



City of Tigard Tigard Business Meeting - Agenda

TIGARD CITY COUNCIL & LOCAL CONTRACT REVIEW BOARD

MEETING DATE AND TIME: December 28, 2010 - 6:30 p.m. Councilor Webb Reception; 7:30 p.m. Business Meeting

MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

PUBLIC NOTICE:

Anyone wishing to speak on an agenda item should sign on the appropriate sign-up sheet(s). If no sheet is available, ask to be recognized by the Mayor at the beginning of that agenda item. Citizen Communication items are asked to be two minutes or less. Longer matters can be set for a future Agenda by contacting either the Mayor or the City Manager.

Times noted are *estimated*; it is recommended that persons interested in testifying be present by 7:15 p.m. to sign in on the testimony sign-in sheet. *Business agenda items can be heard in any order after 7:30 p.m.*

Assistive Listening Devices are available for persons with impaired hearing and should be scheduled for Council meetings by noon on the Monday prior to the Council meeting. Please call 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

Upon request, the City will also endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by calling: 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

SEE ATTACHED AGENDA

VIEW LIVE VIDEO STREAMING ONLINE:

<http://www.tvctv.org/government-programming/government-meetings/tigard>

CABLE VIEWERS: The regular City Council meeting is shown live on Channel 28 at 7:30 p.m. The meeting will be rebroadcast at the following times on Channel 28:

| | | | |
|----------|------------|--------|------------|
| Thursday | 6:00 p.m. | Sunday | 11:00 a.m. |
| Friday | 10:00 p.m. | Monday | 6:00 a.m. |



City of Tigard
Tigard Business Meeting - Agenda

TIGARD CITY COUNCIL & LOCAL CONTRACT REVIEW BOARD

MEETING DATE AND TIME: December 28, 2010 - 6:30 p.m. Councilor Webb Reception; 7:30 p.m. Business Meeting
MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

6:30 - 7:15 PM

COUNCILOR SYDNEY WEBB RECEPTION

**HONORING HER FOR HER YEARS OF SERVICE AS
TIGARD CITY COUNCILOR
2003 TO 2010**

7:30 PM

1. BUSINESS MEETING
 - A. Call to Order
 - B. Roll Call
 - C. Pledge of Allegiance
 - D. Council Communications & Liaison Reports
 - E. Call to Council and Staff for Non-Agenda Items

2. CITIZEN COMMUNICATION (Two Minutes or Less, Please)
 - A. Follow-up to Previous Citizen Communication

 - B. Citizen Communication – Sign Up Sheet

3. CONSENT AGENDA: (Tigard City Council and Local Contract Review Board) These items are considered routine and may be enacted in one motion without separate discussion. Anyone may request that an item be removed by motion for discussion and separate action. Motion to:

A. Approve City Council Meeting Minutes

1. September 21, 2010
2. October 19, 2010

B. Receive and File - Safety and Wellness Awards Received From League of Oregon Cities and City County Insurance Services

C. Appoint Cameron James and Christopher Henn to the City's Budget Committee and Melody Graeber as an Alternate Budget Committee Member

RESOLUTION NO. 10-73 -- A RESOLUTION APPOINTING CAMERON JAMES AND CHRISTOPHER HENN TO THE BUDGET COMMITTEE AND APPOINTING MELODY GRAEBER AS AN ALTERNATE MEMBER

D. Approve Amendments to Extend Contracts for City Attorney and Labor Attorney Services

E. Acquire Property for a Segment of the Fanno Creek Trail (Grant Avenue/Main Street)

RESOLUTION NO. 10-74 -- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TIGARD, OREGON DECLARING THE NEED TO ACQUIRE PROPERTY FOR THE PURPOSE OF COMPLETING THE GRANT AVENUE/MAIN STREET SEGMENT OF THE FANNO CREEK TRAIL IN THE CITY OF TIGARD AND ASSOCIATED GREENWAY AND AUTHORIZING IMMEDIATE POSSESSION OF THE PROPERTY

F. Authorize the Sale of General Obligation Bonds for Parks and Refund Outstanding Bonds

RESOLUTION NO. 10-75 -- A RESOLUTION OF THE CITY OF TIGARD, WASHINGTON COUNTY, OREGON, AUTHORIZING THE SALE OF GENERAL OBLIGATION BONDS IN ONE OR MORE SERIES TO ACQUIRE, PRESERVE AND PROTECT OPEN SPACES, WATER QUALITY, HABITAT, AND PARKS AND TO REFUND OUTSTANDING BONDS

G. Local Contract Review Board:

1. Authorize the City Manager to Execute Change Order Number 12 for the Burnham Street Improvement Project

• *Consent Agenda - Items Removed for Separate Discussion: Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Council/City Center Development Agency has voted on those items which do not need discussion.*

4. CONSIDER A RESOLUTION AMENDING THE MASTER FEES AND CHARGES SCHEDULE TO INCREASE WATER SYSTEM DEVELOPMENT CHARGES (SDC's)
7:50 PM (time is estimated)

RESOLUTION NO. 10-76 -- A RESOLUTION TO AMEND THE MASTER FEES AND CHARGES SCHEDULE, AS ADOPTED BY RESOLUTION 10-30, TO INCREASE WATER SYSTEM DEVELOPMENT CHARGES

5. CONSIDER ORDINANCE AUTHORIZING ISSUANCE OF WATER REVENUE BONDS
8:00 PM (time is estimated)

ORDINANCE NO. 10-19 -- AN ORDINANCE OF THE CITY OF TIGARD, WASHINGTON COUNTY, OREGON, AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS FOR A TOTAL OF NOT TO EXCEED \$160,000,000

6. UPDATE ON AMENDING THE CITY'S CITIZEN INVOLVEMENT STRUCTURE AND APPOINTING THE PLANNING COMMISSION TO SERVE AS COMMITTEE FOR CITIZEN INVOLVEMENT
8:10 PM (time is estimated)

7. COUNCIL LIAISON REPORTS

8. NON AGENDA ITEMS

- A. CONSIDER RESOLUTION APPROVING THE SUBMITTAL OF A REQUEST FOR RECREATIONAL TRAIL GRANT PROGRAM FUNDS

RESOLUTION NO. 10-77 -- A RESOLUTION AUTHORIZING THE SUBMITTAL TO THE OREGON PARKS AND RECREATION DEPARTMENT OF A RECREATIONAL TRAIL PROGRAM GRANT TO PARTIALLY FINANCE THE CONSTRUCTION OF THE WOODARD PARK/GRANT AVENUE SEGMENT OF THE FANNO CREEK TRAIL

- B. CONSIDER APPROVING RIGHT-OF-WAY ACQUISITION FOR BURNHAM STREET - FRONTIER COMMUNICATIONS NORTHWEST, INC. (FORMERLY VERIZON)

9. EXECUTIVE SESSION: The Tigard City Council may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. 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(4), 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.

10. ADJOURNMENT
8:20 PM (time is estimated)

AIS-308

Item #: 3. A.

Business Meeting

Date: 12/28/2010
Length (in minutes): Consent Item
Agenda Title: Approve City Council Meeting Minutes
Submitted By: Carol Krager
Administration
Item Type: Motion Requested

Meeting Type: Consent Agenda -
Approve Minutes

ISSUE

Approve Council Meeting Minutes

STAFF RECOMMENDATION / ACTION REQUEST

Approve Council Meeting Minutes as presented.

KEY FACTS AND INFORMATION SUMMARY

N/A

OTHER ALTERNATIVES

Consider any proposed amendments.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

N/A

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

Attachments

Placeholder - October 26, 2010 Draft Minutes



City of Tigard Tigard Workshop Meeting - Minutes

TIGARD CITY COUNCIL

MEETING DATE/TIME: September 21, 2010 – 6:30 p.m. – Workshop Meeting

MEETING LOCATION: City of Tigard – Town Hall, 13125 SW Hall Blvd., Tigard, OR 97223

1. WORKSHOP MEETING

A. [6:29:07 PM](#) Mayor Dirksen called the Tigard City Council Workshop Meeting to order.

B. Deputy City Recorder Krager called the roll.

| | Present | Absent |
|--------------------------|---------|--------|
| Council President Wilson | x | |
| Councilor Buehner | x | |
| Mayor Dirksen | x | |
| Councilor Henderson | x | |
| Councilor Webb | x | |

C. Pledge of Allegiance

D. Council Communications & Liaison Reports – none

E. Call to Council and Staff for Non-Agenda Items - City Manager Prosser announced that a discussion from the September 14, 2010 Study Session would be continued at the end of the meeting.

2. EXECUTIVE SESSION – There was none.

3. RECEIVE REPORT ON THE WATER RATE STUDY FINAL RECOMMENDATION FROM THE CONSULTANT AND UPDATE ON SYSTEM DEVELOPMENT CHARGES

[6:30:18 PM](#) Public Works Director Koellermeier introduced this agenda item. He suggested the format of a water rate study presentation from staff and Red Oak consultants with a Council question and answer session mid-way, followed by the SDC presentation and discussion. He noted that in addition to a PowerPoint presentation there were updated charts displayed showing the four original Tigard water source alternatives updated due to current study results and the Lake Oswego partnership implementation.

Public Works Director Koellermeier said the following recommendations would be discussed:

- Increasing the fixed charge
- Charging a fixed fee proportionate to water meter size

TIGARD CITY COUNCIL WORKSHOP MEETING

- Utilizing a tiered rate system
- Billing monthly
- Increasing water rates to allow Tigard to obtain bond financing
- Introducing an economic crisis assistance program

Public Works Director Koellermeier said key assumptions are that Tigard's cost for the partnership is \$118 million and funding will come from rate adjustments, SDC revenues and debt financing.

Water Rate Study Final Recommendations

Red Oak Consultant Matthews had a PowerPoint presentation and discussed funding Tigard's current challenges through increased fixed charges, a revised equivalent meter schedule, and the implementation of tiered rates. He said a focus on conservation pricing should reduce peak-season and peak-day use.

Consultant Matthews reviewed the funding requirements of the Lake Oswego/Tigard partnership and discussed funding source options. He said existing Tigard city water customer data was used to develop the rate designs. He discussed uniform rates and said the consultants' proposal for keeping these in place for industrial users. He said inclining blocks or tiers increase the price of water as use increases and this is their recommendation for single- and multi-family residential customers. Conservation will be promoted with the inclining block structure.

Public Works Director Koellermeier summarized that staff recommends the rate numbers and a shift to monthly billing to help customers absorb the increases. He said the next part of the program will be to develop an economic assistance program. He said implementation of tiered water rates will help convey a conservation message. Increasing fixed charges aligns revenues with expenses and will also help with bonding discussions to demonstrate stable revenues that are not variable due to weather.

7:00:27 PM Council President Wilson asked why irrigation users would be classified the same as industrial, when irrigation users only use water during the peak season. Consultant Matthews said they will be charged a different rate than industrial but will be on a uniform rate because they consume more water during the peak season.

Council President Wilson noted that electric utilities use smart meters and asked if a water utility could use similar technology. Public Works Director Koellermeier said staff received a cost estimate for that technology of \$3 million dollars, but it would help identify leaks and save on the cost of reading meters. He said Tigard took a compromise approach and all newly purchased meters are remote-read capable.

Council President Wilson referred to temperature data graphs and questioned the rationale for building 20% additional capacity for only ten 95 to 100 degree days per year. He suggested that if Tigard wants to send a message of conservation, the City should take another look at the payback through smart meters and charge rates tied to use.

7:04:42 PM Councilor Buehner said current fixed rates make residential customers subsidize larger users. Consultant Matthews disagreed, saying, "They are not really subsidizing larger users. But as we move into the future that is exactly what would happen if we don't make this adjustment."

In response to a question from Councilor Buehner about whether part of Tigard's investment has been paid on a cash basis, Public Works Director Koellermeier said the City had already put \$3 million into the project.

TIGARD CITY COUNCIL WORKSHOP MEETING

Councilor Buehner said it is important that citizens know the City has been saving money along the way so that there were funds available to start this process prior to borrowing.

Mayor Dirksen said this would be painful for everyone, but considering tiered rates, etc. are things the City should have been doing anyway. He said when a City is funding a necessity like water it costs what it costs, and the only question is how to pay for it. He said he supports the rate abatement program for people in need.

Public Works Director Koellermeier commented that the City has taken the opportunity to present this to citizens many times. He told Council the initial 30% rate increase estimate has been reduced and in November staff will announce a lower percentage which he expected to be closer to 15% than 30%.

[7:10:55 PM](#) Councilor Webb commented that this region enjoys some of the best and most affordable water in the United States. She said the current water rates are so low that conservation isn't encouraged, which is something tiered rates should do.

[7:12:11 PM](#) Mayor Dirksen said this is the best alternative for the City. He announced that Council will be holding a Town Hall on October 5 at 7:00 p.m. for citizens to come in and discuss issues including water rates, the upcoming parks bond measure and anything else they wish to address with Council. This will be held in Tigard's City Hall.

[7:13:20 PM](#) Councilor Henderson said it may not be understood by ratepayers that the amount due listed on utility bills is not just for water, and the potential increase of \$10.00 is only on the water portion of their bill. Public Works Director Koellermeier agreed with the importance of targeting this point in public information.

[7:14:14 PM](#) Councilor Buehner said she walked around and personally spoke to 300 households in the Bull Mountain area about why the water rates are going up. She also explained about the banking rule changes which now require more costs up front because there is no bond insurance anymore. She said only one person she talked to remained upset at the end of the conversation. She said people understand that it is "short-term pain for long-term gain."

[7:15:26 PM](#) Council President Wilson said he is the Council liaison to the Regional Water Provider's Consortium and wanted to propose a Council Goal Setting meeting discussion about forming an aggressive conservation program particularly for peak-use times, that utilizes new technologies. He said as a landscape architect he knows that there is no horticultural reason to water lawns and plants a great deal on the few days a year when the temperatures spike. He said the public needs to be educated about this.

System Development Charges (SDC)

Consultant Matthews said SDC's are part of utility financing and are one-time capital charges that occur when a new user connects to the water system. He said they are designed to offset the cost of growth and fairly pay for the impacts on the existing system when new customers move into an area. Oregon law provides guidance on developing SDC's and the consultants followed this in their recommendation. The four goals of the SDC Study were 1) Develop a practical SDC that could be implemented; 2) Maintain the financial health for the utility; 3) Comply with Oregon law; and 4) Ensure that the SDC's cover the cost of growth. He presented a PowerPoint on the SDC Study process and recommendation.

Public Works Director Koellermeier said SDC's and water rate revenues are related in revenue financing. The assumptions made for SDC's are a function of what rate we think Tigard will grow in the future. He said staff took a conservative assumption of this growth based on the last several years of history. If Tigard grows faster

TIGARD CITY COUNCIL WORKSHOP MEETING

and the SDC revenues come in at a faster rate than what is modeled, it provides relief to the water rate side of the equation. But he noted that the City is not betting on this. He said policy questions for Council are:

- Should the City charge the maximum allowable SDC?
- Should the City implement a phase in schedule?

Public Works Director Koellermeier said the Intergovernmental Water Board discussed this issue and came to the conclusion that growth needs to pay its own way so they are recommending that against a phase-in. However, if the City decides to do a phase-in period, they suggest the shorter, three-step, two-year period.

[7:23:51 PM](#) Council President Wilson said in his vocation he has been purchasing meters for clients for 25 years and thinks the proposed costs are too high. He said people are already putting in undersized meters in order to avoid the current rates. He said it is not equitable and will deter growth.

Councilor Buehner said that new development needs to pay its own way and not be subsidized. Councilor Webb agreed.

Councilor Henderson said he agreed with Council President Wilson that in this economy people need some financial relief.

City Manager Prosser asked staff what the assumption was for SDC's in their water rate model and asked what the consequences would be if Council chose another amount than what is in the assumption. Consultant Matthews said the SDC model assumes a moderate growth rate. He said the SDC's are not a significant part of the revenue until future years when the economy will likely improve. Although the increases are substantial, the impact on the bottom-line of the utility until growth returns is moderate.

In response to a question from Councilor Buehner, Public Works Director Koellermeier stated that the last time Tigard's water SDC's were raised was 10-years ago.

Council President Wilson said he was not suggesting the SDC's shouldn't be raised, but didn't want Tigard to lead the way with the highest rates in the region.

Consultant Matthews showed a slide detailing impacts to the utility of a phase-in period.

Mayor Dirksen said Council needed time to consider the SDC rate increases. He said the City typically provides a phase-in period to dampen the shock of increases for existing bill payers, yet the people who would be paying these SDC costs are not existing customers. He said he didn't know if phasing makes sense or really solves anything. He referred to the City of Sherwood which has relatively high SDC's and suggested that the cost of SDC's is not always a deterrent to growth. He said he would need more time to consider these increases.

