

Notice of Public Meeting

City Council Meeting

AGENDA

CITY OF FALLS CITY, OREGON

Meeting Location: 320 N Main Street, Falls City, Oregon 97344

Thursday May 11, 2017 6:00 p.m.

Posted on June 2, 2017

1.) Call to Order

A) Roll Call: Terry Ungricht, Mayor____ Dennis Sickles ____ Lori Jean Sickles____
Jennifer Drill ____ Tony Meier____ Charlie Flynn ____ Clifford Lauder ____

2.) Pledge of Allegiance

3.) Motion to Adopt the Entire Agenda

4.) Consent Agenda: Motion Action Approving Consent Agenda Items

- A. Approval of the Billspages 1-3
- B. Approval of May 11, 2017 Council Meeting Minutespages 4-10
- C. Approval of May18, 2017 Work Session Minutes.....pages 11-13

6.) Public Comments Citizens may address the Council or introduce items for Council consideration on any matters. Council may not be able to provide an immediate answer or response, but may direct staff to follow up on any questions raised. Out of respect to the Council and others in attendance, please limit your comment to five (5) minutes. Please state your name and city of residence for the record.

7.) New Business:

- A. Resolution 09-2017, 2017/18 budget adoption.....pages 14-23
- B. Resolution 10-2017, Charter Franchise Agreement.....pages 24-46
- C. Resolution 11-2017, Water Leak Adjustment Policy.....pages 47-50
- D. Resolution 12-2017, Fees for Water/Wastewater Service.....pages 51-60

8.) Correspondence, Comments, and Ex-Officio Reports

- A. Mayor Report.....pages 61-62
- B. Council Reports
 - Polk County Sheriff Garton's report.....pages
 - Fire Department Monthly Report, January through May.....pages
 - Public Works Department Monthly Reportpages 63
 - Library Monthly Reportpage

8) Council Announcements

- A. Next regular Council Meeting, July 13, 2017 6:00 pm.

9) Adjourn

The City of Falls City does not discriminate in providing access to its programs, services, and activities on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, physical or mental disability, or any other inappropriate reason prohibited by law or policy of the state or federal government. Should a person need special accommodations or interpretation services, contact the City at 503.787.3631 at least one working day prior to the need for services and every reasonable effort to accommodate the need will be made.

City of Falls City
Paid Bills Report
As of May 15, 2017

	Date	Memo	Account	Class	Amount
Ag West Supply	05/15/2017	285018	Accounts Payable		-394.00
	05/15/2017	Y129580, Tires for PMW pickup	Equipment Maintenance/Repair	20 WATER OPERATING FUND	295.50
	05/15/2017	285018	Equipment Maintenance/Repair	11 STREET FUND	98.50
					0.00
Total Ag West Supply					
CenturyLink	05/15/2017	multiple phone bills May	Accounts Payable		-427.81
	05/15/2017	May	Telephone	01 GENERAL FUND:01.01 Administrative	184.17
	05/15/2017	multiple phone bills May	Telephone	20 WATER OPERATING FUND	70.25
	05/15/2017	multiple phone bills May	Telephone	01 GENERAL FUND:01.07 Fire Department	173.39
					0.00
Total CenturyLink					
City of Salem	05/15/2017	inv#9021191	Accounts Payable		-1,178.75
	05/15/2017	70% inv 9021191	911 Fee - Fire Department	01 GENERAL FUND:01.07 Fire Department	825.12
	05/15/2017	30% 9021191	911 Fee - Law Enforcement	01 GENERAL FUND:01.01 Administrative	353.63
					0.00
Total City of Salem					
Dallas Auto Parts	05/15/2017	Statement 04.30	Accounts Payable		-27.38
	05/15/2017	Statement 04.30	Equipment Maintenance/Repair	20 WATER OPERATING FUND	27.38
					0.00
Total Dallas Auto Parts					
Department of Environmental Quality	05/15/2017	2 year operator certificate wastewater	Accounts Payable		-160.00
	05/15/2017	2 year operator certificate	Permits	13 SEWER FUND	160.00
					0.00
Total Department of Environmental Quality					
Edge Analytical	05/15/2017	17-08865, 17-10157, 17-10874	Accounts Payable		-258.00
	05/15/2017	17-08865, 17-10157, 17-10874	Lab Analysis Services	20 WATER OPERATING FUND	258.00
					0.00
Total Edge Analytical					
Frink's General Store	05/15/2017	Invoice 042917-1	Accounts Payable		-89.60
	05/15/2017	Invoice 042917-1	Equipment Maintenance/Repair	20 WATER OPERATING FUND	89.60
					0.00
Total Frink's General Store					
L & L Equipment	05/15/2017	04.30.2017	Accounts Payable		-5.90
	05/15/2017	04.30.2017	Equipment Maintenance/Repair	01 GENERAL FUND:01.03 Parks	5.90
					0.00
Total L & L Equipment					
Mid Wilamette Valley COG	05/15/2017	1617333	Accounts Payable		-1,658.75
	05/15/2017	inv 1617333, land use	Council of Governments Planning	01 GENERAL FUND:01.01 Administrative	1,658.75
					0.00
Total Mid Wilamette Valley COG					
Net Assets Corporation	05/15/2017	66-201704	Accounts Payable		-32.00
	05/15/2017	50% Lien service -66-201704	Professional Services	13 SEWER FUND	16.00
	05/15/2017	50% Lien service	Professional Services	20 WATER OPERATING FUND	16.00
					0.00
Total Net Assets Corporation					
Office Craft	05/15/2017	M99-5470	Accounts Payable		-86.19
	05/15/2017	M99-5402	Copier Lease/Maintenance	01 GENERAL FUND:01.01 Administrative	86.19
					0.00
Total Office Craft					
Pacific Power	05/15/2017	multiple accounts, 21091561-006 2	Accounts Payable		-2,061.09
	05/15/2017	May	Power/Heat	01 GENERAL FUND:01.07 Fire Department	681.43
	05/15/2017	multiple accounts, 21091561-006 2	Power/Heat	01 GENERAL FUND:01.01 Administrative	121.22
	05/15/2017	multiple accounts, 21091561-006 2	Power/Heat	01 GENERAL FUND:01.03 Parks	64.47
	05/15/2017	multiple accounts, 21091561-006 2	Power/Heat	13 SEWER FUND	490.92

**City of Falls City
Paid Bills Report
As of May 15, 2017**

	Date	Memo	Account	Class	Amount
Total Pacific Power Petro Card	05/15/2017	multiple accounts, 21091561-006 2	Street Lights	11 STREET FUND	640.05
	05/15/2017	multiple accounts, 21091561-006 2	Power/Heat	20 WATER OPERATING FUND	63.00
					0.00
Total Petro Card Speer Hoyt LLC	05/15/2017	C183134	Accounts Payable		-90.37
	05/15/2017	20% C183134	Vehicle Operation	11 STREET FUND	18.07
	05/15/2017	20%	Vehicle Operation	13 SEWER FUND	18.07
	05/15/2017	60%	Vehicle Operation	20 WATER OPERATING FUND	54.23
					0.00
Total Speer Hoyt LLC Williamson & Aebi, LLP	05/15/2017	INV: 40177	Accounts Payable		-342.00
	05/15/2017	INV: 40177	Attorney/Special Council	01 GENERAL FUND:01.01 Administrativ	342.00
					0.00
Total Williamson & Aebi, LLP Xerox Financial Services	05/15/2017	April	Accounts Payable		-682.40
	05/15/2017	35% April	Professional Services	01 GENERAL FUND:01.01 Administrativ	238.84
	05/15/2017	5%	Professional Services	01 GENERAL FUND:01.04 Municipal Co	34.12
	05/15/2017	10%	Professional Services	11 STREET FUND	68.24
	05/15/2017	15%	Professional Services	13 SEWER FUND	102.36
	05/15/2017	35%	Professional Services	20 WATER OPERATING FUND	238.84
					0.00
Total Xerox Financial Services Consumers Power Inc	05/15/2017	804611	Accounts Payable		-180.75
	05/15/2017	lease April 65%, inv 804611	Copier Lease/Maintenance	01 GENERAL FUND:01.01 Administrativ	117.49
	05/15/2017	lease 10%	Copier Lease/Maintenance	11 STREET FUND	18.07
	05/15/2017	lease 10%	Copier Lease/Maintenance	13 SEWER FUND	18.07
	05/15/2017	lease 15%	Copier Lease/Maintenance	20 WATER OPERATING FUND	27.12
					0.00
Total Consumers Power Inc CUI	05/23/2017	Account # 1155301	Accounts Payable		-227.14
	05/23/2017	May Power	Power/Heat	20 WATER OPERATING FUND	227.14
					0.00
Total CUI Deisman Trucking & Excavation	05/23/2017	M14113	Accounts Payable		-995.00
	05/23/2017	M 14113 annual tech support for utility bill	Computer Software Maintenance	20 WATER OPERATING FUND	995.00
					0.00
Total Deisman Trucking & Excavation Edge Analytical	05/23/2017	686195	Accounts Payable		-360.00
	05/23/2017	686195, sel barrier blocks M/H park	Professional Services	01 GENERAL FUND:01.03 Parks	360.00
					0.00
Total Edge Analytical King's Pumping Service	05/23/2017	17-10156	Accounts Payable		-198.00
	05/23/2017	17-10156	Lab Analysis Services	20 WATER OPERATING FUND	198.00
					0.00
Total King's Pumping Service Petro Card	05/23/2017	13703 x 3, 13684, 13683	Accounts Payable		-2,005.00
	05/23/2017	273 Mill, 154 3rd, 279 Mill, 575 Bryant, 66 Tank Pumping	Accounts Payable	13 SEWER FUND	2,005.00
					0.00
Total Petro Card Pitney Bowes	05/23/2017	C188586	Accounts Payable		-225.94
	05/23/2017	20% C188586	Vehicle Operation	11 STREET FUND	45.18
	05/23/2017	20%	Vehicle Operation	13 SEWER FUND	45.18
	05/23/2017	60%	Vehicle Operation	20 WATER OPERATING FUND	135.58
					0.00

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	<u>Date</u>	<u>Memo</u>	<u>Account</u>	<u>Class</u>	<u>Amount</u>
Total Pitney Bowes Royal Flush Portables, Inc	05/23/2017	8000-9000-0969-9830	Accounts Payable		-301.50
	05/23/2017	Postage 20%	Office Supplies	01 GENERAL FUND:01.01 Administrative	60.30
	05/23/2017	30%	Office Supplies	13 SEWER FUND	90.45
	05/23/2017	50%	Office Supplies	20 WATER OPERATING FUND	150.75
					0.00
Total Royal Flush Portables, Inc	05/23/2017	A-18115	Accounts Payable		-680.00
	05/23/2017	A-18115, reserve 6 porta potties for eclipse 3rd of July		01 GENERAL FUND:01.03 Parks	680.00
					0.00
Total US Bank Visa Centurlynk Business Services	05/23/2017	Account Number: 4798 5312 1498 1146	Accounts Payable		-1,543.81
	05/23/2017	office supplies	Office Supplies	01 GENERAL FUND:01.01 Administrative	596.36
	05/23/2017	accounting software	Computer Software	01 GENERAL FUND:01.01 Administrative	799.95
	05/23/2017	crossbow	Maintenance Supplies	11 STREET FUND	73.75
	05/23/2017	crossbow	Maintenance Supplies	20 WATER OPERATING FUND	73.75
					0.00
Total Centurlynk Business Services Edge Analytical	05/31/2017	May 1409996721	Accounts Payable		-4.34
	05/31/2017	May 1409996721-85%	Telephone	01 GENERAL FUND:01.01 Administrative	3.69
	05/31/2017	May 1409996721-15%	Telephone	20 WATER OPERATING FUND	0.65
					0.00
Total Edge Analytical hemizer Observer	05/31/2017	17-11564	Accounts Payable		-120.00
	05/31/2017	17-11564	Lab Analysis Services	13 SEWER FUND	120.00
					0.00
Total hemizer Observer Van Well Building Supply	05/31/2017	27089	Accounts Payable		-223.12
	05/31/2017	27089 Budget LB-1	Professional Services	01 GENERAL FUND:01.01 Administrative	223.12
					0.00
Total Van Well Building Supply	05/31/2017	Inv. 1207811	Accounts Payable		-107.54
	05/31/2017	Inv. 1207811	Maintenance Supplies	20 WATER OPERATING FUND	107.54
					0.00
TOTAL					<u>0.00</u>

City of Falls City
City Council Regular Meeting Minutes
May 11, 2017 6:00 PM
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

Council Present: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn

Staff Present: JoHanna Birr, City Clerk

Council President Meier called the meeting to order at 6:00 pm.

1) Roll Call

Clerk Birr took roll call. Mayor Ungricht was absent with a family emergency. Councilor Drill arrived at 6:01 pm. Councilor Flynn left the meeting at 6:47 pm and returned at 6:51 pm.

2) Pledge of Allegiance

President Meier led the pledge.

3) Motion to adopt the entire Agenda

A motion was made by Councilor Flynn and seconded by Councilor D. Sickles to adopt the entire agenda. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Cliff Lauder, Dennis Sickles, Charlie Flynn.

4) Consent Agenda

Clerk Birr distributed the Library Director's Report (Exhibit A), and the Historic Landmark Commission changes made to the Municipal Code. (Exhibit B)

A motion was made by Councilor L. Sickles and seconded by Councilor D. Sickles to adopt the Consent Agenda. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Cliff Lauder, Dennis Sickles, Charlie Flynn.

5) Public Comments

Mike McConnell, of Falls City inquired about the cost of an engineer. He was under the impression he was to use the City Engineer to engineer Bryant Street to city code for additional access to his property and the cost would be \$1,500.00. He asked if there was a way to find out the total cost of subdividing his property and street upgrade.

It was clarified by Council that the \$1,500.00 was for the Land Use Permit for a Subdivision. This money is used to pay Council of Governments (COG) to review the submitted paperwork, revision advice and review to ensure plans lines up with the Zoning and Development Code. COG charges \$79.00 per hour under the City's current contract. The Falls City Fee Schedule (Resolution 2013-06) lists Subdivision permit charges at \$1,500.00 or actual cost. Councilor Lauder informed Mr. McConnell that staff puts a great deal of time in to the permitting paperwork saving the property owner money in the end [City staff time is waived].

