AGENDA BILL

WEST LINN CITY COUNCIL

SUBJECT: Water System Master Plan Improvements of 1982

DEPARTMENT: Finance
DATE: November 3, 1985

****

BRIEF SUMMARY: STAFF REPORT ATTACHED: Yes X No ___

At the Council work session in October, presentations were made on the subject of constructing the remaining water improvements contained in the West Linn Water System Master Plan of 1982. Two alternative construction and financing plans were discussed:

11-13-85 * Alternative A: Take a piece-meal approach toward constructing the remaining water improvements and market the bond issues in several phases -- Phase II, III, IV, etc.

Alternative B: Construct the remaining water improvements as one continuous project and market a single bond issue to finance the improvements.

Council asked that a financial feasibility study be made on Alternative "B", so that Council would have an idea of its effects on water rates, if water bonds were issued in a lump-sum amount. At that time, Council authorized the expense of hiring a financial advisor from Portland Northwest Securities to assist the Finance Director with this study. This has not been done, because of reasons which will become apparent to you as you read on.

Alternative "B" was discussed at a meeting with Murray, Smith & Associates, Jack Hammond and City staff members (John Buol, Earl Reed, and Dennis Koellermeier). Several important items came to the surface during the meeting: (a) federal arbitrage law regarding the expenditure of bond sale proceeds; (b) construction scheduling and the affects on the City of doing several million dollars in construction over a short period of time; and (c) the total cost of the remaining improvements. Each of these issues are discussed below:

FEDERAL ARBITRAGE LAW:

The Federal arbitrage law is very complicated and, briefly stated, it says that from the date of the bond sale, the City must spend 85% of the bond proceeds within the first three years and 95% within four years. Because of the size of West Linn, this spending requirement severely affects the ability of the City to construct the water improvements in an orderly and efficient manner. Two memorandums from Jack Hammond on the subject of Federal arbitrage requirement standards are attached, see Exhibits A and B.

CONSTRUCTION SCHEDULING:

The Public Works Director and Public Works Supervisor feel that the City could not construct the water improvements in an orderly and efficient manner, within the time-frames required by the Federal arbitrage law (3 to 4 years). The amount of construction in process would cause a great deal of confusion, disorder and disruption within the City limits. The City would not be able to control this situation, because construction would be taking place all over the City. In their opinion, a three to four year construction schedule is unrealistic; seven years is really pushing it; and a ten year schedule would be manageable and more realistic.

COST OF THE WATER IMPROVEMENTS:

The original cost estimate of the West Linn Master Water Plan of 1982 was approximately $6.12 million. Of this amount, $1.02 million was spent in Phase I, leaving a balance of $5.1 million needing to be completed. Keep in mind, that this amount is based on 1982 costs figures and needs to be adjusted to today's cost for inflation increases.

FURTHER DISCUSSION ON THE ALTERNATIVES:

To finance alternatives "A" and "B", bonds could be issued in a manner described below. The original 1982 cost estimates have been adjusted to reflect an assumed 5% annual inflation factor, which brings the estimates in line will what it would cost today.

Alternative "A": Phase II's original cost estimate was $1.59 million (stated in 1982 dollars). This alternative will now cost the City $1.675 million, to meet a construction schedule of June 1986 through June 1987. A letter from Murray, Smith & Associates is attached, see Exhibit C.

Alternative "B": The original cost estimate to complete the remaining improvements, as one continuous project, was $5.10 million (stated in 1982 dollars). To meet a three year construction schedule (June 1986 through March 1989) the remaining improvement will now cost the City $6.187 million. A letter from Murray, Smith & Associates is attach, see Exhibit C.

Alternative "B" has many financing advantages, but it also has undesirable qualities about it and doesn't quite fit West Linn's financing needs today. This is mostly in the area of not being able to manage $6 million in construction activity over a 3 to 4 year period, which is the maximum time that the City has to legally spent 95% of the bond proceeds. The citizens of West Linn and people doing business in the City could not handle the

shock of having that much construction going on; and staff doesn't feel that the City could efficiently manage that much construction activity at one time.

Staff favors Alternative "A's" approach of constructing the remaining improvements in several phases. Exhibits D-1, D-2, and D-3 shows the effects of issuing 15, 20 or 30 year bonds on water rates.

11-13-85 Council called for Bond Issue on March, 1986 election. $50,000 S/B offset by SYSTEM DEV. CHGS.