Public Works Director Koellermeier remarked that the City is on a tight time line in order to issue required notices to the Homebuilders Association. He said staff would be meeting soon to show them this package and will then advise Council.

4. DISCUSS THE 2035 TIGARD TRANSPORTATION SYSTEM PLAN (TSP) - CPA2010-00001

[7:40 PM](#) Senior Transportation Planner Gray and Senior Planner Wyss updated Council on the status of Tigard's Transportation System Plan. She said Council had in their packets the TSP as recommended by the

TIGARD CITY COUNCIL WORKSHOP MEETING

Planning Commission and a matrix summarizing changes made since the March presentation to Council. She said adoption of the TSP is scheduled for an October 12 public hearing.

Senior Transportation Planner Gray gave a presentation on the significance and importance of having a TSP, which include eligibility for federal transportation funding. She noted that this update was funded by the Transportation and Growth Management (TGM) grant. She described the community involvement and citizen outreach efforts.

Senior Transportation Planner Gray said a focus of this TSP that is a change from past updates is the effort to get the most use out of the existing system. She said challenges include congestion, patterns for future growth and limited connectivity. Solutions are addressed in Chapter 5 and include land use planning to support alternative travel modes, connectivity, traffic management and design operations, and new projects. A table of new projects is intentionally placed at the back of the TSP to indicate that the first order of business is managing the existing system.

7:51:04 PM Council President Wilson commented that it seems we are doing more to satisfy legal requirements in the TSP than to promote the City's vision. He asked staff to ensure that what comes through clearly in the product is that this is Tigard's plan. He said the only people he is interested in satisfying are the 50,000 residents of Tigard. He commented on references to environmental justice and recommended that if the staff analysis shows Tigard really doesn't have this problem, then this section not be included. He said he would rather the plan focus on the desires of Tigard citizens and be less driven by social policy. He said he thought the TSP was very good overall.

Councilor Webb disagreed with removing references to social justice. She said in every plan across Washington County, affordable housing has to be sited near transportation in order to get funding so this needs to be addressed in TSP's.

Councilor Henderson asked how limitations from ODOT's Transportation Planning Rule figure into this TSP. He said it is important to connect with our neighbors and make sure we are working together.

In response, Senior Transportation Planner Gray said the TSP identifies the corridor refinement plans which are part of the Southwest Corridor planning and in that process the intent of ODOT and Metro is that they'll use it to identify alternative mobility standards that will hopefully, loosen up some of the restrictions. Specific transportation improvements will be identified that can alleviate some pressure on major corridors. She said there is commitment from some at Metro, ODOT, and DLCD to resolving this conflict of adopted goals.

8:07:40 PM Council President Wilson commented that the only backage road in the plan is one he thinks should not be there – Atlanta near Pacific Highway. He expressed concerns that it is too close to Pacific Highway to have a reasonable intersection. Senior Transportation Planner Gray said that could be fixed with turning restrictions and agreed that staff will take another look at it. Council President Wilson said the Tigard Triangle area needs more connectivity. He said the Comprehensive Plan refers to connecting Fanno Creek Trail to the Power Line Trail and asked why that is not in the TSP. Senior Transportation Planner Gray said she did not know why it isn't included and will address this at the public hearing.

Councilor Henderson asked about Project #17 (Ash Avenue Railroad Crossing) and what the "near term" time frame meant. Senior Transportation Planner Gray said it meant the City would do it now if it could. Councilor Henderson asked if she thought this project was warranted. She replied that it would provide an immediate circulation benefit but getting the approval of the railroad is a strategic challenge requiring the trade of an existing at-grade rail crossing. Senior Transportation Planner Gray said a project to realign Tiedeman Avenue is listed as a near term project. She said that project would reduce the need for one at-grade rail crossing and

TIGARD CITY COUNCIL WORKSHOP MEETING

would have to be completed prior to the Ash Avenue railroad crossing project. Mayor Dirksen said ODOT is aware of the City's desire to extend Ash Avenue.

5. REVIEW COUNCIL GROUNDRULES UPDATE INCLUDING NEW COUNCIL CODE OF CONDUCT

Assistant to the City Manager Mills referred to recent news reports and You Tube videos and suggested that the topic of council groundrules is timely. She said Council has been looking at a code of conduct for board and committee members for the past few months and asked that the same code of conduct be put into Council groundrules. Staff has revised these documents for Council review. Changes include:

- New section on council communication with other agencies
- Council communications were identified with boards, committees and commissions
- Role of Council liaisons was defined
- Code of Conduct is included
- Change in sanction process for Council (A major change between the code of conduct for the Board and Committee members and the one that Council has is that the sanction process was changed to a censuring process. Board and Committee Members are appointed and can be removed; City Councilors are elected and other Council members cannot remove them.
- A Certification form is included at the end of the document for Councilors to affirm that they received the Council groundrules, understand the provisions, and pledge to uphold them.

[8:25:58 PM](#) Councilor Henderson said there was no reference to Council's role as the City's policymakers. Assistant to the City Manager Mills said a reference to Council's role could be added at the beginning of the document. Councilor Henderson asked whether a word change in the groundrules is a change in the Charter which can only be done by a vote of the citizens. City Manager Prosser said the Municipal Code and Charter provisions are not verbatim are only summarized in this document. He said minor revisions in the groundrules document are acceptable.

Mayor Dirksen said he agreed with Councilor Henderson's suggestion to add wording about Council's policymaking role and suggested the location be page 8, third bullet down, prefaced with "Council is a policy-making body and is not involved in the day to day administration of the City."

[8:29:28 PM](#) Councilor Buehner said she liked the board and commission contact section language but would like added to it that Council members are not there to micro-manage any particular function. She suggested the document encourage Council to treat City staff professionally and with respect.

In response to a question from Councilor Henderson about how August was selected as the time of year for the annual groundrules review, City Manager Prosser said he remembered that it gives new councilors six months to get used to how things work so they have a better idea if changes should be made and is also after the budget hearings.

Councilor Henderson asked about the selection of May as the time for Council orientation. Councilor Webb suggested removing the stated month (May) and putting in the words, "There will be an event hosted by the City to share with potential Mayor or City Councilor candidates what is involved." Council agreed with the recommendation to take out the specific month reference.

TIGARD CITY COUNCIL WORKSHOP MEETING

Assistant to the City Manager Mills responded to an earlier question from Council President Wilson regarding whether Council is required to wait for a conviction to act when censuring a public official, and said the City Attorney advised that they do not. She added that typically, if there is an issue about not following the law, there are often things that fall under the heading of misconduct.

Assistant to the City Manager Mills said the City Attorney advised of concern about public officials receiving a text, e-mail, tweet or other electronic communication during meetings. She said this creates challenges due to public records requirements, and has the appearance of ex parte contact. She commented that City Attorney Ramis said other jurisdictions are addressing this ex parte contact issue in their groundrules. She asked Council if they wanted language regarding inappropriate contact during meetings included. Council President Wilson suggested an allowance be made for contact in a family emergency or when a meeting runs late. Councilor Webb suggested putting something under the “Communications – General” section and making it part of both Council groundrules and Board and Committee by-laws. She suggested adding a reminder that anything transmitted by public officials during a city meeting is public record.

[8:44:45 PM](#) Assistant to the City Manager Mills thanked Council for serving as the example for Board and Committee Members on how to act and for Council’s striving to have high ethical and professional standards.

6. NON-AGENDA ITEMS

Continuation of discussion about Letter to Homebuilders Association -

[8:45:31 PM](#) City Manager Prosser said staff brought in a letter drafted by Washington County Planning Managers with the suggestion that cities get their Mayors to sign it. It was addressed to Metro and the Homebuilders Association requesting that they drop their legal challenge to Metro’s Construction Excise Tax (CET). He said it is still evolving and the question for Council is whether they are comfortable with Mayor Dirksen signing this letter.

Assistant Community Development Director Hartnett said the letter distributed for Council review reflects changes requested by the Homebuilders Association and Metro. She gave Council historical perspective of the issue with Metro’s CET and the Homebuilders. She said the mayors from Hillsboro and Tualatin have committed to sign the letter and she thought it important for the Homebuilders’ appeal to be dropped. Councilor Buehner asked why King City was not included. Assistant Community Development Director Hartnett said she did not know.

Council agreed that Mayor Dirksen should sign the letter.

Other-

City Manager Prosser announced that TriMet will begin removing railroad ties along the old Tigard Street rail bed. Construction will start September 22 and occur during the hours of 7:00 a.m. through 7:00 p.m. from Monday through Friday.

7. ADJOURNMENT

8:55:31 PM Councilor Webb moved for adjournment and Councilor Buehner seconded the motion. All voted in favor and the meeting was adjourned

| | Yes | No |
|--------------------------|-----|----|
| Council President Wilson | x | |
| Councilor Buehner | x | |
| Mayor Dirksen | x | |
| Councilor Henderson | x | |
| Councilor Webb | x | |

Carol A. Krager, Deputy City Recorder

Attest:

Mayor, City of Tigard

Date

I:\ADM\CATHY\CCM2010\100921.doc



City of Tigard

Tigard Workshop Meeting - Minutes

TIGARD CITY COUNCIL

MEETING DATE/TIME: October 19, 2010 – 6:30 p.m. Business Meeting

MEETING LOCATION: City of Tigard – Town Hall, 13125 SW Hall Blvd., Tigard, OR 97223

1. WORKSHOP MEETING

- A. At [6:32:45 PM](#) Mayor Dirksen called the Tigard City Council Meeting to order.
- B. Deputy City Recorder Krager called the roll:

| | Present | Absent |
|--------------------------|---------|--------|
| Mayor Dirksen | x | |
| Councilor Henderson | x | |
| Councilor Webb | x | |
| Council President Wilson | x | |
| Councilor Buehner | | x |

- C. Pledge of Allegiance
- D. Council Communications & Liaison Reports - none
- E. Call to Council and Staff for Non-Agenda Items – Assistant City Manager Newton said she would talk briefly at the end of the meeting about the upcoming legal services request for proposals. Council President Wilson said he wanted to speak about some political leaflets that were distributed in Tigard.

2. JOINT MEETING WITH THE BUDGET COMMITTEE

Mayor Dirksen announced that since the Budget Committee Chair and Secretary were not present this would not be a formal Budget Committee meeting. Finance and Information Services Director LaFrance led the quarterly update discussion on:

- Audited closure of FY 2009-10
- New quarterly financial report
- FY 2011-12 budget preparation and Capital Improvement Plan (CIP)

Assistant Finance Director Smith-Wagar said the auditors have started their on-site work. She said the annual report is in draft form and the City is on schedule. She expects the audit will be completed by late November.

TIGARD CITY COUNCIL– MINUTES – OCTOBER 19, 2010

Finance and Information Services Director LaFrance said the first FY 2011 First Quarter Financial Report was e-mailed to Council and a copy was distributed tonight. He said he wanted to implement this quarterly report to keep the Budget Committee up to date on the current year financial picture. He noted that this is not the official audited record for the City so it is possible that some numbers may change after further accounting review. He said Budget Committee Member Goodrich who was unable to attend tonight's meeting, has reviewed the report and is favorable.

Finance and Information Services Director LaFrance pointed out a few notable items:

- The figures show two budget adjustments.
- Revenues related to development activity are above projections.
- The City gas tax fund (which funds the Greenburg/Pacific Highway Intersection Project) is down because gasoline purchasing was down. He said he would meet with staff to examine potential savings in current projects funded by the gas tax. He will report to the Budget Committee in the second quarter.
- The Sanitary Sewer beginning fund balance is lower than budgeted due to more expensive reimbursement districts.

[6:45:07 PM](#) Mayor Dirksen asked Budget Committee members if the format of this new report met their needs. He remarked that in the past it was difficult to compare actual revenues and expenditures with budgeted or projected figures and this report made that clear to him. Budget Committee Member James asked if it could include the current and prior years. Finance and Information Services Director LaFrance asked if he wanted to see dollars, percentages or both, and Budget Committee Member James requested both.

Finance and Information Services Director LaFrance suggested keeping this report but creating a second one providing additional comparative information. Mayor Dirksen agreed that year-to-year information would be useful but asked that it be separate; he likes the format of the new report.

In response to a Budget Committee question, Finance and Information Services Director LaFrance responded that the street maintenance fee was lower than budgeted due to credits for under and overpaying in July and August, which impacted revenues on a one-time basis.

In response to a question from Councilor Henderson, Finance and Information Services Director LaFrance said the report is divided by funds similar to the budget book. Councilor Henderson asked why the numbers in Scheduled Appropriations and Contingency changed drastically from the budgeted figures. Finance and Information Services Director LaFrance said those were impacted by budget amendments.

Councilor Henderson asked why the transfers in and out didn't balance each other. Finance and Information Services Director LaFrance said that was related to how the City was coding Indirect Charges, which occur when departments help pay for another department's costs, such

TIGARD CITY COUNCIL– MINUTES – OCTOBER 19, 2010

as for Central Services. These are payments rather than transfers. Finance and Information Services Director LaFrance said they will be equal in next year's budget and revenue in the Central Services fund will be recorded correctly. He said part of the explanatory statement would be that we made a change in our budgeting practices.

Finance and Information Services Director LaFrance said staff is collecting and prioritizing projects and running them through various scenarios. Project sources include the CIP and suggestions from staff and the neighborhood networks. He said potential project lists are due at the end of October. Citizen committees are getting involved in the process by re-prioritizing projects related to their particular committee.

[7:03:23 PM](#) Finance and Information Services Director LaFrance reported that his staff is currently working on the 2011-12 budget forecast. He said by the time the Budget Committee meets again in mid-January, two forecasts will have been done and the general budget instructions will be complete.

3. UPDATE AND DISCUSSION ON WATER RATE STUDY AND WATER SDC - ECONOMIC CRISIS ASSISTANCE PROGRAM

[7:05:27 PM](#) Utility Division Manager Goodrich introduced this agenda item, which updated Council on the Water Rate Study and Water SDC economic crisis assistance program. He said the City is looking at significant increases in water rates and the Intergovernmental Water Board asked staff to come up with a solution for homeowners who may occasionally need utility bill financial assistance due to the current economic downturn.

[7:07:14 PM](#) Utility Division Manager Goodrich said this program offers assistance for the water portion of City of Tigard utility bills. Clean Water Services does not offer any type of economic aid for sewer services. He said Finance Department utility billing clerks refer people requesting help to local churches, the Energy Trust and for heating assistance, to Oregon Heat. Staff was tasked with creating a Tigard Water Services Area water bill assistance program that is fair and equitable. He said people receiving assistance will be required to meet a "means test," which will not be done by City staff. He said staff wanted to fund this program through a donation from the water fund to a non-profit 501 (3)c community organization. The Care to Share organization, which already helps customers in this area through the City of Beaverton's utility assistance program, was selected. Tigard is required to pay a small portion for administering the program through a Memorandum of Understanding (MOU), signed by the City Manager. Utility Manager Goodrich said the City has set this cost at 10%.

[7:11:54 PM](#) Councilor Webb said Care to Share is a well respected organization. She said the City probably would not use that much money but having it available for the first year until the amount needed is known, was wise.

TIGARD CITY COUNCIL– MINUTES – OCTOBER 19, 2010

Council President Wilson asked if Care to Share takes 10% of funds as they are given out or was it a one-time annual charge. Public Works Director Koellermeier said as staff develops the MOU they will do more research and get answers to Council's questions.

Utility Manager Goodrich said when this is established, program information can be given to employees and the public on how to contribute funds to help others in need. This has been requested in the past.

Councilor Henderson asked about the frequency of these assistance requests. Assistant Finance Director Wagar said utility billing employees receive several requests a week. She replied that staff currently refers people to churches for help and the City occasionally gets payments from churches. She noted that not all of the requestors are eligible for assistance and there will be limits and guidelines established. Mayor Dirksen said that to be good stewards of these dollars, Council needs to be aware of the guidelines.

Public Works Director Koellermeier said staff will move forward with preparation of the MOU and return to Council for review.

4. DISCUSS UPDATING TIGARD MUNICIPAL CODE CHAPTER 12, *WATER AND SEWER*, AND CORRESPONDING POLICIES AND PROCEDURES

[7:19:50PM](#) Public Works Director Koellermeier said staff has been working on this project for over one year. He said staff has kept items in ordinances that legally need to be there for authority purposes and everything else into a series of policies and procedures. He stated that this makes future amendments easier and Council will not have to be constantly amending the ordinances for minor procedural changes. He said he has been working with the City Attorney who recommended that Council adopt the first set of policies and procedures. The City Manager can adjust them in the future after meeting the public notification requirements.

