

# **REGULAR SESSION**

# AGENDA

## MILWAUKIE CITY COUNCIL FEBRUARY 1, 2011

MILWAUKIE CITY HALL  
10722 SE Main Street

2094<sup>th</sup> MEETING

### REGULAR SESSION – 7:00 p.m.

- |   | Page #    |
|---|-----------|
| <b>1. CALL TO ORDER</b><br>Pledge of Allegiance   |           |
| <b>2. PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS</b>   |           |
| <b>A. Milwaukie High School Student of the Month Travis Walker</b>  |           |
| <b>3. CONSENT AGENDA</b> <i>(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the "Consent" portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)</i>   | <b>1</b>  |
| <b>A. Intergovernmental Agreement with the City of West Linn for Finance Director Services – Resolution</b>   | <b>2</b>  |
| <b>B. Extend Terms of Budget Committee Members – Resolution</b>   | <b>11</b> |
| <b>C. Expansion of Milwaukie/North Clackamas Enterprise Zone to Include Happy Valley Rock Creek Employment Area – Resolution</b>  | <b>12</b> |
| <b>D. Flexible Spending Account Summary Plan Document – Resolution</b>  | <b>33</b> |
| <b>E. City Council Meeting Minutes:</b>   | <b>57</b> |
| 1. July 6, 2010 Work Session  |           |
| 2. July 20, 2010 Work Session   |           |
| 3. November 16, 2010 Regular Meeting  |           |
| <b>4. AUDIENCE PARTICIPATION</b> <i>(The Presiding Officer will call for statements from citizens regarding issues relating to the City. Pursuant to Section 2.04.140, Milwaukie Municipal Code, only issues that are "not on the agenda" may be raised. In addition, issues that await a Council decision and for which the record is closed may not be discussed. Persons wishing to address the Council shall first complete a comment card and return it to the City Recorder. Pursuant to Section 2.04.360, Milwaukie Municipal Code, "all remarks shall be directed to the whole Council, and the Presiding Officer may limit comments or refuse recognition if the remarks become irrelevant, repetitious, personal, impertinent, or slanderous." The Presiding Officer may limit the time permitted for presentations and may request that a spokesperson be selected for a group of persons wishing to speak.)</i> |           |

5. **PUBLIC HEARING** *(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)*
  - A. **None scheduled**
  
6. **OTHER BUSINESS** *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)* **73**
  - A. **File #A-10-05 – Expedited Annexation of 9526 SE Wichita Avenue – Ordinance** **74**  
Staff: Li Alligood, Assistant Planner
  - B. **File # A-10-06 - Expedited Annexation of 10026 SE Hollywood Avenue – Ordinance** **101**  
Staff: Ryan Marquardt, Associate Planner
  - C. **Voice Over Internet Protocol Telephone Replacement Authorization and Project Management Contract Award – Resolution** **126**  
Staff: Esther Gartner, Information Systems and Technology Director
  - D. **Fourth Annual Report on the Street Surface Maintenance Program** **132**  
Staff: Gary Parkin, Engineering Director
  - E. **Council Reports**
  
7. **INFORMATION** **145**
  - A. **Capital Improvement Program (CIP) Project Update for Fiscal Year 2010-2011** **146**

**8. ADJOURNMENT**

**Public Information**

- **Executive Session:** The Milwaukie City Council will meet in executive session immediately following adjournment of the regular session pursuant to ORS 192.660(2)(e) to deliberate with persons designated by the governing body to negotiate real property transactions and 192.660(2)(h) to consult with legal counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.
- All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
- For assistance/service per the Americans with Disabilities Act (ADA), please dial TDD 503.786.7555
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.

**3.**

# **CONSENT AGENDA**

**INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF MILWAUKIE AND THE CITY OF WEST LINN  
TO PROVIDE  
PROFESSIONAL FINANCIAL MANAGEMENT SERVICES**

THIS INTERGOVERNMENTAL AGREEMENT is made and entered into by the CITY OF MILWAUKIE, an Oregon municipal corporation (hereinafter "Milwaukie"); and the CITY OF WEST LINN, an Oregon municipal corporation (hereinafter "West Linn").

**RECITALS:**

- A. ORS Chapter 190.010 authorizes governmental entities such as Milwaukie and West Linn to enter into written agreements for the performance of any or all functions and activities that either entity has the authority to perform on its own; and
- B. Milwaukie desires the performance of professional financial management services and West Linn is willing to establish and carry out professional financial management services for Milwaukie, and

**AGREEMENT:**

NOW THEREFORE, the Parties hereto agree as follows:

- 1. **Description of Services to be Provided.** West Linn shall provide professional financial management services for Milwaukie beginning February 1, 2011, until the expiration or termination of this agreement. The financial management services so contracted shall be provided as set forth in Exhibit "A" attached hereto and incorporated herein by reference and generally include management over Milwaukie's Finance, Information Technology, Municipal Court and Risk Management functions.
- 2. **Term.** The original term of this agreement shall continue through June 30, 2013. The term may be extended and renewed for one-year periods, expiring annually each June 30, by mutual agreement of the parties with written acknowledgment no less than sixty days prior to each termination date.
- 3. **Staffing.** Parties shall continue to serve as employer of their respective employees.
- 4. **Consideration.** Milwaukie shall pay West Linn the sum of \$8,333.33 per month for professional financial management services provided by this agreement

through June 30, 2012. Effective July 1, 2012 compensation shall increase to \$8,583.33 per month through June 30, 2013.

**5. Termination of Agreement.** Either Party may terminate this agreement providing 60 days notice in writing to the City Manager of the other respective City.

**6. Amendment Provisions.** The terms of this agreement may be amended by mutual agreement of the Parties. Any amendment shall be in writing, shall refer specifically to this agreement, and shall be executed by the parties.

**7. Defense and Indemnification.** Milwaukie agrees to defend, indemnify and hold harmless West Linn and its officers, agents and employees, against all claims and actions, and all damages and expenses related thereto, arising from West Linn's performance of this agreement, except for those caused by the sole negligence of West Linn or its officers and employees.

**8. Notice.** Any notice under this agreement shall be in writing and shall be effective when actually delivered or when deposited in the mail, addressed to the parties as follows:

Milwaukie: City Manager  
City of Milwaukie  
10722 SE Main Street  
Milwaukie, OR 97222

West Linn: City Manager  
City of West Linn  
22500 Salamo Road  
West Linn, OR 97068

//  
//  
//  
//  
//  
//  
//  
//  
//  
//  
//  
//  
//  
//  
//  
//



## EXHIBIT "A"

### SCOPE OF PROFESSIONAL FINANCIAL MANAGEMENT SERVICES

The City of West Linn, through the services of its finance director, Richard Seals, CPA, CMA, CFM and assistant finance director, Casey Camors, CPA, shall provide the City of Milwaukie professional financial management services to manage the City of Milwaukie's Finance, Information Technology, Municipal Court and Risk Management functions to include, but not limited to, the following:

1. Provide professional financial management services to the City of Milwaukie, City Council, citizens, departments, and employees, of Milwaukie;
2. Target having one contract director present on-site in Milwaukie, five days every week (barring any sick time, vacation time, etc., as proportionately incurred between Milwaukie and West Linn);
3. Attend Council and Committee meetings as needed;
4. Mentor and support the professional development of all assigned staff, particularly Milwaukie's Assistant Finance Director, to include preparation and development to become a finance director within two-three years;
5. Oversee and complete the annual audits timely;
6. Oversee and complete the budgets;
7. Oversee and manage the finance and risk management staff;
8. Provide Director level oversight, review, performance evaluation to include any reward or disciplinary actions of Milwaukie finance and risk management staff as typically accustomed to the Director position;
9. Provide strategic financial services to include, but not limited to, such projects as long-term financial forecasting, biennial budgeting, CAFR, PAFR, Budget in Brief, Quarterly Financial Reports;
10. Oversee and provide strategic direction and ensure performance of risk management function to include but not limited to, review of commercial, property and general liability policy coverage, claims handling and processing, coordination with agent of record, coordination with human resources staff for employee workers compensation coverage;
11. Other duties as typically assigned the finance director position as described in the attached job description, Exhibit B.

Exhibit "A" - PROFESSIONAL FINANCIAL MANAGEMENT SERVICES

# CITY OF MILWAUKIE

## CLASSIFICATION: FINANCE DIRECTOR

Department: Finance  
Location: City Hall  
EEO Category: 1-Officials & Administrators

Grade Number: 12(31)

FLSA: Exempt  
Management, Supervisory Confidential Group

### DESCRIPTION:

Plans, directs and administers all activities related to financial operations of the City including reconciling and balancing interfund transactions; maintenance of budget and cash controls; the annual audit and budget preparation; the Comprehensive Annual Financial Reports; and preparing periodic financial statements. Provides accounting assistance to departments. Analyzes accounting transactions, accounts and balances.

This position works under the general supervision of the City Manager. As a member of the Department Director team, this position has direct input into City policies and procedures and advises the City Manager on related issues. Exercises budget responsibility for the Department.

### DUTIES AND RESPONSIBILITIES:

*(Tasks listed are intended to be descriptive and not restrictive. An employee in this classification may perform any of the tasks listed; however, these examples do not include all the tasks which an employee may be expected to perform.)*

### ESSENTIAL DUTIES AND RESPONSIBILITIES:

1. Provides leadership through planning, organizing, directing and supervising all activities of the department to achieve goals within available resources related to the City's financial operations. Studies and standardizes procedures to improve efficiency and effectiveness of the operations of the department. Coordinates department activities with other departments and agencies as needed.
2. Plans and organizes workloads and staff assignments; trains, motivates and evaluates assigned staff; reviews progress. Has authority to hire, evaluate performance and take corrective action as needed.
3. Prepares and administers the department budget based on staffing and resource requirements and program objectives and goals. Monitors the budget to assure compliance with approved budget levels and standards.
4. Responsible for timely completion of the Comprehensive Annual Financial Reports, City Budget, and annual audit. Prepares appropriation and budget transfers. Reconciles all bank and investment accounts.
5. Responsible for development and implementation of the City's financial policies and City's strategic financial planning.
6. Responds to requests for information from the City Manager, Council, Boards, Commissions and other staff. Reviews reports prepared by staff, for completeness and accuracy.
7. Reconciles all accounts including payroll, payroll liabilities, general expenses, revenues, interfund transfers, assets, liabilities and fund balances. Ensures integrity and accuracy of the General Ledger.
8. Maintains budget expenditure controls. Prepares periodic financial reports.

**FINANCE DIRECTOR**  
**PAGE 2 OF 4**

9. Monitors cash position to insure balance between cash requirements and investment maturities.
10. Ensures that the City's budget, accounting systems and reports are in compliance with all appropriate legal and regulatory requirements, and Generally Accepted Accounting Principles for municipal agencies.
11. Assists with the development and implementation of accounting and internal control policies and procedures. Assures adequate security for all assets.
12. Assists in providing training on accounts payable and budgeting procedures and providing financial management and accounting assistance to departments.
13. Provides back up to other finance and accounting positions.
14. Maintains positive public relations with customers and is responsive to customer needs.
15. Develops safe work habits and contributes to the safety of self, co-workers and the general public.
16. Performs other duties as required.

**JOB SPECIFICATIONS:**

(Job preparation and prior work experience requirements are minimum standards. Other equivalent combinations of education, training and experience will be considered.)

1. **Job Preparation:**
  - a) **Education:**
    - i) Bachelors degree from an accredited college or university with a degree in accounting, business management, finance or closely related field; or
    - ii) Any equivalent combination of education and experience.
2. **Prior Experience:**
  - a) **Work Experience:**
    - i) At least five (5) years of progressively responsible related experience; or
    - ii) Any equivalent combination of education and experience.
  - b) **Necessary Knowledge, Skills and Abilities:**
    - i) Knowledge of management and supervisory practices and principles.
    - ii) Knowledge of fiscal management, including budget preparation, expenditure control and record keeping.
    - iii) Thorough knowledge of Generally Accepted Accounting Principles, and Government Accounting Standards including concepts, principles and practices of municipal finance administration as they apply to budgeting, investments and financial reporting.
    - iv) Thorough knowledge of double entry accounting theory, principles, and practices, auditing theory and practices, internal control procedures and bookkeeping and accounting procedures and systems.
    - v) Knowledge of financial projection techniques.
    - vi) Knowledge of finance modeling techniques.
    - vii) Knowledge of debt financing theories and principles.
    - viii) Knowledge of local, State and Federal laws governing revenues and expenditures.
    - ix) Knowledge of computerized accountings systems.
    - x) Skill to effectively supervise and motivate staff.
    - xi) Skill in planning, developing and implementing fiscal management practices

**FINANCE DIRECTOR**  
**PAGE 3 OF 4**

and systems.

- xii) Skill to manage investment programs.
- xiii) Skill to manage debt financing.
- xiv) Skill in preparing informational analysis and to perform problem solving to assess large amounts of information and formulate decisions.
- xv) Skill to make presentations.
- xvi) Skill in using Microsoft Office Suite products and accounting software.
- xvii) Ability to maintain effective accounting procedures.
- xviii) Ability to develop and oversee complex budgets.
- xix) Ability to develop goals and long range planning for department.
- xx) Ability to analyze and evaluate departmental operations and develop and implement plans to improve departmental efficiency.
- xxi) Ability to prepare and analyze comprehensive and technical reports.
- xxii) Ability to make effective presentations.
- xxiii) Ability to manage multiple projects often within tight timeframes.
- xxiv) Ability to establish and maintain effective working relationships.
- xxv) Ability to work as a team member and to cultivate a team climate.
- xxvi) Ability to perform the essential functions of the job.

**3. Special Requirements:**

- a) Must possess, or be able to obtain by time of hire, a valid Oregon or Washington State Driver's License.
- b) Must be able to pass the department's security clearance standards including review of driving record.

**4. Tools and Equipment Used:**

- a) Computer and printer, fax machine and copy machines; Computer software including MS based word-processing, spreadsheet, and data base, and financial systems, and telephones.

**5. Supervision:**

- a) This position has full scope of supervisory responsibility over assigned staff.
- b) Operates under the general direction and supervision of the City Manager.

**6. Communications:**

- a) Has frequent contact with staff, vendors, members of other government entities and some communication with elected officials.
- b) The communications are often complex and may be confidential.

**7. Cognitive Functions:**

- a) Work is performed highly independently with little direction. Some policies and procedures exist. Person in this classification determines own practices and procedures by contributing to the development of new concepts; however duties must be performed within prescribed Governmental Accounting Standards.
- b) Most problems are quite difficult requiring decision making with precedent occasionally available. An incumbent has significant control over the planning and performance of the work.

**8. Work Environment:**

**FINANCE DIRECTOR  
PAGE 4 OF 4**

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- a) Work is performed mostly in office setting.
- b) Evening meetings are required.
- c) Responds any hours to emergency situations.

**9. Resource Accountability:**

- a) This classification has budgetary authority and is responsible for the budget of the department.
- b) Persons in this classification are responsible to make purchasing decisions resulting in the most efficient solution for the lowest cost.
- c) High impact on a considerable amount of City revenues including cash transactions and investments.
- d) Has a high impact on accounting and financial documents such as the City budget, general ledger, payroll, accounts receivable, accounts payable and contracts.

*The job classification description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.*

Drafted: 06/27/01  
Adopted: 06/27/01  
Revised: 04/29/04  
Revised: 11/30/04

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF WEST LINN TO OUTSOURCE FINANCE DIRECTOR SERVICES AND AUTHORIZING THE CITY MANAGER TO SIGN THE AGREEMENT**

**WHEREAS**, the City has struggled to recruit and retain a finance director since a long-term director retired in 2000; and

**WHEREAS**, the since 2000 the lack of continuity in leadership in the position of finance director has resulted in limitations in the City's ability to perform core financial processes and engage in sound financial management practices, and

**WHEREAS**, the City is preparing to engage in its annual budget preparation cycle through June, and

**WHEREAS**, the City has identified a viable option to outsource the position of finance director to the City of West Linn through an intergovernmental agreement authorized under ORS 190.010, and

**WHEREAS**, the City of West Linn has demonstrated the ability to perform professional financial management services at a high level, and has existing capacity to take on responsibility for Milwaukie, and

**WHEREAS**, the cities have developed a scope of professional financial management services and negotiated consideration, and

**WHEREAS**, the cities have agreed to an original term of the agreement to continue through June 30, 2013.

**Now, therefore, the City of Milwaukie, Oregon, resolves as follows:**

Section 1: That the City Council of the City of Milwaukie agrees to the terms of an intergovernmental agreement with the City of West Linn where West Linn will provide professional financial management services to Milwaukie.

Section 2: That the expiration date for the original term of the agreement is June 30, 2013 and the term may be extended and renewed for one-year periods by mutual agreement of the parties

Section 3: The city manager is authorized to sign the agreement on behalf of the City of Milwaukie.

Section 4: This resolution takes effect immediately upon passage.

Introduced and adopted by the City Council on February 1, 2011.

\_\_\_\_\_  
Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Jordan Schrader Ramis PC

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

Resolution No. \_\_\_\_\_

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, EXTENDING THE APPOINTMENTS OF DAVID ASCHENBRENNER AND LESLIE SCHOCKNER ON THE MILWAUKIE BUDGET COMMITTEE.**

**WHEREAS**, the terms of David Aschenbrenner and Leslie Schockner are set to expire on March 31, 2010; and

**WHEREAS**, each has served two three-year terms on the Committee; and

**WHEREAS**, the City's annual budget preparation cycle extends beyond the end of March through June; and

**WHEREAS**, it would be disruptive to the process and not in the public's interest to have the terms of Budget Committee members expire during the annual budget preparation cycle; and

**WHEREAS**, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

**WHEREAS**, implicit within Milwaukie Charter Section 26 is the authority of the Mayor with the consent of Council to extend terms of committee members, and

**WHEREAS**, David Aschenbrenner and Leslie Schockner possess the necessary qualifications to continue to serve on the Milwaukie Budget Committee.

**Now, therefore, the City of Milwaukie, Oregon, resolves as follows:**

Section 1: That the expiration date for the term of David Aschenbrenner is extended from March 31, 2011 until June 30, 2011 to the Milwaukie Budget Committee.

Section 2: That the expiration date for the term of Leslie Schockner is extended from March 31, 2011 until June 30, 2011 to the Milwaukie Budget Committee.

Section 3: That the terms of appointment shall be continuous and shall expire on June 30, 2011.

Section 4: This resolution takes effect immediately upon passage.

Introduced and adopted by the City Council on February 1, 2011.

\_\_\_\_\_  
Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Jordan Schrader Ramis PC

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney



**3.C.**

**To: Mayor and City Council**

**Through: Bill Monahan, City Manager, and  
Kenneth Asher, Community Development and Public Works Director**

**From: Alex Campbell, Resource and Economic Development Specialist**

**Subject: Expansion of Milwaukie/North Clackamas Enterprise Zone to Include  
Happy Valley Rock Creek Employment Area**

**Date: January 14 for February 1, 2011 Regular Session**

**Action Requested**

Authorize Mayor to execute an IGA with Clackamas County and Happy Valley amending the jointly-sponsored Enterprise Zone management agreement to include Happy Valley and add the Rock Creek employment area to the Enterprise Zone.

**History of Prior Actions and Discussions**

**April 2008:** Council approved an application for extension of the Enterprise Zone, and expansion of the zone to include some additional portions of the Clackamas industrial area (in the Highway 212/224 corridor).

**1997:** Council approved the original joint application for designation of the zone.

**Background**

The Oregon Enterprise Zone (EZ) program was established in 1986 to encourage private sector investment, primarily for industrial uses, in areas with lagging economic performance. Firms making qualifying investments in a designated zone can receive abatements on property taxes on those new investments for a period of three or five years. To be eligible for the program, a firm must :

- Increase full-time, permanent employment by a minimum of 10% within the first year.<sup>1</sup>
- Make new investments within an established zone. Investments eligible for abatement are typically new “real property.” Land and pre-existing buildings do not qualify.
- Sign a “first-source” hiring agreement, committing to advertise the new openings with, and consider applicants from, the Oregon Employment Department.
- Be engaged in a qualifying business activity, generally industrial or “traded sector” activities, i.e., not retail, health care, services or similar activities.

The Milwaukie / North Clackamas County Enterprise Zone program has been in place since 1997. See Attachment 1 for the current zone flyer. To date, the program has provided tax abatements to 15 companies, helping retain several major employers (including PCC Structural and OEEO), create several hundred new jobs, and spur tens of millions in new investment. The zone was very helpful, for instance, in marketing the five-building Panattoni project at the east end of International Way. The State of Oregon’s Enterprise Zone statute could sunset in 2013, but an extension of the program is likely in the next legislature.

Happy Valley has requested that the City and County consider including the Rock Creek employment area in the zone. The area is approximately 300 acres and has several 20-30 acre sites that could be developed for light manufacturing and similar industrial uses. (See Attachment 2 for a map of the current zone and proposed expansion.)

The expansion can take place as a zone amendment, which would require including the City of Happy Valley as an Enterprise Zone cosponsor. Rather than adding Happy Valley to the zone title, staff is proposing using a shorter and more descriptive name: “North Urban Clackamas County Enterprise Zone.”

County and Happy Valley staff contacted the affected taxing district leaders and invited them to a meeting on December 16 to inform them of the proposal and address questions and concerns. The North Clackamas School District, Clackamas Fire District No. 1, and the Clackamas County Soil and Water Conservation District attended. The Fire District re-iterated their skepticism of this kind of program. See Attachment 3 for a summary of the meeting and related materials.

---

<sup>1</sup> The requirement to increase employment by 10% increase can be waived by the local zone sponsor if (a) the total investment exceeds \$25 million or (b) the firm can demonstrate a large productivity increase, commits to spending 25% of the abatement value on employee training, and there is no net decrease in employment.

If all zone cosponsors approve the intergovernmental agreement included as an exhibit to the Resolution (Attachment 4), Clackamas County would submit the Enterprise Zone application to Business Oregon in early 2011. If approved, Business Oregon would officially rename and expand the enterprise zone boundary expeditiously.

### **Concurrence**

No concurrence of the impacted taxing districts is required.

### **Fiscal Impact**

No direct impact. There is a possibility that the Rock Creek Employment Area could compete with industrially-zone land within the City. However, it is the opinion of City staff that this is unlikely given the locations and very different attributes of the areas. On the whole, staff believes that economic development in the region is positive for employment opportunities and property values in the City. Additionally, the establishment of more employers in this location would help address the jobs/housing imbalance in the county.

### **Work Load Impacts**

None.

### **Alternatives**

Happy Valley could wait for the next round of Enterprise Zone applications and seek designation of Rock Creek as a stand-alone zone. However, it would be unlikely to qualify based on the demographic attributes of the area. (To be designated as a stand-alone zone, the applicant would have to demonstrate economic hardship in terms of area income, unemployment, poverty, or population decline.)

### **Attachments**

1. Flyer
2. Map
3. Taxing Districts Meeting Summary
4. Resolution

# Enterprise Zone

## Tax Abatement Program Overview



The Milwaukie / North Clackamas Enterprise Zone provides tax abatement as a financial incentive for industrial investment and job creation.

Tax abatement is available to companies expanding or relocating on industrially zoned land in North Clackamas County as shown on the map on the reverse side. Investments in new buildings, expansions or upgrades to existing buildings and equipment are eligible for 100% property tax abatement for a three or five year period. Land is not eligible.

Eligible firms include manufacturing, assembly, fabrication, processing, distribution, maintenance, warehousing, or other industrial firms that meet the criteria listed below.

### Requirements of the three-year tax abatement program

A qualifying company is eligible for a 100% property tax abatement on its new plant and equipment if it meets the following criteria:

- Increase permanent, full time employment by 10% and maintain it for three consecutive years.
- Pay new employees at least 150% of the state minimum wage (\$12.60 per hour effective 1/1/09 - 12/31/09). Benefits can be used to reach this pay level.
- Sign a First Source Hiring Agreement with the Oregon Employment Department committing the company to consider local applicants for new jobs being created.
- Pay an application fee of 0.1% of the proposed total investment made.

### Additional requirements for a five-year tax abatement

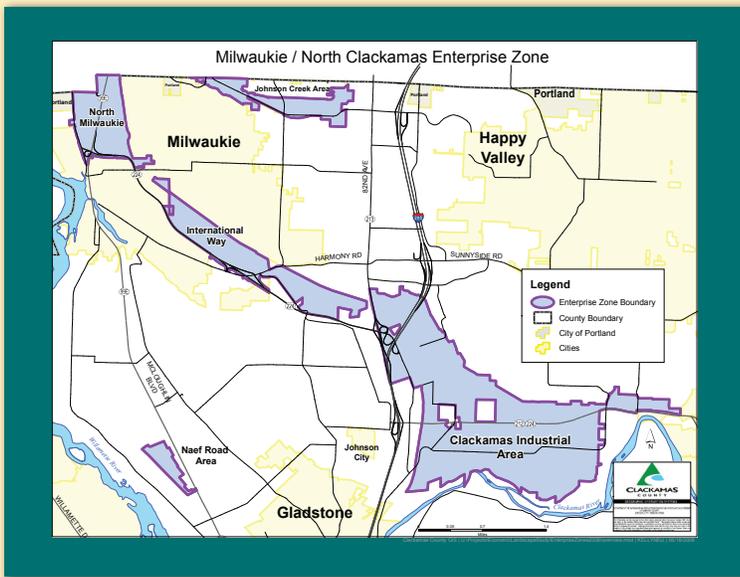
To qualify for an additional two-year tax abatement, a company must meet all of the requirements of the three-year program as well as the following:

- Pay 150% of the average Clackamas county wage (\$29.18 per hour) for the new jobs created. Benefits can be used to achieve this pay level.
- Maintain the higher wages and employment levels for five consecutive years.

**Renate Mengelberg**, Enterprise Zone Manager  
Business & Economic Development Team  
150 Beaver Creek Rd., Oregon City, OR 97045  
503.742.4327 • Fax: 503.742.4349  
renatem@co.clackamas.or.us  
www.co.clackamas.or.us/dtd/business/ezone.htm



**Alex Campbell**  
Resource and Economic Development Specialist  
6101 SE Johnson Creek Blvd.  
Milwaukie, OR 97222  
Phone: 503.786.7608 • Fax: 503.774.8236  
econdev@ci.milwaukie.or.us  
www.ci.milwaukie.or.us



# Milwaukie / North Clackamas Enterprise Zone

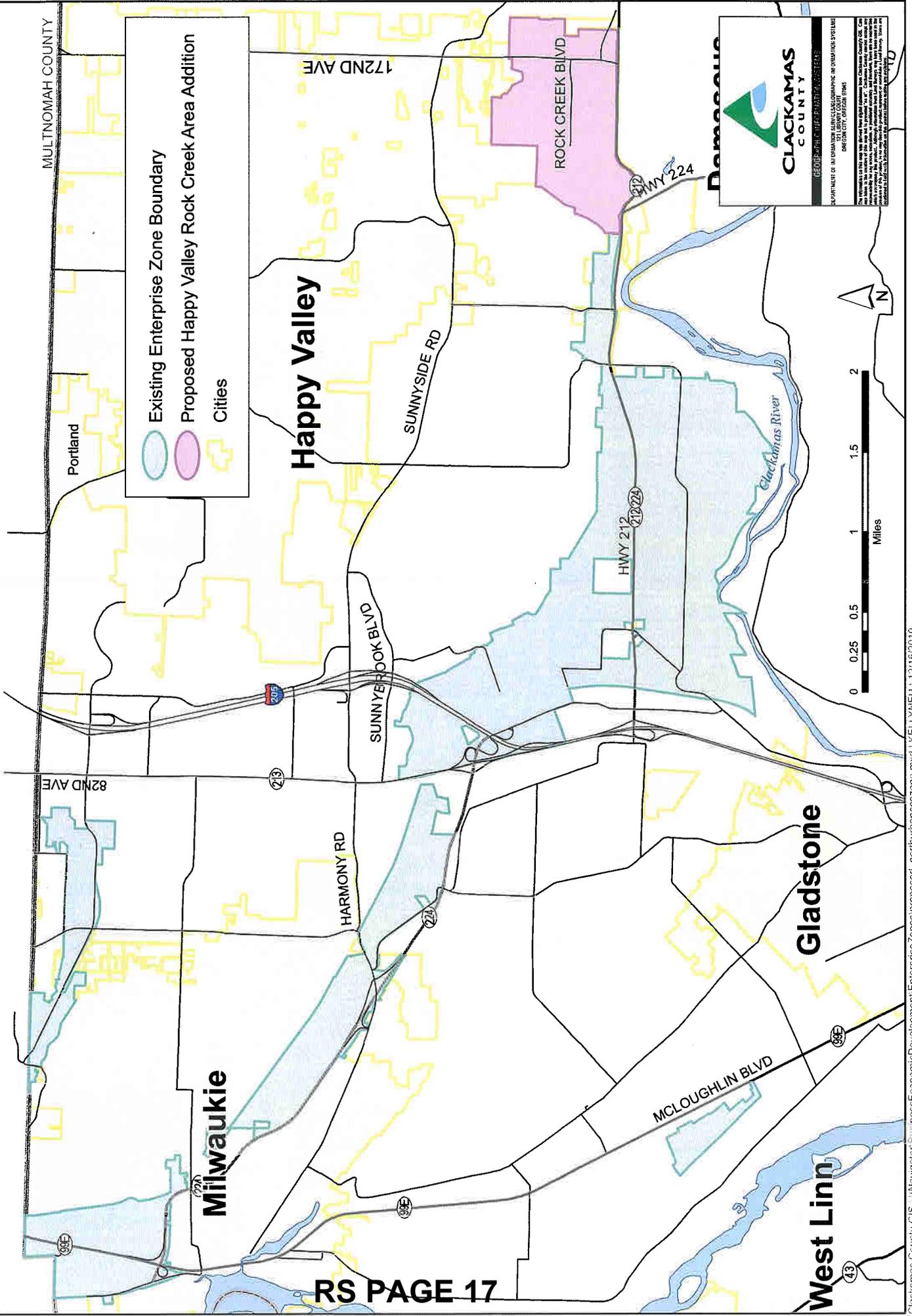
## Application Process

- 1) Please contact the Zone Manager Manager, Renate Mengelberg at 503-742-4327 or [renatem@co.clackamas.or.us](mailto:renatem@co.clackamas.or.us) to discuss the project and to determine eligibility.
- 2) Once it is determined that a company meets the job creation, new investment and location requirements, they are encouraged to fill out the Oregon Enterprise Zone Authorization Application. The form can be found at: <http://www.oregon.gov/DOR/PTD/docs/303-029.pdf>. The application must be submitted and approved before excavation or installation of equipment begins.
- 3) The company should submit the application form and a check for the application fee (0.1% of the investment) payable to "Clackamas County".
- 4) The company will be invited to a meeting with representatives from the Tax Assessor Office, Oregon Employment Department, Clackamas County, and the City of Milwaukie (if applicable) to discuss the project and address any concerns.
- 5) If all agree that the applicant meets the criteria of the program, the Zone Manager and Assessor officially approve and sign the Oregon Enterprise Zone Authorization Application. The First Source Hiring Agreement can be signed then as well.
- 6) The company proceeds to expand its existing facility, construct a new facility or install eligible equipment.
- 7) In January the following year, all pre-certified companies that have completed construction by the end of December will receive a reminder notice and Oregon Enterprise Zone Tax Exemption Application Form. Or see: <http://www.oregon.gov/DOR/PTD/docs/310-075.pdf>
- 8) The pre-certified company files the Oregon Enterprise Zone Tax Exemption Application Form paperwork with the County Assessor by April 1 following each year of the tax abatement period.
- 9) The business receives the tax exemption from the County Assessor for the tax year beginning the following July 1st.

### For More Information or Questions Contact:

**Renate Mengelberg, Enterprise Zone Manager**  
**Clackamas County Business and Economic Development Team**  
**150 Beaver Creek Rd., Oregon City, OR 97045**  
**Phone: 503.742.4327 • Fax: 503.742.4349**  
**E-mail: [renatem@co.clackamas.or.us](mailto:renatem@co.clackamas.or.us)**

# Proposed North Urban Clackamas County Enterprise Zone





**Taxing District Meeting Summary**  
**Expansion of the Milwaukie / North Clackamas County Enterprise Zone**  
**1:30 PM December 16<sup>th</sup> 2010 / Happy Valley City Hall, 16000 SE Misty Drive**

**Welcome and Introductions - Attendees included:**

- Gary Kryszak, North Clackamas School District
- Mike Garvison – Clackamas Co. Soil & Water Conservation District
- Michael Walter – City of Happy Valley
- Kyle Gorman – Clackamas Fire District #1
- Renate Mengelberg Clackamas County
- Alex Campbell – City of Happy Valley

**Review of *Draft Enterprise Zone Boundary Map***

Renate Mengelberg reviewed the map of the existing and proposed zone attached.

**Discussion and Explanation of the Enterprise Zone Proposal:**

Michael Walter explained the history of the area, the reasons for the city's request to expand the Enterprise Zone, and the cities goals for the Rock Creek Employment Area.

The 400-acre Rock Creek Employment Area has not yet developed and is zoned a combination of Rock Creek Mixed Employment, Industrial Campus and Employment Center, allowing for a wide range of light industrial, manufacturing and office uses. These existing zones are compliant with Metro 2040 plan designations for the area, including Regionally Significant Industrial Area and Employment Area. The school district and park district have developed 70 acres combined in the northern section of the area for an elementary school, middle school and regional park. Providence Hospital has a 40-year master plan to build medical facilities and a hospital complex on the 70-acre site they own.

The city sees the enterprise zone as a valuable incentive to attract traded sector employers to the area. It complements the new Rural Strategic Investment Zone that offers 15-year property tax abatements for investments over \$25 million.

The city is proactively preparing the area for employment development including comprehensive planning and zoning, road construction (172<sup>nd</sup>) and working with utility providers to extend sewer and water lines to accommodate industrial development in 172<sup>nd</sup> and Rock Creek Boulevard. The city is also preparing an Economic Opportunities Analysis & Implementation Strategy to determine the best recruitment prospects for the city. There are a range of site sizes available and a number of property owners are interested in marketing their properties.

### **Questions and Answers for Local Taxing Districts**

- What is the tax revenue foregone?  
A: An updated matrix will be provided.
- What is the estimated impact on taxing districts?  
A: An estimate will be provided.
- How does the department of Revenue capitalize installation of equipment?  
A: This varies by the type of equipment and industry. For specific examples please contact the Oregon Department of Revenue for technical property valuation questions: A good contact is John Coppedge at 503-945-8240. or john.t.coppedge@state.or.us

**Recognition of Written Comments** – none submitted

### **Statements by Taxing District Representatives:**

- Kyle Gorman expressed concerns about the enterprise zone program impacts on fire district revenues. He feels additional industrial employment development causes additional uncompensated for burdens on the district in terms of emergency response, fire suppression, and preparation for potential hazardous materials spills and other issues. He suggested that the county / city waive system development charges, waive the application fee and other measures. He requested that the matrix of companies be expanded to include the years the abatements were given, the taxes abated by year, actual employment numbers by year in addition to those committed the company committed to adding.
- Mike Garvison and Gary Kryszak both communicated that their boards would have questions about the Enterprise Zone.