AGENDA BILL

WEST LINN CITY COUNCIL

SUBJECT:
Water Service in the Rosemont Pressure Zone

DEPARTMENT: Development Services
BY: Earl Reed, Public Works Director
DATE: November 5, 1985

BUDGET IMPACT:

Expenditures Required $	Amount Budgeted $	Appropriation Required $
-0-	-0-	-0-

BRIEF SUMMARY:

ATTACHMENT: YES: X NO: __

The City's water system consultants, Murray, Smith & Associates have recently made four recommendations concerning the water service in the Rosemont pressure zone. The recommendations are:

1. Make preparations to implement a water use restriction program within the Rosemont pressure zone during the summer of 1986.

2. Continuously record pressure in the vicinity of Suncrest Drive and Hunter Drive during the summer of 1986 and monitor the results of those recordings.

3. Proceed with steps to obtain financing for implementation of the Phase II water system master plan improvements and complete those improvements within the Rosemont pressure zone prior to the summer of 1987.

4. Continue with normal planning, subdivision, and utility connection procedures and impose no special restrictions on water connections if completion of water system improvements within the zone can be assured prior to the summer of 1987.

5. No restrictions be placed on annexation within the time frame outline in the attached letter provided all other recommendations of the letter (items 1 through 4) are implemented.

RECOMMENDED ACTION:

That the City Council adopt these recommendations and direct staff to implement them.

COUNCIL ACTION TAKEN:

AGENDA BILL NO.____

11-13-85 Council adopted 1-4

CONSENT AGENDA

WEST LINN CITY COUNCIL

SUBJECT: Purchase of Computer Equipment and Change in the Original Configuration

DEPARTMENT: William Gin, Finance Director

DATE: November 1, 1985

BUDGET IMPACT

Expenditure Required: $63,300*

Amount Budgeted: $63,000

Appropriation Required: None

*Note: The original computer hardware configuration cost $65,027. This new proposal costs approximately $63,300, a reduction of $1,727.

BRIEF SUMMARY:

STAFF REPORT ATTACHED: Yes X No ___

I am seeking approval to make a minor change in the original hardware configuration, which Council authorized the City Administrator to acquire through negotiated purchasing. The specific items that I am requesting a change for, are as follows:

Items Being Eliminated & Replaced	Replacement Items
.. 2 Each, 4230 VS Workstations	.. 2 Each, Wang Personal Computers, Includes: .1 ea. 256 KB CPU, with Dual Diskette Drives .1 ea. 256 KB CPU, with Single Diskette Drive and 10 MB Winchester Hard Disk . Wang/IBM Emulation Cards (2) . Monochrome Monitors (2) . Advanced PC Word Processing Software (2) .. 2 Each, PC to VS Local Interconnect Network Software Packages .. 1 Each, 2246S-2R Wang DP Console Workstation

This change does not raise the cost of the original configuration, it is now $1,727 less than the original.

In addition, I will give the IBM Personal Computer (PC) that I am currently using to the Library Department. The Library has $2,000 in their budget to purchase a typewriter. $1,100 of this budget will be used to buy a printer for the IBM PC and the remaining $900 will be returned to the General Fund's operating contingency.

RECOMMENDED ACTION:

Approve the change in hardware configuration.

11-13-85 Council approved change in hardware configuration

CONSENT AGENDA

WEST LINN CITY COUNCIL

SUBJECT: Bancroft Bond Application -- Mr. & Mrs. Elwood B. Nicholson

DEPARTMENT: Finance
DATE: November 4, 1985

BRIEF SUMMARY:

STAFF REPORT ATTACHED: Yes X No ___

The Nicholson's have been several years delinquent in paying their semi-annual assessment lien payments and their property is subject to foreclosure, if payment is not made.

Mr. Nicholson is 68 years old, and their Oregon income tax return indicates that they made $9,205 in 1984. They currently owe the City $1,302, which they are unable to pay.

The State has a special assessment deferral program that Mr. Nicholson could qualify for, if he had applied for Bancroft Bonding when his property was first assessed in 1970. Rather than foreclosing the City's lien by selling their property and creating a financial hardship on the Nicholson's, the Council could approval and accept their Bancroft application late -- thereby qualifying them for the State deferral program. The State would pay the delinquent assessment lien payments and the Nicholson's would pay the State when any of the following events occur: (a) the person who claimed the deferral dies; (b) the ownership of the property changes; or (c) the person who claimed the deferral no longer lives on the property.

RECOMMENDATION:

Authorize the Finance Director to let Mr. & Mrs. Elwood Nicholson apply for Bancroft Bonding of their delinquent assessment lien.