Councilor Webb said she found the new version much easier to read.

There being no further comments, Public Works Director Koellermeier said staff will move ahead and bring this to Council for action at the future date.

5. RECEIVE UPDATE ON URBAN FORESTRY CODE REVISIONS PROJECT

[7:22:42 PM](#) Associate Planner Prager introduced this item. He said he wanted to update Council on progress of the Urban Forestry Code Revisions Project. He said in February Council directed staff to begin a comprehensive update on the City's urban forestry regulations consisting of three main parts and he discussed progress made for each.

TIGARD CITY COUNCIL– MINUTES – OCTOBER 19, 2010

- **Enhanced public involvement** – Staff implemented a public involvement component including a website, project newsletter, targeted press releases and the inclusion of public input into packet materials so that citizen committee members can see all feedback. One tree grove open house has been held and another is scheduled for early 2011. A third will be held to coincide with the Arbor Day celebration. Children’s activities have been incorporated into the open houses. Updates are scheduled with Planning Commission and Council so there will be no big surprises at the time of adoption.
- **Revisions to the urban forestry code provisions in both Municipal and Development Codes** – Staff is working with citizen and technical advisory committees to ensure that revisions are consistent with both the community’s expectations as well as with sound urban forestry practices. Committee members include two Planning Commissioners, two Tree Board members, two Parks Board Members, two developers (including one representative from the Homebuilders Association), a certified arborist, a natural resources advocate and one citizen at-large. A third-party facilitator administers this meeting. The technical advisory committee consists of staff members, and representatives from outside agencies with interests in local urban forestry issues. These technical advisory committee meetings are facilitated by staff.

Staff is addressing code amendments through six thematic code packages: hazard trees, street trees, defining allowable uses for current mitigation funds, Development Tree Plan requirements, tree and grove preservation incentives and requirements, and non-development related tree permits. Associate Planner Prager said the code revisions portion of the project should be complete by June, 2011.

- **Enhanced protection of tree groves** - City staff and the consultant are completing the inventory. Preliminary results of the inventory were presented at the first tree grove open house on October 6th. Notices were sent to affected property owners. Associate Planner Prager said the open house was well attended and staff received a lot of good feedback.

Council President Wilson suggested replacing the word “protection” with the word “incentive” when referring to this program, or calling it the “tree grove retention incentive program.”

Mayor Dirksen said he is very interested in what comes out of the public process and asked to see specific issues discussed as part of the program:

- 1) Can and should the mitigation fund be used to purchase property or a conservation easement?
- 2) Can and should that mitigation fund be used to plant trees on private property? He said he would argue that this should not be only on public property as the money comes from private property owners. He referred specifically to parking lots that have little or no tree canopy.

TIGARD CITY COUNCIL– MINUTES – OCTOBER 19, 2010

[7:37:45 PM](#) Associate Planner Prager responded by saying expanding the uses of the mitigation fund was also brought up by interested members of the Citizen Committee but a representative of the Homebuilders Association said their expectation is that those funds will only be used to plant trees, not for protection of existing trees. The consensus of the Citizen Committee was that past funds should be used only for planting trees, but future funds could be opened up for other uses. He said there is still some debate around this topic. Mayor Dirksen said that discussion is good and he was glad to see this moving forward.

6. COUNCIL LIAISON REPORTS –

[7:39:13 PM](#) Council President Wilson showed two flyers that were sent in the mail regarding the City's Parks and Open Space Measure No. 34-181. He said they refer to drinking water quality and noted that the surface water in Tigard does not impact our drinking water. He said that sometimes volunteers on campaigns make incorrect statements but City staff cannot be involved because they are prohibited by law from engaging in political activity. He said has spoken to the leaders of the campaign and pointed out this incorrect assumption that parks and open spaces affect Tigard's drinking water sources. He noted that Tigard's sources of drinking water are Bull Run, Clackamas River and Hagg Lake, and none are impacted by surface water in Tigard.

He urged people to vote yes but for the correct reasons. He apologized to anyone who was confused by this. Mayor Dirksen said he appreciates the enthusiasm of the private sector volunteers who worked on these pieces. He said this Measure will impact the surface water quality as it flows into the Tualatin River, but there is no impact on Tigard's drinking water.

7. NON AGENDA ITEMS –

[7:43:05 PM](#) Assistant City Manager Newton said it is time to seek legal service proposals as the current contract expires at the end of 2010. She said there is a five-year maximum under current contract rules.

Councilor Henderson asked if she was requesting this of Council or the LCRB. Assistant City Manager Newton replied that the Council is the body that the City Attorney reports to and LCRB would approve the final contract. The Council has to select the firm.

Councilor Webb asked for a copy of the prior RFP. Assistant City Manager Newton said she will send that out to Council.

Assistant City Manager Newton said this RFP would allow firms to bid on one or several components. She said the prior RFP split out the labor attorney from the general attorney services and the labor attorney reports to the City Manager. Council President Wilson asked how the City currently fills its need for specialized attorneys. Assistant City Manager Newton said the current firm of Jordan, Schrader, Ramis is used for real estate purposes and a different

TIGARD CITY COUNCIL– MINUTES – OCTOBER 19, 2010

firm is used for franchise work. She asked Council for their input about seeking separate bids for general attorney, land use/real estate, labor and franchise, or keeping it as is, which is seeking bids for general attorney and labor services.

Council President Wilson said he supported having bids on a range of disciplines. He said he was surprised during the last RFP process at how few firms offer city attorney services.

Assistant City Manager Newton said the City is also considering receiving bids for prosecutor services. She said the current arrangement is that the general city attorney contracts with a prosecutor which means the City is paying for some overhead costs.

She asked Council if there were any questions they would like to add to the RFP.

Assistant City Manager Newton said she would send the last RFP and list of questions out to Council.

8. EXECUTIVE SESSION: None held

9. ADJOURNMENT

At [7:52:18 PM](#) Councilor Webb motioned to adjourn. Council President Wilson seconded the motion. All voted in favor.

| | Present | Absent |
|--------------------------|---------|--------|
| Mayor Dirksen | x | |
| Councilor Henderson | x | |
| Councilor Webb | x | |
| Council President Wilson | x | |
| Councilor Buehner | | x |

Carol A. Krager, Deputy City Recorder

Attest:

Mayor, City of Tigard

Date

F:\ADM\CATHY\CCM\2010\101019.doc

TIGARD CITY COUNCIL– MINUTES – OCTOBER 19, 2010

AIS-285

Item #: 3. B.

Business Meeting

Date: 12/28/2010

Length (in minutes): Consent Item

Agenda Title: Receive and File - Safety and Wellness Awards Received From League of Oregon Cities and City County Insurance Services

Prepared For: Loreen Mills

Submitted By:

Loreen Mills
Administration

Item Type: Receive and File

Meeting Type:

Consent - Receive
and File

ISSUE

Receive and file Safety and Wellness awards received from League of Oregon Cities and City County Insurance Services recognizing City of Tigard employees and their efforts to maintain a safe work environment and make healthy lifestyle choices.

STAFF RECOMMENDATION / ACTION REQUEST

Receive and file

KEY FACTS AND INFORMATION SUMMARY

In recognition of the City of Tigard employees continued efforts to maintain a safe and health work environment, the League of Oregon Cities and City County Insurance Services (CIS) presented the City of Tigard with two awards this fall.

First, Tigard employees earned a Silver Safety Award this year. When compared to other Oregon cities with more than 150 employees, Tigard was second lowest in injury frequency rate in the State!

Congratulations to each and every City employee for taking safety seriously! This is the 12th year that Tigard has received recognition for a strong and successful safety program.

Second, as a result of achieving a 98% participation level for plan year 2010-2011, the City was awarded the "Silver Medal Award for Wellness Promotion" from CIS.

In addition to this recognition, the City received a \$3,765.00 grant from CIS which is to be used to promote wellness within our organization.

Thank you to City employees for making wellness a priority. This is the third year in a row the City has received the wellness award.

OTHER ALTERNATIVES

N/A

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

N/A

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

AIS-268

Item #: 3. C.

Business Meeting

Date: 12/28/2010

Length (in minutes): Consent Item

Agenda Title: Appoint Cameron James and Christopher Henn to the City's Budget Committee and Melody Graeber as an Alternate Budget Committee Member

Submitted By: Liz Lutz
Financial and Information Services

Item Type: Resolution

Meeting Type:

Consent Agenda

ISSUE

Should Tigard City Council appoint Cameron James and Christopher Henn to the City's Budget Committee, and Melody Graeber as an alternate member, as recommended by the Appointments Advisory Committee?

STAFF RECOMMENDATION / ACTION REQUEST

Approve the recommended appointments to the Budget Committee

KEY FACTS AND INFORMATION SUMMARY

Cameron James and John Bailey's Budget Committee terms expire on December 31, 2010. As a result, the Appointment Advisory Committee, comprised of Mayor Dirksen and Councilor Wilson, conducted interviews on December 13, 2010 with several citizen applicants for the Budget Committee.

The Appointments Advisory Committee is recommending that the City Council reappoint Cameron James and appoint Christopher Henn to three-year terms beginning on January 1, 2011. The Committee also recommends City Council appoint Melody Graeber as an alternate for a one-year term beginning January 1, 2011.

Cameron James has been a Tigard resident for over six years. He's been on the Budget Committee since 2007, one year as an alternate and the rest as a regular standing member of the committee. He is a financial analyst for DPI Specialty Foods.

Christopher Henn has been a Tigard resident for over three years. He has volunteered for various groups, from PTA to Neighborhood Watch Director, to his Neighborhood Finance and Budget Team. Mr. Henn possesses seven years of work experience in corporate finance and twenty years in information technology. He is getting his Master's Degree in Education.

Melody Graeber has been a Tigard resident for seven years. She has volunteered for various political groups, has been a nurse, and holds two bachelors degrees in nursing and criminology and two masters degrees in political science and Psychology and Social Sciences. She also has completed law school.

John Bailey chose not to apply for re-appointment to the Committee.

OTHER ALTERNATIVES

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

City will maximize the effectiveness of the volunteer spirit to accomplish the greatest good for our community.

DATES OF PREVIOUS COUNCIL CONSIDERATION

NA

Attachments

Resolution

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 10-**

A RESOLUTION APPOINTING CAMERON JAMES AND CHRISTOPHER HENN TO THE BUDGET COMMITTEE AND APPOINTING MELODY GRAEBER AS AN ALTERNATE MEMBER.

WHEREAS, two positions are open on the City's Budget committee due to Cameron James and John Bailey completing their established terms; and

WHEREAS, the Mayor's Appointments Advisory Committee conducted interviews of several individuals on December 13, 2010; and

WHEREAS, the Appointments Advisory Committee has recommended that Cameron James and Christopher Henn be appointed to the City's Budget Committee. In addition, the Committee has recommended that Melody Graeber be appointed as an alternate member.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

- SECTION 1: Cameron James and Christopher Henn are appointed to three-year terms on the City of Tigard's Budget Committee beginning January 1, 2011.
- SECTION 2: Melody Graeber is appointed to a one-year term as an alternate member on the City of Tigard's Budget Committee beginning January 1, 2011.
- SECTION 3: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2010.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

AIS-279

Item #: 3. D.

Business Meeting

Date: 12/28/2010

Length (in minutes): Consent Item

Agenda Title: Approve Amendments to Extend Contracts for City Attorney and Labor Attorney Services

Submitted By: Liz Newton
Administration

Item Type: Motion Requested

Meeting Type: Consent Agenda

ISSUE

Amend the current contracts with the City Attorney and Labor Attorney to extend services through March 31, 2011.

STAFF RECOMMENDATION / ACTION REQUEST

Authorize the City Manager to sign contract amendments to extend services with both the City Attorney and Labor Attorney through March 31, 2011.

KEY FACTS AND INFORMATION SUMMARY

The current contracts with the City Attorney and the Labor Attorney expire on December 31, 2010. Request for Proposals (RFPs) have been issued for both City Attorney and specialized legal services including labor. Responses to the RFPs are due January 11, 2011. The selection process should be complete by the end of February with Local Contract Review Board approval of contracts on March 8, 2011. To accommodate this schedule and ensure there is no lapse in legal services, both contracts need to be extended. Approval of the amendments would extend the current terms of each contract including hourly rates.

OTHER ALTERNATIVES

None

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

Not applicable.

DATES OF PREVIOUS COUNCIL CONSIDERATION

The City Council approved an amendment to the original City Attorney contract on October 9, 2007. The original contract was approved by the Local Contract review Board on December 20, 2005.

The contract for Labor Attorney services was approved by the Local Contract review Board on December 20, 2005.

Fiscal Impact

Fiscal Information:

These extensions continue existing contracts at their current hourly rates for three more months. The total cost of these extensions will depend on the hours of service required.

Attachments

City Attorney Contract Extension

Labor Attorney Contract Extension

CITY OF TIGARD, OREGON
ATTORNEY SERVICES CONTRACT
GENERAL LEGAL COUNSEL SERVICES
AMENDMENT #2

THE AGREEMENT between the City of Tigard, a municipal corporation of the State of Oregon, hereinafter called "City", and Jordan Schrader Ramis PC, hereinafter called "Legal Counsel", entered into on the 21st day of December, 2005, and amended on October 9, 2007, is hereby amended as follows:

EXTENSION OF CONTRACT FOR LEGAL SERVICES

The current contract between the City and Legal Counsel expires on December 31, 2010. The City is in the process of soliciting proposals from qualified firms to provide City Attorney Services. In order to allow adequate time to complete the selection process, the City and Legal Counsel agree to extend all of the terms of the existing contract through March 31, 2011.

IN WITNESS WHEREOF, City has caused this Amendment to be executed by its duly authorized undersigned officer and Lessee has executed this Amendment upon signature and date listed below.

CITY OF TIGARD

JORDAN SCHRADER RAMIS

Name

Name

City Manager

Title

Title

12/28/2010

Date

Date

CITY OF TIGARD, OREGON
ATTORNEY SERVICES CONTRACT
LABOR ATTORNEY SERVICES
AMENDMENT #2

THE AGREEMENT between the City of Tigard, a municipal corporation of the State of Oregon, hereinafter called "City", and Bullard, Smith, Jernstedt, Wilson, hereinafter called "Legal Counsel", entered into on the 21st day of December, 2005, is hereby amended as follows:

EXTENSION OF CONTRACT FOR LEGAL SERVICES

The current contract between the City and Legal Counsel expires on December 31, 2010. The City is in the process of soliciting proposals from qualified firms to provide Labor Attorney Services. In order to allow adequate time to complete the selection process, the City and Legal Counsel agree to extend all of the terms of the existing contract through March 31, 2011.

IN WITNESS WHEREOF, City has caused this Amendment to be executed by its duly authorized undersigned officer and Lessee has executed this Amendment upon signature and date listed below.

CITY OF TIGARD

**BULLARD, SMITH, JERNSTEDT,
WILSON**

Name

Name

City Manager

Title

Title

12/28/2010

Date

Date

AIS-311

Item #: 3. E.

Business Meeting

Date: 12/28/2010

Length (in minutes): Consent Item

Agenda Title: Acquire Property for a Segment of the Fanno Creek Trail (Grant Avenue/Main Street)

Submitted By: Duane Roberts
Community Development

Item Type: Resolution

Meeting Type:

Consent Agenda

ISSUE

Shall Council adopt a Resolution of Necessity declaring the need to acquire property for the purpose of completing the Grant Avenue/Main Street segment of the Fanno Creek Trail and for associated greenway restoration.

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends Council adopt the Resolution.

KEY FACTS AND INFORMATION SUMMARY

This item is a Resolution of Necessity declaring the need to acquire property for the purpose of completing the Grant Avenue/Main Street segment of the Fanno Creek Greenway Trail. The resolution authorizes condemnation if purchase negotiations fail.

The property in question is one of four parcels within the conceptual corridor through which the trail is proposed to travel. Two of these parcels are owned by the City. The City holds a trail easement within the riparian area of another. Trail right-of-way through the subject property is the only land within the corridor not under city control.

Following adoption of the Resolution of Necessity, the next step is a monetary offer to the subject landowner based on the appraised value of the land needed for the trail and restoration project. The value of the land in question is estimated at \$52,500. Funding for the trail project is included in the 2010-2011 Parks Capital Improvement Plan.

A Resolution prepared by the City Attorney is attached along with a metes and bounds survey description and a map of the needed land.

OTHER ALTERNATIVES

Voluntary acquisition has been pursued without success for several years.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

2010 Goal #1: Implement the Comprehensive Plan. The Fanno Creek Trail is identified in both the Park System Master Plan and the Transportation System Plan.