Councilor Lauder said using the City Engineer would be a conflict of interest. He explained that a property owner's engineering project is a private matter and nothing to do with COG. Councilor L. Sickles agreed that Mr. McConnell could go to any engineer and receive an estimate. Councilor Lauder sympathized with Mr. McConnell regarding the unknown costs. An engineering estimate was a good place to start, then decide if it were within his budget to proceed further.

Tracy Young, of Falls City heard through the grapevine that the City was going to put gravel on all paved roads. Councilor Drill asked her who had said this. Ms. Young said she did not know. She went on to suggest pot holes be filled with concrete because that lasts longer than typical repairs.

Businesses driving heavy trucks and equipment through the City is another concern Ms. Young has. This heavy equipment is damaging the streets.

Ms. Young also brought to Council's attention there are tent dwellers at 239 Sheldon Avenue. She stated there is no electricity or water serving the address. The house was damaged by arson several years ago and has no functional bathroom.

Clerk Birr confirmed that Mr. Hagedorn had paid the liens on the property and stated there would be people staying there to fix it up and buy it from him.

Councilor Drill agreed it is concerning there is no water, power or sewer. Ms. Young said they have an extension cord running across the property, but does not know where the supply source is located.

There was some discussion and it was determined that the County Sanitarian would not respond to the concern unless actual sewage was smelled and reported.

Councilor D. Sickles suggested for Ms. Young to write up all of her complaints and submit them to the City. He added it is difficult to address issues without a Code Enforcement Officer and suggested Council move on with the meeting.

6) New Business

A. Conditional Use Permit Audit

Council had previously requested that the Conditional Use Permits (CUP's) undergo an annual audit to review compliance. Councilor Lauder clarified, the request was not to exert control and noted that 8 out of the 12 listed were no longer valid.

Councilor Lauder thanked staff for the work put into the report, saying he had meant for Council to review the CUP's not staff. His intent was to ease staff's workload. Councilor L. Sickles responded that staff's work remained the same getting the information to Council.

B. Replacement pages for Municipal Code

Councilor Lauder asked Mr. McConnell if there were non-residents of the city were interested in joining the Historic Landmark Commission. Mr. McConnell replied there were none currently, but the Code change to allow three non-resident members was made to provide an opportunity should interest arise. (Exhibit A)

C. City Manager/Recorder Discussion

Councilor Drill inquired to the cost of COG's professional recruitment services. Councilor L. Sickles estimated it was \$5,000.00. President Meier confirmed the estimate was correct.

Councilor Drill was not in favor. Using COG for hiring purposes was done in the past and cost the City a lot of money. Councilor Drill is against paying COG for people who do not stick around.

President Meier said that Council had hired those people she was referring too. Councilor L. Sickles said during the last hiring phase, there were only two applicants for City Manager. One withdrew because he wanted more money for the position.

He went on to note how well Mayor Ungricht is balancing both positions and that he is doing an excellent job. Councilor Lauder said if he were in Mayor Ungricht's position, he could not fill that job

description. President Meier pointed out Mayor Ungricht created his own job description to save the City money in order to hire a City Manager.

It was determined, that a workshop would be held prior to making a final decision. Councilor Drill requested that Clerk Birr to contact Mayor Ungricht to send available dates to Council and schedule the work session to further discuss the matter.

7) Correspondence, Comments and Ex-Officio Reports

A. Mayors Report

President Meier read the Mayor's report. Because of the demand for portable toilets during the coming eclipse, the company requested payment in advance of \$680.00.

Councilor Drill asked about the Summer Lunch program the School District provides. Last year there were cleanliness issues with the Community Center nearly each time it was used for this purpose. It was noted that Miranda Harrison, who works at the School would be overseeing the program this year, inspecting the location after each use. New serving staff will be operating it as well.

After brief discussion, Council chose to wait until Mayor Ungricht returned to make a final decision whether or not to make the Community Center available to the school for the program this summer. Staff will call Ms. Harrison to let her know Council's decision to wait until Mayor Ungricht is available.

Updating our utility software to radio reads requires an FCC license, for which Mayor Ungricht has already applied.

D.A. Davidson is offering to broker a bond offering for smaller Oregon cities that have an existing USDA loan at 4% interest or higher and have a balance over one million dollars. We will owe \$925,960.00 at the end of May on a 4.5 bond/note with twenty-three years left with payments of \$65,473.00 per year. Councilor D. Sickles commented the City is just under that threshold.

The Gaming Ordinance is more involved than expected and will take some time to develop.

8) Council Announcements

Councilor Drill asked how the Economic Development Committee was advancing. President Meier responded there was no quorum at the last meeting in April.

Councilor Lauder has been busy with several projects. The reader board for the Community Center should be mounted by the end of the week.

The Michael Harding (Falls Park) project is coming along. Don Poe of the Public Works Department has staged the equipment to set the large blocks. There is a bit more finish work to do and then he will start fabrication of the gate. Council thanked Councilor Lauder for his work.

Councilor D. Sickles said he has not been able to complete the brush-clearing project at the north side of Michael Harding Park during the month of May. He apologized to Council for the delay and said he is planning to gather volunteers to complete the project in early June on a Saturday.

He asked Council to help direct any volunteers to him for the project. Councilor D. Sickles is hoping for 10-15 volunteers to clear invasive species such as poison oak and blackberry root removal. Before and after photos of the work project will be taken to demonstrate grant compliance.

Councilor Lauder said he would be happy to donate a bottle of Tecnu for the work party. He recounted a time when juvenile volunteers contracted poison oak while volunteering. The City had to pay the medical bills. Councilor Lauder explained the product is applied like sunscreen prior to being exposed to poison oak (or ivy) and it shields the skin from the plant's harmful oils.

Councilor Flynn said the Rental Review and Inventory process for the Community Center is going well. He is still waiting for a final review from Councilor Drill who is part of the review team. He has already received the City's response. Councilor Drill apologized and thought the draft was informational and directed to the only. She will respond to Councilor Flynn as soon as possible. Councilor Flynn apologized for any miscommunication on his part.

Councilor Flynn also announced his work hours have changed. He will be working nights on a rotating schedule and foresees a conflict with the July Council meeting. He will request the night off from work but cannot guarantee his attendance at Council.

A. Library

Council decided collectively to invite the School Board to the next Council meeting to clarify their position on the Wagoner Community Library funding issue. Council noted the Library Survey responses would be tallied and available for review. Councilors Drill and D. Sickles agreed to bring it up at the School Districts next Budget meeting.

A. Sheriff's Report

Sergeant Kevin Haynes was present in place of Sheriff Garton who was not able to attend the meeting. Deputy Haynes has been with Polk County for 16 years. He said he had nothing to announce. Ms. Young asked Deputy Haynes about the living situation at 239 Sheldon Council had previously discussed during the public portion of the meeting. He responded that the Sheriff's Office could not deal with it criminally. Possibly the CCD could may have an option.

Deputy Haynes went on to say that squatting is "iffy" with the courts now. There must be an eviction process. He said a few months ago he dealt with a situation on or near Sixth Street where a squatter actually told [Sergeant Haynes] he had gone online, read articles and knew his rights. Sergeant Haynes told the person that if they tried to take possession of the property and the owner called him, it would be trespassing.

There is no legal definition of the homeless establishing residency. If the owner calls the authorities when they find out someone is living on their property, it is trespassing and they can respond. If the owner knew about it and a month goes by without taking steps to correct the situation, a case of residency could be argued. Law enforcement looks at the individual's license, insurance and vehicle registration address.

The eviction process is lengthy and filing fees of \$150.00.

Councilor Drill asked his opinion of the criminal activity in the City. Sergeant Haynes felt it was a huge improvement compared to the past. Sheriff Garton has made clear and articulate steps to get patrols in to Falls City more often. The Sheriff's active involvement in social media has resulted in patrols sent out on calls. Most do not even go through dispatch because he sees a post and calls his Sergeant on duty directly. Sheriff Garton monitors community postings even while at home and off duty.

Sergeant Haynes shared that he had sent two Deputies out on a call to accompany DHS on a domestic abuse witnessed by a minor. Neither of the adults involved were cooperative. Due to the

severity, they continued to investigate. Through community interviews, they were able to close the case, adding that this is not something that has happened in the past.

Ms. Young recounted an incident on Prospect Street with two vehicles drag racing in a reckless manner through the residential neighborhood on more than one occasion. She said that all of the neighbors, who witnessed the event, went into the offender's yard and told them to stop or face an alternative option (implying they would be reported to the Sheriff's Office).

Sergeant Haynes added that on his way to the meeting, he got waves on Main Street. Council was very glad to know the community is pulling together and Neighborhood Watch efforts are making a positive difference. This reflects a growing trust in local law enforcement.

Sergeant Haynes went on to note that 200 Church Street is a "pain in their [Sheriff Department's] side." They respond to 2 and 3 calls per night at times at Green Haven RV Park. He said that sometimes, it is as simple as moving one tenant to another spot.

The Sheriff's Department cannot cite for violations they do not witness such as speeding. He said that there is one sergeant and three deputies per shift. The mobile crisis team is very busy responding to calls. One particular night, they actually took all of the calls.

The Sheriff and Captain are hoping to get a traffic position opened and they would focus on vehicular violations. Hitting a speeder in the pocket book causes their behavior to change fast. He jokingly added that Falls City has a "pretty good call- tree when they're [Sheriff's patrols] in town".

Council thanked Sergeant Haynes, and praised the Sheriff's Office for their efforts and helping to make a difference in the City.

9) Adjourn

The meeting adjourned at 7:30 pm.

_____ Mayor Terry Ungricht

Attested: _____ City Clerk JoHanna Birr

32.05 HISTORIC LANDMARKS COMMISSION

- 32.05.010 Historic Landmarks Commission established.
- 32.05.020 Membership qualifications.
- 32.05.030 Terms of office
- 32.05.040 Meetings.
- 32.05.050 Purpose.
- 32.05.060 Compensation of members.
- 32.05.070 Rules and regulations.

32.05.010 Historic Landmark Commission Established

The historic landmarks commission is hereby established. The commission shall be composed of seven members appointed by the mayor, with the consent of the council. The historic landmarks commission members shall elect, at their first regular meeting, a chairperson, vice chairperson and secretary from their membership. Thereafter, the commission shall elect a chairperson at its first meeting each year, to serve for the calendar year and until the chairperson's successor has been elected; provided, however, that no member shall serve more than two consecutive terms as chairperson.

32.05.020 Membership Qualifications

At least four of the members of the historic landmark commission, must reside in the city at the time of their appointment and at all times during their term in office. Three nonresident members may be appointed and approved when the Mayor and City Council determine that such individuals have special qualifications and expertise in the subject matter of the commission, and have expressed interest in being appointed and serving and advancing the interests of the City.

(Ord. 543-2017 passed 4-13-2017)

32.05.030 Terms of Office; Vacancies and Removal

Historic landmark commission members shall hold office for four years, except when filling the unexpired portion of a vacancy in office. Any vacancies in the commission shall be filled by appointment by the Mayor, with the consent of the council. A member of the commission who is absent from two consecutive meetings without the approval of the commission is presumed to be in nonperformance of duty and the council may remove the member from the commission and declare the position vacant.

32.05.040 Meetings

Four members of the commission shall constitute a quorum. When a quorum is present, the concurrence of a majority of the members present shall be required to decide any matter. It shall meet at least twice per year, at such times and places as may be fixed by the chairperson, or as directed by the city council. If necessary, members may attend a meeting of the committee by conference call in accordance with state law.

Library Director's Report

May 2017

- **Attendance** for the month of April was 81 adults and 82 children (163 total). 128 (79%) were there for research related activity.
- I have purchased over \$400 of incentive books for the summer reading program from an online distributor.
- I attended Scholastic Books' annual book fair in Salem and purchased an additional \$220 of high quality, give-away books for our Summer Reading Program .
- Attended monthly Library Director's PYM meeting at Salem Public Library. Wagner Library is scheduled for RFID tagging the week of May 22 – May 26.
- Have begun actively planning 2017 Summer Reading Program. Looking for interested volunteers.

Andy Rommel – Library Director

City of Falls City
City Council Meeting
Work Session Minutes
May 18, 2017
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

Council Present: Mayor Terry Ungricht, Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles

Staff Present: JoHanna Birr, City Clerk

Mayor Ungricht called the meeting to order at 7:30 PM.

1) Roll Call

Clerk Birr took roll call.

2) Pledge of Allegiance

Mayor Ungricht led the pledge.

3) Motion to adopt the entire Agenda

A motion was made by Councilor L. Sickles and seconded by Councilor Meier to adopt the entire agenda. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder Dennis Sickles

4) New Business:

A. Discussion on City Manager or Recorder position

Council discussed options and requirements for filling the position of City Manager or Recorder. Mayor Ungricht has taken on the duties of City Manager for the past two years in order to save money to hire for this position.

Council determined that hiring a Certified City Recorder would be the most economical option and best choice to fulfill the duties Mayor Ungricht will be relinquishing. Mayor Ungricht will retain control of the budget, billing, bill payment and grant management. Clerks are limited. For example, clerks are not allowed to handle employee files.

The Council of Governments (COG) offers personnel recruiting assistance to local governments. They handle the background checks, testing and initial interview processes. The cost is \$5,000.00 but should be less. It was noted that the last City Manager position attracted only two applicants, one withdrew because he wanted a larger salary. Working with COG would allow a larger applicant pool.

Clerk Protheroe will be retiring in December. Mayor Ungricht would like the new Recorder to have as much time with her as possible for training to make a smooth transition. Mayor Ungricht will spend at least one year as City Manager overseeing the Recorder. His hope is to build a strong team within City Hall.

Falls City has used COG's recruitment service to hire city managers in the past. Unfortunately, they terminated their employment after a few years and moved on to other cities. Councilor Drill opposed using COG's recruitment services because of this reason and the cost involved.

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Mayor Ungricht and Council would like someone to gain work experience here in the position is for a minimum of five years. This would eliminate the likelihood of someone leaving to another city after a few years.

Councilor Lauder asked if there was a time frame for COG to supply a person to fulfill the position. Mayor Ungricht believes it will take a few months. He added there had been problems in the past due to the city's location and low wage scale. A Recorder would gradually take on more of the duties the Mayor has taken on as City Manager. As they took on more responsibility, their pay would rise to reflect their workload.

