

**Central Point  
City Hall  
541-664-3321**

**City Council**

**Mayor**  
Hank Williams

**Ward I**  
Bruce Dinger

**Ward II**  
Michael Quilty

**Ward III**  
Brandon Thueson

**Ward IV**  
Allen Broderick

**At Large**  
David Douglas  
Rick Samuelson

**Administration**  
Chris Clayton, City  
Manager  
Deanna Casey, City  
Recorder

**Community  
Development**  
Tom Humphrey,  
Director

**Finance**  
Bev Adams, Director

**Human Resources**  
Barb Robson, Director

**Parks and Public  
Works**  
Matt Samitore,  
Director  
Jennifer Boardman,  
Manager

**Police**  
Kris Allison Chief

**CITY OF CENTRAL POINT  
City Council Meeting Agenda  
February 26, 2015**

Next Res. 1418  
Next Ord. 2004

**I. REGULAR MEETING CALLED TO ORDER – 7:00 P.M.**

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL**

**IV. PUBLIC APPEARANCES – *Comments will be limited to 3 minutes per individual or 5 minutes if representing a group or organization.***

**V. SPECIAL PRESENTATION**

- RVCOG Annual Update
- Vietnam Wall Presentation

**VI. CONSENT AGENDA**

Page 2 - 8      A. Approval of February 12, 2015 Council Minutes

**VII. ITEMS REMOVED FROM CONSENT AGENDA**

**VIII. BUSINESS**

10 - 14      A. Community Survey Presentation (Holtey)

16 - 18      B. Local Committee Assignments (Mayor)

**IX. PUBLIC HEARING, ORDINANCES, AND RESOLUTIONS**

20 - 57      A. Resolution No. \_\_\_\_\_, Long Range Financial Plan (Adams)

59 - 82      B. Public Hearing and First Reading – Ordinance Repealing Chapter 12.40 Telecommunications Infrastructure Replacing it with Chapter 12.40 Franchises and Utility Fees (Clayton)

**X. MAYOR'S REPORT**

**XI. CITY MANAGER'S REPORT**

**XII. COUNCIL REPORTS**

**XIII. DEPARTMENT REPORTS**

**XIV. EXECUTIVE SESSION - 192.660(2)(e) Real Property Transactions**

The City Council may adjourn to executive session under the provisions of ORS 192.660. Under the provisions of the Oregon Public Meetings Law, the proceedings of an executive session are not for publication or broadcast.

**XV. ADJOURNMENT**

# Consent Agenda

**CITY OF CENTRAL POINT**  
**City Council Meeting Minutes**  
**February 12, 2015**

**I. REGULAR MEETING CALLED TO ORDER**

Mayor Williams called the meeting to order at 7:00 p.m.

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL:** Mayor: Hank Williams  
Council Members: Bruce Dingler, Brandon Thueson, Rick Samuelson, and Mike Quilty were present. Allen Broderick was excused.

City Manager Chris Clayton; City Attorney Sydnee Dreyer; Police Chief Kris Allison; Community Development Director Tom Humphrey; and City Recorder Deanna Casey were also present.

**IV. PUBLIC APPEARANCES**

Bill Foy, Citizen involved in Central Point Cemetery Clean up  
Mr. Foy stated that when they began the project to clean up the Cemetery there was a group of people helping. It has dwindled down to just a few people. He is concerned that the cemetery will go back to its original state of disarray once the project is complete. He isn't asking the city for money, but there are a few items that they need help with. He would like to see a plan put in place to help maintain the cemetery and keep the bushes and trees trimmed. Kathy Humber asked if the City could help them remove a large Pine tree that is infested and poses a hazard of falling onto Hamrick Road.

City Manager Chris Clayton explained that the city has met with the owners of the cemetery to help with some of the maintenance issues. He will speak with the Parks and Public Works Director about the infested Pine Tree. The Council thanked the volunteers for their time with the cemetery.

**V. SPECIAL RECOGNITION**

Police Chief Kris Allison introduced Officers Marc Williams and Chad Prins. These two officers are being awarded the Life Saving Awards. She explained that they were able to keep a citizen alive until the EMT's could arrive and transport the individual to the hospital. These situations are not always successful and the city is very proud of these officers for saving a life. They were awarded a plaque and a lifesaving pin. She also introduced Police Employee of the Year Officer Josh Abbot.

**VI. CONSENT AGENDA**

- A. Approval of January 22, 2015 City Council Minutes
- B. Approval of OLCC Change of Ownership for Chevron

**Mike Quilty moved to approve the Consent Agenda as presented.** Rick Samuelson seconded. Roll call: Hank Williams, yes; Bruce Dingerl, yes; Brandon Thueson, yes; Rick Samuelson, yes; and Mike Quilty, yes. Motion approved.

**VI. ITEMS REMOVED FROM CONSENT AGENDA - None**

**VII. PUBLIC HEARINGS, ORDINANCES AND RESOLUTIONS**

**A. Ordinance No. 2003, Amending the Central Point Comprehensive Plan (Map) from Residential Low Density to Civic and the City Zoning Map from R-1-6 and Park to Civic for Approximately Five Acres Located East of South 4th Street and Between Bush and Ash Streets (37S2W11BA, TL 2200 and 37S2W11BB, Tls 6300, 8200, 8300 & 8301)**

Community Development Director Tom Humphrey explained that this is the second reading of an ordinance to amend the Comprehensive Plan Map for City owned property. During the course of evaluating the referenced properties as the site for a prospective Community Center or other uses, staff realized that the zoning would not only restrict the development of such uses but that the zoning and land use designations were inconsistent with one another. Should these uses continue or the properties be redeveloped for a use like a Community Center, the "Civic" zoning would be more compatible and appropriate. A public hearing was conducted by the Council at the January 22, 2015 City Council meeting. There were no recommended changes at that time.

**Bruce Dingerl moved to approve Ordinance No. 2003, amending the Central Point Comprehensive Plan (Map) from Residential Low Density to Civic and the City Zoning Map from R-1-6 and Park to Civic for Approximately Five Acres Located East of South 4th Street and Between Bush and Ash Streets (37S2W11BA, TL 2200 and 37S2W11BB, Tls 6300, 8200, 8300 & 8301).** Brandon Thueson seconded. Roll call: Hank Williams, yes; Bruce Dingerl, yes; Brandon Thueson, yes; Rick Samuelson, yes; and Mike Quilty, yes. Motion approved.

**B. Resolution No. 1416, Adopting the 2015 Rules of the City Council and Code of Ethics**

City Manager Chris Clayton explained that from time to time the City Council is charged with reviewing and updating the Rules of the City Council and the Code of Ethics. With the change in the City Charter in 2010 and recent changes in the City Council it was time to make a few changes and update language to the document. He explained that most of the revisions reflect changes that were made because of the 2010 City Charter with regards to the change from City Administrator to City Manager and the change in the Mayor becoming a voting member of the Council.

The Code of Ethics portion of the document serves as a reminder to the Council of the conflicts of interest and the ethics issues that could come before the Council. There were no recommended changes to the document.

**Mike Quilty moved to approve Resolution No. 1416, Adopting the 2015 Rules of the City Council and Code of Ethics.** Bruce Dingler seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Brandon Thueson, yes; Rick Samuelson, yes; and Mike Quilty, yes. Motion approved.

**C. Resolution No. 1417, A Resolution of the City of Central Point Setting Water Rates**

Mr. Clayton explained that the proposed resolution is a result of the decision of the Medford Water Commission increasing their bulk rates by 5% and the need for the City to amend current rates for inflationary reasons by at least 1%. At the January Study Session the Council directed staff to bring back options for a rate increase with a base rate increase of \$0.50 and the consumptive rates increase by \$0.01 per rate block.

At that time the Council also wanted to see what options would be available regarding a back flow rate included in the water bill fee structure. Staff is proposing two options for implementing a special backflow rate to cover the cost of providing this service.

Option 1 is a charge of \$0.75 per month to each water utility account customer, regardless of whether they have a backflow device or not. We could get all the backflows registered into the system with this option. We estimate that only 30% of the residences requiring backflow devices have registered with the city and are getting checked annually. This option would solve that problem by allowing the City to get them located, registered, and tested.

Option 2 is a charge of \$1.25 for those with registered backflows. This option solves the immediate issue of getting testing compliance with the residences that have registered backflows within the city, and only those who use the service would be charged. However, we would still have properties with unregistered backflow devices within the city that are not being tested on an annual basis. Option one would get all property owners in compliance.

There was discussion that it is in the best interest of everyone in the city for backflows to be tested annually not just those who have the devices. We could put a program into place for those who do not have a backflow device to come into the city and show proof that they do not have the device and therefore should not be paying the fee. Mr. Clayton stated that if the Council wants to discuss the backflow options further he would recommend approving the resolution without a backflow option at this time.

**Rick Samuelson moved to approve Resolution No. 1417, A Resolution of the City of Central Point Setting Water Rates with no Backflow Option.** Brandon Thueson seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Brandon Thueson, yes; Rick Samuelson, yes; and Mike Quilty, yes. Motion approved.

**VIII. BUSINESS**

**A. Budget Committee Appointment**

City Manager Chris Clayton explained with the election of Mike Quilty to the City Council and the resignation of one Budget Committee member there are two vacancies on budget committee. Karen Huckins has agreed to be appointed for another term. With the change to a bi-annual budget these terms have changed from three year terms to four year terms. We have received applications from Rob Hernandez and Bill Walton. One of these appointments will complete the term for Mike Quilty and one will be for a full four year term.

**Mike Quilty moved to reappoint Karen Huckins to a four year term, appoint Rob Hernandez to a four year term and Bill Walton to complete the vacant term expiring December 31, 2016.** Rick Samuelson seconded. Roll call: Hank Williams, yes; Bruce Dinger, yes; Brandon Thueson, yes; Rick Samuelson, yes; and Mike Quilty, yes. Motion approved.

## **B. Approval of Mid-year Budget Report**

Mr. Clayton stated that during budget considerations last year the committee requested that some items be set aside and reconsidered at midyear. The Budget Committee stated that depending on the strength of the actual carryover and revenues received in the first half of the fiscal year these additional budget requests may be approved during the midyear report. The items set aside were:

1. \$50,000 for phase 1 of a parks master plan = The Parks Department does not feel this is needed at this time. They do not have staff to work on this project and would rather bring the item to the Budget Committee for the next budget consideration.
2. \$87,000 for an additional police officer = The Police Department does not feel this is needed at this time. They would prefer to bring the request back to the Budget process for consideration.
3. \$45,000 for pedestrian beacon on Pine Street at 6<sup>th</sup> Street = This item is important but Public Works would like to see it worked with a larger plan. It can be installed as a stand-alone project but may need to be moved in the future when there is a Pine Street plan in place for improvements.
4. \$18,000 for playground equipment installation at Van Horn Park = This item is recommended to be installed and approved as an add on item. This project would not need to wait for the Parks Master Plan to be completed.

He explained that the city is in good shape according to the mid-year financial report. We did not spend what was allocated in most areas of the General Fund and we have the carry over needed to fund the projects listed. The hotel/motel tax is down because one hotel has been in the process of changing owners and one is behind on payments. He explained an interfund balance transfer for the Freeman Road project due to an increase in the project cost. The Building Fund is positive and things are looking up for economic growth for the city. We are still trending down as shown in the Long Term Financial Plan, but over all things look good for the City as long as we take steps to improve our long term plan.

There was discussion that the Council would like to see the 6<sup>th</sup> Street Crossing installed. They would hate to continue to put this off until there is an accident and someone gets

hurt trying to cross Pine Street at this intersection. The pedestrian crossing signal could be moved to another location if it doesn't fit into the overall plan for Pine Street and a light is installed at that intersection. They definitely want to approve the equipment for Van Horn Park.

**Mike Quilty moved to accept the Midyear Budget Report and authorize the City Manager to implement add on packages 3 and 4.** Rick Samuelson seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Brandon Thueson, yes; Rick Samuelson, yes; and Mike Quilty, yes. Motion approved.

### **C. Planning Commission Report**

Community Development Director Tom Humphrey presented the Planning Commission Report for February 3, 2015:

- Approved Planning Commission Resolution No. 814 forwarding a favorable recommendation to the City Council to approve a Conceptual Land Use and Transportation Plan for CP-1B, an Urban Reserve Area of the City of Central Point. The Commission previously reviewed this document in at least one draft form and directed staff to make revisions based on input from affected agencies and property owners. The revisions were agreed to by staff and the Commission unanimously supported the document, recommending approval by the City Council.
- Discussion of the Gebhard Road Analysis. The Commission was introduced to the Gebhard Road project and informed and invited to participate in the public meetings. The Commission will ultimately conduct a public hearing on this item when technical memoranda and road alignments are produced. No action was required at this time.
- Annual Tree/Vegetation Maintenance Update and Tree City USA Update. The Planning Commission was given its annual update of each program. They are designated as the City's Tree Committee. They authorized work to be done in the Bear Creek Greenway according to CPMC, Section 17.54.060. Commission members were complimentary of the work being done by Jennifer Boardman and the Parks Department as it relates to tree and vegetation maintenance in the City. A motion was made to authorize the maintenance plan for 2015.

### **D. Discussion of General Franchise Ordinance**

Mr. Clayton explained that the proposed draft ordinance would cover any utility not currently operating by an approved Franchise agreement with the city. The draft ordinance would not be directed at any specific utility and would envelop utilities using public right-of way for their business operations. The proposed ordinance includes provisions that allow for pending legal questions in the area of telecommunications to be accommodated via ordinance amendment or specific franchise agreement language.

The intent of this ordinance will be to encourage utilities to enter into a Franchise Agreement with the City. But in the event that utilities come into town and do not work with the city this ordinance would set parameters within our code for them to adhere by. This would also cover any service that expands that would not be covered under a



current franchise agreement. There are several items in the draft ordinance that would need to be changed before it is adopted by the City so as not to show antifavoritism regarding fees. We would set the fee in the Ordinance at a rate higher than the most current rate we currently have.

City Attorney Dreyer stated that the City of Eugene has a similar ordinance that has worked to their advantage. Any new utility that comes into the city can go to their Municipal Code and will see what is required regarding Franchises Agreements and Utilities. It will encompass expanding telecommunications and require all future utilities to be underground. She would be able to have an updated version for a first reading at the next Council meeting.

This is a discussion item only, no action is required.

## **IX. MAYOR'S REPORT**

Mayor Williams reported that:

- The City has received several applications for the vacant Council position. We will be taking applications until the end of February. He will review the applications and make a recommendation at the first meeting in March.
- He attended the Study Session.
- He attended the Medford Water Commission meeting where their Rate Consultant made the suggestion that they change their rate model to be consistent and fair with all their customers not just the Medford residents.
- He attended the City Awards Banquet.

## **X. CITY MANAGER'S REPORT**

City Manager Chris Clayton reported that:

- Rogue Community College has been working with Representative Buckley on a Health Care Grant to help with the property purchase for their new building.
- He would like to thank Dr. Olson for his participation with the Central Point CERT Team.
- There will be a brief Executive Session tonight to receive Legal Counsel.