DATES OF PREVIOUS COUNCIL CONSIDERATION

Council has considered this matter a number of times in Executive session during the past few years. On December 14, 2010, Council directed the placement of the Resolution of Necessity on the December 28, 2010 agenda.

Fiscal Impact

Cost: \$52,500

Budgeted (yes or no): yes

Where Budgeted (department/program): PW/Parks

Additional Fiscal Notes:

According to Parks Capital Improvement Plan, the cost of the Main Street to Grant Avenue trail, including land acquisition, is estimated at \$215,000 over the two fiscal years of FY 2010 & FY 2011. Of this amount, \$161,250 is identified as coming from the General Fund and \$53,750 as coming from the Park System Development Charge fund. For last Fiscal Year 2010, \$115,000 was supposed to be spent for land acquisition. The purchase did not occur and is now in front of Council as this condemnation. For the current FY 2011, the budget contains \$100,000 for design and construction, with \$75,000 from General Fund and \$25,000 from Parks SDC Fund. The \$52,500 purchase plus legal fees is within the FY 2011 Adopted Budget amount of \$100,000; however, if Tigard is to purchase the land and do the design and construction this fiscal year, then an amendment to the budget will be necessary.

Attachments

Resolution

Legal Description

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO 10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TIGARD, OREGON DECLARING THE NEED TO ACQUIRE PROPERTY FOR THE PURPOSE OF COMPLETING THE GRANT AVENUE/MAIN STREET SEGMENT OF THE FANNO CREEK TRAIL IN THE CITY OF TIGARD AND ASSOCIATED GREENWAY AND AUTHORIZING IMMEDIATE POSSESSION OF THE PROPERTY.

WHEREAS, the Tigard City Charter grants the City authority to acquire land for public purposes; and

WHEREAS, the City of Tigard is authorized by ORS 223.005 et seq. and ORS 35.015 et seq. to purchase, acquire, take, use, enter upon and appropriate land and property within or without its corporate limits for the purposes provided in those statutes; and.

WHEREAS, the construction of the Grant Avenue/Main Street segment of the Fanno Creek Trail (“Trail”) is an approved capital improvement project identified in the City of Tigard *Capital Improvement Plan*; and

WHEREAS, the Grant Avenue/Main Street Fanno Creek Trail is a segment of the City greenway trail system identified in the *Tigard Park System Master Plan*, and forms part of the 15-mile long Fanno Creek Regional Trail, designated as regionally significant by Metro; and

WHEREAS, the favored alignment of this segment goes along the southwest side of the creek due to physical constraints and the high cost of constructing the Trail in other locations; and

WHEREAS, the City Council has deemed necessary the acquisition of certain properties, including the Grant Avenue and Main Street segment of the Fanno Creek Trail; and

WHEREAS, immediate possession of the property is necessary due to time and resource constraints relating to necessary planning and permitting activity for the Trail; and

WHEREAS, this acquisition is for the health, safety, benefit, and general welfare of the public for the public purpose of completing the official greenway trail system within the City of Tigard.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The City of Tigard City Council does hereby find and declare that property located in the City of Tigard, Washington County, Oregon is immediately needed and required for the construction, operation, maintenance, repair and improvement of

the Grant Avenue/Main Street Fanno Creek Trail segment and to create surrounding greenway. This property is described as follows: property described in Exhibit "A" attached hereto and incorporated herein by this reference; ancillary easements as may be needed for construction related purposes; and additional land as yet undescribed that may be needed to fully accommodate the ultimate section for the trail in accordance with the final design drawings.

SECTION 2: The extension of the Fanno Creek Trail, for which the real property and interest are described herein are required and are being taken as necessary in the public interest, and the improvements to said property will be planned, designed, located and will be constructed in a manner that will be most compatible with the greatest public benefit and the least private injury or damage.

SECTION 3: The Tigard City Manager and the City's attorneys are authorized to negotiate with the owners and other persons in interest in the real property described herein as to the compensation to be paid for acquisition. The Tigard City Manager is authorized to enter into an agreement for purchase of this property and interests at the appraised fair market value. The City Manager is further authorized to negotiate and execute agreements for purchases that exceed the appraised values as long as the total agreement amount is less than \$75,000. Purchase of property and easements for amounts that exceed the appraised values and are higher than \$75,000 must be approved by City Council.

SECTION 4: In the event that no satisfactory agreement can be reached on the property and interests, then the attorneys for the City of Tigard are directed and authorized to commence and prosecute to final determination such proceedings as may be necessary to acquire the real property and interests and necessary easements, including exercise of eminent domain, and upon the filing of such proceedings, possession of the real property and interests therein may be taken immediately to the extent provided by law.

SECTION 5: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____, 2010.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

Legal description

A tract of land situated in the Northeast and Northwest one-quarter of Section 2 Township 2 South, Range 1 West, of the Willamette Meridian, City of Tigard, Washington County, Oregon , being a portion of Lot 54 of the Amended Plat of North Tigardville as recorded in the Washington County Subdivision Records, being more particularly described as follows:

Commencing at a 1" iron pipe 20.17 feet N42° 12' 37" E from the southeast corner of Lot 54 of the Amended Plat of North Tigardville as recorded in the Washington County Subdivision Records; Thence N 42° 12' 37" E, along the easterly line of said Lot 54, a distance of 447.90 feet to **The True Point of Beginning**; Thence N 42° 12' 37" E, along the easterly line of said Lot 54, a distance of 238.30 feet to the center of Fanno Creek and the northeast corner of said Lot 54; Thence along the northerly line of Lot 54 the following 14 courses also being the center of Fanno Creek; Thence N31° 31' 13" W a distance of 18.59 feet; Thence N 46° 19' 38" W a distance of 44.15 feet; Thence N 64° 42' 17" W a distance of 59.55 feet; Thence N 78° 29' 19" W a distance of 26.14 feet; Thence S 56° 33' 18" W a distance of 30.03 feet; Thence S 30° 54' 01" W a distance of 65.66 feet; Thence S 13° 46' 08" W a distance of 25.17 feet; Thence S 24° 21' 25" W a distance of 11.45 feet; Thence S 56° 27' 22" W a distance of 19.64 feet; Thence N 89° 25' 59" W a distance of 16.05 feet; Thence N 77° 22' 19" W a distance of 17.09 feet; Thence N 12° 10' 55" W a distance of 25.11 feet; Thence N 00° 55' 48" E a distance of 50.50 feet; Thence N 15° 43' 27" W a distance of 45.76 feet to the northwest corner of said lot 54; Thence S 42° 12' 37" W, along the west line of said Lot 54, a distance of 120.76 feet; Thence S 46° 42' 17" E a distance of 76.38 feet to a point of curve of a curve to the left; Thence along said curve to the left with a radius of 60.00 feet, a central angle of 25° 50' 41" (a chord which bears S 59° 37' 38" E, 26.84 feet) and a length of 27.06 feet; Thence S 72° 32' 58" E a distance of 37.95 feet to a point of curve of a curve to the right; Thence along said curve to the right with a radius of 40.00 feet a central angle of 43° 48' 30" (a chord which bears S 50° 38' 43" E, 29.84) and a length of 30.58 feet; Thence S 28° 44' 28" E a distance of 82.31 feet to the True Point of Beginning

Containing 38634 square feet

AIS-298

Item #: 3. F.

Business Meeting

Date: 12/28/2010

Length (in minutes): Consent Item

Agenda Title: Authorize the Sale of General Obligation Bonds for Parks and to Refund Outstanding Bonds

Prepared For: Toby LaFrance

Submitted By:

Toby LaFrance
Financial and
Information Services

Item Type: Resolution

Meeting Type:

Consent Agenda

ISSUE

Request Council to authorize the sale of two series of General Obligation Bonds: 1) for \$17 million in Parks Bonds, and 2) for potential refunding of Tigard's outstanding Library Bonds.

STAFF RECOMMENDATION / ACTION REQUEST

Staff requests passage of the resolution.

KEY FACTS AND INFORMATION SUMMARY

The Parks Bonds were approved by the voters of the City of Tigard in Measure 34-181 on November 2, 2010 in the amount of \$17,000,000. Tigard currently has one other General Obligation Bond that was issued to pay for the Tigard Library authorized by the voters of the City of Tigard on May 21, 2002.

Council is being asked to approve a resolution authorizing the sale of General Obligation bonds in one or more series for the \$17 million for parks and, if it provides savings to the citizens of Tigard, to issue refunding general obligation bonds to refinance the Library Bonds.

OTHER ALTERNATIVES

Council can choose not to sell the bonds authorized by the resolution

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

This action supports Council's goal to "Strategize with Park and Recreation Advisory Board on a 2010 Parks Bond".

DATES OF PREVIOUS COUNCIL CONSIDERATION

The Parks Bonds were approved by the voters of the City of Tigard on November 2, 2010 in Measure 34-181.

Fiscal Impact

Cost: \$30,000

Budgeted (yes or no): Yes

Where Budgeted (department/program): Finance and Information Services Administration

Additional Fiscal Notes:

The cost listed is the approximate cost for Bond Counsel and the Financial Advisor.

The financial impact of the resolution is to authorize the sale of one, or more series of General Obligation Bonds. The first series will generate \$17 million for Parks land acquisition and development. The bond will cost approximately \$60 per year to the average household in Tigard (based on assessed value of \$207,000 charged at \$0.29/\$1,000).

The purpose of the subsequent bond series is to save money. The subsequent bond series that is being authorized would refund and refinance Tigard's outstanding General Obligation Bond for the Tigard Library. The Library Bond was issued in the amount of \$13.0 million and \$8.9 million is still outstanding. Tigard will be making annual payments of approximately \$975,000 on the Library Bond through 2022. It is possible that the current market conditions could produce an interest rate savings and lower the cost to Tigard property owners. If authorized, the subsequent bond series will be put up for bid in hopes of a savings. If there is not a savings, Tigard can reject all bids.

Attachments

Resolution

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 10-**

A RESOLUTION OF THE CITY OF TIGARD, WASHINGTON COUNTY, OREGON, AUTHORIZING THE SALE OF GENERAL OBLIGATION BONDS IN ONE OR MORE SERIES TO ACQUIRE, PRESERVE AND PROTECT OPEN SPACES, WATER QUALITY, HABITAT, AND PARKS AND TO REFUND OUTSTANDING BONDS.

WHEREAS, the voters of the City of Tigard, Washington County (the “City”) approved Measure 34-181 at the November 2, 2010 general election, authorizing the City to issue \$17,000,000 of general obligation bonds to acquire, preserve and protect open spaces, water quality, habitat and parks, as described in the ballot title for Measure 34-181; and

WHEREAS, the City may be able to reduce its debt service expense and the property tax levies by refunding its general obligation borrowing that was sold to the Oregon Business Development Department, formerly Oregon Economic and Community Development Department, in Community Facilities Loan Number K03001 (the “Refundable Bond”); and

WHEREAS, the City is authorized by ORS Section 287A.360 to issue bonds to refund outstanding general obligation bonds; and

WHEREAS, it is now desirable to authorize the sale of the bonds that were approved by the voters at the November 2, 2010 election and bonds to refund the Refundable Bond;

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

Section 1: Parks Bonds Authorized. The City hereby authorizes the issuance of not more than \$17,000,000 (Seventeen Million Dollars) in aggregate principal amount of general obligation bonds to finance the projects described in Measure 34-181, including paying costs of issuing the general obligation bonds.

Section 2: Refunding Bonds Authorized. The City further authorizes the issuance of refunding general obligation bonds to refinance all or any portion of the outstanding Refundable Bond. However, the City shall not refinance the Refundable Bond unless the refinancing produces adequate savings, as determined by the City Official pursuant to Section 3(1), below. The net proceeds of the refunding general obligation bonds shall not exceed the outstanding principal amount of the Refundable Bond to be refunded, plus any amounts required to pay costs of the refunding, rounded upward to allow principal to mature in multiples of \$5,000.

Section 3: Delegation. The Finance and Information Services Director, City Manager or the Assistant City Manager (each of whom is referred to herein as a “City Official”) may, on behalf of the City and without further action by the Council:

- (1) Determine whether the refunding of the outstanding Refundable Bond produces adequate savings.
- (2) Issue the general obligation park bonds authorized by Section 1, and issue the general obligation refunding bonds authorized by Section 2 if the City Official determines that the refunding produces adequate savings.

- (3) Issue the general obligation park bonds authorized by Section 1 and the general obligation refunding bonds authorized by Section 2 (collectively the “Bonds”) in one or more series.
- (4) Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to each series of the Bonds.
- (5) Establish the form, final principal amounts, maturity schedules, interest rates, sale prices and discount, prepayment terms, administrative provisions, and other terms of each series of Bonds.
- (6) Execute and deliver a bond declaration for each series of Bonds specifying the terms under which each series of Bonds are issued and making covenants for the benefit of bondowners. The bond declarations may also contain covenants for the benefit of any insurers of the Bonds.
- (7) For each series, publish a notice of sale, receive bids and award the sale of that series of Bonds to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters, commercial banks or other investors and negotiate the sale of the Bonds with those underwriters, commercial banks or investors.
- (8) Undertake to provide continuing disclosure for each series of Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- (9) Apply for ratings for each series of Bonds, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
- (10) Determine whether each series of Bonds will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended (the “Code”), or is includable in gross income under the Code. If a series bears interest that is excludable from gross income under the Code, the City Official may enter into covenants to maintain the excludability of interest on that series of the Bonds from gross income.
- (11) Issue any series of Bonds as taxable bonds that are eligible for federal interest subsidies or tax credits and enter into appropriate covenants.
- (12) Designate any series of Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.
- (13) Engage the services of verification agents, escrow agents, paying agents and any other professionals whose services are desirable for the financings.
- (14) Enter into one or more escrow deposit agreements, if necessary, for the refunding and take actions to prepay the Refundable Bond.
- (15) Execute and deliver any agreements or certificates and take any other action in connection with each series of Bonds which the City Official finds is desirable to permit the sale and issuance of that series of Bonds in accordance with this resolution.

Section 4: Security for Bonds. The Bonds shall be general obligations of the City. The City hereby pledges its full faith and credit to pay the Bonds, and the City covenants for the benefit of the Bondowners that the City shall levy annually, as provided by law, in addition to its other ad valorem property taxes, and outside the limitations of Sections 11 and 11b of Article IX of the Oregon Constitution, a direct ad valorem tax upon all of the taxable property within the City in sufficient amount, after considering discounts taken and delinquencies that may occur in the payment of such taxes, to pay the Bonds promptly as they mature.

Section 5: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2010.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

I:\Citywide\Council Packets\Packet '10\101228\Council_Resolution bonds.doc

AIS-289

Item #: 3. G. 1.

Business Meeting

Date: 12/28/2010

Length (in minutes): Consent Item

Agenda Title: Authorize the City Manager to Execute Change Order Number 12 for the Burnham Street Improvement Project

Prepared For: Kim McMillan

Submitted By: Joseph Barrett
Financial and
Information Services

Item Type: Motion Requested

Meeting Type: Consent Agenda -
LCRB

ISSUE

Shall the Local Contract Review Board authorize the City Manager to execute Change Order Number 12 on the Burnham Street Improvement Project?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the Local Contract Review Board authorize the City Manager to execute a \$120,426 change order for the Burnham Street Improvement Project.

KEY FACTS AND INFORMATION SUMMARY

On September 29, 2009 the Local Contract Review Board approved the Burnham Street Improvement Project. This project was a complete reconstruction of the roadway and included the widening and "greening" of Burnham Street from Hall Boulevard to Main Street. It also included construction of Ash Avenue from Burnham Street north to the Commuter Rail Park and Ride Facility.

As part of the "greening" of Burnham Street, Change Order Number 12 implements City Council's direction to install LED lights on the Burnham project. This change order covers the cost to install 56 Hadco 80 LED Type V fixtures to the street lights lining Burnham Street. These fixtures will reduce the amount of energy required to light the street. The total cost for this change is \$116,773.

The change order also adds \$3,653 for the reconnection of irrigation systems at three properties along the project work area.

The total cost of the change order is \$120,426 and is the first change order that requires the approval of the Local Contract Review Board under the City's current polices. Under Tigard Public Contract Rule 10.075 change orders may be made on the project without a formal competitive process if certain conditions are met. The first condition is that the original contract was let by a formal process as this one was with the Invitation to Bid in 2009. The second is that the aggregate cost of all the change orders does not exceed 25% of the original contract. With this proposed change order, the aggregate increase from the original is only 8.4%. With the public contracting conditions being met, the City still must meet the formal approval levels for a purchase exceeding \$75,000. At \$120,426, the Local Contract Review Board approval is necessary to move forward with the change order.