Councilor D. Sickles said one benefit of hiring a Recorder vs a Manager is that they will not try to run the city. Mayor Ungricht agreed and will see that does not happen again. In the past, when a new manager came in, they would see the condition of the infrastructure and attack public works. Finding a Recorder will be easier than a Manager because managers tend to go where there is depth of staff and they have less of a workload.

Councilor Drill lauded Mayor Ungricht for getting the city back on track and for doing an exceptional job. She would like to see the position filled by someone who has a love for the city, lives locally and intertwined with the community. Councilor Drill would like to explore other avenues for advertising other than through COG. She mentioned the newspaper and city website.

Councilor Meier pointed out that skilled Recorders do not look in the newspaper. They go through professional portals.

COG will advertise the position in many key places. Councilor L. Sickles said the city once received fifty (50) applications (two being out of state) and Council was able to choose from 3-4 of those. Two withdrew from consideration.

Councilor L. Sickles suggested encouraging locals to apply through COG to ensure they meet the requirements and qualifications needed for the position. She liked the idea of hiring a Recorder and grooming them into something more.

The estimated wages for a City Recorder is \$3,300 to \$3,600 per month. This cost will be offset with the loss of Clerk Protheroe. Mayor Ungricht pointed out that a Recorder has qualifications to manage a city and overlap with the City Manager's job duties in many areas. This person will be offered the City Manager position if needed. He also pointed out Clerk Birr cannot fill Clerk Protheroe's position due to time restraints with utilities. Even Clerk Protheroe was not able to do all that she is doing now while she was operating the utilities. It is a full time job, which is the bread and butter of the city.

Mayor Ungricht asked for a consensus to move forward with a resolution for council and the negotiation process with COG. He hopes to reach a negotiation and have a representative from COG speak at the next Council meeting in June.

Councilor Drill was hesitant, but would respect and honor the consensus to move forward.

All were in favor of making advanced payment to Royal Flush for the six porta potties order for August 21, 2017.

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The Summer Lunch program will be allowed to continue use of the Community Center. Mayor Ungricht will draft an agreement up that states the kitchen will be restricted and the room must be cleaned when they are done. Councilor Drill said that Council should hold the Arts Night group to the same standard. She was there three weeks ago and there was one adult with the kids and they don't clean up. Mayor Ungricht will get in touch with the Arts Night and restrict use it is not cleaned. Usage will be restricted as with the Summer Lunch program.

5) Correspondence, Comments, and Ex-Officio Report

The IGA with Polk County is still in process. The ad has been out for contract code enforcement with zero responses. The city will most likely have to hire to fill the position. Mayor Ungricht will reach out to the county and let them know the position is budgeted. He would like to move on it quickly.

Valsetz Heights has been receiving complaints for their animals and generators. This will be a code enforcement item.

Donald Winn has a Motor home in Clark Street out of compliance. Mayor Ungricht will speak to him.

Green Haven will receive their first water bill under the new contract this month. Mike Bowman's manufactured home is a violation item that to be addressed.

Row permits for Charter Communications will be on the next Council meeting agenda.

6) Adjourn

The meeting adjourned at 7:19 PM.

_____ Mayor Terry Ungricht

Attested: _____ City Clerk JoHanna Birr

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AGENDA REPORT

TO: COUNCIL
FROM: MAYOR TERRY UNGRICHT
SUBJECT: BUDGET ADOPTION
DATE: 05/17/2017

SUMMARY

Oregon Local Budget Law requires cities to adopt a balanced budget in order to spend public resources.

BACKGROUND

The Falls City Budget Committee comprised of 7 residents and the City Council including the Mayor met to receive the budget message and deliberate on the proposed budget. The Budget Committee approved the budget and recommended it to the City Council for adoption. As a part of this process cities are required to hold 2 public hearings on State Revenue sharing to receive comments and requests from the public on the use of shared revenues.

PREVIOUS COUNCIL ACTION

The members of the Budget Committee recommended the budget for adoption. As members of the Budget Committee the City held the first State Revenue Sharing public hearing at the Budget Committee Meeting on April 20, 2017.

ALTERNATIVES/FINANCIAL IMPLICATIONS

Failure to adopt a budget before July 1, 2017 would render the City unable to operate.

STAFF RECOMMENDATION

Staff recommends the City Council adopt the Fiscal year 2017-2018 budget as recommended by the Budget Committee.

EXHIBIT

Resolution 09-2017 Fiscal Year 2017-2018 Budget
Budget work sheet

PUBLIC HEARING

This public hearing is an opportunity for any member of the public to comment on or make requests regarding how State Revenue Sharing Funds will be spent in the 2017-2018 Fiscal Year beginning July 1, 2017. State Revenue Sharing funds are a share of certain revenues of the State Oregon that shall be apportioned among and distributed to the cities of this state for general purposes.

I will open the public hearing for State Revenue Sharing at _____pm.

Public Comments:

I will close the public hearing for State revenue sharing at _____ pm.

PROPOSED MOTION

I move the City Council of the City of Falls City approve Resolution 09-2017 appropriating taxes at the rate of \$2.9202 per \$1,000 of assessed value and adopt the Fiscal Year 2017-2018 budget in the amount of \$2,265,070.00.

RESOLUTION 09-2017

A RESOLUTION OF THE CITY COUNCIL OF FALLS CITY, OREGON DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES, ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND LEVYING TAXES FOR THE CITY OF FALLS CITY, OREGON FOR FISCAL YEAR 2016-2017

Findings:

1. There is a need to elect to receive state revenues in order to receive them.
2. Oregon Local Budget Law requires a budget be adopted in order for the City to expend public funds.
3. The Falls City Budget Committee has approved the budget and referred it to the City Council for adoption.

NOW THEREFORE, the City of Falls City resolves as follows:

Section 1. Pursuant to ORS 221.770, the City hereby elects to receive state revenues for fiscal year 2017-2018

Section 2. A public hearing before the Budget Committee was held on April 20, 2017 and a public hearing before the City Council was held on June 8, 2017 giving citizens an opportunity to comment on use of State Revenue Sharing.

Section 3. The City Council adopts the budget approved at the Budget Hearing on April 20, 2017 now on file in the office of the City located at City hall, 299 Mill Street falls City, Oregon in the sum of \$2,265,070.00

Section 4. The City of Falls City hereby imposes the taxes provided for in the adopted budget at the rate of \$2.9202 per \$1,000 of assessed value for operations and that these taxes are hereby imposed and categorized for tax year 2017-2018 upon the assessed value of all taxable property within the district.

Subject to General Government Limitation
Permanent Rate Levy \$2.9202 per \$1,000

Excluded from Limitation
\$0

Section 5. The amounts for the fiscal year beginning July 1, 2016, for all the purposes shown are hereby appropriated as follows:

General Fund

City Council	\$1,450
Court	\$21,400
Fire	\$79,215
Administration	\$287,000
Parks and Cemeteries	\$9,920
Other/ Debt	\$70,815

Water Fund

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Personnel Services	\$98,000
Materials and Services	\$135,450
Capital	\$22,000
Debt	\$65,473
Transfers and Allocations	\$82,000
Contingency	\$112,877
Sanitary Sewer Fund	
Personnel Services	\$79,500
Materials and Services	\$74,100
Capital	\$55,000
Contingency	\$38,920
Street Fund	
Materials and Services	\$353,350
Capitol	\$65,000
Contingency	\$37,650
Community Development Revolving Loan Fund	
Materials and Services	\$35,187
Contingency	\$110,749
Wagner Library Reserve Fund 80%	
Materials and Services	\$60,000
Contingency	\$29,228
Wagner Library Reserve Fund 20%	
Transfers and Allocations	\$34,635
City Utility Reserve Fund	
Capital	\$65,000
Contingency	\$241,151

TOTAL APPROPRIATIONS, All Funds	\$ 2,265,070.00
Total Reserved, Unappropriated, All Funds	\$ 0
TOTAL ADOPTED BUDGET	\$ 2,265,070.00

Section 6. The City Mayor/Manager hereby is authorized to certify to the County Clerk and the County Assessor of Polk County, Oregon the tax levy made by this Resolution, which will be filed with the State Treasurer and the Division of Audits of the Secretary of State, and that this is a true copy of the Budget as finally adopted.

Introduced and adopted June 9, 2016:

Date

Terry Ungricht, Mayor/City Manager

Attest:

Date

Domenica Protheroe, City Clerk

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General Fund

Actual 2014-2015	Actual 2015-2016	Adopted 2016-2017		Proposed 2017- 2018	Approved 2017-2018	Adopted 2017-2018
Resources						
Non Departmental						
160,709	161,131	124,050	Beginning Fund Balance	205,000	205,000	205,000
4,438	6,418	3,000	Interest	10,000	10,000	
13,684	13,655	15,732	OLCC	14,000	14,000	
8,942	6,750	7,000	Revenue Share	9,000	9,000	
1,274	1,164	1,130	Cigarette Tax	1,100	1,100	
-	-	-	911 tax	-	0	
101,424	107,755	101,000	Property Tax - Current	104,000	104,000	
958	-	2,000	Property Tax - Prior Year	1,000	1,000	
1,120	1,015	200	Lien Search	400	400	
-	1,402	-	Licenses and Fees	1,200	1,200	
186	142	100	Copies and Faxes	200	200	
217	210	100	Parks User fees	50	50	
-	50	100	Community Center Use Fee	-	0	
-	-	-	Nuisance Fines	-	0	
3,037	1,904	1,000	Business License Permits	600	600	
2,507	1,994	2,000	Planning Permits	2,000	2,000	
21,400	22,400	21,000	Rural Fire	21,000	21,000	
37,855	44,245	37,000	Electric-Franchise Fees Pacific Power	35,000	35,000	
80	-	-	Electric -Franchise Fees Consumer Power			
2,738	2,839	2,450	Garbage-Franchise Fees Republic	2,600	2,600	
-	4,199	4,000	Cable-Franchise Fees Charter	4,000	4,000	
-	-	-	Phone-Franchise Fees Quest			
-	1,000	-	Planning Grants	-	0	
-	-	-	Reimbursements	-	0	
-	610	25	Donations	150	150	
511	5,136	-	Miscellaneous	-	0	
59,656	2,580	90,000	Intergovernmental Grants	8,500	8,500	
-	70,180	54,593	Transfer From Library Reserve	-	0	
-	50,000	50,000	Allocated Revenue	50,000	50,000	-
67,136	-	-	Transfer in' per Audited Financial Statement			
19,218	-	-	Adjust to Audited Financial Statement			-
346,381	345,648	392,430	Non-Departmental Revenue	264,800	264,800	-
507,090	506,779	516,480	Total Resources	469,800	469,800	205,000
Requirements						
City Council						
-	-	250	Operational Supplies	250	250	
490	490	800	Council Projects	800	800	
2	-	300	Education/Training/Dues	300	300	
-	-	100	Reimbursable Expense	100	100	-
-	-	-	Adjust to Audited Financial Statement			-
492	490	1,450	Program Total	1,450	1,450	-
Library						
-	0.75	0.75	Full Time Equivalent Employees	-	-	-
-	-	-	Salaried	-		
-	-	-	Benefits	-		
-	-	-	Employer Costs	-	-	-
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	6,000	Operational Supplies	-		

-	49,777	61,880	Professional Services	-		
1,716	-	2,000	Utilities	-		
1,730	-	120	Miscellaneous	-	-	-
-	-	-	Adjust to Audited Financial Statement	-	-	-
3,446	49,777	70,000	MATERIALS AND SERVICES	-	-	-
3,446	49,777	70,000	Program Total	-	-	-
Court						
0.13	0.20	-	Full Time Equivalent Employees	-	-	-
2,868	-	-	Salaried			
493	128	-	Employer Costs	-	-	-
3,361	128	-	PERSONNEL SERVICES	-	-	-
341	-	1,000	Operational Supplies	1,000	1,000	
152	13	400	Utilities	-	0	
-	-	500	Education/Training/Dues	400	400	
127	399	18,000	Professional Services	20,000	20,000	
40	-	-	Uniforms & Protective Gear			-
-	-	-	Adjust to Audited Financial Statement	-	-	-
660	412	19,900	MATERIALS AND SERVICES	21,400	21,400	-
4,021	540	19,900	Program Total	21,400	21,400	-
Fire						
-	0.1	0.1	Full Time Equivalent Employees	0.1	0.1	0.1
-	4,800	3,780	Salaried	4,200	4,200	
9,731	11,099	-	Employer Costs	4,815	4,815	-
9,731	15,899	3,780	PERSONNEL SERVICES	9,015	9,015	-
815	874	2,000	Operational Supplies	4,000	4,000	
6,975	5,805	20,000	Equipment - O&M	15,000	15,000	
698	2,131	4,500	Building - O&M	4,500	4,500	
11,540	10,971	12,500	Utilities	12,500	12,500	
-	18	400	Education/Training/Dues	500	500	
4,173	5,170	2,500	Insurance			
-	180	1,000	Professional Services	5,000	5,000	
315	-	1,500	Uniforms & Protective Gear	1,000	1,000	
11,127	16,468	16,000	Intergovernmental Services	17,000	17,000	
-	-	-	Equipment	-	-	
455	-	2,500	Miscellaneous	2,000	2,000	
-	-	90,000	Assistance to Firefighters Grant	3,100	3,100	-
-	-	-	Adjust to Audited Financial Statement	-	-	-
36,098	41,617	152,900	MATERIALS AND SERVICES	64,600	64,600	-
5,975	5,368	5,000	Fire Truck Loan Principal	5,000	5,000	
-	-	876	Fire Truck Loan Interest	600	600	-
5,975	5,368	5,876	DEBT SERVICE	5,600	5,600	-
51,804	62,884	162,556	Program Total	79,215	79,215	-
Administration						
2.0	2.0	2.0	Full Time Equivalent Employees	3.0	3.0	3.0
88,856	60,231	100,000	Salaried	130,000	130,000	
23,707	20,828	35,600	Benefits	60,000	60,000	
14,420	7,835	19,300	Employer Costs	24,000	24,000	-
126,983	88,894	154,900	PERSONNEL SERVICES	214,000	214,000	-

