will be three years except that the term of two of the members appointed to the initial Tree Board will serve a term of only one year, and two members of the initial Tree Board will be for two years. In the event that a vacancy occurs during the term of any member, their successor will be appointed for the unexpired portion of the term. Tree Board members will be limited to serving three consecutive terms.

C. Compensation

Members of the Tree Board will serve without compensation.

D. Duties and Responsibilities

The Tree Board will serve in an advisory capacity to the City Council. Its responsibilities include the following:

1. Study, investigate, develop, update, and help administer a written plan for the care, preservation, pruning, planting, replanting, removal or disposition of the Urban Forest. The plan will be presented to the City Council for approval every five years and will constitute the official Urban Forestry Management Plan for the City;
2. Provide advice to City Council on policy and regulatory issues involving trees, including climate adaptation and mitigation efforts;
3. Provide outreach and education to the community on tree-related issues and concerns;
4. Organize and facilitate the City's tree planting events and other public events involving trees and Urban Forestry education;

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5. Assist City staff in preparing recommendations regarding the application, membership, and ongoing participation by the City in the Tree City USA Program;
6. Provide leadership in planning the City's Arbor Day/Week proclamation and celebration; and
7. Provide recommendations to City Council on the allocation of funds from the Tree Fund.

The Tree Board, when requested by the City Council, will consider, investigate, make findings, report, and make recommendations on any special matter or question coming within the scope of its work.

E. Operation

The Tree Board will choose its own officers, make its own rules and regulations, and keep minutes of its proceedings. A majority of the members will constitute a quorum necessary for the transaction of business.

16.32.016 CREATION OF A TREE FUND

A. Establishment

A City Tree Fund is hereby established for the collection of any funds used for the purpose and intent set forth by this chapter.

B. Funding Sources

The following funding sources may be allocated to the Tree Fund:

1. Tree permit revenue;
2. Payments received in lieu of required and/or supplemental plantings;
3. Civil penalties collected pursuant to this chapter;
4. Agreed-upon restoration payments or settlements in lieu of penalties;
5. Sale of trees or wood from City property;
6. Donations and grants for tree purposes;
7. Sale of seedlings by the City; and
8. Other monies allocated by City Council.

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C. Funding Purposes

The Tree Board will provide recommendations to the City Council during each budget cycle for how the fund will be allocated. The City will use the Tree Fund for the following purposes:

1. Expanding, maintaining, and preserving the urban forest within the City;
2. Planting and maintaining trees within the City;
3. Establishing a public tree nursery;
4. Supporting public education related to urban forestry;
5. Assessing urban forest canopy coverage; or
6. Any other purpose related to trees, woodland protection, and enhancement as determined by the City Council.

16.32.017 TREE PLANTING ON LAND OWNED OR MAINTAINED BY THE CITY AND WITHIN THE PUBLIC RIGHT-OF-WAY

A. Species

Any tree, shrub, or other woody vegetation to be planted on land owned or maintained by the City or within the public right-of-way must be a species listed on the Street Tree List unless otherwise approved by the Urban Forester.

B. Spacing, size and placement

The spacing, size, and placement of street trees, shrubs, and other woody vegetation must be in accordance with a permit issued by the City under this section. The City may approve special plantings designed or approved by a landscape architect, or for ecological restoration projects where trees are likely to be planted at a much higher density to mimic natural conditions in forest regeneration and account for expected mortality.

C. Permit

No person may plant a street tree without first obtaining a permit from the City. A permit application must be submitted in writing or electronically on a form provided by the City. This permit is at no cost.

16.32.018 STREET AND PUBLIC TREE CARE

The City will have the right to plant, prune, maintain and remove trees, shrubs, and other woody vegetation on land owned or maintained by the City and within the right-of-way as may be necessary to ensure public safety or that poses a risk to sewers, electric power lines, gas lines, water lines, or other public improvements, or is infested with any injurious fungus, insect, or other pest as determined by the Urban Forester. Unless otherwise exempted in this chapter, the City must obtain a permit for any activities performed under this section.

16.32.019 TREE TOPPING

No person will top any street tree, park tree, or other tree on public property. Trees severely damaged by storms or other causes, or trees existing under utility wires or other obstructions where other pruning practices are impractical, may be exempted from this section at the determination of the Urban Forester.

16.32.020 PRUNING, CORNER CLEARANCE

Subject to enforcement under MMC_12.12.010, any tree, shrub, or other woody vegetation overhanging any street or right-of-way within the City must be maintained by the owner to ensure that no vegetation obstructs the right-of-way.

16.32.021 DEAD OR DISEASED TREE REMOVAL ON PRIVATE LAND

The City may require the removal of any tree, shrub, or other woody vegetation that is dead, diseased, or infested and that poses a significant risk to the public or the urban forest as determined by the Urban Forester. The City or its agents will notify the owners of such trees in writing.

Removal under this section must be completed within the time period specified in the written notice unless extended in writing by the Urban Forester. The owner must notify the City in writing when the required removal has been completed. If the owner does not remove the dead, diseased, or infested vegetation within the time period specified in the notice or extension granted in writing by the Urban Forester, the City will have the right to remove the dead, diseased, or infested vegetation and charge the cost of removal to the owner pursuant to MMC Chapter 8.04. In cases where the owner demonstrates extreme financial hardship, the City Manager may grant a cost waiver in accordance with MMC 16.32.038.

16.32.022 REMOVAL OF STUMPS

All stumps of street trees must be removed by the adjacent property owner below the surface of the ground so that the top of the stump does not project above the surface of the ground.

16.32.023 INTERFERENCE WITH CITY

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No person will prevent, delay, or interfere with the Urban Forester or designee while they are engaged in work activities including, but not limited to inspection of trees subject to the provisions of this chapter, planting, cultivating, mulching, pruning, spraying, or removing any street trees, park trees, or dead, diseased, or infested trees on private land, as authorized in this chapter.

16.32.024 ARBORISTS LICENSE

All businesses doing arboricultural work within the City must have a current business license with the City, and at least one staff member who is an ISA Certified Arborist. The Certified Arborist must be on site for the duration of any arboricultural work being performed and is responsible for certifying that all arboricultural work is performed in accordance with ISA Best Management Practices.

16.32.026 PERMIT FOR MAJOR PRUNING OR REMOVAL OF STREET TREES OR TREES ON LAND OWNED OR MAINTAINED BY THE CITY

A. Applicability

1. No person will perform major tree pruning or remove any tree in a public right-of-way or on public land, without first obtaining a permit issued by the City.
 - a. For public trees, only the City, a public agency charged with maintaining the property, or a utility may submit a permit application.
 - b. For street trees, the applicant must be the owner of the adjacent property, or be authorized in writing by the owner of the adjacent property, where the tree will be pruned or removed.
 - c. No person can remove a street tree without first obtaining a permit from the City. Permit approval may be conditioned upon either replacement of the street tree with a tree listed on the Street Tree List or a requirement to pay to the City a fee as provided in the master fee schedule.
2. For trees on land owned or maintained by the City, this chapter will ~~shall~~ be applied in conjunction with any applicable standards in Title 19 Zoning.

B. Permit Review Process

1. Application

A permit application must be submitted in writing or electronically on a form provided by the City and be accompanied by the correct fee as established in the Master Fee Schedule.

2. Public Notice and Permit Meeting

Upon the filing of a permit application, the applicant must post notice of the major pruning or tree removal permit application on the property in a location that is clearly visible from the public right-of-way. The applicant must mark each tree, shrub, or other woody vegetation proposed for major pruning or removal by tying or attaching orange plastic tagging tape to the vegetation. The City will provide the applicant with at least one sign containing adequate notice for posting, tagging tape, and instructions for posting the notice. The notice must state the date of posting and that a major pruning or tree removal permit application has been filed for the vegetation marked by orange plastic tagging tape. The notice must state that any person may request a meeting with the City within 14 days from the date of posting to raise questions or concerns about the proposed pruning or tree removal prior to issuance of the permit.

If a meeting is requested, it must be held within 14 days of the request. The City will consider all concerns raised at the meeting but will have final decision-making authority over issuance of the permit based on the criteria and approval standards set forth in subsection C below.

3. Declaration

The applicant will file a declaration on a form provided by the City stating that notice has been posted and that the vegetation proposed for major pruning or removal has been marked.

Once a declaration is filed with the City, the City will provide notice of the application to the appropriate NDA.

4. Exemptions from Public Notice

The following trees, shrubs, or other woody vegetation may be removed without public notice subject to the City's review of the application:

- a. A tree, shrub, or other woody vegetation that is considered an unreasonable risk to the occupants of the property, the adjacent property, or the general public as determined by an ISA Certified Arborist in accordance with current ISA Tree Risk Assessment standards.
- b. A tree, shrub, or other woody vegetation that is an invasive species and that is less than 8 inches in diameter at breast height.
- c. A street tree or public tree that is less than 2 inches in diameter at breast height.

C. Review Criteria and Approval Standards

The City may issue the permit, deny the permit, or may issue the permit subject to conditions of approval. The City's decision will be final and valid for a period of one

year after issuance unless a different time period is specified in the permit. Nothing prevents an application from requesting an amendment to an unexpired permit if the conditions and circumstances have changed.

1. Review Criteria

The City will not permit the major pruning or removal of a healthy, functioning Street Tree or Public Tree without a demonstration by the applicant that extraordinary circumstances exist. Maintenance or the replacement of sidewalks or curbs, removal of tree litter, or other minor inconveniences do not constitute extraordinary circumstances. Decisions regarding major pruning or removal of healthy, functioning Street Trees or Public Trees are fact-specific and are made on a case-by-case basis by the Urban Forester. In determining whether extraordinary circumstances exist that warrant the major pruning or removal of a healthy tree, the Urban Forester will consider:

- a. Whether the species of tree is appropriate for its location,
- b. Whether the species of tree is an invasive species;
- c. Whether the crown, stem, or root growth has developed in a manner that would prevent continued healthy growth or is negatively impacting other trees;
- d. Whether maintenance of the tree creates an unreasonable burden for the property owner; and
- e. Whether the major pruning or removal will have a negative impact on the neighborhood streetscape and any adopted historic or other applicable design guidelines.

2. Approval Standards

A permit will be issued only if the following criteria are met as determined by the Urban Forester:

- a. The proposed major pruning or tree removal will be performed according to current ISA Best Management Practices and an ISA Certified Arborist will be on site for the duration of the tree work.
- b. The tree, shrub, or other woody vegetation proposed for major pruning or removal meets one or more of the following criteria:
 - (1) The tree, shrub, or other woody vegetation is dead or dying and cannot be saved as determined by an ISA Certified Arborist in accordance with ISA standards.
 - (2) The tree, shrub, or other woody vegetation is having an adverse effect on adjacent infrastructure that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices.

- (3) The tree, shrub, or other woody vegetation has sustained physical damage that will cause the vegetation to die or enter an advanced state of decline. The City may require additional documentation from an ISA Certified Arborist to demonstrate that this criterion is met.
 - (4) The tree, shrub, or other woody vegetation poses an unreasonable risk to the occupants of the property, the adjacent property, or the general public, as determined by an ISA Certified Arborist in accordance with current ISA Tree Risk Assessment standards.
 - (5) Major pruning or removal of the tree, shrub, or other woody vegetation is necessary to accommodate improvements in the right-of-way or on City-owned land, and it is not practicable to modify the proposed improvements to avoid major pruning or removal.
 - (6) The tree, shrub, or other woody vegetation is on the Oregon State Noxious Weed List.
 - (7) The tree, shrub, or other woody vegetation is part of a stormwater management system and has grown too large to remain an effective part of the system.
- c. Any approval for the removal of a healthy tree, shrub, or other woody vegetation must require the applicant to pay a fee as established in the Master Fee Schedule.

D. Performance of Permitted Work

All work performed pursuant to a permit issued by the Urban Forester must be completed within the time period specified in the permit unless a different time period is authorized in writing by the Urban Forester.