OTHER ALTERNATIVES

The Local Contract Review Board could chose not to approve the change order and provide staff with direction on some other course of action.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

The Burnham Street Improvement Project supports Council's 2010 Goal #2 "Implement Downtown Urban Renewal."

DATES OF PREVIOUS COUNCIL CONSIDERATION

The original contract for the project was approved by the Local Contract Review Board on September 22, 2009.

The Council reviewed the additional fixture cost and long term energy savings in a work session on February 9, 2010. The Council directed staff to proceed with LED lights in that work session.

Fiscal Impact

Cost: 120,426.00

Budgeted (yes or no): Yes

Where budgeted?: Gas Tax Fund

Additional Fiscal Notes:

The original contract amount is \$4,099,099. The adjusted contract amount, including Change Orders 1 through Change Order 12 is \$4,443,234. This is approximately 8.4 percent over the original contract amount. Over the seven-year life of the LED fixtures, the lights will essentially pay for themselves; the energy savings should be sufficient to cover the additional cost of the LED fixtures.

Including Change Order Number 12, the remaining contract amount starting Fiscal Year 2010-11 is \$2,274,917. In Fiscal Year 2010-2011, \$2,391,339 is budgeted for Burnham Street construction, exceeding the remaining contract amount by \$116,422. Therefore, the addition of Change Order Number 12 keeps the construction within the authorized FY 2010-11 Budget and does not necessitate any changes or amendments to the existing project budget.

AIS-257

Item #: 4.

Business Meeting

Date: 12/28/2010

Length (in minutes): 10 Minutes

Agenda Title: Consider a Resolution Amending the Master Fees and Charges Schedule to Increase Water System Development Charges (SDCs)

Submitted By: John Goodrich
Public Works

Item Type: Resolution

Meeting Type:

Council Business Meeting - Main

ISSUE

Shall the City Council consider a resolution amending the 2010-2011 Master Fees and Charges Schedule to increase water SDCs?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the Council adopt the resolution.

KEY FACTS AND INFORMATION SUMMARY

The City's consultant has completed a comprehensive water financial plan which included a Water System Development Charge (SDC) Update.

The Council adopted new water SDC methodology on December 14, 2010. This resolution utilizes the approved methodology to update water SDCs in the 2010-2011 Master Fees and Charges Schedule. Water SDCs were last updated in 2000.

If approved, the resolution:

- Implements SDC increases in three steps over a two-year period, as outlined in the attached December 13, 2010 memo, titled "Tigard Water System Development Charge - Staff Phase-In Request."
- Initiates the first of three step increases on February 1, 2011; allowing staff a month to notify the public of the new SDC rate schedule.
- Generates an estimated \$895,000 in SDC revenues from 2011 through 2014.
- Allows developers/builders two years to adjust and plan for SDC increases.
- Requires the City to review and adjust water SDCs annually based on inflation and additions to the water capital improvement list.
- Allows the City to establish and assess a supplemental water SDC to new service areas, should the City decide to provide such service.

The Intergovernmental Water Board (IWB) recommended implementing maximum SDCs with no phase-in. However, the Board acknowledged the Council may opt for a phase-in and, if so, recommended the three-step, two-year phase-in. This is the phase-in currently before the Council. Implementation details are shown in Exhibit A, the proposed Master Fees and Charges Schedule, of the resolution.

OTHER ALTERNATIVES

Council could chose not to adopt the resolution and:

- Select and adopt an alternative SDC implementation strategy.
- Leave the existing 2000 SDCs in effect.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

City Council Long Term Goal: "Continue to monitor the Tigard/Lake Oswego Water Partnership."

The Water SDC Update was based on the capital projects included in the 2010 Water System Master Plan.

DATES OF PREVIOUS COUNCIL CONSIDERATION

Council was presented with information, findings, and recommendations from staff and City consultants on:

June 15, 2010 - Council workshop - Introduction to the water financial plan project

July 20, 2010 - Council workshop - Water SDC methodology preliminary findings

September 21, 2010 - Council workshop - Water SDC methodology final report

December 14, 2010 - Council business meeting - Adoption of water SDC methodology by resolution

Fiscal Impact

Cost: Revenue

Budgeted (yes or no): Yes

Where Budgeted (department/program): Water Fund

Additional Fiscal Notes:

This resolution amends the City's Master Fees and Charges Schedule by increasing water SDCs in a three-step, 2-year phase-in.

With this increase, water SDC revenues are expected to generate an estimated \$895,000 from 2011 through 2014. This revenue will help repay \$125.5 million in water revenue bonds secured to fund Lake Oswego-Tigard Water Partnership projects and other capital improvements.

Attachments

Resolution

Exhibit A Master Fees and Charges Schedule

Testimony from HBA via Letter to Council

December 13, 2010, 3-Step 2-Year Phase-In Memo

2010 Water SDC Methodology

Water SDC Option Comparison Table

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 10-**

A RESOLUTION TO AMEND THE MASTER FEES AND CHARGES SCHEDULE, AS ADOPTED BY RESOLUTION 10-30, TO INCREASE WATER SYSTEM DEVELOPMENT CHARGES

WHEREAS, Tigard Municipal Code, Chapter 3.24 defines the authority and process for imposing water system development charges (SDCs); and

WHEREAS, the City of Tigard is the managing authority and water provider for the Tigard Water Service Area (TWSA). The TWSA includes the residents of Durham, King City, two-thirds of Tigard, and the Tigard Water District; and

WHEREAS, the Intergovernmental Agreements for Delivery of Water Service, Sections 8.B., state the Tigard City Council has the authority to modify, alter or repeal the Rules, Rates and Regulations for Water Service within the Tigard Water Service Area; and

WHEREAS, water SDCs were last updated in 2000;

WHEREAS, the Council adopted updated water SDC methodology on December 14, 2010; and

WHEREAS, this resolution utilizes the approved methodology to adjust water SDCs:

WHEREAS, on an annual basis, the City should review and possibly update water SDCs in order to keep pace with in inflation and additions to the water capital improvement list; and

WHEREAS, a supplemental water SDC may be established and assessed to new service areas based on the capital improvements required to provide the service; and

WHEREAS, the City of Tigard has a Master Fees and Charges Schedule that was adopted by Resolution 10-30.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The water SDCs are hereby amended as shown in Exhibit A, the Master Fees and Charges Schedule.

SECTION 2: As set forth in ORS 223.304(8) the City shall conduct an annual review of water SDCs and adjust said SDCs in order to keep pace with inflation and additions to the water capital improvement list. Inflationary adjustments shall occur automatically based on the Engineering News Record Northwest (Seattle, WA) construction cost index.

SECTION 3: A supplemental water SDC may be established and assessed to new service areas based on the capital improvements required to provide the service. Supplemental water SDCs will be assessed in addition to all other water SDCs.

SECTION 4: The City Council determines that the amended Water SDC fee schedule is not a tax subject to the property tax limitations of Article XI, Section 11 (b) of the Oregon Constitution.

SECTION 5: This resolution is effective immediately, and amendments to the Master Fees and Charges Schedule will take effect on February 1, 2011.

PASSED: This _____ day of _____ 2010.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

City of Tigard
Fees and Charges Schedule

EXHIBIT A

| Department | Revenue Source | Fee or Charge | Effective Date |
|-----------------------------|---|--------------------|----------------|
| PUBLIC WORKS - WATER | | | |
| | Water System Development Charge (SDC)* | | 11/28/2000 |
| | 5/8" x 3/4" Meter | | |
| | 410 Service Area | \$2,041.00 | |
| | Bull Mountain System | \$2,763.00 | |
| | 1" Meter | | |
| | 410 Service Area | \$5,103.00 | |
| | Bull Mountain System | \$6,908.00 | |
| | 1 1/2" Meter | | |
| | 410 Service Area | \$7,348.00 | |
| | Bull Mountain System | \$9,947.00 | |
| | 2" Meter | | |
| | 410 Service Area | \$16,328.00 | |
| | Bull Mountain System | \$22,104.00 | |
| | 3" Meter | | |
| | 410 Service Area | \$30,615.00 | |
| | Bull Mountain System | \$41,445.00 | |
| | 4" Meter | | |
| | 410 Service Area | \$51,025.00 | |
| | Bull Mountain System | \$69,075.00 | |
| | 6" Meter | | |
| | 410 Service Area | \$102,050.00 | |
| | Bull Mountain System | \$138,150.00 | |
| | 8" Meter | | |
| | 410 Service Area | \$163,280.00 | |
| | Bull Mountain System | \$221,040.00 | |
| | 10" Meter | | |
| | 410 Service Area | \$293,496.00 | |
| | Bull Mountain System | \$397,319.00 | |
| | 12" Meter | | |
| | 410 Service Area | \$775,907.00 | |
| | Bull Mountain System | \$1,050,382.00 | |
| | Water System Development Charge (SDC)* | | |
| | 5/8" x 3/4" Meter | <u>\$4,705.00</u> | 2/1/2011 |
| | | <u>\$5,590.00</u> | 2/1/2012 |
| | | <u>\$6,474.00</u> | 2/1/2013 |
| | 1" Meter | <u>\$12,551.00</u> | 2/1/2011 |
| | | <u>\$14,910.00</u> | 2/1/2012 |

**City of Tigard
Fees and Charges Schedule**

EXHIBIT A

| | | |
|-------------------------------|--------------------|----------|
| | <u>\$17,270.00</u> | 2/1/2013 |
| 1 1/2" Meter | <u>\$37,632.00</u> | 2/1/2011 |
| | <u>\$44,706.00</u> | 2/1/2012 |
| | <u>\$51,780.00</u> | 2/1/2013 |
| 2" Meter | <u>\$61,106.00</u> | 2/1/2011 |
| | <u>\$72,593.00</u> | 2/1/2012 |
| | <u>\$84,081.00</u> | 2/1/2013 |
| 3" Meters and larger diameter | | |

For connections to the water system with meters larger than 2-inches, the City will forecast the demands on an average-day, peak-day, and peak-hour basis.

The number of EDUs associated with the demands will be determined by the following:

$$EDUs = \left(\frac{ADD * 0.400}{226.4} \right) + \left(\frac{(PDD - ADD) * 0.343}{249.1} \right) + \left(\frac{(PHD - PDD) * 0.257}{90.6} \right)$$

Where:

ADD is the projected average-day demand of the new user in gallons per day, and
PDD is the projected peak-day demand of the new user in gallons per day, and
PHD is the projected peak hour demand of the new user in gallons per day, and

The constants used in the above formula are:

0.004 equals the proportion of the City's water facilities allocated to the average-day function
226.4 equals the estimated gallons per day on an average-day basis demanded by an EDU
0.343 equals the proportion of the City's water facilities allocated to the max-day extra-capacity function
249.1 equals the estimated gallons per day on an max-day extra capacity demanded by an EDU
0.257 equals the proportion of the City's water facilities allocated to the max-hour extra capacity function
90.6 equals the estimated gallons per day of max-hour extra-capacity demanded by an EDU

The City may update the values in the formula above as the system changes to recognize the changing costs imposed by large customers



Home Builders Association
of Metropolitan Portland

December 6, 2010

Mayor Craig Dirksen
City Councilors
City of Tigard
13125 SW Hall Blvd.
Tigard, OR 97223

RE: Tigard Water System Development Charge Methodology

Dear Mayor Dirksen and Councilors:

My comments are submitted on behalf of the 1,000+ members of the Home Builders Association of Metro Portland (HBA). I am very appreciative of city staff as well as your consultants for taking time to brief me on the essentials of this proposal.

There is no doubt that the capital improvements envisioned in this proposal are extensive, and the resulting recommended increase in the system development charge (SDC) is very large, it is also understood that the city really has little choice but to go forward with its implementation.

The HBA is fully supportive of the methodology as presented in the report by Red Oak Consulting, dated September 29, 2010.

The methodology proposes a net increase in the SDC for a basic 5/8"x3/4" meter of \$4,433, from \$2,041 to \$6,474, a **217% increase**. Similar and proportional increases are also proposed for larger meter sizes.

As we all know, these are indeed trying economic times. Many homebuilders and others in the development community are struggling, and have little ability to absorb a 217% increase in the water SDC for any project they may hope to get under way in the next year.

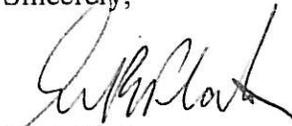
In light of the magnitude of this proposed increase, the HBA supports the staff recommendation as to the methodology and **urges the council to phase in this increase in four steps over three years**; i.e. 1/4 on the effective date of your action, 1/4 one year later, 1/4 two years following the effective date, and the final increment on the 3rd anniversary of the implementation. This will provide a reasonable transition and enable those who might have projects on the drawing board to get underway without having to absorb the full 217% increase for which they probably have not been able to plan.

15555 SW Bangy Road ♦ Suite 301 ♦ Lake Oswego, Oregon 97035
Phone: 503.684.1880 ♦ Fax: 503.684.0588 ♦ www.homebuildersportland.org

Finally, as to the effective date. It is the suggestion of the HBA that the first increment of the increase be effective at least 30 days following the decision by the council. If the council were to make the actual fees and charges decision at their December 28 meeting, then February 1, 2011 would be a reasonable implementation date.

Thank you for the opportunity to offer these comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ernie Platt', written in a cursive style.

Ernie Platt
Director of Local Government Affairs

To: John Goodrich, City of Tigard **Date:** December 13, 2010

From: Joe Healy, Red Oak Consulting

Re: **Tigard Water System Development Charge – Staff Phase-In Request**

Introduction

In response to a request from the City of Tigard (City), Red Oak Consulting (Red Oak) prepared a phase-in schedule for the recommended system development charges (SDCs), which were calculated as part of the City’s water system development charge update. The details and methodology underlying the SDC update are included in a separate methodology document.

SDC Phase-In Options

The phase-in schedule outlined in this memo is a 3-step, 2-year phase in for the recommended SDCs. Under the phase-in schedule, Red Oak recommends the City reduce the improvement fee only. Reimbursement fee collections are not required for spending on specific capital projects, so the City has more discretion on using those funds. Therefore, we recommend phasing in the improvement fee portion of the SDCs.

Proposed System Development Charges

As a point of reference, Table 1 provides the maximum allowable SDCs per equivalent dwelling unit (EDU) recommended for FY2011. Red Oak also recommends adjusting SDCs annually to keep pace with construction cost inflation.

Table 1: Recommended SDCs per EDU (Maximum allowable under Oregon Law)

| Reimbursement | Improvement | Total |
|---------------|-------------|---------|
| \$2,936 | \$3,538 | \$6,474 |

SDC Phase-In Schedule

Table 2 provides projections of SDCs per EDU for the 2-year phase-in period. Under this scenario, the City would reduce the improvement fee portion of the proposed SDC per EDU by 50% in FY2011. By FY2013, the maximum allowable SDCs would be implemented by phasing-in the voluntary reduction in halves.

Table 2: Phase-In SDCs per EDU by Year

| Year | Reimbursement | Improvement * | Total |
|--------|---------------|---------------|---------|
| FY2011 | \$2,936 | \$1,769 | \$4,705 |
| FY2012 | 2,936 | 2,654 | 5,590 |
| FY2013 | 2,936 | 3,538 | 6,474 |

* FY2011 voluntary reduction: 50%

SDC Revenue Comparison

Table 3 provides a comparison of projected SDC revenue under each alternative. The projections of new EDUs are based on analysis of the City's current meters, billing data, and growth projections which are being used in other parts of the water rate study and water SDC update study.

Table 3: SDC Revenue Comparison by Year

| Year | New EDUs | Calculated Max. | Phase-In |
|-------------------------------|----------|-----------------|-------------|
| FY2011 | 0 | \$0 | \$0 |
| FY2012 | 86 | 556,732 | 480,697 |
| FY2013 | 87 | 563,205 | 563,238 |
| Total Revenues | | \$1,119,937 | \$1,043,935 |
| Reduction from Max. Allowable | | | (\$76,002) |

Conclusions

There are opportunity costs of the phase-in schedule presented in this memo. However, the difference in lost SDC revenue between the maximum allowable and the phase-in alternative is minimal relative to the City's capital and financing program over this same period. Growth is projected to be slow over the time horizon outlined in this memo. The current building environment provides the City with a good opportunity to work with the HBA and phase-in the proposed SDCs.

Detailed SDCs by meter size are provided in the tables below. For connections to the water system with meters larger than 2-inches, the City will forecast the demands on an average-day, peak-day, and peak-hour basis. The number of EDUs associated with the demands will be determined following the adopted methodology.