2,258	5,197	5,500	Operational Supplies	5,500	5,500	
3,293	1,262	4,000	Equipment - O&M	3,000	3,000	
6,388	3,104	5,500	Building Maintenance and Repair	4,000	4,000	
8,216	7,529	11,500	Utilities	9,000	9,000	
4,282	5,879	8,000	Education/Training/Dues	6,500	6,500	
33,826	37,010	45,000	Professional Services	45,000	45,000	
209	62	-	- Council Projects			-
-	-	-	- Adjust to Audited Financial Statement	-	-	-
58,472	60,043	79,500	MATERIALS AND SERVICES	73,000	73,000	-
185,455	148,937	234,400	Program Total	287,000	287,000	-

Parks and Cemeteries

869	-	2,000	3rd of July	2,000	2,000	
6,507	158	1,000	Operational Supplies	1,000	1,000	
555	666	1,000	Equipment - O&M	1,000	1,000	
514	83	1,500	Building - O&M	1,000	1,000	
4,210	2,985	5,000	Utilities	2,500	2,500	
675	2,108	2,500	Professional Services	2,200	2,200	
-	-	100	Uniforms & Protective Gear			
-	-	-	- Education/Training /Dues			
-	510	600	Worker Comp Insurance	220	220	-
13,330	6,510	13,700	Program Total	9,920	9,920	-

Other

-	-	-	- Building and Improvements			
-	-	-	- Equipment- Operations	-	-	-
-	-	-	Capital	-	-	-

2,519	1,953	1,950	Revolving Loan Principal	1,950	1,950	
	565	575	Revolving Loan Interest	575	575	
-	-	-	- M/H Park Loan Principal	2,242	2,242	
-	-	-	- M/H Park Loan Interest			-
2,519	2,518	2,525	Debt	4,767	4,767	-

7,167	-	-	- Allocated Expense - Water Fund			
7,781	-	-	- Allocated Expense - Sewer Fund			
12,694	-	-	- Allocated Expense - Street Fund	-	-	-
-	-	-	- Allocated Expense - General Fund	-	-	-
27,642	-	-	Transfers	-	-	-

-	-	-	- Reserved For Cemetery Land Purchase	1,250	1,250	
-	-	11,949	Contingency	64,798	64,798	
160,709	-	-	Unappropriated Fund Balance	-	-	-
160,709	-	11,949	Ending Fund Balance	66,048	66,048	-
449,418	271,656	516,480	Total Requirements	469,800	469,800	-

Water Fund

Actual 2014-2015	Actual 2015-2016	Adopted 2016-2017	Resources	Proposed 2017- 2018	Approved 2017-2018	Adopted 2017-2018
133,669	207,417	210,000	Beginning Fund Balance	230,000	230,000	230,000
-	-	-	- Interest	-		
260,577	289,515	267,592	Water	270,000	270,000	
4,045	4,281	4,639	Late Fees	5,000	5,000	
11,969	10,956	10,800	Backflow Testing Fee	10,800	10,800	
-	-	50,000	Intergovernmental Grants			

-	60,000	-	Transfer from Utility Reserve Fund	-	-	-
-	-	-	Transfer from Water Debt	-	-	-
-	-	-	Transfer from Equipment Fund	-	-	-
-	-	-	Allocated Revenue	-	-	-
-	-	-	Adjust to Audited Financial Statement	-	-	-
276,591	364,752	333,031	Revenue	285,800	285,800	-
410,260	572,169	543,031	Total Resources	515,800	515,800	230,000

Requirements

<u>1.0</u>	<u>1.0</u>	<u>1.25</u>	FTE		<u>1.5</u>		
55,814	41,265	58,240	Salaried		58,000	58,000	
-	-	-	Overtime		-	-	
20,886	22,342	21,000	Benefits		25,000	25,000	
8,518	7,500	14,200	Payroll Tax		15,000	15,000	-
85,218	71,107	93,440	PERSONNEL SERVICES		98,000	98,000	-
26,100	22,489	30,000	Operational Supplies		30,000	30,000	
12,000	11,461	15,000	Equipment - O&M		16,000	16,000	
1,000	770	1,500	Education/Training/Dues		1,500	1,500	
35,190	55,062	100,000	Professional Services		80,000	80,000	
5,000	4,314	6,500	Utilities		6,000	6,000	
250	208	1,500	Uniforms & Protective Gear		1,500	1,500	
100	130	200	Utility Rebates & Incentives		250	250	
100	-	362	Miscellaneous		200	200	
(27,588)	-	-	Adjust to Audited Financial Statement		-	-	-
52,152	94,434	155,062	MATERIALS AND SERVICES		135,450	135,450	-
137,370	165,541	248,502	Water Program		233,450	233,450	-
-	1,885	15,000	Building & Improvements - Oper		12,000	12,000	
-	1,905	14,000	Equipment - Operations		10,000	10,000	-
-	-	50,000	Grant Project		-	-	-
-	3,790	79,000	Capital		22,000	22,000	-
20,860	21,799	20,860	Water Bond Principal		20,860	20,860	
44,613	43,674	44,613	Water Bond Interest		44,613	44,613	-
65,473	65,473	65,473	Debt		65,473	65,473	-
-	50,000	50,000	Allocated Expense - General Fund		50,000	50,000	
-	20,000	20,000	Allocated Expense - Sewer		20,000	20,000	
-	10,000	12,000	Allocated Expense - Street Fun		12,000	12,000	-
-	80,000	82,000	Transfers		82,000	82,000	-
-	-	2,583	Contingency		47,404	47,404	
-	65,473	65,473	Reserved for Water Debt		65,473	65,473	
-	-	-	Ending Fund Balance, unrestricted		-	-	-
-	-	68,056	Ending Fund Balance		112,877	112,877	-
202,843	314,804	543,031	Total Requirements		515,800	515,800	-

Sanitary Sewer Fund

Actual 2014-2015	Actual 2015-2016	Adopted 2016-2017	Resources	Proposed 2017- 2018	Approved 2016-2017	Adopted 2016-2017
61,389	70,595	55,000	Beginning Fund Balance	123,000	123,000	123,000
104,123	102,888	103,610	Sewer Fees	104,520	104,520	

-	-	-	Interest	-	-	
4,045	5,647	4,639	Late Fees	5,000	5,000	
441	-	-	Miscellaneous			
-	-	50,000	Intergovernmental Grants			
-	-	-	Transfer From Utility Reserve Fund			
-	-	-	Transfer from Equipment Fund			
-	20,000	20,000	Allocated Revenue	15,000	15,000	-
-	-	-	Adjust to Audited Financial Statement			-
108,609	128,535	178,249	Revenue	124,520	124,520	-
169,998	199,130	233,249	Total Resources	247,520	247,520	123,000

Requirements

		1.25	FTE	1.5	1.5	
37,154	36,282	48,000	Salaried	49,500	49,500	
18,754	19,446	23,000	Benefits	23,000	23,000	
5,291	5,050	12,000	Payroll Tax	7,000	7,000	-
61,199	60,778	83,000	PERSONNEL SERVICES	79,500	79,500	-
3,624	5,721	11,000	Operational Supplies	11,000	11,000	
6,475	5,918	10,000	Equipment - O&M	10,000	10,000	
213	122	500	Education/Training/Dues	600	600	
4,943	4,399	6,500	Utilities	6,500	6,500	
25,048	23,077	30,000	Professional Services	25,000	25,000	
-	-	250	Uniforms & Protective Gear	500	500	
-	-	20,000	Tank Pumping	20,000	20,000	
99	120	150	Miscellaneous	500	500	-
301	-	-	Adjust to Audited Financial Statement	-	-	-
40,703	39,357	78,400	MATERIALS AND SERVICES	74,100	74,100	-
101,902	100,135	161,400	Sanitary Sewer Program	153,600	153,600	-
-	366	-	Equipment - Operations	5,000	5,000	-
-	-	50,000	Grant Project	50,000	50,000	-
-	366	50,000	Capital	55,000	55,000	-
-	-	-	Transfer to Sewer Debt			
-	-	-	Allocated Expense - General Fund			
-	-	-	Allocated Expense - Water Fund	-	-	-
-	-	-	Transfers	-	-	-
-	-	21,849	Contingency	38,920	38,920	
-	-	-	Ending Fund Balance, unrestricted	-	-	-
-	-	21,849	Ending Fund Balance	38,920	38,920	-
101,902	100,501	233,249	Total Requirements	247,520	247,520	-

Streets and Pathway Fund

Actual 2014-2015	Actual 2015-2016	Adopted 2016-2017	Resources	Proposed 2017- 2018	Approved 2017-2018	Adopted 2017-2018
13,905	38,264	54,139	Beginning Fund Balance	140,000	140,000	-
54,028	56,323	53,000	State Gas Tax	54,000	54,000	
-	-	50,000	Small City Allotment Grant			
-	-	-	FEMA Grant	250,000	250,000	
-	10,000	12,000	Allocated Revenue	12,000	12,000	-
54,028	66,323	115,000	Revenue	316,000	316,000	-
67,933	104,587	169,139	Total Resources	456,000	456,000	-

Requirements

4,108	7,934	10,000	Operational Supplies	15,000	15,000	
6,261	2,520	6,000	Equipment - O&M	8,000	8,000	
7,437	7,446	8,500	Utilities	9,000	9,000	
-	-	-	- Small City Allotment grant	-	-	
-	-	-	- Fema Grant	290,000	290,000	
-	-	-	- Education/Training/Dues	-	-	
9,855	4,549	115,000	Professional Services	30,000	30,000	
-	-	250	Uniforms & Protective Gear	500	500	
563	27	250	Miscellaneous			
1,432	1,870	2,000	Workers Comp Insurance	850	850	-
29,656	24,346	142,000	Streets & Pathway Program	353,350	353,350	-
13	600	-	- Building & Improvements - Oper			
-	-	-	- Equipment -fund	65,000	65,000	-
13	600	-	Capital	65,000	65,000	-
-	-	-	- Allocated Expense -General Fund	-	-	
-	-	-	- Allocated Expense -Water Fund			
-	-	-	- Allocated Expense -Sewer Fund	-	-	-
-	-	-	Transfers	-	-	-
-	-	27,139	Contingency	37,650	37,650	
-	-	-	- Ending Fund Balance, unrestricted	-	-	-
-	-	27,139	Ending Fund Balance	37,650	37,650	-
29,669	24,946	169,139	Total Requirements	456,000	456,000	-

Community Development Fund

Actual 2014-2015	Actual 2015-2016	Adopted 2016-2017	Resources	Proposed 2017- 2018	Approved 2017-2018	Adopted 2017-2018
58,070	78,545	78,545	Beginning Fund Balance	137,434	137,434	-
-	-	553	Interest	236	236	
13,000	-	4,675	Interest- Revolving Loan	2,283	2,283	
11,570	-	9,660	Principal	5,983	5,983	
-	85,574	-	Miscellaneous			-
24,570	85,574	14,888	Revenue	8,502	8,502	-
82,640	164,119	93,433	Total Resources	145,936	145,936	-
Requirements						
-	-	2,000	Professional Services	1,628	1,628	
4,095	-	91,433	Loans/ Obligations	33,559	33,559	
-	-	-	Grants Funded	-	-	-
4,095	-	93,433	Community Development Program	35,187	35,187	-
-	-	-	- Contingency	-	-	-
78,545	164,119	-	- Ending Fund Balance, unrestricted	110,749	110,749	-
78,545	164,119	-	Ending Fund Balance	110,749	110,749	-
82,640	164,119	93,433	Total Requirements	145,936	145,936	-
-	-	-		-	-	-

Utility Reserve Fund

Actual 2014-2015	Actual 2015-2016	Adopted 2016-2017	Resources	Proposed 2017- 2018	Approved 2017-2018	Adopted 2017-2018
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<u>269,069</u>	<u>304,145</u>	<u>231,395</u>	Beginning Fund Balance	<u>260,000</u>	<u>260,000</u>	<u>-</u>
-	-	-	- Interest			
35,219	38,014	43,500	Utility Capital improvement Fee	46,151	46,151	
1,776	16		- Utility Users Late Fee	-		
-	-	-	- Transfer from Equipment Fund	-	-	-
<u>36,995</u>	<u>38,030</u>	<u>43,500</u>	Revenue	<u>46,151</u>	<u>46,151</u>	<u>-</u>
<u>306,064</u>	<u>342,175</u>	<u>274,895</u>	Total Resources	<u>306,151</u>	<u>306,151</u>	<u>-</u>
Requirements						
1,919	22,108	25,000	Water Projects	40,000	40,000	-
-	17,520	25,000	Wastewater Projects	25,000	25,000	-
-	16	-	Equipment -Operations	-	-	-
<u>1,919</u>	<u>39,644</u>	<u>50,000</u>	Capital	<u>65,000</u>	<u>65,000</u>	<u>-</u>
-	-	-	- General Fund Transfer			
-	60,000	-	- Transfer to Water Fund	-	-	-
-	-	-	- Transfer to Sewer Fund	-	-	-
-	<u>60,000</u>	-	Transfers	-	-	-
-		224,895	Contingency	241,151	241,151	
304,145	242,531	-	- Fund Balance Ending	-	-	-
<u>304,145</u>	<u>242,531</u>	<u>224,895</u>	Ending Fund Balance	<u>241,151</u>	<u>241,151</u>	<u>-</u>
<u>306,064</u>	<u>342,175</u>	<u>274,895</u>	Total Requirements	<u>306,151</u>	<u>306,151</u>	<u>-</u>
-	-	-		-	-	-

Wagner Reserve 20% Fund

Actual 2014-2015	Actual 2015-2016	Adopted 2016-2017	Resources	Proposed 2017- 2018	Approved 2017-2018	Adopted 2017-2018
<u>28,571</u>	<u>34,635</u>	<u>34,635</u>	Beginning Fund Balance	<u>34,635</u>	<u>34,635</u>	<u>-</u>
121	-	-	- Interest			
5,943	-	-	- Miscellaneous	-	-	-
<u>6,064</u>	<u>-</u>	<u>-</u>	Revenue	<u>-</u>	<u>-</u>	<u>-</u>
<u>34,635</u>	<u>34,635</u>	<u>34,635</u>	Total Resources	<u>34,635</u>	<u>34,635</u>	<u>-</u>
Requirements						
-	-	34,635	Building Improvment-Ops	-	-	-
-	-	-	- Transfer to Wagner Reserve 80%	34,635	34,635	-
-	-	-	Capital	<u>34,635</u>	<u>34,635</u>	<u>-</u>
-	-	-	- Contingency	-	-	-
34,635	34,635	-	- Fund Balance Ending	-	-	-
<u>34,635</u>	<u>34,635</u>	<u>-</u>	Ending Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
<u>34,635</u>	<u>34,635</u>	<u>-</u>	Total Requirements	<u>34,635</u>	<u>34,635</u>	<u>-</u>