### **Next Steps / Follow-up:**

- Staff will provide a meeting summary and updated and expanded matrix of existing enterprise zone investments and a rough estimate of potential impacts of the program on taxing districts. They will also receive the OAR's and ORS's that pertain to this program and excerpt of the types of equipment and investment that qualifies for the program.
- Happy Valley City Council will consider passing a resolution in support at 8 PM on January 18<sup>th</sup>. Milwaukie will hear it on February 2<sup>nd</sup> at 7 PM and The County will hold a public hearing on January 27<sup>th</sup> at 10 AM.

**Consideration of Resolution** – staff presented the resolution that would be adopted by both cities and the county and clarified the process and timeframe for adoption. If approved at local and state levels staff anticipated the zone to be established in late February.

**Adjourn** – The meeting ended at around 2:25.



## Eligible Investments for the Clackamas County Enterprise Zone Program

The Oregon Administrative Rules and Oregon Revised Statutes provide guidance on which investments and activities are eligible for property tax abatement. Here are the relevant statutes to guide companies in determining what qualifies:

### Oregon Revised Statutes

For a link to the entire Enterprise Zone Oregon Revised Statute see: <http://www.leg.state.or.us/ors/285c.html>

**285C.180 Qualified property generally.** (1) The following types of property are qualified for exemption under ORS 285C.175:

- (a) A newly constructed building or structure.
- (b) A new addition to or modification of an existing building or structure.
- (c) Any real property machinery or equipment or personal property, whether new, used or reconditioned, that is installed on property that is owned or leased by an authorized business firm, and:
  - (A) Newly purchased or leased by the firm, unless the property is described in ORS 285C.175 (4)(a); or
  - (B) Newly transferred into the enterprise zone from outside the county within which the site of the firm is located and installed.
- (d) Any property otherwise described in this section that is owned or leased and operated by a business firm that is engaged in electronic commerce, if the enterprise zone in which the property is located is a zone approved for electronic commerce designation under ORS 285C.095.

(2) Property described in subsection (1) of this section is qualified under this section only if:

- (a) The property meets or exceeds the minimum cost requirements established under ORS 285C.185;
- (b) The property satisfies applicable usage, lease or location requirements established under ORS 285C.185;
- (c) The property was constructed, added, modified or installed to further the production of income;
- (d) The property is owned or leased by an authorized business firm;
- (e) The location of the property corresponds to the location as set forth in the application for authorization of the business firm and consists of a single site or multiple sites adjacent to or having comparable proximity to each other, within the boundaries of the enterprise zone;
- (f) The property is the same general type of property as described in the application for authorization; and
- (g) In the case of an eligible business firm described in ORS 285C.135 (5)(b), the actual investment at the facility of the firm is consistent with the description set forth in the application for authorization.

(3) Notwithstanding subsection (1) of this section, the following property is not qualified for exemption under ORS 285C.175:

- (a) Land.
- (b) Property that was not in use or occupancy for more than a 180-day period that ends during the preceding assessment year.
- (c) On-site developments that, consistent with ORS 307.010, are assessed as land.

- (d) Noninventory supplies, including but not limited to lubricants.
- (e) Any operator-driven item of machinery or equipment or any vehicle, if the item or vehicle moves by internal motorized power. An item or vehicle described in this paragraph includes but is not limited to an item or vehicle that moves within an enclosed space.
- (f) Any device or rolling stock that is pulled, pushed or carried by a vehicle that is suitable as a mode of Transportation beyond the enterprise zone boundary.

(4) Subsection (3)(b) of this section does not apply to the first assessment year for which the property is exempt under ORS 285C.175.

(5) For purposes of this section and ORS 285C.175, property includes any portion or incremental unit of property that is newly constructed or installed, or that is a new addition to or modification of an existing building or structure. [Formerly 285B.713]

**Other statutes that might be of interest include:**

- 285C.185 Minimum cost of qualified property; leased property; hotel, motel or destination resort property; electronic commerce property
- 285C.190 Requirements for qualifying reconditioned, refurbished, retrofitted or upgraded property
- 285C.195 Alternative requirements for qualifying reconditioned, refurbished, retrofitted or upgraded property.

## Oregon Administrative Rules

The entire text of rules pertaining to the Oregon Enterprise Zone program can be found at:

[http://webcache.googleusercontent.com/search?q=cache:http://arcweb.sos.state.or.us/rules/OARS\\_100/OAR\\_123/123\\_065.html&safe=strict](http://webcache.googleusercontent.com/search?q=cache:http://arcweb.sos.state.or.us/rules/OARS_100/OAR_123/123_065.html&safe=strict)

### **123-065-4220 Basic Eligibility for Business Firms and Operations**

For purposes of determining the eligibility of a business under ORS 285C.135(1) to be authorized or to qualify for an enterprise zone exemption under ORS 285C.175:

- (1) The firm must (when qualified) produce, sell or provide goods, commodities, products, merchandise, work or services to other businesses or business operations, or be capable of doing so, through eligible activities.
- (2) Such eligibility may be indicated if the firm's relevant operations are:
  - (a) Performed for internal purposes of the firm;
  - (b) Reimbursed through sales to another business firm;
  - (c) Equivalent to what is done for other business firms, even if the actual customer is a governmental agency, municipal corporation or nonprofit corporation; or
  - (d) Undertaken to create or add value to goods, products or services for ultimate exchange with persons or entities residing beyond the local economy.
- (3) Besides manufacturing, assembly, fabrication, processing, shipping or storage, eligible activities include (subject to other provisions of ORS 285C.135) but are not limited to:
  - (a) Industrial processes or services such as cleaning, coating, curing, kiting, labeling, laminating, packaging, refining, smelting, sorting or treating;
  - (b) Generation or co-generation of electricity, steam or heat;
  - (c) Recycling of post-consumer or post-production materials or wastes;
  - (d) Nonretail, in-shop refurbishment or restoration of equipment or machinery;
  - (e) Maintenance service or repair work on vehicles, products, parts or devices, performed on a nonretail basis at a permanent location, facility or shop, including but not limited to warranty service contracted or paid for by the manufacturer;
  - (f) Technical/customer support that is performed for internal purposes of the firm or is contracted or paid for by a nonretail third party such as the distributor or manufacturer;
  - (g) Standardized product testing, quality control or laboratory work;
  - (h) Bulk clerical processing;
  - (i) Development of standardized computer software products;
  - (j) Printing or mass document production;
  - (k) Distribution;
  - (l) Wholesaling, which may include complex transactions for single-item purchases by other businesses of large equipment involving contracts, factory-ordered specifications or other attributes distinguishing the sale from retail; or
  - (m) Production of agricultural, mineral, timber or other primary goods or commodities.
- (4) As a matter of principle, eligibility and ineligibility are mutually exclusive for purposes of ORS 285C.135, such that if a firm or an activity of the firm is eligible, it is 'not' ineligible, and to be not eligible, it must be ineligible.

**123-065-4230 Ineligible Activities** - For purposes of ORS 285C.135(2):

(1) The following activities are ineligible, and property used in these activities may not qualify for an enterprise zone exemption, regardless of the activity being performed for other businesses:

- (a) Retail sales of goods or services;
- (b) Retail food service or serving of meals;
- (c) Tourism attractions or similar services;
- (d) Entertainment or recreation provided directly to the patron or user;
- (e) Child care or similar services;
- (f) Provision of health care, medical services or similar services to patients;
- (g) Professional services, such as accounting, communications, design, engineering, legal advice or management;
- (h) Actuary, appraisal, banking, brokerage, extension of credit, insurance, investment, money lending or similar financial services;
- (i) Leasing or management of real estate;
- (j) Provision of residential housing for purchase or lease;
- (k) Construction or modification of real property at the location where that real property is used or occupied;
- (l) Installation of fixtures, machinery or equipment;
- (m) Recreational vehicle parks; or
- (n) Other similar activities.

(2) Notwithstanding OAR 123-065-4220, an activity is eligible in the following cases, despite being listed in:

- (a) Subsection (1)(d) through (i) or (n) of this rule, in the case of a facility described and allowed by OAR 123-065-4280 (Headquarter Facilities);
- (b) Subsection (1)(a), (d), (g), (h) or (n) of this rule, in the case of operations described and allowed by OAR 123-065-4270 (Call Centers);
- (c) Subsection (1)(a) through (h) or (n) of this rule, in the case of Electronic Commerce operations, as described in OAR 123-065-7100, and located in an area designated as described in OAR 123-065-7200 to 123-065-7500; or
- (d) Subsection (1)(a) through (e) or (n) of this rule, in the case of a hotel, motel or destination resort in an enterprise zone identified or described in OAR 123-065-4260, if the activity is:

(A) Located at the same general location as the hotel, motel or destination resort;

(B) Operated by the hotel, motel or destination resort; and

(C) Fifty percent or more of its receipts are derived from guests staying overnight at the hotel, motel or destination resort.

(3) A business firm is eligible, regardless of the presence within the enterprise zone of one or more activities listed in section (1) of this rule, if the requirements of OAR 123-065-4240 or 123-065-4250 are satisfied.

(4) Activities described in subsections (1)(b) through (i) or (n) of this rule (and the associated employees and property) are eligible, if performed:

(a) In direct support of an eligible business firm's operations, or as amenities for eligible employees/personnel;

(b) Within the same enterprise zone; and

(c) To support or benefit operations/personnel located mostly inside the zone, such that if more than 25 percent of the activity supports or benefits the firm's operations *outside* the zone in terms of person-time or costs, then the requirements of OAR 123-065-4280 for headquarter-type facilities must be fulfilled.



**Summary of Employment History for Companies in the Milwaukie / North Clackamas County Enterprise Zone Program  
Pre-Authorization vs. Actual Reported Employment**

Milwaukie / North Clackamas	Years of Exemption	Baseline Employment	10% Increase Required	Projected New Workers	Projected Total Workers	Year 1 Workers Reported	Year 2 Workers Reported	Year 3 Workers Reported	Year 4 Workers Reported	Year 5 Workers Reported
Criterion Supply, Inc.	1999-2001	25	3	5	30	30	30	30		
Anacomp, Inc	1999-2001	0	1	10	10	23	23	23	0	0
Carlton Company	2003-2007	159	16	21	180	273	347	347	438	
Portland Mechanical Contractors, Inc.*	2004-2006	80	8	30	110	69	94	122	137	137
Day Management Corp.	2007-2009	10	1	1	11	15	15	15		
AGC Inc.	2006-2008	35	4	4	39	40	42	n/a		
Hygrade Metal Moulding Mfg. Corp.	2007-2009	0	1	25	25	11	11	9		
TPR, Inc.	2007-2009	8	1	12	20	11	11	10		
PCC Structural, Inc.**	2007-2011	1940	194	0	1940	2166	2255	2459		
Grand & Benedicts, Inc.	2008-2010	0	1	8	8	8	Disqualified from Program			
Cornerstone Fencing Inc.	2007-2009	0	1	4	4	8	9	8		
OECO, LLC	2010-2014	301	30	31	332	331				
Nature Bake	2010-2012	52	5	6	58	130				
GrovTec US. Inc.	2011-2013	18	2	10	28					
International Wood Products	2011-2013	51	5	5	56					
Alpine Foods Distributing Inc.	2011-2013	60	6	6	66					
United Streetcar, LLC	2011-2015	0	1	60	60					
<b>Totals</b>		<b>2,739</b>	<b>279</b>	<b>238</b>	<b>2,977</b>	<b>3,115</b>	<b>2,837</b>	<b>3,023</b>	<b>575</b>	<b>137</b>

\* Portland Mechanical Contractors repaid thier first year abatement to stay in the program when they they did not meet employment minimums.  
 \*\* PCC Structural has an employment waiver since thier investment was over \$25 million.

Note: the first 3 years or reported employment exceeded required and projected employment. The sum of total employment numbers is incomplete since not all companies have finished their hiring and reporting



Summary of Companies in the Milwaukie / North Clackamas County Enterprise Zone Program - Actual Investment

Milwaukie / North Clackamas	Preauthorized Investment	Years of Exemption	Real Market Value 1st year	Taxes to have been imposed year 1	Taxes to have been imposed year 2	Taxes to have been imposed year 3	Taxes to have been imposed year 4	Taxes to have been imposed year 5
Criterion Supply, Inc.	\$ 2,125,000	1999-2001	\$ 866,910	\$ 13,337	\$ 15,022	\$ 15,365	none	none
Anacomp, Inc	\$ 1,400,502	2000-2002	\$ 854,860	\$ 11,987	\$ 12,260	\$ 12,485	none	none
Carlton Company	\$ 2,700,000	2004-2006	3,510,000	\$ 39,302	\$ 38,660	\$ 37,359	none	none
Portland Mechanical Contractors, Inc.	\$ 1,230,000	2004-2006	\$ 671,089	\$ 5,702	\$ 10,141	\$ 15,283	0	0
Day Management Corp.	\$ 1,200,000	2007-2009	\$ 943,886	\$ 8,944	\$ 9,482	\$ 10,017	none	none
AGC Inc.	\$ 210,000	2006-2008	\$ 156,869	\$ 1,069	\$ 788	disqualified - previously abated taxes repaid by TRC		
Hygrade Metal Moulding Mfg. Corp.	\$ 472,114	2007-2009	\$ 270,024	\$ 2,964	\$ 3,017	\$ 3,188	none	none
TPR, Inc.	\$ 1,827,000	2007-2009	\$ 1,650,763	\$ 11,912	\$ 15,283	\$ 13,332	none	none
PCC Structurals, Inc.	\$ 25,000,000	2007-2011	\$ 1,607,220	\$ 15,541	\$ 177,544	\$ 276,621	0	0
Grand & Benedicts, Inc.	\$ 269,000	2008-2010	\$ 150,503	\$ 2,575	2009 Claim denied	2010 no claim filed	0	0
Cornerstone Fencing Inc.	\$ 227,700	2007-2009	\$ 657,390	\$ 8,348	\$ 8,592	\$ 9,078	0	0
OECO, LLC	\$ 3,044,388	2010-2014	\$ 3,044,388	Under review for amended authorization				
Nature Bake	\$ 1,676,400	2010-2012	509,898	Report not complete				
GrovTec US. Inc.	\$ 853,100	2011-2013	1st Year 2011					
International Wood Products	\$ 454,000	2011-2013	1st Year 2011					
Alpine Foods Distributing Inc.	\$ 8,101,033	2011-2013	1st Year 2011					
United Streetcar, LLC	\$ 10,000,000	2011-2015	1st Year 2011					
<b>Totals</b>	<b>\$ 60,790,237</b>		<b>\$ 14,893,800</b>	<b>\$ 121,681</b>	<b>\$ 290,790</b>	<b>\$ 392,728</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Percentage estimated vs. actual</b>			<b>25%</b>					
<b>Change from previous year</b>				<b>0%</b>	<b>42%</b>	<b>74%</b>	<b>0%</b>	<b>0%</b>



**Estimate of Enterprise Zone impacts for the Happy Valley Rock Creek Areas - Base comparison of 1999-2009 Job Creation and Investment Impacts  
Summary of Companies in the Milwaukie / North Clackamas County Enterprise Zone Program - Actual Investment & Assessed Value**

Milwaukie / North Clackamas	Actual year 1	Years of Exemption	Preauthorized Investment	Real Market Value 1st year	Taxes to have been imposed year 1	Taxes to have been imposed year 2	Taxes to have been imposed year 3	(Exempt) Assessed Value year 1	Assessed Value year 2	Assessed Value year 3
Criterion Supply, Inc.	30	1999-2001	\$ 2,125,000	\$ 866,910	\$ 13,337	\$ 15,022	\$ 15,365	\$ 709,130	\$ 833,771	\$ 858,784
Anacomp, Inc	23	2000-2002	\$ 1,400,502	\$ 854,860	\$ 11,987	\$ 12,260	\$ 12,485	\$ 665,311	\$ 685,270	\$ 705,828
Carlton Company	273	2004-2006	\$ 2,700,000	\$ 3,510,000	\$ 39,302	\$ 38,660	\$ 37,359	\$ 2,650,050	\$ 2,607,007	\$ 2,555,600
Portland Mechanical Contractors, Inc.	69	2004-2006	\$ 1,230,000	\$ 671,089	\$ 5,702	\$ 10,141	\$ 15,283	\$ 545,496	\$ 585,494	\$ 810,553
Day Management Corp.	15	2007-2009	\$ 1,200,000	\$ 943,886	\$ 8,944	\$ 9,482	\$ 10,017	\$ 474,041	\$ 502,868	\$ 517,954
AGC Inc.	40	2006-2008	\$ 210,000	\$ 156,869	\$ 1,069	\$ 788	disqualified - previously abated taxes repaid	\$ 73,983	\$ 51,945	disqualified - previously abated taxes repaid
Hygrade Metal Moulding Mfg. Corp.	11	2007-2009	\$ 472,114	\$ 270,024	\$ 2,964	\$ 3,017	\$ 3,188	\$ 157,098	\$ 160,023	\$ 164,824
TPR, Inc.	11	2007-2009	\$ 1,827,000	\$ 1,650,763	\$ 11,912	\$ 15,283	\$ 13,332	\$ 631,287	\$ 669,237	\$ 689,314
PCC Structurals, Inc.	2166	2007-2011	\$ 25,000,000	\$ 1,607,220	\$ 15,541	\$ 177,544	\$ 276,621	\$ 1,050,040	\$ 9,560,557	\$ 14,681,223
Grand & Benedicts, Inc.	8	2008-2010	\$ 269,000	\$ 150,503	\$ 2,575	2009 Claim denied	2010 no claim filed	\$ 136,544	09 Claim denied	10 no claim filed
Cornerstone Fencing Inc.	8	2007-2009	\$ 227,700	\$ 657,390	\$ 8,348	\$ 8,592	\$ 9,078	\$ 442,423	\$ 455,696	\$ 469,367
<b>Totals</b>	<b>2,654</b>		<b>\$ 36,661,316</b>	<b>\$ 11,339,514</b>	<b>\$ 121,681</b>	<b>\$ 290,790</b>	<b>\$ 392,728</b>	<b>\$ 7,535,403</b>	<b>\$ 16,111,868</b>	<b>\$ 21,453,447</b>

Sum of 3 years Taxes to have been imposed: \$ 805,199  
Sum of 3 years Assessed Value: \$ 45,100,718

Summary and Projections for impacts in the Rock Creek Employment Area	Square Miles	Conversion factor *	Jobs	Preauthorized Investment	Real Market Value 1st year	Taxes to have been imposed - Total 3 years	Total Assessed Value for 3 years
<b>Milwaukie N. Clackamas Actuals</b>	<b>4.33</b>	<b>100%</b>		<b>\$ 2,654</b>	<b>\$ 36,661,316</b>	<b>\$ 11,339,514</b>	<b>\$ 805,199</b>
<b>Happy Valley Rock Creek Estimates</b>	<b>0.77</b>	<b>18%</b>		<b>\$ 472</b>	<b>\$ 6,519,449</b>	<b>\$ 2,016,496</b>	<b>\$ 143,188</b>

**Methodology:** To calculate potential Happy Valley Rock Creek Enterprise Zone are impacts, the % of the area of the Happy Valley Rock Creek Addition was divided into the Milwaukie N. Clackamas Area to develop a conversion factor . The Rock Creek addition is 18% of the size of the existing Enterprise Zone area. Next, past experience of the existing Enterprise Zone area was summarized for jobs, preauthorized investment, assessed value and Taxes to have been imposed . Those totals were multiplied by 18% to calculate estimated future impacts of the smaller Rock Creek area.



**Estimated revenue impacts on taxing districts affected by the Enterprise Zone Boundary extension to include the Happy Valley Rock Creek employment area.**

\* **Methodology:** To calculate potential impacts to taxing districts in the proposed Happy Valley Rock Creek Enterprise Zone addition, staff evaluated the past experience in the Milwaukie North Clackamas Enterprise zone over 10 years in terms of job creation, investment and potential taxes to have been imposed. A conversion factor of 18% was used based on the proportionally smaller area of the Happy Valley Rock Creek area. This conversion factor was applied to the total taxes to have been imposed for the sum of 3 year property tax abatements given to companies in the program.

Happy Valley Rock Creek Impact Estimates	Estimated Jobs	Pre-authorized Investment	Real Market Value 1st year	Potential Taxes to have been imposed over 3 years
	472	\$ 6,519,449	\$ 2,016,496	\$ 143,188

Rock Creek Employment Area Tax code 012-197 2010 Taxable Value: \$23,675,964	limited	bond	total tax rate per district	% of Estimated Rate	Potential Revenue impacts by taxing district
CLACKAMAS COMMUNITY COLLEGE	0.5449	0.1560	0.7009	0.0416	\$ 5,951.44
EDUCATION SERVICE DISTRICT CLACKAMAS	0.3619		0.3619	0.0215	\$ 3,072.94
NORTH CLACKAMAS SCHOOL DISTRICT	4.5650	2.0185	6.5835	0.3904	\$ 55,901.44
CITY OF HAPPY VALLEY	0.6710	1.3800	2.0510	0.1216	\$ 17,415.33
CLACKAMAS COUNTY	2.4042		2.4042	0.1426	\$ 20,414.40
COUNTY EXTENSION & 4-H	0.0493		0.0493	0.0029	\$ 418.61
COUNTY LIBRARY	0.3903		0.3903	0.0231	\$ 3,314.09
CO. PUBLIC SAFETY LOCAL OPTION '06	0.2480		0.2480	0.0147	\$ 2,105.80
COUNTY SOIL CONSERVATION	0.0394		0.0394	0.0023	\$ 334.55
FIRE DISTRICT 1 CLACKAMAS COUNTY	2.2971	0.0638	2.3609	0.1400	\$ 20,046.74
NORTH CLACKAMAS PARK & REC DISTRICT	0.5047		0.5047	0.0299	\$ 4,285.48
PORT OF PORTLAND	0.0689		0.0689	0.0041	\$ 585.04
SRV 2 METRO - OREGON ZOO	0.0944		0.0944	0.0056	\$ 801.56
SRV 2 METRO BOND		0.3086	0.3086	0.0183	\$ 2,620.37
URBAN RENEWAL COUNTY SP	0.1184		0.1184	0.0070	\$ 1,005.35
URBAN RENEWAL COUNTY	0.5474		0.5474	0.0325	\$ 4,648.05
VECTOR CONTROL	0.0064	0.0250	0.0314	0.0019	\$ 266.62
<b>TOTALS</b>	<b>12.9113</b>	<b>3.9519</b>	<b>16.8632</b>	<b>1.00000</b>	<b>\$ 143,188</b>

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING THE MAYOR TO SIGN AN INTER-GOVERNMENTAL AGREEMENT WITH CLACKAMAS COUNTY AND HAPPY VALLEY TO EXPAND AND RENAME THE MILWAUKIE/NORTH CLACKAMAS ENTERPRISE ZONE.**

**WHEREAS**, The City actively supports economic development through the use of the existing Milwaukie/North Clackamas Enterprise Zone; and

**WHEREAS**, The City of Happy Valley has requested that the zone be expanded to include the Rock Creek Employment Area, which could provide significant opportunities for industrial business recruitment and expansion; and

**WHEREAS**, The City of Milwaukie is supportive of economic development throughout the region and in urban Clackamas County, in particular; and

**WHEREAS**, The addition of the City of Happy Valley as an additional zone co-sponsor is necessary to the expansion of the zone; and

**WHEREAS**, Clackamas County will continue to provide zone management services; and

**WHEREAS**, The zone sponsors all agree that the new name of the expanded zone should be the North Clackamas Urban Enterprise zone;

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor is authorized to sign an Inter-Governmental Agreement with Clackamas County and Happy Valley to expand and rename the Milwaukie/North Clackamas Enterprise Zone, attached as Exhibit A.

Introduced and adopted by the City Council on February 1, 2011.

This resolution is effective on February 2, 2011.

\_\_\_\_\_  
Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Jordan Schrader Ramis PC

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

## **INTERGOVERNMENTAL AGREEMENT**

### **BETWEEN THE CITY OF MILWAUKIE, THE CITY OF HAPPY VALLEY AND CLACKAMAS COUNTY FOR ENTERPRISE ZONE MANAGEMENT**

THIS AGREEMENT, authorized by ORS 190.003 – 190.130, is made this \_\_\_\_ day of January, 2011, by and between the CITY OF MILWAUKIE, an Oregon municipal corporation (hereinafter referred to as “MILWAUKIE”), the CITY OF HAPPY VALLEY, an Oregon municipal corporation (hereinafter referred to as “HAPPY VALLEY”), and CLACKAMAS COUNTY, a political subdivision of the State of Oregon (hereinafter referred to as “COUNTY”), the promises and agreements of each being in consideration of the promises and agreements of the other.

### **RECITALS**

The Milwaukie / North Clackamas County Enterprise Zone (“ENTERPRISE ZONE”) was designated on December 4, 1997 and reauthorized and expanded to include the Clackamas Industrial Area on June 30, 2008. The zone is currently scheduled to expire on June 30, 2013.

The ENTERPRISE ZONE is part of a property tax abatement program administered by the Oregon Business Development Department (“OBDD”) pursuant to ORS Chapter 285C. The program offers three to five year property tax exemptions for new industrial investments in plant and equipment by eligible business firms. To be eligible, companies must increase employment by at least 10% and pay at least 150% of the state minimum wage. This incentive supports local efforts to increase employment opportunities, to raise local incomes, to attract investments by new and existing businesses and to secure and diversify the local economic base.

COUNTY and MILWAUKIE are currently joint sponsors of this ENTERPRISE ZONE. Happy Valley has requested that the enterprise zone boundary be expanded to include the Rock Creek Employment Area, and that the city become a Zone co-sponsor.

### **AGREEMENT**

1. Term. The term of this Agreement begins on the \_\_\_ of January 2011 and shall remain in effect as long as the enterprise zone or any related abatements are in effect, unless earlier terminated.
2. Name of Enterprise Zone. The Milwaukie / North Clackamas County Enterprise Zone shall be known as the North Urban Clackamas County Enterprise Zone, as of the effective date of this Agreement.
3. Zone Sponsors. Pursuant to ORS 285C.105(2), COUNTY, MILWAUKIE and HAPPY VALLEY will become zone co-sponsors (“ZONE SPONSORS”) and will act jointly in performing the duties imposed on a sponsor under ORS 285C.050 to 285C.250.

4. Zone Manager.
  - a. MILWAUKIE and HAPPY VALLEY designate COUNTY to appoint a zone manager on behalf of the ZONE SPONSORS. The zone manager will provide assistance with setting up the enterprise zone program, marketing, business outreach, preauthorization meetings, follow-up, annual reporting, and shall prepare such revisions to agreements and zone boundaries as may be required, subject to the review and approval of the ZONE SPONSORS.
  - b. The zone manager shall ensure that only eligible firms and qualified properties receive the benefits of the ENTERPRISE ZONE, as provided in ORS Chapter 285C.
  - c. The employment of the zone manager shall be a responsibility of COUNTY, except that, compensation for the Zone Manager may be derived from collected enterprise zone application fees.
  - d. The Zone Manager shall provide the ZONE SPONSORS with regular reports as required by ORS 285C.050 to 285C.250 and shall keep the ZONE SPONSORS informed of all new developments, issues, or concerns affecting Enterprise Zone operations.
  - e. The Zone Manager shall endeavor to notify the ZONE SPONSORS in advance of all public announcements that are to be made regarding the ENTERPRISE ZONE.
5. Duties of ZONE SPONSORS.
  - a. The ZONE SPONSORS shall endeavor to notify the ZONE MANAGER of any developments or issues concerning the ENTERPRISE ZONE in advance of any public announcements on the subject.
  - b. Every duty and every act to be performed by any of the parties imposes an obligation of good faith on that party in the performance of such act.
  - c. Each party shall give the others immediate notice of any action or suit filed or any claim made against a party which may result in litigation in any way related to this agreement.
6. General Provisions Applicable to this Agreement.
  - a. 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.
  - b. Time is of the essence of this Agreement. None of the ZONE SPONSORS shall be relieved of an obligation to comply promptly with any provisions of this Agreement by any failure of any of the other ZONE SPONSORS to enforce prompt compliance with any of its provisions.
  - c. Unless otherwise specified in this Agreement, any action authorized or required to be taken by MILWAUKIE or HAPPY VALLEY may be taken by the economic development staff, the Council or the City Manager of the respective city.
  - d. Unless otherwise specified or provided in this Agreement, any action authorized or required to be taken by COUNTY may be taken by the director of the Clackamas County Business and Economic Development Services Department so long as the action does not increase COUNTY's financial payment or cost.
  - e. Duties of Milwaukie and Happy Valley. Potential actions required of the city could include arranging meeting locations and notice as needed, participating in preauthorization conferences with businesses, promoting the program to potentially eligible businesses, distributing marketing information at city halls, and coordinating business assistance with the county business and economic development team.

f. Modifications. Modifications to this Agreement are valid only if made in writing and signed by all parties.

g. All notices, reports, or demands required to be given in writing under this Agreement shall be deemed to be given when delivered personally to the person designated below, or when five (5) days have elapsed after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid, or on the next addressed business day if sent by express mail or overnight air courier to the party to which the notice is being given, as follows:

For MILWAUKIE

Bill Monahan  
City Manager  
10722 S.E. Main  
Milwaukie, Oregon 97222

For COUNTY

Steve Wheeler  
County Administrator  
2051 Kaen Road  
Oregon City, Oregon 97045

For HAPPY VALLEY

Jason Tuck  
City Manager  
16000 SE Misty Drive  
Happy Valley, OR 97086

Such addresses may be changed by a party upon written notice to the other parties given as provided in this section.

h. Each party agrees to release, defend, indemnify and/or hold harmless the other, its officers, commissioners, councilors, employees, and agents from and against all damages, claims, injuries, costs or judgments which may in any manner arise as a result of the party's performance under this contract, subject to the limitations set out in the Oregon Constitution and the Oregon Tort Claims Act or other applicable statutes.

i. Participation in this Agreement may be terminated by any party as of the 30th day of June of any year during the term of this Agreement by giving six (6) months prior written notice to the other parties.

j. Disputes regarding this agreement, which cannot be resolved by respective managers, shall first be directed to each party's governing body. Failing resolution, parties shall mutually agree upon a third party mediator.

k. The parties agree not to discriminate on the basis of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, or source of income in the performance of this Agreement.

l. A waiver of any breach of any provision of this Agreement by any party shall not operate as a waiver of any subsequent breach of the same or any other provision of this Agreement.

City of Milwaukie, an Oregon municipal corporation

by: \_\_\_\_\_  
Jeremy Ferguson, Mayor

Approved as to form:

\_\_\_\_\_  
City Attorney

Clackamas County, a political subdivision of the State of Oregon

by: \_\_\_\_\_  
County Commission Chair

Approved as to form:

\_\_\_\_\_  
County Counsel

City of Happy Valley, an Oregon municipal corporation

by: \_\_\_\_\_  
Lori DeRemer, Mayor

Approved as to form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Recording Secretary



To: Mayor and City Council  
Through: Bill Monahan, City Manager  
From: Cynthia Trosino, Human Resources Director  
Subject: Flexible Spending Account Summary Plan Document  
Date:

Action Requested

Adopt the resolution approving the Summary Plan Description for the Flexible Spending Account Plans the City offers as part of the benefit package for employees.

History of Prior Actions and Discussions

None

Background

The Flexible Spending Account Plan (FSA) is a Cafeteria Plan as defined in Section 125 of the Internal Revenue Code and is designed to permit an eligible employee to contribute on a pre-tax salary reduction basis to an account for reimbursement of qualified healthcare expenses and dependent care expenses.

The FSA programs are entirely funded by employee salary reduction contributions. However, for the purposes of the Plan and the IRS rules, they are considered employer contributions.

The City has been providing this plan as part of our over-all benefit package for employees.

Fiscal Impact

None

Work Load Impacts

None

Alternatives

None

Attachments

1. Summary Plan Description
2. Resolution

# Attachment 1

## City County Insurance Services Flexible Spending Account Plan

### Summary Plan Description

The Flexible Spending Account Plan is a Cafeteria Plan as defined in Section 125 of the Internal Revenue Code and is designed to permit an eligible employee to contribute on a pre-tax salary reduction basis to an account for reimbursement of qualified healthcare expenses and dependent care expenses



Inside:

**General Plan Information**

**Tax Savings Example**

**Frequently Asked Questions**

**Premium Only Plan**

**Healthcare Flexible Spending Account Program Summary**

**Dependent Care Flexible Spending Account Program Summary**

**Flexible Spending Account Claims**

**Internet Access**

**Sample Claim & Provider Documentation**

## GENERAL PLAN INFORMATION

<b>Name of the Plan</b>	City County Insurance Services Flexible Spending Account Plan
<b>Employer</b>	<b>City of Milwaukie</b> <b>10722 SE Main St</b> <b>Milwaukie, OR 97222</b>
<b>Plan Administrator</b>	City County Insurance Services 1212 Court St NE Salem, OR 97301 (503) 763-3800
<b>Claims Administrator</b>	ASI PO Box 6044 Columbia, MO 65205-6044 (800) 659-3035 <a href="mailto:asi@asiflex.com">asi@asiflex.com</a>
<b>Eligibility Requirement</b>	Must meet employer required hours per week and waiting period to be eligible

**The Plan Year** is the twelve-month period from August 1 through July 31 of the next calendar year.

Although the Healthcare FSA Program and the Dependent Care FSA Program form part of the same Plan, they are separate programs for purposes of administration and all reporting and nondiscrimination requirements imposed by the IRS. The Healthcare FSA Program is also a separate program for purposes of applicable provisions of COBRA.

The Healthcare FSA Program and the Dependent Care FSA Program are entirely funded by employee salary reduction contributions. However, for the purposes of the Plan and the IRS rules, they are considered employer contributions. All of the amounts payable under this Plan shall be paid from the general assets of the employer. Neither the employer nor ASI will maintain any fund or segregate any amount from general assets for the benefit of any participant, and no participant or other person shall have any claim against, right to, or security or other interest in any fund, account or asset of the employer from which any payment under this Plan may be made. There is no trust or other fund from which benefits are paid. The Plan is not underwritten by an insurance company, and benefits are not guaranteed by a contract of insurance. The maximum contributions that may be made under this Plan for a participant is the total of the maximums that may be elected as employer and participant contributions for benefits, and as described in the Healthcare FSA Program Summary and Dependent Care FSA Program Summary sections.

ASI has been hired to perform certain administrative functions for the Plan. ASI processes all claims for the Healthcare FSA Program and the Dependent Care FSA Program. If you have any questions concerning claims, please contact ASI, P. O. Box 6044, Columbia, MO 65205, 800-659-3035, email: [asi@asiflex.com](mailto:asi@asiflex.com), or on-line at [www.asiflex.com](http://www.asiflex.com).