E. Replanting

The City will require replanting as a condition of permit approval for the major pruning or removal of a street tree or public tree.

- 1. The replanted tree must be a species included on the Street Tree List unless otherwise approved by the Urban Forester.
- 2. The City will consider alternative planting locations for street trees when replanting at the location of removal conflicts with surrounding infrastructure and the interference would impair the replanted tree.
 - a. For street trees, replanted trees must be planted within the right-of-way fronting the property for which the permit was issued or, subject to the approval of the Urban Forester and with permission in writing from the adjacent property owner, within the right-of-way fronting the adjacent property.

- b. In lieu of replanting and subject to approval of the Urban Forester, the City can require ~~the~~ owner to pay a fee as established in the Master Fee Schedule.
- c. For public trees, replanted trees must be planted on the land from which the tree was removed unless a different location is approved by the Urban Forester.

- 3. The optimal time of year for planting is from September through ~~November~~April. If planting is necessary in other months, the City may condition permit approval to require extra measures to ensure survival of the newly planted tree.

16.32.028 PROGRAMMATIC PERMITS

Programmatic permits may be issued by the Urban Forester for routine public facility or utility operation, planned repair and replacement, and on-going maintenance programs on public properties and rights-of-way. The purpose of a programmatic permit is to eliminate the need for individual permits for tree removal, pruning, or for ongoing activities that cover a wide geographic area and may include the pruning or removal of numerous public and street trees. Programmatic permits are evaluated to prevent cumulative adverse impacts to the urban forest and ensure that any permitted activities meet the goals and objectives of the Urban Forest Management Plan.

A. Application Requirements

Applications for programmatic permits must be submitted in writing or electronically on forms provided by the City and be accompanied by the correct fee.

B. Applicability

Programmatic permits may only be issued to a public agency or a utility as defined in this chapter.

C. Completeness

- 1. If the Urban Forester determines an application is incomplete, the Urban Forester will provide written notice to the applicant that describes the additional information needed.
- 2. The applicant must submit the additional information within 30 days from the date of the notice unless extended in writing by the Urban Forester.

3. If the applicant does not furnish the additional information within 30 days from the date of the notice or any extension granted in writing by the Urban Forester, the application will be denied.

D. Notice of Complete Application

When the Urban Forester determines that the application is complete, the Urban Forester must provide written notice that the application is complete to the applicant and the Tree Board. The notice must provide instructions for how to obtain additional information about the application, comment on the application, and request notification of the Urban Forester's decision.

E. Review Criteria

The Urban Forester may approve a programmatic permit upon a determination that the following criteria are satisfied or will be satisfied with conditions:

1. The proposed activity will result in a net gain to the urban forest functions and benefits described in the purpose statement in MMC 16.32.005 considering the applicant's proposed performance measures, proposed tree planting, and other activities proposed to improve the overall health of the urban forest.
2. The applicant's proposed outreach and notification program provides adequate notice to residents, businesses, and the City prior to performing work authorized under the programmatic permit.

F. Decision

The Urban Forester must issue the permit, deny the permit, or may issue the permit subject to conditions of approval within 120 days of determining the application is complete. The Urban Forester's decision will be final and, if approved, the permit will be valid for a period of up to two years. Nothing prevents an applicant from requesting an amendment to an unexpired permit if the conditions and circumstances have changed. The Urban Forester's decision will be based on an evaluation of the application against the applicable review criteria in MMC 16.32.028 F.

G. Permit

Approved permits must include the following required information. The Urban Forester may modify the permit at any time to respond to any questions, changes in regulations, or previously unforeseen issues, provided the applicant is notified in writing.

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1. Duration. The Urban Forester may approve a programmatic permit for a period of up to 2 years;
2. Geographic area covered by the permit;
3. Permitted activities and any restrictions on the method, number, type, location, or timing of activities;
4. Procedures and thresholds for providing notice to residents, businesses, and the City impacted by the performance of work under the permit;
5. Monitoring, performance tracking, and reporting requirements. The Urban Forester may prescribe rules or procedures that specify the manner in which such tracking and reporting occur; and
6. Traffic control requirements.
7. Annual Report

On the anniversary of permit issuance, the applicant must submit an annual report on a form supplied by the City detailing any work performed under the permit and any work scheduled to be performed.

8. Tree Size Limits
 - a. The programmatic permit will not allow the removal of trees 6 or more inches in diameter, except as provided in this section.
 - b. If an applicant requests removal of a healthy tree 6 or more inches in diameter at time of application or during the period in which the programmatic permit is in effect, an opportunity for public comment will ~~shall~~ be provided in accordance with MMC 16.32.026 B.2
 - c. For any request, the Urban Forester may further limit allowed tree removal in order to meet the review criteria in MMC 16.32.028F.

9. Tree Work

All work performed under a programmatic permit must be performed in accordance with ISA arboricultural practices.

H. Revocation

1. The Urban Forester may revoke a programmatic permit upon a determination that the applicant is not adhering to the terms of the permit or is acting beyond the activities authorized by permit.

16.32.030 PERMIT AND FEE EXEMPTIONS ON LAND OWNED OR MAINTAINED BY THE CITY AND WITHIN THE PUBLIC RIGHT-OF-WAY

A. Hazardous Tree

If a tree on public properties and rights-of-way is determined to be a hazardous tree by the Urban Forester, the City may issue an emergency removal permit. The removal must ~~shall~~ be in accordance with ISA best management practices, and be undertaken with the minimum necessary disturbance to eliminate the imminent danger.

B. Maintenance

A permit for trees on public properties and rights-of-way is not required for regular maintenance or minor tree pruning that does not require removal of over 20% of the crown, tree topping, or disturbance of more than 10% of the root system during any 12-month period.

C. Public Infrastructure Improvements

Any tree on land owned or maintained by the City and requires removal or pruning to accommodate a city public infrastructure improvement project will require a permit and must meet replanting requirements imposed by this chapter. If it is demonstrated that tree planting, establishment, and tree care-related project costs exceed the tree removal fee costs, the permit will not be subject to a removal fee.

D. Private Utility Services and Dwelling Units

If the Urban Forester determines that a tree, shrub, or other woody vegetation proposed for removal on public properties and rights-of-way has an adverse effect on adjacent private utility services or threatens the structural integrity of a dwelling unit that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices, the permit will not be subject to a removal fee.

16.32.038 LOW INCOME ASSISTANCE

To the extent that City funds are available, the City Manager may grant a property owner an exemption or a reduction in permit fees, removal fees, replanting fees and/or may provide assistance in removing a dead or diseased tree within ~~in~~ the right of way and residential zones. Eligibility and extent of assistance will be based on a percentage of the property owner's median household income for the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area. A schedule of different fee reduction and exemption will be determined by the City Manager.

16.32.040 PENALTY

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A person who removes a street tree or public tree without first obtaining the necessary permit from the City, removes a tree in violation of an approved permit, or violates a condition of an approved permit must pay a fine in an amount established in the Master Fee Schedule. Any fine imposed under this section must not be less than the cost of the permit and the associated removal fee for which a permit should have been obtained.

16.32.042 TREE PRESERVATION AND PLANTING IN RESIDENTIAL ZONES

A. Applicability

The tree preservation and planting standards in this subsection apply to the following types of development in residential zones:

1. Land Divisions.
2. Construction of New Residential Dwelling Unit.

B. Clear and Objective Tree Preservation Standards

Trees are required to be preserved except when their removal is required for construction, demolition, grading, utilities, and other development impacts. Not more than 25 percent of onsite tree canopy may be removed below the overall 40 percent site canopy coverage standard unless mitigation is provided according to MMC 16.32.042.D. Tree species on the Oregon Noxious Weed List or Milwaukie Invasive Tree List are not to be included in the total canopy coverage calculations. ~~Affordable housing developments that meet the exemption standards in MMC 3.60.050 (A) 1 and 2 may remove up to 50% of the existing canopy below the 40 % site canopy coverage standard without mitigation. See Table 16.32.042 B1.~~ Public right-of-way is not considered part of the development site for the purposes of these calculations.

Table 16.32.042 B1

<u>Development Type</u>	<u>Standard</u>	<u>Allowable Reduction not requiring Mitigation</u>	<u>Remaining Site Canopy Coverage</u>
<u>Residential Developments</u>	<u>40% Site Canopy Coverage</u>	<u>25% below 40%</u>	<u>30%</u>
<u>Eligible Affordable Housing Developments</u>	<u>40% Site Canopy Coverage</u>	<u>50% below 40%</u>	<u>20%</u>

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Trees listed on the City of Milwaukie Rare or Threatened Tree List must be prioritized for preservation and will incur an additional fee if removed as listed on the Master Fee Schedule. When the trunk of a tree crosses a property line at ground level it is considered an onsite tree for the purposes of these tree preservation standards.

Healthy trees with DBH of 12" or greater may receive additional canopy credits to be factored into preservation calculations as defined in the master fee schedule.

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C. Clear and Objective Tree Canopy Standards

In addition to the preservation of onsite trees, at least 40 percent tree canopy is required for a development site unless mitigation is provided according to MMC 16.32.042.D. Public right-of-way is not considered part of the development site for the purposes of these calculations. Tree species on the Oregon Noxious Weed List or Milwaukie Invasive Tree List are not to be included in the total canopy coverage calculations. The following is eligible for credit towards tree canopy requirements when planted or preserved in accordance with City of Milwaukie standards:

1. Seventy-five percent (75%) of the mature crown area of planted onsite trees from the City of Milwaukie Street Tree List or as otherwise approved by the Urban Forester.
2. Fifty percent (50%) of the mature crown area of planted street trees in the public right-of-way directly abutting the development site.
3. One hundred percent (100%) of the existing canopy or mature crown area of onsite trees with 6" to less than 12" DBH that are preserved, whichever is greater. In cases where a portion of the crown area of onsite trees extends offsite, the entire crown area is eligible for credit towards the tree canopy requirements. In cases where a portion of the crown area of offsite trees extends onsite, the crown area is not eligible for credit towards the tree canopy requirements. Healthy trees with DBH of 12" or greater may receive additional canopy credits to be factored into preservation calculations as defined in the master fee schedule.
4. Fifty percent (50%) of the existing crown area of street trees that are preserved in the public right-of-way directly abutting the development site.

When the trunk of a tree crosses a property line at ground level it is considered an onsite tree except when the trunk crosses a public right-of-way line at ground level, it is considered a street tree for the purposes of these tree canopy standards.

D. Mitigation Standards

If the Tree Preservation and/or Tree Canopy Standards are not met, mitigation fees must be provided to the Tree Fund as follows:

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1. The tree preservation fee in the Master Fee Schedule based on the percentage of canopy that if preserved would meet the minimum tree canopy preservation standard as shown in Table 16.32.042 B1.
2. The per-square foot tree canopy fee in the Master Fee Schedule based on the square footage of tree canopy that would be required to meet the 40 percent tree canopy standard.

E. Variance Procedure.

1. An applicant may apply for a variance to the tree preservation and/or tree canopy standards. An application for a variance will be heard and decided by the Planning Commission in accordance with the provisions of MMC 19.1006 (Type III review) according to MMC 19.911. The applicant is required to demonstrate that equivalent or greater environmental benefits are provided as preserving or planting the required tree canopy. Examples of activities that may justify a variance include but are not limited to:
 - a. Use of techniques that minimize hydrological impacts beyond regulatory requirements (examples include porous pavement, green roofs, infiltration planters/rain gardens, flow through planters, LIDA (low impact development approach) swales, vegetated filter strips, vegetated swales, extended dry basins, and constructed water quality wetlands).
 - b. Use of techniques that minimize reliance on fossil fuels and production of greenhouse gases beyond regulatory requirements through the use of energy efficient building technologies, on-site energy production technologies, and green buildings standards (MMC 19.510).
 - c. Use of techniques that preserve and enhance wildlife habitat beyond regulatory requirements, including, but not limited to, the use of native plant species in landscape design, removal of invasive plant species, and restoration of native habitat and preservation of habitat through the use of conservation easements or other protective instruments.
 - d. Use of techniques that preserve open space for sustainable urban agriculture through the use of conservation easements or other protective instruments at sites that are not compatible with tree canopy preservation or planting.