Wagner Reserve 80% Fund

Actual 2014-2015	Actual 2015-2016	Adopted 2016-2017	Resources	Proposed 2017- 2018	Approved 2017-2018	Adopted 2017-2018
<u>124,773</u>	<u>124,773</u>	<u>54,593</u>	Beginning Fund Balance	<u>54,593</u>	<u>54,593</u>	<u>-</u>
484	-	-	- Interest			
			- Miscellaneous			
23,772	-	-	- Transfer from Wagner Trust 20%	34,635	34,635	-
<u>24,256</u>	<u>-</u>	<u>-</u>	Revenue	<u>34,635</u>	<u>34,635</u>	<u>-</u>

<u>149,029</u>	<u>124,773</u>	<u>54,593</u>	Total Resources	<u>89,228</u>	<u>89,228</u>	<u>-</u>
			Requirements			
<u>-</u>	<u>-</u>	<u>54,593</u>	Professional Services	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<u>67,741</u>	<u>70,180</u>	<u>54,593</u>	Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
<u>67,741</u>	<u>70,180</u>	<u>54,593</u>	Transfers		<u>-</u>	<u>-</u>
<u>-</u>			- Contingency	<u>29,228</u>	<u>29,228</u>	
<u>124,773</u>	<u>54,593</u>		- Fund Balance Ending	<u>-</u>	<u>-</u>	<u>-</u>
<u>124,773</u>	<u>54,593</u>		- Ending Fund Balance	<u>29,228</u>	<u>29,228</u>	<u>-</u>
<u>192,514</u>	<u>124,773</u>	<u>54,593</u>	Total Requirements	<u>89,228</u>	<u>29,228</u>	<u>-</u>

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AGENDA REPORT

TO: COUNCIL
FROM: MAYOR TERRY UNGRICHT
SUBJECT: RESOLUTION 10-2017, CHARTER FRANCHISE AGREEMENT
DATE: 05/17/2017

SUMMARY

The franchise agreement between Falls City and Charter Communications expires in June of 2019, this resolution would extend the agreement through June 5, 2029.

BACKGROUND

The City of Falls City and Charter Communications entered into a franchise agreement on the 5th of June 2004. Staff and Charter Communications have been attempting to negotiate an agreement and both parties have agreed to extend the current agreement for 10 years.

When I was appointed City Manager Falls City had teamed up with other small Oregon Cities to hire an attorney to draft an agreement that would benefit the parties signed onto the negotiations. This effort developed a rough frame work but was unable to reach an agreement the Cities were willing to adopt, the final product was worse than what a lot of our current agreements were.

After the above process broke down I reached out to our Attorney for advice and I talked with an attorney in their office that handles franchise negotiations. With the final product I was able to obtain through local negotiations it did not offer the benefits that our current agreement had. So I approached Charter about just extending the current agreement, which they agreed to do for a ten (10) year term. Our City Attorney also thought with the small amount we receive a year that this would make the most sense, be the most cost effective, and protect the service to our citizens.

PREVIOUS COUNCIL ACTION

Council adopted the current agreement on the 3rd of May, 2004

ALTERNATIVES/FINANCIAL IMPLICATIONS

Without an agreement we would lose \$6578.00 in revenue and cable service to our residents.

STAFF RECCOMENDATION

Staff recommends the City Council adopt the Resolution.

EXHIBIT

- 1) Resolution 10-2017
- 2) Agreement to renew cable franchise.
- 3) Copy of Franchise agreement.

PROPOSED MOTION

I move the City Council of the City of Falls City approve Resolution 10-2017 A RESOLUTION EXTENDING THE FRANCHISE AGREEMENT BETWEEN THE CITY OF FALLS CITY AND CHARTER COMMUNICATIONS THROUGH THE 5TH OF JUNE 2029 and give authority to Mayor Ungricht to execute the agreement.

RESOLUTION 10-2017

A RESOLUTION EXTENDING THE FRANCHISE AGREEMENT BETWEEN THE CITY OF FALLS CITY AND CHARTER COMMUNICATIONS THROUGH THE 5TH OF JUNE 2029.

Findings:

- 1) The City of Falls City desires to provide cable service to the residents of Falls City.
- 2) Charter Communications has been the Local provider of Cable service to the residents of Falls City and has equipment established in the City right of ways.
- 3) The City of Falls City and Charter Communications have a franchise agreement in place that expires on the 5th of June, 2019.
- 4) The City of Falls City and Charter Communications have agreed to renew the current Cable Agreement for 10 years.

NOW THEREFORE, THE COMMON COUNCIL OF THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1: Section 15.7 of the Franchise Agreement adopted by Falls City Council on June, 5, 2004 is hereby amended so the term of the franchise is extended 10 years.

Section 2. The new expiration date on the franchise agreement between Falls City and Charter Communications will expire the 5th day of June, 2029.

Section 3. All other terms and conditions of the franchise agreement shall continue in full force and effect, subject to applicable law.

Date

Terry Ungricht, Mayor

Attest:

Date

JoHanna Birr, City Clerk

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AGREEMENT TO AMEND AND RENEW CABLE FRANCHISE

WHEREAS, Falcon Cable Systems Company II, L.P., locally known as Charter Communications ("Charter") currently holds a cable franchise with Falls City, OR, granted by Charter Franchise Agreement ("Franchise"), on June 5, 2004; and

WHEREAS, Charter and Falls City, OR wish to renew the franchise and amend certain terms therein as set forth herein.

WHEREAS, it is in the public interest to renew the current Franchise for an additional terms of years so that cable service to the public will not be interrupted.

NOW, THEREFORE, in consideration of the foregoing, Charter and Falls City, OR agree as follows:

Section 1: Section 15.7 of the Franchise is hereby amended so that the term of the Franchise is extended for 10 years and the expiration date of the Franchise is June 5, 2029.

Section 2: All other terms and conditions of the Franchise shall continue in full force and effect, subject to applicable law.

PASSED AND APPROVED this ____ day of _____, _____.

City of Falls City, OR

By: _____

Name/Title: _____

ACCEPTED THIS ____ day of _____, _____

Falcon Cable Systems Company II, L.P.
l/k/a Charter Communications

By: _____

Name/Title: _____

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CHARTER FRANCHISE AGREEMENT

This Franchise Agreement is between the City of Falls City, OR hereinafter referred to as the "Franchising Authority" and Falcon Cable Systems Company II, L.P., d/b/a Charter Communications, hereinafter referred to as the "Grantee."

WHEREAS, the Franchising Authority finds that the Grantee has substantially complied with the material terms of the current Franchise under applicable laws, and that the financial, legal and technical ability of the Grantee is sufficient to provide services, facilities and equipment necessary to meet the future cable-related needs of the community, and

WHEREAS, having afforded the public adequate notice and opportunity for comment, Franchising Authority desires to enter into this Franchise with the Grantee for the construction and operation of a cable system on the terms set forth herein; and

WHEREAS, the Franchising Authority and Grantee have complied with all federal and State-mandated procedural and substantive requirements pertinent to this franchise renewal;

NOW, THEREFORE, the Franchise Authority and Grantee agree as follows:

SECTION 1 **Definition of Terms**

1.1 Terms. For the purpose of this franchise the following terms, phrases, words and their derivations shall have the meaning ascribed to them in the Cable Communications Policy Act of 1984, as amended from time to time (the "Cable Act"), unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

- A. "Cable System," "Cable Service," "Cable Operator" and "Basic Cable Service" shall be defined as set forth in the Cable Act
- B. "Council" shall mean the City Council of Falls City, the governing body of the City of Falls City, OR.

- C. "Cable Act" shall mean the Cable Communication Policy Act of 1984, as amended, 47 U.S.C. §§ 521, et. seq.
- D. "FCC" shall mean the Federal Communications Commission and any successor governmental entity thereto.
- E. "Franchise Authority" shall mean the City of Falls City, OR.
- F. "Franchise" shall mean the non-exclusive rights granted pursuant to this franchise to construct and operate a Cable System along the public ways within all or a specified area in the Service Area.
- G. "Grantee" shall mean Falcon Cable Systems Company II, L.P., d/b/a Charter Communications or its lawful successor, transferee or assignee.
- H. "Gross Revenue" means any revenue received by the Grantee from the operation of the Cable System to provide Cable Services in the Service Area, provided, however, that such phrase shall not include: (1) any taxes, fee or assessment of general applicability collected by the Grantee from Subscribers for pass-through to a government agency, including the FCC User Fee; (2) unrecovered bad debt; and (3) any PEG or I-Net amounts recovered from Subscribers.
- I. "Installation" shall mean the connection of the Cable System from feeder cable to Subscribers' terminals.
- J. "Person" shall mean an individual, partnership, association, organization, corporation or any lawful successor, transferee or assignee of said individual, partnership, association, organization or corporation.
- K. "Public School" shall mean any school at any educational level operated within the Service Area by any public, private or parochial school system, but limited to, elementary, junior high school, and high school.
- L. "Reasonable notice" shall be written notice addressed to the Grantee at its principal office or such other office as the Grantee has designated to the Franchise Authority as the address to which notice should be transmitted to it.
- M. "Service Area" shall mean the geographic boundaries of the Franchise Authority, and shall include any additions thereto by annexation or other legal means, subject to the exception in subsection 6.1 hereto..
- N. "State" shall mean the State of Oregon.
- O. "Street" shall include each of the following located within the Service Area: public streets, roadways, highways, bridges, land paths, boulevards, avenues, lanes, alleys,

sidewalks, circles, drives, easements, rights-of-way and similar public ways and extensions and additions thereto, including but not limited to public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter held by the Franchising Authority in the Service Area, which shall entitle the Grantee to the use thereof for the purpose of installing, operating, repairing and maintaining the Cable System..

- P. "Subscriber" shall mean any person lawfully receiving Cable Service from the Grantee.

SECTION 2 **Grant of Franchise**

2.1 Grant. The Franchising Authority franchise hereby grants to the Grantee a nonexclusive Franchise which authorizes the Grantee to erect, construct, operate and maintain in, upon, along, across, above, over and under the Streets, now in existence and as may be created or established during its terms; any poles, wires, cable, underground conduits, manholes, and other conductors and fixtures necessary for the maintenance and operation of a Cable System. Nothing in this Franchise shall be construed to prohibit the Grantee from offering any service over its Cable System that is not prohibited by federal, State or local law.

2.2 Term. The Franchise and the rights, privileges and authority hereby granted shall be for an initial term of 15 years, commencing on the Effective Date of this Franchise as set forth in subsection 15.8, unless otherwise lawfully terminated in accordance with the terms of this Franchise.

2.3 Franchise Requirements For Other Franchise Holders. In the event that the Franchising Authority grants one (1) or more franchise(s) or similar authorizations, for the construction, operation and maintenance of any communication facility which shall offer services substantially equivalent to services offered by the Cable System, it shall not make the grant on more favorable or less burdensome terms. If said other franchise(s) contain provisions imposing lesser obligations on the company(s) thereof than are imposed by the provisions of this Franchise,

Grantee may petition the Franchising Authority for a modification of this Franchise. The Grantee shall be entitled, with respect to said lesser obligations to such modification(s) of this Franchise as to insure fair and equal treatment by this Franchise and said other agreements.

In the event that a non-franchised multichannel video-programming distributor provides service to the Service Area, the Grantee shall have a right to request Franchise amendments that relieve the Grantee of burdens that create a competitive disadvantage to the Grantee. In requesting amendments, the Grantee shall file a petition seeking to amend the Franchise. Such petitions shall:

1. Indicate the presence of a non-franchised competitor(s);
2. Identify the basis for Grantee's belief that certain provisions of the Franchise place Grantee at a competitive disadvantage;
3. Identify the burdens to be amended or repealed in order to eliminate the competitive disadvantage.

The Franchising Authority shall not unreasonably withhold granting the Grantee's petition.

2.4 Police Powers and Conflicts with Franchise. This Franchise is a contract and except as to those changes which are the result of the Franchising Authority's exercise of its general police power, the Franchising Authority may not take any unilateral action which materially changes the explicit mutual promises in this contract. Any changes to this Franchise must be made in writing signed by the Grantee and the Franchising Authority. In the event of any conflict between this Franchise and any Franchising Authority ordinance or regulation, this Franchise will prevail.

2.5 Cable System Franchise Required. No Cable System shall be allowed to occupy or use the streets or public rights-of-way of the Service Area or be allowed to operate without a Cable System Franchise.

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SECTION 3
Franchise Renewal

3.1 Procedures for Renewal. The Franchising Authority and the Grantee agree that any proceedings undertaken by the Franchising Authority that relate to the renewal of the Grantee's Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act, or any such successor statute.

SECTION 4
Indemnification and Insurance

4.1 Indemnification. The Grantee shall, by acceptance of the Franchise granted herein, defend the Franchising Authority, its officers, boards, commissions, agents, and employees for all claims for injury to any person or property caused by the negligence of Grantee in the construction or operation of the Cable System and in the event of a determination of liability shall indemnify and hold Franchising Authority, its officers, boards, commissions, agents, and employees harmless from any and all liabilities, claims, demands, or judgments growing out of any injury to any person or property as a result of the negligence of Grantee arising out of the construction, repair, extension, maintenance, operation or removal of its wires, poles or other equipment of any kind or character used in connection with the operation of the Cable System, provided that the Franchising Authority shall give the Grantee written notice of its obligation to indemnify the Franchising Authority within ten (10) days of receipt of a claim or action pursuant to this section. Notwithstanding the foregoing, the Grantee shall not be obligated to indemnify the Franchising Authority for any damages, liability or claims resulting from the willful misconduct or negligence of the Franchising Authority or for the Franchising Authority's use of the Cable System, including any PEG channels.

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4.2 Insurance.

- A. The Grantee shall maintain throughout the term of the Franchise insurance in amounts at least as follows:

Workers' Compensation	Statutory Limits
Commercial General Liability	[\$1,000,000] per occurrence, Combined Single Liability (C.S.L.) [\$2,000,000] General Aggregate
Auto Liability including coverage on all owned, non-owned hired autos Umbrella Liability	[\$1,000,000] per occurrence C.S.L.
Umbrella Liability	[\$1,000,000] per occurrence C.S.L.