**In preparing this summary of your Plan, we have done our best to explain its various features in straightforward, non-technical language. Of course, this information is based on a legal Plan document that governs the Plan. It is not our intention in summarizing the material features of the Plan to change the meaning expressed by the formal document. If we have inadvertently indicated anything that disagrees or is inconsistent with the Plan's legal document, the formal Plan document is the one we have to follow in the administration of the Plan and determining your rights under the Plan. A copy of that document is available for your review through the employer. You may also obtain a copy upon payment of reasonable photocopying charges.**

ASI and the Plan Administrator shall perform their duties as the Claims Administrator and the Plan Administrator, respectively, and in their sole discretion, shall determine an appropriate course of action in light of the reason and purpose for which this Plan is established and maintained. In particular, ASI and the Plan Administrator shall have full and sole discretionary authority to interpret all Plan documents, and make all interpretive and factual determinations as to whether any individual is entitled to receive any benefit under the terms of this Plan. Any interpretation of the terms of any plan document and any determination of fact adopted by ASI or the Plan Administrator shall be final and legally binding on all parties. Any interpretation shall be subject to review only if it is arbitrary, capricious, or otherwise an abuse of discretion. Any review of a final decision or action of ASI or the Plan Administrator shall be based only on such evidence presented to or considered by ASI or the Plan Administrator at the time of the decision that is the subject of review. Accepting any benefits or making any claim for benefits under this Plan constitutes agreement with and consent to any decisions that ASI or the Plan Administrator make in their sole discretion and further constitutes agreement to the limited standard and scope of review described by this section.

To the extent permitted by law, ASI and the Plan Administrator and other parties assuming a fiduciary or decision making role shall not incur any liability for any acts or for failure to act except for their own willful misconduct or willful breach of this Plan. The standard shall be one of ordinary care.

**Benefits Offered (check all that apply):**

- Premium Only Plan
- Healthcare Flexible Spending Account Program
- Dependent Care Flexible Spending Account Program

## TAX SAVINGS EXAMPLE

By electing to contribute a portion of your salary to the Plan, you essentially use this money to pay for expenses on a TAX-FREE basis that would otherwise be paid out of your take-home pay. **This example shows how the Plan could save this employee \$363 in taxes!**

	<u>Without Plan</u>	<u>With Plan</u>	<u>Savings with Plan</u>
Gross Income	\$25,000	\$25,000	
Healthcare expenses run through the Plan		1,200	
Taxable Income	\$25,000	\$23,800	
Federal Tax*	2,985	2,805	180
State Income Tax**	1,266	1,175	91
Social Security (FICA) Tax	1,913	1821	92
Pay check After Taxes	\$18,836	\$17,999	
Expenses not run through the Plan	1,500	300	
Your Spendable Income	17,336	\$17,699	<b>\$363</b>

**This person could reduce their taxes by \$363 by using the FSA!!**

Notice that not all this employee's expenses were run through the Plan.

\*Estimate based on 15% Marginal Tax Bracket - single with standard deduction

\*\*Estimate based on the Oregon tax rate for a married employee

## FREQUENTLY ASKED QUESTIONS



### **Q. WHAT IS THE FLEXIBLE SPENDING ACCOUNT PLAN?**

The Flexible Spending Account Plan (the “Plan”) allows you to voluntarily set aside money to pay for medical, dental and other healthcare expenses, and for dependent care expenses and/or pay for your portion of health insurance premiums on a pre-tax basis. Without the Plan, you would have to pay for healthcare, dependent care expenses and healthcare premiums with after-tax dollars – that is, with money that you already paid taxes upon. The money that you elect to contribute to your flexible spending accounts (FSA) or pay for health insurance premiums under the Plan is automatically deducted from your gross wages before federal, state and Social Security taxes are withheld. The contributions are not considered taxable income, and therefore do not appear on your W-2 form as taxable income. Since your taxable income is reduced, so are your taxes.

### **Q. WHAT ARE THE FSA PROGRAMS UNDER THE PLAN?**

**Your employer may offer one or more of the following FSA programs. See page 3 for plan options available.**

The **Premium Only Plan (POP)** has been established so you can pay for your portion of health insurance premiums (medical, dental and/or vision) on a pre-tax basis.

The **Healthcare Flexible Spending Account (FSA)** Program has been established to reimburse you for medical, dental and vision care expenses incurred by you and your family members that are not covered by an employer’s medical and dental insurance plans (or any other group health plan).

The **Dependent Care Flexible Spending Account (FSA)** Program will reimburse you for qualified dependent care expenses incurred by you to enable you to work.

### **Q. WHO CAN PARTICIPATE IN THE PLAN?**

An employee is eligible to participate in this Plan if the employee is working the minimum number of hours to be eligible for health insurance and has met the employer’s waiting period. The employee does not have to be enrolled in a medical plan to participate.

### **Q. WHY SHOULD I PARTICIPATE?**

Paying for healthcare expenses through the Plan can save you as much as 25% - 40% in taxes on each dollar that you spend for your share of insurance deductibles, co-pays, or items not covered by insurance. Also, the Dependent Care FSA Program may save you more in taxes than the dependent care tax credit (filed with your federal income tax return).

**Q. IF I MAKE PRE-TAX CONTRIBUTIONS TO THE PLAN, WON'T I MAKE LESS MONEY?**

No. Your spendable income will increase by the amount of your tax savings.

**Q. WHY SHOULD I PARTICIPATE IN THE HEALTHCARE FSA PROGRAM IF I ALREADY HAVE MEDICAL OR DENTAL INSURANCE?**

The Healthcare FSA Program offers a tax break on healthcare expenses that are NOT reimbursed by insurance. For example, the Healthcare FSA Program covers expenses for the portion of the cost of office visits, eye exams, glasses, drugs and medications used to treat medical conditions and hospital care that is not covered by medical insurance (e.g. co-payments).

**Q. HOW MUCH WILL BE DEDUCTED FROM MY SALARY FOR THE BENEFITS I SELECT?**

Your salary reduction amount for a pay period is an amount equal to the annual contribution for the benefits you elected, divided by the number of remaining pay periods in the plan year following your effective date. If you are eligible and elect to increase your contributions under the Healthcare FSA Program or Dependent Care FSA Program, your salary reductions per pay period will be an amount equal to your new reimbursement limit elected less the salary reductions made prior to such election change, divided by the number of pay periods remaining in the plan year beginning with the election change effective date.

**Q. WHEN CAN I MAKE A CHANGE IN MY ELECTION?**

In general, once you have enrolled in (or have chosen not to enroll in) an FSA program for a plan year, the enrollment election must remain in effect for the rest of the plan year. In other words, you generally will not be able to modify or revoke your FSA program election during a year until the next open enrollment.

An exception to this general rule applies upon experiencing a "qualified status event change." Under this exception you may change your election if you, your spouse, or a dependent experience an event listed below which results in a gain or loss of eligibility for coverage under the Plan, or a similar plan maintained by your spouse's employer or one of your dependent's employer, and your desired election change corresponds with that gain or loss of coverage.

Events 1 - 4 applies to the **Healthcare FSA Program** and the **Dependent Care FSA Program**. When these events occur, a change may be made to your election.

1. Your legal marital status changes through marriage, divorce, death, legal separation or annulment.
2. Your number of dependents changes by reason of birth, adoption (or placement for adoption), or death. If your child no longer qualifies for dependent care because he or she has turned 13, that is considered a loss of a dependent under the Dependent Care FSA Program, but not under the Healthcare FSA Program.

3. You, your spouse or any of your dependents have a change in employment status that affects eligibility under the Plan or a plan maintained by your spouse or any dependent's employer. If you terminate employment or take a leave of absence, you must be gone at least 31 days for termination or leave of absence to qualify.
4. One of your dependents satisfies or ceases to satisfy the requirements for coverage under the Plan for unmarried dependents due to attainment of age, student status or any similar circumstances.

Events 5 - 7 apply to the Healthcare but not the Dependent Care FSA Program. When any of these events take place, you may change your election.

5. You are served with a judgment, decree or court order, including a Qualified Medical Child Support Order (“QMCSO”) regarding coverage for a dependent. If the order requires you to pay for medical expenses not paid by insurance for a dependent child, then you may add or increase coverage under the Healthcare FSA Program. If the order requires that another person pay for medical expenses not paid by insurance for the dependent child, then you may drop or reduce coverage under the Healthcare FSA Program.
6. If you, your spouse or a dependent become entitled to and covered under Medicare or Medicaid, you may drop or reduce coverage under the Healthcare FSA Program.
7. If you, your spouse or a dependent lose eligibility and coverage under Medicare or Medicaid, you may add or increase coverage under the Healthcare FSA Program.

Events 8 - 10 apply only to the Dependent Care FSA Program. If any of the following events take place, a change may be made to your election.

8. You may change your election to correspond with a change made under another employer-sponsored plan as long as the change made under the other plan was permitted by IRS regulations or was made for a plan year that is different from the plan year of the Plan (i.e., the year beginning August 1 and ending July 31).
9. You change dependent care providers (including school or other free provider). You may make a corresponding change to your Dependent Care FSA Program and your future salary reduction contributions if you change dependent care providers.
10. You may make a corresponding change to your Dependent Care FSA Program and your future salary reduction contributions if your dependent care provider who is not your relative changes your costs significantly. A relative is any person who is a child, parent, stepchild, sibling, aunt, uncle, cousin, or in-law of the participant.

The election change request must be filed within 31 days of the date of the qualifying event and becomes effective on the 1st of the month following the event and the approval of the request.

If you have questions regarding a change in elections, please call ASI, the Claims Administrator for the Plan, at (800) 659-3035.

**Q. WHAT IF I'M ALREADY IN THE PLAN?**

Participation in Healthcare FSA Program and the Dependent Care FSA Program terminates at the end of each plan year. You **MUST** re-enroll each plan year to continue your participation.

**Q. WHEN DOES PARTICIPATION BEGIN?**

After you satisfy the eligibility requirements described above (new employees may enroll within 30 days of their eligibility date), you become a participant by signing an Enrollment Form. The Enrollment Form will also be available during the annual open enrollment period. You must complete the Enrollment Form and return it to the employer within the time period specified in the enrollment materials. If you fail to complete, sign and return an Enrollment Form by the indicated deadline, you will not be able to elect to participate in the Plan until the next open enrollment period (unless a “qualified status event” occurs). Enrollment during the plan year is effective the 1st of the month following enrollment. You may choose to enroll in one or both of the FSA programs (Healthcare and Dependent Care), or neither one.

**Q. WHAT IS THE “OPEN ENROLLMENT PERIOD” AND THE “PLAN YEAR”?**

The open enrollment period is the period prior to the beginning of the plan year during which you have an opportunity to elect to participate under the Plan by filling out, signing and returning an Enrollment Form. You will be notified of the timing and duration of the open enrollment period.

The plan year is the 12 months beginning on each August 1, and ending on July 31 of the following calendar year.

**Q. WHAT IF I DON'T USE ALL OF THE MONEY I ELECT IN THE HEALTHCARE FSA PROGRAM OR THE DEPENDENT CARE FSA PROGRAM?**

In exchange for the tax advantages associated with an FSA program, **the IRS requires that any money left over in your accounts at the end of the plan year be forfeited.** Unspent amounts cannot be carried forward to pay for expenses incurred in the following plan year. In addition, funds held under one FSA program may not be used for expenses in the other FSA program.

By reason of the “use-it-or-lose-it” rule, and the restrictions on mid-year election changes discussed above, it is very important that you carefully estimate your eligible expenses before deciding how much to contribute for expenses incurred during the year. ASI's website ([www.asiflex.com](http://www.asiflex.com)) has a tool that can help you estimate your allowable expenses for the plan year.

**Q. ARE THERE ANY NEGATIVES THAT I SHOULD KNOW ABOUT?**

Yes, because you are not paying Social Security tax on that portion of your income that you contribute to the Plan, your Social Security benefits may be slightly reduced. However, if you

invest your tax savings, in many cases you would have more money available at retirement than the benefit you would have received from the amount not paid into Social Security

Expenses reimbursed by the Healthcare FSA Program may not be deducted on your individual income tax return. Likewise, expenses deducted on your income tax return may not be filed for reimbursement through the Healthcare FSA Program.

Additionally, participation in the Dependent Care FSA Program is an alternative to taking a dependent care “tax credit” allowed with your tax filing each year. You may receive a tax break on your expenses, but you must choose whether to use the dependent care “tax credit” or the Dependent Care FSA Program. The IRS will not allow you to receive two tax breaks on the same expenses.

#### ***Q.* WHEN WILL MY PARTICIPATION IN AN FSA PROGRAM TERMINATE?**

You will cease to be a participant in an FSA program upon the earliest of the following dates:

- The expiration of the plan year for which you have elected to participate in the FSA program (unless you elect to continue participating during the open enrollment period for the next plan year);
- The date on which you cease (because of retirement, termination of employment, layoff, reduction in hours, or any other reason) to be eligible to participate in the FSA program;
- The date you revoke your election to participate under a circumstance that permits change under the terms of the FSA program; and
- The termination of the FSA program.

If you terminate employment during a plan year, you will then generally cease to be eligible to participate in the FSA program. However, employees participating in the Healthcare FSA Program may elect COBRA coverage continuation on an after-tax basis, as described in the Healthcare FSA Program Summary section of this booklet.

#### ***Q.* WHAT IF I AM REHIRED AFTER TERMINATING EMPLOYMENT?**

If you terminate employment with the employer, but you return to work with the same employer within 30 days during the same plan year, your participation will be reinstated as it was. You will have the option of reinstating your coverage at the same annual level you had prior to your termination or reinstating your coverage at the same per pay period amount with a reduced annual amount. Should you chose the same annual amount, your per pay period contributions will be adjusted so that your total contributions for the year will equal your annual coverage amount. Should you return to work after 30 days during the same plan year, you may make a new election for the remainder of the plan year.

#### ***Q.* WHAT IF I GO ON FMLA?**

If you go on FMLA then you can continue to participate in the Healthcare FSA Program but not under the Dependent Care FSA Program. Please refer to the FMLA paragraph in the Healthcare

FSA Program Summary. If your Healthcare FSA Program or Dependent Care FSA Program coverage ceases while you are on FMLA leave for any reason (including for non-payment of premiums), then you may re-enter the Healthcare FSA Program or the Dependent Care FSA Program upon return from FMLA on the same basis as you were participating prior to the leave. You will be entitled to elect whether to be reinstated in the Healthcare FSA Program or the Dependent Care FSA Program at the same coverage level as in effect before the FMLA leave (with increased contributions for the remaining period of coverage) or at a coverage level that is reduced pro-rata for the period of FMLA leave during which you did not pay premiums. If you elect a coverage level that is reduced pro-rata for the period of FMLA leave, the amount withheld from your compensation on a payroll-by-payroll basis for the purpose of paying under the Healthcare FSA Program or your Dependent Care FSA Program will be equal to the amount withheld prior to the period of FMLA leave.

**Q. HOW CAN I GET ANSWERS TO OTHER QUESTIONS?**

Check ASI's website at [www.asiflex.com](http://www.asiflex.com). You can email ASI at [asi@asiflex.com](mailto:asi@asiflex.com) or call ASI toll free at 1-800-659-3035. A representative is available from 5 a.m. to 5 p.m. Pacific Time, Monday through Friday and from 7 a.m. to 11 a.m. Pacific Time on Saturday.

**Q. HOW QUICKLY WILL MY CLAIMS UNDER THE PLAN BE PAID?**

ASI will process your claim no later than the first banking day following their receipt of the claim. Valid Healthcare FSA Program claims will be paid on the day processed up to your annual election less prior payments. Valid dependent care claims will be paid on the day processed up to the balance in your account under the Dependent Care FSA Program. Any excess dependent care claim will be paid as contributions are received from payroll. If there is a problem with your claim, ASI will notify you on the day the claim is processed either by U.S. Mail or by email.

**Q. WHAT HAPPENS IF MY CLAIM FOR REIMBURSEMENT IS DENIED IN WHOLE OR IN PART?**

If your claim is denied in whole or in part, ASI will notify you in writing within 30 days of the date receiving your claim. (This time period may be extended for an additional 15 days for matters beyond the control of ASI, including cases where a claim is incomplete. ASI will provide written notice of any extension, including the reasons for the extension and the date by which a decision by ASI is expected to be made. When a claim is incomplete, the extension notice will also specifically describe the information required. You will have 45 days from receipt of the notice in which to provide the specified information. Decision on your claim will be suspended until the specified information is provided.) Notice of a denied claim will include:

- (a) The specific reasons for the denial;
- (b) The specific Plan provisions on which the denial is based;
- (c) A description of any additional material or information necessary for you to validate the claim and an explanation of why such material or information is necessary; and

- (d) Appropriate information on the steps to be taken if you wish to appeal the claim denial.

If your claim is denied in whole or part, you (or your authorized representative) may request that the claim denial be reviewed. The request must be made in writing to City County Insurance Services (CIS), the Plan Administrator. Your **appeal must be made in writing within 60 days** of your receipt of the notice that the claim was denied. If you do not appeal on time, you will lose the right to appeal the denial and the right to file suit in court. Your written appeal should state the reasons you feel your claim should not have been denied. It should include any additional facts and/or documentation that you feel supports your claim. You may review (upon request and at no charge) documents and other information relevant to your appeal.

Your appeal will be reviewed and decided by CIS in a reasonable time no later than 60 days after CIS receives your request for review. If the decision on review affirms the initial denial of your claim, you will be furnished with a notice of adverse benefit determination on review setting forth:

- (a) The specific reasons for the decision on review; and
- (b) The specific Plan provisions on which the decision is based.

**Q. IS DIRECT DEPOSIT AVAILABLE?**

Yes. You may have your claims payments sent directly to your checking, money market or savings account. ASI will send a notice of each payment to you. ASI can send this notice via email, if you prefer. Email and direct deposit provide you with the fastest, safest payment method, as well as the fastest notification method.

## HEALTHCARE FSA PROGRAM SUMMARY



The Healthcare FSA Program is intended to qualify under the IRS rules so that amounts reimbursed to you are eligible for exclusion from your taxable income. You can elect to participate in the Healthcare FSA Program by completing, signing and returning an Enrollment Form to the employer.

### STEPS TO PARTICIPATE IN THE HEALTHCARE FSA PROGRAM

1. **Estimate your family's annual out-of-pocket healthcare expenses.** You may include expenses for anyone included on your federal tax return (spouse, children, etc.). Include predictable expenses only.
2. **Enroll in the Healthcare FSA Program.** Divide your estimate by the number of paychecks you expect to receive during the plan year. Complete, sign and submit the Enrollment Form to the employer during the open enrollment period.
3. **File claims.** After you have received the healthcare services and know the amount of your responsibility for the bill (for example, by an Explanation of Benefits (EOB) statement), you may submit a claim for those expenses to ASI.
4. **Receive reimbursements.** ASI will review your claim, and if approved will reimburse you for the healthcare expenses within one business day of their receipt of the claim.

### IMPORTANT HEALTHCARE SAVINGS ACCOUNT INFORMATION

**Annual Maximum: \$5,000.00**

**Annual Minimum: There is no minimum.**

#### Reimbursement Eligibility Rules

Qualifying healthcare expenses incurred by you or your dependents are eligible for reimbursement from the Healthcare FSA Program if they meet all of the following requirements:

- The expenses were incurred while you are enrolled in the Healthcare FSA Program.
- The expenses were paid for qualified healthcare within the meaning of the IRS rules;
- The expenses have not been and will not be paid by the employer's medical or dental programs, or by another employer's group health benefit plan or any other insurance policy or program; and
- The expenses have not and will not be deducted on your tax return.

**Qualifying Healthcare Expenses** include only those expenses that are defined under the IRS rules as medical or other healthcare expenses and are not reimbursed by any other insurance or another plan. Qualifying healthcare expenses include amounts incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease, and for treatments affecting any part or function

of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness. They exclude all insurance premiums, long-term care expenses, and cosmetic expenses.

Refer to IRS Publication 502 for further details on qualifying healthcare expenses. You may link to this publication from ASI's website. The purpose of Publication 502 is to assist people with their income tax filing. It does not address Healthcare FSA Programs. However, most of the items listed as deductible in Publication 502 can be claimed under the Healthcare FSA Program. Expenses reimbursed by the Healthcare FSA Program may not be deducted on your income tax return. Similarly, expenses deducted on your income tax return may not be filed for reimbursement through the Healthcare FSA Program. **You can only claim expenses based on the date incurred or date of service (not paid as stated in Publication 502).** Please contact ASI at [asi@asiflex.com](mailto:asi@asiflex.com), (800) 659-3035 if you have any questions regarding particular expenses.

Below is a partial listing of qualified healthcare expenses. Remember, expenses can only be claimed based on the date incurred, regardless of the date you are billed or pay for the expense.

- Medical Deductibles
- Co-pays
- Doctor's fees
- Dental expenses
- Vision care expenses
- Prescription glasses
- Contact lenses and solutions
- Corrective eye surgery
- Drugs & Medicines (legal) used to treat a medical condition
- Insulin
- Orthodontia (braces)
- Routine physicals
- Medical equipment
- Hearing aids including batteries
- Transportation expenses related to illness
- Chiropractor's fees

## **Non-Qualifying Healthcare Expenses**

This is a partial list of healthcare-related items that are not permitted to be reimbursed under the Healthcare FSA Program. There may be other items that do not qualify that are not listed here.

- Cosmetic procedures; e.g. face-lifts, skin peeling, teeth whitening, veneers, hair replacement, removal of spider veins
- Sunglasses - non-prescription
- Toiletries
- Medicines, drugs, herbs, or vitamins for general health and not used to treat a specific medical condition
- Expenses that are merely beneficial to your general health (e.g., vacations and vitamins)
- Health club dues (not prescribed for a particular condition)
- Any sort of insurance premiums
- Warranties
- Long-term care expenses
- Prescription Drugs imported from another country
- Breast pumps

**Coverage Continuation (“COBRA”)** To the extent required by COBRA, a participant who terminates employment may elect to continue the coverage elected under the Healthcare FSA Program even though participation in the program would otherwise expire.

Continuation coverage will not extend beyond the end of the current plan year and may terminate earlier if the premiums are not paid within 30 days of their due dates. **Payments for expenses incurred during any period of continuation shall not be made until the contributions for that period are received by the Plan.** An administrative charge of 2% is assessed for each premium paid for continuation coverage.

**Participants on leave under the Family Medical Leave Act (“FMLA”)** are entitled to maintain coverage for the Healthcare FSA Program. You must pay for coverage during your leave by making payments directly to your employer each month. You may also have such amounts withheld from any ongoing compensation being paid to you (such as unused sick leave or accrued vacation).

## DEPENDENT CARE FSA PROGRAM SUMMARY



The Dependent Care FSA Program is designed to allow you to set aside amounts on a pre-tax basis, and to have qualified dependent care expenses then reimbursed to you tax-free.

### STEPS TO PARTICIPATE IN THE DEPENDENT CARE FSA PROGRAM:

1. **Estimate your total dependent care expenses for the plan year.** Include predictable expenses only.
2. **Enroll in the Dependent Care FSA Program.** Divide your estimate by the number of paychecks you expect to receive during the plan year. Complete, sign and submit an Enrollment Form to the employer during the open enrollment period.
3. **File claims.** After you have received the dependent care services, you may submit a claim for those expenses to ASI.
4. **Receive reimbursements.** ASI will review your claim, and if approved will reimburse you within one day of their receipt of your claim up to the amount you have on deposit in your account. If your claim exceeds the balance of your account under the Dependent Care FSA Program, the difference will be recorded and paid as funds become available from payroll.

### IMPORTANT DEPENDENT CARE FSA PROGRAM INFORMATION

**Annual Maximum: \$5,000.00**

**Annual Minimum: There is no minimum.**

#### IRS Contribution Limit

The tax-favored treatment of your contributions to the Dependent Care FSA Program is limited by federal regulations. By reason of these regulations, the maximum that you elect to contribute to the Dependent Care FSA Program during the calendar year should be the **lesser of:**

- \$5,000, if you are single and file an individual tax return, or you are married and file a joint tax return;
- \$2,500, if you are married and file a separate tax return; or
- Your taxable income or your spouse's taxable income, whichever is less. (For example, if you earn \$25,000 per year and your spouse earns \$3,000, then your contribution to a Dependent Care FSA Program for the year should be limited to \$3,000.

Contributions to all dependent care spending account programs that you and your spouse may participate in should not exceed \$5,000 on a combined basis in any calendar year. Thus, if your spouse's employer also sponsors a dependent care FSA program, the most that you and your spouse should contribute under both programs on a combined basis is \$5,000.

If your spouse is a full-time student or cannot care for himself or herself, you may be considered to have an income of \$250 per month if you have one qualified dependent, or \$500 per month if you have two or more qualified dependents.

### **Alternative Dependent Care Tax Credit**

Under the IRS rules, you may claim a dependent care tax credit on your federal income tax return. This credit provides a dollar-for-dollar write-off against your taxes for qualified dependent care expenses, subject to limits. The tax credit cannot be used for expenses paid by the Dependent Care FSA Program. The tax credit amounts may range from 20% to 35% of dependent care costs. The exact percentage is based upon the individual's adjusted gross income. The credit cannot be claimed on more than \$3,000 of dependent care expenses if there is one child, or \$6,000 for two or more children.

The dependent care tax credit may provide you with tax savings to cover the same types of expenses covered by the Dependent Care FSA Program. As a result, you can either participate in the Dependent Care FSA Program, or take the tax credit when filing your tax return. If you have questions about which approach is best for you and your family, you should consult a tax advisor.

**A Qualifying Individual** is your dependent who is under the age of 13 who lives with you at least one half of the year or your spouse or an older dependent who is mentally or physically incapable of self-care who resides with the you for more than one half of the year and is a qualifying child or relative. The child of a divorced or separated employee is treated as a qualifying individual of the custodial parent irrespective of who claims the dependency exemption if such child is in the custody of one or both parents for more than half of the calendar year. The child is treated as having been in the custody of the parent who had custody for the greater portion of that year. If the child was not in the custody of one or both parents for more than half of the calendar year, then neither parent can be considered the custodial parent.

**A Qualified Provider** can provide care in your home or outside your home. If the care is provided outside your home and the facility cares for more than 5 individuals, then it must be licensed by the State. The expenses **may not** be paid to your spouse, a child of yours who is under the age of 19 at the end of the year in which the expenses are incurred, or to an individual for whom you or your spouse is entitled to a personal tax exemption as a dependent.

The amount that you contribute to the Dependent Care FSA Program for a calendar year will appear on your W-2 form. This will inform the IRS that you have received dependent care benefits through your Dependent Care FSA Program. **You will then be required to file Schedule 2** with your IRS Form 1040A or **Form 2441** with your IRS Form 1040 for the calendar year. Please note that this filing is for informational purposes. You will not pay taxes on the contributions.

### **Qualifying Dependent Care Expenses**

Qualifying child/dependent care expenses are those that you incur in order for you and your spouse (if married) to be gainfully employed that are considered to be employment-related expenses to the extent that you or another person (if any) incurring the expense is not reimbursed

for the expense through any other Plan. Only expenses incurred for care and well-being qualify for this tax break (kindergarten, summer school and private school expenses do not). Day camp fees incurred in order for you to work are allowable, but overnight camps are not. Refer to IRS Publication 503 for additional information. You can access this publication from ASI's website. The purpose of Publication 503 is to assist people with their income tax filing. It does not specifically address Dependent Care FSA Programs. However, most of the items listed as eligible for the tax credit in Publication 503 can be claimed under the Dependent Care FSA Program. **You can only claim expenses based on the date incurred (not paid as stated in Publication 503).** Please contact ASI at [asi@asiflex.com](mailto:asi@asiflex.com), (800) 659-3035 if you have any questions regarding particular expenses.

**Qualifying Expenses are those that enable you to be gainfully employed including:**

- Day-care centers
- Before and after-school care expenses
- Day camps, including recreational or specialized camps (e.g., soccer or computer)
- Nannies

**Non-Qualifying Dependent Care Expenses**

This is a partial list of items that do not qualify under the Plan. There may be other items that do not qualify that are not listed here.

- Care that is not incurred in order for you to work or look for work.
- Care for a child for whom you have 50% or less physical custody.
- Kindergarten or other educational expenses.
- Overnight camps.
- Amounts paid to your spouse or dependent or to your (or your spouse's) son or daughter who is under 19 years old at the end of the year.
- Care for a child age 13 or older who is not disabled.
- Child support payments.

## FLEXIBLE SPENDING ACCOUNT PLAN CLAIMS

ASI, (800) 659-3035

[asi@asiflex.com](mailto:asi@asiflex.com)

PO Box 6044

Claims processed daily – within 1 day

Columbia, MO 65205-6044

World Wide Web [www.asiflex.com](http://www.asiflex.com) for claim forms and personal account information

**Allowable expenses** must be incurred during the portion of the plan year that you are a participant. Claims must be filed by October 31st following the end of the plan year. After October 31st, your account will be closed and any balance remaining will be forfeited in accordance with federal regulations.

**You must submit a completed claim** form along with **copies** of invoices or statements **from the provider** or other independent third party to serve as proof that you have incurred an allowable expense in order to receive payment. Statements are **required to include:**

- (a) **The provider's name;**
- (b) **The date(s) of service;**
- (c) **A description of the service(s); and**
- (d) **The expense amount.**

For healthcare expenses, a copy of an Explanation of Benefits (EOB) statement from your insurance company will be adequate proof. Copies of personal checks and paid receipts, without the above information, are not acceptable. Documentation or copies will not be returned. For over-the-counter items, the receipt or documentation from the store must include the name of the item printed on the receipt. You must indicate the existing or imminent medical condition (items such as vitamins and nutritional supplements may require a physician's statement) for which the item will be used on the receipt, on the claim form, or on a separate enclosed statement each time these items are claimed. Purchases for general good health will not be accepted. You will be provided with a supply of claim forms with your enrollment confirmation. You may copy the claim form or obtain extra claim forms by contacting ASI or over the Internet at [www.asiflex.com](http://www.asiflex.com).

You may have the dependent care provider complete the dependent care section of the claim form and sign on the line provided in lieu of providing the above documentation for dependent care claims.

The tax identification number or Social Security number of the child/dependent care provider should be listed on each of your claim forms. You must provide this number with your federal income tax return. Please check with your childcare provider (**before** enrolling in this category) to be sure that you are able to obtain their tax I.D. number or his/her Social Security Number

**Orthodontic** expenses that are paid in advance of the treatment can be reimbursed. To request a reimbursement of the advance payment, you must include a copy of the treatment contract or invoice along with proof of payment or a receipt of payment.

**Payment from the Healthcare FSA Program** for expenses incurred during the plan year will be made up to the approved amount of your claim or your remaining annual election, whichever is less. Payment is not limited to the amount in your account at the time of your claim. Your monthly contributions will continue for the remainder of the plan year.

**Payment from the Dependent Care FSA Program** will be made up to the approved amount of your claim or your current balance, whichever is less. Any portion of your claim which is not paid will be paid automatically as money is contributed from payroll. Total payments for the year are restricted to your annual election.

**Direct deposit** into the bank account of your choice is available for your claim payments. By using direct deposit you will not need to wait for a check to arrive or deposit yourself. A notice that a payment was made will be sent to you. This direct deposit notice is available by U.S. Mail or by email. If you prefer, a check can be mailed to you instead of payment by direct deposit.

**Email notice.** If you choose direct deposit, ASI can send the notices of claim payments directly to your email account.

## INTERNET ACCESS

You can access your information regarding your accounts under the Healthcare **and** Dependent Care FSA Programs on the Internet 24 hours a day, 7 days a week. Information is updated every morning to reflect the previous day's transactions. You can find out if a claim has been processed, a payment has been made or your current balance using the internet access. Information for the current plan year is available (the previous plan year until October 31st following the end of that plan year is available as well). There is no personally identifying information on the internet; which means, this information will be meaningful to you, but not to anyone else.

### To access your account:



1. Go to <http://www.asiflex.com>
2. Click on "**Account Detail**"
3. Click in the box to the right of "**Your FlexPin**"
4. Type your Personal Identification Number (PIN). Your PIN is provided on your enrollment confirmation. You can also call ASI at (800) 659-3035 to get your PIN.
5. Click "**Submit**"
6. Select the plan year from the drop down box if available. This box will not be displayed if only one plan year is available.
7. Select the category you wish to view if you are enrolled in more than one category. All transactions for the plan year are shown through the previous day. Information is updated early each morning.
8. Click "**Lookup**"
9. Be sure to click "**Sign out (or enter another FlexPin)**" when you finish. This closes out your account for security purposes.

## Sample Claim and Provider Documentation

This day care receipt contains the items the Internal Revenue Code requires:

1. It is signed by the provider of service - "*Ima Sitter*"
2. It contains a description of the services - "*day care services*"
3. It explicitly lists "*1-2-04 to 1-08-04*" as the range of the dates that the day care was provided.
4. It includes the amount charged for the day care "*\$300.00*"; not necessarily the amount paid.
5. It identifies the person for whom the day care was provided - "*Mike Riddick*"

Day care documentation must contain all of these items in order to be processed.

I provided day care services for Mike Riddick

From 1/02/04 to 1/08/04. The total sum for services provided was \$300.00.

Signed Ima Sitter  
 Ima Sitter  
 123 Main Street  
 Columbia, MO 65203  
 SSN 123-45-6789

We must be able to identify the participant

### CLAIM FORM

Please read requirements on reverse side

Riddick, John M.  
Last Name, First Name

110 E. Ash St.  
Street Address

ASI  
Employer

111 - 22 - 4444  
Social Security Number

Columbia MO 65203  
City, State, Zip

**Dependent Care Assistance (day care, babysitting, etc.)**

Name of Dependent	Age	Service Period From To	Name, Address and Tax Payer ID number of provider of service	Charge for Services	ASI use only
Mike	10	1/02 1/08	Ima Sitter, 123 Main St. Columbia MO 65203 123-45-6789	300.00	
Total Dependent Day Care Claim				300.00	

I provided the dependent care as stated above

Care Provider's original signature \_\_\_\_\_ Date \_\_\_\_\_ SSAN/Tax ID# \_\_\_\_\_

**Medical Benefits**

Date Care Provided*	Name of Service Provider	Expense Description	Name and relationship of Person for whom expense incurred	Amount that is your responsibility	ASI use only
01/05/04	I. William See, M.D.	Eye Exam	Mary - daughter	10.00	
Total Medical Amount Requested				10.00	

\*Claims for future services will not be accepted.

The undersigned participant in the Plan certifies that all expenses for which reimbursement or payment is claimed by submission of this form were incurred during a period while the undersigned was covered under his/her employer's Flexible Spending Plan with respect to such expenses and that the expenses have not been reimbursed and are not reimbursable from any other source. Any Dependent Care Assistance expenses claimed here were provided for my dependent under the age of 13 or for a dependent who is incapable of self care. The undersigned fully understands that he or she alone is fully responsible for the sufficiency, accuracy, and veracity of all information relating to this claim which is provided by the undersigned, and that unless an expense for which payment or reimbursement is claimed is a proper expense under the Plan, the undersigned may be liable for payment of all related taxes including federal, state, or local income tax on amounts paid from the Plan which relate to such expense.

