

# WORK SESSION

**MILWAUKIE CITY COUNCIL  
WORK SESSION  
AUGUST 21, 2012**

**MILWAUKIE CITY HALL**

Conference Room  
10722 SE Main Street

A light dinner will be served

**EXECUTIVE SESSION – 5:00 P.M.**

Executive Session: The Milwaukie City Council will meet in executive session pursuant to ORS 192.660(2)(i) performance evaluations of public officers and employees.

**WORK SESSION – 5:30 P.M.**

		<u>Presenter</u>	<u>Page #</u>
1.	5:30 p.m.	City Manager's Report	Bill Monahan
2.	5:45 p.m.	Discussion of City Attorney Review	Bill Monahan
3.	6:00 p.m.	PGE Green Power Challenge	Teri Bankhead
4.	6:15 p.m.	Update on Interim Rate Implementation and Business Registration Information Sharing	Casey Camors 1
5.	6:45 p.m.	Adjournment	

**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)(i) performance evaluations of public officers and employees. 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.

**Public Notice**

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the one previous to it.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.
- The City of Milwaukie is committed to providing equal access to information and public meetings per the Americans with Disabilities (ADA). If you need special accommodations, please call 503.786.7502 or email [ocr@ci.milwaukie.or.us](mailto:ocr@ci.milwaukie.or.us) at least 48 hours prior to the meeting.



## Memorandum

To: City Council  
Bill Monahan, City Manager

From: Casey Camors, Finance Director

CC: Richard Seals, Finance Director  
Gary Parkin, Public Works Operations Director  
Rina Byrne, Assistant Finance Director

Date: August 13, 2012

RE: Update on the Temporary Wastewater Utility Rates

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### **Purpose**

To provide an update on the Temporary Wastewater Rates including feedback that Milwaukie Finance has received.

### **Background - CUAB**

The Citizens' Utility Advisory Board (CUAB) recommended increases in the utility rates in Spring 2012 based on five year financial utility fund forecasts and the anticipated need to appropriately fund operations. These recommended utility rate increases were as follows:

- Water 17.1%
- Sewer 7%
- Storm 7%

### **Background - CCSD**

Shortly after the CUAB made their recommended increases, the City agreed with Clackamas County Service District No. 1 (CCSD #1) to make payments for wastewater treatment in line with an independent audit of the City's sewer connections. This agreement increased the estimated cost of wastewater treatment from approximately \$2.8 million to \$4 million causing a significant spend down in the Wastewater Fund's reserves that are being accumulated to fund future infrastructure improvements.

### **Background – Council**

On June 5, 2012, Council adopted the CUAB's recommended utility rates (Res. 34-2012) to support utility fund operations. In addition, Council adopted a temporary wastewater rate to support wastewater treatment

service as agreed upon with CCSD #1 (Res. 36-2012). This temporary wastewater rate consisted of a 30 percent increase.

#### **Annual Resetting Accounts for New Winter Average Usage**

July of every fiscal year, the City resets the winter averages of residential utility customers taking the water usage from the prior December through March, and applying the monthly average to the current wastewater rate to arrive at the customer's monthly wastewater charge for August through July of the following year. Preliminary data showed that of 6,304 wastewater customers, 1,689 had decreases in their winter averages, 2,217 had no changes in their winter averages, and 2,398 had increases to their winter averages.

All customers who had a preliminary increase in winter average above 3 ccf's were reviewed to identify if any extenuating circumstances could be assigned to the increase, such as a leak. Accounts showing extenuating circumstances were then adjusted reducing winter averages as appropriate.

Customers with winter average increases above 7 ccf's per month were individually contacted to discuss the impact of such an increase and to offer an opportunity to decrease their winter averages.

#### **Summary of Three Factors producing Significant Increases for Some Residents**

Based on the three factors summarized below, many citizens have faced increases to their utility bills, sometime significant increases.

- Annual utility rate increases to cover inflation in operating costs
- Temporary wastewater rate increase to cover CCSD treatment service
- Winter average reset updating all residents for their new winter (2011-2012) usage

#### **Communication to Residents**

In anticipation of questions and concerns by utility account holders, an insert was included with the August utility bill describing the above factors and options available to customers to reduce their utility charges (attached).

#### **Feedback Received**

The Finance Department has been tracking feedback received from customers for the purpose of keeping the management and the City Council informed. To date, the City has received approximately 245 complaint phone calls regarding the increases. Some of these complainants have been heated and some have announced their plan to attend upcoming Council meetings.

The City has also received approximately 35 complaints in person though these have tended to be more general comments and much less heated. The City has also received emails and notes in utility bill payments which we have responded to promptly and thoroughly in an attempt to inform utility customers of the situation and the cause of the increases.