Attachments:

.. City collection letters, dated 12/18/84 and 7/30/85.
.. Oregon application for deferral of special assessments for senior citizens.
.. Memorandum for the Oregon Department of Revenue, dated 8/28/85.
.. West Linn notice of assessment and application to pay assessments under the Bancroft Bonding Act.

11-13-85 Council authorized Finance Director to apply for Bancroft Bonding

AGENDA BILL

WEST LINN CITY COUNCIL

SUBJECT: Reduced Utility Rates for Special Classes of Citizens

DEPARTMENT: Finance

BUDGET IMPACT

Expenditure Required: None

Amount Budgeted: None

Appropriations Required: None

Impact on Water Rates: Unknown

BRIEF SUMMARY:

STAFF REPORT ATTACHED: Yes X No ___

Council asked for a staff report on the subject of reduced water rates for "special classes of citizens", which would include renters that fall into this category.

This report goes beyond the subject matter requested, and includes reduced sewer rates, administrative policies and practices, and the effects of having special citizen rates on the other ratepayers in the City.

The purpose of this staff report is to facilitate Council's discussion on the subject.

RECOMMENDED ACTION: For discussion by Council, at their request.

11-13-85 Council asked for info from other jurisdictions Regarding senior renters.

AGENDA BILL

WEST LINN CITY COUNCIL

SUBJECT:
Proposed Ordinance No. 1173 - West Linn Traffic Safety Commission

DEPARTMENT: Administration
John A. Buol

BUDGET IMPACT:

Expenditures Required $	Amount Budgeted $	Appropriation Required $

BRIEF SUMMARY: STAFF REPORT ATTACHED Yes___ No___

The City Council, and the Traffic Safety Commission, about two months ago had a worksession on the duties of the Traffic Safety Commission. Since that meeting, the Commission has prepared a revised draft of the ordinance that was sent to each Council member. Since we have not received any changes to the Ordinance, the Council should adopt or reject the ordinance.

RECOMMENDED ACTION:

Adopt Ordinance No. 1173, amending Traffic Safety Commission with an effective date of November 14, 1985.

COUNCIL ACTION TAKEN: AGENDA BILL NO.____

11-13-85 Postponed to next mtg. Change to staggered dates.

AGENDA BILL

WEST LINN CITY COUNCIL

SUBJECT:
LIBRARY BUILDING PROGRAM

DEPARTMENT: LIBRARY
Gary Olson, Library Board Chairman
Pam Barnes, Librarian

BUDGET IMPACT:

Expenditures	Amount	Appropriation
Required $188,000 (up to)	Budgeted $	Required $188,000

BRIEF SUMMARY: STAFF REPORT ATTACHED Yes___ No x

The West Linn Library presently occupies 1500 sq ft of space in the Bolton Fire Hall. The facility no longer is able to accommodate the needs of our growing community of approximately 12,000 people. The Library Board, with the help of the Friends of the West Linn Library, have been investigating the feasibility and need for a change. The library and community needs, possible building sites, various forms of funding and libraries in comparable communities have been studied.

RECOMMENDED ACTION:

The Library Board recommends that a new library facility be found. It is suggested that two items in regards to the funding of this facility be approved by the City Council.

I. Permission be granted to the Library Board to apply for a Federal LSCA Title II grant in January. This requires approval by the City Council to match Federal funds with current reserves from the County Serial Levy monies held in abeyance for this purpose.

II. Approve a bond issue to be levied at a later time in order to raise additional funds for a new library facility.

COUNCIL ACTION TAKEN: AGENDA BILL NO._____

11-13-85 Council authorized staff to proceed with application for grant.

AGENDA BILL

WEST LINN CITY COUNCIL

SUBJECT:
Proposed Proclamation
Lights on For Peace

DEPARTMENT: Administration
John A. Buol

BUDGET IMPACT:

Expenditures Required $

Amount Budgeted $

Appropriation Required $

BRIEF SUMMARY:

STAFF REPORT ATTACHED Yes___ No___

The City has received the enclosed letter suggesting the City have its citizens light their porchlights, candles or other lights on November 19 & 20, 1985, in conjunction with the Geneva Summit between President Reagan and General Secretary Gorbachev to demonstrate our yearning for world peace and greater understanding and cooperation between the United States and the U.S.S.R.

RECOMMENDED ACTION:

COUNCIL ACTION TAKEN:

AGENDA BILL NO.____

11-13-85 Mayor signed Proclamation