John M. Riddick  
Employee Signature

01/08/04  
Date

Separate dependent care documentation is not required if the provider signs the form after the dependent care section is completed.

I. William See, MD  
 Ophthalmology  
 2020 Seymour  
 Crystalview, MO 65201

Service Date	Description	Charge for Services
01/05/04	Eye Exam	\$10.00

Patient's Name Mary Riddick

The participant must sign the claim form.

Every request and all documentation must contain all the items shown in **blue**

This healthcare service statement contains the items the IRS regulations require:

1. It identifies the provider of service - "*I. William See, MD*"
  2. It contains a description of the services - "*Eye Exam*"
  3. It explicitly states the date of the eye exam - "*1/05/04*"
  4. It includes the amount charged for the exam "*\$10.00*"; not necessarily the amount paid at the time of service.
  5. It identifies the person receiving the eye exam - "*Mary Riddick*"
- 2 Medical documentation must contain all of these items in order to be processed.

# Attachment 2

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, DESIGNATING THE SUMMARY PLAN DESCRIPTION FOR THE FLEXIBLE SPENDING ACCOUNTS AS A BENEFIT PROVIDED.**

**WHEREAS**, the Summary Plan Description requires the governing body approve this benefit; and

**WHEREAS**, there is no previous approval by Council; and

**NOW, THEREFORE, BE IT RESOLVED** that the Council of the City of Milwaukie, Oregon, designates the Summary Plan Description as a benefit plan provided for the City of Milwaukie employees.

Introduced and adopted by the City Council on \_\_\_\_\_ .

This resolution is effective on \_\_\_\_\_ .

\_\_\_\_\_  
Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Jordan Schrader Ramis PC

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

**MINUTES****MILWAUKIE CITY COUNCIL WORK SESSION  
JULY 6, 2010**

**Mayor Ferguson** called the work session to order at 5:30 p.m. in the City Hall Conference Room.

Council Present: Council President Greg Chaimov and Councilors Joe Loomis and Susan Stone

Excused: Mayor Ferguson and Councilor Barnes

Staff Present: City Manager Pro Tem Pat DuVal, Community Services Director JoAnn Herrigel, Operations Director Paul Shirey, and Civil Engineer Brad Albert

**Update on Riverfront Park Design**

**Ms. Herrigel** and **Gary Klein**, Riverfront Board Vice-chair, provided an update. Over the last year a water line at the riverfront had been moved in preparation for future work. They received approval from the Design and Landmarks Committee (DLC) and the Planning Commission with conditions. She provided a map of the Plan featuring key elements. On the south end there would be an overlook, moorage dock, pedestrian bridge, boat ramp, parking, bathrooms and a plaza with a fountain. They were also looking for a pullout area for non-motorized boats. The northern portion of the Park included a 180-seat amphitheater with a small path that lead to natural area called Klein Point. It gave a nice view of Johnson Creek as it flowed into the Willamette River. Klein Point would include interpretive signage. She showed the types of rock they are considering using for the plaza and fountain. She also showed a slide of restroom types and materials. Lighting elements would illuminate the walkways, and the planting pallet would include a variety of dogwood trees and shrubs.

The project was still waiting on Corps of Engineers permitting. The major issues were closing access at Jefferson and Washington Streets and putting one entrance to the south for boaters, park users, and people accessing the Treatment Plant. There would be an estimated 30-50 car accessing the area per day, and ODOT required 75 vehicles before they will install a traffic light. There was an issue with trucks safely accessing the Treatment Plant. A dedicated left turn lane was being proposed. They also talked about an additional harbor on Hwy 99E. The Corps of Engineers and other environmental groups have said they do not like the transient dock and boat dock at the mouth of Kellogg Creek because of the amount of activity near a fish passage; however, there was no formal written opinion on that so far. The backup plan would be to move or adjust the transient dock or as a last resort get rid of it. The pedestrian bridge was expensive to design and build, and the regulators were concerned but nobody was sure why at this time. They removed the pedestrian bridge from the Plan that was approved by the Planning Commission and would come back with a design build. The cost of designing the bridge would make it the last thing to be built, and there were ways to get to all points of the Park without it. The boat launch location had been called into question because of fish access. So far she had provided a lot of information to regulators about alternatives which seemed

adequate to them, but it has been an 8-year long discussion. If the boat launch were moved, it would modify the project a great deal.

**Councilor Stone** asked how this would integrate with the Kellogg Treatment Plant.

**Ms. Herrigel** replied everyone assumed the Plant would be there for a long time, and all parties would have to work together. There are 2 places in which the Park encroaches on County property, so the City cannot apply for the new access before they County agrees. She assumed Clackamas County would work with the City.

**Ms. Herrigel** went over the next steps including the water line and utility pole relocations and completing the design phase which was still at 70% pending comments from all interest groups. She hoped to make grant applications in April 2011 to Metro, the Oregon Marine Board, and Oregon Parks and Recreation. A flyer was being produced that outlined the key elements of the Plan.

**Councilor Loomis** asked what the cost of the project was.

**Ms. Herrigel** replied if the project were done today it would cost \$9 million. She was hoping to do it in \$2 million increments with the help of sponsors. The most feasible breakdown would be to construct the north first followed by the plaza and then, depending on access, the boat ramp, parking, and restrooms. The bridge would be the final piece.

**Councilor Stone** asked if it was feasible to sell rocks or bricks to help fund the project.

**Ms. Herrigel** replied the plaza needed to be designed in order to know where the rocks were to be placed. The smallest stones in the plaza would be wall seats requiring a donation of \$1,000 or more.

**Councilor Stone** asked about Oregon Marine Board funding and commitment to the boat ramp.

**Ms. Herrigel** responded the City Council would have to approve any grant based on its evaluation of the criteria involved.

### **City Stormwater Utility and Compliance**

**Mr. Shirey** explained the City of Milwaukie started its stormwater utility in 1995 as required by the Clean Water Act and received its first National Pollution Discharge Elimination System (NPDES) permit that year. The system was made up of many miles of pipe, thousands of catch basins, several hundred drywells, and detention ponds. The City collects a rate to support the fund in the amount of \$9.90 per household and a commercial rate calculated on the square footage of impervious area. There was one supervisor and 5.5 full-time equivalent employees in the stormwater division, and the crews used specialized equipment including the TV truck and vactor truck. They clean, inspect, and repair in cycles that take often more than a year to complete. The stormwater permit requires all operators of municipal stormwater systems to focus on the quality of the stormwater. There has been a shift from water quantity to water quality and had been ongoing since 1995, and jurisdictions are required to do their best to clean pollutants from stormwater. Every 5 years the NPDES permit must be renewed and new requirements are frequently put in place.

**Mr. Albert** discussed requirements to reduce the amount of discharge into receiving waterways. He commented on current permit negotiations and related costs. The City engaged Brown and Caldwell in fiscal year 2009/2010 to continue permit negotiations with DEQ and amended its contract with the consultant for an additional \$25,000 in fiscal year 2010/2011 to finish the permit negotiations and secure an NPDES MS4 permit from DEQ. Starting in November the City was anticipating more monitoring and additional clean-up plans if a spill occurred. The current rate of \$9.90 per ESU was topped out and was at the end of the scheduled rate increases. When the rates were adopted by Council in 1995 they were adopted at a lower rate than the staff recommendation. With the current stormwater revenue they were able to fund staff, but there was no capital project component to use for capital improvement projects in the master plan. They would be looking at a revised rate study in the future. He reviewed the current capital projects in the master plan. The direction the permit was taking them was for low impact development of which Logus Road was an example.

**Councilor Stone** asked how Milwaukie's rates compared with other jurisdictions and asked if they were able to do capital projects.

**Mr. Albert** responded he was not sure if other cities were able to do capital improvement projects based on their current rates.

**Councilor Stone** asked about decommissioning drywells.

**Mr. Shirey** replied the City was required to decommission drywells that were within 10 feet of the ground water table. The City was decommissioning 15 drywells over 10 years. DEQ now wanted treatment to occur before anything went into the pipe which was a change of philosophy.

**Council President Chaimov** said one of the Council's main interests was to get a more comprehensive look at capital project needs. They understood the City was behind the curve but wanted to make sure public assets were as secure as they needed to be. This issue will be high on Council's list to deal with when a new City Manager is hired.

**Council President Chaimov** adjourned the work session at 6:15 p.m.

---

Pat DuVal, City Recorder

**MINUTES****MILWAUKIE CITY COUNCIL WORK SESSION  
JULY 20, 2010**

**Mayor Ferguson** called the work session to order at 6:02 p.m. in the City Hall Conference Room.

Council Present: Mayor Jeremy Ferguson, Council President Greg Chaimov and Councilors Deborah Barnes, Joe Loomis, and Susan Stone

Staff Present: City Manager Pro Tem Pat DuVal, Interim Finance Director Andy Parks, Resource and Economic Development Specialist Alex Campbell, and Community Development Coordinator Nicole West

Media: Raymond Rendleman, *Clackamas Review* and Bobby Allyn, *Oregonian*

**Update on Utility Billing Review**

**Mr. Parks** updated Council on utility billing audit. To date staff had made contact with all the commercial accounts and were sending them letters. The commercial enterprises had been responsive and seemingly open to dealing with the situation. He had been able to hire an intern to finish the commercial contacts. Building department staff was providing some assistance with the residential audit. In addition a temporary worker was hired for customer service and to help improve the error rates. There were costs that were not budgeted, and he would bring the total of that in the next 30 days to get appropriations. He anticipated \$40,000-\$50,000 for staffing to get everything completed, and those expenses would come from the additional revenue collected. Mr. Parks also anticipated getting best practices from the City's billing software provider to further streamline the system. Next month there would be a number of letters going out to residential accounts in cycle 2, and cycle 1 letters would go out this week. He discussed the feasibility of implementing monthly billing and online payments. Staff was tracking the settlement information, and he expected the commercial piece would be wrapped up in 30-60 days. The residential accounts would depend on how long it took the audit to be completed but probably by the end of the year. He was currently working in fiscal policies and purchasing.

**Councilor Barnes** hoped the residential accounts would be cleared up by the holidays.

**Mr. Parks** said he was hoping to get the residential letters out by October. He did not expect many accounts to be owing, and some future adjustments may need to be made.

**Update on Kellogg for Coho Initiative**

**Ms. West** and **Mr. Campbell** reported they were making progress on the Initiative. They were working from the assumption that restoration of fish passage was very important to the recovery of endangered species, and there were many times of the year when surviving in the Willamette was a challenge. The other primary assumption was that the Kellogg Lake restoration could be

**CITY COUNCIL WORK SESSION – July 20, 2010**

**DRAFT MINUTES**

Page 1 of 3

done in such a way that it would be an amenity with more accessible green space and enhanced Robert Kronberg Park. They realized they had a powerful story with the River, Elk Rock Island, the Johnson Creek confluence, and all of the bank restoration that will go on at Riverfront Park. All of these elements were interrelated.

**Ms. West** said when the Army Corps of Engineers started its feasibility study in the early 2000's it found that fish passage through the damn structure was good in about 3% of flow conditions in the winter and less than 2% of flow conditions during the summer. These were dire circumstances for the fish in question. Through scientific review they were finding that these endangered species used the urbanized Willamette to a greater extent than was previously believed. The single greatest limiting factor for recovery and survival was the backwater habitat areas for juvenile fish. Kellogg Lake can provide a slow moving, resting environment for these fish to mature which was key to their survival. She discussed the oral history project that she completed in 2009 where she interviewed over 20 citizens. She noted the 1940's and 1950's were particularly interesting when Kellogg Lake was used recreationally.

**Mr. Campbell** said the Army Corps of Engineers said they had identified \$200,000 in current federal fiscal budget and will be requesting an additional \$200,000 in the next fiscal budget to complete the feasibility study initiated in 2002. It is was big organization and there would be some delay involved, but the benefit of having them as a full partner and potential funding partner could only be preserved by getting them in on the ground floor. Staff accepted that offer, and there was no immediate cost to the City. If the were to continue, then they would probably look to the City for a financial contribution.

**Ms. West** added the City would be handling the public outreach during the feasibility study. They were waiting for the Corps to finish developing the scope of work designing the public involvement process. Staff continued to provide project updates on the website. Ms. West provided administrative support to the North Clackamas Urban Watershed Council (NCUWC) which was starting to do some meaningful advocacy. She discussed a grant awarded to that group for habitat restoration on 16 acres of the lower Mt. Scott Creek in the City of Milwaukie. She noted there was a watershed tour attended by 40 people.

**Mr. Campbell** discussed work with the Portland Harbor Natural Resource Trustee Council charged with developing and coordinating damage assessment and restoration planning. In a year and a half the Trustees will be working with the responsible parties to negotiate settlements and assist in mitigation.

**Councilor Barnes** enjoyed reading the oral history but was disappointed to read how Kellogg Lake got to its current state. She hoped to prevent that from happening in the future.

**Councilor Stone** was curious what the likely cost would be for the City.

**Mr. Campbell** estimated project costs at \$13.5 million dollars when applying for stimulus funds that required no local match. With transportation funding, there is a 10% local match so it was hard to give a definitive answer.

**Councilor Stone** said it was hard to determine whether or not to continue the project when the costs were not known.

**Mr. Campbell** replied the range in cost depended on many factors, and the most extensive and expensive was rebuilding the bridge.

**Councilor Stone** asked the current depth of the Lake, the depth of the rescue pools, and if there were any data to support if it would be prone to vector infestation.

**Ms. West** replied the fish passage would be deeper than the Lake currently which was 1 – 3 feet. She did not believe the vector issue would be any greater than it was now.

**Councilor Chaimov** thanked Ms. West for creating the oral history and was sure it would be an asset for the City.

**Councilor Stone** asked if the interviews were taped.

**Ms. West** replied they had but not with high quality equipment.

**Ms. DuVal** reviewed the time line for City Manager application reviews and the interview process.

**Councilor Barnes** asked for an update on the County agreement.

**Mayor Ferguson** did not have an update at this time but would schedule an executive session.

**Councilor Chaimov** forwarded an email from Lisa Batey in which there was a comment that an agreement was reached.

**Councilor Barnes** wanted City Council direction before attending the upcoming Partnership meeting.

**Mayor Ferguson** adjourned the work session at 6:41 p.m.

Respectfully submitted,

---

Pat DuVal, City Recorder

**CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
NOVEMBER 16, 2010**

**3.E.3.**

**CALL TO ORDER**

**Mayor Ferguson** called the 2090<sup>th</sup> meeting of the Milwaukie City Council to order at 7:00 p.m. in the City Hall Council Chambers.

Present: Mayor Ferguson, Council President Greg Chaimov and Councilors Deborah Barnes, Joe Loomis, and Susan Stone

Staff present: City Manager Bill Monahan, City Attorney Tim Ramis, Community Development and Public Works Director Kenny Asher, Engineering Director Gary Parkin, Planning Director Katie Mangle, Code Compliance Coordinator Tim Salyers, Resource and Economic Development Specialist Alex Campbell, Community Development Coordinator Nicole West

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**

**A. Milwaukie High School Student of the Month**

Mayor Ferguson and Council recognized Kyle Adams as the Milwaukie High School Student of the Month.

**B. Recognize Teresa Bresaw for her Service to the Community on the Planning Commission**

Mayor Ferguson, Councilors, and Ms. Mangle recognized Ms. Bresaw for her years of service to the community as a neighborhood leader and Planning Commission member.

**C. Construction Update for Jackson Street Improvement Project**

**Mr. Parkin** stated the purpose of this update was to provide a construction status report and get concurrence from the City Council on the Design and Landmarks Committee's (DLC) bus shelter recommendation. Mr. Parkin showed slides of the public area improvements consistent with the Downtown Plan and similar to the North Main Village streetscape. The objective of the project was to dissolve the existing transit center and to concentrate downtown bus operations as required by the Milwaukie Transportation System Plan (TSP) and the City's 2008 TriMet Umbrella Agreement. He summarized the bus operations and reviewed the amenities that included wide sidewalks, curb extensions, stormwater treatment, undergrounded utilities, the City Hall Sculpture Garden, lighting fixtures, benches, bollards, and landscaping. The final project cost was approximately \$850,000 with the completion date set for November 24.

**Young Park**, TriMet Capital Projects Manager, discussed the bus shelters, decisions that had evolved, and status of the project today. In October 2010 TriMet learned that the TrueForm shelters would not be available, and the DLC selected the TriMet cantilevered shelter as the backup. He showed several renderings and discussed impacts to the project scheduling and pointed out the features including windscreens, lighting, and displays. The shelter foundations would be done by November 30, and bus service would resume December 5 using temporary shelters. The shelters would be fabricated beginning November with installation scheduled by March 2011.

**CITY COUNCIL REGULAR SESSION – NOVEMBER 16, 2010**

**DRAFT MINUTES**

**Page 1 of 10**

**Councilor Barnes** liked the lighting and was confident that the DLC had selected the best backup shelter design. She was really able to envision the potential in the downtown area and appreciated the public area improvements.

**Councilor Stone** had questions about the cantilevered design versus TrueForm. To her it looked like a design that should be in Phoenix and did not provide enough protection from inclement weather.

**Mr. Young** explained a row of windscreens would provide protection.

**Councilor Stone** liked the TrueForm surfboard design and connection with the water theme. She understood this was the backup design that already seemed in motion based on input from the Committee. These were expensive features, and she wanted a good design. Were there alternatives more like the original design?

**Ms. Mangle** stated the Design and Landmarks Committee had talked about weather protection and explained the cantilevered design can be site-specific. The windscreen patterns are customizable with a water theme, and the Design and Landmarks Committee will help with the design. This was not a done deal. The foundation had to be poured in order to meet the opening day, but TriMet was willing to go out and look for another option. She noted, however, when they did a broad search for options in the shelter industry, the quality of design in the cantilevered option stood out from the crowd. The Design and Landmarks Committee agreed and recognized it might not be the best use of time and resources to start the search again.

**Councilor Stone** wanted to make sure this was something that would work for transit riders.

**Mr. Park** added TriMet had identified additional seating. The lighting was LED and provided a secure environment for transit riders.

**Councilor Chaimov** observed since abalone was no longer on the menu he was happy to go with the breaded clams.

**Mayor Ferguson** discussed Milwaukie Police Chief Jordan's comments. Law enforcement interests focused on visibility, lighting, and bench seating that accommodated individual seating and deterred vagrancy. Chief Jordan supported the shelter design and transit furniture. Mayor Ferguson asked about parking at City Hall and if there would be angle parking in front of City Hall. How many parking places would be gained as a result of this project?

**Ms. Mangle** understood the City Hall lot would be re-stripped. Angle parking would be added in front of City Hall, and the bus stops on 21<sup>st</sup> Avenue would be converted to parallel on-street parking. She was not sure how many parking spaces would be added, but there was a gain. A new parking inventory would be done once the Jackson Street Project was completed to determine the exact number of spaces and how they were being used.

## **CONSENT AGENDA**

**It was moved by Councilor Stone and seconded by Councilor Barnes to approve the consent agenda consisting of:**

- A. City Council minutes of the August 17, 2010 regular session;**
- B. City Council minutes of the September 7, 2010 regular session;**
- C. Resolution 80-2010: A Resolution of the City Council of the City of Milwaukie, Oregon, Approving the Purchase of City Vehicles That Were Approved for**

Replacement in the Fiscal Year 2010/2011 as Per the City Vehicle Replacement Criteria;

- D. **Resolution 81-2010: A Resolution of the City Council of the City of Milwaukie, Oregon, Granting Consent to Clackamas County to Continue to Administer Its Dog Control and Licensing Ordinance Chapter 5.01 to the Clackamas County Code, As Revised by Ordinance 05-2010, Adopted on July 1, 2010 and Repealing Resolution 28-2001; and**
- E. **Resolution 82-2010: A Resolution of the City Council of the City of Milwaukie, Oregon, Assessing the Costs of Abatement of the Nuisance Located at 9643 SE 38<sup>th</sup> Avenue and Entering the Same on the Docket of City Liens Pursuant to Milwaukie Municipal Code Section 8.04.200(D).**

Motion passed with the following vote: Councilors Stone, Loomis, Barnes, and Chaimov and Mayor Ferguson voting “aye.” [5:0]

## **AUDIENCE PARTICIPATION**

Mr. Zumwalt, Milwaukie, announced the December 3 *First Friday* combined with the Annual Umbrella Parade, City Hall Tree Lighting, and related events.

## **PUBLIC HEARING**

### **A. Continue Milwaukie Municipal Code Amendments 19.321.7 and 19.321.3 – Ordinance**

Mr. Monahan provided a brief background on the proposed amendments.

It was moved by Councilor Chaimov and seconded by Councilor Stone to continue the proposed Milwaukie Municipal Code amendments 19.321.7 and 19.321.3 to the regular City Council meeting of February 15, 2011. Motion passed with the following vote: Councilors Stone, Loomis, Barnes, and Chaimov and Mayor Ferguson voting ‘aye.’ [5:0]

## **OTHER BUSINESS**

### **A. Walk Safely Milwaukie Program Launch and Amendments – Resolution**

Mr. Asher and Mr. Campbell reported the program was approved in July, and staff has been working to implement the program and doing outreach since that time. Although there was enthusiasm for the program goal, staff heard some dissatisfaction with program design particularly from Public Safety Advisory Committee (PSAC) and some of the Milwaukie neighborhood leadership. There were three areas of discontent: the level of PSAC’s involvement throughout the process, transparency of the project selection process, and what was perceived could be an adversarial approach to project selection. Staff returned to PSAC at the end of October with four amendments related to capital project scoring, awareness and education scoring, project selection, and joint review. The PSAC membership supported those amendments by a vote of 6:0 with the knowledge this was a pilot program to be reviewed after the first year. Staff sought a decision from the City Council given the uncertainty about the program. One of the alternatives provided in the staff report was the alternative for the City Council to be the final decision maker.

Mr. Asher explained the resolution being handed out contained an additional “whereas” clause and was the one staff was asking the City Council to adopt.

**Councilor Chaimov** asked if the City Council wanted to adopt the resolution as written then can the City Council change the language at the bottom of page 12 of the latest handout at this meeting or did it need to go through another process.

**Mr. Ramis** replied the City Council could amend both in one motion.

**Dave Hedges**, Milwaukie, Public Safety Advisory Committee Chair. He discussed the disagreement about how some of the elements of the program should be done. He clarified that the PSAC vote was 6:0 and that he had abstained. The Committee did not care for Plan A, so Plan B was brought to PSAC. The group was told it had to accept Plan B, or it got Plan A. With the original, smaller program decision-making was done at the PSAC level with Gary Parkin and/or Brad Albert. They discussed the projects and arrived at consensus by taking into account technical aspects provided by engineering and the desire of the PSAC membership at the time. There was never any controversy because people agreed, and it worked well. Now there was a new program that had more money. PSAC, however, was removed from the process. He had seen it written by some that PSAC wanted to be the sole arbiter, but it only wanted to work in partnership with City staff. PSAC members and neighborhood leadership members were at this meeting to support that point of view. The old system worked very well. PSAC was a public, open meeting, and he as chair had gladly accepted public comments. Neighborhoods had spent a lot of time formulating their projects, and it was important for them to see how the projects were scored and why the decisions were made. PSAC requested that it be reinstated to its former role of partnering with City staff and making the decisions together. If the City Council did not feel that was appropriate, then the Committee asked that the third alternative be accepted that gave the City Council the final decision-making responsibility at an open meeting.

**Linda Hedges**, Milwaukie, spoke representing Neighborhood District Association (NDA) officers and PSAC representatives and addressed their concerns about the program. On July 20, 2010, the City Council adopted a resolution to fund a 3-year pilot program, Walk Safely Milwaukie. In August, City staff presented the program to PSAC. The fundamental change made by Community Development staff from the earlier Neighborhood Traffic Management Program (NTMP) was to minimize the Committee's role. This raised strong objections from the neighborhoods and the Committee, yet 3 months later those objections were still being ignored. Staff did not bring the program to the NDAs until September when rather than being discussed, the NDAs were told what to do in order to get funding. In reviewing the process details, Neighborhood officers found they would have to put a significant number of hours into getting evidence in support for projects, writing reports, and then preparing proposals for project bids. To clarify, the neighborhoods were grateful as each had 1 or 2 traffic issues for which they would like to spend that money. They recognized the program was to address the larger issues of livability and walkability in Milwaukie. However, it will take millions to address the City's lack of sidewalks and bike lanes and speeding vehicles in the neighborhoods. The increased funding under this program would allow the neighborhoods to at least start addressing some of these issues. They were concerned with staff's lack of respect for the PSAC whose membership was elected by the neighborhoods. They understood that they had oversight of the safety and security of the citizens. However, when they express their opinions, staff tells them they are not intelligent enough to select projects. Further, the NDAs were told about this program after the City Council approved it. The NDAs had to assume the City Council was told the neighborhoods had been consulted already. Once the NDA officers realized the level of involvement, they realized perhaps the City Council did not understand. The fallout from this treatment was one of the reasons people came to City Council last month asking that it listen, give weight to neighborhood voices, and consult with them more frequently. The group felt the grading criteria were too subjective such as

preference given to new leadership and preference for neighborhoods that could provide matching funds which would unfairly penalized those neighborhoods who spend their annual budgets on concerts, movie nights, and other community programs. She requested that the City Council postpone its approval of changes to this program until staff, PSAC, and NDA officers could sit down together and come to an acceptable compromise about project funding decisions and how the projects are scored and by whom. She understood the City Council did not wish further delays, but there was time before projects were selected in April or May. It was not acceptable for staff to refuse to respect elected representatives and try to engineer how the NDAs reached their decisions. Citizen-based decision making was the most important component of how this City should be run. On behalf of the neighborhood leadership and PSAC she urged the City Council to respect this request.

**Councilor Chaimov** responded from his perspective there was no disrespect intended or delivered by City staff. Staff presented the proposal in a work session which City Council subsequently adopted in a regular session. No one came forward at the time to point out any problems with the process, and the City Council now understood there were improvements being suggested. For the City Council to make the kinds of decisions Milwaukie residents wanted it to make, people needed to be fully engaged at the beginning of the process. It was not his intent to be critical of residents, and if anyone let the citizens down it was City Council and not the staff.

**Ms. Hedges** stated citizens needed to know these projects were coming and did not until the ordinance was adopted. Something was lacking in communication.

**Councilor Loomis** added the issue was with the City Council and not staff, so it needed to do a better job. This program moved forward under City Council direction. He felt it was a great program and did not understand what struck the nerve in the community. He would stay open minded and listen though the response was surprising.

**Mayor Ferguson** agreed in that City Council gave staff direction. He realized there was a disconnect with the NDA leaders. He hoped to move toward better communication through the monthly leadership meetings and City Council work session dialogues.

**Councilor Barnes** appreciated Ms. Hedges' perspective although she still needed to understand how a good idea like the WSMP turned into a controversial topic. She hoped to understand specifically what was wrong and was concerned no one had discussed the matter with the Mayor or Councilors. Instead she heard about this via emails rather than someone picking up the phone to talk about their concerns.

**Ms. Hedges** suggested the problem might have been in the implementation, and she recommended that all parties sit down and come up with a compromise. She felt the contention revolved around process and who made the project funding decisions. She did not feel the problems were insurmountable if people were reasonable.

**Councilor Stone** thought that was the purpose of having ranking criteria and asked if those were based on the earlier NTMP document. Each project proposal should be treated the same and ranked against the same criteria. Based on the criteria, the projects ranked themselves to avoid contentiousness between the neighborhoods. She got the feeling there was some of that going on here. Look at the facts and make the ranking as objective as possible.

**Debby Patten**, Milwaukie, Lake Road Neighborhood District Association. Lake Road NDA residents appreciated the opportunity to be involved in the WSMP and to have a voice in what the residents felt was unsafe in their neighborhood. There were many unsafe locations in Milwaukie for pedestrians and bicyclists that needed to be targeted. The NDAs were made up of volunteers who worked fulltime and volunteered for many other programs. They felt the WSMP was unwieldy and overly time consuming for the

**CITY COUNCIL REGULAR SESSION – NOVEMBER 16, 2010**

**DRAFT MINUTES**

**Page 5 of 10**

average volunteer. The Lake Road NDA wanted to be involved and welcomed the opportunity. Unfortunately, many volunteers lacked the time and knowledge required to complete the report. She hoped the City Council would reconsider the requirements and perhaps redesign the program to include more involvement by City staff such as surveys and education campaigns. She further urged a citizen group like PSAC be involved in the prioritization and funding of the projects.

**Mr. Klein**, NDA leadership, felt all the questions were valid and thought the disconnect occurred when there was a larger amount of money and the decision making was taken out of PSAC's hands. He understood PSAC could rank and evaluate, but staff would make the decision and take that to the City Council. He understood the City Council needed to make that decision, but it appeared it was being taken away from those trying to make their neighborhoods better places by pointing out what they felt needed to be done. People feel things never get done. Some of these were big projects like Lake Road, but \$250,000 over a 3-year period was just a morsel. More than that was spent on consultants in 1 year for projects that will never happen. Every NDA probably had 10 projects that needed to be done. It took extensive time and effort to go around the neighborhood and take surveys when citizens already had the answers was the disconnect.

**Councilor Barnes** asked how difficult it would be to take a survey via email and who made decisions on the NDA grant program.

**Mr. Klein** replied the Lewelling Neighborhood used a voting process among the membership, but he was not sure how other neighborhoods handled their grant requests. He said the neighborhoods could probably set up some kind of electronic survey.

**Councilor Barnes** said the City Council depended on the NDA leadership for input. A small number of people actually attend the NDA meetings, so she thought a better way might be to gather information by walking around neighborhood. If that was not possible, then an email response might work. She felt this all could be fixed, and she hoped concerned citizens would pick up the phone and call their Mayor and Councilors to keep the lines of communication open.

**Mr. Klein** had often said he represented the 30 or so people whom he considered active members and the 70 or so he considered to have some awareness out of the 4,000 who probably lived in the Lewelling Neighborhood. He could only represent those who plugged into the neighborhood. He started out his last NDA meeting by asking people what they would like to change in the City, and many replied street calming, traffic, and communication. He did not intend to go around his neighborhood where streets were not walkable knocking on doors in November.

**Councilor Loomis** thought \$250,000 was a lot of money that could be put toward doing good projects. He saw needed improvements in his neighborhood that did not cost that much. He went back to the meeting with the NDA leaders; going door to door with this Program was a positive thing to do in the neighborhoods. He understood there was a core group of volunteer, but talking with residents about projects they would like to see done was the way to get people involved. This was an opportunity, and he still did not understand why the program had become an issue.

**Mr. Klein** replied the nerve was poked when as a neighborhood chair he did outreach and was told the Association did not really accomplish anything. He agreed \$250,000 was a lot of money but not enough to fix the problems in the City. This was money spread out over 3 years among 7 neighborhoods, the downtown, and industrial district. The real disconnect was frustration because people had already reached out. It was a matter of putting in a lot of work with someone else having the final say. That has

happened far too often in Milwaukie. People have been asked far too often to come forward and give their time, experience, and comments. Information went through the channels, and people were told they had not really grasped the overall picture. The explanations did not come back to those involved.

**Councilor Stone** explained the WSMP was spawned from the NTMP. She recalled the NTMP had \$30,000 to do a list of 27 projects. To keep this in perspective, those involved with the NTMP went door-to-door to get signatures of those who might potentially be impacted by a project on a nearby street. As Councilor Loomis said, you met people going door-to-door and might get them involved. Only a handful of people in each NDA made it work, and Mr. Klein was a part of that. It did take some footwork, but \$250,000 going toward the WSMP was phenomenal given budget constraints. It would take some work. She did have some concerns about the criteria, but she felt it would play out if people stayed objective.

**Mr. Klein** agreed \$250,000 was a great deal of money, but \$800,000 was spent on Jackson Street which was a 1-block project. \$750,000 was spent on Logus Road which was a 5-block project. If he went out and knocked on doors, then he wanted to be part of the decision making. He understood prioritizing projects, but it was difficult to get buy in from the volunteers in the NDAs because they did not understand how decisions were made and the money spent.

**Councilor Barnes** commented on Ball-Michel Park and Logus Road Project in the Lewelling Neighborhood. She understood his frustration and thought maybe the criteria needed to be clarified.

**Mr. Klein** did not believe this program would pit neighborhood against neighborhood and that everyone understood the program and that everyone had needs. If neighborhood volunteers were being asked to do all this work, however, then it was difficult to buy off on decisions made from above. Look at light rail, for example, and in reality how many decisions could be made on that locally.

**Councilor Chaimov** suggested a motion to amend the resolution with attachment handed out at the beginning of the discussion of the program and then ask the residents who spoke whether, assuming the City Council adopted that, if it would be a sufficient change for staff to work the program for a year and see where it went.

**Councilor Chaimov** moved to adopt the resolution regarding the Walk Safely Milwaukie Program with the following amendment on page 12 in final paragraph in line 2 after PSAC insert a period; the last paragraph on page 12. After "PSAC" insert a period, delete the rest of the line, delete line 3, delete line 4, delete the remainder of the sentence in line 5, after the word "once" delete the word "the" and replace it with the word "a". The final paragraph would read, "The Community Development and Public Works Director or his or her designee shall present a draft funding recommendation to PSAC. Once a funding recommendation has been approved by PSAC it will be forwarded as a recommendation to the Council for final action."

**Mayor Ferguson** called for comments from those who testified on the modification.

**Mr. Hedges** said as he understood it, the draft recommendation would come to PSAC; if the Committee accepted it, then it went to the City Council.

**Councilor Chaimov** said it was his intention with the change to permit PSAC to send whatever funding recommendation, draft or otherwise, to the City Council.

**Mr. Hedges** replied that would be acceptable to PSAC.

**Ms. Hedges** agreed it was acceptable and thanked the City Council.

**Councilor Stone** commented on the ranking criteria and wondered why on page 79 of the staff report under neighborhood support the last criteria regarding signatures and neighborhood support did not have more definition. She had in mind support from residents on streets within a certain radius of the proposed project.

**Mr. Asher** responded staff had not set the bar quite that high as the purpose was to focus on the benchmarks which were empowering the Neighborhood Associations and increasing involvement. In the scheme of things this was only a point or two. It would be fine if the project impact area was notified but might be difficult to get that number of signatures.

**Councilor Stone** replied when they traffic-calmed streets, they got way more than 40 signatures from surrounding streets because of the possibility of cut through traffic. She thought it was a good practice.

**Mr. Asher** explained the criteria came from the history of Milwaukie programs and other cities. This was a unique program, and particular criteria had no science attached to it. One will not know how effective these were until they were tried, and some may need more customization.

**Councilor Stone** referred to awareness and education projects and was concerned if the NDAs had to prepare bid documents. She felt people could feel caught off-guard by some of the criteria.