## **XI. COUNCIL REPORTS**

Council Member Bruce Dingler reported that he attended the Study Session and the City Awards Banquet.

Council Member Rick Samuelson reported that he attended the Study Session and City of Gold Hill received a grant for a Sports Complex.

Council Member Brandon Thueson reported that he attended the Study Session and the Awards Banquet. He also attended two elected officials training presented by RVCOG and the LOC.

Council Member Mike Quilty reported that he was on the Lars Larson Radio Show last week. He met with Mr. Clayton last week for an update on the Long Term Financial Plan.

Rogue Disposal received a grant to have natural gas trucks, this will help the valley with air quality issues.

## **XII. DEPARTMENT REPORTS**

Police Chief Kris Allison reported that:

- They are working on completing the Police Department website and will be entering the social media realm such as Facebook and Twitter for the Police Department.
- The department will be working with Dr. Shams of the Jackson County Health Department to train the officers on the use of Narcan to give to overdose victims.

Community Development Director Tom Humphrey reported that:

- There is a buzz of activity on the East side of I-5. The Justice Court building should begin construction soon, there is an application for a veterinarian hospital to go in behind the Super 8 Hotel, and an expansion the FedEx building has been approved.
- The Urban Growth Boundary joint meeting is being moved to April 2, 2015. There is still some work that needs to be done on the process.

City Attorney Sydnee Dreyer reported that she reviewed the Dangerous Dog Ordinance in regards to Mr. Walton's concerns at the last meeting. The language could be tightened up regarding the language defining the owner of the dog. However it can also be decided by the judge hearing the case. She will be out of town for the meeting on the 26<sup>th</sup> and Dan O'Conner will be attending in her place.

## **XIII. EXECUTIVE SESSION – 192.660(2)(h) Legal Counsel**

**Mike Quilty** moved to adjourn to executive session under 192.660(2)(h) Legal Counsel. Rick Samuelson seconded. All said "aye" and the meeting was adjourned into executive session at 8:45 p.m.

The Council returned to regular session at 9:02.

## **XIV. ADJOURNMENT**

**Mike Quilty** moved to adjourn, Brandon Thueson seconded, all said "aye" and the Council Meeting was adjourned at 9:03 p.m.

The foregoing minutes of the February 12, 2015, Council meeting were approved by the City Council at its meeting of February 26, 2015.

Dated:

\_\_\_\_\_  
Mayor Hank Williams

ATTEST:

\_\_\_\_\_  
City Recorder

# **Business**

# **Community Survey**

# **Presentation**



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# MEMORANDUM

Community Development

Tom Humphrey, AICP  
Community Development Director

To: Honorable Mayor and City Councilors  
From: Stephanie Holtey, Community Planner  
Date: February 26, 2015  
Re: Citizen Satisfaction Survey

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On behalf of the City, Hebert Research conducted a survey of citizens residing in Central Point to determine the satisfaction with city services and the overall quality of life residents experience in the city. The survey also gauges citizen priorities for the future growth and direction of the City.

The City has conducted similar surveys every two years since 2010. Jim Hebert will be presenting the results of the survey, which includes a multiyear comparison to identify significant changes across survey years. It is important to note that the presentation will address the telephone survey conducted by Hebert Research and will not include results from survey mailed directly to Central Point residents this month. Those results will be presented for discussion at a future Council meeting.

A copy of the questionnaire is attached for your reference.

# 2014 Central Point Citizen Survey

January 13<sup>th</sup>, 2014

Hello, this is \_\_\_\_\_, a Research Assistant with Hebert Research. We are conducting research regarding City of Central Point and we would like your advice. Your responses will remain confidential. If you have any concerns, you may contact Jim Hebert by phone at (425) 301-7447, or by email at [jhebert@hebertresearch.com](mailto:jhebert@hebertresearch.com), and he will gladly discuss any of your concerns.

1. How long have you lived inside the Central Point incorporated area? **[RECORD #, IF 0 THANK AND TERMINATE]**

## Overall Life in City of Central Point

2. What do you enjoy most about living in Central Point? **[VERBATIM] [PROBE: location, safety]**
3. Please rate how satisfied you are with the City of Central Point regarding the following, on a scale of 0 to 10 (0 = "very unsatisfied" and 10 = "very satisfied") **[ENTER "11" FOR DK/REFUSED]**
  - a. \_\_\_ Times and dates for special city events
  - b. \_\_\_ Accessibility to council members
  - c. \_\_\_ The City's level of communication with its citizens (i.e. staff availability, newsletters, etc.)
  - d. \_\_\_ Traffic congestion in the Central Point incorporated area
  - e. \_\_\_ Road/street conditions in the Central Point incorporated area
  - f. \_\_\_ Accessibility of forms and/or applications the city provides/requires
4. What improvement(s) would make Central Point community more livable? **[VERBATIM]**
5. Please indicate which of the following value(s) are most important to your quality of life as a resident in the City of Central Point **[RECORD ALL THAT APPLY]:**
  - a. \_\_\_ Safe Neighborhoods & Parks
  - b. \_\_\_ Quality Education
  - c. \_\_\_ Accessible Hospital/Healthcare
  - d. \_\_\_ Local Employment Opportunities
  - e. \_\_\_ Financially Balanced Government
  - f. \_\_\_ Family Oriented Community
  - g. \_\_\_ Accountable City Leaders
  - h. \_\_\_ Other **[VERBATIM]**

## Community Development

6. On a scale of 0 to 10 (0 = "not important at all" and 10 = "extremely important"), how important is Central Point's downtown to the overall development and image of the city? **[ENTER "11" FOR DK/REFUSED]**

7. On a scale of 0 to 10 (0 = “not at all important” and 10 = “extremely important”), how important is it for the City to continue to support local business development through programs such as Destination Business Training, a training program for independent business owners that teaches businesses on how to attract customers from outside of the city? **[ENTER “11” FOR DK/REFUSED]**
  
8. Where would you like to see Central Point revitalization efforts focused? Please prioritize in terms of a 1, 2, and 3 where 1 is the most important, 2 is the second most important, and 3 is the third most important. **[RECORD TOP THREE CHOICES ONLY, 99 if DK/REFUSED]**
  - a. \_\_ East Pine Street & Interchange Planning (East of 10<sup>th</sup> Street)
  - b. \_\_ The Highway 99 Corridor
  - c. \_\_ The Pine Street Corridor (the downtown core from Front to 6<sup>th</sup> Street)

### Detailed Departments

9. How many times have you used Parks & Recreation facilities or services offered by the city’s Parks & Recreation Division in the last 12-months (i.e Parks, Recreation Classes, Senior Center)? **[ENTER “0” FOR DK/REFUSED] [If 0, skip to Q10]**
  - a. How would you rate your overall satisfaction with Parks & Recreation facilities and services, on a scale of 0-10 (0 = “ very unsatisfied” and 10 = “very satisfied”) **[ENTER “11” FOR DK/REFUSED, “12” FOR NOT APPLICABLE]**
  
10. Pending funding availability, what parks and recreation amenities would you like included in the community? **[VERBATIM]**  
**[PROBE: Year round swimming pool, Dog Park, Additional community trails]**
  
11. How many times have you attended Community Sponsored Events in the last 12-months? **[PROBE: Fairs, festivals, 4<sup>th</sup> of July Parade, etc.) [ENTER “0” FOR DK/REFUSED/NA] [If 0 for all, skip to Q12]**
  - a. How would you rate your overall satisfaction with the Community Sponsored Events (attended) on a scale of 0-10 (0 = “ very unsatisfied” and 10 = “very satisfied”) **[ENTER “11” FOR DK/REFUSED, “12” FOR NOT APPLICABLE]**
    - \_\_ Friday Night Festivals
    - \_\_ Battle of the Bones
    - \_\_ 4th of July Parade
    - \_\_ Bike Fair
    - \_\_ Community Christmas & Lights Parade
    - \_\_ Recreate Guide Classes
  
12. In recent budget cycles, the City of Central Point has appropriated funds to support community events (Rodeo, Fourth of July, Oregon Quarter Horse and other equestrian events) held at the Jackson County Expo. What level of support would you like the City to offer the Jackson County Expo in the future?
  - a. More funding
  - b. Maintain current funding
  - c. Less funding
  - d. Don’t Know/Refused

13. How would you rate your overall satisfaction with the Police Department in the following area, on a scale of 0-10 (0 = “very unsatisfied” and 10 = “very satisfied”) **[ENTER “11” FOR DK/REFUSED]**

- \_\_Professionalism
- \_\_Approachability

b. How would you rate your overall sense of safety living in the City of Central Point on a scale of 0 to 10 (0=very unsafe and 10= very safe)? **[ENTER “11” FOR DK/REFUSED]**

14. The City’s long-term financial plan indicates that parks/recreation, and public safety will require a monthly fee of **[RANDOMIZE: \$2/\$4/\$6]** to maintain current service levels. What is the likelihood that you would support a fee on a scale of 1-10 (0 = “not at all likely” and 10 = “very likely”)

- a. \_\_\_\_\_ Parks facilities and maintenance, including repair and replacement of playground equipment
- b. \_\_\_\_\_ Recreation programs, including city sponsored events
- c. \_\_\_\_\_ Public safety/police protection

15. In your opinion, what should be the top three spending priorities for Central Point’s local government programs? Please prioritize in terms of a 1, 2, and 3 where 1 is the most important, 2 is the next most important, and 3 is the third most important.

**[PROBE when necessary: road maintenance, park facilities, recreation program]**

- 1. **[VERBATIM]**
- 2. **[VERBATIM]**
- 3. **[VERBATIM]**

16. How many times have you attended city meetings that are sponsored by the city in the last 12-months? **[IF 0, SKIP TO Q17]**

- a. How would you rate your overall satisfaction with the meetings sponsored by the city you’ve attended, on a scale of 0-10 (0 = “very unsatisfied” and 10 = “very satisfied”)
- b. Why did you give that rating?

### **News on City of Central Point**

17. Please rate on a scale of 0 to 10 (0= not at all important and 10=very important) the importance for the City of Central Point to expand its outreach efforts. **[ENTER “11” FOR DK/REFUSED]**

18. What information sources are important for the City of Central Point to focus on in their outreach efforts **[VERBATIM]**

**[PROBE: TV ad, newspaper, city newsletter, email]**

19. How many times have your read the City’s newsletter in the past 12 months? **[If 0, then skip to Q20]**

- a. Please rate on a scale from 0 to 10 (0=not at all useful and 10=very useful), how useful do you find the newsletter? **[11 for DK/refused]**

20. How many times have you used the City’s website in the past 12 months? **[If 0, skip to Q21]**

a. Please rate how informative the City of Central Point’s website was on a scale from 0-10, (0 = “not useful” and 10 = “very useful”). **[ENTER “11” FOR DK/REFUSED]**

21. What sources of information do you generally utilize to learn about what is happening in the City of Central Point **[VERBATIM]**

**[PROBE: word of mouth, city newsletter, social network, city website]**

22. When seeking information about the City of Central Point, what sources do you consider to be the most trustworthy in terms of accuracy and relevance of the information **[VERBATUM]:**

**[PROBE: word of mouth, city newsletter, social network, city website]**

### Demographics

23. What is your occupation? **[ENTER “999” FOR DK/REFUSED]**

24. Do you own or rent your home?

- a. Own
- b. Rent
- c. Don’t Know/Refused

25. In what year were you born? **[ENTER “9999” FOR DK/REFUSED]**

26. Please indicate your highest education Level **[ENTER “11” FOR DK/REFUSED]:**

- a. High School Diploma/GED
- b. Associates Degree (AA/AS)
- c. Bachelor’s Degree (BA/BS)
- d. Master’s Degree (MA/MS)
- e. Doctor’s Degree (Ph.D)

30. Gender **[Female/Male]**

31. Would you like to be included in our panel?

a. **[IF Yes]** What is your email address?



# **Business**

## **Local Committee Assignments**



**ADMINISTRATION DEPARTMENT**

140 South 3<sup>rd</sup> Street · Central Point, OR 97502 · (541) 664-7602 · www.centralpointoregon.gov

**STAFF REPORT**  
February 26<sup>th</sup>, 2015

**AGENDA ITEM: Briefing, Discussion and adoption of city council assignments to local boards, commissions and committees.**

**STAFF SOURCE:**

Chris Clayton, City Manager

**BACKGROUND/SYNOPSIS:**

With a newly seated city council starting in January of 2015, it is time to formalize committee, commission and board assignments for the upcoming year. Currently, we have a number of assignments that have been left vacant by departing city council members along with assignments that are being completed by existing council members. Each of these assignments represents an important opportunity for the City of Central Point city council to exert influence and maintain relations with regional agencies and partners.

**ATTACHMENTS:**

1. Council assignment/liaison list.

**RECOMMENDATION:**

1. Council discussion and adoption of board, commission and committee assignments for calendar year 2015.

**PUBLIC HEARING REQUIRED:**

No – Public Comment can be accepted on this discussion item, but no public hearing is required.

**SUGGESTED MOTION:**

I move to approve 2015 city council committee, commission and board assignments.....