F. Tree Protection Standards

Trees to be retained must be protected from development impacts according to the standards in this subsection to be eligible for tree preservation and tree canopy credit. A tree protection plan prepared by an ISA certified arborist that demonstrates adequate protection of the trees to be preserved as determined by the Urban Forester is required. Tree protection methods and specifications must be consistent with ISA best management practices using either the following prescriptive path or performance path tree protection methods:

Draft Private Tree Code 19

1. Prescriptive Path for Tree Protection.

a. Establish a root protection zone:

(1) For onsite trees and offsite trees with root protection zones that extend into the site - a minimum of 1-foot radius (measured horizontally away from the center of the tree trunk) for each inch of trunk diameter at breast height. Root protection zones for offsite trees may be estimated.

(2) For street trees – the Urban Forester may prescribe greater or lesser protection than required for onsite and offsite trees.

(3) Existing encroachments into the root protection zone, including structures, paved surfaces and utilities, may remain. New encroachments into the root protection zone are allowed provided:

(a) the area of all new encroachments is less than 25 percent (25%) of the remaining root protection zone area when existing encroachments are subtracted; and

(b) no new encroachment is closer than 1/2 the required radius distance (see Figure 16.32.042.F)

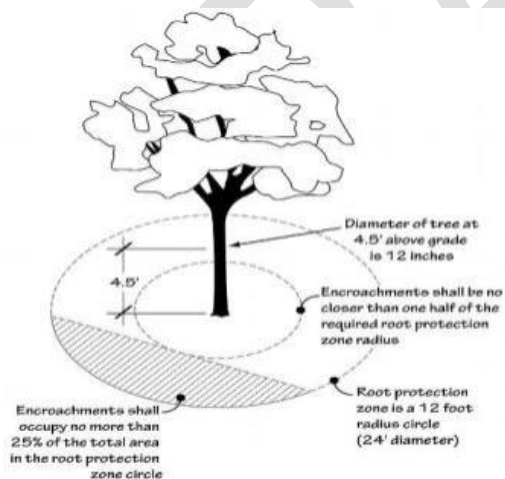


Figure 16.32.042.F – Example of Permissible RPZ Encroachments

b. Protection fencing:

(1) Protection fencing consisting of a minimum 4-foot high metal chain link or no-climb horse fence, secured with 6-foot metal posts must be established at the edge of the root protection zone and permissible encroachment area on the development site. Existing structures and/or existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

(2) When a root protection zone extends beyond the development site, protection fencing is not required to extend beyond the development site. Existing structures and/or existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

c. Signage designating the protection zone and penalties for violations must be secured in a prominent location on each protection fence.

d. Installation of landscaping is not an encroachment. Any in-ground irrigation systems are considered encroachments.

e. The following is prohibited within the root protection zone of each tree: ground disturbance or construction activity including vehicle or equipment access (but excluding access on existing streets or driveways), storage of equipment or materials including soil, temporary or permanent stockpiling, proposed buildings, impervious surfaces, underground utilities, excavation or fill, trenching or other work activities.

f. The fence is required to be installed before any ground disturbing activities or construction begins, including clearing and grading, and will remain in place until final inspection.

2. Performance Path for Tree Protection.

When the prescriptive path cannot be met for onsite trees as determined by the Urban Forester, the applicant may propose alternative measures to modify the prescriptive root protection zone, provided the following standards are met:

a. The alternative root protection zone plan is prepared by an ISA certified arborist who has examined the specific tree's size, location, and extent of root cover, evaluated the tree's tolerance to construction impacts based on its species and health, and identified any past impacts that have occurred within the root zone.

b. The arborist has prepared a plan providing the rationale used to demonstrate that the alternate method provides an adequate level of protection based on the findings from the site visit.

c. The protection zone is marked with signage, stating that penalties will apply for violations, and providing contact information for the arborist.

d. If the alternative tree protection method involves alternative construction techniques, an explanation of the techniques and materials used must be provided by the arborist.

e. Variances for the Tree Protection standard for offsite trees are prohibited.

G. Soil Volume Standards

Trees to be planted must be provided access to at least 1,000 cubic feet of soil volume according to the standards in this subsection to be eligible for tree canopy credit. A soil volume plan by an ISA certified arborist is required that demonstrates 1,000 cubic feet of soil volume is available per tree as determined by the Urban Forester or designee. Soil volume methods and specifications must be consistent with ISA best management practices using either the prescriptive path or performance path soil volume methods. The project arborist must verify with the Urban Forester in writing that the soil volume plan has been successfully implemented prior to tree planting.

1. Prescriptive Path for Soil Volume.

a. If the existing soils at the site and abutting sites are determined by the project arborist or Urban Forester to be adequate to support healthy tree growth to maturity based on factors including but not limited to compaction levels, drainage, fertility, pH, and potential contaminants, the existing soils may be used to meet the soil volume requirements.

b. The assumed soil depth will be 3 feet unless otherwise determined by the project arborist or Urban Forester.

c. A soil volume area of at least 333 square feet must be accessible to each tree when the assumed soil volume depth is 3 feet.

d. The soil volume areas must be contiguous and within a 50-foot radius of the tree to be planted. Contiguous soil volumes must be at least 3 feet wide for the entire area.

e. Trees may share the same soil volume area provided that all spacing requirements are met.

f. Soil volume areas must be protected from construction impacts through any combination of the following methods:

(1) Protection fencing:

(a) Fencing consisting of a minimum 4-foot high metal chain link or no-climb horse fence, secured with 6-foot metal posts established at the edge of the soil volume area on the

development site. Existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

(b) When a soil volume area extends beyond the development site, protection fencing is not required to extend beyond the development site. Existing secured fencing at least 3.5 feet tall can serve as the required protective fencing.

(c) Signage designating the protection zone and penalties for violations must be secured in a prominent location on each protection fence.

(2) Compaction prevention options for encroachment into soil volume areas:

(a) Steel plates placed over the soil volume area.

(b) A 12-inch layer of coarse wood chips over geotextile fabric continuously maintained over the soil volume area.

(c) A 6-inch layer of crushed gravel over geotextile fabric continuously maintained over the soil volume area.

g. Soil contaminants are prohibited from the soil volume areas.

2. Performance Path for Soil Volume.

a. If the existing soils at the site and abutting sites are determined by the Urban Forester to be inadequate to support healthy tree growth to maturity based on factors such as compaction levels, drainage, fertility, pH, and potential contamination prior to or resulting from development, a performance path soil volume plan is required.

b. Soils in areas of construction access that do not receive compaction prevention treatment and soils in areas of grading, paving, and construction are considered inadequate for tree growth unless a performance path soil volume plan is provided.

c. The performance path soil volume plan is required to demonstrate the methods that will be used to provide at least 1,000 cubic feet of soil volume with the capacity to support healthy growth to maturity per tree to be planted.

d. The soil volume areas must be contiguous and within a 50-foot radius of the tree to be planted. Contiguous soil volumes must be at least 3 feet wide for the entire area.

e. Trees may share the same soil volume area provided that all spacing requirements are met.

f. The following items may be addressed in performance path soil volume plans but are dependent on specific site conditions and should be verified on a project basis in coordination with other professionals such as civil and geotechnical engineers, landscape architects, and soil scientists as needed:

- (1) Compaction Reduction
 - (a) tilling
 - (b) backhoe turning
 - (c) subsoiling
- (2) Soil Amendments
 - (a) organic amendments
 - (b) mineral amendments
 - (c) biological amendments
 - (d) chemical amendments
- (3) Topsoil Replacement (when soil contamination or soil removal occurs)
- (4) Soil Under Pavement
 - (a) structural soil cells
 - (b) structural tree soils
 - (c) soil vaults
 - (d) soils under suspended pavement

H. Submittal Requirements

An ISA certified arborist that is also tree risk assessment qualified (TRAQ) must demonstrate compliance with the applicable provisions of MMC 16.32.042.B through G. Other professionals such as engineers, landscape architects, soil scientists, and surveyors may assist the project arborist as needed in preparing the required information, but the arborist must organize, review, and approve the final product. The minimum submittal requirements include an inventory of existing trees, tree preservation plan, tree canopy plan, and arborist report with the following elements:

1. Tree Inventory Requirements

- a. Survey the locations of all trees at least 6-inch DBH, and trees less than 6-inch DBH as specified on the City of Milwaukie rare or threatened tree list. Trees that must be surveyed include those that are onsite, within abutting public rights-of-way, and on abutting sites with root protection zones that extend into the site. The locations and information for trees on abutting sites may be estimated.
- b. Number each tree for identification at the site and on the plans.
- c. Identify the common name and scientific name of each tree.
- d. Measure the DBH of each tree in inches according to accepted ISA standards.

- e. Measure the approximate average crown radius of each tree in feet.
- f. Provide the crown area of each tree using the formula: (crown radius)² x π .
- g. Assess the health condition of each tree using the following categories:
 - (1) Good (no significant health issues)
 - (2) Fair (moderate health issues but likely viable for the foreseeable future)
 - (3) Poor (significant health issues and likely in decline)
 - (4) Very Poor or Dead (in severe decline or dead)
- h. Identify whether the tree is on the Milwaukie Rare or Threatened Tree List.
- i. Identify whether the tree is proposed for removal or retained.
- j. Organize the tree inventory information in a table or other format approved in writing by the Urban Forester.

2. Tree Preservation Plan Requirements

- a. Provide a site plan drawn to scale.
- b. Include the existing tree locations and corresponding tree numbers from the tree inventory.
- c. Identify rare or threatened trees as described in the City of Milwaukie rare or threatened tree list.
- d. Identify the following site disturbances:
 - (1) Demolition
 - (2) Tree removal
 - (3) Staging, storage, and construction access
 - (4) Grading and filling
 - (5) Paving
 - (6) Construction of structures, foundations, and walls
 - (7) Utility construction
 - (8) Trenching and boring
 - (9) Excavation
 - (10) Any other demolition or construction activities that could result in ground disturbances and/or tree damage
- e. Locate tree and soil protection fencing to scale.
- f. Locate soil compaction prevention methods to scale.
- g. Identify performance path tree protection and soil volume areas.

h. Include tree and soil volume protection specifications from the arborist report on the plans including a detail and description of tree and soil volume protection fencing and signage.

i. The elements of the tree preservation plan may be included on multiple plan sheets for clarity.

j. The final approved set of construction drawings must include the tree preservation plan to ensure contractors, inspectors, and other professionals have access to the information.

3. Tree Canopy Plan

a. Provide a site plan drawn to scale.

b. Include the existing trees to be retained and their crown areas to scale.

c. Include the trees to be planted and their mature crown areas to scale based on the City of Milwaukie tree canopy list.

d. Identify the soil volume areas for each tree to be planted to scale.

e. For performance path soil volume areas, identify the methods and specifications as applicable for:

(1) Compaction Reduction;

(2) Soil Amendments;

(3) Topsoil Replacement; and/or

(4) Soil Under Pavement

f. Include a diagram depicting the tree planting that is consistent with ISA best management practices.

g. The minimum size of planted trees is 1.5-inch caliper for broadleaf trees and 5-foot tall for conifers unless otherwise approved by the Urban Forester. Nursery stock must be in good health with the size and quality consistent with ISA best management practices and ANSI Z60.1 standards.

h. The species selection and spacing of trees to be planted must be such that it provides for the eventual mature size of the trees. Soil type, soil conditions and other site constraints shall be considered when selecting species for planting. Final site plans must be approved by the Urban Forester. The minimum spacing and setback requirements in Table 16.32.042.H must be met based on the mature size class of the tree from the City of Milwaukie tree canopy list unless otherwise approved by the Urban Forester.