**Mr. Asher** explained there were two kinds of projects in this program: capital where the scoring criteria needed to be more objective and awareness and education which had a softer evaluation that was not point-based.

**Mr. Campbell** discussed the awareness and education piece that each NDA, or a group of NDAs, could propose. These were practices staff felt should be encouraged to help the success of the program.

**Mr. Asher** clarified the motion. He understood staff would forward a list of projects based on the criteria to PSAC. The Committee would then take that list and forward it to the City Council as amended.

**Councilor Chaimov** replied that was correct. If the City Council thought PSAC had inappropriately strayed from the staff's recommendation, then it would make adjustments. He assumed City Council would see both the staff and the Committee lists in the background information.

**Mayor Ferguson** assumed since PSAC held public meetings that City Council could review the minutes and staff presentation materials for an understanding of the process.

**Mr. Asher** was concerned that perhaps there should be some time constraints on how long the Committee had to make its decision. He thought otherwise there might be some budget timing issues.

**Councilor Chaimov** assumed it would get done on time if people wanted money for their projects.

**Mr. Asher** heard in the motion a departure from the staff recommendation. At the last juncture before the City Council made its decision a new process was being inserted. He did not know what that process would look like, but he hoped it would be quick.

**Councilor Barnes** suggested a recess to fine-tune the process to help meet all parties' needs.

**Mayor Ferguson** read the language that would have been removed by Councilor Chaimov's motion and asked Mr. Asher how long he thought that process might take.

**Mr. Asher** thought it might be a matter of days or weeks because he wanted to stay within the funding cycle, but that was a very well-described process in which at least 2 people had to come to agreement. He hoped to complete as many projects as possible each summer. The new motion did not make clear how long the list might be in Committee.

**Councilor Stone** said if the objective ranking criteria were followed the projects would rank themselves based on need. If PSAC did not like it, then the Committee should let the City Council know. She understood that was what they were asking for.

**Mr. Asher** expected the City Council was the appropriate body to mediate those disagreements but different from what Councilor Chaimov was proposing.

**Councilor Loomis** agreed with Councilor Stone's comments. If there were a disagreement, then the City Council would render the decision.

**Mayor Ferguson** called for a recess at 9:20 p.m. The meeting reconvened at 9:40 p.m.

**Councilor Chaimov** revised his motion. The final paragraph, last sentence on page 12 would read, "PSAC within 30 days of receiving the draft funding recommendation forward a final funding recommendation to Council for final action."

**Mr. Monahan** asked for a few moments so that staff could review any other pages to identify subsequent inconsistencies.

**Mr. Campbell** understood the amendment on page 9 would mean at the May PSAC meeting, City staff would present the draft funding recommendation. The rest of that bullet and the next would be stricken. The final bullet would be "at the next available City Council meeting within 30 days of receipt of the draft funding recommendation: PSAC for a funding recommendation to City Council for final action."

**Councilor Chaimov** said that was consistent with the rest of his motion and would like to incorporate that.

**Councilor Stone seconded the motion.**

**Councilor Stone** understood staff would forward the list of recommended projects based on the ranking criteria to PSAC, and that if PSAC wanted to reprioritize that it would within 30 days get that recommendation to the City Council for final action with its sound reasons for making its proposals.

**Councilor Chaimov** responded that was the intent of the motion.

**Motion passed with the following vote: Councilors Stone, Loomis, Barnes and Chaimov and Mayor Ferguson voting 'aye.'** [5:0]

**RESOLUTION 83-2010:**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ADOPTING A REVISED THREE YEAR PILOT OF THE WALK SAFELY MILWAUKIE PROGRAM TO IMPROVE PEDESTRIAN SAFETY AND LIVABILITY IN MILWAUKIE NEIGHBORHOODS.**

**B. Reinstate the Prohibition of Recreational Vehicles Parking in the Right-of-way in Residential Areas – Ordinance**

**Mr. Salyers** provided the staff report. He requested adoption of the ordinance that created a new code section 10.20.060D and amending sections 10.04.320 and 10.04.380 regarding parking of recreation vehicles and private pleasure crafts and the definitions of right-of-way and street. The City Council adopted Ordinance 2015 on May 18, 2010 which dealt with the off-street parking code. In doing so the on-street portion

**CITY COUNCIL REGULAR SESSION – NOVEMBER 16, 2010**

**DRAFT MINUTES**

**Page 9 of 10**

was left out of the appropriate code section. The action before the City Council was essentially a housekeeping measure. The definitions of right-of-way and street were amended to help enforce the code.

**It was moved by Councilor Barnes and seconded by Councilor Stone for the first and second readings by title only and adoption of the ordinance creating a new Milwaukie Municipal Code Section 10.20.060D and amending Sections 10.04.320 and 10.04.380 regarding parking of recreational vehicles and private pleasure crafts, amending the definition of “right-of-way” and “street”. Motion passed with the following vote: Councilors Stone, Loomis, Barnes and Chaimov and Mayor Ferguson voting ‘aye.’ [5:0]**

**Mr. Monahan** read the ordinance two times by title only.

**Ms. DuVal** polled the City Council: Councilors Stone, Loomis, Barnes, and Chaimov and Mayor Ferguson voting “aye.” [5:0]

**ORDINANCE NO. 2021:**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, CREATING A NEW CODE SECTION 10.20.060D AND AMENDING SECTIONS 10.04.320 AND 10.04.380 OF THE MILWAUKIE MUNICIPAL CODE REGARDING PARKING OF RECREATIONAL VEHICLES AND PRIVATE PLEASURE CRAFTS, AMENDING DEFINITIONS OF “RIGHT-OF-WAY” AND “STREET.”**

**B. City Manager Report**

**Mr. Monahan** discussed possible goal setting dates, and the Mayor and Council consulted their calendars.

**C. Council Reports**

**Mayor Ferguson** announced upcoming community events.

**ADJOURNMENT**

**It was moved by Mayor Ferguson and seconded by Councilor Stone to adjourn the meeting. Motion passed with the following vote: Councilors Stone, Loomis, Barnes, and Chaimov and Mayor Ferguson voting “aye.” [5:0]**

**Mayor Ferguson** adjourned the regular session at 9:56 p.m.

Respectfully submitted,

---

Pat DuVal, Recorder

**6.**  
**OTHER BUSINESS**



**6.A.**

**To: Mayor and City Council**

**Through: Bill Monahan, City Manager  
Kenneth Asher, Community Development and Public Works Director  
Katie Mangle, Planning Director**

**From: Li Alligood, Assistant Planner**

**Subject: File #A-10-05 – Expedited Annexation of 9526 SE Wichita Ave**

**Date: January 25, 2011, for February 1, 2011, Regular Session**

**Action Requested**

Approve application A-10-05, an expedited annexation petition, and adopt the attached ordinance and associated findings in support of approval (Attachment 1). Approval of this application would result in the following actions:

- Annexation of the property at 9526 SE Wichita Ave (“Annexation Property”) into the City of Milwaukie (see Attachment 2).
- Application of City land use and zoning designations to the Annexation Property.
- Amendments to the City’s Land Use Map and Zoning Map to reflect the City’s new boundary and land use and zoning designations.
- Withdrawal of the site from the following urban service providers and districts:
  - Clackamas County Service District for Enhanced Law Enforcement
  - Clackamas County Service District No. 5 for Street Lights

**History of Prior Actions and Discussions**

**January 2010:** Council annexed the rights-of-way in the Northeast Sewer Extension (NESE) Project Area making all properties in this area contiguous to the City limits and eligible for annexation (Ordinance 2010).

**September 2009:** Council initiated annexation of the rights-of-way in the NESE Project Area by resolution (Resolution No. 58-2009).

**August 2009:** Staff briefed Council on the status of the NESE Project and the need to annex the rights-of-way in this area.

**July 1990:** Clackamas County Order No 90-726 established an Urban Growth Management Agreement (UGMA) in which the City and County agreed to coordinate the future delivery of services to the unincorporated areas of North Clackamas County. With respect to Dual Interest Area "A", the agreement states: *"The City shall assume a lead role in providing urbanizing services."*

## **Background**

### **Proposal**

The applicant proposes an expedited annexation to the City in order to connect to the City's sewer system. The septic system on the property is beginning to fail, and an emergency connection to the sewer is desired. The applicant can proceed with connecting to the sewer more expeditiously by annexing as an individual property apart from the City's Annexation Assistance Program.

### **Site and Vicinity**

The site is contiguous to the existing city limits as a result of the NESE right-of-way annexation in 2010. The annexation property is also within the City's urban growth management area (UGMA) and the NESE project area.

The site is currently developed with a single family house and an accessory building. It is located on Wichita Ave between Firwood St and Hazel Pl. The surrounding area consists of single family residences. The owners currently reside at the property.

The single family dwelling is an outright allowed use, and the structure does not appear to have any significant non-conformities with regard to the City's development standards.

### **Annexation Petition**

This is a regular expedited annexation petition (see Attachment 3), and is similar to other typical expedited annexations approved by City Council in the past two years. Any property that is within the UGMA and contiguous to the city limit may apply for an expedited annexation so long as all property owners of the area to be annexed and at least 50% of registered voters within the area to be annexed consent to the annexation.

For the Annexation Property, the property owners have signed the petition for annexation. The expedited annexation process automatically assigns City land use and

zoning designations to the annexed property based on the existing Clackamas County land use and zoning designations. For the Annexation Property, the County land use and zoning designation are Low Density Residential (LDR) and Residential R10, respectively, and the City land use and zoning designations would be Low Density Residential (LD) and Residential Zone R-10.

Pursuant to City, Metro, and State regulations on expedited annexations, all necessary parties, interested persons, and residents and property owners within 400 feet of the site were notified of these proceedings. A public hearing is not required for an expedited annexation; however, Council must adopt an ordinance to implement the annexation.

### **Expedited Annexation Approval Criteria**

Expedited annexations must meet the approval criteria of Milwaukie Municipal Code Section 19.1502.3. Compliance with the following criteria is detailed in Attachment 1 Exhibit A.

### **Utilities, Service Providers, and Service Districts**

The City is authorized by ORS Section 222.120 (5) to withdraw the site from non-City service providers and districts upon annexation of the site to the City. This allows for a more unified and efficient delivery of urban services to newly annexed properties and is in keeping with the City's Comprehensive Plan policies relating to annexation.

Wastewater: The subject site is within the City's sewer service area pursuant to the 1990 City-County Urban Growth Management Agreement and is served by the City's new sewer system.

Water: The site is currently served by CRW through a CRW water line in Wichita Ave. Pursuant to the City's IGA with CRW, the site should not be withdrawn from this district at this time.

Storm: The Annexation Property is not connected to a public storm water system. Treatment and management of on-site storm water will be required when new development occurs.

Fire: The site is currently served by Clackamas County Fire District No. 1 and will continue to be served by this fire district upon annexation since the entire City is within this district.

Police: The site is currently served by the Clackamas County Sheriff's Department and is within the Clackamas County Service District for Enhanced Law Enforcement, which provides additional police protection to the area. The City has its own police department, and this department can adequately serve the site. In order to avoid duplication of services, the site should be withdrawn from Clackamas County Service District for Enhanced Law Enforcement upon annexation to the City.

Street Lights: The subject site is currently within Clackamas County Service District No. 5 for Street Lights (the "District"). The City recently took jurisdiction of the streets in the NESE Project Area but not the lights since none of the properties were in the city at this time. This, however, is expected to change as this and other annexations occur in this area. In anticipation of these changes, City and District staff are working on an IGA that would: (1) transfer the street lights in this area to the City; and (2) transfer the street light payments that will continue to be collected in this area by the District to the City.

It has been the City's practice to remove properties from the District upon annexation, as the City provides street lighting for properties within the city as part of its package of city services. Staff believes that it is timely and appropriate to remove the subject site from the District at this time. Even though the street lights in this area are currently operated by the District, the District supports the City's removal of the Annexation subject site from the District with the understanding that a future IGA will resolve the transference of the street lights and payments in this area to the City.

Other Services: Planning, Building, Engineering, Code Enforcement, and other municipal services are available through the City and will be available to the site upon annexation. The site will continue to receive services and remain within the boundaries of certain regional and county service providers, such as Tri-Met, North Clackamas School District, Vector Control District, etc.

### **Concurrence**

All City departments, necessary parties, interested persons, and residents and property owners within 400 feet of the site were notified of these annexation proceedings as required by City, Metro, and State regulations. The City did not receive any objection to the proposed annexation by any necessary party. The Lewelling Neighborhood District Association and the Southgate Planning Association also received notice of the annexation petition and meeting. The City did not receive any objection to the proposed annexation by any necessary party.

The Engineering and Operations Directors agree with the approach currently under discussion with Clackamas County Service District No. 5 for Street Lights regarding the transference of the street lights in this area to the City.

### **Fiscal Impact**

The annexation will have minimal fiscal impact on the City. Costs of providing governmental services will likely be off-set by the collection of property taxes. The site's total assessed value is currently \$237,403.

### **Work Load Impacts**

Workload impacts will be minimal and will likely include, but are not limited to, the following: utility billing, provision of general governmental services, and the setting up and maintenance of property records.

### **Alternatives**

The application is subject to Milwaukie Comprehensive Plan Chapter 6 City Growth and Governmental Relationships, Oregon Revised Statutes Chapter 222 City Boundary Changes, Metro Code Chapter 3.09 Local Government Boundary Changes, and MMC Chapter 19.1500 Boundary Changes.

The City Council has two decision-making options:

1. Approve the application and adopt the ordinance and findings in support of approval.
2. Deny the application and adopt findings in support of denial.

### **Attachments**

1. Annexation Ordinance
  - Exhibit A. Findings in Support of Approval
  - Exhibit B. Legal Description and Tax Maps
2. Annexation Site Map
3. Applicant's Annexation Petition

ATTACHMENT 1

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF MILWAUKIE ANNEXING A TRACT OF LAND IDENTIFIED AS 9526 SE WICHITA AVENUE INTO THE CITY LIMITS OF THE CITY OF MILWAUKIE AND WITHDRAWING THE TRACT FROM THE TERRITORY OF CLACKAMAS COUNTY SERVICE DISTRICT FOR ENHANCED LAW ENFORCEMENT AND CLACKAMAS COUNTY SERVICE DISTRICT NO. 5 FOR STREET LIGHTS. (FILE #A-10-05).**

**WHEREAS**, the territory proposed for annexation is contiguous to the City's boundary and is within the City's urban growth management area; and

**WHEREAS**, the requirements of the Oregon Revised Statutes for initiation of the annexation were met by providing written consent from a majority of electors and all owners of land in the territory proposed for annexation; and

**WHEREAS**, the territory proposed for annexation lies within the territory of Clackamas County Service District No. 5 for Street Lights and Clackamas County Service District for Enhanced Law Enforcement; and

**WHEREAS**, the annexation and withdrawals are not contested by any necessary party; and

**WHEREAS**, the annexation will promote the timely, orderly, and economic provision of public facilities and services; and

**WHEREAS**, Table 19.1504.1.E of the Milwaukie Municipal Code provides for the automatic application of City zoning and Comprehensive Plan land use designations; and

**WHEREAS**, the City conducted a public meeting and mailed notice of the public meeting as required by law; and

**WHEREAS**, the City prepared and made available an annexation report that addressed all applicable criteria, and, upon consideration of such report, the City Council favors annexation of the tract of land and withdrawal from all applicable districts based on findings and conclusions attached hereto as Exhibit A;

**NOW, THEREFORE, THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:**

Section 1. The Findings in Support of Approval and attached as Exhibit A are hereby adopted.

Section 2. The tract of land described and depicted in Exhibit B is hereby annexed to the City of Milwaukie.

Section 3. The tract of land annexed by this ordinance and described in Section 2 is hereby withdrawn from Clackamas County Service District for Enhanced Law Enforcement and Clackamas County Service District No. 5 for Street Lights.

Section 4. The tract of land annexed by this ordinance and described in Section 2 is hereby assigned a Comprehensive Plan land use designation of Low Density Residential and a Municipal Code zoning designation of Residential zone R-10.

Section 5. The City shall immediately file a copy of this ordinance with Metro and other agencies required by Metro Code Chapter 3.09.030 and ORS 222.005 and 222.177. The annexation and withdrawals shall become effective upon filing of the annexation records with the Secretary of State as provided by ORS 222.180.

Read the first time on \_\_\_\_\_, and moved to second reading by \_\_\_\_\_ vote of the City Council.

Read the second time and adopted by the City Council on \_\_\_\_\_.

Signed by the Mayor on \_\_\_\_\_.

\_\_\_\_\_  
Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Jordan Schrader Ramis PC

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

Document1 (Last revised 09/18/07)

## Exhibit A

### FINDINGS IN SUPPORT OF APPROVAL

Based on the expedited annexation staff report for 9526 SE Wichita Ave (“Annexation Property”), the Milwaukie City Council finds:

1. The annexation property consists of one tax lot comprising 0.36 acres (Tax Map 1S2E30DA Tax Lot 1100). The western border of the site is contiguous to the existing city. The site is also within the City’s urban growth management area (UGMA). The property is developed with a single family dwelling unit. The surrounding area consists primarily of single-family dwellings.
2. The property owner seeks annexation to the City to access City services, namely sewer service, to eliminate the use of a failing septic system on the properties.
3. The annexation petition was initiated by Consent of All Owners of Land on December 7, 2010. It meets the requirements for initiation set forth in ORS 222.125, Metro Code Section 3.09.040, and Milwaukie Municipal Code (MMC) Subsection 19.1502.2.A.1.
4. The annexation petition was processed and public notice was provided in accordance with ORS Section 222.125, Metro Code Section 3.09.045, and MMC Section 19.1504.
5. The annexation petition is being processed as an expedited annexation at the request of the property owner. It meets the expedited annexation procedural requirements set forth in MMC Section 19.1504.
6. The expedited annexation process provides for automatic application of City land use and zoning designations to the site based on the site’s existing zoning designation in the County. The site’s existing zoning designation in the County is Residential R10 and the existing land use designation is Low Density Residential (LDR). Pursuant to MMC Table 19.1504.1.E, the automatic City zoning and Comprehensive Plan land use designations for this site are Residential Zone R-10 and Low Density Residential, respectively.
7. The applicable City approval criteria for expedited annexations are contained in MMC 19.1502.3. They are listed below with findings in italics.
  - A. The subject site must be located within the City’s urban growth management area (UGMA);  
*The site is within the City’s UGMA.*
  - B. The subject site must be contiguous to the existing city limits;  
*The site is contiguous to the existing city limits along its western edge.*

- C. The requirements of Oregon Revised Statutes for initiation of the annexation process must be met;

*Robert and Vera Barrett, the site owners, consented to the annexation by signing the petition. There are no additional residents at the site. As submitted, the annexation petition meets the Oregon Revised Statutes requirements for initiation pursuant to the "Consent of All Owners of Land" initiation method, which requires consent by all property owners and a majority of the electors residing at the site.*

- D. The proposal must be consistent with Milwaukie Comprehensive Plan Policies;

*Chapter 6 of the Comprehensive Plan contains the City's annexation policies. Applicable annexation policies include: (1) delivery of City services to annexing areas where the City has adequate services, and (2) requiring annexation in order to receive a City service. Sewer service to the property is available along Wichita Ave; the property owners are pursuing expedited annexation in order to connect to City sewer service. As proposed, the annexation is consistent with Milwaukie Comprehensive Plan policies.*

- E. The proposal must comply with the criteria of Metro code Sections 3.09.050 (d) and, if applicable, (e).

*The annexation proposal is consistent with applicable Metro Code sections for expedited annexations as detailed below.*

8. Prior to approving an expedited annexation, the City must apply the provisions contained in Section 3.09.045 of the Metro Code, which are as follows:

- A. Find that the change is consistent with expressly applicable provisions in:

- (A) Any applicable urban service agreement adopted pursuant to ORS 195.205;

*There are no applicable urban service agreements adopted pursuant to ORS 195 in the area of the proposed annexation. The City, however, has an UGMA agreement with Clackamas County that states that the City will take the lead in providing urban services in the area of the proposed annexation. Pursuant to this agreement, the City is in the process of extending City sewer service to this area. The proposed annexation is in anticipation of the completion of this sewer project and the requirement for properties to annex to the City in order to connect to the City's new sewer line.*

- (B) Any applicable annexation plan adopted pursuant to ORS 195.205;

*There are no applicable annexation plans adopted pursuant to ORS 195 in the area of the proposed annexation.*

- (C) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020 (2) between the affected entity and a necessary party;

*There are no applicable cooperative planning agreements adopted pursuant to ORS 195 in the area of the proposed annexation.*

- (D) Any applicable public facility plan adopted pursuant to a statewide planning goal on public facilities and services;

*Clackamas County completed a North Clackamas Urban Area Public Facilities Plan in 1989 in compliance with Goal 11 of the Land Conservation and Development Commission for coordination of adequate public facilities and services. The City subsequently adopted this plan as an ancillary Comprehensive Plan document. The plan contains four elements:*

- *Sanitary Sewerage Services*
- *Storm Drainage*
- *Transportation Element*
- *Water Systems*

*The proposed annexation is consistent with the four elements of this plan as follows:*

*Sewer: The City is the identified sewer service provider in the area of the proposed annexation and has completed a public sewer system that can adequately serve this site.*

*Storm: The Annexation Property is not connected to a public storm water system. Treatment and management of on-site storm water will be required when new development occurs.*

*Transportation: The City will require public street improvements along the site's frontage when new development occurs.*

*Water: Clackamas River Water (CRW) is the identified water service provider in this plan. However, the City's more recent UGMA agreement with the County identifies the City as the lead urban service provider in the area of the proposed annexation. The City is in the process of developing a water service master plan for all of the territory within its UGMA and discussing possible service provision changes with CRW. In the meantime, CRW will continue to provide water service to this site.*

- (E) Any applicable comprehensive plan.

*The proposed annexation is consistent with the Milwaukie Comprehensive Plan, which is more fully described on the previous page. The Clackamas County Comprehensive Plan contains no specific language regarding City annexations. It does, however, contain the City-County UGMA agreement, which identifies the area of the proposed annexation as being within the City's UGMA. The UGMA agreement requires that the City notify the County of proposed annexations, which the City has done. The agreement also calls for City assumption of jurisdiction of local streets that are adjacent to newly annexed areas. The City has already annexed and taken jurisdiction of the street adjacent to the proposed annexation site, namely SE Wichita Ave.*

- B. Consider whether the boundary change would:

- (A) Promote the timely, orderly and economic provision of public facilities and services;

*The City is the identified urban service provider in the area of the proposed annexation, and the proposed annexation will facilitate the timely, orderly, and economic provision of urban services to this site.*

*The City has recently expanded City sewer service into this area via Wichita Ave. The proposed annexation is requested to allow the property to connect to the City's new sewer system.*

*The area is currently served by CRW, and the City does not propose to duplicate CRW's water system to serve this site.*

- (B) Affect the quality and quantity of urban services; and

*Annexation of the site, a tax lot developed with a single family residence, is not expected to affect the quality or quantity of urban services in this area given the surrounding level of urban development and the existing level of urban service provision in this area.*

- (C) Eliminate or avoid unnecessary duplication of facilities and services.

*The site will be served by the Milwaukie Police Department upon annexation. In order to avoid duplication of law enforcement services, the site will be withdrawn from the Clackamas County Service District for Enhanced Law Enforcement.*

*CRW is the current water service provider in the area of the proposed annexation. Until such time as the existing IGA between the City and CRW is renegotiated, the City does not intend to*

*duplicate CRW's existing water supply system or withdraw private properties being served by CRW from the CRW district. CRW will continue to be the water service provider in this area.*

9. The City is authorized by ORS Section 222.120 (5) to withdraw annexed territory from non-City service providers and districts upon annexation of the territory to the City. This allows for more unified and efficient delivery of urban services to newly annexed properties and is in keeping with the City's Comprehensive Plan policies relating to annexation.

Wastewater: The Annexation Property is within the City's sewer service area and will be served by the City's new sewer lines in the northeast sewer extension area.

Water: The Annexation Property is currently served by CRW through a CRW water line. Pursuant to the City's IGA with CRW, the site should not be withdrawn from this district at this time.

Storm: The Annexation Property is not connected to a public storm water system. Treatment and management of on-site storm water will be required when new development occurs.

Fire: The Annexation Property is currently served by Clackamas County Fire District No. 1 and will continue to be served by this fire district upon annexation since the entire City is within this district.

Police: The Annexation Property is currently served by the Clackamas County Sheriff's Department and is within the Clackamas County Service District for Enhanced Law Enforcement, which provides additional police protection to the area. The City has its own police department, and this department can adequately serve the site. In order to avoid duplication of services, the site should be withdrawn from Clackamas County Service District for Enhanced Law Enforcement upon annexation to the City.

Street Lights: All properties in unincorporated Clackamas County are in Clackamas County Service District No. 5 for Street Lights. The site should be withdrawn from this district upon annexation to the City. The City does not levy a separate tax or assess individual properties for street lighting.

Other Services: Planning, Building, Engineering, Code Enforcement, and other municipal services are available through the City and will be available to the site upon annexation. The site will continue to receive services and remain within the boundaries of certain regional and county service providers, such as Tri-Met, North Clackamas School District, Vector Control District, etc.

LEGAL DESCRIPTION

Milwaukie Annexation File No. A-10-05

Property Address: 9526 SE Wichita Ave, Milwaukie, OR 97222

Tax Lot Description: 1S2E30DA01100

Legal Description: Part of lot 4, Wichita, in the county of Clackamas and the state of Oregon, being the south 75 feet of the following described property, to-wit:

The west one-half of the following described property:  
Commencing at a point 633 feet south of the northwest corner of Lot 2, Wichita; thence easterly 471.5 feet, more or less, to a point on the east line of the plat of Wichita, that is 144.5 feet north of the southeast corner of Lot 3, Wichita; thence south 237.3 feet, more or less, to an intersection with the East-West centerline through Lot 4, Wichita; thence west on said centerline, 469.4 feet, more or less, to the west line of Lot 4; thence north along the west lines of Tract 4 and 3, a distance of 282.4 feet, more or less, to the point of beginning.

Map 12E30DA01100

County: Clackamas





PLANNING DEPARTMENT  
6101 SE Johnson Creek Blvd  
Milwaukie OR 97266

PHONE: 503-786-7620  
FAX: 503-774-8236  
E-MAIL: [planning@ci.milwaukie.or.us](mailto:planning@ci.milwaukie.or.us)  
WEB: [www.cityofmilwaukie.org](http://www.cityofmilwaukie.org)

# Expedited Annexation Application

RESPONSIBLE PARTIES: (Please print or type, add additional sheets if needed)

APPLICANT(S):	ROBERT AND VERA BARRETT	E-mail:	rutree2@aol.com
Mailing address:	9526 SE WICHITA AVE	Zip:	97222 Phone: 503-654-1970
PROPERTY OWNER(S):	ROBERT AND VERA BARRETT	E-mail:	rutree2@aol.com
Mailing address:	9526 SE WICHITA AVE	Zip:	97222 Phone: 503-654-1970
PROPERTY OWNER(S):	GAME	E-mail:	
Mailing address:		Zip:	Phone:
PROPERTY OWNER(S):		E-mail:	
Mailing address:		Zip:	Phone:

SITE INFORMATION:

Address(es):	9526 SE WICHITA AVE	Map & Tax Lot(s):	12E 30 DA 1100	Property size:	281.7' x 25'
Existing County zoning:	R-10	Proposed City zoning:	R-10		
Existing County land use designation:	LD	Proposed City land use designation:	LD		

PROPOSAL (describe briefly):

NEED TO EXPEDITE ANNEXATION TO MAKE UP TO SEWER DUE TO FAILED SEPTIC SYSTEM

ATTEST: I am the property owner or I have attached all owners' and voters' authorizations to submit this application. I understand that uses or structures that were not legally established in the County are not made legal upon annexation to the City. To the best of my knowledge, the information provided within this application package is complete and accurate.

Submitted by: *[Signature]* Date: 12/6/10

THIS SECTION FOR OFFICE USE ONLY:

File #: A-10-05	Fee: \$ 850	Rec'd by: <i>[Signature]</i>	Date stamp:
Notes: Cost is \$100 - \$50 for previous pre-app meeting			RECEIVED
			DEC 07 2010
			CITY OF MILWAUKIE PLANNING DEPARTMENT

# EXPEDITED ANNEXATION CODE EXCERPTS

## MILWAUKIE MUNICIPAL CODE SECTIONS

---

### 19.1504.1 Expedited Process

- A. A petition for any type of minor boundary change may be processed through an expedited process as provided by Metro Code Chapter 3.09.
  - 5. Approval criteria for annexations are found in subsection 19.1502.3.

**19.1502.3 Annexation Approval Criteria.** The city council shall approve or deny an annexation proposal based on findings and conclusions addressing the following criteria.

- A. The subject site must be located within the city urban growth boundary;
- B. The subject site must be contiguous to the existing city limits;
- C. The requirements of the Oregon Revised Statutes for initiation of the annexation process must be met;
- D. The proposal must be consistent with Milwaukie comprehensive plan policies;
- E. The proposal must comply with the criteria of Metro Code Sections 3.09.050(d) and, if applicable, (e).

## METRO CODE SECTIONS

---

### 3.09.050 Hearing & Decision Requirements for Decisions Other Than Expedited Decisions.

- (d) To approve a boundary change, the reviewing entity shall apply the criteria and consider the factors set forth in subsections (d) and (e) of Section 3.09.045.

## MILWAUKIE COMPREHENSIVE PLAN

---

### Chapter 6: City Growth and Governmental Relationships; City Growth Element

Goal Statement: To identify the City's future planning and service area, establish the respective responsibilities for reviewing and coordinating land use regulations and actions within the area, and determine the most cost-effective means to provide the full range of urban services within the area.

*proposed Annexation meets all the above  
Criteria*

*Robert Barrett*

I/WE, THE UNDERSIGNED PROPERTY OWNER(S), AFFIRM BY MY/OUR SIGNATURE(S) THAT THE INFORMATION CONTAINED IN THIS DOCUMENT AND ASSOCIATED SUBMISSIONS IS TRUE AND CORRECT.

Property Owner Robert Barrett Date: 12/7/10  
Signature  
ROBERT A. BARRETT  
Printed Name

Property Owner Vera M Barrett Date: 12/7/10  
Signature  
Vera M Barrett  
Printed Name

Property Owner \_\_\_\_\_ Date: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name

Property Owner \_\_\_\_\_ Date: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name

Property Owner \_\_\_\_\_ Date: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name

Property Owner \_\_\_\_\_ Date: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name

Property Owner \_\_\_\_\_ Date: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name

Property Owner \_\_\_\_\_ Date: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name

**EXPEDITED ANNEXATION  
PETITION OF OWNERS OF 100% OF LAND AREA  
AND PETITION OF A MAJORITY OF REGISTERED VOTERS**

**TO: The Council of the City of Milwaukie, Oregon**

**RE: Petition for Annexation to the City of Milwaukie, Oregon**

We, the petitioners (listed on reverse), are property owners of and/or registered voters in the territory described below. We hereby petition for, and give our consent to, annexation of this territory to the City of Milwaukie.

This petition includes a request for the City to assign a zoning and land use designation to the territory that is based on the territory's current zoning designation in the County, pursuant to the City's expedited annexation process.

The territory to be annexed is described as follows:

*(Insert legal description below OR attach it as Exhibit "A")*

SEE EXHIBIT A

**CERTIFICATION OF LEGAL DESCRIPTION AND MAP**

I hereby certify that the description of the territory included within the attached petition (located on Assessor's Map 1S 2E 30DA <sup>Tax Lot</sup> 1100) has been checked by me. It is a true and exact description of the territory under consideration and corresponds to the attached map indicating the territory under consideration.

Name Mary Neigel Mansfield  
Title Cartographer 2  
Department Assessment & Tax  
County of Clackamas  
Date 12.06.2010



STATE OF OREGON }  
COUNTY OF CLACKAMAS } ss.

I, SHERRY HALL, County Clerk of the State of Oregon for the County of Clackamas, do hereby certify that the foregoing copy of

Bargain and Sale Deed. - 2 pgs  
2004-029227

has been by me compared with the original, and that it is a correct transcript therefrom, and the whole of such original, as the name appears on file and of record in my office and in my care and custody.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this 3rd day of

December, 2010.

SHERRY HALL, Clerk

By: Jan Hall  
Deputy



EA NO PART OF ANY STEVENS-NESS FORM MAY BE REPRODUCED IN ANY FORM OR BY ANY ELECTRONIC OR MECHANICAL MEANS.



VERA M. BARRETT  
P.O. Box 22890

STATE OF OREGON,  
County of \_\_\_\_\_ } ss.

MILWAUKIE, OR 97269  
Grantor's Name and Address

Clackamas County Official Records 2004-029227  
Sherry Hall, County Clerk

VERA M. BARRETT, ROBERT A. BARRETT  
P.O. Box 22890



\$26.00

MILWAUKIE, OR 97269  
Grantee's Name and Address

00661309200400292270010019

04/07/2004 11:38:01 AM

After recording, return to (Name, Address, Zip):

ROBERT A. BARRETT, VERA M. BARRETT  
P.O. Box 22890

D-D Cnt=1 Stn=1 DIANNAW  
\$5.00 \$11.00 \$10.00

MILWAUKIE, OR 97269

Until requested otherwise, send all tax statements to (Name, Address, Zip):

VERA M. BARRETT, ROBERT A. BARRETT  
P.O. Box 22890

MILWAUKIE, OR 97269

Exhibit A

BARGAIN AND SALE DEED

KNOW ALL BY THESE PRESENTS that VERA M. BARRETT

hereinafter called grantor, for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto ROBERT A. BARRETT AND VERA M. BARRETT hereinafter called grantee, and unto grantee's heirs, successors and assigns, all of that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, situated in CLACKAMAS County, State of Oregon, described as follows, to-wit:

9526 SE WICHITA AVE. MILWAUKIE, OR 97222

PART OF LOT 4, WICHITA, IN THE COUNTY OF CLACKAMAS AND THE STATE OF OREGON, BEING THE SOUTH 75 FEET OF THE FOLLOWING described property, to-wit:

THE WEST ONE-HALF OF THE FOLLOWING described property: COMMENCING AT A POINT 633 FEET SOUTH OF THE NORTHWEST CORNER OF LOT 2, WICHITA; THENCE EASTERLY 471.5 FEET, MORE OR LESS, TO A POINT ON THE EAST LINE OF THE PLAT OF WICHITA, THAT IS 144.5 FEET NORTH OF THE SOUTHEAST CORNER OF LOT 3, WICHITA; THENCE SOUTH 237.3 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE EAST-WEST CENTERLINE THROUGH LOT 4, WICHITA; THENCE WEST ON SAID CENTERLINE, 469.4 FEET, MORE OR LESS, TO THE WEST LINE OF LOT 4; THENCE NORTH ALONG THE WEST LINES OF TRACT 4 AND 3, A DISTANCE OF 282.4 FEET, MORE OR LESS, TO THE POINT OF BEGINNING. MAP 12 E 300 A 01100

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

To Have and to Hold the same unto grantee and grantee's heirs, successors and assigns forever.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 1.00. However, the actual consideration consists of or includes other property or value given or promised which is part of the the whole (indicate which) consideration. (The sentence between the symbols ⊕, if not applicable, should be deleted. See ORS 93.030.)