# City Council Representatives to Boards, Commissions, Committees, Foundations

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1. **Central Point Citizens Advisory Committee**, Bruce Dingler  
6:30 p.m. 2<sup>nd</sup> Tuesday - January, April, July, October (Subject to Change) Contact: Tom Humphrey 541-423-1025
2. **Parks and Recreation Commission**, Allen Broderick  
Quarterly, Council Chambers  
Contact: Jennifer Boardman 541-423-1042
3. **Parks and Recreation Foundation**, Allen Broderick  
Meetings vary Contact: Jennifer Boardman 541-423-1042
4. **Multicultural Committee**, Allen Broderick  
2nd Monday Quarterly at 6:00 pm, Council Chambers  
Contact: Deanna Casey 541-423-1026
5. **Visitor Information Center**, \_\_\_\_\_, Bev Adams, Matt Samitore  
2<sup>nd</sup> Tuesday each month, 12:00 p.m.  
Contact: Chamber 664-5301
6. **RVCOG Board of Directors Meetings**, Rick Samuelson  
4<sup>th</sup> Weds each month, 11:45 a.m.  
Contact: 664-6676 ext. 202
7. **Bear Creek Greenway Committee**, \_\_\_\_\_, Matt Samitore  
Meetings vary.  
Contact: Jenna Stanke 774-6231, stankeJS@jacksoncounty.org
8. **Jackson County Expo Board**, \_\_\_\_\_ (PC)  
3<sup>rd</sup> Tuesday each month, 6:00 p.m. Fair Board Room  
Contact: Dave Koellermeier, 776-7270
9. **So. Oregon Regional Econ. Dev. Inc. (SOREDI)**, Allen Broderick  
1<sup>st</sup> Tuesday each month, 3:30 alternating between Medford and G.P  
Contact: Angie 773-8946
10. **School District No. 6 Board Meeting**, \_\_\_\_\_  
2<sup>nd</sup> and 4<sup>th</sup> Tuesday of each month, 7:30 p.m. Location varies  
Contact: Robin 541-494-6200
11. **Medford Water Commission**, Hank Williams  
1<sup>st</sup> and 3<sup>rd</sup> Wednesday each month, 12:30 p.m. Lausman Annex.  
Contact: Medford Water Commission 774-2430

12. **Regional Problem Solving Committee**, Chris Clayton, Hank Williams  
1<sup>st</sup> Tuesday each month, 7:30 a.m. RVCOG  
Contact: Sandi 541-423-1334
13. **Jackson County Fire District No. 3 Board**, \_\_\_\_\_  
3<sup>rd</sup> Thursday each month, 7:30 p.m. White City Station  
Contact: Dan Peterson, 541-826-7100
14. **RVCOG Executive Committee**, \_\_\_\_\_  
4<sup>th</sup> Weds each month, 11:00 a.m. at Avista Utilities Rm B  
Contact: 664-6676 ext 202
15. **Transportation Advocacy Committee (TRADCO)**, Mike Quilty  
2<sup>nd</sup> Tuesday each month, 12:00 p.m. Jackson County  
Contact: Kim Parducci 774-2100
16. **Metropolitan Planning Organization (RVMPO)**, Mike Quilty, Hank Williams, 4<sup>th</sup> Tuesday each month, 2:00 p.m. Smullin Center  
Contact: Vickie Guarino 541-423-1333
17. **Airport Advisory Committee**, Mike Quilty  
3<sup>rd</sup> Monday of each month, Noon at Airport Terminal  
Contact: Vicki Waltner 541-776-7222
18. **Medford-Ashland Air Quality Maintenance Area**, Mike Quilty, Kay Harrison. Meeting dates and times vary
19. **Rogue Valley Area Commission on Transportation**, Mike Quilty  
2<sup>nd</sup> Tuesday each month, 9:00 a.m. Location varies  
Contact: Pat Foley 541-423-1372

---

Not represented at this time:

**Regional Sewer Rate Committee**, \_\_\_\_\_  
Quarterly on the 2<sup>nd</sup> Monday of the Month, 12:00 p.m. Avista Utility  
Contact: Carl Tappert, 541-779-4144

**Rogue Valley Sewer Systems**, \_\_\_\_\_  
4<sup>th</sup> Wednesday each month, 7:30 p.m. 2915 S. Pac Hwy  
Contact: Carl Tappert, 541-779-4144

**RVTD Board Meetings**, \_\_\_\_\_  
last Wednesday of the month 5:30 p.m. at Medford Court House

# **Resolution**

# **Long Term Financial Plan**



---

**To:** Mayor & Council  
**From:** Bev Adams, Finance Director  
**Date:** February 26, 2015  
**Subject:** Adoption of Long Range Financial Plan

---

**Background:**

Even though the City successfully navigated the recent recession using various techniques common to short-term reduced revenue situations, City Council and staff believes that it can be less reactive and more strategic in its financial planning. Therefore, in order to improve decision making and be more strategic, the City initiated a process to develop a long range financial model and plan that will help it be more strategic, resilient, and sustainable.

To assist the City with this effort, it engaged FCS GROUP to help create a financial modeling tool for the City's major activities that includes five major City funds: General Fund, Street Fund, Building Fund, Water Fund, and Stormwater Fund.

On January 27th the FCS Group presented the financial plan to City Council and staff. Following discussion of the plan, council and staff suggested a few minor changes and gave approval for the plan to be finalized.

The resolution and a copy of the Long Term Financial Plan are attached to this report.

**Recommended Action:**

**That Council by resolution adopt the City's Long Range Financial Plan.**

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

**A RESOLUTION TO ADOPT A LONG TERM FINANCIAL PLAN  
FOR THE CITY OF CENTRAL POINT**

**RECITALS:**

- A. Whereas the Mayor and City Council are committed to preserving the assets and services of the City thru strategic, resilient, and sustainable financial planning; and
- B. The Mayor and Council have reviewed the attached Long Term Financial Plan and wish to adopt this plan to guide financial decisions that will favorably influence the stability and health of the City for current and future years.

**THE CITY OF CENTRAL POINT RESOLVES:**

**Section 1:** To adopt the Long Term Financial Plan for the City of Central Point.

Passed by the Council and signed by me in authentication of its passage this February 26, 2015.

---

**Hank Williams, Mayor**

ATTEST:

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**Deanna Casey, City Recorder**



City of Central Point

Long Term Financial Plan



February 2015

**FCS GROUP**

7525 166th Avenue NE, Suite D-215  
Redmond, WA 98052  
T: 425.867.1802 | F: 425.867.1937

This entire report is made of readily recyclable materials, including the bronze wire binding and the front and back cover, which are made from post-consumer recycled plastic bottles.



February 9, 2015

Bev Adams, Finance Director  
City of Central Point  
140 South Third Street  
Central Point, Oregon 97502

Subject: Long Term Financial Plan

Dear Ms. Adams:

Attached is our final report for our Long Term Financial Plan. We want to thank you and all the City staff for their assistance and participation in helping us gather information for the study. We have included revisions that reflect comments received during the City Council briefing. We will send the financial forecasting models and the user guide separately. If you have any questions, please feel free to contact me at (425) 867-1802 extension 228.

Sincerely,



Peter Moy  
Principal

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# CHAPTER I: INTRODUCTION

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Although the City of Central Point has successfully navigated the recent recession by utilizing a variety of tools and techniques common to short-term reduced revenue situations, the City believes that it can be less reactive and more strategic in its financial planning. To help it improve decision making and be more strategic, the City initiated a process to develop a long range financial model and plan that will help it be more strategic, resilient, and sustainable. To assist the City with this effort, it engaged FCS GROUP to help create a financial modeling tool for the City's major activities that includes five major City funds: General Fund, Street Fund, Building Fund, Water Fund, and Stormwater Fund.

As part of developing the financial model and plan, FCS GROUP's approach included the following:

- ◆ Meeting with City management to discuss the financial model elements and plan,
- ◆ Interviewing each department head about the department's future program and financial issues,
- ◆ Identifying best financial practices,
- ◆ Reviewing preliminary forecast results with the City Manager and Finance Director,
- ◆ Providing a financial forecasting model, training, and model documentation, and
- ◆ Making presentations to City management and the City Council.

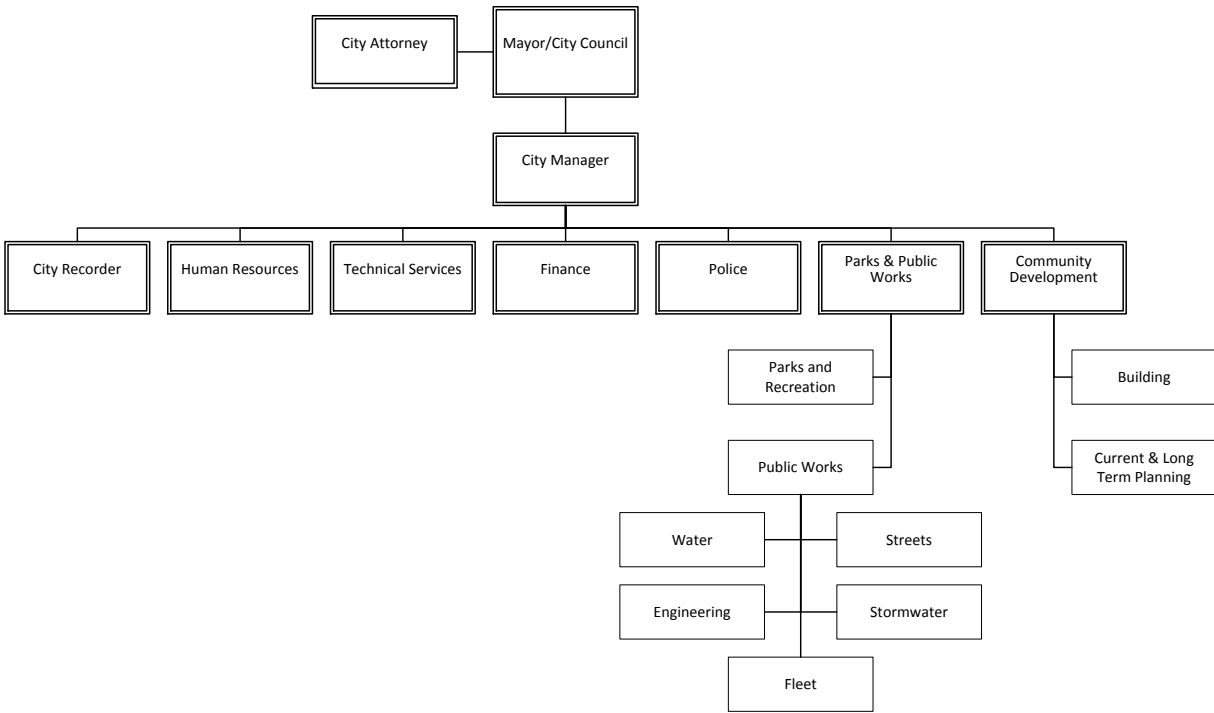
We want to acknowledge the staff assistance and support from City department managers, especially the City's Finance Director Bev Adams. This financial forecast and plan identifies best practices, the City's use of such practices, General Fund trends, and different forecast scenarios.

## CITY BACKGROUND

The City of Central Point was incorporated in 1889 and currently includes an area of 3.52 square miles and has a population of over 17,000. The City is located in the northwest part of Jackson County and borders Medford, the largest city in the county. According to the City, the City's physical development has been relatively slow and has for many years retained a rural community atmosphere. However, a building boom in Southern Oregon significantly altered the landscape of the community with housing and commercial projects creating population growth and impacting the need for services that accompany growth. The national economic recession resulted in no significant growth in either population or residential and commercial projects. The regional economic base is tied to agricultural tourism healthcare transportation, and manufacturing.

The City provides a range of services including police protection, construction and maintenance of the City's streets, storm drains, water facilities, building inspection, planning, economic development, parks, and recreation. The City operates under a council-manager form of government, and the City Council consists of a mayor and six council members. The mayor serves as the ceremonial head of the City, a voting member of the Council, and the presiding officer of the meetings. An organizational chart of the City's government is shown in Exhibit 1.

### Exhibit 1 City Organizational Chart



### The FY 2015 Budget

The basis for the financial forecasts is the FY 2015 budget, and different scenarios have been created based on this budget. In FY 2015, the five funds analyzed as part of this financial plan represent 73% of the City’s financial resources and support almost all the services provided by the City. Other City funds include the debt service fund revenues, reserve fund, the HTCTF fund, capital improvements fund revenues, and internal services fund revenues. Exhibits 2 through 6 show a summary of the adopted FY 2015 budgets for the five funds included in this plan. It should be noted that City provided some revised estimates and that all of the FY 2015 budgets show that expenditures exceed revenues and fund balances are being used to compensate for the gap.

**Exhibit 2  
General Fund**

<b>Revenue Category</b>	<b>Budget</b>
Taxes*	\$6,239,942
Licenses & Fees	59,500
Intergovernmental	497,100
Charges for Service	994,500
Fines & Forfeitures	105,000
Interest	32,500
Miscellaneous	137,000
Use of Fund Balance*	419,158
<b>Total Revenues*</b>	<b>\$8,484,700</b>

\*Revised Estimate

<b>Expenditure Category</b>	<b>Budget</b>
Administration	\$701,100
City Enhancement	198,500
Technical Services	548,400
Mayor & Council	61,250
Finance	775,600
Parks*	793,350
Recreation	522,740
Planning	403,850
Police*	4,180,910
Interdepartmental	95,000
Transfers	44,000
Contingency	160,000
<b>Total Expenditures*</b>	<b>\$8,484,700</b>

\*Revised Estimate

**Exhibit 3  
Building**

<b>Revenue Category</b>	<b>Budget</b>
Permit Fees	\$144,500
Interest Income	1,500
Use of Fund Balance	29,600
<b>Total Building Fund Revenues</b>	<b>\$175,600</b>

<b>Expenditure Category</b>	<b>Budget</b>
Personnel Services	\$156,300
Total Materials & Services	16,300
Contingency	3,000
<b>Total Building Fund Requirements</b>	<b>\$175,600</b>

**Exhibit 4  
Street Fund**

<b>Revenue Category</b>	<b>Budget</b>
Taxes	\$240,000
Intergovernmental	990,000
Charges for Services	550,000
Interest Income	11,000
Miscellaneous	5,000
Use of Fund Balance	329,200
<b>Total Street Revenues</b>	<b>\$2,125,200</b>

<b>Expenditure Category</b>	<b>Budget</b>
Personnel Services	\$406,700
Materials & Services	1,078,500
Capital Projects	255,000
Transfers Out	32,000
Street SDC Capital Projects	253,000
Contingency	100,000
<b>Total Street Fund Requirements</b>	<b>\$2,125,200</b>

**Exhibit 5  
Water Fund**

<b>Revenue Category</b>	<b>Budget</b>
Total Charges for Service	2,885,500
Interest Income	6,000
Miscellaneous Revenue	10,000
Use of Fund Balance	297,800
<b>Total Water Revenues</b>	<b>3,199,300</b>

<b>Expenditure Category</b>	<b>Budget</b>
Personnel Services	\$664,900
Materials & Services	1,770,800
Capital Projects	210,000
Debt Service	392,600
Water Operations/Capital Projects	3,038,300
Water SDC Capital Projects	16,000
Contingency	145,000
<b>Total Water Fund Requirements</b>	<b>\$3,199,300</b>

**Exhibit 6  
Stormwater Fund**

<b>Revenue Category</b>	<b>Budget</b>
Total Charges for Services	\$841,150
Interest Income	4,000
Use of Fund Balance	49,500
<b>Total Stormwater Revenues</b>	<b>\$894,650</b>

<b>Expenditure Category</b>	<b>Budget</b>
Stormwater Operations	
Personnel Services	\$239,550
Materials & Services	404,100
Capital Projects	62,000
Debt Service	9,000
Stormwater Quality	
Materials & Services	62,000
Capital Projects	50,000
Stormwater SDC Capital Projects	25,000
Contingency	43,000
<b>Total Stormwater Requirements</b>	<b>\$894,650</b>

## CHAPTER II: BEST PRACTICES

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As part of this financial plan, best practices for local government financial planning and budgeting were identified to find opportunities for enhancing and adding to the City's long range financial health and policy framework. As resources become more limited and demands for continuing quality City services remain constant or increasing, the City might need to take steps to improve its budget policy framework, process, and the information needed to make budget and financial decisions for the long term, especially for the General Fund.

The Government Finance Officers Association (GFOA) and the National Advisory Council on State and Local Budgeting are primary organizations that have identified best practices for improving governmental finance and budgeting. The GFOA's mission is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and by promoting them through education, training, and leadership. The National Advisory Council has recommended budget practices that provide a framework for improving local government budgeting.