- B. The Franchising Authority shall be added as an additional insured to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.
- C. The Grantee shall furnish the Franchising Authority with current certificates of insurance evidencing such coverage.

SECTION 5 **Service Obligations**

5.1 No Discrimination. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers, channel users, or general citizens on the basis of race, color, religion, national origin, age or sex.

5.2 Privacy. The Grantee shall fully comply with the privacy rights of Subscribers as contained in Cable Act Section 631 (47 U.S.C. § 551).

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SECTION 6
Service Availability

6.1 Service Area. The Grantee shall make Cable Service distributed over the Cable System available to every residence within the Service Area where there is a minimum density of at least thirty (30) residences per mile as measured from Grantee's closest existing Cable System plant. The Grantee may elect to provide Cable Service to areas not meeting the above standard.

6.2 Service to New or Previously Unserved Single Family Dwellings. The Grantee shall offer Cable Service to all new homes or previously unserved single dwellings located within 150 feet of Grantee's feeder cable at its published rates for standard Installation.

6.3 New Development Underground. In cases of new construction or property development where utilities are to be placed underground, the Franchising Authority agrees to require as a condition of issuing a permit for open trenching to any developer or property owner that such developer or property owner give Grantee at least 30 days prior notice of such construction or development, and of the particular dates on which open trenching will be available for Grantee's installation of conduit, pedestals and/or vaults, and laterals to be provided at Grantee's expense. Grantee shall also provide specifications as needed for trenching. Costs of trenching and easements required to bring service to the development shall be borne by the developer or property owner; except that if Grantee fails to install its conduit, pedestals and/or vaults, and laterals within five (5) working days of the date the trenches are available, as designated in the notice given by the developer or property owner, then should the trenches be closed after the five-day period, the cost of new trenching is to be borne by Grantee.

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SECTION 7
Construction and Technical Standards

7.1 Compliance with Codes. All construction practices and installation of equipment shall be done in accordance with all applicable sections of the National Electric Safety Code. .

7.2 Construction Standards and Requirements. All of the Grantee's plant and equipment, including but not limited to the antenna site, head-end and distribution system, towers, house connections, structures, poles, wire, cable, coaxial cable, fixtures and appurtenances shall be installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained and operated in accordance with good engineering practices and performed by experienced maintenance and construction personnel.

7.3 Safety. The Grantee shall at all times employ ordinary care and shall use commonly accepted methods and devices preventing failures and accidents which are likely to cause damage,

7.4 Network Technical Requirements. The Cable System shall be operated so that it is capable of continuous twenty-four (24) hour daily operation, capable of meeting or exceeding all applicable federal technical standards, as they may be amended from time to time, and operated in such a manner as to comply with all applicable FCC regulations.

7.5 Performance Monitoring. Grantee shall test the Cable System consistent with the FCC regulations.

SECTION 8
Conditions on Street Occupancy

8.1 General Conditions. Grantee shall have the right to utilize existing poles, conduits and other facilities whenever possible, and shall not construct or install any new, different, or additional poles, conduits, or other facilities on public property until the written approval of the Franchising Authority is obtained, which approval shall not be unreasonably withheld.

8.2 Underground Construction. The facilities of the Grantee shall be installed underground in those Service Areas where existing telephone and electric services are both underground at the time of system construction. In areas where either telephone or electric utility facilities are installed aerially at the time of system construction, the Grantee may install its facilities aerially with the understanding that at such time as the existing aerial facilities are required to be placed underground by the Franchising Authority, the Grantee shall likewise place its facilities underground. In the event that any telephone or electric utilities are reimbursed by the Franchising Authority or any agency thereof for the placement of cable underground or the movement of cable, Grantee shall be reimbursed upon the same terms and conditions as any telephone, electric or other utilities.

8.3 Permits. The Franchising Authority shall cooperate with the Grantee in granting any permits required, providing such grant and subsequent construction by the Grantee shall not unduly interfere with the use of such Streets.

8.4 System Construction. All transmission lines, equipment and structures shall be so installed and located as to cause minimum interference with the rights and reasonable convenience of property owners and at all times shall be kept and maintained in a safe, adequate and substantial condition, and in good order and repair. The Grantee shall, at all times, employ ordinary care and use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public. Suitable barricades, flags, lights, flares or other devices shall be used at such times and places as are reasonably required for the safety of all members of the public. Any poles or other fixtures placed in any public way by the Grantee shall be placed in such a manner as not to interfere with the usual travel on such public way.

8.5 Restoration of Public Ways. Grantee shall, at its own expense, restore any damage or disturbance caused to the public way as a result of its operation, construction, or maintenance of the Cable System to a condition reasonably comparable to the condition of the Streets immediately prior to such damage or disturbance.

8.6 Removal in Emergency. Whenever, in case of fire or other disaster, it becomes necessary in the judgment of the Franchising Authority to remove any of the Grantee's facilities, no charge shall be made by the Grantee against the Franchising Authority for restoration and repair, unless such acts amount to gross negligence by the Franchising Authority.

8.7 Tree Trimming. Grantee or its designee shall have the authority to trim trees on public property at its own expense as may be necessary to protect its wires and facilities.

8.8 Relocation for the Franchising Authority. The Grantee shall, upon receipt of reasonable advance written notice, to be not less than ten (10) business days, protect, support, temporarily disconnect, relocate, or remove any property of Grantee when lawfully required by the Franchising Authority pursuant to its police powers. Grantee shall be responsible for any costs associated with these obligations to the same extent all other users of the Franchising Authority rights-of-way are responsible for the costs related to their facilities.

8.9 Relocation for a Third Party. The Grantee shall, on the request of any person holding a lawful permit issued by the Franchising Authority, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Street as necessary any property of the Grantee, provided that the expense of such is paid by any such person benefiting from the relocation and the Grantee is give reasonable advance written notice to prepare for such changes. The Grantee may require such payment in advance. For purposes of this subsection, "reasonable advance

written notice" shall be no less than ten (10) business day in the event of a temporary relocation and no less than one hundred twenty days (120) for a permanent relocation.

8.10 Reimbursement of Costs. If funds are available to any person using the Streets for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall reimburse the Grantee in the same manner in which other persons affected by the requirement are reimbursed. If the funds are controlled by another governmental entity, the Franchising Authority shall make application for such funds on behalf of the Grantee.

8.11 Emergency Use. If the Grantee provides an Emergency Alert System ("EAS"), then the Franchising Authority shall permit only appropriately trained and authorized Persons to operate the EAS equipment and shall take reasonable precautions to prevent any use of the Grantee's Cable System in any manner that results in inappropriate use thereof, or any loss or damage to the Cable System. The Franchising Authority shall hold the Grantee, its employees, officers and assigns harmless from any claims or costs arising out of use of the EAS.

SECTION 9 **Service And Rates**

9.1 Phone Service. The Grantee shall maintain a toll-free telephone number and a phone service operated such that complaints and requests for repairs or adjustments may be received at any time.

9.2 Notification of Service Procedures. The Grantee shall furnish each Subscriber at the time service is installed, written instructions that clearly set forth information concerning the procedures for making inquiries or complaints, including the Grantee's name, address and local

telephone number. Grantee shall give the Franchising Authority thirty (30) days prior notice of any rate increases, channel lineup or other substantive service changes.

9.3 Rate Regulation. Franchising Authority shall have the right to exercise rate regulation to the extent authorized by law, or to refrain from exercising such regulation for any period of time, at the sole discretion of the Franchising Authority. If and when exercising rate regulation, the Franchising Authority shall abide by the terms and conditions set forth by the FCC.

9.4 Continuity of Service. It shall be the right of all Subscribers to continue receiving Cable Service insofar as their financial and other obligations to the Grantee are honored.

SECTION 10 **Franchise Fee**

10.1 Amount of Fee. Grantee shall pay to the Franchising Authority an annual franchise fee in an amount equal to percent (5%) of the annual Gross Revenue. Such payment shall be in addition to taxes of general applicability owed to the Franchising Authority by the Grantee that are not included as franchise fee under federal law.

10.2 Payment of Fee. Payment of the fee due the Franchising Authority shall be made on an [annual/quarterly] basis, within 45 days of the close of each [calendar year/calendar quarter]. The payment period shall commence as of the Effective Date of the Franchise. In the event of a dispute, the Franchising Authority, if it so requests, shall be furnished a statement of said payment, reflecting the Gross Revenues and the applicable charges, deductions and computations for the period covered by the payment.

10.3 Accord and Satisfaction. No acceptance of any payment by the Franchising Authority shall be construed as a release or as an accord and satisfaction of any claim the Franchising Authority may have for additional sums payable as a franchise fee under this Franchise.

10.4 Limitation on Recovery. In the event that any Franchise payment or recomputed payment is not made on or before the dates specified herein, Grantee shall pay an interest charge, computed from such due date, at the annual rate of one percent over the prime interest rate. The period of limitation for recovery of any franchise fee payable hereunder shall be three (3) years from the date on which payment by the Grantee was due.

SECTION 11 **Transfer of Franchise**

11.1 Franchise Transfer. The Franchise granted hereunder shall not be transferred or assigned, without the prior consent of the Franchising Authority, such consent not to be unreasonably withheld or delayed. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or Cable System to secure indebtedness. Within thirty (30) days of receiving a request for transfer, the Franchising Authority shall notify the Grantee in writing of any additional information it reasonably requires to determine the legal, financial and technical qualifications of the transferee. If the Franchising Authority has not taken action on the Grantee's request for transfer within one hundred twenty (120) days after receiving such request, consent by the Franchising Authority shall be deemed given.

11.2 Transfer to Affiliates. The foregoing requirements shall not apply to any sale, assignment or transfer to any Person that is owned or controlled by the Grantee, or any Person that owns or controls the Grantee. Grantee shall notify the Franchising Authority thirty (30) days prior to any such sale, assignment or transfer.

SECTION 12
Records, Reports And Maps

12.1 Reports Required. The Grantee's schedule of charges, contract or application forms for regular Subscriber service, policy regarding the processing of Subscriber complaints, delinquent Subscriber disconnect and reconnect procedures and any other terms and conditions adopted as the Grantee's policy in connection with its Subscribers shall be filed with the Franchising Authority upon request.

12.2 Records Required.

The Grantee shall at all times maintain:

- A. A record of all complaints received regarding interruptions or degradation of Cable Service shall be maintained for one (1) year.
- B. A full and complete set of plans, records and strand maps showing the location of the Cable System.

12.3 Inspection of Records. Grantee shall permit any duly authorized representative of the Franchising Authority, upon receipt of advance written notice to examine during normal business hours and on a nondisruptive basis any and all records as is reasonably necessary to ensure Grantee's compliance with the Franchise. Such notice shall specifically reference the subsection of the Franchise that is under review so that the Grantee may organize the necessary books and records for easy access by the Franchising Authority. The Grantee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years, except for service complaints, which shall be kept for one (1) year as specified above. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act. The Franchising Authority agrees to treat as confidential any books; records or maps that constitute proprietary or confidential information to the extent Grantee make the Franchising

Authority aware of such confidentiality. If the Franchising Authority believes it must release any such confidential books or records in the course of enforcing this Franchise, or for any other reason, it shall advise Grantee in advance so that Grantee may take appropriate steps to protect its interests. Until otherwise ordered by a court or agency of competent jurisdiction, the Franchising Authority agrees that, to the extent permitted by state and federal law, it shall deny access to any of Grantee's books and records marked confidential, as set forth above, to any Person.

SECTION 13 **Community Programming**

13.1 Service to Schools and Buildings. The Grantee shall maintain, without charge, one outlet to each Public School, located in the Service Area served by the Cable System and will provide free Basic Cable, for so long as the Cable System remains in operation in the Service Area. Any such school may install, at its expense, such additional outlets for classroom purposes as it desires, provided that such installation shall not interfere with the operation of Grantee's Cable System, and that the quality and manner of installation of such additional connections shall have been approved by the Grantee and shall comply with all local, State and federal laws and regulations. In addition, the Grantee shall furnish to the Franchising Authority, without installation or monthly charges, one outlet to each Police and Fire Station, and to the administration building of the Franchising Authority.

13.2 Limitations on Use. The Cable Service provided pursuant to this Section shall not be used for commercial purposes and such outlets shall not be located in areas open to the public. The Franchising Authority shall take reasonable precautions to prevent any use of the Grantee's Cable System that results in the inappropriate use thereof or any loss or damage to the Cable System. The Franchising Authority shall hold the Grantee harmless from any and all liability or

claims arising out of the provision and use of Cable Service required by subsection 13.1 above. The Grantee shall not be required to provide an outlet to any such building where a standard drop of more than 150 feet is required, unless the Franchising Authority or building owner/occupant agrees to pay the incremental cost of any necessary extension or installation.

SECTION 14 **Enforcement Or Revocation**

14.1 Notice of Violation. If the Franchising Authority believes that the Grantee has not complied with the terms of the Franchise, the Franchising Authority shall first informally discuss the matter with Grantee. If these discussions do not lead to resolution of the problem, the Franchising Authority shall notify the Grantee in writing of the exact nature of the alleged noncompliance.

14.2 Grantee's Right to Cure or Respond. The Grantee shall have thirty (30) days from receipt of the notice described in subsection 14.1 to (i) respond to the Franchising Authority, contesting the assertion of noncompliance, or (ii) to cure such default, or (iii) if, by the nature of default, such default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

14.3 Public Hearing. If the Grantee fails to respond to the notice received from the Franchising Authority pursuant to the procedures set forth in subsection 14.2, or if the default is not remedied within the cure period set forth above, the Board shall schedule a public hearing if it intends to continue its investigation into the default. The Franchising Authority shall provide the Grantee at least twenty (20) days prior written notice of such hearing, which specifies the time, place and purpose of such hearing, notice of which shall be published by the Clerk of the

Franchising Authority in a newspaper of general circulation within the Franchising Authority in accordance with subsection 15.5 hereof.

14.4 Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after the hearing set forth in subsection 14.3 above, determines that the Grantee is in default of any provision of the Franchise, the Franchising Authority may:

- A. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or
- B. Commence an action at law for monetary damages or seek other equitable relief; or
- C. In the case of a substantial default of a material provision of the Franchise, seek to revoke the Franchise itself in accordance with subsection 14.5 below.