#### **Moving Forward**

Moving forward, the Finance Department expects to continue to receive feedback from the community and will continue to update Council on such feedback. Next year, winter averages will be prepared, analyzed and implemented in March in an effort to separate rate increases from winter average increases and to smooth overall bill increases. In December 2012 the expert wastewater rate analysis will be completed for presentation to the City Council in January of 2013 with implementation shortly thereafter.

## **Why has my bill gone up?**

The Citizens Utility Advisory Board recommended increases in utility rates to make sure that the City has funds for operations, maintenance, repair and replacement of infrastructure.

### **Recommended increases:**

Water	17.1%
Sewer	7%
Storm	7%

### **Additional increases for sewer**

Last year the City paid Clackamas County \$2.8m for treatment services for sewer. This year we will be paying \$4m, an increase of \$1.2m. Council adopted an interim additional 30% rate increase to cover these costs. The City has hired a rate consultant to review rates and they will be adjusted again based on the outcome of that report.

### **Winter averaging**

Sewer bills are based on water used during the winter as water ends up in the sewer. In summertime, water use generally goes up as people water their lawns. Every year we review water use and adjust sewer bills based on the average amount of water used during the winter months.

### **What can I do to reduce my bill?**

Firstly – conserve water. Secondly, consider if you might have a leak. If you have a leak and are able to provide proof of it being repaired, we may be able to adjust your winter average. If you are able to conserve water over the next 3 months, please call and we may be able to change your winter average.

### **Are you eligible for reduced rates?**

How many people live in your home?

#### **If your income is less than**

1 person	\$25,550 per year
2 people	\$29,200
3 people	\$32,850
4 people	\$36,500
5 people	\$39,450

You may be eligible for reduced rates. We can send you an application or it is available on our website.

## How do I check for a leak?

To check for a leak, make sure everything is turned off inside the house. Next, locate your water meter which is usually located by the street or in the yard in front of the property.

The meter is located in the meter box under a lid. You can either pull off the lid, or flip the meter cover up to look at the meter register.

The meter register on most of our meters looks like this:



The meter should have a small blue or red triangular or star shaped dial, called the leak indicator. With everything off inside of the house, the leak indicator should not be moving at all. If it is moving even slightly, this is an indication of a leak.



## Memorandum

**To:** City Council  
Bill Monahan, City Manager

**From:** Casey Camors, Finance Director  
Judy Serio, Accountant

**CC:** Richard Seals, Finance Director  
Rina Byrne, Assistant Finance Director

**Date:** August 13, 2012

**RE:** Business Registration Information Sharing

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### **Purpose**

To provide information about the process for acquiring consent to disclose information on business registrants with the City of Milwaukie.

### **Background on the Business Registration Process**

The annual Business Registration process kicked off in January this year. Prior to the January 2012 kickoff, the Finance Department discussed the sharing of business information with those outside the organization to identify how to best handle information requests through the year.

It was determined through discussions with the City Attorneys' Office that many elements of business information should not be disclosed to parties outside of the organization without explicit approval. Based on this discussion, the Finance Department implemented a process to ensure that approval for disclosure was acquired prior to staff sending out private information.

### **New Consent Form**

The packet for the 2012 Business Registration renewal included the renewal form, instruction sheet and an Information Disclosure Consent Form (attached). As the City received the consent forms back from the businesses, each business' consent or non-consent was recorded within an Excel spreadsheet.

There were businesses which returned the form blank and in those cases, Finance recorded those as not giving consent. Quite a few businesses did not return the form at all, so a second mailing of only the Information Disclosure Consent Form was completed for such businesses. After the second mailing, if the form was not returned, the City recorded those as not giving consent.

**All Businesses were Asked to Consent or Not**

All new businesses are asked to complete the consent form. As with the renewal, some choose not to return the form to the City. When the "New Business List" is emailed to City staff and Council on Fridays, all new businesses are on the sheet and those that have not given the City consent to disclose their information are highlight green on the spreadsheet with a notation. The "New Business List" emailed to the NDA Chairs contains only those businesses which granted the City disclosure consent.

**Request for Business List**

To date, the City has not received a request for a business list however when a request is made, the disclosure will only disclose information for businesses which specifically granted the City consent.



## City of Milwaukie

### Business Registration Information Disclosure Consent Form

I \_\_\_\_\_ (print name) hereby give my consent to the City of Milwaukie to release my business' name, address and description when requested. I understand the City will keep my business' best interest in mind when disclosing my business information.

I understand that my authorization will remain effective from the date of my signature until I revoke the authorization by written communication.

Signature: \_\_\_\_\_

Business Name: \_\_\_\_\_

Business Registration #: \_\_\_\_\_

Date: \_\_\_\_\_

Email address for future correspondence \_\_\_\_\_

Please do not disclose my business information