In construing this deed, where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this deed shall apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument on 4/7/04; if grantor is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Robert Barrett  
Vera M. Barrett



MAN

12/06/10

STATE OF OREGON, County of Clackamas ) ss.

This instrument was acknowledged before me on April 7, 2004 by Robert A. Barrett and Vera M. Barrett

This instrument was acknowledged before me on \_\_\_\_\_

by \_\_\_\_\_

as \_\_\_\_\_



Sharon L. Potts  
Notary Public for Oregon

My commission expires May 29, 2005

## PETITION SIGNERS

NOTE: This petition may be signed by qualified persons even though they may not know their property description or voter precinct number.

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
<i>Robert Barrett</i>	ROBERT A BARRETT				12/7/10
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	
9526 SE WICHITA AVE	15	2E	30 DA	1100	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
<i>Vera Mae Barrett</i>	VERA M BARRETT				12/7/10
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	
9526 SE WICHITA AVE	15	2E	30 DA	1100	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

\*PO = Property Owner    RV = Registered Voter    OV = Owner and Registered Voter

# NOTICE LIST

(This form is NOT the petition)

**LIST THE NAMES AND ADDRESSES OF ALL PROPERTY OWNERS AND REGISTERED VOTERS IN THE TERRITORY PROPOSED FOR ANNEXATION.**

	Name of Owner/Voter	Mailing Street Address	Property Address
		Mailing City/State/Zip	Property Description <small>(township, range, ¼ section, and tax lot)</small>
1	ROBERT A BARRETT 9526 SE WICHITA AVE MILW., OR, 97222	9526 SE WICHITA AVE MILW., OR 97222	15 2E 30DA 1100
2	VERA M. BARRETT	9526 SE WICHITA AVE MILW., OR 97222	15 2E 30DA 1100
3			
4			
5			
6			
7			
8			
9			
10			

**CERTIFICATION OF PROPERTY OWNERSHIP OF  
100% OF LAND AREA**

I hereby certify that the attached petition contains the names of the owners<sup>1</sup> (as shown on the last available complete assessment roll) of 100% of the land area of the territory proposed for annexation as described in the attached petition.

Name Mary Neigel Mary Neigel  
Title Cartographer  
Department Assessment & Tax  
County of Clackamas  
Date 12.06.2010



<sup>1</sup> Owner means the legal owner of record or, where there is a recorded land contract which is in force, the purchaser thereunder. If a parcel of land has multiple owners, each consenting owner shall be counted as a percentage of their ownership interest in the land. That same percentage shall be applied to the parcel's land mass and assessed value for purposes of the consent petition. If a corporation owns land in territory proposed to be annexed, the corporation shall be considered the individual owner of that land.



NOV 06 2006

RRM

SEL-500 rev 7/06

**1 qualification** *If you mark no in response to either of these questions, do not complete this form.*

Are you a citizen of the United States of America?  yes  no  
Will you be 18 years of age on or before election day?  yes  no

**2 personal information** *denotes optional information*

name last: BARRETT first: ROBERT middle: ANDREW  
Oregon residence address (include apt. or space number): 9526 SE WILKITA AVE city: MILWAUKEE zip code: 97222  
date of birth (month/day/year): 4/30/40 county of residence\*: CLACKAMAS  
phone number\*: 503-654-4070 email address\*: rutree2@aol.com  
mailing address (required if different than residence address): P.O. BOX 214 BAGUE CR. city:  zip code: 97022

**3 political party** *choose one of the following*

Constitution  Democratic  Libertarian  
 Pacific Green  Republican  Not a member of a party  
 Other

**4 Oregon DMV Driver's License/ID number** *If you fill in this section, do not send a copy of ID*

3 8 7 7 1 8  
valid Oregon DMV Driver's License/ID number

Mark here only if you do not have a valid Oregon DMV Driver's License/ID and go to step 4a.

**4a** *Last four digits of Social Security number. If you fill in this section, do not send a copy of ID*

\*\*\*-\*\*-5 4 9 4  
Last four digits of Social Security number

Mark here only if you do not have a valid Oregon DMV Driver's License/ID or a Social Security number. If you are registering by mail, please include a copy of acceptable identification, listed to the left.

**5 signature** *I swear or affirm that I am qualified to be an elector and I have told the truth on this registration.*

sign here: Robert Barrett date today: 11/4/06

**!** If you sign this card and know it to be false, you can be fined up to \$125,000 and/or jailed for up to 5 years.

BY: [Signature]  
CERTIFIED COPY OF THE ORIGINAL  
SHERRY HALL, COUNTY CLERK



NOV 03 2006

SEL 000 Nov 1/06

Request ballot etc

**1 qualifications** If you mark no in response to either of these questions, do not complete this form.

Are you a citizen of the United States of America?  yes  no  
Will you be 18 years of age on or before election day?  yes  no

**2 personal information** \*denotes optional information

name last: Barrett first: Vera middle: Mae  
Oregon residence address (include apt. or space number): 9526 SE Wichita Ave city: Milwaukie zip code: 97222  
date of birth (month/day/year): Sep 5 1938 county of residence\*: Clackamas  
phone number\*: 503-654-1970 email address\*: verabarrett@comcast.net  
mailing address (required if different than residence address): PO Box 214 Eagle Creek city: Eagle Creek zip code: 97022

**3 political party** choose one of the following:

- Constitution
- Pacific Green
- Other
- Democratic
- Republican

**4 Oregon DMV Driver's License/ID number** if you fill in this section, do not send a copy of ID.

560917  
valid Oregon DMV Driver's License/ID number

Mark here only if you **do not have** a valid Oregon DMV Driver's License/ID and go to step 4a.

**4a last four digits of Social Security number** if you fill in this section, do not send a copy of ID.

x x x - x x - 1625  
Last four digits of Social Security number

Mark here only if you **do not have** a valid Oregon DMV Driver's License/ID or a Social Security number. If you are registering by mail, please include a copy of acceptable identification, listed to the left.

**5 signature** I swear or affirm that I am qualified to be an elector and I have told the truth on this registration.

sign here: Vera Mae Barrett date today: 11-3-06

**!** If you sign this card and know it to be false, you can be fined up to \$125,000 and/or jailed for up to 5 years.

**6 registration updates** If you are previously registered and updating your information, fill out this section.

previous registration name: \_\_\_\_\_ previous county and state: \_\_\_\_\_  
home address on previous registration: \_\_\_\_\_ date of birth (month/day/year): \_\_\_\_\_

BY: \_\_\_\_\_  
CERTIFIED COPY OF THE ORIGINAL  
SHERRY HALL, COUNTY CLERK

4 SEC.30 T.1S. R.2. W.M.

D. L. C.  
HECTOR CAMPBELL NO. 41

ickamas County

1" = 100'





**To: Mayor and City Council**

**Through: Bill Monahan, City Manager  
Kenneth Asher, Community Development and Public Works Director  
Katie Mangle, Planning Director**

**From: Ryan Marquardt, Associate Planner**

**Subject: File # A-10-06 - Expedited Annexation of 10026 SE Hollywood Ave**

**Date: January 25 for February 1, 2011 regular session**

**Action Requested**

Approve application A-10-06, an expedited annexation petition, and adopt the attached ordinance and associated findings in support of approval (Attachment 1). Approval of this application would result in the following actions:

- Annexation of the property at 10026 SE Hollywood Ave (“Annexation Property”) into the City of Milwaukie. (See Attachment 2)
- Application of City land use and zoning designations to the Annexation Property.
- Amendments to the City’s Land Use Map and Zoning Map to reflect the City’s new boundary and land use and zoning designations.
- Withdrawal of the Annexation Property from the following urban service providers and districts:
  - Clackamas County Service District for Enhanced Law Enforcement
  - Clackamas County Service District No. 5 for Street Lights

**History of Prior Actions and Discussions**

**January 2010:** Council annexed the rights-of-way in the Northeast Sewer Extension (NESE) Project Area making all properties in this area contiguous to the City limits and eligible for annexation (Ordinance 2010).

**September 2009:** Council initiated annexation of the rights-of-way in the NESE Project Area by resolution (Resolution No. 58-2009).

**August 2009:** Staff briefed Council on the status of the NESE Project and the need to annex the rights-of-way in this area.

**July 1990:** Clackamas County Order No 90-726 established an Urban Growth Management Agreement (UGMA) in which the City and County agreed to coordinate the future delivery of services to the unincorporated areas of North Clackamas County. With respect to Dual Interest Area “A”, the agreement states: *“The City shall assume a lead role in providing urbanizing services.”*

## **Background**

### **Proposal**

The applicant proposes an expedited annexation to the City in order to connect to the City’s sewer system. The septic system on the property is beginning to fail, and an emergency connection to the sewer is desired. The applicant can proceed with connecting to the sewer more expeditiously by annexing as an individual property apart from the City’s Annexation Assistance Program.

### **Site and Vicinity**

The Annexation Property is contiguous to the existing city limits as a result of the NESE right-of-way annexation in 2010. The Annexation Property is also within the City’s urban growth management area (UGMA), and the NESE Project Area.

The property has a single family dwelling. The property owner maintains the property as a rental and lives off site. One registered voter currently resides at the property.

The single family dwelling is an outright allowed use, and the structure does not appear to have any significant non-conformities with regard to the City’s development standards.

### **Annexation Petition**

This is a regular expedited annexation petition (see Attachment 3), and is similar to other typical expedited annexations approved by City Council in the past two years. Any property that is within the UGMA and contiguous to the city limit may apply for an expedited annexation so long as all property owners of the area to be annexed and at least 50% of registered voters within the area to be annexed consent to the annexation. For the Annexation Property, both the property owner and registered voter have signed the petition for annexation. The expedited annexation process automatically assigns City land use and zoning designations to the annexed property based on the existing Clackamas County land use and zoning designations. For the Annexation Properties, the County land use and zoning designation are Low Density Residential (LDR) and

Residential R10, respectively, and the City land use and zoning designations would be Low Density (LD) and Residential zone R-10.

Pursuant to City, Metro, and State regulations on expedited annexations, all necessary parties, interested persons, and residents and property owners within 400 feet of the Annexation Properties were notified of these proceedings. A public hearing is not required for an expedited annexation; however, Council must adopt an ordinance to implement the annexation.

Annexation is a multi-step process. It requires approval by City Council, processing by Metro, and then filing by the Secretary of State. Annexations become effective the date they are filed by the Secretary of State, which occurs approximately four to eight weeks after City Council approval.

#### **Expedited Annexation Approval Criteria**

Expedited annexations must meet the approval criteria of Milwaukie Municipal Code Section 19.1502.3. Compliance with the following criteria is detailed in Attachment 1 Exhibit A.

#### **Utilities, Service Providers, and Service Districts**

The City is authorized by ORS Section 222.120 (5) to withdraw the Annexation Properties from non-City service providers and districts upon annexation of the property to the City. This allows for a more unified and efficient delivery of urban services to newly annexed properties and is in keeping with the City's Comprehensive Plan policies relating to annexation.

Wastewater: The Annexation Property is within the City's sewer service area pursuant to the 1990 City-County Urban Growth Management Agreement and will be served by the City's new sewer system.

Water: The Annexation Property is currently served by Clackamas River Water (CRW). Annexation Properties are to remain in the CRW district boundary and will continue to be served by CRW until such time as the City's IGA with CRW is amended or renegotiated.

Storm: The Annexation Property is not connected to a public storm water system. Treatment and management of on-site storm water will be required when new development occurs.

Fire: The Annexation Properties are currently served by Clackamas County Fire District No. 1 and will continue to be served by this fire district upon annexation since the entire City and surrounding area is within this district.

Police: The Annexation Property is currently served by the Clackamas County Sheriff's Department and are within the Clackamas County Service District for Enhanced Law Enforcement, which provides additional police protection to the area. The City has its own police department, and this department can adequately serve the Annexation

Properties. In order to avoid duplication of services, the properties should be withdrawn from Clackamas County Service District for Enhanced Law Enforcement upon annexation.

Street Lights: The Annexation Property is currently within Clackamas County Service District No. 5 for Street Lights (the “District”). The City recently took jurisdiction of the streets in the NESE Project Area but not the lights since none of the properties were in the city at this time. This, however, is expected to change as this and other annexations occur in this area. In anticipation of these changes, City and District staff are working on an IGA that would: (1) transfer the street lights in this area to the City, and (2) transfer the street light payments that will continue to be collected in this area by the District to the City.

It has been the City’s practice to remove properties from the District upon annexation, as the City provides street lighting for properties within the city as part of its package of city services. Staff believes that it is timely and appropriate to remove the Annexation Properties from the District at this time. Even though the street lights in this area are currently operated by the District, the District supports the City’s removal of the Annexation Properties from the District with the understanding that a future IGA will resolve the transference of the street lights and payments in this area to the City.

Other Services: Planning, Building, Engineering, Code Enforcement, and other municipal services are available through the City and will be available to serve these properties upon annexation. The Annexation Property will continue to receive services and remain within the boundaries of certain regional and county service providers, such as TriMet, North Clackamas School District, Vector Control District, etc.

### **Concurrence**

All City departments, necessary parties, interested persons, and residents and property owners within 400 feet of the site were notified of these annexation proceedings as required by City, Metro, and State regulations. The Lewelling Neighborhood District Association and the Southgate Planning Association also received notice of the annexation petition and meeting. The City did not receive any objection to the proposed annexation by any necessary party.

The Engineering and Operations Directors agree with the approach currently under discussion with Clackamas County Service District No. 5 for Street Lights regarding the transference of the street lights in this area to the City.

### **Fiscal Impact**

The annexation will have minimal fiscal impact on the City. Costs of providing governmental services will likely be off-set by the collection of property taxes. The total assessed value of the Annexation Property is currently \$180,660.

### **Work Load Impacts**

Workload impacts will be minimal and will likely include, but are not limited to, the following: utility billing, provision of general governmental services, and the setting up and maintenance of property records.

### **Alternatives**

The application is subject to Milwaukie Comprehensive Plan Chapter 6 City Growth and Governmental Relationships, Oregon Revised Statutes Chapter 222 City Boundary Changes, Metro Code Chapter 3.09 Local Government Boundary Changes, and MMC Chapter 19.1500 Boundary Changes.

The City Council has two decision-making options:

1. Approve the application and adopt the ordinance and findings in support of approval.
2. Deny the application and adopt findings in support of denial.

### **Attachments**

1. Annexation Ordinance
  - Exhibit A. Findings in Support of Approval
  - Exhibit B. Legal Description and Tax Maps
2. Annexation Site Map
3. Applicant's Annexation Petition

ATTACHMENT 1

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF MILWAUKIE ANNEXING A TRACT OF LAND IDENTIFIED AS 10026 SE HOLLYWOOD AVENUE INTO THE CITY LIMITS OF THE CITY OF MILWAUKIE AND WITHDRAWING THE TRACT FROM THE TERRITORY OF CLACKAMAS COUNTY SERVICE DISTRICT FOR ENHANCED LAW ENFORCEMENT AND CLACKAMAS COUNTY SERVICE DISTRICT NO. 5 FOR STREET LIGHTS. (FILE #A-10-06).**

**WHEREAS**, the territory proposed for annexation is contiguous to the City's boundary and is within the City's urban growth management area; and

**WHEREAS**, the requirements of the Oregon Revised Statutes for initiation of the annexation were met by providing written consent from a majority of electors and all owners of land in the territory proposed for annexation; and

**WHEREAS**, the territory proposed for annexation lies within the territory of Clackamas County Service District No. 5 for Street Lights and Clackamas County Service District for Enhanced Law Enforcement; and

**WHEREAS**, the annexation and withdrawals are not contested by any necessary party; and

**WHEREAS**, the annexation will promote the timely, orderly, and economic provision of public facilities and services; and

**WHEREAS**, Table 19.1504.1.E of the Milwaukie Municipal Code provides for the automatic application of City zoning and Comprehensive Plan land use designations; and

**WHEREAS**, the City conducted a public meeting and mailed notice of the public meeting as required by law; and

**WHEREAS**, the City prepared and made available an annexation report that addressed all applicable criteria, and, upon consideration of such report, the City Council favors annexation of the tract of land and withdrawal from all applicable districts based on findings and conclusions attached hereto as Exhibit A;

**NOW, THEREFORE, THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:**

Section 1. The Findings in Support of Approval and attached as Exhibit A are hereby adopted.

Section 2. The tract of land described and depicted in Exhibit B is hereby annexed to the City of Milwaukie.

Section 3. The tract of land annexed by this ordinance and described in Section 2 is hereby withdrawn from Clackamas County Service District for Enhanced Law Enforcement and Clackamas County Service District No. 5 for Street Lights.

Section 4. The tract of land annexed by this ordinance and described in Section 2 is hereby assigned a Comprehensive Plan land use designation of Low Density Residential and a Municipal Code zoning designation of Residential zone R-10.

Section 5. The City shall immediately file a copy of this ordinance with Metro and other agencies required by Metro Code Chapter 3.09.030 and ORS 222.005 and 222.177. The annexation and withdrawals shall become effective upon filing of the annexation records with the Secretary of State as provided by ORS 222.180.

Read the first time on \_\_\_\_\_, and moved to second reading by \_\_\_\_\_ vote of the City Council.

Read the second time and adopted by the City Council on \_\_\_\_\_.

Signed by the Mayor on \_\_\_\_\_.

\_\_\_\_\_  
Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Jordan Schrader Ramis PC

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney

Document1 (Last revised 09/18/07)

## Exhibit A

### FINDINGS IN SUPPORT OF APPROVAL

Based on the expedited annexation staff report for 10026 SE Hollywood Ave (the subject site), the Milwaukie City Council finds:

1. The subject site consists of one tax lot comprising 0.18 acres (Tax Map 1S2E30DD Tax Lot 8200). The western border of the site is contiguous to the City. The site is also within the City's urban growth management area (UGMA). The property is developed with a single family dwelling unit. The surrounding area consists primarily of single-family dwellings.
2. The property owner seeks annexation to the City to access City services, namely sewer service, to eliminate the use of a failing septic system on the properties.
3. The annexation petition was initiated by Consent of All Owners of Land on December 13, 2010. It meets the requirements for initiation set forth in ORS 222.125, Metro Code Section 3.09.040, and Milwaukie Municipal Code (MMC) Subsection 19.1502.2.A.1.
4. The annexation petition was processed and public notice was provided in accordance with ORS Section 222.125, Metro Code Section 3.09.045, and MMC Section 19.1504.
5. The annexation petition is being processed as an expedited annexation at the request of the property owner. It meets the expedited annexation procedural requirements set forth in MMC Section 19.1504.
6. The expedited annexation process provides for automatic application of City land use and zoning designations to the site based on the site's existing zoning designation in the County. The site's existing zoning designation in the County is Residential R10. Pursuant to MMC Table 19.1504.1.E, the automatic City zoning and Comprehensive Plan land use designations for this site are Residential zone R-10 and Low Density Residential, respectively.
7. The applicable City approval criteria for expedited annexations are contained in MMC 19.1502.3. They are listed below with findings in italics.
  - A. The subject site must be located within the City's urban growth management area (UGMA);  
*The site is within the City's UGMA.*
  - B. The subject site must be contiguous to the existing city limits;  
*The site is contiguous to the existing city limits along its western edge.*

- C. The requirements of Oregon Revised Statutes for initiation of the annexation process must be met;

*Bradley C. Engel, the site owner, and Debra Winfree, a registered voter residing at the site, consented to the annexation by signing the petition. There are no additional residents at the site. As submitted, the annexation petition meets the Oregon Revised Statutes requirements for initiation pursuant to the "Consent of All Owners of Land" initiation method, which requires consent by all property owners and a majority of the electors residing at the site.*

- D. The proposal must be consistent with Milwaukie Comprehensive Plan Policies;

*Chapter 6 of the Comprehensive Plan contains the City's annexation policies. Applicable annexation policies include: (1) delivery of City services to annexing areas where the City has adequate services, and (2) requiring annexation in order to receive a City service. The proposed annexation is in anticipation of the completion of the City's NE Sewer Extension Project and the requirement for properties to annex to the City in order to connect to the City's new sewer line. As proposed, the annexation is consistent with Milwaukie Comprehensive Plan policies.*

- E. The proposal must comply with the criteria of Metro code Sections 3.09.050 (d) and, if applicable, (e).

*The annexation proposal is consistent with applicable Metro Code sections for expedited annexations as detailed below.*

8. Prior to approving an expedited annexation, the City must apply the provisions contained in Section 3.09.045 of the Metro Code, which are as follows:

- A. Find that the change is consistent with expressly applicable provisions in:

- (A) Any applicable urban service agreement adopted pursuant to ORS 195.205;

*There are no applicable urban service agreements adopted pursuant to ORS 195 in the area of the proposed annexation. The City, however, has an UGMA agreement with Clackamas County that states that the City will take the lead in providing urban services in the area of the proposed annexation. Pursuant to this agreement, the City is in the process of extending City sewer service to this area. The proposed annexation is in anticipation of the completion of this sewer project and the requirement for properties to annex to the City in order to connect to the City's new sewer line.*

- (B) Any applicable annexation plan adopted pursuant to ORS 195.205;
- There are no applicable annexation plans adopted pursuant to ORS 195 in the area of the proposed annexation.*
- (C) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020 (2) between the affected entity and a necessary party;
- There are no applicable cooperative planning agreements adopted pursuant to ORS 195 in the area of the proposed annexation.*
- (D) Any applicable public facility plan adopted pursuant to a statewide planning goal on public facilities and services;
- Clackamas County completed a North Clackamas Urban Area Public Facilities Plan in 1989 in compliance with Goal 11 of the Land Conservation and Development Commission for coordination of adequate public facilities and services. The City subsequently adopted this plan as an ancillary Comprehensive Plan document. The plan contains four elements:*
- *Sanitary Sewerage Services*
  - *Storm Drainage*
  - *Transportation Element*
  - *Water Systems*
- The proposed annexation is consistent with the four elements of this plan as follows:*
- Sewer: The City is the identified sewer service provider in the area of the proposed annexation and has completed a public sewer system that can adequately serve this site.*
- Storm Drainage: The City will require on-site management of storm water runoff at the time of development.*
- Transportation: The City will require public street improvements along the site's frontage at the time of development.*
- Water: Clackamas River Water (CRW) is the identified water service provider in this plan. However, the City's more recent UGMA agreement with the County identifies the City as the lead urban service provider in the area of the proposed annexation. The City is in the process of developing a water service master plan for all of the territory within its UGMA and discussing possible service provision changes with CRW. In the meantime, CRW will continue to provide water service to this site.*
- (E) Any applicable comprehensive plan.

*The proposed annexation is consistent with the Milwaukie Comprehensive Plan, which is more fully described on the previous page. The Clackamas County Comprehensive Plan contains no specific language regarding City annexations. It does, however, contain the City-County UGMA agreement, which identifies the area of the proposed annexation as being within the City's UGMA. The UGMA agreement requires that the City notify the County of proposed annexations, which the City has done. The agreement also calls for City assumption of jurisdiction of local streets that are adjacent to newly annexed areas. The City has already annexed and taken jurisdiction of the street adjacent to the proposed annexation site, namely SE Hollywood Ave.*

B. Consider whether the boundary change would:

(A) Promote the timely, orderly and economic provision of public facilities and services;

*The City is the identified urban service provider in the area of the proposed annexation, and the proposed annexation will facilitate the timely, orderly, and economic provision of urban services to this site.*

*The area does not currently contain a public sewer system; however, the City has recently expanded City sewer service into this area. The proposed annexation is requested for emergency connection to the City's new sewer system.*

*The area is currently served by CRW, and the City does not propose to duplicate CRW's water system to serve this site.*

(B) Affect the quality and quantity of urban services; and

*Annexation of the site, a tax lot developed with a single family residence,, is not expected to affect the quality or quantity of urban services in this area given the surrounding level of urban development and the existing level of urban service provision in this area.*

(C) Eliminate or avoid unnecessary duplication of facilities and services.

*The site will be served by the Milwaukie Police Department upon annexation. In order to avoid duplication of law enforcement services, the site will be withdrawn from the Clackamas County Service District for Enhanced Law Enforcement.*

*CRW is the current water service provider in the area of the proposed annexation. Until such time as the existing IGA between the City and CRW is renegotiated, the City does not intend to duplicate CRW's existing water supply system or withdraw private*

*properties being served by CRW from the CRW district. CRW will continue to be the water service provider in this area.*

9. The City is authorized by ORS Section 222.120 (5) to withdraw annexed territory from non-City service providers and districts upon annexation of the territory to the City. This allows for more unified and efficient delivery of urban services to newly annexed properties and is in keeping with the City's Comprehensive Plan policies relating to annexation.

Wastewater: The site is within the City's sewer service area and will be served by the City's new sewer lines in the northeast sewer extension area.

Water: The site is currently served by CRW through a CRW water line. Pursuant to the City's IGA with CRW, the site should not be withdrawn from this district at this time.

Storm: The site is not currently developed or connected to a public storm water system. Treatment and management of on-site storm water will be required at the time of development.

Fire: The site is currently served by Clackamas County Fire District No. 1 and will continue to be served by this fire district upon annexation since the entire City is within this district.

Police: The site is currently served by the Clackamas County Sheriff's Department and is within the Clackamas County Service District for Enhanced Law Enforcement, which provides additional police protection to the area. The City has its own police department, and this department can adequately serve the site. In order to avoid duplication of services, the site should be withdrawn from Clackamas County Service District for Enhanced Law Enforcement upon annexation to the City.

Street Lights: All properties in unincorporated Clackamas County are in Clackamas County Service District No. 5 for Street Lights. The site should be withdrawn from this district upon annexation to the City. The City does not levy a separate tax or assess individual properties for street lighting.

Other Services: Planning, Building, Engineering, Code Enforcement, and other municipal services are available through the City and will be available to the site upon annexation. The site will continue to receive services and remain within the boundaries of certain regional and county service providers, such as Tri-Met, North Clackamas School District, Vector Control District, etc.

Annexation to the City Of Milwaukie  
LEGAL DESCRIPTION

Milwaukie Annexation File No. A-10-06

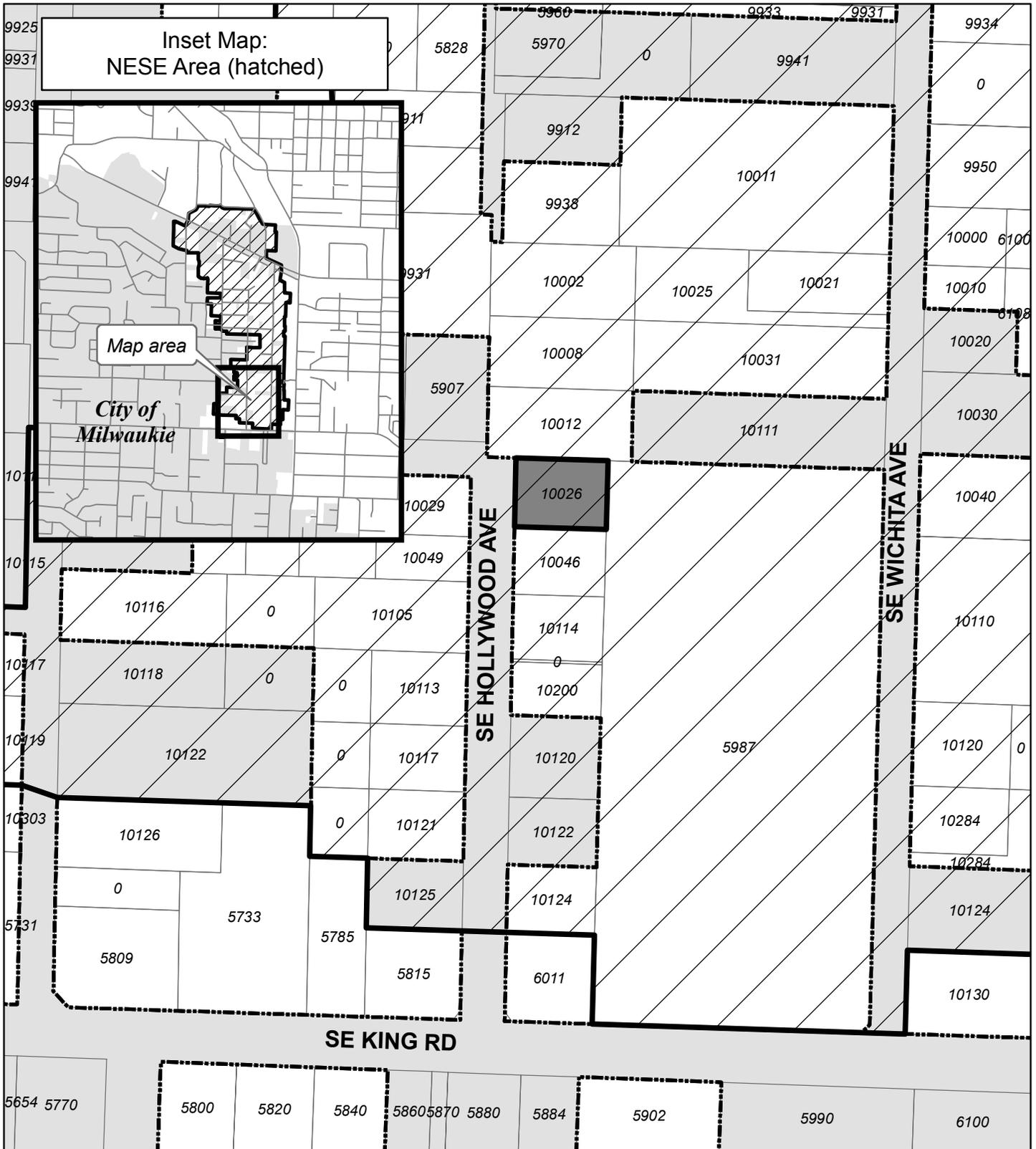
Property Address: 10026 SE Hollywood Avenue, Milwaukie, OR 97222

Tax Lot Description: 1S2E30DD 08200

Legal Description: Hollywood Park Annex No. 2, Block 12, Lot 9, excluding the  
westerly 5 feet

County: Clackamas

# ATTACHMENT 2



**Site Map**  
**10026 SE Hollywood Ave**  
**(1S 2E 30DD 8200)**  
**File# A-10-06**

## Legend

- A-10-06\_Site
- NE Sewer Extension Project Boundary
- Tax Lots
- City Limit





PLANNING DEPARTMENT  
5101 SE Johnson Creek Blvd  
Milwaukie OR 97266

PHONE: 503-786-7630  
FAX: 503-774-8256  
E-MAIL: [planning@ci.milwaukie.or.us](mailto:planning@ci.milwaukie.or.us)  
WEB: [www.cityofmilwaukie.org](http://www.cityofmilwaukie.org)

# Expedited Annexation Application

RESPONSIBLE PARTIES: (Please print or type, add additional sheets if needed)

APPLICANT(S):	Bradley C. Engel	E-mail:	brad@stevensmedicine.com
Mailing address:	18907 S. Deer Ln AC OR	Zip:	97045 Phone: 503-519-9532
PROPERTY OWNER(S):	Same as Above	E-mail:	
Mailing address:		Zip:	Phone:
PROPERTY OWNER(S):		E-mail:	
Mailing address:		Zip:	Phone:
PROPERTY OWNER(S):		E-mail:	
Mailing address:		Zip:	Phone:

SITE INFORMATION:

Address(es)	10026 SE Hollywood	Map & Tax Lot(s):	12E 30th 8200	Property size:	7998 sq ft
Existing County zoning:	R 10 B	Proposed City zoning:			
Existing County land use designation:		Proposed City land use designation:			

PROPOSAL (describe briefly):

Annexation of Property as needed to attach to City Sewer

ATTEST: I am the property owner or I have attached all owners' and voters' authorizations to submit this application. I understand that uses or structures that were not legally established in the County are not made legal upon annexation to the City. To the best of my knowledge, the information provided within this application package is complete and accurate.

Submitted by: Bradley C. Engel Date: 12-10-10

THIS SECTION FOR OFFICE USE ONLY:

File #: <u>A-10-06</u>	Fee: \$ <u>50</u>	Recd. by: <u>RWM</u>	Date stamp:
Notes: <u>\$50 fee off from pre-opp meeting</u>			<p>RECEIVED</p> <p>DEC 13 2010</p> <p>CITY OF MILWAUKIE PLANNING DEPARTMENT</p>

# EXPEDITED ANNEXATION CODE EXCERPTS

## MILWAUKIE MUNICIPAL CODE SECTIONS

---

### 19.1504.1 Expedited Process

- A. A petition for any type of minor boundary change may be processed through an expedited process as provided by Metro Code Chapter 3.09.
  - 5. Approval criteria for annexations are found in subsection 19.1502.3.

**19.1502.3 Annexation Approval Criteria.** The city council shall approve or deny an annexation proposal based on findings and conclusions addressing the following criteria.

- A. The subject site must be located within the city urban growth boundary;
- B. The subject site must be contiguous to the existing city limits;
- C. The requirements of the Oregon Revised Statutes for initiation of the annexation process must be met;
- D. The proposal must be consistent with Milwaukie comprehensive plan policies;
- E. The proposal must comply with the criteria of Metro Code Sections 3.09.050(d) and, if applicable, (e).

## METRO CODE SECTIONS

---

### 3.09.050 Hearing & Decision Requirements for Decisions Other Than Expedited Decisions.

- (d) To approve a boundary change, the reviewing entity shall apply the criteria and consider the factors set forth in subsections (d) and (e) of Section 3.09.045.

## MILWAUKIE COMPREHENSIVE PLAN

---

### Chapter 6: City Growth and Governmental Relationships; City Growth Element

Goal Statement: To identify the City's future planning and service area, establish the respective responsibilities for reviewing and coordinating land use regulations and actions within the area, and determine the most cost-effective means to provide the full range of urban services within the area.

*This Proposal Complys with this code section*

*Bradley Eyr*

**EXPEDITED ANNEXATION  
 PETITION OF OWNERS OF 100% OF LAND AREA  
 AND PETITION OF A MAJORITY OF REGISTERED VOTERS**

**TO: The Council of the City of Milwaukie, Oregon**

**RE: Petition for Annexation to the City of Milwaukie, Oregon**

We, the petitioners (listed on reverse), are property owners of and/or registered voters in the territory described below. We hereby petition for, and give our consent to, annexation of this territory to the City of Milwaukie.

This petition includes a request for the City to assign a zoning and land use designation to the territory that is based on the territory's current zoning designation in the County, pursuant to the City's expedited annexation process.