Table 16.32.042.H

<u>Spacing/Setback</u>	<u>Small Stature</u>	<u>Medium Stature</u>	<u>Large Stature</u>
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<u>between existing and new trees</u>	<u>15 feet</u>	<u>25 feet</u>	<u>35 feet</u>
<u>from habitable buildings</u>	<u>10 feet</u>	<u>15 feet</u>	<u>20 feet</u>
<u>from pavement</u>	<u>2 feet</u>	<u>3 feet</u>	<u>4 feet</u>

i. Root barriers must be installed according to the manufacturer's specifications when a tree is planted within 5 feet of pavement or an underground utility box unless otherwise approved by the Urban Forester.

j. Where there are overhead high voltage utility lines, the tree species selected must be of a type that, at full maturity, will not require pruning to avoid interference with the lines.

~~k. Where there is existing mature tree canopy or other areas with significant shade, the species selected must be capable of growing as an understory tree according to available scientific literature. However, understory trees can only be planted when the planting of non-understory trees is precluded due to site constraints.~~

l. The elements of the tree canopy plan may be included on multiple plan sheets for clarity.

m. The final approved set of construction drawings must include the tree canopy plan to ensure contractors, inspectors, and other professionals have access to the information.

4. Arborist Report

a. Provide a written narrative that summarizes the information from the tree inventory, tree preservation plan, and tree canopy plan.

b. Provide findings and calculations that demonstrate whether the tree preservation standards in MMC 16.32.042.B have been met.

c. Provide findings and calculations that demonstrate whether the tree canopy standards in MMC 16.32.042.C have been met.

d. If the tree preservation and/or tree canopy standards have not been met, provide calculations for the applicable tree mitigation fees as required by MMC 16.32.042.D.

e. If the applicant is seeking a variance to the tree preservation and/or tree canopy standards in place of providing mitigation fees, provide findings that demonstrate the proposal provides equivalent or greater environmental benefits as preserving or planting the required tree canopy consistent as required by MMC 16.32.042.E.

f. Provide findings that demonstrate compliance with the tree protection standards in MMC 16.32.042.F.

g. Provide findings that demonstrate compliance with the soil volume standards in MMC 16.32.042.G.

I. Non-Development Tree Permit Requirements

1. Applicability: A permit is required prior to the removal of the following trees in residential zones on property that is outside the right-of-way and not owned or maintained by the City:

a. Trees that are at least 6-inch DBH.

b. Trees that are less than 6-inch DBH as specified on the City of Milwaukee threatened tree list.

c. Trees that were planted to meet any requirements in MMC 16.32.042.

Permits are not required in residential zones when tree removal is approved with development listed in MMC 16.32.042.A. Permits are also not required in residential zones for the removal of trees that are grown for commercial agricultural or horticultural purposes including fruit trees, nut trees, or holiday trees.

2. Type 1 Tree Removal Permit: The following approval standards will be applied to type 1 tree removal permits by the Urban Forester:

a. Approval Standards: A type 1 permit will be issued only if the following criteria are met as determined by the Urban Forester:

(1) The proposed tree removal will be performed according to current ISA Best Management Practices.

(2) The tree proposed for removal meets one or more of the following criteria:

(a) The tree is dead or dying and cannot be saved as determined by an ISA Certified Arborist in accordance with ISA standards.

(b) The tree is having an adverse effect on adjacent infrastructure or buildings that cannot be mitigated by pruning, reasonable alternative construction techniques, or accepted arboricultural practices.

(c) The tree has sustained physical damage that will cause it to die or enter an advanced state of decline. The City may require additional documentation from an ISA Certified Arborist to demonstrate that this criterion is met.

(d) The tree poses an unreasonable risk to the occupants of the property, the adjacent property, or the general public, as determined by an ISA Certified Arborist in accordance with current ISA tree risk assessment standards.

(e) The tree is on the Oregon State Noxious Weed List or the Milwaukie Invasive Tree List.

(f) The tree is part of a stormwater management system and has grown too large to remain an effective part of the system.

(g) The tree location conflicts with areas of public street widening, construction or extension as shown in the Transportation System Plan and there is no practicable alternative to removing the tree.

(h) Tree removal is required for the purposes of a building or land use permit, utility or infrastructure installation or utility or infrastructure repair and there is no practicable alternative to removing the tree.

(i) The tree is recommended for removal by a designated fire marshal for Clackamas County because it presents a significant fire risk to habitable structures or limits emergency access for rescue workers, and the risk or access issue cannot be abated through pruning or other means that results in tree retention.

(j) An ISA certified arborist determines that thinning of interior trees within a stand of trees is necessary for overall stand health, the thinning will result in no less than 80 percent canopy cover at maturity for the area to be thinned, and that thinning of non-native trees is maximized prior to thinning of native trees.

(k) Healthy trees. One (1) healthy tree may be removed per site per ~~calendar year~~ 12-month period if the tree meets the following:

i. The tree is less than 12 inches in diameter;

ii. None of the trees are required to be preserved by a condition of a land use review, a provision of this chapter or Title 19, or as part of a required stormwater facility;

(3) Unless removed for thinning purposes (MMC 16.32.042.I.2.a.i) or invasive species status (MMC 16.32.042.I.2.a.e) the Urban Forester will condition the removal of each tree upon the planting of a replacement tree as follows:

(a) The minimum size of replacement trees is 1.5-inch caliper for broadleaf trees and 5-foot tall for conifers unless otherwise approved by the Urban Forester. Nursery stock must be in good health with the size and quality consistent with ISA best management practices and ANSI Z60.1 standards.

(b) Replacement trees must be planted in a manner consistent with ISA best management practices. (c) The replacement tree must substantively replace the function and values of the tree that was removed wherever practicable. For example, a long-lived evergreen native tree that abuts a Natural Resources Overlay Zone must be replaced with a long-lived evergreen native tree that abuts a Natural Resources Overlay Zone.

(d) If planting a replacement tree is not practicable, the Urban Forester may allow a tree replacement fee in lieu according to the Master Fee Schedule based on the cost of planting and maintaining a replacement tree for three years.

3. Type 2 Tree Removal Permit: A type 2 tree removal permit may be approved by the Urban Forester if the type 1 tree removal approval standards cannot be met. The type 2 process is more discretionary than the type 1 process and may consider a range of options for approving, approving with conditions, or denying a tree removal permit application.

a. Review criteria: The City encourages retention of healthy private trees where practical alternatives to removal exist, and where those alternatives meet the owner's objectives for reasonable use and enjoyment of the property. Factors are considered to ensure that significant adverse impacts are avoided or mitigated, weighing the broader economic, ecological, and community concerns. These decisions are fact-specific and are made on a case-by-case basis. The City will not issue a type 2 permit for the removal of a healthy, functioning tree without a demonstration by the applicant that extraordinary circumstances exist. Maintenance or the replacement of pavement, removal of tree litter, or other minor inconveniences do not constitute extraordinary circumstances. Decisions regarding removal of healthy,

functioning trees are fact-specific and are made on a case-by-case basis by the Urban Forester. In determining whether extraordinary circumstances exist that warrant the major pruning or removal of a healthy tree, the Urban Forester will consider:

(1) Whether the species of tree is appropriate for its location;

(2) Whether the species of tree is an invasive species;

(3) Whether the crown, stem, or root growth has developed in a manner that would prevent continued healthy growth or is negatively impacting other trees;

(4) Whether maintenance of the tree creates an unreasonable burden for the property owner; and

(5) Whether the removal will significantly affect public safety or neighborhood character based on the following:

(a) The age, size, form, general condition, pruning history and any unique qualities or attributes of the trees;

(b) The cumulative impacts of current and prior tree removals in the area; and

(c) When the tree is associated with a grove, whether removal of the tree will have a significant adverse impact on the viability of other trees or make other trees considerably more vulnerable to windthrow.

b. Approval Standards: The Urban Forester will at a minimum condition the removal of tree based on MMC 16.32.042 I.2.a.(3) and the Urban Forester may require up to an equivalent number of inches be planted for the total diameter inches of the tree being removed if the tree is greater than 18" DBH.

4. Applications: An application for a tree removal permit must be made upon forms prescribed by the City and contain the following:

a. Photograph(s) that clearly identify the tree(s) proposed for removal.

b. The number, DBH, species, and location of the trees proposed to be cut on a site plan of the property drawn to scale.

c. Information as to whether the tree is within a Habitat Conservation Area overlay district or is part of an approved landscape or mitigation plan.

d. Any additional information required by the City.

e. An application for a tree cutting permit must be accompanied by the correct fee as established in the Master Fee Schedule.

5. Application Procedures Type 1 Tree Removal Permit: Type 1 permits are technical determinations regarding the facts of a particular request, and applications of city standards to ensure that work is performed in accordance with best management practices to protect trees, the public, or public infrastructure, and to ensure appropriate tree replacement. Type 1 permits are reviewed administratively by the Urban Forester without public notice, and the decision may be appealed to the City Manager by the applicant.

a. Application Procedures Type 1 Tree Removal Permit.

(1) Applications for a Type 1 Tree Removal Permit must meet the requirements of Section MMC 16.32.042.1.4.

(2) Additional information required.

(a) If the Urban Forester requires additional information to review an application, the Urban Forester will send a notice to the applicant requesting the additional information.

(b) The applicant will have a maximum of 30 days from the date of the Urban Forester's notice to submit the additional information.

(c) If the additional information is not received by the Urban Forester within 30 days from the date of the Urban Forester's notice, the application will be voided on the 31st day. The City will not refund the filing fee.

b. Decision by the Urban Forester.

(1) The Urban Forester's decision will be based on an evaluation of the facts and applicable standards and review criteria in MMC 16.32.042.1.2.a.

(2) The Urban Forester may issue the permit, deny the permit, or may apply conditions of approval to the permit to ensure the request complies with the applicable review criteria and standards.

(3) Any work done under a permit must be performed in strict accordance with the terms and provisions of this chapter and conditions of approval of the permit.

(4) The Urban Forester must notify the applicant of the decision in writing.

(5) If no appeal is filed as specified in subsection 7, the decision of the Urban Forester is final.

6. Application Procedures Type 2 Tree Removal Permit: Type 2 Tree Removal permits involve the consideration of relevant technical and qualitative factors to

prevent risks to public health and safety and to ensure that the impacts of tree removal are mitigated and may require public notice as set forth below. Type 2 permits are reviewed administratively by the Urban Forester, and the decision may be appealed to the City Manager by the applicant.

a. Application.

(1) Generally. Applications for a Type 2 Tree Removal Permit must meet the requirements of Section 16.32.042. I.4.

(2) Additional information required:

(a) If the Urban Forester requires additional information to review an application, the Urban Forester will send a notice to the applicant requesting the additional information.

(b) The applicant will have a maximum of 30 days from the date of the Urban Forester's notice to submit the additional information.

(c) If the additional information is not received by the Urban Forester within 30 days from the date of the Urban Forester's notice, the application will be voided on the 31st day. The City will not refund the filing fee.

(d) Public notice is required if the tree is healthy and larger than 12 inches in diameter.

b. Decision by the Urban Forester.

(1) The Urban Forester's decision must be based on an evaluation of the facts and applicable standards and review factors in MMC 16.32.042 I.3.

(2) The Urban Forester may issue the permit, deny the permit, or may apply conditions of approval to the permit to ensure the request complies with the applicable review factors and standards.

(3) Any work done under a permit must be performed in strict accordance with the terms and provisions of this chapter and conditions of approval of the permit.

(4) The Urban Forester must notify the applicant of the decision in writing.

(5). If no appeal is filed as specified in subsection 7. below, the decision of the Urban Forester is final.

c. Appeal. The applicant may appeal the Urban Forester's decision. Appeals must be:

- (1) Filed with the Urban Forester on forms prescribed by the City;
- (2) Filed within 14 days from the date of the Urban Forester's decision; and
- (3) Specifically identify how the Urban Forester erred in applying the standards or review criteria.
- (4) Appeals are heard by the City Manager.
- (5) The City Manager will consider the application against the applicable standards or review criteria, taking into consideration information provided by the applicant and City staff.
- (5) The City Manager may affirm or reverse the Urban Forester's decision or remand the decision to the Urban Forester to determine appropriate mitigation.
- (6) The appeal decision of the City Manager is final and may not be appealed to another review body within the City.