Table 4: Maximum Allowable SDCs by Meter Size

| Meter Size | Reimbursement | Improvement | Total |
|-------------------|----------------------|--------------------|--------------|
| 5/8 x 3/4 Inch | \$2,936 | \$3,538 | \$6,474 |
| 1 Inch | 7,832 | 9,438 | 17,270 |
| 1.5 Inch | 23,483 | 28,298 | 51,780 |
| 2 Inch | 38,131 | 45,950 | 84,081 |

Table 5: 3-step, 2-year Phase-in SDCs by Meter Size

| Meter Size | Reimbursement | Improvement | Total |
|-------------------|----------------------|--------------------|--------------|
| FY2011 | | | |
| 5/8 x 3/4 Inch | \$2,936 | \$1,769 | \$4,705 |
| 1 Inch | 7,832 | 4,719 | 12,551 |
| 1.5 Inch | 23,483 | 14,149 | 37,632 |
| 2 Inch | 38,131 | 22,975 | 61,106 |
| FY2012 | | | |
| 5/8 x 3/4 Inch | \$2,936 | \$2,654 | \$5,590 |
| 1 Inch | 7,832 | 7,078 | 14,910 |
| 1.5 Inch | 23,483 | 21,223 | 44,706 |
| 2 Inch | 38,131 | 34,462 | 72,593 |
| FY2013 | | | |
| 5/8 x 3/4 Inch | \$2,936 | \$3,538 | \$6,474 |
| 1 Inch | 7,832 | 9,438 | 17,270 |
| 1.5 Inch | 23,483 | 28,298 | 51,780 |
| 2 Inch | 38,131 | 45,950 | 84,081 |

To: John Goodrich, City of Tigard **Date:** October 26, 2010

From: Joe Healy, Red Oak Consulting
Paul Matthews, Red Oak Consulting

Re: **Tigard Water System Development Charge Methodology**

Introduction

Like many municipal water suppliers in Oregon, the City of Tigard (City) is faced with increasing costs for the expansion of its water system's capacity to serve growth. To mitigate this cost of growth in its water system, the City has historically assessed system development charges (SDCs) to new customers. As part of its routine business practices, the City has engaged Red Oak Consulting (Red Oak) to review its SDCs to ensure these charges are:

- Fair and Equitable, and
- Avoid subsidizing either new or existing customers.

Water System Development Charge Methodology

The proposed SDC methodology is based on historical investments and future capital improvements as identified by the City. The identified capital improvements are based on the existing water master plans and knowledge of the system.

Reimbursement Fee

The reimbursement fee is based on the capacity buy-in approach, and requires three steps:

1. Fixed asset valuation,
2. Capacity definition, and
3. Assessment schedule.

The following is a description of each step.

Fixed Asset Valuation

Under the proposed methodology, the value of the City's fixed assets is based on an estimate of the water system's reproduction cost new (RCN). An estimate of the value of assets contributed by developers was excluded from the SDC calculation.

The City's system is designed to meet the needs of its customers and provide safe and reliable water service throughout its service area. The system consists of many individual components that serve specific functions. To estimate the value of assets related to each

function, the value of each asset is allocated to one or more of 10 functions. The City's functions are:

1. Groundwater/ ASR
2. PWB Supply
3. L.O.-Tigard System
4. Bonita Pump Station
5. Water Storage
6. Pump Stations
7. 550-530 Intertie
8. Transmission & Distribution
9. Administrative Facilities
10. Field Operations
11. Future Willamette Supply¹

Many assets used in the distribution system are typically contributed by developers and thus excluded from the calculation of the reimbursement fee. To explicitly show the value of the excluded assets, they were assigned to an additional category labeled *Exclude from SDC*. Table 1 summarizes the asset values attributed to each function. Based on the analysis, the total value of the City's water system assets for SDC purposes in fiscal year ending 2010 (FY2010) is \$155 million. Of the total value, \$23 million is excluded from the SDC to account for assets that are considered contributed or obsolete assets. Thus, for the purpose of establishing a reimbursement SDC, the City's water system is valued at approximately \$132 million.

Capacity Definition

The next step in determining the reimbursement fee under the capacity buy-in approach is to define the system capacity. Specifically, under the capacity buy-in approach the system capacity is based on the unused capacity of the system for each function identified above. The City provided data used for this analysis.

Table 2 lists the current capacities of each function. Table 3 presents an estimate of the capacity in the existing system that is available for growth. Underlying the numbers shown in this table is the assumption that one equivalent dwelling unit (EDU) consumes 475.5 gallons of water per day on a peak-day basis.² This estimate is based on the City's most recent estimates and an assumption that the system currently serves 28,785 EDUs. The amount of storage required per EDU is 556 gallons. This value is also derived from the City's analysis of its system and projections. Using these assumptions and the capacities for each function summarized in Table 3, the number of EDUs that can be served by each function is calculated. Subtracting the number of EDUs currently served

¹ Currently the City has no infrastructure related to Future Willamette Supply. This was included only as a placeholder for future SDC updates.

² Much of the City's water system is sized to meet the peak-day demands of its customers. Therefore, peak-day demands are used to estimate the requirements for most of the City's infrastructure.

by the utility generates the number of EDUs available for growth. A description of how the number of EDUs currently served by the City is estimated follows below.

Assessment Schedule Development

Table 4 provides an inventory of the number of EDUs by meter size. The number of EDUs is based on the number of meters by size and the associated equivalency factors. The equivalency factors are calculated based on an analysis of the City's customer billing data for the last five years. Based on the number of meters served by the City and the equivalency schedule presented in Table 4, the total number of EDUs served by the City is estimated to be 28,785.

For connections to the water system with meters larger than 2-inches, the City will forecast the demands on an average-day, peak-day, and peak-hour basis. The number of EDUs associated with the demands will be determined by the following:

$$EDUs = \left(\frac{ADD * 0.400}{226.4} \right) + \left(\frac{(PDD - ADD) * 0.343}{249.1} \right) + \left(\frac{(PHD - PDD) * 0.257}{90.6} \right)$$

Where:

- ADD is the projected average-day demand of the new user in gallons per day, and
- PDD is the projected peak-day demand of the new user in gallons per day, and
- PHD is the projected peak-hour demand of the new user in gallons per day, and

The constants used in the above formula are:

- 0.400 equals the proportion of the City's water facilities allocated to the average-day function.
- 226.4 equals the estimated gallons per day on an average-day basis demanded by an EDU.
- 0.343 equals the proportion of the City's water facilities allocated to the max-day extra-capacity function.
- 249.1 equals the estimated gallons per day of max-day extra-capacity demanded by an EDU.
- 0.257 equals the proportion of the City's water facilities allocated to the max-hour extra-capacity function.
- 90.6 equals the estimated gallons per day of max-hour extra-capacity demanded by an EDU.

The City may update the values in the formula above as its system changes to recognize the changing costs imposed by new large customers.

The proposed equivalency schedule is presented in Table 4. Based on the number of meters served by the City and the equivalency schedule presented in Table 4, the total number of EDUs served by the City is estimated to be 28,785. It should be noted here

that the equivalency factors shown in this table will be used for calculating SDCs for connections to the water system with meters 2-inches and smaller. As described previously, the City will forecast the number of EDUs for connections with meters larger than 2-inches using the above formula.

Fee Calculation

The total costs to be recovered from the reimbursement fee SDC are based on the percentage of remaining capacities by functions calculated in Table 3 and the total system asset values shown in Table 1. Table 5 presents the total reimbursement amount by function. The total amount attributable to the reimbursement fee is approximately \$40 million. Table 6 calculates the reimbursement fee per EDU for each of the functions. The total reimbursement fee per EDU is \$2,936.

Improvement Fee

The improvement fee is based on the City's adopted capital improvement program (CIP). Table 7 presents an overview of the City's CIP. To calculate an improvement fee based on the incremental cost approach, the following three tasks must be completed:

1. Multi-purpose project allocations,
2. Capacity definitions, and
3. Assessment schedule development.

Multi-Purpose Project Allocations

Allocating the costs of multi-purpose projects is an integral part of calculating an improvement fee. A multi-purpose project is an improvement that will serve both growth and address existing needs. Few projects are designed and built exclusively to serve growth or solve an existing deficiency. Rather, projects are often designed to maximize economies of scale in design and construction. Therefore, projects serving both growth and rehabilitation/upgrade (i.e., multi-purpose projects) are allocated to growth and non-growth.

The value of each capital project is allocated to one or more of the system functions described previously. Table 8 summarizes the allocation of capital projects to functions. Tables 9 through 20 show the cost of new capacity for each project within each system function. Based on this information, Table 21 summarizes the percent of capacities available for growth and the resulting value of growth-related improvements attributable to each system function. The total amount of capital improvements costs used to calculate the improvement fee is approximately \$54 million.

Capacity Definition

Table 22 summarizes the system capacities added by function. Similarly, Table 23 presents the estimated number of EDUs available for growth by function.

Assessment Schedule

As with the reimbursement fee, the improvement fee portion of the City's proposed SDC will be based on meter size. Table 4 presents the number of EDUs for each meter size.

Fee Calculation

The improvement fee is calculated based on the cost of the growth-related capital projects and the additional capacities estimated by these projects. Table 24 summarizes the improvement fee by system function. Based on the CIP developed by the City, the improvement fee per EDU is \$3,538.

Results and Recommendations

As shown in Tables 6 and 24, the total reimbursement and improvement fees are calculated to be \$2,936 and \$3,538 respectively, for a total SDC of \$6,474 per EDU. Table 25 presents the resulting schedule of SDCs by meter size.

Supplemental Water SDC

The City will charge a Supplemental Water SDC for any areas outside of the 2010 Service Boundary based on a supplemental adopted CIP list. The Supplemental Water SDC will be additional to the updated Water SDCs adopted by City Council.

| Table 1: Net Fixed Asset Valuation - RCN | |
|---|----------------------|
| Description | FY2010 Assets |
| Groundwater/ ASR | \$3,756,934 |
| PWB Supply | 0 |
| LO-Tigard | 0 |
| Bonita Pump Station | 0 |
| Water Storage | 22,640,803 |
| Pump Stations | 1,516,807 |
| 550-530 Intertie | 0 |
| Transmission & Distribution | 99,266,414 |
| Administrative Facilities | 2,346,745 |
| Field Ops. | 2,519,602 |
| Future Willamette Supply | 0 |
| Exclude from SDC | 22,969,208 |
| Total | \$155,016,513 |

| Table 2: Capacity by Function | | |
|--------------------------------------|-------------------|--------------|
| System Component | Capacities | Units |
| Groundwater/ ASR | 4.1 | MGD |
| PWB Supply | 6.8 | MGD |
| LO-Tigard | 0.5 | MGD |
| Bonita Pump Station | 0.5 | MGD |
| Water Storage | 24.5 | MG |
| Pump Stations | 13,600.0 | gpm |
| 550-530 Intertie | 3,131.6 | gpm |
| Transmission & Distribution | 41,338.4 | EDU |
| Administrative Facilities | 41,338.4 | EDU |
| Field Ops. | 41,338.4 | EDU |
| Future Willamette Supply | 0.0 | MGD |
| Exclude from SDC | 0.0 | 0 |

Table 3: Available Capacities of Existing System

| System Component | Requirements per EDU | Units | EDU Available | Subscribed Capacity (EDUs) | Available Capacity (EDUs) | Remaining Capacity |
|-----------------------------|----------------------|---------|---------------|----------------------------|---------------------------|--------------------|
| Groundwater/ ASR | 171.0 | gpd | 23,975 | 28,785 | 0 | 0.00% |
| PWB Supply | 283.6 | gpd | 23,975 | 28,785 | 0 | 0.00% |
| LO-Tigard | 20.9 | gpd | 23,975 | 28,785 | 0 | 0.00% |
| Bonita Pump Station | 20.9 | gpd | 23,975 | 28,785 | 0 | 0.00% |
| Water Storage | 556.4 | gallons | 44,034 | 28,785 | 15,249 | 34.63% |
| Pump Stations | 473.7 | gpd | 41,338 | 28,785 | 12,553 | 30.37% |
| 550-530 Intertie | 0.1 | gpm | 41,338 | 28,785 | 12,553 | 30.37% |
| Transmission & Distribution | 1.0 | EDU | 41,338 | 28,785 | 12,553 | 30.37% |
| Administrative Facilities | 1.0 | EDU | 41,338 | 28,785 | 12,553 | 30.37% |
| Field Ops. | 1.0 | EDU | 41,338 | 28,785 | 12,553 | 30.37% |
| Future Willamette Supply | 0.0 | gpd | 0 | 28,785 | 0 | 0.00% |
| Exclude from SDC | 0.0 | 0 | 0 | 0 | 0 | 0.00% |

Table 4: Inventory of EDUs for FY2010

| Meter Size or Service Line Size | Number of Meters | Equivalency Factor | EDUs |
|---------------------------------|------------------|--------------------|--------|
| 5/8 x 3/4 Inch | 15,635 | 1.00 | 15,635 |
| 1 Inch | 1,604 | 2.67 | 4,279 |
| 1.5 Inch | 375 | 8.00 | 2,999 |
| 2 Inch | 320 | 12.99 | 4,156 |
| 3 Inch | 24 | 22.90 | 550 |
| 4 Inch | 11 | 46.97 | 517 |
| 6 Inch | 5 | 50.00 | 250 |
| 8 Inch | 5 | 80.00 | 400 |
| 10 Inch | 0 | 156.30 | 0 |
| 12 Inch | 0 | 225.07 | 0 |
| Total | 17,979 | | 28,785 |

| Table 5: Calculation of Reimbursement Totals | | |
|---|--------------------------------------|----------------------------|
| System Component | Capacity Available for Growth | Reimbursement Total |
| Groundwater/ ASR | 0.00% | \$0 |
| PWB Supply | 0.00% | 0 |
| LO-Tigard | 0.00% | 0 |
| Bonita Pump Station | 0.00% | 0 |
| Water Storage | 34.63% | 7,840,480 |
| Pump Stations | 30.37% | 460,603 |
| 550-530 Intertie | 30.37% | 0 |
| Transmission & Distribution | 30.37% | 30,143,834 |
| Administrative Facilities | 30.37% | 712,627 |
| Field Ops. | 30.37% | 765,118 |
| Future Willamette Supply | 0.00% | 0 |
| Exclude from SDC | 0.00% | 0 |
| Total | | \$39,922,662 |

| Table 6: Reimbursement Fee per EDU | |
|---|---|
| System Component | Proposed Reimbursement SDC |
| Groundwater/ ASR | \$0 |
| PWB Supply | 0 |
| LO-Tigard | 0 |
| Bonita Pump Station | 0 |
| Water Storage | 380 |
| Pump Stations | 37 |
| 550-530 Intertie | 0 |
| Transmission & Distribution | 2,401 |
| Administrative Facilities | 57 |
| Field Ops. | 61 |
| Future Willamette Supply | 0 |
| Exclude from SDC | 0 |
| Total | \$2,936 |

| Table 7: Overview of CIP Projects | |
|--|---------------------------|
| Description | Total Project Cost |
| ASR Well 3 – Design & Equip | \$2,609,963 |
| New Pump Station - Siting Study | 50,000 |
| New Pump Station - Design | 255,000 |
| New Pump Station - Construction Year 1 (67%) | 963,000 |
| New Pump Station - Construction Year 2 (33%) | 481,000 |
| New PRV from 550G to 410 Zone | 105,000 |
| Pipeline connecting 550G and 530 Zones - Design | 197,000 |
| Pipeline connecting 550G and 530 Zones - Construction | 1,770,000 |
| Annual Fire Flow Improvement Allocation | 3,300,000 |
| Pipeline for installing PRV 550G-4 | 17,000 |
| Pipeline in Main St. & Tigard Ave. | 101,000 |
| Water Master Plan Update | 140,000 |
| Willamette Sherwood Pipeline | 0 |
| 550-6270-755545 - ASR3 | 463,755 |
| 550-6270-755545 - | 287,066 |
| 550-6270-755827 - 550' Zone 10Mil | 3,952,087 |
| 550-6270-755828 - 550' Zone Res#2 | 5,082,407 |
| 550-6270-755828 - | 1,080,352 |
| 550-6270-755951 - Water Res Seismic Upgrade | 52,270 |
| 550-6270-755970 - | 7,052 |
| 550-6270-757012 - Menlor Tank Recirc | 39,132 |
| Joint Water Supply Projects | 89,299,160 |
| Total | \$110,252,244 |