GFOA recommends that all governments regularly engage in long term financial planning, and GFOA identified the following planning elements and essential steps for long term financial planning.

- ◆ Long term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long term financial planning works best as part of an overall plan.
- ◆ Long term financial planning is the process of aligning financial capacity with long term service objectives. Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long term sustainability in light of the government's service objectives and financial challenges.
- ◆ Many governments have a comprehensive long term planning process because it stimulates discussion and engenders a long range perspective for decision makers. It can be used as a tool to prevent financial challenges, stimulate long term and strategic thinking, develop consensus on long term financial directions, and communicate with internal and external stakeholders.
- ◆ Time horizon – A plan should look at least 5 to 10 years into the future. Governments may elect to extend their planning horizon further if conditions warrant a longer forecast.
- ◆ Scope - A plan should consider all appropriated funds, but especially those funds that are used to account for the issues of concern to elected officials in the community.
- ◆ Frequency - Governments should update long term planning activities as needed in order to provide direction to the budget process, though not every element of the long range plan must be repeated.
- ◆ Content - A plan should include an analysis of the financial environment, revenue and expenditure forecast, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and plan monitoring mechanisms such as scorecard or key indicators of financial help.



- ◆ Visibility - The public and elected officials should be able to easily learn about long-term financial prospects of the government and strategies for financial balance. Hence governments should devise an effective means for communicating this information through either separate plan documents or by integrating it with existing communication devices.

GFOA also recommends that all governmental entities use some form of strategic planning to provide a long term perspective for service delivery and budgeting thereby establishing links between authorized spending and broad organizational goals. The City adopted a strategic plan, *Forward, Fair City Vision 2020*, in 2007. GFOA noted that an important complement to the strategic planning process is the preparation of a long term financial plan, ideally prepared concurrently with the strategic plan. For the best practices, this chapter's focus is on budgeting practices, financial policies, capital planning, and performance measures.

## BEST BUDGETING PRACTICES

The Government Finance Officers Association and seven other state and local government associations created the National Advisory Council on State and Local Budgeting (NACSLB) in 1995. The Council's charge was to develop a set of recommended practices in the area of state and local budgeting. The NACSLB developed a comprehensive set of processes and procedures in 1997 that define an acceptable budget process. The recommended practices advocate a goal-driven approach to budgeting that spans the planning, development, adoption, and execution phases of the budget. The GFOA continues to support these practices and has issued several other long range planning practices. According to the NACSLB, a good overall budget process does the following:

- ◆ Incorporates a long term perspective,
- ◆ Establishes linkages to broad organizational goals,
- ◆ Focuses budget decisions on results and outcomes,
- ◆ Involves and promotes effective communication with stakeholders, and
- ◆ Provides incentives to government management and employees.

The NACSLB's overall framework consists of four principles and twelve budgetary elements. Within each element, specific budget practices are identified and recommended, and overall there are more than 50 budget practices identified. The following shows just the principles and budgetary elements.

Principle A. Establish broad goals to guide government decision making.

- ◆ Element 1 - Assess community needs, priorities, challenges and opportunities,
- ◆ Element 2 - Identify opportunities and challenges for government services, capital assets, and management, and
- ◆ Element 3 - Develop and disseminate broad goals.

Principle B. Develop approaches to achieve goals.

- ◆ Element 4 - Adopt financial policies,
- ◆ Element 5 - Develop programmatic, operating, and capital policies and plans,
- ◆ Element 6 - Develop programs and services that are consistent with policies and plans, and
- ◆ Element 7 - Develop management strategies.

Principle C. Develop a budget consistent with approaches to achieve goals.

- ◆ Element 8 - Develop a process for preparing and adopting a budget,
- ◆ Element 9 - Develop and evaluate financial options, and
- ◆ Element 10 - Make choices necessary to adopt a budget.

Principle D. Evaluate performance and make adjustments.

- ◆ Element 11 - Monitor, measure, and evaluate performance, and
- ◆ Element 12 - Make adjustments as needed.

Based on a self-assessment of all the above practices, the City could make improvements to its budget policies, process, and document by refining some of its current practices and by instituting new practices with regard to its financial policies (see the Financial Policies section). Appendix A includes the City's self-assessment. There are three areas that may be important to the City in the near future:

- ◆ Adopting financial policies,
- ◆ Capital planning, and
- ◆ Monitoring, measuring and evaluating performance.

Besides the NACSLB's best practices for budgeting, the Government Finance Officers Association has a Distinguished Budget Presentation Awards program to recognize governmental agencies that utilize their budget documents as an effective communication tool to meet the needs of their constituents, media, and policymakers. The program is designed to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and to recognize individual governments that succeed in achieving that goal. The program has 31 evaluation criteria that measure the information in and presentation of the document according to four key areas: policy document, financial plan, operations guide, and communications device. The goal of these criteria is to define standards for a budget that presents comprehensive financial information to the public in simple, non-technical language. The City currently shows in its budget its GFOA Financial Reporting Award, which is associated with its Comprehensive Annual Financial Report and not its budget.

The GFOA criteria present a multi-year, quantifiable, and goal-oriented budget structure. According to the criteria, information should not be limited to the upcoming budget period, but should also reflect on past and current performance to provide adequate context to the reader. Descriptions of objectives, issues, initiatives, and program alterations should, when possible, be quantified to identify impacts to the budget presented. Goals for departments, divisions, programs, and activities should be expressed as both quantified short-term plans and long-term objectives, and they should be linked to overall City goals. Performance measures illustrating both workload demands and goal achievement should be included where possible and applicable.

As a policy document, GFOA believes that the budget should describe the priorities and issues that drive the direction for the coming year. Overall goals for the City should be referenced throughout departmental plans to demonstrate consistent execution of stated objectives in all departments, divisions, programs, and activities provided. Goals should be both short and long-term plans, with short-term goals that have quantifiable objectives.

To fulfill GFOA's criteria as a financial plan, the budget must describe key financial data in understandable, summary level formats covering all funds. Comparing budget projections to past and current periods is mandated in nearly all criteria. The document must strike a balance between maintaining a "budget in brief" format and providing enough information to be complete without dwelling on technical detail.

The operations guide aspect of budgeting requires the City to clearly describe and quantify performance for departments, divisions, programs, and activities. Budget figures, objectives, budget issues and changes, and performance measures should be provided for the major services of each department and/or division. Information at the program or activity levels should relate not only to department goals but also to Citywide objectives defined within the budget document.

Finally, the budget, as a communications device, should be presented in a manner designed to speak to a public audience interested in the management of the City. The document should strive for a clean, simple layout and professional look. Information should be readily available and easy to find. Most importantly, it should focus on the needs of the intended audience and speak to their requirements, excluding technical detail but providing complete, consistent information.

## FINANCIAL POLICIES

One of the initial steps in a long term financial plan is to adopt financial policies that establish the framework for the City's overall approach to its financial practices and management. For the past several years, the City has developed financial policies as part of its budget process, and these financial policies have provided the foundation for the City's budget decisions and related financial practices.

As part of the annual budget process, the City's department heads, the Mayor, and City Council adopt budget goals and policies in January and based on these policies and priorities, the various City department directors prepare their budgets. Once the budget is prepared by the end of April, the budget is then submitted to the City's Budget Committee for review, modification, and recommendation. The Budget Committee consists of the Mayor, City Council members, and seven citizens. The City includes its financial management policies with the budget.

The City's FY 2015 budget, the financial policies provided guidance on the following broad categories:

- ◆ Cash Management,
- ◆ Accounting,
- ◆ Operating Budgetary Policy, and
- ◆ Fund Structure and Fund Balance.

From an overall policy framework, the City's policies generally address many of those identified by the Government Finance Officers Association. In 2002, GFOA recommended developing financial policies that it considered fundamental to the budget process. These fundamental policies include financial planning, revenue, and expenditure policies. For financial planning policies, GFOA recommended that, at a minimum, such policies should address defining balanced operating budgets and disclosing when a balanced budget is not planned or will not occur. Another key element is having long range planning policies that support a financial planning process that assesses the long term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs, and assumptions. The third financial planning policy area is an asset inventory that inventories and assesses the condition of all major capital assets.

For revenue policies, GFOA policy recommendations seek to provide stability and to avoid potential service disruptions caused by revenue shortfalls. At a minimum GFOA recommends that jurisdictions should (1) encourage revenue diversification to handle fluctuations in individual revenue sources, (2) identify the manner in which fees and charges are set and the extent to which they cover the cost of service provided, (3) discourage the use of one-time revenues for ongoing expenditures, and (4) address the collection and use of major revenue sources that a jurisdiction considers unpredictable.

For expenditure policies, GFOA recommended that jurisdictions adopt policies that (1) specify the appropriate uses for debt and identifies the maximum amount of debt and debt service that should be outstanding at any time, (2) establish a prudent level of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures, and (3) compare actual expenditures to budget periodically and take action to bring the budget into balance, when necessary.

The City has recognized the importance of adopting financial policies and has for the most part developed financial policies recommended as part of the NACSLB's budget practices. Under the "adopt financial policies" element there are several types of policies recommended by the NACSLB. The financial policies include the following:

- ◆ stabilization funds,
- ◆ fees and charges,
- ◆ debt issuance and management,
- ◆ debt level and capacity,
- ◆ use of one-time revenues,
- ◆ use of unpredictable revenues,
- ◆ balancing the operating budget,
- ◆ revenue diversification, and
- ◆ contingency planning.

Of the above types of policies, the City has not yet developed policies regarding stabilization funds, use of one-time revenues, use of unpredictable revenues, and revenue diversity. The City's debt management policies could also be supplemented. There are two recommended practices for establishing debt policies. The first practice is to adopt policies that guide the issuance and management of debt. The types of policies should include the purposes for which debt may be issued, the matching of the useful life of an asset with the maturity of the debt, limitations on the amount of outstanding debt, types of permissible debt, structural features, including payment of debt service and any limitations resulting from legal provisions or financial constraints, refunding of debt, and investment of bond proceeds.

The second practice is to adopt a policy on the maximum amount of debt and debt service that should be outstanding at any one-time. These policies should provide for different policies for general obligation debt, debt supported by government enterprises, and other types of debt such as special assessment bonds, short-term debt, variable rate debt, and leases.

Examples of the NACSLB's practices are provided on the GFOA's website. For example, a debt management policy established limits on the amounts of unlimited tax general obligation debt and limited tax general obligation debt. The policy was to have no more than .75% of the city's taxable assessed valuation as unlimited tax general obligation debt. For the limited tax general obligation debt, the total limit is 1% of the city's taxable assessed valuation, and annual debt service cannot be greater than 10% of the annual General Fund revenues.

## CAPITAL PLANNING

Besides general budgeting best practices, capital planning is also an important area to address and was mentioned by several City departments as a key future issue. There are two GFOA best practices that apply to the City: capital planning policies and coordinating economic development and capital planning.

GFOA believes that policies designed to guide capital planning help assure that a jurisdiction's unique needs are fully considered in the capital planning process and that effective policies can also help a government assure the sustainability of its infrastructure by establishing a process for

addressing maintenance, replacement, and proper fixed asset accounting over the full life of capital assets. According to GFOA, capital planning policies should provide, at a minimum, the following:

- ◆ A description of how an organizations will approach capital planning,
- ◆ A clear definition of what constitutes a capital improvement project,
- ◆ Establishment of a capital improvement program review committee,
- ◆ A description of the role of the public and external stakeholders in the process,
- ◆ Identification of how decisions will be made in the process including a structured process for prioritizing need and allocating limited resources,
- ◆ A requirement that the planning process includes an assessment of the government's fiscal capacity so the capital plan is based on what can be realistically funded rather than being simply a wish list,
- ◆ A procedure for accumulating necessary capital reserves for both new and replacement purchases,
- ◆ A policy linking funding strategies with useful life of the asset including when debt can be issued,
- ◆ A requirement that a multi-year capital improvement plan be developed and that it include long term financing considerations and strategies,
- ◆ A process for funding to ensure that capital project funding is consistent with legal requirements,
- ◆ A requirement that the plan include significant capital maintenance projects, and
- ◆ Provisions for monitoring and oversight of the CIP program, including reporting requirements and how to handle changes and amendments to the plan.

As part of the City's strategic plan, there are several areas where capital planning is critical to implementing several goals in the plan concerning downtown revitalization and beautification, managing growth and infrastructure, recreation, and transportation elements. GFOA identified best practices concerning economic development and capital planning and include the following elements:

- ◆ Alignment with the organization's goals and objectives,
- ◆ Timing of economic development and capital planning projects,
- ◆ Value public infrastructure as an economic development strategy,
- ◆ Opportunities for having developers fund capital assets,
- ◆ Impact of development on existing assets and ongoing maintenance,
- ◆ Use of economic development tools to fund capital projects (e.g. redevelopment districts),
- ◆ Debt resulting from either economic development or the capital improvement program,
- ◆ Administrative aspects of economic development agreements, and
- ◆ Coordinating economic development strategies with other initiatives (e.g. master plans, the City's comprehensive plan, the long term financial plan).

The NACSLB's best practices for capital planning include the following.

- ◆ Adopt policies and plans for capital asset acquisition, maintenance, replacement, and retirement,
- ◆ Develop a capital improvement plan that identifies its priorities and time frame for undertaking capital projects and provides a financing plan for those projects. The plan, including both capital

and operating costs should project at least five years into the future and should be fully integrated into the overall financial plan, and

- ◆ Monitor, measure, and evaluate capital program implementation.

## PERFORMANCE MEASURES

GFOA recommends that program and service performance measures be developed and used as an important component of the long term strategic planning and decision making. GFOA encourages all governments to use performance measures as an integral part of the budget process. GFOA believes that when used in the long term planning and goal setting process and when linked to an organization's mission, goals, and objectives, meaningful performance measures assist government officials and citizens identify financial and program results, evaluate past resource decisions, and facilitate qualitative improvements in future decisions regarding resource allocation and service delivery. The NACSLB's budget practices for performance measures are:

- ◆ Develop and utilize performance measures for functions, programs, and/or activities,
- ◆ Periodically evaluate the performance of the programs and services it provides, and
- ◆ Performance measures, including efficiency and effectiveness measures, should be presented in basic budget materials, including the operating budget document.

Although the current budget identifies key objectives, performance measures and goals, it is difficult to determine the level of service provided, the effectiveness of the City's use of resources, and the demand for services. The measures are more oriented toward processes, tasks, activities, and outputs rather than service levels. To understand the balance between efficiency and effectiveness, more quantitative performance and workload measures are necessary to identify and determine the cost and level of service and to increase accountability. For example, the Police performance measures involve reduced liability, increased efficiency, and accuracy of records, evidence control, and timesheets. GFOA recommends the following for performance measures:

- ◆ Be based on program goals and objectives that tie to a statement of program mission or purpose,
- ◆ Measure program outcomes,
- ◆ Provide for resource allocation comparisons over time,
- ◆ Measure efficiency and effectiveness for continuous improvement,
- ◆ Be verifiable, understandable, and timely,
- ◆ Be consistent throughout the strategic plan, budget, accounting and reporting systems and to the extent practical, be consistent over time,
- ◆ Be reported internally and externally,
- ◆ Be monitored and used in managerial decision-making processes,
- ◆ Be limited to a number and degree of complexity that can provide an efficient and meaningful way to assess the effectiveness and efficiency of key programs, and
- ◆ Be designed in such a way to motivate staff at all levels to contribute toward organizational improvement.