J. Enforcement

- 1. City Authority: The City has the ultimate authority to:
 - a. Interpret the provisions of MMC 16.32.042 and determine whether code criteria have been met.
 - b. Establish conditions of permit and land use approval to ensure MMC 16.32.042 is properly implemented.
 - c. Create rules and procedures as needed to implement MMC 16.32.042. Rules and procedures may include but are not limited to:
 - (1) City of Milwaukee tree lists.
 - (2) Tree protection standards, specifications, and procedures.
 - (3) Tree planting standards, specifications, and procedures.
 - (4) Tree establishment and maintenance standards, specifications, and procedures.
 - (5) Performance bonding, letters of credit, and cash assurances to help ensure proper tree protection, planting, and establishment.
 - (6) Tree protection inspections and oversight.
 - (7) Soil protection inspections and oversight.
 - (8) Performance path tree protection standards and specifications.
 - (9) Performance path soil volume standards and specifications.
 - (10) Fees for permit applications, reviews, mitigation, inspections, and violations.

2. Penalties: The following penalties may apply to violations of the provisions of MMC 16.32.042:

a. The penalty for illegal tree removal must not be less than the amount established in the Master Fee Schedule and up to the appraised value of the illegally removed tree as determined by an ISA certified arborist plus the arborist's reasonable appraisal fee.

b. Topping, pruning, or otherwise inflicting willful and negligent damage to a tree crown or roots in a manner that is inconsistent with ISA best management practices:

(1) Up to the amount established in the Master Fee Schedule or up to the appraised loss in value of the illegally topped or pruned tree as determined by an ISA certified arborist plus the arborist's reasonable appraisal fee.

(2) Restoration of the tree crown, trunk, or root system as prescribed by an ISA certified arborist and approved by the Urban Forester.

c. Tree protection zone violations:

(1) Up to the amount established in the Master Fee Schedule.

(2) Restoration of the tree protection zone as prescribed by an ISA certified arborist and approved by the Urban Forester.

d. Evidence of Violation.

(1) If a tree is removed without a type 1 or 2 tree removal permit, a violation will be determined by measuring the stump. A stump that is eight (8) caliper inches or more in diameter will be considered prima facie evidence of a violation of this chapter.

(2) Removal of the stump of a tree removed without a tree removal permit is a violation of this chapter.

(3) Proof of violation of this chapter will be deemed prima facie evidence that such violation is that of the owner of the property upon which the violation was committed.



Fiscal Years 2021 & 2022

MASTER FEE SCHEDULE

4. TREES IN THE CITY

Trees are considered valuable urban infrastructure that should be nurtured and protected as a community asset. The Milwaukie Municipal Code Chapter 16.32 Tree Code, Council Ordinance 2197 (Resolution 11/17/2020), is to establish, maintain, and increase the quantity and quality of tree cover on land owned or maintained by the City and within rights-of-way, and to ensure our urban forest is healthy, abundant, and climate resilient.

Per the City of Milwaukie Tree Code, a right-of-way (ROW) tree removal permit is required for all trees that are over 2" DBH (diameter at breast height) that are located in the ROW or on city property. A tree is considered to be in the ROW if any portion of its trunk falls in the ROW. A pruning permit is required if more than 20% of the tree's canopy is going to be removed or if more than 10% of its root system will be impacted. To prune or remove a tree that is in the ROW, an ROW permit application must be submitted along with a \$50.00 application processing fee. A permit application is typically approved if the tree is invasive, dead/dying, diseased, or poses an unreasonable risk to public safety. If the tree is healthy, the City of Milwaukie encourages applicants to reconsider removing the tree.

Public Trees	Fiscal Year 2023 Fee	Fiscal Year 2024 Fee
Public Tree Removal or Major Pruning Permit ¹	\$50.00	\$50.00
Public Tree Permit (Planting)	No charge	No charge
Healthy Tree Removal Fee:		
2" or less diameter of breast height (DBH)	\$40.00	\$40.00
2" to 4" DBH	\$60.00 per inch DBH	\$60.00 per inch DBH
4" to 8" DBH	\$80.00 per inch DBH	\$80.00 per inch DBH
8" to 14" DBH	\$100.00 per inch DBH	\$100.00 per inch DBH
14" to 20" DBH	\$150.00 per inch DBH	\$150.00 per inch DBH
20" or greater DBH	\$200.00 per inch DBH	\$200.00 per inch DBH
Public Tree Planting and Establishment Fee (in lieu of planting)	\$675.00 per tree	\$675.00 per tree
Public Tree Enforcement/Restoration Fee:		
Damaged Tree	\$225.00 per inch DBH	\$225.00 per inch DBH
Removed Tree	\$450.00 per inch DBH	\$450.00 per inch DBH

Proposed Private Tree Code Fee Schedule

The following fees are associated with the proposed private residential tree code (MMC 16.32.042 proposed). For more information on the proposed tree code, visit www.milwaukieoregon.gov/planning/za-2021-002.

Private Non-Development Tree Fees	Fiscal Year 2023 Fee	Fiscal Year 2024 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH). 6 to <8" DBH 8 to <14" DBH 14" to <20" DBH 20" or greater ¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	\$80.00 per inch DBH \$100.00 per inch DBH \$150.00 per inch DBH \$200.00 per inch DBH	\$80.00 per inch DBH \$100.00 per inch DBH \$150.00 per inch DBH \$200.00 per inch DBH
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree	\$2000.00 per tree

Private Development Tree Fees	Fiscal Year 2023 Fee	Fiscal Year 2024 Fee
Residential Construction Tree Plan Review Fee	\$200.00	\$200.00
Site Inspection Fee	\$50.00	\$50.00
Site Re-inspection Fee	\$175.00	\$175.00
Fee in lieu of canopy preservation in residential development <i>Canopy percentage measurements are in sq ft canopy / total site sq ft</i>	\$4000.00 for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <30%-22.5%: \$4000.00 <22.5%-15%: \$4000.00 <15%-7.5%: \$4000.00 <7.5%-0%: \$4000.00	\$4000.00 for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <30%-22.5%: \$4000.00 <22.5%-15%: \$4000.00 <15%-7.5%: \$4000.00 <7.5%-0%: \$4000.00
Fee in lieu of canopy preservation for eligible residential affordable housing <i>Canopy percentage measurements are in sq ft canopy / total site sq ft</i>	\$4000 for each reduction of 5% site canopy coverage below 20% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <20%-15%: \$4000.00 <15%-10%: \$4000.00 <10%-5%: \$4000.00 <5%-0%: \$4000.00	\$4000 for each reduction of 5% site canopy coverage below 20% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <20%-15%: \$4000.00 <15%-10%: \$4000.00 <10%-5%: \$4000.00 <5%-0%: \$4000.00

Significant Tree Credits <i>Retained significant trees in diameter at breast height (DBH)</i> Retained significant tree 12" to <20" DBH Retained significant tree >20" DBH		
	125% existing or future canopy multiplier	125% existing or future canopy multiplier
	150% existing or future canopy multiplier	150% existing or future canopy multiplier
Fees in Lieu of Canopy Standard	\$5.00 per square foot of canopy necessary to meet 40% site coverage	\$5.00 per square foot of canopy necessary to meet 40% site coverage
Bonding Requirements Tree Protection Post Development	150% of appraised value of protected trees held for 3 years	150% of appraised value of protected trees held for 3 years
	\$3500.00 per newly planted tree for a 5-year period	\$3500.00 per newly planted tree for a 5-year period

Private Enforcement and Restoration Fees	Fiscal Year 2023 Fee	Fiscal Year 2024 Fee
Violation Review Fee	\$200.00	\$200.00
Damaged Private Tree Fee	\$225.00 per inch DBH	\$225.00 per inch DBH
Unpermitted Private Tree Removal Fee		
6" to <12" DBH	\$2000.00 per tree	\$2000.00 per tree
12" to <18" DBH	\$167.00 per inch DBH	\$167.00 per inch DBH
18" to <24" DBH	\$200.00 per inch DBH	\$200.00 per inch DBH
24" or greater DBH	\$250.00 per inch DBH	\$250.00 per inch DBH



COUNCIL RESOLUTION No.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
REVISING FEES AND CHARGES AND UPDATING SECTION 5 OF THE MASTER FEE
SCHEDULE FOR FISCAL YEARS 2021 AND 2022.**

WHEREAS, it is the policy and practice of the city to determine and recover certain city costs from fees and charges levied for various services, products, and regulations; and

WHEREAS, the city manager must periodically review city fees and charges to ensure the recovery of city costs in providing services, products, and regulations, and recommend adjustments to the City Council; and

WHEREAS, Milwaukie advisory boards, commissions, and committees periodically recommend adjustments to the fees and charges levied for various services, products, and regulations; and

WHEREAS, the city manager has reviewed city fees and charges, has received guidance from advisory boards, commissions, committees, and city staff, and has finalized the updated master fee schedule.

Now, Therefore, be it Resolved that:

SECTION 1. The City of Milwaukie "Fees" document included as Exhibit A to this resolution is hereby adopted.

SECTION 2. This resolution supersedes previously adopted fee resolutions.

Introduced and adopted by the City Council on **February 1, 2022**.

This resolution is effective immediately.

Mark F. Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

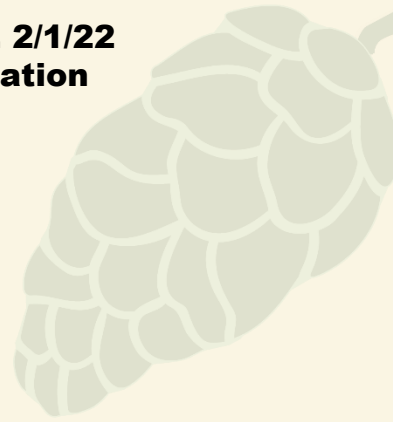
Justin D. Gericke, City Attorney

Residential Tree Code

urbanforest@milwaukieoregon.gov

503-786-7655

milwaukieoregon.gov/trees



**MILWAUKIE
URBAN FOREST**

Growing Trees
Growing Community

Code updates since 01/18 hearing

- Preservation bonus for significant trees
- Revisions to replanting window
- Revisions to replanting requirements for invasive species
- Clarification around type 1 non-development healthy tree removal annual allowance
- Revisions to planting distance standards to allow for site flexibility
- Continued exemption for commercial agricultural trees
- Alternative language for affordable housing mitigation

Significant tree preservation credit

- Bonus for preserving existing trees larger than 12"
- 125% - 150% canopy credit
 - Existing canopy – preservation standard
 - Existing/future mature canopy – canopy planting standard

Residential Non-Development

Type 1 Tree Permit

- Dead/dying/diseased
- Unmitigable infrastructure impacts
- Public safety risk
- Invasive
- Fire hazard
- Public transportation ROW projects
- Utility infrastructure or building permit
- One Healthy Tree per Year <12" DBH

Type 2 Tree Permit

- Healthy tree >12" DBH
 - *Public notice required*
- More than one healthy tree >6" DBH

Replanting Requirements

- Replanting requirement for type 1 and type 2 tree removals
- Additional replanting inches required for Type 2 >18" DBH tree removal
- Exemption for invasive tree removal or approved thinning removal
- Fee-in-lieu of replanting option available

Permit required for trees >6" diameter at breast height (DBH)

Residential Non-Development Fees

Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree
Rare or threatened species	\$250.00 per inch DBH

Residential ND Example



Maple tree with split from stem canker disease - unmitigable as determined by ISA arborist

Example: Type 1 diseased tree approval standard- \$50.00

Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree

Residential ND Example



Example: Type 1 infrastructure impact approval standard-\$50.00

Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree

Residential ND Example



Example: Type 1 One healthy tree removal **<12"** within 12 months - \$50.00

Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ . Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree

Residential ND Example



Example: Second healthy tree removal (Type 2*)-
\$1150.00

Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree

*Other qualifying criteria for approval

Residential ND Example

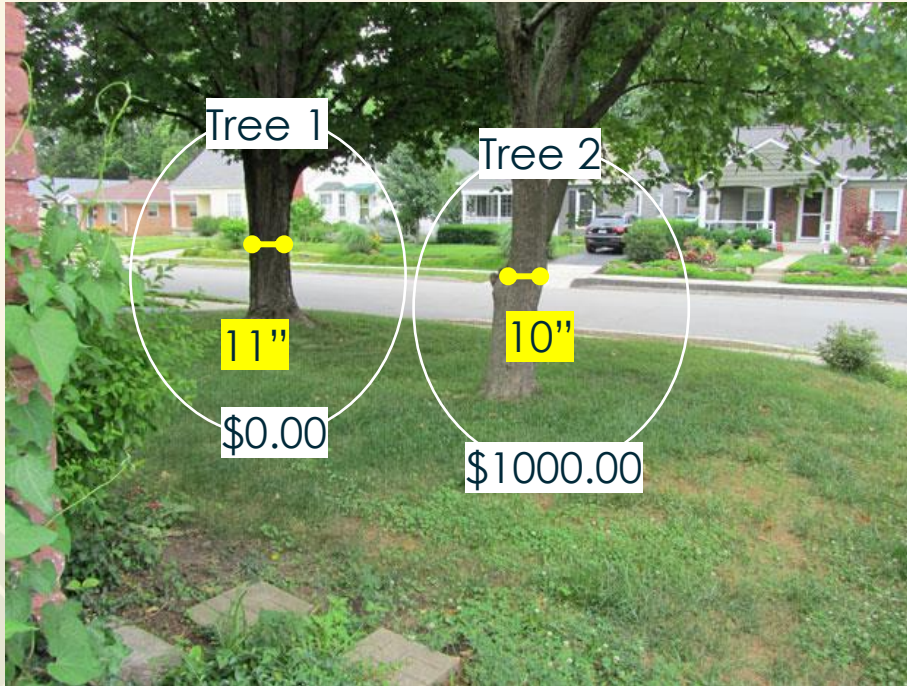


Example: Type 2* - One healthy tree removal > 12" - \$1350.00

Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree

*Other qualifying criteria for approval

Residential ND Example

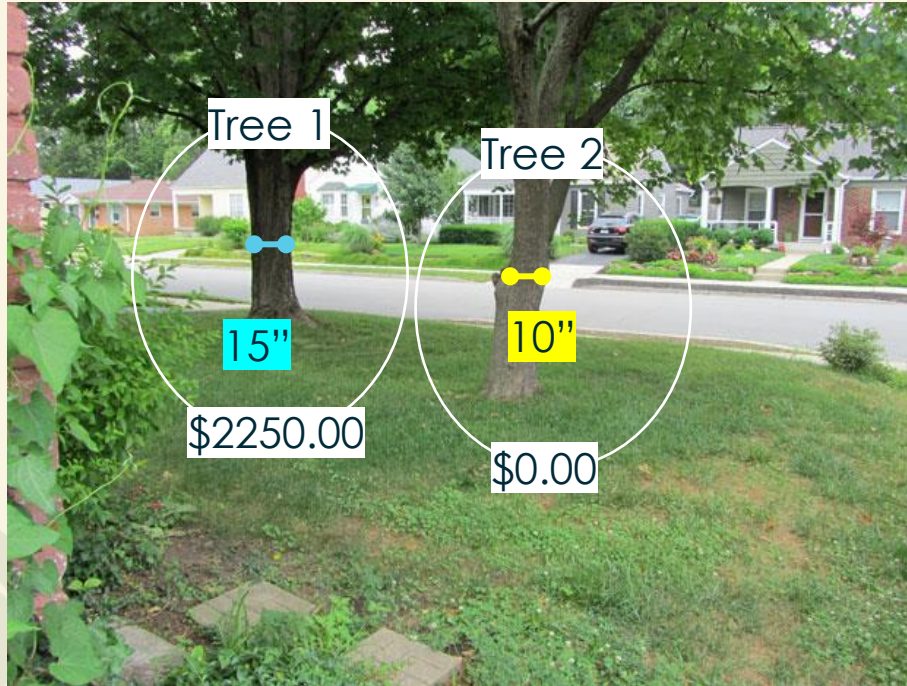


Example: Two healthy trees being removed*, <12" - \$1050.00

Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree

*Other qualifying criteria for approval

Residential ND Example

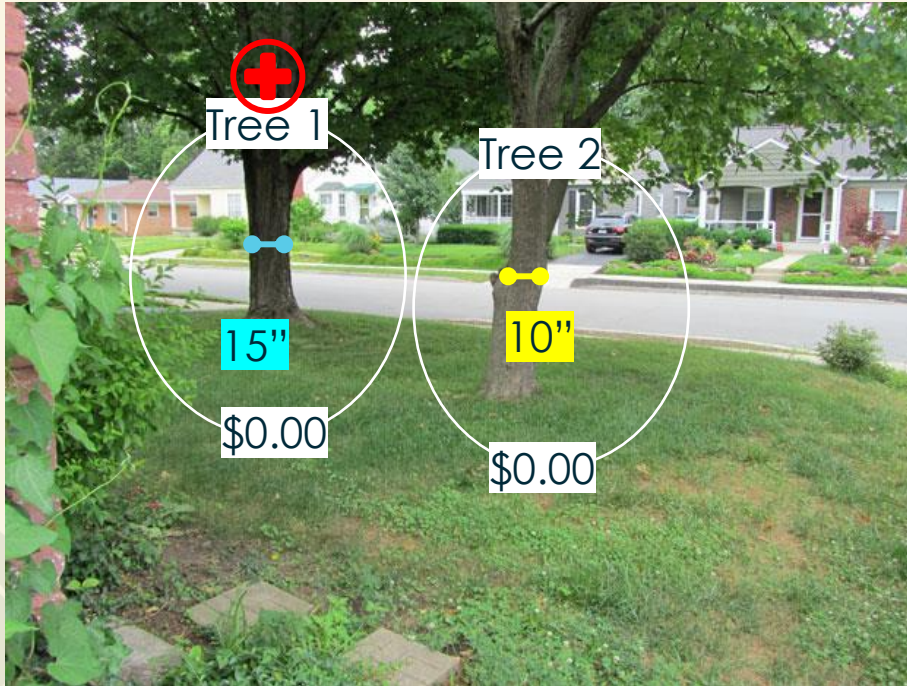


Example: Two healthy trees being removed*, one >12", one <12" - \$2250.00

Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree

*Other qualifying criteria for approval

Residential ND Example



Example: Two trees being removed, one dying, one healthy - \$50.00

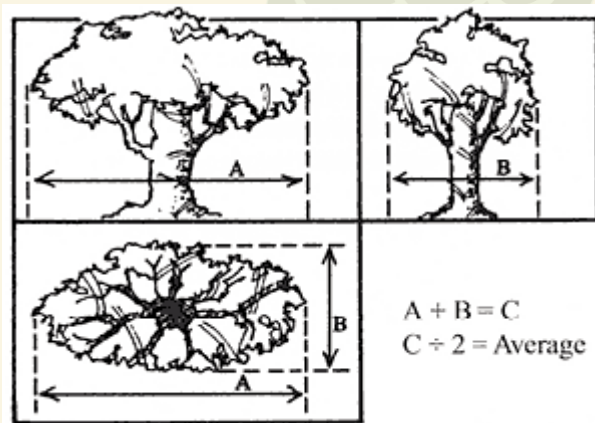
Private Non-Development Tree Fees	Fiscal Year 2023 Fee
Residential Tree Application Fee (Type 1 and 2)	\$50.00
Healthy private tree removal fee beyond one tree per 12-month period ¹ Measurements are in diameter at breast height (DBH).	
6 to <8" DBH	\$80.00 per inch DBH
8 to <14" DBH	\$100.00 per inch DBH
14" to <20" DBH	\$150.00 per inch DBH
20" or greater	\$200.00 per inch DBH
¹ No removal fee for 1 st tree less than 12" DBH removed under type 1 permit.	
Planting and Establishment Fee in lieu of Replanting for Non-Development Private Residential Trees	\$2000.00 per tree

Residential Development

- Tree removals and preservation related to development
 - Land Divisions
 - Construction of new residential dwelling units*
- Key standards
 - Preservation Standards
 - Canopy Standards
 - Protection Standards
 - Soil Volume Standards



Canopy Measurements



Common Name	Family	Growth Type	Species Type	Street Tree	Native Tree	Drought Tolerant	Moist Soil	Utility Safe	Root Damage	Mature Height (feet)	Mature Width (feet)	Mature Canopy Area	Annual Growth Height	Annual Growth Width	Average Growth Rate	Est 20 year Canopy (sq ft)	Longevity (if available)
Glossy Abelia	Caprifoliaceae	Shrub	Deciduous	No	No	No	No	No		6	6	28.27431			Rapid		Moderate
Silver Fir	Pinaceae	Tree	Evergreen	No	Yes	No	No	No		100	15	176.71444	6-12 inches	4-6 inches	12-24 inches/season	110	>150 years
White Fir	Pinaceae	Tree	Evergreen	No	Yes	No	Yes	No		120	15	176.71444	6-12 inches	4-6 inches	12-24 inches/season	110	>150 years
Grand Fir	Pinaceae	Tree	Evergreen	Yes	Yes	No	Yes	No		200	20	314.159	12-18 inches	8-12 inches	24-36 inches/season	240	>150 years
Subalpine Fir	Pinaceae	Tree	Evergreen	No	Yes	No	Yes	No		90	15	176.71444	2-4 inches	2-3 inches	12 inches/season	50	>150 years
Noble Fir	Pinaceae	Tree	Evergreen	No	Yes	No	Yes	No		200	20	314.159	12-18 inches	8-12 inches	24-36 inches/season	240	>150 years
Hedge Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	No	Yes	Low	35	25	490.87344			12 inches/season		40-150 years
Queen Elizabeth Hedge Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	Yes	No	Low	50	25	490.87344			12 inches/season		40-150 years
Japanese snakebark Maple	Sapindaceae	Tree	Deciduous	No	No	No	Yes	No	Low	35	35	962.11194			24 inches/season		40-150 years
Vine Maple	Sapindaceae	Both	Deciduous	No	Yes	No	Yes	No	Low	25	20	314.159	12-24 inches	12 inches	24 inches/season	240	40-150 years
Scarlet Sentinel Maple	Sapindaceae	Tree	Deciduous	Yes	No	Yes	Yes	No		40	20	314.159			24 inches/season		50-150 years
Paperbark Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	Yes	Yes	Low	25	15	176.71444			12-24 inches/season		40-150 years
Bigleaf Maple	Sapindaceae	Tree	Deciduous	No	Yes	Yes	Yes	No		75	30	706.85775	36 inches	24 inches	36 inches/season	480	>150 years
Greencolumn Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	Yes	No		50	20	314.159			12-24 inches/season		50-150 years
Japanese Maples(s)	Sapindaceae	Both	Deciduous	No	No	No	Yes	Yes	Low	25	30	706.85775			12-24 inches/season		50-150 years
Columnar Norway Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	No	No		50	15	176.71444			12 inches/season		
Parkway Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	No	No		45	15	176.71444			12 inches/season		50-150 years
Crimson Sentry Maple	Sapindaceae	Tree	Deciduous	No	No	Yes	Yes	No		25	15	176.71444			24 inches/season		50-150 years
Emerald Queen Norway Maple	Sapindaceae	Tree	Deciduous	Yes	No	Yes	Yes	No		50	40	1256.636			36 inches/season		50-150 years
Globe Norway Maple	Sapindaceae	Tree	Deciduous	Yes	No	Yes	Yes	Yes	Low	25	25	490.87344			12-24 inches/season		
Red Maple	Sapindaceae	Tree	Deciduous	No	No	Yes	Yes	No		65	40	1256.636			36 inches/season	315	50-150 years
Armstron red maple	Sapindaceae	Tree	Deciduous	No	No	Yes	Yes	No		50	15	176.71444			36 inches/season		50-150 years
Bowhall Maple	Sapindaceae	Tree	Deciduous	Yes	No	Yes	Yes	No	Low	50	15	176.71444	18-24 inches	9-12 inches	24 or more inches/season	129	50-150 years
Franksred Red Sunset Maple	Sapindaceae	Tree	Deciduous	No	No	No	No	No		45	35	962.11194			24 or more inches/season		50-150 years
Karpick Red Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	Yes	No		45	20	314.159			12-24 inches/season		50-150 years
Sugar Maple	Sapindaceae	Tree	Deciduous	No	No	No	Yes	No		50	35	962.11194			24-36 inches/season	315	>150 years
Bonfire Sugar Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	Yes	No		65	35	962.11194			24 inches/season		100-175 years
Commemoration Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	No	No		50	35	962.11194			24 inches/season		50-150 years
Green Mountain Sugar Maple	Sapindaceae	Tree	Deciduous	Yes	No	Yes	Yes	No		40	35	962.11194			24-36 inches/season		50-150 years
Shantung Maple	Sapindaceae	Tree	Deciduous	No	No	No	Yes	Yes	Low	25	30	706.85775			24-36 inches/season		50-150 years
Keithsform Pacific Sunset Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	No	No		35	25	490.87344					
Warrenred Pacific Sunset Maple	Sapindaceae	Tree	Deciduous	Yes	No	No	No	No		30	25	490.87344	18-24 inches	12-18 inches		352	
Autumn Blaze Maple	Sapindaceae	Tree	Deciduous	Yes	No	Yes	Yes	No		55	30	706.85775			24 inches/season		