14.5 Revocation.

- A. Prior to revocation or termination of the Franchise, the Franchising Authority shall give written notice to the Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee, including one or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have sixty (60) days from such notice to either object in writing and to state its reasons for such objection and provide any explanation or to cure the alleged noncompliance. If the Franchising Authority has not received a satisfactory response from Grantee, it may then seek to revoke the Franchise at a public hearing. The Grantee shall be given at least thirty (30) days prior written notice of such public hearing, specifying the time and place of such hearing and stating its intent to revoke the Franchise.

- B. At the hearing, the Board shall give the Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which it shall determine whether or not the Franchise shall be revoked. The public hearing shall be on the record and a written transcript shall be made available to the Grantee within ten (10) business days. The decision of the Board shall be made in writing and shall be delivered to the Grantee. The Grantee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Board *de novo*.

SECTION 15
Miscellaneous Provisions

15.1 Force Majeure. The Grantee shall not be held in default under, on in noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of the Grantee to anticipate and control. This provision includes work delays caused by waiting for utility providers to service or monitor their utility poles to which Grantee's Cable System is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary.

Furthermore, the parties hereby agree that it is not the Franchising Authority's intention to subject the Grantee to penalties, fine, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise territory, or where strict performance would result in practical difficulties and hardship to the Grantee which outweighs the benefit to be derived by the Franchising Authority and/or Subscribers.

15.2 Action of Parties. In any action by the Franchising Authority or the Grantee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

15.3 Notices. All notices from Grantee to the Franchising Authority pursuant to this Franchise shall be to the Clerk of the Franchising Authority. Grantee shall maintain with the Franchising Authority, throughout the term of this Franchise, an address for service of notices by mail.

15.4 Public Notice. Minimum public notice of any public meeting relating to this Franchise shall be by publication at least once in a newspaper of general circulation in the area at least ten (10) days prior to the meeting and a posting at the administrative buildings of the Franchising Authority.

15.5 Severability. If any section, subsection, sentence, clause, phrase, or portion of this Franchise is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Franchise.

15.6 Entire Agreement. This Franchise sets forth the entire agreement between the parties respecting the subject matter hereof. All agreements, covenants, representations and warranties, express and implied, oral and written, of the parties with regard to the subject matter hereof are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to another with respect to the matter of this Franchise. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties with respect to the subject matter hereof are waived, merged herein and therein and superseded hereby and thereby.

15.7 Effective Date. The Effective Date of this Franchise shall be thirty (30) days after an authorized representative of Grantee has affixed his/her signature hereto, pursuant to the provisions of applicable law. This Franchise shall expire on the 5th of JUNE, 2019, unless extended by the mutual agreement of the parties.

Considered and approved this 3rd day of may, 2004.

City of Falls City, OR:

Signature: Kirby Frink

Print Name: Kirby Frink

Date: 5/3/04

Accepted this 5th day of JUNE, 2004, subject to applicable federal, state and local law.

**Falcon Cable Systems Company II, L.P.,
d/b/a Charter Communications:**

Signature: Eric P. Brown

Print Name: Eric P. Brown

Title: SVP of operations

Date: 6/5/04

AGENDA REPORT

TO: CITY COUNCIL
FROM: DOMENICA PROTHEROE, THROUGH MAYOR TERRY UNGRICH
SUBJECT: RESOLUTION 11-2017 A RESOLUTION PROVIDING A WATER LEAK ADJUSTMENT POLICY
DATE: 05/23/2017

SUMMARY

Adoption of Resolution 11-2017 A RESOLUTION PROVIDING A WATER LEAK ADJUSTMENT POLICY will formally recognize a policy approved by the Public Works Committee and City Council in April 2013. Adoption of policies by resolutions will document approved practices and procedures in preparation for staff transition.

PREVIOUS COUNCIL ACTION

On April 11, 2013 City Council approved a trial leak adjustment calculation: calculate 1.5 times the average water usage over a 12 month period including the month where the leak occurred. Subtract the sum from the actual water usage for the month the leak occurred to arrive at the leak adjustment gallons and calculate the amount of the adjustment based on the current rate resolution.

On April 16, 2013 Public Works Committee deemed the average usage calculation too generous and recommended that staff calculate 1.5 times the average water charge over a 12 month period including the month the leak occurred. Subtract the sum from the actual water charge for the month the leak occurred to arrive at the leak adjustment amount.

All leak adjustment requests under the trial leak adjustment procedure went before the City Council for review. City Council approved all leak adjustments requests under the trial procedure.

Example: Average water bill amount over 12 months \$ 67.77

Multiply the average bill amount by 1.5 times \$ 101.66 = Calculated base for adjustment

Actual water service charge for month of leak \$ 131.21

Subtracted by the calculated base for adjustment \$ 101.66

Credit Amount	\$ 29.55
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ALTERNATIVES/FINANCIAL IMPLICATIONS

Require water customers to pay for water lost through leaks.

STAFF RECCOMENDATION

Staff recommends the City Council adopt Resolution 11-2017.

EXHIBIT

Resolution 11-2017 A RESOLUTION PROVIDING A WATER LEAK ADJUSTMENT POLICY

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PROPOSED MOTION

I move the City Council of the City of Falls City approve Resolution 11-2017 A RESOLUTION PROVIDING A WATER LEAK ADJUSTMENT POLICY

RESOLUTION 11-2017

A RESOLUTION PROVIDING A WATER LEAK ADJUSTMENT POLICY

Findings:

- 1) Falls City's Municipal Code Chapter 51 Water does not offer a policy for water leak adjustments.
- 2) On April 11, 2013 City Council approved a trial leak adjustment calculation: calculate 1.5 times the average water usage over a 12 month period including the month where the leak occurred. Subtract the sum from the actual water usage for the month the leak occurred to arrive at the leak adjustment gallons and calculate the amount of the adjustment based on the current rate resolution.
- 3) On April 16, 2013 Public Works Committee deemed the average usage calculation too generous and recommended that staff calculate 1.5 times the average water charge over a 12 month period including the month the leak occurred. Subtract the sum from the actual water charge for the month the leak occurred to arrive at the leak adjustment amount.
- 4) The trial leak adjustment procedure limited each leak adjustment request to a single month and required proof of repair.
- 5) All leak adjustment requests under the trial leak adjustment procedure went before the City Council for review. City Council approved all leak adjustment requests under the trial procedure.
- 6) All City Council approved leak adjustments were reported to the Public Works Committee.
- 7) Staff recommends that Council approve a Leak Adjustment Policy that will allow staff to apply leak adjustments to customer accounts, in accordance with this policy resolution modeled after the trial leak adjustment procedure, instead of requesting City Council approval for individual leak adjustment requests.

NOW THEREFORE, THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1: A customer may request a leak adjustment for a single specified month by completing a leak adjustment request form provided by the City Clerk.

Section 2: The customer is required to describe the nature and location of the leak, date discovered or date notified of the leak, provide proof of repair within 30 days of notification of a leak by City staff or discovery of a leak. Proof of repair can include receipts for parts, photos of the repair or written testimony that the leak was repaired, or any combination deemed satisfactory by the City Clerk.

Section 3: The Public Works department must read the water meter to verify that the water meter dial is not spinning thereby indicating that the leak has been repaired.

Section 4: Staff determines the leak adjustment amount by calculating 1.5 times the average water charge over a 12 month period including the month the leak occurred. Subtract the sum from the actual water charge for the month the leak occurred to arrive at the leak adjustment amount.

Section 5: Adjustments will be applied to the customer account. No cash or check refunds will be given.

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Section 6: Staff shall provide the Public Works Committee an Agenda Report detailing each leak adjustment that includes the service address, water charge for the leak, the average water charge calculated over 12 month period including the month when the leak occurred, the results of the calculation of the average water charge multiplied by 1.5, and the resulting adjustment amount.

Section 7: A leak adjustment request does not constitute a waiver or extension of payment of the utility bill.

Section 8: Water Leak Adjustment Agenda reports will be retained in accordance with ORS 166-200-0200 City General Records Retention Schedule.

Example

Average water bill amount over 12 months	\$ 67.77	
Multiply the average bill amount by 1.5 times	\$ 101.66	= Calculated base for adjustment

Actual water service charge for month of leak	\$ 131.21
Subtracted by the calculated base for adjustment	\$ 101.66

Credit Amount	\$ 29.55
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Date

Terry Ungricht, Mayor

Attest:

Date

Domenica Protheroe, City Clerk

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AGENDA REPORT

TO: CITY COUNCIL
FROM: MAYOR UNGRICHT
SUBJECT: RESOLUTION 12-2017, DETAILING FEES FOR WATER SERVICE
DATE: 05/26/2017

SUMMARY

Staff and the Public Works Committee have audited current utility charges for equitable billing.

BACKGROUND

Staff has been reviewing different fees to our Water and Wastewater utilities. We reviewed based on cost of employees to provide the service and to make sure our charges were as equal to all customers as possible.

On the Public Works side we audited the last simple water connection (simple connection is when water line runs in front of property) that was installed, this was the first new service in years and the connection fee for a new water service has not been raised for many years. The audited numbers showed the actual cost in employee hours, supplies, and equipment was \$1867.00, so we suggest an increase to \$1850.00 or actual cost if greater. The City always tries to set the fee for a service as close to actual costs as possible, so a customer is not surprised. The complex fee is a lot more difficult to estimate (complex is when water line is across the street from property), factors such as type of street, gravel versus paved, width of Street, etc. come into play. On all complexes we charge the complex fee, but then do an estimate of actual costs and supply to customer before beginning work, we suggest raising the fee to \$2100.00 or actual costs.

We also audited the time it takes staff to send out shutoff notices, which is detailed in the resolution. We are requesting to change our procedures to not hang the shutoff notices, but to mail an account delinquent letter. This would save over 60 hours of Public Works staff time a year.

We are recommending that we charge all customers a reconnection fee when water service is being activated. This year Public Works and office staff has spent a lot of time turning services on for banks and realtors for home inspections etc. We also do not charge a reconnection fee when a service has been in vacation status. The only customers we are charging a fee to our delinquent customers. We do not feel that this is a fair system and all customers should pay for the staff time for their service.

The final fee that was audited is the returned check fee. This fee has not been raised for over 4 years, so we took the cost charged by the bank and staff time to follow accounting principles and notification to the customer, we recommend a charge of \$35.00

PREVIOUS COUNCIL ACTION

Passed resolution 02-2017 updating water fees.

ALTERNATIVES/FINANCIAL IMPLICATIONS

Changes will make our utility billing more equal.

STAFF RECCOMENDATION

Pass the Resolution.

PUBLIC HEARING

Mayor:

This public hearing (per ORS 294.160) is an opportunity for any member of the public to comment on or make requests regarding the proposed Resolution raising Water reconnection fees, returned check fee, charges for new water services.

I will open the public hearing for raising the non-contracted Bulk Water sales and consolidating the simple/complex sewer connection fees into one connection fee.

at _____pm.

Public Comments:

I will close the public hearing for at raising the Capitol Improvement Fee from \$7.00 to \$10.00

at_____ pm.

EXHIBIT

Exhibit A – Resolution 12-2017

PROPOSED MOTIONS

THE CITY OF FALLS CITY RESOLVES AS FOLLOWS, ADOPT RESOLUTION 12-2017 DETAILING FEES FOR WATER AND SEWER SERVICE AND RELATED CHARGES; AND WATER AND SEWER CONNECTION FEES; AND REPEALING PRIOR RESOLUTIONS

RESOLUTION NO. 12 -2017

A RESOLUTION DETAILING FEES FOR WATER AND SEWER SERVICE AND RELATED CHARGES; AND WATER AND SEWER CONNECTION FEES; AND REPEALING PRIOR RESOLUTIONS

Findings:

1. Municipal Code Section 51 Water, Section 09 Water Rates and Charges, authorizes the City Council to establish, by resolution, and from time to time amend, water rates to be charged for each class of service, including minimum charges, charges for water consumption, service connection charges and all other related fees and charges.
2. Municipal Code Section 50 Sewer, Section 25 Generally, subsection (D) authorizes the City Council to establish, by resolution, and from time to time amend, sewer user rate per equivalent residential unit (ERU).
3. Municipal Code Section 50 Sewer, Section 6 Connection Fees, subsection (A) authorizes the City Council to establish, by resolution, and from time to time amend, sewer connections fees.
4. The City maintains two Enterprise Fund accounts for Water and Sewer activities. Enterprise fund revenues are restricted to be spent only on enterprise activities relating to their revenue source. For example water rate revenue can only be spent on water activities and projects.
5. An Enterprise fund is a fund established to account for operations, including debt service that are financed and operated similarly to private businesses where the intent is the service is self-sufficient, with all costs supported predominantly by user charges. Through charges, and fees, an equitable and fair system of recovering water system costs is established.
6. Staff audited several utility charges and fees and found that several categories are not billed equitably to customers to cover the cost of operations for services rendered for these categories:
 - a. Water Shutoff notice
 - b. Water Reconnection fee
 - c. Utility Returned Check Fee
 - d. Charges for the installation for a simple and complex water meter
7. Cost of operations for Public Works staff, salary plus benefits, is approximately \$30-\$32 an hour. Cost of operations for Administration staff, salary plus benefits, is approximately \$25-\$28 an hour. The salary of city staff is proportionally allocated to Funds.
8. Shutoff notices inequitably
 - a. In April 2017, Public Works staff delivered forty-seven (47) shutoff notices (green tags) throughout the service area for delinquent balances which required two and one half (2 ½) hours each for two Public Works staff. A similar number of shutoff notices are distributed each month, equaling an estimated 60 hours annually; the cost to the Water Fund is approximately \$1,800 annually for Public Works staff time.