## CONCLUSIONS AND RECOMMENDATIONS

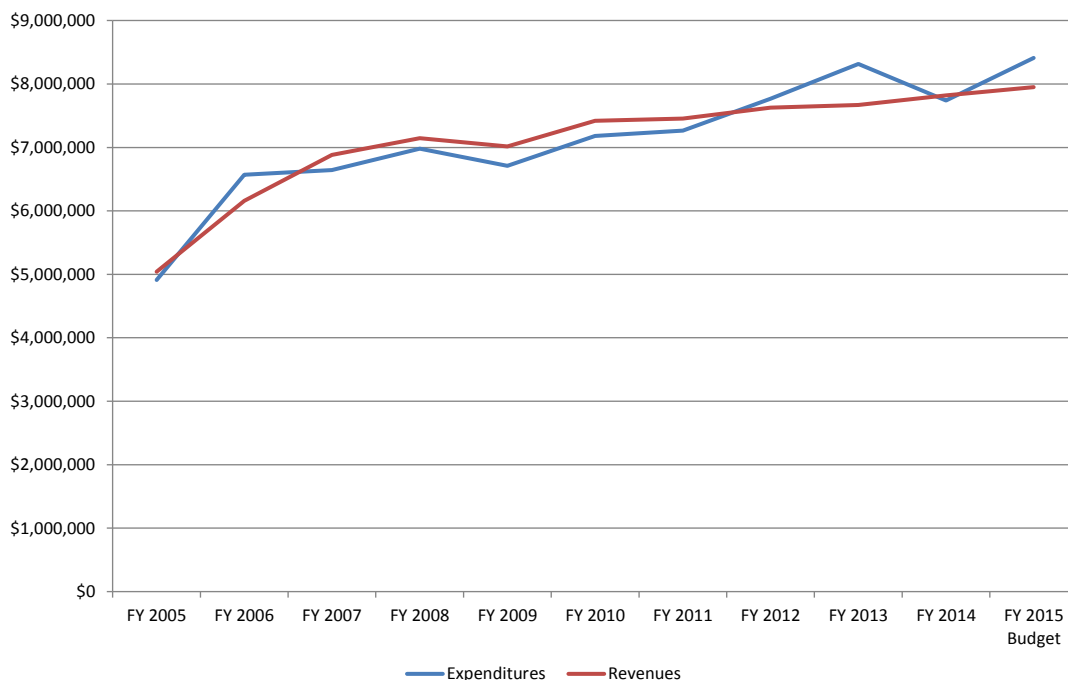
Compared to policies and practices recommended by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting, the City has established a good policy framework that has helped guide the City through some difficult economic times. The future challenge for the City is to address its capital needs in a comprehensive manner, to develop the information needed to refine its operating budget decisions, and to monitor performance. To complete its policy framework and meet best practices, we recommend the following:

- ◆ Refine existing financial policies and develop additional financial policies concerning revenues as needed according to best practices,
- ◆ Establish more specific debt issuance and management policies as well as policies concerning debt level and capacity,
- ◆ Adopt policies and plans for capital asset acquisition, maintenance, replacement, and retirement,
- ◆ Develop an overall capital improvement plan that identifies priorities and time frames for implementing capital projects and provides a financing plan for those projects. The plan, including both capital and related operating costs, should project at least five years into the future and should be fully integrated into the overall financial plan,
- ◆ Identify cost effective opportunities where performance, efficiency, and effectiveness measures can be developed and included as part of the basic budget materials and budget document, and
- ◆ Improve the budget document, where appropriate with best practices, and consider applying for the GFOA's budget award in the future.

## CHAPTER III: HISTORICAL FINANCIAL TRENDS

To provide a perspective about the City’s past financial performance, an analysis of the City’s financial trends was conducted for the City’s General Fund by reviewing the past ten fiscal years plus the FY 2015 budget. The General Fund is the City’s largest fund and supports many of the City’s basic services such as police, parks, recreation, planning, and the City’s administrative and support services. Between FY 2005 and FY 2012, the City’s annual General Fund revenues exceeded expenditures except for FY 2006, but since 2012, the City has operated at a deficit in 2012 and 2013 and had a slight surplus in 2014. FY 2015’s budget also includes a planned deficit where estimated revenues are less than the budgeted expenditures. Exhibit 7 shows the trends since FY 2005.

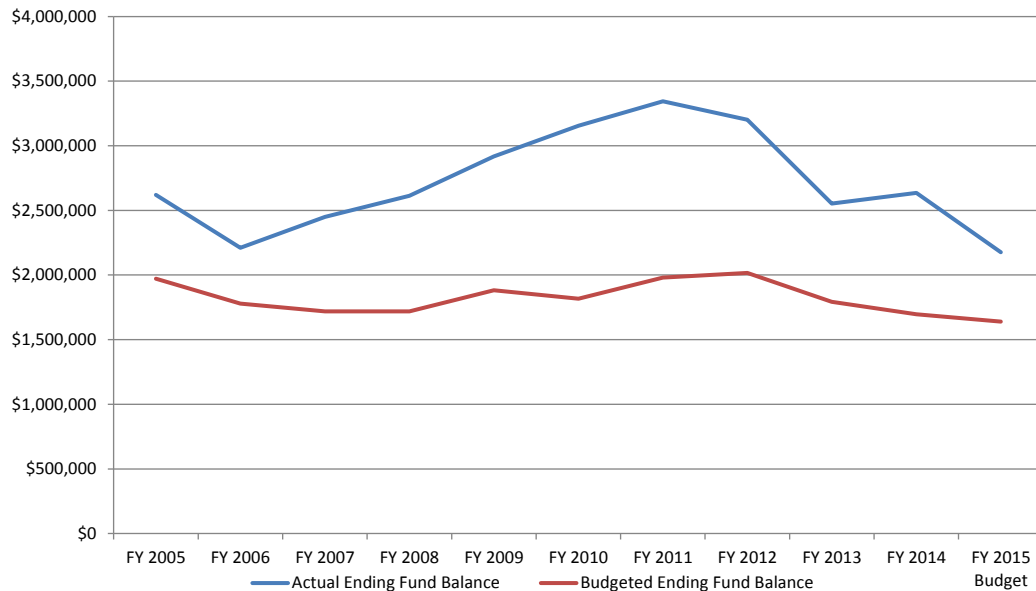
**Exhibit 7**  
**11 Year History of General Fund Revenues and Expenditures**



With the surpluses before FY 2012, the City increased its fund balance before having to rely on its General Fund balance to maintain services since FY 2012. According to the City staff, the City has been working over the years to stabilize the General Fund balance during its budget deliberations. Compared to the budgeted ending fund balances, the City has, however, managed to increase the fund balance in several years and achieve higher actual fund balances. As shown in Exhibit 8, the budgeted ending fund balance has been between about \$1.7 million to \$2 million, while actual ending fund balances have been between \$2.2 million to \$3.3 million.



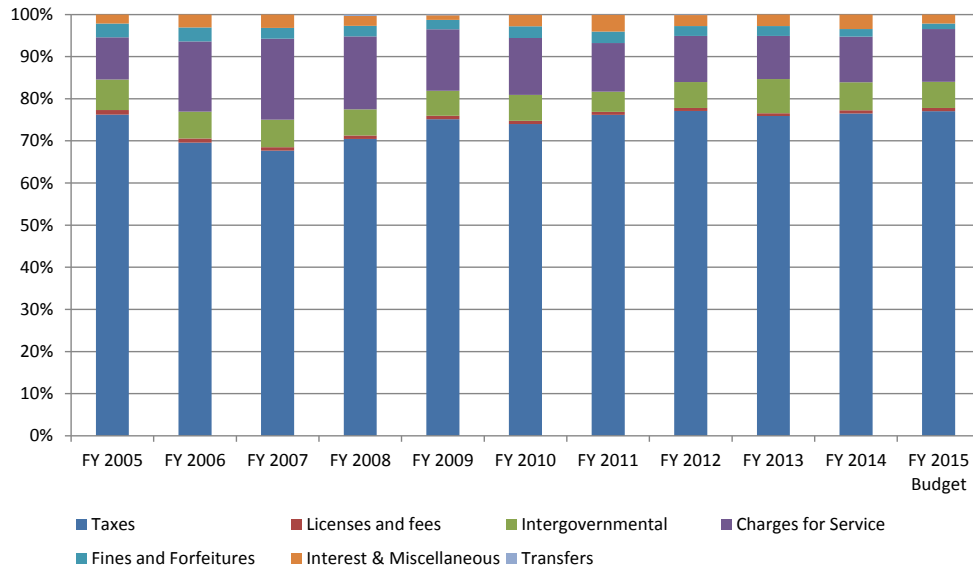
### Exhibit 8 FY 2005-2015 General Fund Balances



Over the past 11 years the following revenue and expenditure trends have occurred:

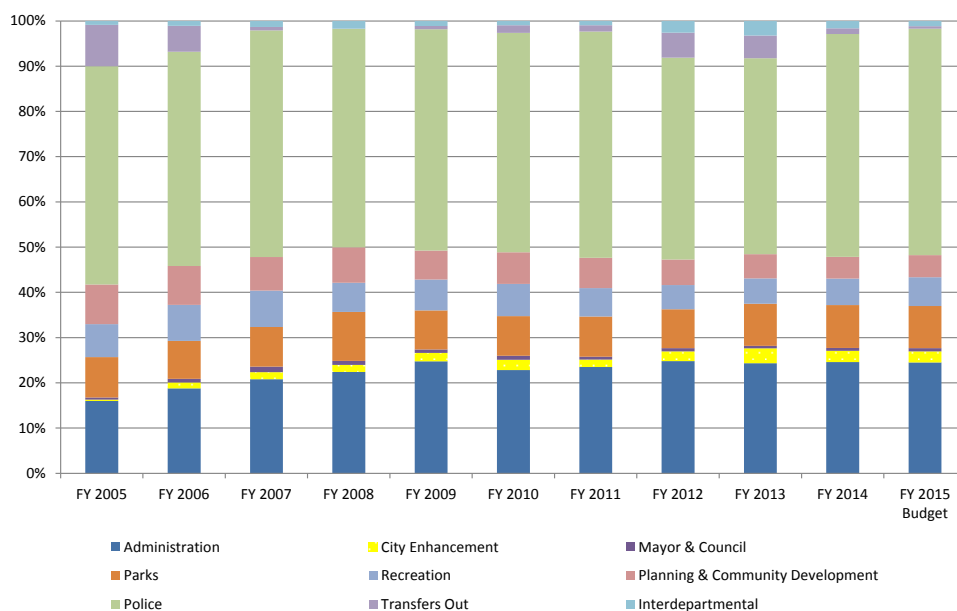
- ◆ Compared to total General Fund revenues in FY 2005, the FY 2015 budgeted revenues are almost 58% higher (\$5,0410,771 compared to \$7,950,600). Over the past ten years the average annual growth rate in General Fund revenues was 4.9%, but most of the growth occurred between FY 2005 and 2008 before the economic recession. The average growth during this period was about 13% per year, while from FY 2009 to 2015, the average annual growth rate was about 2% per year.
- ◆ Besides a 9% average revenue growth in taxes between FY 2005 and 2008, charges for services grew at an average of 42% per year during the same period. The revenue growth was caused by large revenue increases from overhead charges to other funds, planning fees, and recreation fees. Since FY 2008, the fee revenues in these categories started to significantly decrease. The average annual revenue growth in taxes decreased to about 3%, while the average annual growth in charges for services averaged -2%. For example, planning fees were about \$59,000 in FY 2005, peaked at \$122,300 in FY 2007 and were at \$5,500 in FY 2013. Recreation fees were at \$168,000 in FY 2005, peaked at \$220,600 in FY 2008, and dropped to \$63,200 in FY 2013. One reason for the decrease is that the City eliminated a day care program partially supported by fees.
- ◆ Overall, taxes have represented an average of 74% of all General Fund revenues, while charges for services averaged about 14%. Intergovernmental revenues averaged 6%. Exhibit 9 shows the proportion of revenues by category.

**Exhibit 9**  
**Percentage of General Fund Revenues by Category**



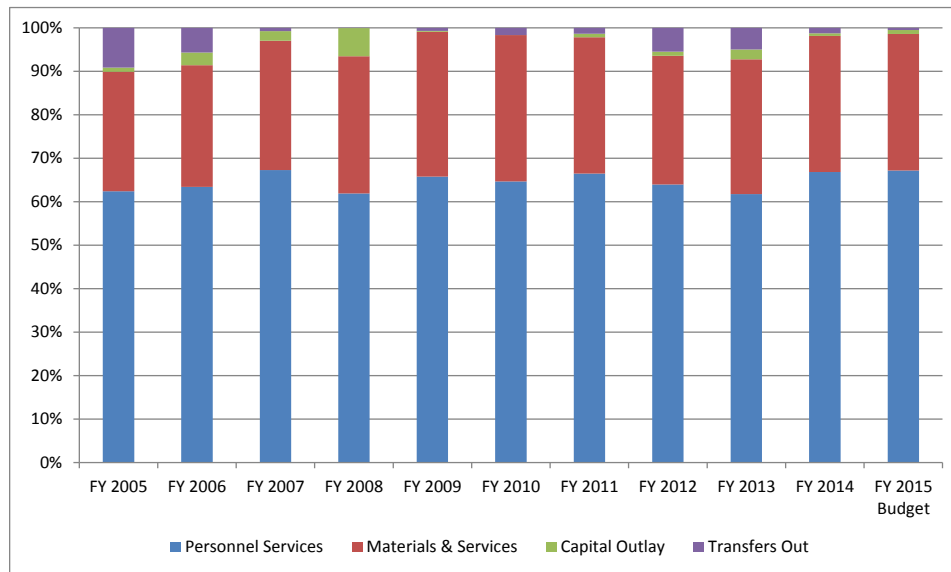
- Overall, compared to FY 2005 General Fund expenditures are 71% higher in FY 2015 (\$4,910,950 compared to \$8,409,700). The average annual increase in expenditures during the period was about 6%. About 50% of the increase in total General Fund expenditures has been related to the Police Department which has also averaged about 49% of the annual General Fund expenditures. Other areas that have increased compared to FY 2005 involve Technical Services, Finance, Parks, and Recreation. Technical Services and Finance did not exist in FY 2005 and were established as separate units in FY 2006. Exhibit 10 shows the percentage of annual expenditures by service over the past eleven years.