Residential Development Fees

Private Development Tree Fees	Fiscal Year 2023 Fee
Residential Construction Tree Plan Review Fee	\$200.00
Site Inspection Fee	\$50.00
Site Re-inspection Fee	\$175.00
Fee in lieu of canopy preservation in residential development Canopy percentage measurements are in sq ft canopy / total site sq ft	\$4000.00 for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <30%-22.5%: \$4000.00 <22.5%-15%: \$4000.00 <15%-7.5%: \$4000.00 <7.5%-0%: \$4000.00
Fee in lieu of canopy preservation for eligible residential affordable housing Canopy percentage measurements are in sq ft canopy / total site sq ft	\$4000 for each reduction of 5% site canopy coverage below 20% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <20%-15%: \$4000.00 <15%-10%: \$4000.00 <10%-5%: \$4000.00 <5%-0%: \$4000.00

Significant Tree Credits	
Retained significant trees in diameter at breast height (DBH)	
Retained significant tree 12" to <20" DBH	125% existing or future canopy multiplier
Retained significant tree >20" DBH	150% existing or future canopy multiplier
Fees in Lieu of Canopy Standard	\$5.00 per square foot of canopy necessary to meet 40% site coverage
Bonding Requirements	
Tree Protection	150% of appraised value of protected trees held for 3 years
Post Development	\$3500.00 per newly planted tree for a 5-year period
Rare or Threatened	\$250.00 per inch DBH

Residential Development – Preservation Standards

- Established to protect existing trees on site
- No breakdown of species priority besides additional fees for removal of rare or threatened species
- Invasive species not included
- Mitigation required if removing past 30% onsite canopy
- Significant tree credit for >12" trees

New Canopy Coverage	Mitigation Fee
<30% - 22.5%	\$4000
<22.5% - 15%	\$4000
<15% - 7.5%	\$4000
<7.5% - 0%	\$4000



30% Existing Site Canopy

Removal of tree
24% site coverage

Ex. \$4000 Mitigation Fee



50% Existing Site Canopy

Removal of tree
20% site coverage

Ex. \$8000 Mitigation Fee



90% Existing Site Canopy

Removal of 3 trees
70% site coverage

Ex. No Mitigation Fee

Alternative preservation standard mitigation fees.

Mitigation fees	
Fee in lieu of canopy preservation in residential development	\$4000 for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <30%-22.5%: \$4000 Remaining site canopy <22.5%-15%: \$4000 Remaining site canopy <15%-7.5%: \$4000 Remaining site canopy <7.5%-0%: \$4000

Alternative Mitigation Fee Structure for Consideration	
Alternative fee in lieu of canopy preservation in residential development	Increasing fee for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction. Remaining site canopy <30%-22.5%: \$4000 Remaining site canopy <22.5%-15%: \$6000 Remaining site canopy <15%-7.5%: \$8000 Remaining site canopy <7.5%-0%: \$10000

Residential Development – Canopy Standards

- Tree canopy goals of 40% canopy cover by 2040
- Canopy standards ensure **intentional preservation and planting** on development sites to achieve canopy goals
- 40% tree canopy coverage required on completed development sites through **existing tree canopy** or through **future mature canopy of new plantings**
- **Significant tree credit is given for existing trees >12"**
- \$5.00 per square foot mitigation is required if unable to meet canopy standards



Tree Location	% Canopy Credit
Existing onsite	100%
Planted onsite	75%
Existing ROW	50%
Planted ROW	50%
Sig Tree >12"	125%
Sig Tree >20"	150%

10% Site Canopy after Removal

- 7000 sq ft lot
- 700 sq ft existing canopy from trees <12" DBH
- **40% site coverage = 2800 sq ft**

*Planted: 3 Japanese Snake Bark Maples @ 962 sq ft credit
x75% planting onsite multiplier
= 2164 sq ft canopy*

2164 sq ft planted + 700 sq ft existing = 2864 sq ft

Alternatively...

*Planted: 2 Japanese snakebark maple = 2143 sq ft site coverage
Mitigation = 2800 sf – 2143 sf x \$5.00
= \$3285.00*

Factoring in Significant Trees – Preservation Standard

- Increases canopy credits for preservation and canopy standards
 - 125% for 12" to <20" DBH, 150% for >20" DBH
- Promotes retention of large existing trees



- 7000 sq foot lot
- 50% existing canopy coverage (3500 sq ft)
- Large 22" beech tree in front
 - 2000 sq ft canopy
- Sum of smaller trees = 1500 sq ft
- If beech removed and other trees retained....
 - 1500 sq ft canopy remaining
 - 21% onsite canopy
 - \$8000 preservation mitigation required
- If beech retained and other trees removed...
 - Remaining tree = 2000 sq ft
 - Significant tree multiplier @ 150% = 3000 sq ft
 - 3000 sq ft > 30% mitigation threshold
 - No required mitigation

New Canopy Coverage	Mitigation Fee
<30% - 22.5%	\$4000
<22.5% - 15%	\$4000
<15% - 7.5%	\$4000
<7.5% - 0%	\$4000

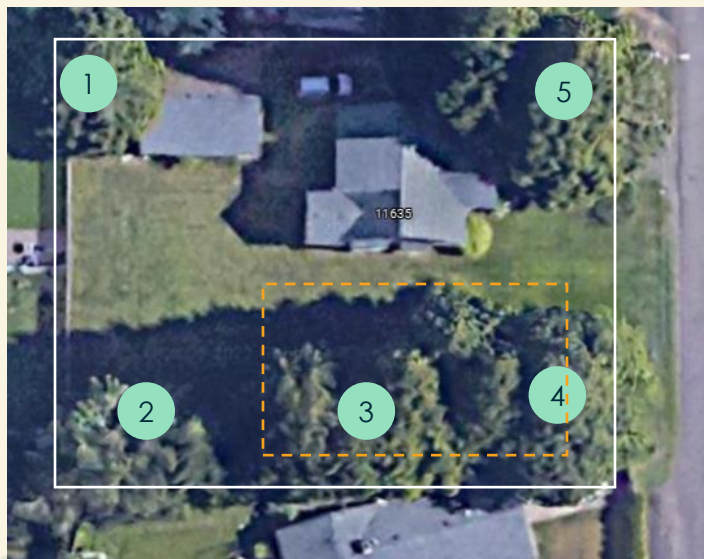
Factoring in Significant Trees – Canopy Standard

- Increases canopy credits for preservation and canopy standards
 - 125% for 12" to <20" DBH, 150% for >20" DBH
- Promotes retention of large existing trees



- **7000 sq foot lot**
- **50% existing canopy coverage (3500 sq ft)**
- **Large 22" beech tree in front**
 - **2000 sq ft canopy**
- **Sum of smaller trees = 1500 sq ft**
- **If beech removed and other trees retained....**
 - 800 sq ft canopy remaining
 - Plant back (75% canopy credit)
 - Pay mitigation (\$5 square foot)
- **If beech retained and other trees removed...**
 - Remaining tree = 2000 sq ft
 - Significant tree multiplier @ 150% = 3000 sq ft
 - 3000 sq ft > 40% canopy coverage
 - No required replanting or mitigation

Illustrative Site Map – Not to Scale



10,000 sq ft lot

----- Proposed Development

Trees	DBH	Species	Existing Canopy Radius	Existing Canopy	Canopy at Maturity
1	8"	True Fir	9 ft	254 ft ²	280 ft ²
2	10"	Washington Hawthorne	11 ft	380 ft ²	490 ft ²
3	14"	American Elm	17 ft	907 ft ²	1962 ft ²
4	15"	Red Oak	18 ft	1017 ft ²	1580 ft ²
5	13"	Big Leaf Maple	17 ft	908 ft ²	1962 ft ²
Total				3466 ft²	



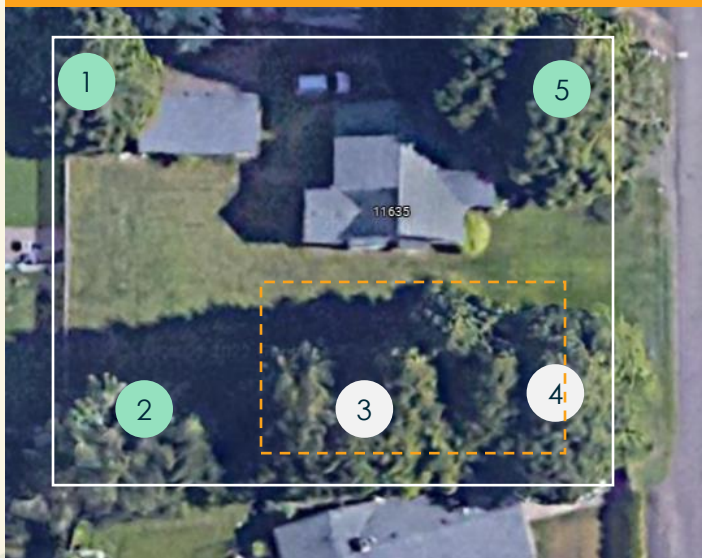
CITY OF MILWAUKIE



**MILWAUKIE
URBAN FOREST**
Growing Trees
Growing Community

Preservation Standard

SITE DESIGN A



New Canopy Coverage	Mit. Fee
<30% - 22.5%	\$4000
<22.5% - 15%	\$4000
<15% - 7.5%	\$4000
<7.5% - 0%	\$4000

Tree	DBH	Species	Existing Canopy Radius	Existing Canopy	Sig. Tree Credit	Potential Canopy Credit
1	8"	True Fir	9 ft	254 ft2	--	--
2	10"	Washington Hawthorne	11 ft	380 ft2	--	--
3	14"	American Elm	17 ft	907 ft2	X 125%	1133.75
4	15"	Red Oak	18 ft	1017 ft2	X 125%	1271.25
5	13"	Big Leaf Maple	17 ft	908 ft2	X 125%	1135.0 ft2
				1542 ft2 15.42% \$8000		1769.25 ft2 17.7% \$8000