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- b. It requires approximately three (3) hours a month for Administrative staff to generate shutoff notices, equaling an estimated 36 hours annually; the cost to the Water Fund is approximately \$972 annually.
 - c. Many customers have commented to City staff, that they wait for the delivery of the shutoff notice to remind them to pay their utility bill.
 - d. Because cost of the Water Fund is recovered by rates and charges, and because the City does not charge a fee for a shutoff notice, customers who do not receive shutoff notices are subsidizing those customers who receive shutoff notices monthly.
 - e. Staff recommends that the City Council approve the elimination of physical shutoff notices and replace with a shutoff notice provide by mail, beginning on July 16, 2017, and after public notification in the June Newsletter, notification in the June 26 and July utility billing statement message, and with a public announcement at the June and July Regular City Council meetings. Mailing shutoff notices will save an estimated \$1,500 annual, after considering the cost of postage and the elimination of Public Works staff time to deliver shutoff notices to the service address.
9. Water Reconnection fee inequitably
- a. Reconnection fees are charged to customers when reconnecting water service after receiving full payment of a delinquent utility account.
 - b. A reconnection fee is not charged to reconnect service after a seasonal shutoff or to temporarily reconnect water service for a home inspection, home repair, property cleaning or similar activities, yet the same amount of time and work is required by Public Works staff for all water reconnections.
 - c. On May 18, 2017 the Falls City Public Works Committee compared Falls City Fall City water service fees against fees from similar sized communities and recommended that the City Council adopt a water reconnection fee for any and all water reconnections.
10. Utility returned check fee inequitably
- a. The current charge of \$25 for a returned check does not cover costs.
 - b. The bank charges \$12 per returned check.
 - c. Processing a returned check on average requires forty-five (45) minutes for Administrative staff, amounting to approximately \$21. Tasks include account review, customer letter, handwritten shut-off notice, utility system accounting adjustment, preparation of exception processing accounting backup with distribution to the bookkeeper, the original and daily accounting batch documents, and the adjustment log. The delivery of the shut-off notice by Public Works staff amounts to approximately \$14. The total staff cost is \$35.
 - d. Staff recommends that the City Council adopt an increase of the \$25 Returned Check Fee to \$35 to for cost recovery.

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11. Charge for the installation for a simple and complex water meter connection inequitably
 - a. Current charges for the installation of a water meter, both simple and complex, do not cover the actual costs.
 - Simple Water Connection: the water main line runs on the right-of-way in front of the property.
 - Complex Water Connection: the water line runs along the right-of-way on the opposite side of the road which requires repairs to the street surface
 - b. Staff recently tracked the actual cost to install a Simple Water Connection, including parts, materials and staff time. The total cost was \$1,867.
 - c. Staff recommends that the City Council adopt an increase of the \$1,250/base rate for a Simple Water Connection to \$1800/base or actual cost if greater.
 - d. Staff recommends that the City Council adopt an increase of the \$1,500/base rate for a Complexed Water Connection to \$2,100/base or actual cost if greater. The cost for each Complexed Water Connection is unique because the connection crossed a public street.
12. Defining Public Works staff work hours for the Water Service Reconnection Fee
 - a. Public Works staff typically starts their weekday work at 7:00 AM and end at 4:00 PM.
 - b. Public Works staff is on call 24/7.
 - c. The prior rate resolution charged a different fee for business hours and “other than business hours” but did not define.
 - d. Staff recommends that the City Council adopt wording that defines hours and days for each classification.
13. Sewer service rates have been included in this rate resolution to further merge utility rates, fees and charges to a single rate resolution.
14. The Falls City Council has determined that the rates and charges set forth in this resolution are appropriate and in the best interest of the City.

NOW THEREFORE, THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1. Water furnished to water districts, cooperatives or corporations, organized and existing under the laws of the State of Oregon and receiving water through a master meter, shall pay therefor such amount as may be established by agreement between the City and the water districts, cooperatives or corporations, fire districts or departments, or other persons or entities prior to receiving such water.

- (a) Where an agreement is not in place, and where bulk water is needed, the Bulk Water Rate will be \$5.00 per unit (1000 gallons) charged according to the size of the tanker truck or vessel; and

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- (b) Payment in advance is required for the sale of bulk water where a written agreement is not in place; and
- (c) Sale of bulk water without a written agreement is a privilege and can be denied or revoked at any time.

Section 2. In addition to the monthly fees established herein, Exhibit 1, the following service fees are hereby established:

- (a) **Reconnection fee during between 7 AM and 4 PM weekdays** \$35.00
- (b) **Reconnection fee afterhours, on weekends or on holidays** \$65.00
- (c) Setup connection fee for sale of bulk water where a written agreement is not in place
..... \$80.00
- (d) **Returned check fee** **\$35.00**
- (e) Payment Late fee \$10.00

Section 3. In addition to monthly fees established herein, Exhibit 1, the following utility connection fees are hereby established:

- (a) Sewer Connection fee:
Base Facility rate of \$3,250.00, plus customer will be responsible for all costs to connect to the system (Municipal Code 50.06 (A)).
- (b) **Water Connection Fee Simple:**
Base Facility rate of \$1,800.00, or actual cost if greater.
- (c) **Water Connection Fee Complex:**
Base Facility rate of \$2,100.00, or actual cost if greater
- (d) Additional Water Connection fees where the length of service exceeds 100 feet:
The applicant shall pay the extra cost of the line on the basis of actual cost to the Water department for labor, materials and equipment plus 15% (Municipal Code 51.07).

Section 4. In addition to the monthly fees established herein, Exhibit 1 **and Exhibit 2**, a Capital Improvement Fee shall be assessed any service with a water meter or sewer connection, active or inactive, in the amount of \$10.00. When both a residence and a commercial operation or development exist on a property zoned Commercial Residential, the Capital Improvement Fee will be assessed separately for both the residence and the commercial operation or development.

Section 5. In addition to the monthly fees established herein, Exhibit 1 **and Exhibit 2**, a Backflow Testing Fee shall be assessed each month on each water meter service account in the amount of \$2.25 from July 1, 2014 through June 30, 2018.

Section 6. Water furnished to multi-unit properties where the property owner desires one (1) water meter to serve all units shall be charged at the following;

- (a) Multi-unit properties serviced by one (1) meter will be charged a multiplier based on the meter size multiplied by the number of dwelling units.
- (b) Charged a multiplier by amount of units for the Capitol Improvement Fee.

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Section 7. Resolution 02-2017 and Resolution 2010-07 are repealed on the effective date of this resolution. All other resolutions and parts of resolutions relating to water use rates and related charges not repealed or amended expressly or by implication by resolution shall continue in full force and effect.

Section 8. Pursuant to ORS 294.160, the Council held a public hearing on June 8, 2016 to consider public comment on the proposed procedural changes and the fee increases.

ADOPTED BY THE FALLS CITY COUNCIL ON THIS 8th DAY OF June, 2017.

VOTE: AYE____ NAY____ ABSTAIN____ ABSENT____

Terry Ungricht, Mayor

Date

ATTEST:

Domenica Protheroe, City Clerk

Date

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City of Falls City
"Exhibit 1" Water Service Rate Table by Class of Service

Definition: 1 Water Unit = 1000 gallons

Residential - Inside City Limits (RI)

Size of Meter	Consumption	Base Rate
5/8" METER	5 Units	41.96
1" METER	5 Units	64.64
1 1/2" METER	5 Units	72.58
2" METER	5 Units	86.18
3" METER	5 Units	106.60
4" METER	5 Units	151.96
Overage: Consumption shall be charged at \$2.55 per Unit over 5 Units		

Residential - Outside City Limits (RO)

Size of Meter	Consumption	Base Rate
5/8" METER	5 Units	47.06
1" METER	5 Units	69.74
1 1/2" METER	5 Units	77.68
2" METER	5 Units	92.42
3" METER	5 Units	111.70
4" METER	5 Units	157.06
Overage: Consumption shall be charged at \$2.84 per Unit over 5 Units		

Residential/Commercial – Inside City Limits (RCI)

Size of Meter	Consumption	Base Rate
5/8" METER	5 Units	64.64
1" METER	5 Units	87.32
1 1/2" METER	5 Units	96.39
2" METER	5 Units	108.86
3" METER	5 Units	129.28
4" METER	5 Units	174.64
Overage: Consumption shall be charged at \$3.12 per Unit over 5 Units		

Residential/Commercial – Outside City Limits (RCO)

Size of Meter	Consumption	New Base Rate
5/8" METER	5 Units	69.74
1" METER	5 Units	92.42
1 1/2" METER	5 Units	101.49
2" METER	5 Units	113.97
3" METER	5 Units	134.38
4" METER	5 Units	179.74
Overage: Consumption shall be charged at \$3.12 per Unit over 5 Units		

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City of Falls City

"Exhibit 1" Water Service Rate Table by Class of Service

Non-Residential Commercial – Inside City Limits (NCI)

Size of Meter	Consumption	Base Rate
5/8" METER	5 Units	64.64
1" METER	5 Units	87.32
1 1/2" METER	5 Units	96.39
2" METER	5 Units	108.86
3" METER	5 Units	129.28
4" METER	5 Units	174.64
Overage: Consumption shall be charged at \$3.12 per Unit over 5 Units		

Non-Residential Commercial – Outside City Limits (NCO)

Size of Meter	Consumption	Base Rate
5/8" METER	5 Units	69.74
1" METER	5 Units	92.42
1 1/2" METER	5 Units	101.49
2" METER	5 Units	113.97
3" METER	5 Units	134.38
4" METER	5 Units	179.74
Overage: Consumption shall be charged at \$3.12 per Unit over 5 Units		

2 Meters-Outside (2MO)

Size of Meter	Consumption	Base Rate
5/8" METER	5 Units	79.38
Overage: Consumption shall be charged at \$2.55 per Unit over 5 Units		

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"Exhibit 2" Sewer Service Rate Table by class of service

Sewer Service

Service Category	Flat Monthly Rate
Commercial (CM1)	46.00
Residential (RS1)	46.00
Apartments (APT) each unit	46.00
Elementary School (ELE)	283.00
Falls City High School (FHS)	283.00

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**Mayor's Report,
June 8, 2017 Council Meeting**

Staff was able to get Falls City on the list for a worker program that is funded through a grant and administered by Community Service Consortium out of Corvallis. We will be getting six workers on Tuesdays and Thursdays for 2 months. We have them clearing the Mitchell Street side of the Falls Park so we can close out the rest of the parks grant. We will also set them up to paint crosswalks, scrape the old jail and weed and trim at the community center, or what they can get done in our allotted time. There are 3 workers from Falls City; I hope to make this a good experience for the workers.

We had to buy a new lawn mower, the John Deere had the rear end/hydro system go out and the bid was way more than the machine is worth to repair. We priced around; internet and local businesses and was able to pick up a new Husqvarna zero turn for \$2500.00 from L&L, if you go into L&L thank them for cutting us a deal. The Deere was our newest machine, but we had always had the most problems with it. We hope that the older Husqvarna makes it through this year, but we will probably need to replace next year.

I am still searching for a grader, it was a shame we didn't receive the one in Lowell. If I am unsuccessful we will need to replace the cutting blade and fix some of the hydraulic leaks before next rainy season.

The Michael Harding Park is 75% done; we still need to lay some gravel, cement, and close off the emergency access. The reader boards are up and I expect to have the electrical bid any day. Hopefully they are lit up by the meeting.

I have contacted the Engineer on submitting cost estimates for a replacing the water line on Clark Street, we have had a monthly break on this line and it is killing our water loss numbers. He will also do cost estimates on upgrading the Carey Court lift station, this was a bad designed system and we have been experiencing major pump problems. We will probably have to fund these through the funds we budget out of the utility reserve fund.

I will be meeting with the new director from COG on the 31st. I hope to have some information at the meeting on cost and process for hiring the recorder. We also need to set up the meeting for the land use applications, I am guessing this meeting will take a little over two hours and we need to get the notices out. So let us know if you want to schedule it for July 20th at 6 pm (or earlier) or start the July regular meeting at 5 pm to hear the zone changes.

I expect to hear within a couple of weeks that the Master Water Plan is reviewed. I contacted OWRD and there were no public comments. So as soon as their review is done we will formally adopt it and set up a funding meeting on the distribution upgrades and wastewater system.

Thanks to everyone that sent condolences for the loss of my Son, it was very unexpected and will take time to heal the wound. We will be having a celebration of life in the upper park at 3 pm, music and pulled pork sandwiches will be provided. All our welcome.

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MONTHLY EXPENSE REPORT

MAYOR UNGRICHT

05/04/2017:	25 Miles, Monmouth, Bank.
05/07/2017:	25 Miles, Monmouth, Bank.
05/12/2017:	25 Miles, Monmouth, Bank.
05/18/2017:	25 Miles, Monmouth, Bank.
05/19/2017:	25 Miles, Monmouth, Bank.
05/20/2017:	25 Miles, Monmouth, Bank.
05/01/2017:	25 Miles, Monmouth, Bank.
05/15/2017:	25 Miles, Monmouth, Bank.
05/18/2017:	25 Miles, Monmouth, Bank.
05/23/2017:	25 Miles, Monmouth, Bank.
05/24/2017:	25 Miles, Monmouth, Bank.
05/31/2017:	65 Miles, Salem, Ferguson Water Works and COG.

Miles 340 x 53.5 = \$181.90 mileage.

Total reimbursement = \$ 181.90

Public Works Staff Report for May, 2017

Monday, 1 Extend culvert on Mitchell Street.

Tuesday, 2 Finish culvert, working on Harding park, State waste water report.

Wednesday, 3 Mowing cemetery.

Thursday, 4 Finish cemetery and upper park.

Friday, 5 Block setting Harding park.

Saturday, 6 Sunday, 7 Routine water and sewer.

Monday, 8 Set blocks Harding park, called out to Dayton sewer blockage, jetted out.

Tuesday, 9 Working at the Harding Park.

Wednesday, 10 John Deer mower broke down, took into LL equipment, had flat on utility truck.

Thursday, 11 Repair water main Clark Street.

Friday, 12 Finish clean up on Clark, called out 11:00 AM WTP chlorine pump out, replaced.

Saturday, 13 Sunday, 14 Routine water and sewer.

Monday, 15 Working on block, jetted out sewer line Dayton again.

Tuesday, 16 Graded some roads, cleaned lower cemetery, deliver shut off notices, Hach did calibration at the WTP

Wednesday, 17 Problem with bed dumping on dump truck, order parts for water service East Ave.

Thursday, 18 Weed eating and spraying cemetery.

Friday, 19 Meet with Cities engineer, water and sewer projects.

Saturday, 20 Sunday, 21 Routine water and sewer.

Monday, 22 Harding park, did physical shut off

Tuesday, 23 Work on Harding park, mowed upper park.

Wednesday, 24 Meter reading, repair meter bottom Forestview.

Thursday, 25 Put flags out, mowed parks.

Friday, 26 Mowed down town and weed eat

Saturday, 27 Sunday, 28 Routine water and sewer.

Monday, 29 Holiday, routine water and sewer.

Tuesday, 30 Problem WTP with chlorine residual, had leak made repair.

Wednesday, 31 Having portapottys delivered today, working on Harding park.