**Exhibit 10**  
**Percentage of General Fund Expenditures by Service**



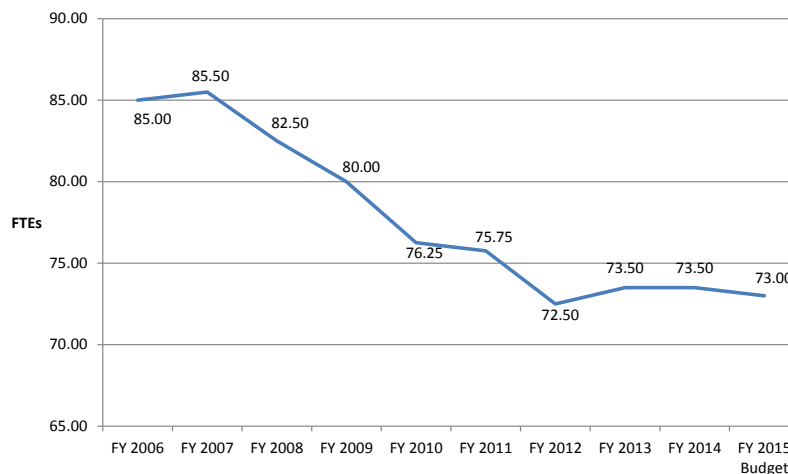
- ◆ Most General Fund expenditures are for personnel services, which have averaged about 65% of annual expenditures during the past 11 years. Materials and services have averaged about 31% of annual expenditures. Exhibit 11 shows the percentage of expenditures by category over the past 11 years.

**Exhibit 11**  
**Percentage of Expenditures by Cost Category**



- ◆ As previously mentioned, the City’s General Fund had only one deficit year prior to FY 2012, but since then, it has had two actual years and currently has a budget where expenditures exceeded revenues. Overall, during the eleven year period, General Fund revenues have increased at an average of about 5% per year, while General Fund expenditures have increased at an average of 6% per year. However, the City has avoided deficits because it has been reducing its overall staffing levels for all funds, including the General Fund. Since the FY 2007 peak in staffing, the City has reduced its staffing level by 15%. Exhibit 12 shows the total City FTEs for the past ten years.

**Exhibit 12**  
**Total FTEs FY 2006-2015**



## OBSERVATIONS

As previously mentioned, the City had an economic growth spurt between 2005 and 2008, but when the recession occurred and revenues associated with the economic growth were lost, the City survived by reducing its staffing levels. Because of those reductions and other budget management strategies, the City was able to generate surpluses between FY 2007 and FY 2012 that has allowed it to offset deficits in the past few years. Other trends show the following:

- ◆ The City is more dependent on property taxes now than during the economic growth period when charges for services were increasing primarily because of planning fees, overhead charges, and recreation fees,
- ◆ Personnel costs continue to represent the largest expenditure category,
- ◆ Funding deficits are becoming more common in recent years even though the national economy has improved, and
- ◆ It appears that after all the staff reductions following the recession, the City might now be at a point where the staffing levels are at the minimum levels to support the City's desired levels of service. The current budget, however, still shows an imbalance between revenues and expenditures, which indicates that a systemic problem might exist.

# CHAPTER IV: LONG TERM FINANCIAL FORECASTS

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To help the City understand whether its General, Building, Street, Water, and Stormwater Funds can be sustainable in the future, long term financial forecasts were developed for the next ten years. As part of the forecasts, primarily for the General Fund, several different scenarios were forecast to help the City understand the impacts different strategies might have on the City's financial future and sustainability. Although the financial model can be used to forecast many different scenarios, the City identified four different scenarios. The scenarios include a baseline scenario and three scenarios that modify revenues to match expenditures. Scenario descriptions are the following:

**The Baseline Scenario** - No change in property tax rate or fees, includes the 3% Measure 50 assessed value increase, no new expenditures from FY 2015 except for an added police officer and Parks Master Plan, no utility rate increases except Water's recently adopted increase, and no capital improvement funding in future years.

**Fee and Rate Increase Scenario** - No change in property tax rate, includes the 3% Measure 50 assessed value increase, new public safety and parks fees, Water, Street, and Stormwater rate increases based on CPI, and includes future capital improvements over the next four years.

**Baseline Economic Growth Scenario** – Needed increase in assessed value without the Measure 50 limitations to avoid General Fund deficits.

**Baseline Property Tax Rate Increase Scenario** – An increase in the property tax rate to avoid General Fund deficits and includes the 3% Measure 50 assessed value increase.

## CITY FINANCIAL CHALLENGES

As part of developing this financial plan, the City's management staff was interviewed to discuss their perspectives about future financial issues and challenges related to their departments. From those discussions, the following general themes emerged:

- ◆ City revenues are not keeping up with inflationary costs,
- ◆ The City is facing new or increased costs in areas such as communications and dispatch and health insurance, and
- ◆ Investments in new equipment and City infrastructure are needed, but funding is not available.

## KEY ASSUMPTIONS

The scenario forecasts include several basic assumptions that generally apply to all the scenarios. The following describes the assumptions.

- ◆ The baseline revenues and expenditures are based on the FY 2015 revised budget where property taxes are based on more recent estimates after the budget was adopted.
- ◆ Starting fund balances for the FY 2015 budget are based on the actual balances from the audited financial statements as of June 30, 2014.
- ◆ No new or additional costs, services, or staffing are added to any of the scenarios. Where departments have indicated potential or desired additions, they have been noted in the scenario discussions.
- ◆ All the scenarios include the following annexations and developments and the timing when they will start adding to the property tax base: White Hawk (FY 2017), North Village 1 (FY 2018), North Village 2 (FY 2018), North Village 4 (FY 2016), Beebe Woods (FY 2016), Dairy Queen (FY 2016), Walgreens (FY 2016), and Cardmoore Annex (FY 2016). Estimated new utility accounts are added to the base with each annexation and development. No additional costs to provide services to these areas have been identified at this time.
- ◆ The Consumer Price Index (CPI) increases are based on a 10-year sample of CPI-U for smaller western cities from the Bureau of Labor Statistics. All personal services costs increase by the CPI of 2.17%.
- ◆ Benefit increases are based on a 10-year sample of the ECI (Employment Cost Index) for benefits from the Bureau of Labor Statistics. All benefit costs increase by the ECI of 4.34%.
- ◆ The baseline property tax rate is \$4.47 per \$1,000 of assessed value. Property tax revenues are based on the Measure 50 limit (3%) and all other General Fund revenues are assumed to be the same as estimated for the FY 2015 budget. Interest income for all funds is based on the average return from the Oregon Short Term Fund managed by the State Treasurer's Office.
- ◆ Except for property taxes, all other General Fund revenues remain constant over the ten year period.
- ◆ Building Fund revenues increase by the CPI.
- ◆ City overhead charges are based on the FY 2015 charges to the Street, Water, and Stormwater Funds and are increased annually by the percentage increase in the expenditures of the overhead departments.
- ◆ Utility rate revenues are based on the average revenue per account. The recent Water Fund rate increase is included in the revenues starting FY 2016 as is the cost increase in Medford water purchases.
- ◆ Capital projects for the Street, Water, and Stormwater Funds for the next four years were provided by Public Works. Appendix B shows the projects and the schedule. Capital costs have been inflated by the Engineering News Record Construction Cost Index. Project funding is based on an assumption that system development charges will pay for 20% of the Street Fund projects and 15% for the Water and Stormwater Fund projects.

## THE BASELINE SCENARIO

The Baseline Scenario represents a financial future with constrained revenues because there are no changes in the property tax rate, General Fund fees, and utility rates. At the same time, personnel

costs are increasing at inflationary rates, and there are no capital projects. It is assumed that annexations and developments help to add additional revenues, but have no currently identified costs. In this scenario, the forecasts show the following:

- ◆ Because the General Fund was already budgeted at a deficit for FY 2015, the General Fund continues to operate at a deficit requiring the use of its fund balance to offset the difference between revenues and expenditures. As soon as FY 2017, the minimum fund balance will begin to drop below the 20% of revenues policy level. At the end of the ten year period, the General Fund will have used all of its fund balance and will have a negative fund balance.
- ◆ Like the General Fund, the Building Fund will also continue to operate at a deficit requiring the use of its fund balance to offset the difference between revenues and expenditures. This still occurs even though fee revenues are assumed to increase by the CPI. By FY 2019, the minimum fund balance will begin to drop below the 25% of revenues policy level, and by FY 2021 all of its fund balance will be used resulting in a negative fund balance. This assumes that building activity is not increasing.
- ◆ For the Street and Stormwater Funds, they can support their operations at the current rates and will generate a surplus that could be used to support capital improvements.
- ◆ For the Water Fund, the baseline scenario includes the recent rate increase as well as the 5% increase in Medford water purchase. The fund can support its operations, but with the debt service for the reservoir, the Water Fund will start operating at a deficit in FY 2023.

Exhibits 13-17 show the revenue and expenditure summaries for the different funds.

### Exhibit 13 General Fund Baseline Scenario

General Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
<b>Revenues:</b>											
Taxes	\$ 6,239,942	\$ 6,420,812	\$ 6,587,875	\$ 6,786,483	\$ 6,991,697	\$ 7,195,735	\$ 7,382,734	\$ 7,566,567	\$ 7,750,994	\$ 7,940,954	\$ 8,136,612
Licenses and fees	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Intergovernmental	497,100	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000
Charges for services	994,500	1,010,694	1,027,415	1,044,681	1,062,513	1,080,930	1,099,954	1,119,607	1,139,912	1,160,893	1,182,574
Fines and forfeitures	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Interest income	32,500	12,745	10,854	9,012	7,362	5,912	4,602	3,191	1,788	346	(1,138)
Miscellaneous	137,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
<b>Total revenues</b>	<b>8,065,542</b>	<b>8,167,751</b>	<b>8,349,644</b>	<b>8,563,676</b>	<b>8,785,072</b>	<b>9,006,078</b>	<b>9,210,790</b>	<b>9,412,865</b>	<b>9,616,194</b>	<b>9,825,693</b>	<b>10,041,548</b>
<b>Expenditures:</b>											
Administration	701,100	715,723	730,820	746,407	762,503	779,124	796,291	814,024	832,342	851,268	870,824
City Enhancement	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500
Technical Services	548,400	557,747	567,403	577,379	587,687	598,338	609,344	620,720	632,477	644,629	657,192
Mayor and Council	61,250	61,602	61,962	62,331	62,710	63,098	63,496	63,904	64,322	64,751	65,191
Finance	775,600	791,838	808,603	825,916	843,796	862,264	881,341	901,049	921,412	942,453	964,198
Parks	793,350	774,706	786,439	798,563	811,094	824,045	837,433	851,273	865,583	880,380	895,682
Recreation	522,740	528,561	534,570	540,774	547,180	553,795	560,626	567,682	574,971	582,501	590,280
Planning	403,850	412,847	422,126	431,698	441,572	451,759	462,270	473,116	484,311	495,865	507,792
Police	4,180,910	4,331,437	4,435,302	4,542,627	4,653,539	4,768,171	4,886,660	5,009,150	5,135,790	5,266,733	5,402,141
Interdepartmental	139,000	145,000	145,000	145,000	145,000	149,717	176,143	173,206	173,533	173,496	173,500
<b>Total expenditures</b>	<b>8,324,700</b>	<b>8,517,961</b>	<b>8,690,726</b>	<b>8,869,196</b>	<b>9,053,580</b>	<b>9,248,810</b>	<b>9,472,104</b>	<b>9,672,625</b>	<b>9,883,240</b>	<b>10,100,577</b>	<b>10,325,301</b>
<b>Net change in fund balance</b>	<b>(259,158)</b>	<b>(350,210)</b>	<b>(341,082)</b>	<b>(305,520)</b>	<b>(268,508)</b>	<b>(242,732)</b>	<b>(261,314)</b>	<b>(259,760)</b>	<b>(267,045)</b>	<b>(274,884)</b>	<b>(283,753)</b>
Beginning fund balance	2,619,382	2,360,225	2,010,015	1,668,932	1,363,412	1,094,904	852,172	590,858	331,098	64,053	(210,831)
Ending fund balance	\$ 2,360,225	\$ 2,010,015	\$ 1,668,932	\$ 1,363,412	\$ 1,094,904	\$ 852,172	\$ 590,858	\$ 331,098	\$ 64,053	\$ (210,831)	\$ (494,585)

### Exhibit 14 Building Fund Baseline Scenario

Building Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
Revenues	\$ 145,584	\$ 148,477	\$ 151,527	\$ 154,638	\$ 157,811	\$ 161,046	\$ 164,345	\$ 167,709	\$ 171,139	\$ 174,636	\$ 178,201
Expenditures	172,600	177,133	181,815	186,649	191,643	196,801	202,129	207,634	213,323	219,202	225,278
<b>Net change in fund balance</b>	<b>(27,017)</b>	<b>(28,656)</b>	<b>(30,288)</b>	<b>(32,011)</b>	<b>(33,832)</b>	<b>(35,755)</b>	<b>(37,784)</b>	<b>(39,925)</b>	<b>(42,184)</b>	<b>(44,566)</b>	<b>(47,077)</b>
Beginning fund balance	182,632	155,616	126,959	96,671	64,660	30,828	(4,927)	(42,711)	(82,636)	(124,820)	(169,386)
Ending fund balance	\$ 155,616	\$ 126,959	\$ 96,671	\$ 64,660	\$ 30,828	\$ (4,927)	\$ (42,711)	\$ (82,636)	\$ (124,820)	\$ (169,386)	\$ (216,463)

### Exhibit 15 Street Fund Baseline Scenario

Street Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
Revenues	\$ 1,818,656	\$ 1,818,109	\$ 1,825,591	\$ 1,833,964	\$ 1,843,062	\$ 1,849,169	\$ 1,854,215	\$ 1,857,277	\$ 1,860,291	\$ 1,863,253	\$ 1,866,160
Operating Expenditures	\$ 1,555,200	\$ 1,500,385	\$ 1,516,080	\$ 1,532,304	\$ 1,549,077	\$ 1,566,420	\$ 1,584,353	\$ 1,602,898	\$ 1,622,080	\$ 1,641,921	\$ 1,662,446
Capital Projects	\$ 470,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	2,025,200	1,500,385	1,516,080	1,532,304	1,549,077	1,566,420	1,584,353	1,602,898	1,622,080	1,641,921	1,662,446
Net change in fund balance	(206,544)	317,725	309,511	301,660	293,985	282,750	269,863	254,379	238,211	221,332	203,714
Beginning fund balance	1,737,201	1,530,657	1,848,382	2,157,893	2,459,554	2,753,539	3,036,288	3,306,151	3,560,530	3,798,741	4,020,073
Ending fund balance	\$ 1,530,657	\$ 1,848,382	\$ 2,157,893	\$ 2,459,554	\$ 2,753,539	\$ 3,036,288	\$ 3,306,151	\$ 3,560,530	\$ 3,798,741	\$ 4,020,073	\$ 4,223,787