The territory to be annexed is described as follows:

*(Insert legal description below OR attach it as Exhibit "A")*

**OWNERSHIP INFORMATION**

Owner : Engel Bradley C	Parcel Number : 00084287
CoOwner :	Ref Parcel # : 12E30DD08200
Site Address : 10026 SE Hollywood Ave Milwaukie 97222	T: 01S R: 02E S: 30 Q: SE QQ: SE
Mail Address : 18907 Deer Ln Oregon City Or 97045	
Telephone :	

**SALES AND LOAN INFORMATION**

Transferred : 01/11/2000	Loan Amount :
Document #: 000-001618	Lender :
Sale Price :	Loan Type :
Deed Type : Bargain & Sale	Interest Rate :
% Owned : 100	Vesting Type :

**PROPERTY DESCRIPTION**

Map Page Grid : 657 C2  
 Census Tract : 210.00 Block: 1  
 Neighborhood : City of Milwaukie  
 Subdivision/Plat: Hollywood Park Annex 02  
 Improvement : 131 Sgl Family,R1-3,1-Story  
 Land Use : 101 Res,Residential Land,Improved  
 Legal : 657 HOLLYWOOD PK ANNEX 2 EXC WLY 5  
       : FT LT 9 BLK 12

**ASSESSMENT AND TAX INFORMATION**

Mkt Land : \$109,790  
 Mkt Structure : \$70,870  
 Mkt Total : \$180,660  
 %Improved : 39  
 AssdTotal : \$94,826  
 Mill Rate : 16.1793  
 Levy Code : 012229  
 09-10 Taxes : \$1,576.72  
 Millage Rate : 16.1793

## PETITION SIGNERS

NOTE: This petition may be signed by qualified persons even though they may not know their property description or voter precinct number.

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
<i>Bradley C. Engel</i>	Bradley C. Engel	X			12-10-10
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	
100710 SE Hollywood				8200	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

SIGNATURE	PRINTED NAME	I AM A:*			DATE
		PO	RV	OV	
PROPERTY ADDRESS	PROPERTY DESCRIPTION				VOTER PRECINCT #
	TOWNSHIP	RANGE	¼ SEC.	LOT #(S)	

\*PO = Property Owner    RV = Registered Voter    OV = Owner and Registered Voter

**CERTIFICATION OF PROPERTY OWNERSHIP OF  
100% OF LAND AREA**

I hereby certify that the attached petition contains the names of the owners<sup>1</sup> (as shown on the last available complete assessment roll) of 100% of the land area of the territory proposed for annexation as described in the attached petition.

Name CRAIG FERRIS *Craig Ferris*  
Title CARTOGRAPHER III  
Department ASSESSMENT & TAX  
County of CLACKAMAS  
Date 12-13-10



<sup>1</sup> Owner means the legal owner of record or, where there is a recorded land contract which is in force, the purchaser thereunder. If a parcel of land has multiple owners, each consenting owner shall be counted as a percentage of their ownership interest in the land. That same percentage shall be applied to the parcel's land mass and assessed value for purposes of the consent petition. If a corporation owns land in territory proposed to be annexed, the corporation shall be considered the individual owner of that land.

## CERTIFICATION OF LEGAL DESCRIPTION AND MAP

I hereby certify that the description of the territory included within the attached petition (located on Assessor's Map 12E30DD) has been checked by me. It is a true and exact description of the territory under consideration and corresponds to the attached map indicating the territory under consideration.

Name CRAIG FERRIS *Craig Ferris*  
Title CARTOGRAPHER III  
Department ASSESSMENT & TAX  
County of CLACKAMAS  
Date 12-13-10



**DESCRIPTION OF EXISTING USES/STRUCTURES:**

Tell us the number and kinds of buildings on the property and how they are used  
(e.g., 1 home, 2 sheds, 1 detached garage all used for residential purposes and 1 workshop for home occupation business)

Home 2 bedroom 1 bath, Storage Shed all used for residential Purposes

**LIST OF ALL CURRENT UTILITY PROVIDERS:**

Check all that apply (do not list water or sewer service providers)

Cable, Internet, and/or Phone:  Comcast  Qwest  
Energy:  PGE  NW Natural Gas  
Garbage hauler:  Waste Management  Mel Deines  Deines Brothers  Pearl Deines  
 Wichita Sanitary  Oak Grove Disposal  Clackamas Garbage  
 Other (please list):

**SIGNATURE:**

**ATTEST:** I am the property owner and I have attached all required owners' and voters' authorizations to submit this application. I understand that uses or structures that were not legally established in the County are not made legal upon annexation to the City. To the best of my knowledge, the information provided in this application package is complete and accurate.  
Name: Bradley C. Engel  
Signature: Bradley C. Engel Date: 12-9-10

**THIS SECTION FOR OFFICE USE ONLY:**

File #:	Fee: \$0	Rcd. by:	Date stamp:
Existing County zoning:	Automatic City zoning:		
Existing County land use designation:	Automatic City land use designation:		
<input type="checkbox"/> Map and tax lot(s) verified	<input type="checkbox"/> ID checked		
Notes:			

**CERTIFICATION OF REGISTERED VOTERS**  
(District Double Majority Method)

I hereby certify that the attached petition for annexation of territory described herein to the City of Milwaukie District contains the names of at least a majority of the electors registered in the territory to be annexed.

NAME Floyd Thomas

TITLE Deputy Clerk

DEPARTMENT Elections

COUNTY OF CLACKAMAS

DATE 12-13-10

*Floyd Thomas*



**CLACKAMAS COUNTY ELECTIONS**  
1710 RED SOILS CT, SUITE 100  
OREGON CITY, OR 97045



# Chicago Title Company

10135 SE Sunnyside Road, Suite 200  
Clackamas, Oregon 97015  
Phone: 503.786.3940 Fax: 503.653.7833  
E-mail: trios@ctt.com

## METROSCAN PROPERTY PROFILE Clackamas (OR)

### OWNERSHIP INFORMATION

Owner	: Engel Bradley C	Parcel Number	: 00084287
CoOwner	:	Ref Parcel #	: 12E30DD08200
Site Address	: 10026 SE Hollywood Ave Milwaukie 97222	T: 01S	R: 02E S: 30 Q: SE QQ: SE
Mail Address	: 18907 Deer Ln Oregon City Or 97045		
Telephone	:		

### SALES AND LOAN INFORMATION

Transferred	: 01/11/2000	Loan Amount	:
Document #:	000-001618	Lender	:
Sale Price	:	Loan Type	:
Deed Type	: Bargain & Sale	Interest Rate	:
% Owned	: 100	Vesting Type	:

### PROPERTY DESCRIPTION

Map Page Grid : 657 C2  
 Census Tract : 210.00 Block: 1  
 Neighborhood : City of Milwaukie  
 Subdivision/Plat: Hollywood Park Annex 02  
 Improvement : 131 Sgl Family,R1-3,1-Story  
 Land Use : 101 Res,Residential Land,Improved  
 Legal : 657 HOLLYWOOD PK ANNEX 2 EXC WLY 5  
 : FT LT 9 BLK 12  
 :

### ASSESSMENT AND TAX INFORMATION

Mkt Land : \$109,790  
 Mkt Structure : \$70,870  
 Mkt Total : \$180,660  
 %Improved : 39  
 AssdTotal : \$94,826  
 Mill Rate : 16.1793  
 Levy Code : 012229  
 09-10 Taxes : \$1,576.72  
 Millage Rate : 16.1793

### PROPERTY CHARACTERISTICS

Bedrooms	: 2	Building SF	: 1,006	BldgTotSqFt	: 1,006
Bathrooms	: 1.00	1st Floor SF	: 1,006	Lot Acres	: .18
Full Baths	: 1	Upper Finished SF	:	Lot SqFt	: 7,998
Half Baths	:	Finished SF	: 1,006	Garage SF	: 418
Fireplace	:	Above Ground SF	: 1,006	Year Built	: 1948
Heat Type	: Elec Baseboard	Upper Total SF	:	School Dist	: 012
Floor Cover	: Hardwd	UnFinUpperStorySF:		Foundation	: Concrete
Stories	: 1	Basement Fin SF	:	Roof Type	: Composition
Int Finish	: Drywall	Basement Unfin SF	:	Roof Shape	: Gable
Ext Finsh	: Shake	Basement Total SF	:		

This title information has been furnished, without charge, in conformance with the guidelines approved by the State of Oregon Insurance Commissioner. The Insurance Division cautions intermediaries that this service is designed to benefit the ultimate insureds. Indiscriminate use only benefiting intermediaries will not be permitted. Said services may be discontinued. No liability is assumed for any errors in this report. Information is deemed reliable but not guaranteed.

BARGAIN AND SALE DEED -- STATUTORY FORM

KNOW ALL MEN BY THESE PRESENTS, That LEILANIE R. ENGEL, hereinafter called Grantor, for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto BRADLEY C. ENGEL, hereinafter called Grantee, and unto Grantee's heirs, successors and assigns all of that certain real property with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, situated in the County of Clackamas, State of Oregon, described as follows, to wit:

10026 SE Hollywood, Milwaukie, Oregon 97222, also known as:

Lot 9, Block 12, HOLLYWOOD PARK ANNEX NO. 2, in the County of Clackamas and State of Oregon

To Have and to Hold the same unto the said Grantee and Grantee's heirs, successors and assigns forever. However, the actual consideration for this conveyance is \$-0-\*. Pursuant to a Stipulated Judgment of Dissolution of Marriage dated December 8, 1999, Clackamas County Circuit Court Case Number: DR99-11-255, BRADLEY C. ENGEL, Petitioner, and LEILANIE R. ENGEL, Respondent.

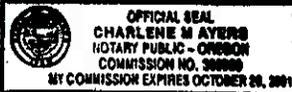
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

In Witness Whereof, the Grantor has executed this instrument this 18 day of November, 1999.

*Leilanie R. Engel*  
LEILANIE R. ENGEL

STATE OF OREGON, County of MULTNOMAH ) ss.

Personally appeared before me the above-named LEILANIE R. ENGEL and acknowledged the foregoing instrument to be his voluntary act and deed, this 18 day of NOVEMBER, 1999.



*Charlene M. Ayers*  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 10/20/2001

After Recording Return To:  
BRADLEY C. ENGEL  
15055 SE RIVER ROAD  
MILWAUKIE OR 97267

Until a change is requested,  
all tax statements shall be  
sent to the following address:  
BRADLEY C. ENGEL  
15055 SE RIVER ROAD  
MILWAUKIE OR 97267

RECORDED IN CLACKAMAS COUNTY  
JOHN KRAUFFMAN, COUNTY CLERK

2000-1001518



\$26.00

DD - 1 - 4 MELISSA  
\$5.00 \$11.00 \$16.00

01/11/2000 03:25:21 PM



## NOTICE LIST

(This form is NOT the petition)

**LIST THE NAMES AND ADDRESSES OF ALL PROPERTY OWNERS AND REGISTERED VOTERS IN THE TERRITORY PROPOSED FOR ANNEXATION.**

	Name of Owner/Voter	Mailing Street Address	Property Address
		Mailing City/State/Zip	Property Description <small>(township, range, ¼ section, and tax lot)</small>
1	Brad Engel	18907 S. Deer Ln	10026 SE Hollywood
		Oregon City OR 97045	Milwaukie OR 97222 8200
2			
3			
4			
5			
6			
7			
8			
9			
10			



**6.C.**

To: Mayor and City Council

Through: Bill Monahan, City Manager

From: Esther L. Gartner, Information Systems and Technology Director

Subject: Voice Over Internet Protocol (VoIP) Telephone Replacement Authorization and Project Management Contract Award

Date: January 20, 2011 for February 1, 2011 City Council Meeting

Action Requested

Authorize the City Manager to execute a contract with Northwest Information Services, Inc. (NIS) to assist the City with the design, selection and installation of a new VoIP telephone system. Authorize the City Manager to sign purchase orders for hardware, software and network equipment associated with the procurement and implementation of the VoIP system. Total project costs are budgeted at \$300,000.

History of Prior Actions and Discussions

There are no prior actions or discussions.

Background

The City's current PBX (Public Branch Exchange) telephone system was installed in the mid 1990's with the hub located in the Public Safety Building. The phone system spans the four main campuses, Public Safety, City Hall, Ledding Library and the Johnson Creek facilities, providing service through three physical phone switches. The phone switches are interconnected by T-1 telecommunication lines, which allow the buildings to communicate with each other and access outside dial tone. The phone system currently supports 440 DID (direct inward dial) numbers, most of which are direct numbers for staff, but also include general purposes numbers, fax numbers and alarm lines. The phone system is currently on a separate network from the data network used

to transmit computer application information between the facilities and across the Internet.

#### *Current PBX System*

The City received notice in the fall of 2009 that the current software version running on all three City switches would be obsolete ending October 2009 and would require an upgrade to the current sustainable release to maintain maintenance support. The City paid approximately \$19,000 to upgrade the software on all three switches to extend maintenance support for the telephone system and desktop phones. Notice has since been provided to the City that support for the current version of software running on the switches will officially end on April 30, 2011. The City's current hardware configuration cannot support the last supported version of the software required to run the system.

The current PBX system, which has been servicing the City for the past 15 plus years, has reached end of sales and serviceable life by the manufacturer. The City can no longer procure new replacement parts and phones for failed units. Refurbished parts and phones have limited 90-day warranties. These parts are difficult to acquire and are more expensive than their modern day IP phone counterparts.

#### *Current Internetworking Equipment Status*

The system of routers and switches that interconnect City buildings, floors within the buildings and access to the Internet has also been made obsolete by the manufacturer. The manufacturer has announced a May 2, 2011 end of all support life date for the City's product set. The current infrastructure, which was installed in 2002, has adequately met the need of passing data between computers during these past eight years. However, the current equipment cannot support the routing protocols, such as SIP (Session Initiation Protocol) and MPLS (Multiprotocol Layer Switching) that are necessary to carry voice traffic across a data network. Replacement of the obsolete equipment will be necessary for the VoIP project and to position the City in supporting emerging technologies.

The VoIP system will require PoE (Power over Ethernet) capabilities, which the current switches do not provide. PoE provides a small amount of electrical current to each port of the switch where an IP phone will be plugged in thus negating the need to provide costly power adapters for every phone location.

### *The Vendor*

Northwest Information Services, Inc. has been selected as the project management team responsible for assisting the City in selecting and implementing the VoIP solution. The firm has over 20 years of experience in voice and telecommunications project work with substantial work in the VoIP area. Northwest Information Services, Inc. performed a Voice Assessment Study for the City in early 2008 to determine the City's preparedness for a migration to a new VoIP solution given the anticipated retirement of the current PBX telephone system. Some of the benefits identified are listed in the next section.

The firm was contractually pre-qualified as a technology consultant delivering project management and IT expertise in response to Washington County's RFP "Information Technology Consulting Services" No.27003P dated April 6, 2007. The Washington County awarded contract term is from July 1, 2007 through June 30, 2012. Contract terms clearly state that other local government and educational entities may utilize the contract to directly contract with pre-qualified and approved vendors of the Washington County contract through cooperative purchasing pursuant to ORS 279A.200.

### *The Benefits*

Northwest Information Services identified several benefits in migrating to a new VoIP solution for the City in their 2008 Voice Assessment Study. Some of those benefits include:

- Integration of voice calls and voicemail with common desktop applications, such as email, allowing for easier retrieval of messages and conversion to digital file recordings
- Reduced operational costs by using the City's fiber network to route phone traffic instead of separate analog network
- Elimination of elevated risk of E911 failure with Ledding Library improperly identified as City Hall due to limitations of the current PBX switch configuration
- Increased physical phone and number mobility
- Reduced IST overhead by eliminating time consuming physical punch down of line wiring at each facility

### Concurrence

The City Manager, the legal team and the Department Heads, concur with the IST Director on the need, budget and benefits of implementing a VoIP telephone system as

a replacement for the current obsolete PBX telephone system and associated internetworking equipment.

### Fiscal Impact

The VoIP project is funded at \$300,000 in the IST department's capital line item (150-813-7500-0000) for fiscal year 2011. The project management portion of the project is estimated at \$39,300 with the remaining portion to be spent on hardware, software and network equipment acquisitions associated with this project. Leasing and purchasing options will be explored during the RFP process to determine the best financial solution for the City.

### Work Load Impacts

Significant time will be required from the IST department in project coordination, assignment of various project tasks, and training on system administration. All City staff and City Council will need to devote time during the telephone migration to ensure that the desired features, functionality and operational capabilities of the new system meet their needs. All staff and City Council will require training on the new phones to adequately operate the new technology and effectively manage phone calls and voicemail.

The IST Director will serve as the project lead/liaison between the City and Northwest Information Services, Inc.

### Alternatives

1. Approve as recommended.  
This will allow the implementation of a new voice technology solution that provides significant benefits as outlined above and in the 2008 Voice Assessment Study. It will also provide a platform capable of supporting emerging technology solutions, reduce the substantial costs involved in maintaining an obsolete system, and reduce the escalating risks of systems failure associated with obsolete product sets.
2. Approve with modifications.  
This is not feasible nor recommended as implementation of only one solution (telephone or network infrastructure) would not allow the City to move forward with future or upgraded technology solutions that would be dependent on either of these two critical systems.

3. Deny request.

The City would continue to rely on two obsolete systems that are both critical to daily operations without any hardware or software fixes and support from the manufacturers. IST would need to locate and procure enough spare parts to try and mitigate hardware failures. However, IST has no expertise in correcting flaws (bugs) in the software or increasing the capabilities of the current PBX and networking solutions.

Attachments

A supporting resolution is attached.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH NORTHWEST INFORMATION SERVICE, INC. TO PROVIDE PROJECT MANAGEMENT SERVICES IN THE SELECTION AND IMPLEMENTATION OF A NEW TELEPHONE SYSTEM TO INCLUDE THE ACQUISITION OF ALL NECESSARY SOFTWARE AND HARDWARE EQUIPMENT.**

**WHEREAS**, the City's adopted fiscal 2010-2011 budget identified \$300,000 for the replacement of the City's aging and inefficient telephone system; and

**WHEREAS**, the City's current telephone system is over 15 years in age and has been made obsolete by the manufacturer effective April 20, 2011; and

**WHEREAS**, the City's current network infrastructure is over eight years in age and has been made obsolete by the manufacturer effective May 2, 2011; and

**WHEREAS**, Northwest Information Services, Inc. has been pre-qualified as a technology consultant delivering project management and Information Technology expertise in response to Washington County's RFP "Information Technology Consulting Services" No.27003P in force from July 1, 2007 until June 30, 2012 in which the City is eligible to participate; and

**WHEREAS**, the cost and risk to maintain both system solutions exceeds the benefits and efficiencies gained in upgrading to newer voice technologies that integrate with other City applications and will strategically position the City to evaluate and implement emerging technologies;

**NOW, THEREFORE, BE IT RESOLVED** that the City of Milwaukie authorizes the City Manager to sign a contract with Northwest Information Systems, Inc., a vendor with over 20 years of voice and telecommunications experience, to provide project management services in the selection and implementation of a replacement telephone system for the City and to approve software and hardware equipment purchases associated with the new telephone system.

Introduced and adopted by the City Council on \_\_\_\_\_ .

This resolution is effective on \_\_\_\_\_ .

\_\_\_\_\_  
Jeremy Ferguson, Mayor

ATTEST:

APPROVED AS TO FORM:  
Jordan Schrader Ramis PC

\_\_\_\_\_  
Pat DuVal, City Recorder

\_\_\_\_\_  
City Attorney



**To:** Mayor and City Council

**Through:** Bill Monahan, City Manager

**From:** Kenneth Asher, Director of Community Development & Public Works  
Gary Parkin, Director of Engineering  
Matthew Palmer, Engineering Intern

**Subject:** Fourth Annual Report on the Street Surface Maintenance Program

**Date:** January 15, for the February 1, 2011 Meeting

**Action Requested**

None. This is the annual update on the Street Surface Maintenance Program (SSMP) as required under the enacting ordinance (No. 1966) and is for information only.

**History of Prior Actions and Discussions**

**January 2, 2007:** The City of Milwaukie’s Street Surface Maintenance Program was adopted by Ordinance No. 1966, effective on July 1, 2007. The ordinance, in concert with related ordinances, established a street maintenance fee, an electric utility privilege tax and local gas tax to fund the SSMP. All funds were dedicated to street maintenance and rehabilitation, with the goal of bringing all arterials and collectors in the City to a “good” or better condition within ten years.

**Background**

The Public Works Director is required to make an annual report to the City Council regarding the state of the street network and the Program<sup>1</sup>. This is the fourth annual report and is organized into the following sections:

- Completed Projects
- Upcoming Projects
- Overall Condition of the Network
- Workload Impacts and Overall Program Progress

- Revenue Summary
- Achievement of Program Goals

### Completed Projects

Projects budgeted for the 2009-2010 fiscal year were Linwood Avenue and Roswell Street. Projects budgeted for the 2010-2011 fiscal year include the Slurry Seal project and funding for the street surface component of the Lake Road Multimodal project. The funds for the Lake Road Multimodal project will provide the matching funds needed to secure the federal funds that will pay for the bulk of the project.

The Linwood Avenue project, from Railroad Avenue to Monroe Street, was substantially completed in June 2010 and completed with the installation of drainage berms, in August 2010. The project consisted of a 2-inch grind and inlay. The final project cost was \$280,953. A notable street section alteration was the removal of the curb barrier across the street from Linwood Elementary. This change allowed for the installation of a standard 5-foot bike lane on the north-bound lane of Linwood Avenue, contributing to a more consistent Milwaukie bicycle network.

Roswell Street, from 32<sup>nd</sup> Avenue to 42<sup>nd</sup> Avenue, was completed in July 2010 at a cost of \$299,377. This street required a complete base and surface reconstruction, receiving a new 10-inch cement treated base and a 6-inch asphalt overlay. The initial bid opening was on August 27, 2009 but the City opted to re-bid the project due to higher-than-expected bid amounts. To improve the bidding climate, the project was then redesigned to incorporate cost-saving strategies, which included altering key construction sequences to minimize contractor mobilization costs. This project also included replacement of several older catch basins with standardized, higher-capacity basins. This will ensure proper surface water drainage on the new Roswell street.

Under the 2010 Slurry Seal project, the City used a newly developed asphalt sealant material called Tire-Rubber Modified Surface Sealant (TRMSS.) Street sections that were sealed were 30<sup>th</sup> Ave, 31<sup>st</sup> Ave, 33<sup>rd</sup> Ave, 34<sup>th</sup> Ave, 35<sup>th</sup> Ave, Mary Court, Barba St, and Kathryn Ct in the Ardenwald neighborhood, and 63<sup>rd</sup> Ct, 66<sup>th</sup> Ave, Thomas Ct, Eunice St, Deering Ct, and Montgomery Dr in the Linwood neighborhood. This project was completed in September 2010 at a cost of \$24,000. The Engineering Department and Operations Department are monitoring the performance and wear-life of this sealant material to determine if continued use is financially and operationally advisable.

AS in previous years, the Street Division used SSMP funds to meet maintenance goals of the SSMP. In the prior year, much of this activity occurred in the Lewelling neighborhood. Approximately 10,000 feet (1.9 miles) of street surface was crack sealed at a total cost of \$10,658.

Please refer to Attachment 1 (Street Surface Maintenance Program Map) for a map showing streets paved to date and upcoming projects. This map shows the City's

Arterials, Collectors, and Neighborhood Routes, which are the primary focus of the program.

### Upcoming Projects

Remaining work for Year Four (FY 2010-2011) includes \$880,000 in pavement design and road construction for Lake Road, from Oatfield Road to Where Else Lane, as part of the Lake Road Federal Grant Multimodal project to begin this summer.

In Year Five (FY 2011-2012), reconstruction is planned for the first phase of Harrison Street, and a 2-inch grind and inlay is planned for International Way. Harrison Street Phase 1, from 32<sup>nd</sup> Avenue to 42<sup>nd</sup> Avenue, is estimated to cost \$460,000 and will begin in the spring of 2012. The structural base of Harrison Street has failed and requires a full-section, full-depth reconstruction. The storm system on Harrison Street is also undersized and some portions of it will be upgraded during the project to ensure that street storm water is properly managed.

International Way, from 37<sup>th</sup> Avenue to Harmony Road, is scheduled for a 2" grind and inlay in the summer of 2012 for an estimated cost of \$400,000. This street is the major arterial route for the Milwaukie Business and Industrial district. Although the road is in good condition in comparison to other arterial and connector streets in the network, further inaction will require more costly repairs (i.e. full reconstruction) and greater traffic interruptions in the future. Due to the limited number of detour routes and the sensitivity of business operations for a number of the City's largest employers, the project will require careful planning and intensive outreach to the impacted businesses.

Year Six (FY 2012-2013) of the Program is exclusively dedicated to Monroe Street reconstruction, estimated to cost \$800,000. The extent of this project is the entire length of Monroe Street, from Highway 99E to Linwood Avenue. Due to Monroe Street's poor pavement quality (reflected in a current average Pavement Condition Index score of 55 out of 100), it will require a full reconstruction. The storm system on Monroe Street is either undersized or non-existent and as such, will require upgrading. Funding for this project is from SSMP funds and possible grants that are being sought from the Monroe Street Bike Boulevard project.

Year Seven (FY 2013-2014) includes the second phase of Harrison Street reconstruction, and rehabilitation of Main Street. Harrison Street Phase 2, from Highway 99E to 32<sup>nd</sup> Avenue is estimated to cost \$480,000. Due to the number of anticipated conflicts including Light Rail construction and other capital projects, this phase was moved several years later from the original schedule. This will ensure proper coordination for the planning and construction of both Light Rail and SSMP projects.

Main Street, from Scott Street to Lake Road, is planned to be rehabilitated and overlaid in the spring of 2014. This project is estimated to cost \$250,000. In 2009, a sewer main was installed under the centerline of Main Street, replacing an adjacent clay sewer

system. Due to the depth and soil conditions, the sewer main trench varies in width through out the downtown. The resulting sewer patch is unattractive. The overlay of Main Street will be scheduled to coordinate with Light Rail construction.

Attachment 2 is an updated Ten-Year SSMP Project Schedule. Program Years eight through ten are also shown on this attachment.

Street projects are selected based on the pavement condition assessment completed in July 2004 and on staff knowledge of pavement conditions and operational priorities. The list is regularly reviewed and accordingly adjusted by the Engineering Director and Streets Supervisor to suit budgetary constraints, to coordinate with other scheduled capital projects, and to take advantage of opportunities to leverage other funds.

### Overall Condition of the Network

The Engineering Department maintains a database of overall Pavement Condition Index (PCI) for the network, which includes assessment data for each street segment in the City. The database is updated each year with all the projects completed. A newly paved street is given a PCI score of 100. The last comprehensive evaluation of the street network was completed in 2004. At that time, the average PCI for the City was 67 on a scale of 100. When the Program was started in 2007, the PCI was 61. In the four years of street maintenance it is calculated that the network-wide PCI value has increased to 62. If the SSMP had not been created, the condition would have fallen to 54. This is a significant milestone. It means that the City has finally reversed the decline of the street system and the entire system is now improving.

Note that the overall condition of the network includes Arterial, Collector, Neighborhood Routes and Local classified streets. The SSMP goal is to improve the pavement condition for Arterial, Collector and Neighborhood Routes to an average PCI value of 75. (See "Achievement of Program Goals".)

### Workload Impacts and Overall Program Progress

The workload to implement and manage SSMP projects is substantial for the Engineering Department. Design of all SSMP projects occurs in-house, and includes surveys, design, and project management. Project design typically begins in the winter months for projects slated to begin in late spring, with additional project design in the spring for summer projects. It takes from 3 weeks to 2 months to complete the entire design and drafting process for each project.

The Engineering, Community Development, and Operation Departments formed an SSMP Project team to orchestrate the ten-year paving schedule with the Capital Improvement Plan, Public Improvement Projects, and other City projects. These project team meetings increase workload by requiring additional staff time for meeting preparation and plan review. These meetings also become more frequent as design

periods approach. Although these meetings incur an additional workload for each department, they are necessary to ensure departmental consensus regarding design decisions for upcoming projects. Furthermore, coordination within Engineering and between its other utilities (Storm, Water, and Sewer) is necessary to make cost-effective decisions regarding timelines of Capital Improvement Projects prior to paving a particular street. This way the other utilities can construct respective CIP projects prior to paving on an SSMP project.

To meet the Engineering workload need during the construction phases, an on-call inspector was hired via proposal-based grading criteria. This inspector is used on all SSMP projects and coordinates with both the City staff and the contractors to ensure that all applicable City standards are met or exceeded during paving operations. Use of this inspector has freed up time for City staff to perform other essential City duties while incurring minimal financial impact on the yearly Program fund (see "Revenue Summary.") The Engineering Department anticipates continuing to design and manage projects with current staffing levels. The Department anticipates contracting with an on-call inspector for future project inspections.

Anticipated progress has been made over the first four years of this Program. Since the program's inception, an average of two to three streets have been paved each fiscal year. In accordance with the initial program goals, the progress has been made on the major streets throughout the City. Additional progress can be made by expending all available funds by paving an additional street each fiscal year.

### Revenue Summary

The SSMP Program resides in the city's municipal budget – Fund 315, wherein revenues are collected specifically and exclusively for expenditures described in the Program. The three revenue sources are a street maintenance fee, a local gas tax, and an electric utility privilege tax.

*Street Maintenance Fee.* Revenue from the Street Maintenance Fee for fiscal year 2009-2010 was projected at \$575,000. The actual revenue collected was \$592,047, 3% higher than projected. Revenue for the current fiscal year is projected at \$590,000. As of November 30, 2010, the revenue received from this fee was \$242,177 which is slightly below (1.5%) the year-to-date projection of \$245,833.

*Local Gas Tax.* The two-cent per gallon local gas tax was implemented beginning July 1, 2007. For fiscal year 2009-2010, gas tax revenue was projected at \$160,000 with only \$155,995 collected. This 2% revenue shortage may be attributed to less-than-average driving rates. The current fiscal year projection for gas tax revenue is \$160,000. Actual year-to-date revenue (as of November 31, 2010) for the current fiscal year is at \$51,950 with a year-to-date projected amount of \$66,667, 22% lower than expected. This fund will be monitored closely by the Finance and Engineering departments for budget and planning purposes into the latter part of this fiscal year.

*Electric Utility Privilege Tax.* The Electric Utility Privilege Tax is collected yearly each spring. The 2009-2010 fiscal year budget of \$285,000 was exceeded by 35% (\$383,593 was collected.) The tax revenue for the current fiscal year is projected at \$398,000, a nearly \$100,000 increase from the previous fiscal year. Based on past revenue trends, City staff expects this budgeted amount will be met or exceeded by the end of this fiscal year.

Year Three (FY 2009-2010) total revenue was \$1,136,383 which was 11.2% more than the projected (and budgeted) amount of \$1,021,500. Year Four (FY 2010-2011) revenue is projected at \$1,158,000. Excluding the electric utility privilege tax, which is to be paid in spring 2011, the actual year-to-date revenue (as of November 31, 2010) is \$294,902 with a projected year-to-date amount of \$316,667. This equates to a year-to-date revenue 6.9% lower than expected. Privilege tax revenue should make up the difference by the end of the fiscal year.

In addition to these tax revenue sources, the existing fund balance will be contributing \$1,115,000 to this year's fund for a projected total of \$2,273,000. This projected fund total, for Year Four, is nearly twice the Program's revenue goal of \$1.2 million. This is partially due to the carryover fund balance from previous Program years. Over the first four program years, the average percentage of revenue spent within each fiscal year budget is at 60%. This equates to an average of 40% of revenue being unspent at the end of each fiscal year. Table 1 below outlines the end fund balance for Program Years 1 through 4.

**Table 1 – End Fund Balance Summary**

Fiscal Year	Revenue	End Fund Balance	Percent of Revenue Expended
2007-2008	\$877,203.71	\$472,409.77	46.1%
2008-2009	\$1,066,701.20	\$280,938.84	73.7%
2009-2010	\$1,136,383.01	\$475,536.50	58.2%
2010-2011*	\$2,273,000.00	\$918,041.10	59.6%

\*FY 2010-2011 values are based on projected revenue and estimated future expenditures.

These end fund balances will be used to rehabilitate and/or reconstruct future streets. Attachment 2 shows the fund balance cash flow through the first ten years of the program.

Achievement of Program Goals

The Program goals, described within the Council-adopted document "Street Surface Maintenance Program" (Resolution No. 35-2006), include (1) an average minimum network PCI value of 75 for major streets, (2) a reduction of the deferred maintenance backlog for major streets, (3) preventative maintenance of major streets to avoid costly reconstruction, (4) continuance of city-wide emergency stopgap maintenance, and (5)

Program revenue and expenditure goals. Each program goal is discussed separately below.

1. Average Minimum Network PCI Value Goal

As of January 2011, the average network-wide PCI value for major streets (e.g. Arterials, Collectors and Neighborhood Routes) is 68. Future projects, specifically those that will improve streets with very low PCI values including Harrison Street, Monroe Street, and Railroad Avenue, are expected to bring the network average up to the PCI 75 goal.

2. Deferred Maintenance Goal

Nine of the eleven street projects were pavement overlays. These projects were done prior to the street sections reaching a point of deterioration that would have required reconstruction. This strategy of overlaying the pavement prior to deterioration, is needed to reduce the amount of deferred street maintenance.

3. Maintenance Goals

City staff feels this goal, to prevent any street from deteriorating to the point of requiring reconstruction, has been satisfied to date. Streets such as Linwood Avenue, River Road, and 27<sup>th</sup> Avenue all have been rehabilitated to avoid more costly repairs in the future. Furthermore, certain local streets are undergoing aggressive treatments of crack sealing (by the Streets Department) and slurry sealing (by private contract.)

4. Stopgap Goals

Stopgap methods of street maintenance are street patching and pothole filling. Current street fund revenues are adequate to perform needed stopgap repairs throughout the City without the need for SSMP funds. As the program continues, there will be less and less need for stopgap measures.

5. Program Cost Goals

The overall revenue goal is \$1.2 million for the first 10 years of the program. The average annual revenue for the program is \$1.1 million. The difference has not affected the program goals related to street maintenance because it is small and project costs have overall been less than estimated.

All SSMP projects are designed in-house with staff responsible for project surveys, design, and project management. This in-house work provides savings to the fund compared to much more costly outside project design by engineering firms.

As discussed previously, an on-call inspector is now being used to inspect SSMP projects. This current on-call inspector contract is effective for fiscal years 2009-2010 and 2010-2011 and has a not-to-exceed amount of \$120,000 over these two years. As of January 2011, approximately \$38,000 of the \$120,000 budgeted has been spent on inspection services. This contract will expire on June 30, 2011. The Engineering Department anticipates extending inspection services contracts as long as it remains financially viable to do so.

#### 6. Additional Benefits

The SSMP program has additional benefits than improving the pavement condition throughout the City. These side benefits include improvement of bike routes by the removal of obstacles, improving street grades to allow for improved drainage, and improving street striping for bike facilities, pedestrian crossings, and needed adjustments in roadway alignment.