Table 8: Allocation of CIP to System Functions

| Description | Groundwater/ ASR | PWB Supply | LO-Tigard | Bonita Pump Station | Water Storage | Pump Stations | 550-530 Interie | Transmission & Distribution | Administrative Facilities | Field Ops. | Future Willamette Supply | Exclude from SDC | Total |
|---|---------------------|------------|---------------------|------------------------|---------------------|--------------------|--------------------|--------------------------------|------------------------------|------------|-----------------------------|------------------|----------------------|
| ASR Well 3 - Design & Equip | \$2,609,963 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,609,963 |
| New Pump Station - Siting Study | 0 | 0 | 0 | 0 | 0 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 50,000 |
| New Pump Station - Design | 0 | 0 | 0 | 0 | 0 | 255,000 | 0 | 0 | 0 | 0 | 0 | 0 | 255,000 |
| New Pump Station - Construction Year 1 (67%) | 0 | 0 | 0 | 0 | 0 | 963,000 | 0 | 0 | 0 | 0 | 0 | 0 | 963,000 |
| New Pump Station - Construction Year 2 (33%) | 0 | 0 | 0 | 0 | 0 | 481,000 | 0 | 0 | 0 | 0 | 0 | 0 | 481,000 |
| New PRV from 550G to 410 Zone | 105,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 105,000 |
| Pipeline connecting 550G and 530 Zones - Design | 0 | 0 | 0 | 0 | 0 | 0 | 197,000 | 0 | 0 | 0 | 0 | 0 | 197,000 |
| Pipeline connecting 550G and 530 Zones - Constructi | 0 | 0 | 0 | 0 | 0 | 0 | 1,770,000 | 0 | 0 | 0 | 0 | 0 | 1,770,000 |
| Annual Fire Flow Improvement Allocation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pipeline for installing PRV 550G-4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,000 | 0 | 0 | 0 | 0 | 17,000 |
| Pipeline in Main St. & Tigard Ave. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101,000 | 0 | 0 | 0 | 0 | 101,000 |
| Water Master Plan Update | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Willamette Sherwood Pipeline | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 550-6270-755545 - ASR3 | 463,755 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 463,755 |
| 550-6270-755545 - | 287,066 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 287,066 |
| 550-6270-755827 - 550' Zone 10Mil | 0 | 0 | 0 | 0 | 3,952,087 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,952,087 |
| 550-6270-755828 - 550' Zone Res#2 | 0 | 0 | 0 | 0 | 5,082,407 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,082,407 |
| 550-6270-755828 - | 0 | 0 | 0 | 0 | 1,080,352 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,080,352 |
| 550-6270-755951 - Water Res Seismic Upgrade | 0 | 0 | 0 | 0 | 52,270 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 52,270 |
| 550-6270-755970 - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,052 | 0 | 7,052 |
| 550-6270-757012 - Menlor Tank Recirc | 0 | 0 | 0 | 0 | 39,132 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39,132 |
| Joint Water Supply Projects | 0 | 0 | 89,299,160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 89,299,160 |
| Total | \$3,465,784 | \$0 | \$89,299,160 | \$0 | \$10,206,248 | \$1,749,000 | \$1,967,000 | \$118,000 | \$0 | \$0 | \$0 | \$7,052 | \$106,812,244 |

| Table 9: Allocation of Groundwater/ ASR Expansion Costs | | | | | | | | |
|---|--------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
| ASR Well 3 – Design & Equip | \$2,609,963 | 1.90 | 0.00 | MGD | 0.00% | \$0 | 1 | 0.00 |
| New PRV from 550G to 410 Zone | 105,000 | 1.90 | 0.00 | MGD | 0.00% | 0 | 1 | 0.00 |
| 550-6270-755545 - ASR3 | 463,755 | 0.00 | 0.00 | MGD | 0.00% | 0 | 1 | 0.00 |
| 550-6270-755545 - | 287,066 | 0.00 | 0.00 | MGD | 0.00% | 0 | 1 | 0.00 |
| Total | \$3,465,784 | | | | | \$0 | | 0.00 |

| Table 10: Allocation of PWB Supply Expansion Costs | | | | | | | | |
|--|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
| Total | \$0 | | | | | \$0 | | 0.00 |

| Table 11: Allocation of LO-Tigard Expansion Costs | | | | | | | | |
|---|---------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
| Joint Water Supply Projects | 89,299,160 | 14.00 | 6.80 | MGD | 48.57% | 43,373,878 | | 6.80 |
| Total | \$89,299,160 | | | | | \$43,373,878 | | 6.80 |

Table 12: Allocation of Bonita Pump Station Expansion Costs

| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
|-------------|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Total | \$0 | | | | | \$0 | | 0.00 |

Table 13: Allocation of Water Storage Expansion Costs

| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
|---|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| 550-6270-755827 - 550' Zone 10Mil | 3,952,087 | 3.00 | 3.00 | MG | 100.00% | 3,952,087 | 1 | 3.00 |
| 550-6270-755828 - 550' Zone Res#2 | 5,082,407 | 3.00 | 3.00 | MG | 100.00% | 5,082,407 | 1 | 0.00 |
| 550-6270-755828 - | 1,080,352 | 3.00 | 3.00 | MG | 100.00% | 1,080,352 | 1 | 0.00 |
| 550-6270-755951 - Water Res Seismic Upgrade | 52,270 | 0.00 | 0.00 | MG | 0.00% | 0 | | 0.00 |
| 550-6270-757012 - Menlor Tank Recirc | 39,132 | 0.00 | 0.00 | MG | 0.00% | 0 | | 0.00 |
| Total | \$10,206,248 | | | | | \$10,114,846 | | 3.00 |

Table 14: Allocation of Pump Stations Expansion Costs

| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
|--|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| New Pump Station - Siting Study | 50,000 | 3,800.00 | 0.00 | gpm | 0.00% | 0 | 1 | 0.00 |
| New Pump Station - Design | 255,000 | 3,800.00 | 0.00 | gpm | 0.00% | 0 | 1 | 0.00 |
| New Pump Station - Construction Year 1 (67%) | 963,000 | 3,800.00 | 0.00 | gpm | 0.00% | 0 | 1 | 0.00 |
| New Pump Station - Construction Year 2 (33%) | 481,000 | 3,800.00 | 0.00 | gpm | 0.00% | 0 | 1 | 0.00 |
| Total | \$1,749,000 | | | | | \$0 | | 0.00 |

| Table 15: Allocation of 550-530 Intertie Expansion Costs | | | | | | | | |
|--|--------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
| Pipeline connecting 550G and 530 Zones - Design | 197,000 | 3,136.00 | 442.80 | gpm | 14.12% | 27,816 | 1 | 442.80 |
| Pipeline connecting 550G and 530 Zones - Constructio | 1,770,000 | 3,136.00 | 442.80 | gpm | 14.12% | 249,924 | 1 | 0.00 |
| Total | \$1,967,000 | | | | | \$277,740 | | 442.80 |

| Table 16: Allocation of Transmission & Distribution Expansion Costs | | | | | | | | |
|---|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
| Pipeline for installing PRV 550G-4 | 17,000 | 0.00 | 0.00 | EDU | 0.00% | 0 | | 0.00 |
| Pipeline in Main St. & Tigard Ave. | 101,000 | 0.00 | 0.00 | EDU | 0.00% | 0 | | 0.00 |
| Total | \$118,000 | | | | | \$0 | | 0.00 |

| Table 17: Allocation of Administrative Facilities Expansion Costs | | | | | | | | |
|---|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
| Total | \$0 | | | | | \$0 | | 0.00 |

Table 18: Allocation of Field Ops. Expansion Costs

| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
|-------------|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Total | \$0 | | | | | \$0 | | 0.00 |

Table 19: Allocation of Future Willamette Supply Expansion Costs

| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
|-------------|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| Total | \$0 | | | | | \$0 | | 0.00 |

Table 20: Allocation of Exclude from SDC Expansion Costs

| Description | Tigard Costs (\$) | Total Project Capacity | Expansion Capacity | Capacity Units | Percent Cost for Expansion Capacity | Cost of Expansion Capacity | Project Group | Added Capacity |
|-------------------|-------------------|------------------------|--------------------|----------------|-------------------------------------|----------------------------|---------------|----------------|
| 550-6270-755970 - | 7,052 | 0.00 | 0.00 | 0 | 0.00% | 0 | | 0.00 |
| Total | \$7,052 | | | | | \$0 | | 0.00 |

| Table 21: Calculation of Improvement Fee Totals | | |
|--|--------------------------------------|------------------------------|
| System Component | Capacity Available for Growth | Improvement Fee Total |
| Groundwater/ ASR | 0.0% | \$0 |
| PWB Supply | 0.0% | 0 |
| LO-Tigard | 100.0% | 43,373,878 |
| Bonita Pump Station | 0.0% | 0 |
| Water Storage | 26.1% | 10,114,846 |
| Pump Stations | 0.0% | 0 |
| 550-530 Intertie | 31.8% | 277,740 |
| Transmission & Distribution | 0.0% | 0 |
| Administrative Facilities | 0.0% | 0 |
| Field Ops. | 0.0% | 0 |
| Future Willamette Supply | 0.0% | 0 |
| Exclude from SDC | 0.0% | 0 |
| Total | | \$53,766,464 |

| Table 22: System Capacities for System Improvements | | |
|--|--|--------------|
| System Component | Additional Capacity from Improvements | Units |
| Groundwater/ ASR | 0.0 | MGD |
| PWB Supply | 0.0 | MGD |
| LO-Tigard | 6.8 | MGD |
| Bonita Pump Station | 0.0 | MGD |
| Water Storage | 3.0 | MG |
| Pump Stations | 0.0 | gpm |
| 550-530 Intertie | 442.8 | gpm |
| Transmission & Distribution | 0.0 | EDU |
| Administrative Facilities | 0.0 | EDU |
| Field Ops. | 0.0 | EDU |
| Future Willamette Supply | 0.0 | MGD |
| Exclude from SDC | 0.0 | 0 |

Table 23: New Capacity Available for Growth

| System Component | Requirements per EDU | Units | Additional EDUs Available |
|-----------------------------|----------------------|---------|---------------------------|
| Groundwater/ ASR | 0.0 | gpd | 0 |
| PWB Supply | 0.0 | gpd | 0 |
| LO-Tigard | 475.5 | gpd | 14,301 |
| Bonita Pump Station | 475.5 | gpd | 0 |
| Water Storage | 556.4 | gallons | 5,392 |
| Pump Stations | 473.7 | gpd | 0 |
| 550-530 Intertie | 0.1 | gpm | 5,845 |
| Transmission & Distribution | 1.0 | EDU | 0 |
| Administrative Facilities | 1.0 | EDU | 0 |
| Field Ops. | 1.0 | EDU | 0 |
| Future Willamette Supply | 0.0 | gpd | 0 |
| Exclude from SDC | 0.0 | 0 | 0 |

| Table 24: Improvement Fee per EDU | |
|--|---------------------------------|
| System Component | Proposed Improvement SDC |
| Groundwater/ ASR | \$0 |
| PWB Supply | 0 |
| LO-Tigard | 3,033 |
| Bonita Pump Station | 0 |
| Water Storage | 490 |
| Pump Stations | 0 |
| 550-530 Intertie | 15 |
| Transmission & Distribution | 0 |
| Administrative Facilities | 0 |
| Field Ops. | 0 |
| Future Willamette Supply | 0 |
| Exclude from SDC | 0 |
| Total | \$3,538 |

| Table 25: Proposed SDC by Meter or Service Line Size | | | |
|---|----------------------|--------------------|--------------|
| Meter or Service Line Size | Reimbursement | Improvement | Total |
| 5/8 x 3/4 Inch (1 EDU) | \$2,936 | \$3,538 | \$6,474 |
| 1 Inch | 7,831 | 9,438 | 17,269 |
| 1.5 Inch | 23,479 | 28,298 | 51,777 |
| 2 Inch | 38,126 | 45,950 | 84,076 |

Water System Development Charge
Implementation Option Comparison
December 15, 2010

| | Option 1 No Phase-In | Option 2 3-Step, 2-Year Phase-In | Option 3 4-Step, 3-Year Phase-In |
|--|--|---|--|
| Entity that Recommends/Supports | #1 Recommendation Intergovernmental Water Board (IWB) * | #2 Recommendation of the Intergovernmental Water Board (IWB) * | Home Builders Association of Portland (HBA) |
| Implementation Rates by Year per Equivalent Dwelling Units (EDUs) Based on 5/8 x 3/4 Typical Residential Meter | Current-\$2,041 or \$2,763** 2011 - \$6,474 2012 - \$6,474 2013 - \$6,474 2014 - \$6,474 | Current-\$2,041 or \$2,763** 2011 -\$4,705 2012 - \$5,590 2013 - \$6,474 2014 - \$6,474 | Current-\$2,041 or \$2,763** 2011 - \$3,691 2012 - \$4,619 2013 - \$5,546 2014 - \$6,474 |
| Estimated Revenue Generated from 2011 through 2014 | \$970,000 | \$895,000 | \$720,000 |
| Estimated Lost SDC Revenue When Compared to Option 1 from 2011 through 2014 | N/A | \$75,000 | \$250,000 |
| Schedule for Full Implementation/Time for Developers to Plan for Maximum SDCs | 30 days | 2 years | 3 years |

* The IWB recommended no phase-in. However, the Board acknowledged the Council may opt for a phase-in, and if so, recommended Option 2.

** The \$2,041 applies to the majority of the City (410 service area), and the \$2,763 applies to higher elevation areas where additional energy and pump costs are incurred (Bull Mountain System).

AIS-299

Item #: 5.

Business Meeting

Date: 12/28/2010

Length (in minutes): 10 Minutes

Agenda Title: Consider Ordinance Authorizing Issuance of Water Revenue Bonds

Prepared For: Toby LaFrance

Submitted By:

Toby LaFrance
Financial and
Information
Services

Item Type: Ordinance

Meeting Type:

Council Business
Meeting - Main

ISSUE

Request Council to authorize the sale of Water Revenue Bonds.

STAFF RECOMMENDATION / ACTION REQUEST

Staff requests passage of the ordinance.

KEY FACTS AND INFORMATION SUMMARY

Council is being asked to approve an ordinance authorizing the sale of revenue bonds not to exceed a total of \$160,000,000. The non-emergency ordinance allows for a 30-day period to refer the ordinance and expedites the City's process to sell the Water Bonds. In Resolution No. 10-58, Council adopted the Water Rate Study. This study includes financing for over \$150,000,000 in capital projects through 2020. By authorizing an amount not to exceed \$160,000,000, it allows for the financing of all the capital projects.

OTHER ALTERNATIVES

Council can choose not to pass the ordinance.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

This action supports the five-year Council goal to "Continue to monitor the Tigard / Lake Oswego Water Partnership."

DATES OF PREVIOUS COUNCIL CONSIDERATION

On November 9, 2010, Council adopted Resolution No. 10-58, approving the Water Rate Study and Resolution No. 10-59, adopting water rates.

Fiscal Impact

Cost: See Notes Below

Budgeted (yes or no): No

Where Budgeted (department/program): Water

Additional Fiscal Notes:

Approval of this ordinance will not have an immediate impact on costs. This ordinance authorizes the sale of revenue bonds. The revenue bonds are necessary to fund the capital improvements listed in the Water Financing Plan that was adopted by Council on November 9, 2010 in Resolution #10-58.

By Fiscal Year 2017, when all the bonds are issued, annual debt service payments will be approximately \$9.5 million. This will be paid for through two primary sources. First, in FY 2017 Tigard will have a \$3.0 million reduction in operating costs generated by partnering with Lake Oswego on Tigard's water source instead of buying water from Portland. Second, on November 9, 2010 in Resolution #10-59, Council adopted five years of water rate increases that will increase revenues from water use charges from \$9.0 million in FY 2011 to \$17.9 million by FY 2017.