### Exhibit 16 Water Fund Baseline Scenario

Water Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
Revenues	\$ 2,899,500	\$ 2,956,697	\$ 2,980,848	\$ 3,017,796	\$ 3,058,556	\$ 3,084,045	\$ 3,097,589	\$ 3,099,672	\$ 3,099,994	\$ 3,100,126	\$ 3,100,061
Operating Expenditures	\$ 2,839,300	\$ 2,891,675	\$ 2,921,570	\$ 2,952,465	\$ 2,984,398	\$ 3,017,405	\$ 3,051,527	\$ 3,086,806	\$ 3,123,285	\$ 3,161,007	\$ 3,200,020
Capital Projects	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 3,054,300	\$ 2,891,675	\$ 2,921,570	\$ 2,952,465	\$ 2,984,398	\$ 3,017,405	\$ 3,051,527	\$ 3,086,806	\$ 3,123,285	\$ 3,161,007	\$ 3,200,020
Net change in fund balance	(154,800)	65,022	59,278	65,330	74,159	66,640	46,062	12,866	(23,290)	(60,881)	(99,960)
Beginning fund balance	1,791,381	1,636,581	1,701,603	1,760,880	1,826,211	1,900,369	1,967,009	2,013,070	2,025,937	2,002,646	1,941,765
Ending fund balance	\$ 1,636,581	\$ 1,701,603	\$ 1,760,880	\$ 1,826,211	\$ 1,900,369	\$ 1,967,009	\$ 2,013,070	\$ 2,025,937	\$ 2,002,646	\$ 1,941,765	\$ 1,841,806

### Exhibit 17 Stormwater Fund Baseline Scenario

Stormwater Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
Revenues	\$ 845,150	\$ 847,439	\$ 855,236	\$ 866,876	\$ 879,658	\$ 887,850	\$ 892,450	\$ 893,605	\$ 894,226	\$ 894,787	\$ 895,285
Operating Expenditures	\$ 728,650	\$ 715,050	\$ 724,764	\$ 734,804	\$ 745,183	\$ 755,913	\$ 767,007	\$ 778,478	\$ 790,341	\$ 802,610	\$ 815,301
Capital Projects	\$ 123,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	851,650	715,050	724,764	734,804	745,183	755,913	767,007	778,478	790,341	802,610	815,301
Net change in fund balance	(6,500)	132,389	130,473	132,072	134,475	131,937	125,444	115,127	103,886	92,177	79,984
Beginning fund balance	850,205	843,705	976,094	1,106,567	1,238,638	1,373,113	1,505,050	1,630,494	1,745,620	1,849,506	1,941,683
Ending fund balance	\$ 843,705	\$ 976,094	\$ 1,106,567	\$ 1,238,638	\$ 1,373,113	\$ 1,505,050	\$ 1,630,494	\$ 1,745,620	\$ 1,849,506	\$ 1,941,683	\$ 2,021,668

## FEE AND RATE INCREASE SCENARIO

The Fee and Rate Increase Scenario represents a financial future with no change in the property tax rate, but includes increases in General Fund revenues because the City will charge a \$3 fee for parks and recreation and for public safety. The City estimates that these fees will annually generate \$456,000 in additional General Fund revenue. The Street, Water, and Stormwater Funds also slightly increase their revenues by increasing their rates by the CPI. At the same time, personnel costs are increasing at inflationary rates, and capital projects are now included over the next four years for the Street, Water, and Stormwater Funds. Again annexations and developments are assumed to help add additional revenues without any currently identified costs. There are no changes to the forecast for the Building Fund in this scenario, and it is not included. The forecasts for the General Fund and the Street, Water, and Stormwater Funds show the following:

- ◆ In contrast to the Baseline Scenario, the forecast shows that with the additional fee revenue the General Fund can avoid future deficits and significantly increase the fund balance at the end of ten years. However, any capital improvements as a result of the Parks Master Plan are not included.
- ◆ The Street Fund shows positive operating results even with the capital projects, but the costs for resolving deferred street maintenance at about \$250,000 per year are not included. With the inflationary increase in the rate, there is not enough money to fund the street maintenance costs in the next four years.



- ◆ For the Water Fund, rates are increased by the CPI after FY 2016 and the recent rate increase. The increases will initially not be enough to support both the anticipated capital projects and the Fund's existing debt service during the next four years.
- ◆ The Stormwater Fund's forecast is similar to the Water Fund where CPI rate increases will initially not be enough to fund all of its capital projects during the next four years.

### Exhibit 18 General Fund Fee Increase Scenario

General Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
<b>Revenues:</b>											
Taxes	\$ 6,239,942	\$ 6,420,812	\$ 6,587,875	\$ 6,786,483	\$ 6,991,697	\$ 7,195,735	\$ 7,382,734	\$ 7,566,567	\$ 7,750,994	\$ 7,940,954	\$ 8,136,612
Licenses and fees	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Intergovernmental	497,100	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000
Charges for services	994,500	1,010,694	1,027,415	1,044,681	1,062,513	1,080,930	1,099,954	1,119,607	1,139,912	1,160,893	1,182,574
Fines and forfeitures	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Interest income	32,500	12,745	13,181	13,815	14,653	15,705	16,909	18,027	19,167	20,281	21,367
Miscellaneous	137,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Parks and recreation fee increase	-	228,000	228,000	228,000	228,000	228,000	228,000	228,000	228,000	228,000	228,000
Public safety fee increase	-	228,000	228,000	228,000	228,000	228,000	228,000	228,000	228,000	228,000	228,000
<b>Total revenues</b>	<b>8,065,542</b>	<b>8,623,751</b>	<b>8,807,971</b>	<b>9,024,479</b>	<b>9,248,363</b>	<b>9,471,870</b>	<b>9,679,098</b>	<b>9,883,702</b>	<b>10,089,573</b>	<b>10,301,628</b>	<b>10,520,054</b>
<b>Expenditures:</b>											
Administration	701,100	715,723	730,820	746,407	762,503	779,124	796,291	814,024	832,342	851,268	870,824
City Enhancement	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500
Technical Services	548,400	557,747	567,403	577,379	587,687	598,338	609,344	620,720	632,477	644,629	657,192
Mayor and Council	61,250	61,602	61,962	62,331	62,710	63,098	63,496	63,904	64,322	64,751	65,191
Finance	775,600	791,838	808,603	825,916	843,796	862,264	881,341	901,049	921,412	942,453	964,198
Parks	793,350	799,706	786,439	798,563	811,094	824,045	837,433	851,273	865,583	880,380	895,682
Recreation	522,740	528,561	534,570	540,774	547,180	553,795	560,626	567,682	574,971	582,501	590,280
Planning	403,850	412,847	422,126	431,698	441,572	451,759	462,270	473,116	484,311	495,865	507,792
Police	4,180,910	4,331,437	4,435,302	4,542,627	4,653,539	4,768,171	4,886,660	5,009,150	5,135,790	5,266,733	5,402,141
Interdepartmental	139,000	145,000	145,000	145,000	145,000	149,717	176,143	173,206	173,533	173,496	173,500
<b>Total expenditures</b>	<b>8,324,700</b>	<b>8,542,961</b>	<b>8,690,726</b>	<b>8,869,196</b>	<b>9,053,580</b>	<b>9,248,810</b>	<b>9,472,104</b>	<b>9,672,625</b>	<b>9,883,240</b>	<b>10,100,577</b>	<b>10,325,301</b>
Net change in fund balance	(259,158)	80,790	117,245	155,282	194,783	223,060	206,993	211,077	206,334	201,051	194,752
Beginning fund balance	2,619,382	2,360,224	2,441,014	2,558,259	2,713,541	2,908,324	3,131,384	3,338,378	3,549,455	3,755,788	3,956,840
Ending fund balance	\$ 2,360,224	\$ 2,441,014	\$ 2,558,259	\$ 2,713,541	\$ 2,908,324	\$ 3,131,384	\$ 3,338,378	\$ 3,549,455	\$ 3,755,788	\$ 3,956,840	\$ 4,151,592

### Exhibit 19 Street Fund Rate Increase Scenario

Street Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
<b>Revenues</b>	\$ 1,818,656	\$ 1,829,255	\$ 1,847,143	\$ 1,866,034	\$ 1,886,550	\$ 1,904,343	\$ 1,922,811	\$ 1,939,426	\$ 1,956,352	\$ 1,973,594	\$ 1,991,157
<b>Operating Expenditures</b>	\$ 1,555,200	\$ 1,500,385	\$ 1,516,080	\$ 1,532,304	\$ 1,549,077	\$ 1,566,420	\$ 1,584,353	\$ 1,602,898	\$ 1,622,080	\$ 1,641,921	\$ 1,662,446
<b>Capital Projects</b>	\$ 470,000	\$ 227,939	\$ 310,827	\$ 259,022	\$ 259,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>2,025,200</b>	<b>1,728,324</b>	<b>1,826,906</b>	<b>1,791,326</b>	<b>1,808,099</b>	<b>1,566,420</b>	<b>1,584,353</b>	<b>1,602,898</b>	<b>1,622,080</b>	<b>1,641,921</b>	<b>1,662,446</b>
Net change in fund balance	(206,544)	100,931	20,236	74,708	78,451	337,923	338,458	336,528	334,273	331,674	328,712
Beginning fund balance	1,797,201	1,530,657	1,631,588	1,651,824	1,726,532	1,804,983	2,142,906	2,481,364	2,817,892	3,152,165	3,483,838
Ending fund balance	\$ 1,530,657	\$ 1,631,588	\$ 1,651,824	\$ 1,726,532	\$ 1,804,983	\$ 2,142,906	\$ 2,481,364	\$ 2,817,892	\$ 3,152,165	\$ 3,483,838	\$ 3,812,550

### Exhibit 20 Water Fund Rate Increase Scenario

Water Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
<b>Revenues</b>	\$ 2,899,500	\$ 2,960,724	\$ 3,047,040	\$ 3,149,124	\$ 3,258,319	\$ 3,354,479	\$ 3,442,267	\$ 3,519,604	\$ 3,596,990	\$ 3,676,222	\$ 3,757,338
<b>Operating Expenditures</b>	\$ 2,839,300	\$ 2,891,675	\$ 2,922,286	\$ 2,953,913	\$ 2,986,593	\$ 3,020,364	\$ 3,055,267	\$ 3,091,343	\$ 3,128,636	\$ 3,167,190	\$ 3,207,054
<b>Capital Projects</b>	\$ 215,000	\$ 207,218	\$ 268,370	\$ 333,666	\$ 345,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>3,054,300</b>	<b>3,098,893</b>	<b>3,190,656</b>	<b>3,287,579</b>	<b>3,332,300</b>	<b>3,020,364</b>	<b>3,055,267</b>	<b>3,091,343</b>	<b>3,128,636</b>	<b>3,167,190</b>	<b>3,207,054</b>
Net change in fund balance	(154,800)	(138,169)	(143,616)	(138,455)	(73,982)	334,115	387,000	428,261	468,355	509,032	550,284
Beginning fund balance	1,791,381	1,636,581	1,498,412	1,354,795	1,216,340	1,142,358	1,476,473	1,863,474	2,291,735	2,760,089	3,269,121
Ending fund balance	\$ 1,636,581	\$ 1,498,412	\$ 1,354,795	\$ 1,216,340	\$ 1,142,358	\$ 1,476,473	\$ 1,863,474	\$ 2,291,735	\$ 2,760,089	\$ 3,269,121	\$ 3,819,406

### Exhibit 21 Stormwater Fund Rate Increase Scenario

Stormwater Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
Revenues	\$ 845,150	\$ 865,062	\$ 890,378	\$ 920,043	\$ 951,907	\$ 979,447	\$ 1,005,606	\$ 1,028,520	\$ 1,051,410	\$ 1,074,828	\$ 1,098,783
Operating Expenditures	\$ 728,650	\$ 715,050	\$ 724,764	\$ 734,804	\$ 745,183	\$ 755,913	\$ 767,007	\$ 778,478	\$ 790,341	\$ 802,610	\$ 815,301
Capital Projects	\$ 123,000	\$ 165,774	\$ 268,370	\$ 278,055	\$ 334,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	851,650	880,824	993,134	1,012,859	1,079,367	755,913	767,007	778,478	790,341	802,610	815,301
Net change in fund balance	(6,500)	(15,761)	(102,756)	(92,816)	(127,460)	223,534	238,600	250,042	261,069	272,218	283,483
Beginning fund balance	850,205	843,705	827,944	725,188	632,372	504,912	728,446	967,046	1,217,088	1,478,157	1,750,375
Ending fund balance	\$ 843,705	\$ 827,944	\$ 725,188	\$ 632,372	\$ 504,912	\$ 728,446	\$ 967,046	\$ 1,217,088	\$ 1,478,157	\$ 1,750,375	\$ 2,033,858

## ECONOMIC GROWTH SCENARIO

In working with City management, an economic growth scenario was developed to help the City understand what type of growth is necessary to help the City make its General Fund sustainable. Because the City’s major General Fund revenue source is property tax, economic growth must translate into higher assessed value growth for the City to benefit. Such economic growth might generate additional revenues from other sources, but it can also result in demand for more or improved public services. One aspect of City growth that has already been accounted for in the previous forecasts is annexations and currently known developments. The Baseline Scenario already includes eight annexations and developments that add small increases to the City’s assessed value and property tax revenues, but do not have any currently identified costs.

Because the Baseline Scenario begins with a budget where expenditures exceed revenues, the initial growth must be higher to compensate for the deficit and the impacts of inflation. Using the Baseline Scenario without Measure 50 increases (3%), Exhibit 22 shows the needed percentage increases in the City’s assessed value to make the City’s General Fund sustainable. Exhibit 23 shows the forecast based on percentage changes in the assessed value needed to avoid deficits.