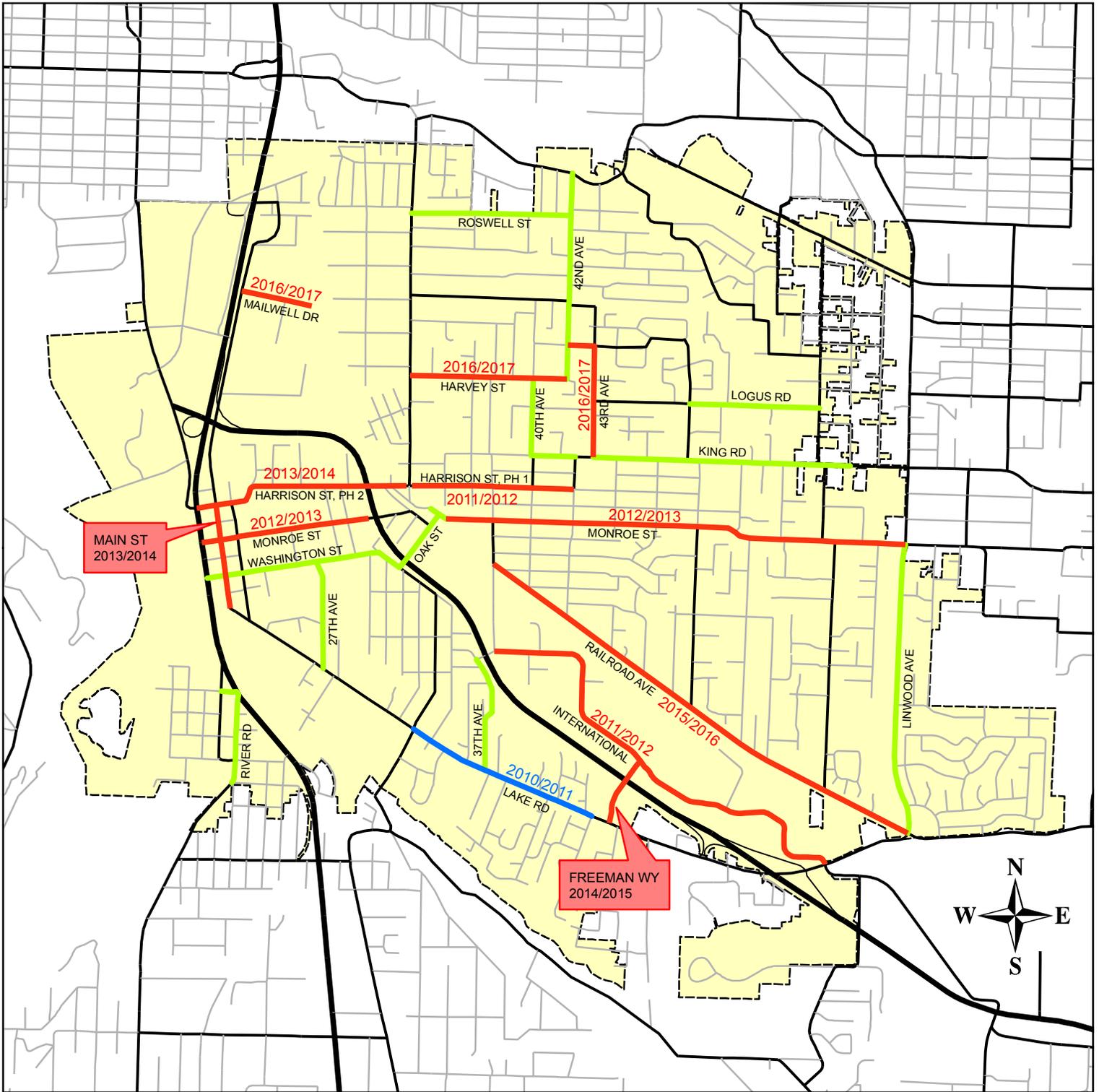
#### **Concurrence**

This report was prepared by SSMP staff which includes employees from the Engineering, Community Development, and Public Works Departments.

The Citizen's Utility Advisory Board (CUAB) received a briefing at their January meeting. The board stated approval of the SSMP plan along with a desire to look for opportunity to move projects forward as the budget allows.

#### **Attachments**

1. Street Surface Maintenance Program Map
2. Updated Ten-Year SSMP Project Schedule



## Street Surface Maintenance Program Map

### Legend

- 2010 - 2011 FY Projects
- Future Projects
- Completed Projects

0 1,000 2,000 3,000

ATTACHMENT 2

February 2011  
Updated Ten-Year SSMP Project Schedule

FY	Account #	Budgetary Title	PCI	Activity Type	Estimate	Actual	
Year 1 07/08		Revenue			\$ 802,228.00	\$ 877,203.71	
		Fund Balance/Working Capital			\$ -	\$ -	
		Total Revenue			\$ 802,228.00	\$ 877,203.71	
		634-6020-0000	Contractual Services		Testing, King Road eval	\$ 50,000.00	\$ 12,681.65
		634-6680-0000	Bad Debt Expense			\$ -	\$ 1,270.44
		634-7500-0000	Capital Projects			\$ -	\$ (999.90)
		634-7500-0813	Oak Street			\$ 85,000.00	\$ 999.90
		634-7500-0814	37th Avenue	53	Overlay/Rehab	\$ 75,000.00	\$ 75,000.00
		634-7500-0815	Washington Street	69	Overlay/Rehab	\$ 180,000.00	\$ 198,400.19
		634-7500-0816	42nd Avenue	55	Overlay/Rehab	\$ 140,000.00	\$ 117,441.66
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 120,000.00	\$ -
		634-9510-0000	Contingencies		Contingencies	\$ 152,228.00	\$ -
					FY Expenses	\$ 802,228.00	\$ 404,793.94
				FY Revenue	\$ 802,228.00	\$ 877,203.71	
				FY Fund Balance	\$ -	\$ 472,409.77	
Year 2 08/09		Revenue			\$ 1,057,000.00	\$ 1,066,701.20	
		Fund Balance/Working Capital			\$ 130,000.00	\$ -	
		Total Revenue			\$ 1,187,000.00	\$ 1,066,701.20	
		634-6020-0000	Contractual Services		Testing, Inspection	\$ 30,000.00	\$ 24,729.37
		634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	\$ -
		634-6680-0000	Bad Debt Expense			\$ -	\$ 3,890.11
		634-7500-0000	Capital Projects		King Rd, Oak St, Logus Rd	\$ 776,571.00	\$ 752,926.31
		634-7500-0813	Oak Street			\$ -	\$ 64.00
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 120,000.00	\$ 4,152.57
		634-8710-0000	Transfer to Fund 327 (Capital Projects)			\$ 98,429.00	\$ -
		634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 86,484.00	\$ -
		634-9510-0000	Contingencies		Contingencies	\$ 73,516.00	\$ -
					FY Expenses	\$ 1,187,000.00	\$ 785,762.36
				FY Revenue	\$ 1,187,000.00	\$ 1,066,701.20	
				FY Fund Balance	\$ -	\$ 280,938.84	
Year 3 09/10		Revenue			\$ 1,021,500.00	\$ 1,136,383.01	
		Fund Balance/Working Capital			\$ 424,916.00	\$ -	
		Total Revenue			\$ 1,446,416.00	\$ 1,136,383.01	
		634-6020-0000	Contractual Services		Testing, Inspection	\$ 40,000.00	\$ 40,000.00
		634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	\$ 825.00
		634-6680-0000	Bad Debt Expense			\$ 2,000.00	\$ 2,595.54
		634-7500-0000	Capital Projects			\$ -	\$ 86,902.00
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 80,000.00	\$ 44,757.90
		634-7500-0818	Linwood Avenue	79	Overlay/Rehab	\$ 150,000.00	\$ 248,176.52
		634-7500-0820	River Road	70	Overlay/Rehab	\$ 105,000.00	\$ 101,872.67
		634-7500-0821	Lake Road			\$ 220,000.00	\$ 20,000.00
		634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 95,254.00	\$ 95,253.96
		634-9510-0000	Contingencies		Contingencies	\$ 492,162.00	\$ -
				FY Expenses	\$ 1,446,416.00	\$ 660,846.51	
				FY Revenue	\$ 1,446,416.00	\$ 1,136,383.01	
				FY Fund Balance	\$ -	\$ 475,536.50	

ATTACHMENT 2

February 2011  
Updated Ten-Year SSMP Project Schedule

FY	Account #	Budgetary Title	PCI	Activity Type	Estimate	Actual	
Year 4 10/11		Revenue			\$ 1,158,000.00	\$ 1,050,000.00	
		Fund Balance/Working Capital			\$ 1,115,000.00	\$ 1,000,000.00	
		Total Revenue			\$ 2,273,000.00	\$ 2,050,000.00	
		634-6020-0000	Contractual Services		Testing, Inspection	\$ 38,000.00	\$ 20,000.00
		634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	\$ -
		634-6680-0000	Bad Debt Expense			\$ 3,000.00	\$ 680.19
		634-6900-0000	General Administrative Services		Inspection Services	\$ 83,000.00	\$ 20,750.01
		634-7500-0000	Capital Projects			\$ -	\$ 31,500.00
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ -	\$ 10,658.20
		634-7500-0818	Linwood Avenue		Overlay/Rehab	\$ -	\$ 32,776.89
		634-7500-0819	Roswell Street	52	Reconstruction	\$ 340,000.00	\$ 302,093.60
		634-7500-0821	Lake Road	53	Transfer to ODOT	\$ 880,000.00	\$ 880,000.00
		634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 122,000.00	\$ 30,500.01
		634-8730-0000	Transfer to Fund 600 (CD)		Transfer	\$ 67,000.00	\$ 16,750.00
		634-8740-0000	Transfer to Fund 600 (Public Works)		Transfer	\$ 37,000.00	\$ 9,250.00
		634-9510-0000	Contingencies		Contingencies	\$ 701,000.00	\$ -
					FY Expenses	\$ 2,273,000.00	\$ 1,354,958.90
				FY Revenue	\$ 2,273,000.00	\$ 2,050,000.00	
				FY Fund Balance	\$ -	\$ 695,041.10	
Year 5 11/12		Revenue			\$ 1,100,000.00		
		Fund Balance/Working Capital			\$ 695,041.10		
		Total Revenue			\$ 1,795,041.10		
		634-6020-0000	Contractual Services		Testing, Inspection	\$ 40,000.00	
		634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	
		634-6680-0000	Bad Debt Expense			\$ 3,000.00	
		634-6900-0000	General Administrative Services		Inspection Services	\$ 40,000.00	
		-	Pavement Assessment (Visual)		Road Network Assessment	\$ 20,000.00	
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 100,000.00	
		-	Harrison Phase 1 (32nd to 42nd)	47	Reconstruction	\$ 460,000.00	
		-	International Way (37th to Harmony)	70	Overlay/Rehab	\$ 400,000.00	
		634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 100,000.00	
		634-8730-0000	Transfer to Fund 600 (CD)		Transfer	\$ 67,000.00	
		634-8740-0000	Transfer to Fund 600 (Public Works)		Transfer	\$ 37,000.00	
		634-9510-0000	Contingencies		Contingencies	\$ 129,000.00	
					FY Expenses	\$ 1,398,000.00	
					FY Revenue	\$ 1,795,041.10	
				FY Fund Balance	\$ 397,041.10		
Year 6 12/13		Revenue			\$ 1,100,000.00		
		Fund Balance/Working Capital			\$ 397,041.10		
		Total Revenue			\$ 1,497,041.10		
		634-6020-0000	Contractual Services		Testing, Inspection	\$ 40,000.00	
		634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	
		634-6680-0000	Bad Debt Expense			\$ 3,000.00	
		634-6900-0000	General Administrative Services		Inspection Services	\$ 40,000.00	
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 100,000.00	
		-	Monroe Street (99E to Linwood)	41	Reconstruction	\$ 800,000.00	
		634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 105,000.00	
		634-8730-0000	Transfer to Fund 600 (CD)		Transfer	\$ 70,350.00	
		634-8740-0000	Transfer to Fund 600 (Public Works)		Transfer	\$ 38,850.00	
		634-9510-0000	Contingencies		Contingencies	\$ 120,000.00	
					FY Expenses	\$ 1,319,200.00	
					FY Revenue	\$ 1,497,041.10	
					FY Fund Balance	\$ 177,841.10	

ATTACHMENT 2

February 2011  
Updated Ten-Year SSMP Project Schedule

FY	Account #	Budgetary Title	PCI	Activity Type	Estimate	Actual	
<b>Year 7</b> 13/14		Revenue			\$ 1,100,000.00		
		Fund Balance/Working Capital			\$ 177,841.10		
		Total Revenue			\$ 1,277,841.10		
		634-6020-0000	Contractual Services		Testing, Inspection	\$ 50,000.00	
		634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	
		634-6680-0000	Bad Debt Expense			\$ 3,000.00	
		634-6900-0000	General Administrative Services		Inspection Services	\$ 40,000.00	
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 100,000.00	
		-	Harrison Phase 2 (99E to 32nd)	47	Reconstruction	\$ 480,000.00	
		-	Main Street (Scott to Adams)	76	Overlay/Rehab	\$ 250,000.00	
		634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 110,250.00	
		634-8730-0000	Transfer to Fund 600 (CD)		Transfer	\$ 73,867.50	
		634-8740-0000	Transfer to Fund 600 (Public Works)		Transfer	\$ 40,792.50	
		634-9510-0000	Contingencies		Contingencies	\$ 73,000.00	
					FY Expenses	\$ 1,222,910.00	
				FY Revenue	\$ 1,277,841.10		
				FY Fund Balance	\$ 54,931.10		
<b>Year 8</b> 14/15		Revenue			\$ 1,100,000.00		
		Fund Balance/Working Capital			\$ 54,931.10		
		Total Revenue			\$ 1,154,931.10		
		634-6020-0000	Contractual Services		Testing, Inspection	\$ 50,000.00	
		634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	
		634-6680-0000	Bad Debt Expense			\$ 3,000.00	
		634-6900-0000	General Administrative Services		Inspection Services	\$ 40,000.00	
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 100,000.00	
		-	Freeman Way (Lake to International)	68	Overlay/Rehab	\$ 300,000.00	
		634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 115,762.50	
		634-8730-0000	Transfer to Fund 600 (CD)		Transfer	\$ 77,560.88	
		634-8740-0000	Transfer to Fund 600 (Public Works)		Transfer	\$ 42,832.13	
		634-9510-0000	Contingencies		Contingencies	\$ 45,000.00	
					FY Expenses	\$ 776,155.50	
					FY Revenue	\$ 1,154,931.10	
				FY Fund Balance	\$ 378,775.60		
<b>Year 9</b> 15/16		Revenue			\$ 1,100,000.00		
		Fund Balance/Working Capital			\$ 378,775.60		
		Total Revenue			\$ 1,478,775.60		
		634-6020-0000	Contractual Services		Testing, Inspection	\$ 50,000.00	
		634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	
		634-6680-0000	Bad Debt Expense			\$ 3,000.00	
		634-6900-0000	General Administrative Services		Inspection Services	\$ 40,000.00	
			Pavement Assessment (Visual)		SSMP Program Expense	\$ 30,000.00	
		634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 100,000.00	
			Railroad Ave (Harrison to Harmony) (yr 6)	44	Reconstruct	\$ 870,000.00	
		634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 121,550.63	
		634-8730-0000	Transfer to Fund 600 (CD)		Transfer	\$ 81,438.92	
		634-8740-0000	Transfer to Fund 600 (Public Works)		Transfer	\$ 44,973.73	
		634-9510-0000	Contingencies		Contingencies	\$ 87,000.00	
					FY Expenses	\$ 1,429,963.28	
				FY Revenue	\$ 1,478,775.60		
				FY Fund Balance	\$ 48,812.33		

ATTACHMENT 2

February 2011  
Updated Ten-Year SSMP Project Schedule

FY	Account #	Budgetary Title	PCI	Activity Type	Estimate	Actual
Year 10 16/17		Revenue			\$ 1,100,000.00	
		Fund Balance/Working Capital			\$ 48,812.33	
		Total Revenue			\$ 1,148,812.33	
	634-6020-0000	Contractual Services		Testing, Inspection	\$ 50,000.00	
	634-6120-0000	Operation Equipment, Repair & Maint.			\$ 2,000.00	
	634-6680-0000	Bad Debt Expense			\$ 3,000.00	
	634-6900-0000	General Administrative Services		Inspection Services	\$ 40,000.00	
	634-7500-0817	Crack/Slurry/Fog Seals		Preventive Maintenance	\$ 100,000.00	
	-	43rd (King to Howe) and Howe (to 42nd)	73	Overlay/Rehab	\$ 130,000.00	
	-	Harvey Street (32nd Ave past 42nd Ave)	26	Reconstruct	\$ 303,000.00	
	-	Mailwell Drive (Main St. to Commerce Park)	28	Reconstruct	\$ 190,000.00	
	634-8720-0000	Transfer to Fund 650 (Engineering)		Transfer	\$ 127,628.16	
	634-8730-0000	Transfer to Fund 600 (CD)		Transfer	\$ 85,510.86	
	634-8740-0000	Transfer to Fund 600 (Public Works)		Transfer	\$ 47,222.42	
	634-9510-0000	Contingencies		Contingencies	\$ 49,840.00	
				FY Expenses	\$ 1,128,201.44	
				FY Revenue	\$ 1,148,812.33	
				FY Fund Balance	\$ 20,610.89	

# **7.**

# **INFORMATION**



**To: Mayor and City Council**

**Through: Bill Monahan, City Manager, and  
Kenneth Asher, Community Development and Public Works Director**

**From: Gary Parkin, Engineering Director**

**Subject: Capital Improvement Program: Progress Report Current Fiscal Year**

**Date: January 14 for February 1, 2011 Regular Session**

**Action Requested**

No action required for this informational report.

**History of Prior Actions and Discussions**

**June 2010:** Budget for FY 2010/11 adopted.

**Background**

The City's Capital Improvement Program (CIP) provides a five year plan for capital projects which the City identifies as a project that extends the useful life of the asset being improved. Because Milwaukie is in the early stages of developing its Asset Management Program for utility management (and therefore does not have complete records on asset life and depreciation schedules), the following indices should be considered in determining "extension of useful life." If a project demonstrates several (but not necessarily all) of these indices, the activity should be considered a capital project: 1) the activity costs \$10,000 or more; 2) the activity is carried out by an outside firm; 3) the activity expands the capacity of the system it is a part of; 4) the activity is not part of a regularly scheduled maintenance program; and 5) the activity is not considered a "temporary" fix or patch.

The CIP is developed from master plans and other adopted planning documents as well as identified needs such as utility issues uncovered during maintenance activities, and issues from citizens like drainage and traffic problems.

The projects are selected based on the priority assigned by the master plans, operational and maintenance issues and grant opportunities.

This report provides information about the status for the projects that comprise the current fiscal year of the plan; that is, projects that are included in the adopted budget.

### Street Surface Maintenance Program (SSMP)

#### *Roswell St Reconstruction (32nd to 42nd) (Budget: \$340,000)*

This project repaved Roswell St. the pavement had deteriorated to the point where reconstruction of the base was needed. The project was completed last summer at 88% of its budgeted amount.

#### *Lake Road Multimodal (Budget: \$880,000)*

The engineering consultant, OTAK, has completed construction plans. Project bid is scheduled for April 7, 2011. Project consists of the pavement reconstruction on Lake Road between Oatfield Road and Where Else Lane. This project is a pavement reconstruction portion of the larger street improvement project listed under the Street fund.

### Stormwater Utility

#### *Decant Facility (Budget: \$139,000)*

This project provides a covered area where wet material collected during maintenance activities can be decanted, or dried, prior to disposal. It is located at the City's Johnson Creek Blvd facility. The project was divided into two phases. Phase 1, which is complete, constructed the roof of the facility and a stormwater runoff treatment swale. Phase 2, providing the drainage and floor, is being design and is planned for completion this summer. This project is funded by each of the three utility funds and the street fund since it will be used by all.

#### *Kellogg Creek Dam Removal (Budget: \$60,000)*

This project is a large undertaking spearheaded by the City and involves state and federal agencies. This year the work underway by engineering consultant, Brown and Caldwell, will provide a bathymetric survey and flow monitoring of Kellogg Lake/Creek. City staff is coordinating this U.S. Army Corp to complete a feasibility study. The City participated with \$15,000 in funds to supplement a \$45,000 grant.

*UIC Decommission Program (Budget: \$5,000)*

Underground Injection Control (UIC) facilities, typically drywells, are used extensively in the City to manage storm water runoff from City streets. Some of them are in areas that are too close to the City's drinking water wells and must be decommissioned. Three drywells were planned for decommissioning this year. One has been decommissioned so far this year, two more will be done this spring.

*NPDES/UIC Permit Renewal (Budget: \$10,000)*

The City is required to maintain an up-to-date National Pollutant Discharge Elimination System Permit. The City is included with other cities of similar size within the County and works with those co-permittees to renew the permit. This project provides the funding for the consultants that are utilized to go through the renewal process. The UIC permit is a new permit that the state is requiring. In a similar fashion to the NPDES permit, the City is working with other cities, using this project to fund a consultant's work.

Currently, the NPDES permit is under review by the Oregon Department of Environmental Quality (DEQ). The NPDES permit is expected to be issued by the end of February 2011. DEQ is in the process of formulating the UIC permit template and will start issuing permits in May 2011.

Street Projects

*Bike Route Improvements (Budget: \$18,000)*

Following the priority set in the Transportation System Plan (TSP), this project provides funding for bike route signage. The City funded a bike route report and plan last year and installed signs for several route sections. This year continues installing signs per the plan using engineering plans and public work crews to install the signs. Phase 3 of the bike route signage was split into two phases to be completed over this fiscal year. Phase 3a was completed in January 2011. Phase 3b is scheduled to be completed in April 2011.

*Lake Road Multimodal Improvements Phase 1 (Budget: \$100,000)*

The project was developed from the 1997 Lake Road Multimodal Plan and provides a continuous sidewalk on the south side of Lake Road from Oatfield to Where Else Lane. The project also adds a center lane, medians and natural on-site drainage treatment facilities. Right-of-way has been acquired and the plans and specifications are expected to be certified by the end of January. The project is mostly federally funded with ODOT

administering the contract. The bid letting date is scheduled for April 7, 2011 with construction expected to begin in June.

*Traffic Safety Program (WSMP) (Budget: \$47,000)*

The Walk Safely Milwaukie Program is in the first year of a three year pilot program. All seven City Neighborhood District Associations (NDA) are expected to submit a Walk Safely Report by February 15. The Walk Safely Report will assess current walking, biking, and automobile traffic conditions within neighborhoods along with areas that need improvement. The NDAs will receive feedback about their respective reports. Staff will hold a open house in mid-March for each NDA to meet to discuss potential improvement projects within their neighborhood. The NDAs will submit improvement projects for selection by the end of April. Staff will score projects and rank submitted projects for approval. Staff will present project scoring and ranking to the Public Safety Advisory Committee (PSAC). PSAC will make a final recommendation of improvement projects to City Council for approval in June.

*2010 Transportation SDC Study (Budget: \$50,000)*

This is a project to update the system development charge that the City assesses to new development to account for street improvements needed as trips are added to the City's street network. The project is considering data from a study that Metro is undertaking and is on hold as that study is completed (anticipated in the fall of 2011).

*Union Pacific Mainline Railroad Quiet Zone (Budget: \$110,000)*

Project completion will institute a quiet zone for the mainline track in Milwaukie and depending on budget approval, will be instituted in the spring of 2012. This year, the sidewalk crossing at Harrison St has been surveyed (for \$5,000) and designed in-house. Draft crossing orders from ODOT Rail were sent for review. The mainline quiet zone application was sent to the Federal Railroad Administration for review.

*Jackson Street Improvement Project (Budget: \$50,000)*

This project, funded primarily by American Re-investment and Recovery Act (ARRA) and TriMet, provides improved bus and pedestrian facilities in accordance with the Downtown plan. Construction of the street improvements was completed in November 2010. The Engineering Consultant, HHPR, is in the process of finalizing the paperwork for the construction project with the Oregon Department of Transportation. TriMet, in coordination with City Staff and the Milwaukie Design Landmarks Committee, are finalizing the design and procurement of the two high capacity bus shelters for installation on Jackson Street. Final installation of the bus shelters are expected in April 2011.

*School Zone Flashing Beacons (Budget: \$6,000)*

The flashing beacons, used to show when the school zone speed is in effect, need to be updated within the City so that they work properly. The County provides servicing for the flashing beacons and began the change out of the beacons in January with Rowe Middle School. The remaining flashing beacons are scheduled to be serviced by the end of January 2011.

*Logus Rd. Street Improvements Ph 1 (Budget: \$9,000)*

This project continues in order to fund the landscape maintenance of the stormwater treatment facilities. Work on the construction of the street improvements (sidewalk, landscaping and pavement reconstruction) completed in the summer of 2009 except for some driveway work that was finished this past summer. The current year budget for this project is to accommodate the landscaping maintenance and the small portion of the driveway work that was not reimbursed by the ODOT grant. This work was completed in September 2010. The landscaping maintenance will continue over the next four years.

*Decant Facility (Budget: \$25,000)*

The Street fund's contribution to this project as the Street department will utilize the facility.

Wastewater Utility

*NE Sewer Extension (Budget: \$1,352,000)*

This project provides a City wastewater conveyance system to 261 locations in the area roughly east of Stanley Ave, south of West Fork Ave and north of King Road. Included is a lift station near 55<sup>th</sup> and Johnson Creek which is being finished now. The project is expected to be finished in mid-February, with the area south of Johnson Creek accepting emergency connections since November. This project is funded by a American Re-investment and Recovery Act (ARRA) loan via the Environmental Protection Agency (EPA) through Oregon DEQ. Once the project is deemed complete, half the project cost will be forgiven while the other half will be paid for as connections are made to the system through a reimbursement district that should be finalized by March 15, 2011.

*Capital Maintenance Program (Budget: \$100,000)*

This is an annual program from the master plan that repairs system deficiencies discovered during maintenance activities. This year focuses on three pipe sections. The first is near the Library Pond House, the second runs from near the tracks on Monroe to 21<sup>st</sup> Ave. and the third is on International Way just east of Minthorn Loop. All three pipe sections have low areas and infiltration issues. Currently this project is in design and will go out for bid mid- February. Construction will be completed within this fiscal year.

*Main Street Main Grant Program (Budget: \$70,000)*

This two-year program was created to help property owners with the costs of switching wastewater connections off the existing clay main that runs mid-block from Scott St to Jefferson St. between Main St and McLoughlin Blvd to the new main installed on Main St between Scott St and Jefferson St in 2009. There haven't been any switchovers to date. This program is set to expire in September 2011. The program provides up to \$5,000 per connection.

*Decant Facility (Budget: \$25,000)*

The Wastewater fund's contribution to this project as the Wastewater department will utilize the facility.

Water Utility

*2010 Water System Master Plan (Budget: \$150,000)*

The engineering consultant, West Yost, has completed a hydraulic model of Milwaukie's water system. West Yost is now working to finalize calculations for Milwaukie's future water demand. Once completed, West Yost, will be able to develop a list of future water CIP projects and provide recommended changes regarding water utility fees and system development charges. Completion of the Water Master Plan is scheduled for May 2011.

*43rd Avenue Water System Improvements (Rockwood to King) (Budget: \$190,000)*

This project was completed on October 21, 2010 at \$6,500 under budget and \$23,000 under the original bid amount. The project consisted of a new 8" water main installed on 43<sup>rd</sup> Avenue between King Road and Rhodesa Street, abandonment of an old, redundant 4" water main on 43<sup>rd</sup> Avenue between King Road and Rockwood Street and Howe Street between 42<sup>nd</sup> Avenue and 46<sup>th</sup> Avenue, and the transfer of 54 residential services from the old 4" water main to a newer 12" water main. This work was completed in anticipation of the 43<sup>rd</sup> Avenue / Howe Street SSMP project.

*42nd Avenue Water System Improvements (King to Franklin) (Budget: \$80,000)*

Engineering Staff has completed 90% construction plans which are now under review by the Water Operations Department. Project bid is scheduled for March 1, 2011. Project consists of abandonment of an old, redundant 4" water main on 42<sup>nd</sup> Avenue between King Road and Railroad Avenue and transfer of 10 water services from the old 4" water main to a newer 8" and 10" water main. This work is in anticipation of the Harrison Street and Monroe Street SSMP projects.

*Harrison Street Water System Improvements (Ph 1, 32<sup>nd</sup> to 42<sup>nd</sup>) (Budget: \$300,000)*

Engineering Staff has completed a topographic survey of the project limits and is now designing the new water system improvements. Project bid is scheduled for June 21, 2011. Phase 1 of this project consists of installation of a new 8" water main, replacing an old, lead joint, 6" water main, on Harrison Street between 32<sup>nd</sup> Avenue and 42<sup>nd</sup> Avenue. This work is in anticipation of the Harrison Street SSMP project.

*Decant Facility (Budget: \$47,000)*

The Water fund's contribution to this project as the Water department will utilize the facility.

Fleet (Budget: \$350,000)

The fleet budget includes \$350,000 to purchase vehicles. To date one vehicle has been purchased at a cost of \$23,500. A purchase order is in the system for the purchase of 11 vehicles at a cost of \$210,275. There are 2 vehicles yet to be purchased at a cost of \$65,000 for a total planned expenditure of \$299,000.

Facilities (Budget: \$200,000)

The facilities budget of \$200,000 was intended for 10 improvements. To date, the Pond House deck and the roof coating at PSB have been completed for \$12,000 and \$25,000 respectively. The other projects will be done in the 4<sup>th</sup> quarter. These projects include, replacement of the roof at the Library and the 40<sup>th</sup> & Harvey Facility, repair roof at City Hall and Bookstore at the Library Pond House, replacement of the Old Ledding House windows and HVAC system, continuation of brick and mortar repair at City hall, replacement of HVAC equipment at PSB, and modification of the first floor HVAC system at the JCB operations building.

### Administration

#### *Riverfront Park (Budget: \$250,000)*

The development of Riverfront Park moves forward this year with wrapping up design and permitting and the relocation of power poles along McLoughlin Blvd.

#### *Telephone System (Budget: \$350,000)*

The City's phone system will be replaced with a Voice Over Internet Protocol (VOIP) phone system providing increased functionality. The Project is will be completed by the end of the fiscal year.

### **Concurrence**

The CIP is provided by the Engineering Department and reviewed by the Public Works and Community Development Departments. The Citizen's Utility Advisory Board and the Budget Review Board also review the document.

### **Fiscal Impact**

None due to this action.

### **Work Load Impacts**

None due to this action.

### **Alternatives**

N/A

### **Attachment**

1. Spreadsheet listing projects

ATTACHMENT 1

CIP 2010-2011			SUMMARY				
Utility or Fund	Project Number	Project Name	CURRENT YEAR 10/11			Notes	
			Fund	Adopted	Spent YTD		Projected
SSMP	0261	Roswell St Reconstruction (32nd to 42nd)	315	\$ 340,000	\$ 299,377	\$ 299,377	Completed 8-2010
	0086-1	Lake Road Multimodal	315	\$ 880,000	\$ 201,767	\$ 880,000	Bid let date : April
Storm	0057	Decant Facility	580	\$ 42,000	\$ 27,524	\$ 42,000	
	0267	Kellogg Creek Dam Removal	580	\$ 60,000	\$ -	\$ 15,000	will supplement \$45,000 grant
	0268	UIC Decommission Program	580	\$ 5,000	\$ -	\$ 5,000	
	0294	NPDES/UIC Permit Renewal	580	\$ 10,000	\$ 25,000	\$ 25,000	
Street	0195	Bike Route Improvements	330	\$ 18,000	\$ 5,771		
	0086-1	Lake Road Multimodal Improvements Ph 1	320/325	\$ 100,000	\$ 17,737	\$ 80,000	\$50K budgeted in each fund, anticipate spending \$30,000 in 320
	0264	Traffic Safety Program (WSMP)	320	\$ 47,000	\$ 250	\$ 20,000	Projected spending is for engineering consultant
	0265	2010 Transportation SDC Study	320	\$ 50,000	\$ -	\$ -	Project delayed for Metro study
	0193	Union Pacific Mainline Railroad Quiet Zone	320	\$ 110,000	\$ -	\$ 5,000	\$100,000 is CDBG funding, move to next year
	0273	Jackson Street Bus Shelters	320	\$ 50,000	\$ -		Project complete
	0149	School Zone Flashing Beacons	320	\$ 6,000	\$ -	\$ 10,000	Excess funds from 330
	0091-1	Logus Rd. Street Improvements Ph 1	320	\$ 9,000	\$ -		
Wastewater	0057	Decant Facility	320/327	\$ 25,000	\$ 26,412	\$ 46,000	Phase 1 complete, phase 2 to begin spring 2011
	0192	NE Sewer Extension	550	\$ 1,352,000	\$ 1,592,645	\$ 1,700,000	Debt to be repaid with connections
	0266	Capital Maintenance Program	550	\$ 100,000	\$ -	\$ 100,000	
	0295	Main Street Main Grant Program	550	\$ 70,000	\$ -	\$ 20,000	City grant program ends Sept 2011
Water	0147	2010 Water System Master Plan	510, 520	\$ 150,000	\$ 146,424	\$ 165,000	Adopted 510=\$66K, 520=84K, All Expenditure from Fund 520
	0103	43rd Avenue water System Improvements (Rockwood to King)	520	\$ 190,000	\$ 206,582	\$ 206,582	
	0284	42nd Avenue Water Service Transfer (King to Franklin)	520	\$ 80,000	\$ -	\$ 80,000	
	0285	Harrison St Water Sys Improvements (Ph 1, 21st to 42nd)	520	\$ 300,000	\$ -	\$ -	Phase 1 and 2 will construct in summer 2011
	0057	Decant Facility	510	\$ 47,000	\$ 18,350	\$ 47,000	
Fleet	N/A	Purchase Vehicles		\$ 350,000	\$ 23,500	\$ 299,000	
Facilities	0015	Replace Roof - Library		\$ 20,000			
	0169	Replace Windows Old Ledding House - Library		\$ 15,000			
	0279	Replace HVAC Old Ledding House - Library		\$ 10,000			
	0120	Roof Repair - City Hall		\$ 15,000			
	0228	Brick Mortar Repair Phase II - City Hall		\$ 25,000			
	0286	Replace Outside Deck- Pond House		\$ 20,000			
	0292	Repair Roof Structure Over Bookstore-Library/ PH		\$ 30,000			
	0240	HVAC Equipment Replacement - Unit #7 - PSB		\$ 10,000			
	0215	HVAC Modifications 1st Floor - Ops JCB		\$ 15,000			
	0199	Replace Roof - 40th and Harvey		\$ 40,000			
Admin	0223	Milwaukee Riverfront Park Improvements		\$ 250,000			
	0282	Telephone System (Replacement)		\$ 350,000			