CITY OF MILWAUKIE



**MILWAUKIE
URBAN FOREST**
Growing Trees
Growing Community

Preservation Standard

SITE DESIGN B



Tree	DBH	Species	Existing Canopy Radius	Existing Canopy	Sig. Tree Credit	Potential Canopy Credit
1	8"	True Fir	9 ft	254 ft ²	--	—
2	10"	Washington Hawthorne	11 ft	380 ft ²	--	—
3	14"	American Elm	17 ft	907 ft ²	X 125%	1133.75
4	15"	Red Oak	18 ft	1017 ft ²	X 125%	1271.25
5	13"	Big Leaf Maple	17 ft	908 ft ²	X 125%	1135.0
				2179 ft ² 21.79% \$8000		2660.25 ft ² 26.6% \$4000

New Canopy Coverage	Mit. Fee
<30% - 22.5%	\$4000
<22.5% - 15%	\$4000
<15% - 7.5%	\$4000
<7.5% - 0%	\$4000



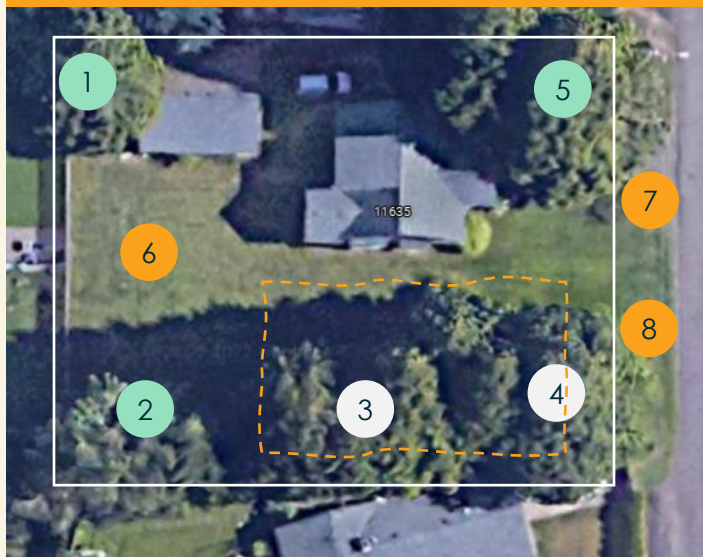
CITY OF MILWAUKIE



**MILWAUKIE
URBAN FOREST**
Growing Trees
Growing Community

Canopy Standard

SITE DESIGN A

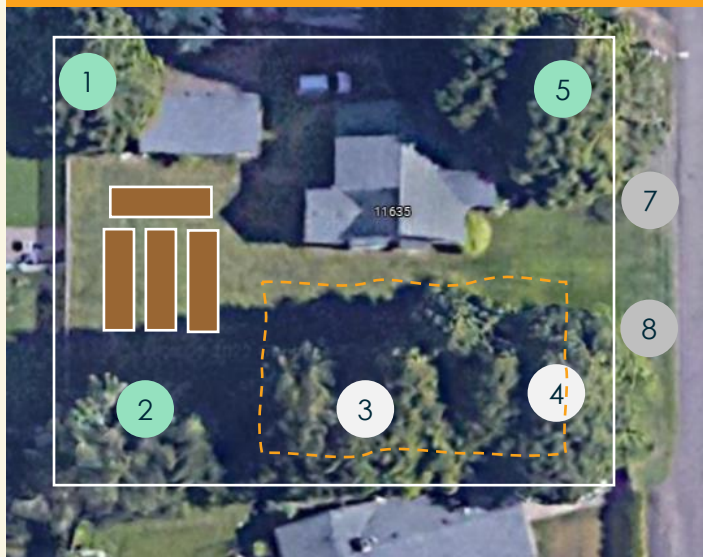


In lieu of canopy fee	Mit. Fee
<40% Canopy Standard	\$5/sq ft

Tree	DBH	Species	Existing Canopy Radius	Existing Canopy	Mature Canopy	Sig. Tree Credit	Potential Canopy Credit
1	8"	True Fir	9 ft	254 ft ²	280 ft ²	--	--
2	10"	Washington Hawthorne	11 ft	380 ft ²	490 ft ²	--	--
3	14"	American Elm	17 ft	907 ft ²	1962 ft ²	X 125%	2452.5
4	15"	Red Oak	18 ft	1017 ft ²	1580 ft ²	X 125%	1975
5	13"	Big Leaf Maple	17 ft	908 ft ²	1962 ft ²	X 125%	2452.5 ft ²
				Final existing canopy			3222.5 sq ft
Tree	DBH	Species			Mature Canopy	Canopy Credit	Final Canopy
6		Pacific Madrone			710 ft ²	75%	532.5
7		Eastern Redbud			452 ft ²	50%	226
8		Eastern Redbud			452 ft ²	50%	226
				Final planted canopy			984.5 sq ft
				Total site canopy			4207 sq ft
				Alternative mitigation fee (\$5/sq ft)			\$4922.50

Canopy Standard

SITE DESIGN A

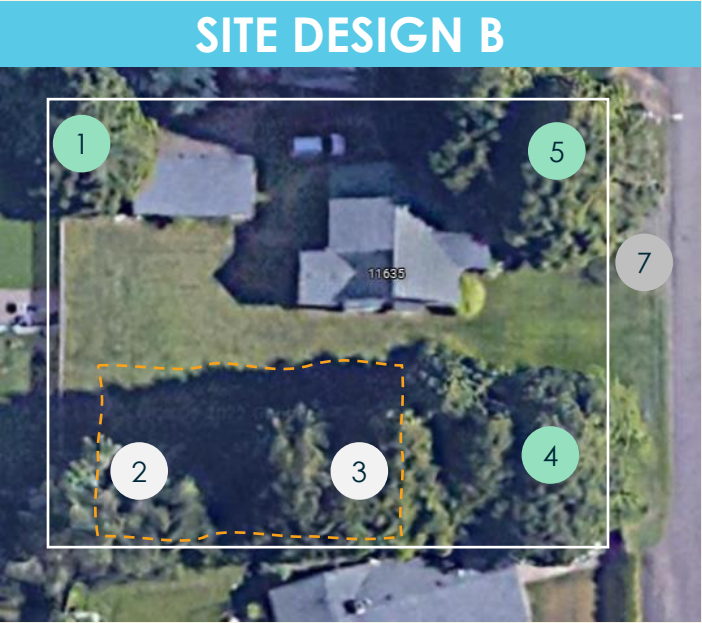


In lieu of canopy fee	Mit. Fee
<40% Canopy Standard	\$5/sq ft

Tree	DBH	Species	Existing Canopy Radius	Existing Canopy	Mature Canopy	Sig. Tree Credit	Potential Canopy Credit
1	8"	True Fir	9 ft	254 ft ²	280 ft²		
2	10"	Washington Hawthorne	11 ft	380 ft ²	490 ft²		
3	14"	American Elm	17 ft	907 ft ²	1962 ft ²	X 125%	2452.5
4	15"	Red Oak	18 ft	1017 ft ²	1580 ft ²	X 125%	1975
5	13"	Big Leaf Maple	17 ft	908 ft ²	1962 ft ²	X 125%	2452.5
				Final existing canopy			3222.5 sq ft
Tree	DBH	Species			Mature Canopy	Canopy Credit	Final Canopy
6		Pacific Madrone			710 ft²	75%	532.5
7		Eastern Redbud			452 ft²	50%	226
8		Eastern Redbud			452 ft²	50%	226
				Final planted canopy			452 sq ft
				Total site canopy			3672.5 sq ft
				Alternative mitigation fee (\$5/sq ft)			\$4922.5

Alternative design variance – no mitigation fee

Canopy Standard



In lieu of canopy fee	Mit. Fee
<40% Canopy Standard	\$5/sq ft

Tree	DBH	Species	Existing Canopy Radius	Existing Canopy	Mature Canopy	Sig. Tree Credit	Potential Canopy Credit
1	8"	True Fir	9 ft	254 ft2	280 ft2		
2	10"	Washington Hawthorne	11 ft	380 ft2	490 ft2		
3	14"	American Elm	17 ft	907 ft2	1962 ft2	X 125%	2452.5
4	15"	Red Oak	18 ft	1017 ft2	1580 ft2	X 125%	1975 ft2
5	13"	Big Leaf Maple	17 ft	908 ft2	1962 ft2	X 125%	2452.5 ft2
				Final existing canopy			4707.5 sq ft 47.1% - Meets Standard!
Tree	DBH	Species			Mature Canopy	Canopy Credit	Final Canopy
6		Pacific Madrone			710 ft2	75%	532.5
7		Eastern Redbud			452 ft2	50%	226 ft2
				Final planted canopy			226 sq ft
				Total site canopy			5233.5 sq ft 52.3%
				Mitigation fee (\$5/sq ft)			N/A

Trees should not be a last thought.



Enforcement Fees

Private Enforcement and Restoration Fees	Fiscal Year 2023 Fee	Fiscal Year 2024 Fee
Violation Review Fee	\$200.00	\$200.00
Damaged Private Tree Fee	\$225.00 per inch DBH	\$225.00 per inch DBH
Unpermitted Private Tree Removal Fee		
6" to <12" DBH	\$2000.00 per tree	\$2000.00 per tree
12" to <18" DBH	\$167.00 per inch DBH	\$167.00 per inch DBH
18" to <24" DBH	\$200.00 per inch DBH	\$200.00 per inch DBH
24" or greater DBH	\$250.00 per inch DBH	\$250.00 per inch DBH



Affordable housing

Fee in lieu of canopy preservation for eligible residential affordable housing

\$4000 for each reduction of 5% site canopy coverage below 20% total site canopy. Fees are cumulative based on total canopy reduction.

Remaining site canopy <20%-15%: \$4000

Remaining site canopy <15%-10%: \$4000

Remaining site canopy <10%-5%: \$4000

Remaining site canopy <5%-0%: \$4000

Alternative fee in lieu of canopy preservation for eligible residential affordable housing

\$2000 for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction.

Remaining site canopy <30%-22.5%: \$2000

Remaining site canopy <22.5%-15%: \$2000

Remaining site canopy <15%-7.5%: \$2000

Remaining site canopy <7.5%-0%: \$2000



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Growing Community

Next steps...

Continued discussion on Feb 15th

Questions?

urbanforest@milwaukieoregon.gov

503-789-7655

milwaukieoregon.gov/trees

Natalie Rogers

Climate and Natural Resources Manager

RogersN@milwaukieoregon.gov



Scott Stauffer

From: charlesbird@juno.com
Sent: Tuesday, January 18, 2022 8:15 PM
To: OCR
Cc: evenstar@hevanet.com
Subject: Proposed Tree Code Comment

This Message originated outside your organization.

Thank you for the offer to hear my comments on the tree code during the Feb 1 meeting. Unfortunately I will no be able to speak as I will be on holiday.

My comments are simple as follows;

1. To encourage people to grow and maintain large trees I recommend an incentive for large trees. This could be in the form of a property tax reduction for example. Based on the actual diameter of the tree the tax benefit would increase.
2. Offer a waiver of the tree removal fee and any arborist cost or any other cost required by the city in the event that removal of the tree would leave more that 40% tree cover on the applicants lot. This would afford those owners who wish to plant grow and protect large trees the flexibility to manage their tree grove without extra costs imposed by the city.

For example my property has more than one small tree over 6" DBH which are earmarked for removal as they are either not native or need to be removed to favor the health of the grove. Non of this removal would affect the overall tree canopy to an extent that would significantly reduce the canopy.

Thank you again

Charles

Charles L. Bird, P.E.
ARO KG7OJJ - GMRS WQZJ967
12312 SE River Road
Milwaukie, Oregon 97222
503.318.5065

Scott Stauffer

From: Neil Schulman <neil@ncwatersheds.org>
Sent: Tuesday, January 18, 2022 7:58 PM
To: OCR
Subject: Testifying on 2/1 Tree Code Hearing

This Message originated outside your organization.

Scott,

I'd like to be on the list to testify on 2/1. Thank you. And thanks for all your support on putting the work session presentation together earlier.

Neil Schulman
Executive Director
503-550-9282
2416 SE Lake Rd. Milwaukie, OR 97222
neil@ncwatersheds.org
northclackamaswatersheds.org