Attachments

Ordinance

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
ORDINANCE NO. 10-**

AN ORDINANCE OF THE CITY OF TIGARD, WASHINGTON COUNTY, OREGON,
AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS FOR A TOTAL OF
NOT TO EXCEED \$160,000,000

WHEREAS, Oregon Revised Statutes (“ORS”) Section 287A.150 and related provisions of ORS Chapter 287A (collectively, the “Statutes”) permit the City of Tigard, Washington County, Oregon (the “City”) to authorize revenue bonds for any public purpose, and to secure those bonds with any revenues or other property of the City; and,

WHEREAS, the Statutes permit the City to authorize revenue bonds by enacting a nonemergency ordinance, but prohibit the sale of those revenue bonds until the ordinance takes effect, thus allowing citizens to gather signatures to refer the ordinance to the voters, should they desire; and,

WHEREAS, the City now finds it financially feasible and in the best interests of the City to authorize the issuance of water revenue bonds to finance capital improvements to the City’s water system, including but not limited to, water facilities included in the Water Rate Study adopted by Council on November 9, 2010 in Resolution No. 10-58, to repay interim financings that the City may issue to finance capital improvements to the water system, and to repay a currently outstanding water revenue bond anticipation borrowing (the “Interim Financing”) entered into on June 17, 2009 with Bank of America, N.A.(collectively, the “Projects”); and,

WHEREAS, the City adopts this ordinance to authorize the issuance and sale of up to One Hundred Sixty Million Dollars (\$160,000,000) of water revenue bonds;

NOW, THEREFORE, THE CITY OF TIGARD ORDAINS AS FOLLOWS:

- SECTION 1: Revenue Bonds Authorized. The City hereby authorizes the issuance of not more than One Hundred Sixty Million Dollars (\$160,000,000) in aggregate principal amount of revenue bonds (the “Revenue Bonds”) under the Statutes. The proceeds of the Revenue Bonds may be used to finance costs of the Projects, to fund a debt service reserve, and to finance other costs related to issuing the Revenue Bonds. The Revenue Bonds shall be special obligations of the City that are payable solely from the net revenues of the Water System and related amounts that the City pledges to pay the Revenue Bonds.
- SECTION 2: No Additional Taxes Authorized; Bonds Payable Solely from Water System Revenues. Neither the authorization nor the issuance of the Revenue Bonds described in Section 1 of this ordinance shall authorize the City to levy any additional taxes.
- SECTION 3: Procedure. The Revenue Bonds shall not be sold until the period for referral of this nonemergency ordinance has expired and this ordinance takes effect. If this ordinance is referred, the City may not sell the Revenue Bonds unless the voters approve this ordinance.
- SECTION 4: Bond Sale Authorized. When and if this ordinance takes effect the City Manager or the Finance and Information Services Director, or the designee of the City Manager or the Finance and Information Services Director (each of whom is referred to herein as a “City

Official”) are hereby authorized, on behalf of the City and without further action by the City Council, to:

- 1) Issue the Revenue Bonds in one or more series and at different times.
- 2) Pledge all or any portion of the net revenues of the City’s water system to pay each series of Revenue Bonds, and determine the lien status of each pledge.
- 3) Seek the consent of the Oregon Business Development Department (“OBDD”) and comply with the provisions of the loan outstanding with the OBDD so that the Revenue Bonds may be issued with a lien on net revenues that is equal or superior to the lien that secures the OBDD loan.
- 4) Repay amounts due under interim financings that the City may issue to finance capital improvements to the water system and the Interim Financing and, if necessary, extend the maturity date of the Interim Financing until Revenue Bond proceeds are available to repay amounts due under the Interim Financing.
- 5) Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for any series of Revenue Bonds.
- 6) Establish the final principal amount, maturity schedule, interest payment dates, interest rates, denominations and all other terms for each series of Revenue Bonds.
- 7) Solicit competitive bids for any series of the Revenue Bonds and award their sale to the bidder the City Official determines offers the most favorable terms to the City, or select one or more underwriters or lenders and negotiate the sale of that series of Revenue Bonds to those underwriters or lenders.
- 8) Undertake to provide continuing disclosure for any series of Revenue Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- 9) Apply for ratings for any series of Revenue Bonds.
- 10) Apply for and purchase municipal bond insurance, reserve sureties or other forms of credit enhancements for any series of Revenue Bonds, and enter into related agreements.
- 11) Draft and approve the terms of, and execute and deliver, one or more bond declarations which pledge the revenues of the City’s water system to particular series of Revenue Bonds, contain covenants regarding the operation of the water system and the levels of water system fees and charges that the City must impose, describe the terms of the Revenue Bonds that are issued under that bond declaration, and describe the terms under which future obligations may be issued on a parity with those Revenue Bonds.
- 12) Appoint and enter into agreements with paying agents and other professionals and service providers.
- 13) Issue any series of Revenue Bonds as taxable bonds that are eligible for federal interest subsidies or tax credits.
- 14) Issue any series of Revenue Bonds as tax-exempt bonds and enter into covenants to maintain the tax status of that series under the Internal Revenue Code of 1986, as amended (the “Code”).
- 15) Designate any series of tax-exempt Revenue Bonds as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code.
- 16) Execute and deliver any agreements or certificates and take any other action in connection with the Revenue Bonds that a City Official finds will be advantageous to sell and issue the Revenue Bonds and carry out this ordinance.

SECTION 5: This ordinance shall be effective 30 days after its enactment by the City Council pursuant to Section 36 of the City Charter unless it is successfully referred.

PASSED: By _____ vote of all Council members present after being read by number and title only, this 28th day of December, 2010.

Catherine Wheatley, City Recorder

APPROVED: By Tigard City Council this 28th day of December, 2010.

Craig Dirksen, Mayor

Approved as to form:

City Attorney

Date

AIS-306

Item #: 6.

Business Meeting

Date: 12/28/2010

Length (in minutes): 10 Minutes

Agenda Title: Update on Amending the City's Citizen Involvement Structure and Appointing the Planning Commission to Serve as Committee for Citizen Involvement

Submitted By: Susan Hartnett
Community Development

Item Type: Update, Discussion, Direct Staff

Meeting Type:

Council Business Meeting - Main

ISSUE

Receive an update regarding actions being taken to amend the city's citizen involvement structure and appoint the Planning Commission as the Committee for Citizen Involvement for land use.

STAFF RECOMMENDATION / ACTION REQUEST

Receive update and provide feedback.

KEY FACTS AND INFORMATION SUMMARY

On November 23, 2010, Council passed Resolution 10-62. The actions approved in this resolution included:

1. Appointing the Tigard Planning Commission as the state required Committee for Citizen Involvement (CCI) for land use planning related matters and, if needed, directing City staff to amend the Tigard Municipal Code to reflect this change;
2. Amending the bylaws and modifying the charge statements of other boards, commissions, and committees to specifically require citizen involvement as part of their responsibilities;
3. Modifying the bylaws of the then existing Committee for Citizen Involvement to transform that committee into the Council advisory committee for the Neighborhood Network Program; and
4. Authorizing the City Manager to sign and send a letter to the Department of Land Conservation and Development (DLCD) notifying their Communications Officer of these changes.

The letter (Attachment 1) was sent on December 1, 2010. The appointment of the Planning Commission as the CCI for land use was reviewed by the Citizen Involvement Advisory Committee (CIAC), which advises both DLCD and the Land Conservation and Development Commission (LCD), at their meeting on December 16, 2010.

Staff participated in that meeting via phone and will provide a brief overview of the discussion and comments the CIAC will be forwarding to DLCD and LCDC.

OTHER ALTERNATIVES

NA

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

4. Advance Methods of Communication
 - a. External: Develop communication strategy and methods in support of City goals.

DATES OF PREVIOUS COUNCIL CONSIDERATION

June 15, 2010

November 23, 2010

Attachments

Letter to DLCD

December 1, 2010



City of Tigard

Mr. Bob Rindy
Senior Policy Analyst/Legislative Coordinator
Citizen Involvement Advisory Committee
Oregon Land Conservation and Development Department
635 Capitol St. NE, Suite 150
Salem, OR 97301-2540

Dear Mr. Rindy and Citizen Involvement Advisory Committee members:

On November 23, 2010, in Resolution No. 10-62, the Tigard City Council assigned the state required citizen involvement responsibility for land use to the Tigard Planning Commission. This shift from the prior practice of utilizing an independent Committee for Citizen Involvement (CCI) was prompted by several factors, which are described below. It does not signal a diminishment of the city's commitment to meaningful and robust citizen involvement in a broad range of issues and matters, including land use planning and land use decisions.

For many years, Tigard maintained an independent CCI whose charge included the state required oversight of citizen involvement in land use and land use decisions. However, their charge has also encompassed many other responsibilities and the specific charge(s) of the committee has transitioned several times over the many years of its existence. Recent budget cuts and the desire to direct limited staff and volunteer resources most effectively toward the full range of citizen involvement oversight needs required that changes be made to the delegation of these responsibilities.

The Tigard Comprehensive Plan in Goal 1 says to, "Provide citizens, affected agencies, and other jurisdictions the opportunity to participate in all phases of the process." The city currently maintains ten (10) citizen-based volunteer committees with ongoing assignments to advise the City Council on matters pertaining to their area of responsibility. These range from the required Library Board and Budget Committee to the Planning Commission, Transportation Advisory Committee, and Parks and Recreation Advisory Board.

To better implement the Comprehensive Plan policies 1.1.1 – 1.1.5, the City Council has directed in Resolution 10-62 that all standing committees, boards, and commissions include in their charge a statement regarding citizen involvement, appropriate to their primary responsibilities. This new assignment will be implemented by amending the bylaws for each committee, board, and commission. The Council also meets annually in open session with each group to review their work program and expects to include a review of their citizen involvement efforts as part of that discussion. Assigning the responsibilities for citizen involvement oversight for land use and land use decisions to the Planning Commission is clearly consistent with this overall approach.

In Resolution 10-62, the Council also directed that the charge of the existing Committee for Citizen Involvement become more narrowly focused on the city's Neighborhood Network program in

order to better support and further develop that effort. The name of the committee will change to reflect this new focus and their charge will also include the responsibility for citizen involvement appropriate to their main responsibilities.

The Tigard Planning Commission's members are selected by an open, well-publicized public process. The city's process for appointing board and committee members includes advertisement in the city's newsletter and online, interviews by the Mayor's Appointment Advisory Committee, and written notification of appointment.

While these changes are fairly significant, the City Council believes they will strengthen and broaden the city's efforts to provide meaningful and robust opportunities for citizen involvement on the full range of issues affecting Tigard. The Council is confident that the Planning Commission can assume the State-required oversight of citizen involvement in land use and land use decisions. They are equally sure that the annual discussion of the Commission's work program provides a reasonable opportunity to consider the effectiveness of their efforts.

Please do not hesitate to contact Susan Hartnett, Assistant Community Development Director, at 503-718-2427 if there are any questions or concerns about these changes.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Prosser". The signature is fluid and cursive, with a large loop at the end.

Craig Prosser
Tigard City Manager

cc: David Walsh, Tigard Planning Commission President
Anne Debbaut, Metro Regional Representative

AIS-314

Item #: . A.

Business Meeting

Date: 12/28/2010

Length (in minutes): 10 Minutes

Agenda Title: Non-Agenda: Resolution Approving the Submittal of a Request for Recreational Trail Grant Program Funds.

Submitted By: Duane Roberts
Community Development

Item Type: Resolution

Meeting Type:

Council Business Meeting - Main

ISSUE

Shall Council approve the submittal of a request for Recreational Trail Program grant dollars to partially fund the construction of the Woodard Park/Grant Avenue segment of the Fanno Creek Trail?

STAFF RECOMMENDATION / ACTION REQUEST

Adopt a Resolution authorizing the submittal of the grant proposal.

KEY FACTS AND INFORMATION SUMMARY

The Recreation Trail Program (RTP) is a federal-aid assistance program intended to help states to provide and maintain recreational trails. The program provides funds for all kinds of recreational trail uses, such as pedestrian uses, bicycling, equestrian uses, cross-county skiing, and various off-road motorized uses. Oregon Parks and Recreation Department (OPRD) is responsible for administering apportionments made to Oregon. Applications for RTP funding are accepted every two years. The due date for the current funding cycle is January 15, 2011.

The City's project proposal is the construction of a 1,400 lineal foot segment of the Fanno Creek Trail. The proposed trail alignment begins from the existing trail segment in Woodard Park and extends downstream, or southerly, to Grant Avenue. The proposed trail will be constructed to regional trail standards and will meet the Americans with Disabilities Act guidelines. The path will be a 10-foot wide paved asphalt path with a 2-foot gravel shoulder on each side for some 45% of its length. The remaining portion includes a 50-foot long pedestrian bridge over Fanno Creek, and 700 lineal feet of boardwalk. The use of boardwalk avoids the need to fill three wetlands located within the trail corridor downstream of the bridge, and helps meet Americans with Disabilities Act slope standards.

OTHER ALTERNATIVES

Submit a funding request to another grant program or fund the project using only City funding sources. The drawback of the former is that the City has other shovel-ready trail segments in need of funding. The drawback of using only City funds is that City resources are limited and inadequate to fund all of the parks and trail projects identified in the Park System Master Plan.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

Completion of the Fanno Creek Trail is identified as a priority in the Tigard Park System Master Plan.

DATES OF PREVIOUS COUNCIL CONSIDERATION

Council has not previously considered this agenda item.

Cost: \$616,000

Budgeted (yes or no): no

Where budgeted?:

Additional Fiscal Notes:

The estimated cost of the project is \$616,000. This includes design, permitting, and construction. Acquisition is not part of the project work scope. This is because all the land within the proposed trail right of way has been acquired, either through City ownership, City greenway trail easement, or Metro-acquired trail easement. The proposed bridge over Fanno Creek and the 700 lineal feet of boardwalk account for the comparatively high cost of this trail segment.

Proposed funding sources include:

\$140,000 RTP Grant (this is the upper limit of RTP grant awards)

\$127,000 Greenspaces Local Share Funds (these funds are transferred from the Brown trail segment. They no longer will be available to fund a future Brown project.)

\$154,000 Parks SDCs (according to the Tigard Parks SDC methodology, 25% is the maximum percentage of Parks SDCs available for a trail project)

\$195,000 Parks Bond Measure (the Park and Recreation Advisory Board recommends Tigard parks bond measure proceeds be used for project gap funding)

\$616,000 Total

Attachments

Resolution

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 10-**

A RESOLUTION AUTHORIZING THE SUBMITTAL TO THE OREGON PARKS AND RECREATION DEPARTMENT OF A RECREATIONAL TRAIL PROGRAM GRANT TO PARTIALLY FINANCE THE CONSTRUCTION OF THE WOODARD PARK/GRANT AVENUE SEGMENT OF THE FANNO CREEK TRAIL

WHEREAS, the Oregon Parks and Recreation Department (OPRD) is accepting applications for the Recreational Trail Grant Program; and

WHEREAS, the City of Tigard desires to participate in this program as a means of funding the completion of the Woodard Park/Grant Avenue segment of the Fanno Creek Trail; and

WHEREAS, the Fanno Creek Trail is identified as Regionally Significant by Metro; and

WHEREAS, the Tigard Comprehensive Plan and the Tigard Park System Master Plan both call for the completion of a continuous trail following Fanno Creek as it flows through the City; and

WHEREAS, the construction of the Fanno Creek Trail segment between Woodard Park and Grant Avenue is defined in an application for OPRD Recreational Trail Program financial assistance; and

WHEREAS, the City certifies that the matching share for this application is readily available at this time.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The City Manager is authorized to apply for a Recreational Trail Program grant from the OPRD for the installation of the Woodard Park/Grant Avenue segment of the Fanno Creek Trail as specified above.

SECTION 2: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2010.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

AIS-320

Item #: . B.

Business Meeting

Date: 12/28/2010

Length (in minutes): 5 Minutes

Agenda Title: Approval of Right-of-Way Acquisition for Burnham Street - Frontier Communications Northwest, Inc. (Formerly Verizon)

Prepared For: Kim McMillan

Submitted By:

Ted Kyle
Public Works

Item Type: Motion Requested
Update, Discussion, Direct Staff

Meeting Type:

Council Business
Meeting - Main

ISSUE

Shall the City Council approve the right-of-way acquisition for portions of property along Burnham Street?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends approving the right-of-way acquisition for the Burnham Street project from Frontier Communications Northwest Inc., (formerly Verizon) for an amount of \$67,603.00 and authorizes the City Manager to sign all documents and make payments needed to complete the right-of-way transfer.

KEY FACTS AND INFORMATION SUMMARY

This property acquisition will widen the right-of-way of Burnham Street by 15 feet so that there is adequate land for the wider street and sidewalks. The right-of-way agreement consolidates the driveways for the Frontier property with the Motsumoto property.

This acquisition has taken nearly two years to finalize because of the change in ownership from Verizon to Frontier Communications. This transaction can now be finalized because Frontier Communications has agreed to the terms and compensation. The construction work was allowed to proceed based on a right of entry agreement signed by Frontier a year ago.

OTHER ALTERNATIVES

Staff knows of no other alternatives.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

The Burnham Street project has been a major Council goal for several years.

DATES OF PREVIOUS COUNCIL CONSIDERATION

There has been no previous Council action on the Frontier right-of-way acquisition.

Fiscal Impact

Cost: \$67,603

Budgeted (yes or no): Yes

Where Budgeted (department/program): Gas Tax

Additional Fiscal Notes:

The remaining contract amount for Fiscal Year 2010-11 is \$2,274,917. In Fiscal Year 2010-2011, \$2,391,339 is budgeted for Burnham Street construction, exceeding the remaining contract amount by \$116,422.

The Fiscal Year 2010-11 Budget does not have a Property Acquisition expense for the Burnham St. Project, as that was part of prior years' budgets. The \$67,603 is less than the anticipated \$116,422 of savings in the construction portion of the project. This savings will be used to fund the land acquisition.