### Exhibit 22 Percentage Assessed Value Growth Needed for a Balanced Budget

FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
10.26%	2.63%	2.17%	2.19%	2.42%	3.19%	2.85%	2.99%	3.00%	3.01%

### Exhibit 23 Baseline Economic Growth Scenario

General Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
<b>Revenues:</b>											
Taxes	\$ 6,239,942	\$ 6,771,022	\$ 6,928,957	\$ 7,092,003	\$ 7,260,205	\$ 7,438,468	\$ 7,644,048	\$ 7,826,327	\$ 8,018,039	\$ 8,215,838	\$ 8,420,366
Licenses and fees	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Intergovernmental	497,100	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000
Charges for services	994,500	1,010,694	1,027,415	1,044,681	1,062,513	1,080,930	1,099,954	1,119,607	1,139,912	1,160,893	1,182,574
Fines and forfeitures	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Interest income	32,500	12,745	12,745	12,755	12,776	12,805	12,842	12,887	12,939	12,999	13,067
Miscellaneous	137,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Total revenues	8,065,542	8,517,961	8,692,617	8,872,940	9,058,993	9,255,702	9,480,344	9,682,321	9,894,391	10,113,230	10,339,507
<b>Expenditures:</b>											
Administration	701,100	715,723	730,820	746,407	762,503	779,124	796,291	814,024	832,342	851,268	870,824
City Enhancement	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500
Technical Services	548,400	557,747	567,403	577,379	587,687	609,344	620,720	632,477	644,629	657,192	670,192
Mayor and Council	61,250	61,602	61,962	62,331	62,710	63,098	63,496	63,904	64,322	64,751	65,191
Finance	775,600	791,838	808,603	825,916	843,796	862,264	881,341	901,049	921,412	942,453	964,198
Parks	793,350	774,706	786,439	798,563	811,094	824,045	837,433	851,273	865,583	880,380	895,682
Recreation	522,740	528,561	534,570	540,774	547,180	553,795	560,626	567,682	574,971	582,501	590,280
Planning	403,850	412,847	422,126	431,698	441,572	451,759	462,270	473,116	484,311	495,865	507,792
Police	4,180,910	4,331,437	4,435,302	4,542,627	4,653,539	4,768,171	4,886,660	5,009,150	5,135,790	5,266,733	5,402,141
Interdepartmental	139,000	145,000	145,000	145,000	145,000	149,717	176,143	173,206	173,533	173,496	173,500
Total expenditures	8,324,700	8,517,961	8,690,726	8,869,196	9,053,580	9,248,810	9,472,104	9,672,625	9,883,240	10,100,577	10,325,301
Net change in fund balance	(259,158)	-	1,891	3,743	5,413	6,892	8,240	9,696	11,151	12,653	14,206
Beginning fund balance	2,619,382	2,360,225	2,360,225	2,362,116	2,365,859	2,371,272	2,378,165	2,386,405	2,396,101	2,407,252	2,419,905
Ending fund balance	\$ 2,360,225	\$ 2,360,225	\$ 2,362,116	\$ 2,365,859	\$ 2,371,272	\$ 2,378,165	\$ 2,386,405	\$ 2,396,101	\$ 2,407,252	\$ 2,419,905	\$ 2,434,111

## PROPERTY TAX RATE INCREASE SCENARIO

An alternative to economic growth and an increase in the General Fund fees is to increase the property tax levy rate. The property tax rate is currently \$4.47 per \$1,000 in assessed value, and according to the City, the maximum rate is \$5.28. Like the Economic Growth Scenario, the financial model calculates the property tax rate needed to balance the budget if there are deficits. Based on the Baseline Scenario, Exhibit 24 shows what the property tax rate needs to be for the City to have a sustainable General Fund if property tax is the only revenue source to increase. As shown in the Exhibit 24, the FY 2016 rate is the highest rate because it must compensate for the current budget year's deficit, but as the annexations and developments occur, the rate needed is lower, and by FY 2020 the rate needed is stabilized. It should also be noted that the Measure 50 increase is included as part of the assessed value increase. Exhibit 25 shows the General Fund summary based on this scenario.

**Exhibit 24**  
**Baseline Property Tax Rate Increases**

FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
\$4.78	\$4.76	\$4.72	\$4.68	\$4.65	\$4.66	\$4.65	\$4.65	\$4.65	\$4.65

**Exhibit 25**  
**Baseline Property Tax Rate Increase Scenario**

General Fund Summary	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
<b>Revenues:</b>											
Taxes	\$ 6,239,942	\$ 6,771,022	\$ 6,928,298	\$ 7,090,736	\$ 7,258,525	\$ 7,436,580	\$ 7,642,098	\$ 7,824,220	\$ 8,015,790	\$ 8,213,412	\$ 8,417,728
Licenses and fees	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Intergovernmental	497,100	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000	424,000
Charges for services	994,500	1,010,694	1,027,415	1,044,681	1,062,513	1,080,930	1,099,954	1,119,607	1,139,912	1,160,893	1,182,574
Fines and forfeitures	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Interest income	32,500	12,745	12,745	12,752	12,765	12,785	12,812	12,846	12,887	12,935	12,989
Miscellaneous	137,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Total revenues	8,065,542	8,517,961	8,691,957	8,871,669	9,057,303	9,253,795	9,478,364	9,680,173	9,892,089	10,110,740	10,336,792
<b>Expenditures:</b>											
Administration	701,100	715,723	730,820	746,407	762,503	779,124	796,291	814,024	832,342	851,268	870,824
City Enhancement	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500	198,500
Technical Services	548,400	557,747	567,403	577,379	587,687	598,338	609,344	620,720	632,477	644,629	657,192
Mayor and Council	61,250	61,602	61,962	62,331	62,710	63,098	63,496	63,904	64,322	64,751	65,191
Finance	775,600	791,838	808,603	825,916	843,796	862,264	881,341	901,049	921,412	942,453	964,198
Parks	793,350	774,706	786,439	798,563	811,094	824,045	837,433	851,273	865,583	880,380	895,682
Recreation	522,740	528,561	534,570	540,774	547,180	553,795	560,626	567,682	574,971	582,501	590,280
Planning	403,850	412,847	422,126	431,698	441,572	451,759	462,270	473,116	484,311	495,865	507,792
Police	4,180,910	4,331,437	4,435,302	4,542,627	4,653,539	4,768,171	4,886,660	5,009,150	5,135,790	5,266,733	5,402,141
Interdepartmental	139,000	145,000	145,000	145,000	145,000	149,717	176,143	173,206	173,533	173,496	173,500
Total expenditures	8,324,700	8,517,961	8,690,726	8,869,196	9,053,580	9,248,810	9,472,104	9,672,625	9,883,240	10,100,577	10,325,301
Net change in fund balance	(259,158)	-	1,231	2,472	3,723	4,985	6,260	7,548	8,849	10,163	11,491
Beginning fund balance	2,619,382	2,360,225	2,360,225	2,361,456	2,363,928	2,367,651	2,372,637	2,378,897	2,386,445	2,395,294	2,405,458
Ending fund balance	\$ 2,360,225	\$ 2,360,225	\$ 2,361,456	\$ 2,363,928	\$ 2,367,651	\$ 2,372,637	\$ 2,378,897	\$ 2,386,445	\$ 2,395,294	\$ 2,405,458	\$ 2,416,948

## CONCLUSIONS AND RECOMMENDATIONS

As identified in the previous chapter, the current budget situation appears to have a systemic imbalance between the revenues and expenditures needed to provide the services. The forecasts show that the Baseline Scenario for the General Fund, Building Fund, and Water Fund are generally not sustainable over the next ten years except for the Street and Stormwater Funds. However, the Baseline Scenario also assumes that there will be few or no capital projects and infrastructure investments. The Fee and Rate Increase Scenario shows that the General Fund and Street Fund remain sustainable. The Building Fund is not sustainable unless building activity begins to increase. The Water and Stormwater Funds are not sustainable in the near future with the currently identified capital program.

The Economic Growth Scenario shows that a large increase in this coming year needs to occur to help offset the initial gap between FY 2015's revenues and expenditures. Subsequent growth in future years is more modest and closer to the allowed Measure 50 growth. The Property Tax Rate Increase Scenario is faced with the same challenge as the Economic Growth Scenario where a large increase must occur in FY 2015 and more stable rates are needed in the future.

Overall, the different scenarios show that for the General Fund some action must be taken for it to be sustainable over the next ten years. Given the region's current economy, it is unlikely that economic growth can resolve the deficits in the near term. Consequently, fee increases or a property tax rate increase seem to be the most viable options for achieving sustainability unless the City determines that it should be providing lower levels of service in the future.

For the Street, Water, and Stormwater Funds, inflationary rate increases will support the operational costs and some capital projects. To accomplish the capital improvement programs for these funds as provided for this plan, additional rate increases beyond inflation are needed, especially in the near future. For these three funds, capital investments are critical because the City's infrastructure are long term investments that benefit not just the City's current population, but also future generations. Delays in maintenance and repairs can result in higher future repair and replacement costs. In addition, the City should also consider how such improvements will assist the City in its economic development efforts and how projects can be coordinated and funded with the Urban Renewal Plan.

Based on these scenarios and the best practices, the following actions are recommended to achieve a more sustainable financial future.

- ◆ Because the City has a strategic plan, the City should assess the City's progress in implementing the plan and then determine whether the current budget reflects the City's desired progress and strategies. At that time, the City should determine if the long term financial plan reflects the strategic plan initiatives and needs to be revised.
- ◆ At a minimum, the City should take action to increase its General Fund revenues if the City wants to keep the current service levels and have a sustainable budget over time. To help diversify the City's General Fund revenues, the City should consider implementing a combination of fee increases as well as increasing its property tax rate. This combination provides some stability and equity in helping provide funding for all services that benefit the overall community and in charging for specific services. Every \$.10 in the property tax rate generates \$107,800, and every \$1 in either a parks or public safety fee generates \$76,000. However, based on the City Council's concern about increasing the property tax rate, implementing a parks and recreation and/or a public safety fee might be the only option to stabilize revenues. As shown in the fee increase scenario, a \$3 fee for both parks and recreation and public safety generates significantly more revenue than necessary at the end of ten years, but a \$2 fee for both provides only enough revenue (i.e. \$300,000 per year) to slightly increase the fund balance at the end of the ten years.
- ◆ The City might want to consider increasing building fees to help initially offset the Building Fund's deficits and determine whether building activity will be sufficient in future years. Another alternative is to partially subsidize the Fund's activities with General Fund and include an amount in the fee and rate increases to achieve that purpose.
- ◆ For the Street, Water, and Stormwater Funds, the City should consider increasing rates, reviewing the timing of the capital projects, identifying any additional costs such as the deferred street maintenance costs, and incorporating these items in the next rate study for each fund. The capital projects should be incorporated as part of the City's overall capital improvement plan and process as previously identified in the best practices recommendations.
- ◆ The City should update the long term financial analyses and scenarios every three to five years as part of its financial planning process.

# APPENDIX A: NACSLB BEST BUDGETING PRACTICES SELF-ASSESSMENT

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**Summary of City Self-Assessment on NACSLB Best Budgeting Practices**

<b>Principle 1</b>	<b>Establish Broad Goals to Guide Government Decision Making</b>	<b>City Status</b>	<b>Notes</b>
<i>Element 1</i>	<i>Assess Community Needs, Priorities, Challenges, and Opportunities</i>		
1.1	Identify stakeholder concerns, needs, and priorities	Yes	City's strategic plan
1.2	Evaluate community condition, external factors, opportunities, and challenges	Yes	Ongoing and annually in b
<i>Element 2</i>	<i>Identify Opportunities and Challenges for Government Services, Capital Assets, and Management</i>		
2.1	Assess services and programs, and identify issues, opportunities, and challenges	Yes	Mgt staff during annual budgeting process
2.2	Assess capital assets, and identify issues, opportunities, and challenges	Yes	
2.3	Assess governmental management systems, and identify issues, opportunities, and challenges	Yes	
<i>Element 3</i>	<i>Develop and Disseminate Broad Goals</i>		
3.1	Identify broad goals	Yes	Council's annual goal
3.2	Disseminate goals and review with stakeholders		

<b>Principle 2</b>	<b>Develop Approaches to Achieve Goals</b>	<b>City Status</b>	<b>Notes</b>
<i>Element 4</i>	<i>Adopt Financial Policies</i>	Yes	Financial policy in place, addresses some of the practices listed below, not all of them.
4.1	Develop policy on stabilization funds		
4.2	Develop policy on fees and charges	Yes	
4.3	Develop policy on debt issuance and management	Yes	
4.3a	Develop policy on debt level and capacity	Yes	
4.4	Develop policy on use of one-time revenues		

4.4a	Evaluate the use of unpredictable revenues		
4.5	Develop policy on balancing the operating budget	Yes	
4.6	Develop policy on revenue diversification		
4.7	Develop policy on contingency planning	Yes	
<i>Element 5</i>	<i>Develop Programmatic, Operating and Capital Policies and Plans</i>		
5.1	Prepare policies and plans to guide the design of programs and services		
5.2	Prepare policies and plans for capital asset acquisition, maintenance, replacement, and retirement	Yes	City's CIP plan
<i>Element 6</i>	<i>Develop Programs and Services that are Consistent with Policies and Plans</i>		
6.1	Develop programs and evaluate delivery mechanisms	Yes	
6.2	Develop options for meeting capital needs and evaluate acquisition alternatives	Yes	Water rate plan addresses this for that utility
6.3	Identify functions, programs, and/or activities of organizational units	Yes	
6.4	Develop performance measures	Yes	
6.4a	Develop performance benchmarks	Yes	
<i>Element 7</i>	<i>Develop Management Strategies</i>		
Practices			
7.1	Develop strategies to facilitate attainment of program and financial goals	Yes	
7.2	Develop mechanisms for budgetary compliance	Yes	
7.3	Develop the type, presentation, and time period of the budget	Yes	

<b>Principle 3</b>	<b>Develop a Budget Consistent with Approaches to Achieve Goals</b>	<b>City Status</b>	<b>Notes</b>
<i>Element 8</i>	<i>Develop a Process for Preparing and Adopting a Budget</i>		
8.1	Develop a budget calendar	Yes	

8.2	Develop budget guidelines and instruction	Yes	
8.3	Develop mechanisms for coordinating budget preparation and review	Yes	
8.4	Develop procedures to facilitate budget review, discussion, modification, and adoption	Yes	
8.5	Identify opportunities for stakeholder input	Yes	
<i>Element 9</i>	<i>Develop and Evaluate Financial Options</i>		
9.1	Conduct long-range financial planning	In process	
9.2	Prepare revenue projections	Yes	
9.2a	Analyze major revenues	Yes	
9.2b	Evaluate the effect of changes to revenue source rates and bases	Yes	
9.2c	Analyze tax and fee exemptions		
9.2d	Achieve consensus on a revenue forecast	Yes	

		<b>City Status</b>	<b>Notes</b>
<i>Element 10</i>	<i>Make Choices Necessary to Adopt a Budget</i>		
10.1	Prepare and present a recommended budget	Yes	
10.1a	Describe key policies, plans and goals	Yes	
10.1b	Identify key issues	Yes	
10.1c	Provide a financial overview	Yes	
10.1d	Provide a guide to operations (budget documents should include information that provides the reader with a guide to programs and org structure to provide those programs)	?	
10.1e	Explain the budgetary basis of accounting	Yes	
10.1f	Prepare a budget summary	Yes	
10.1g	Present the budget in a clear, easy-to-use format	Yes	



10.2	Adopt the budget	Yes	
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<b>Principle 4</b>	<b>Evaluate Performance and Make Adjustments</b>	<b>City Status</b>	<b>Notes</b>
<i>Element 11</i>	<i>Monitor, Measure, and Evaluate Performance</i>		
11.1	Monitor, measure, and evaluate program performance	Yes	
11.1a	Monitor, measure, and evaluate stakeholder satisfaction	Yes	Occasional citizen survey's done
11.2	Monitor, measure, and evaluate budgetary performance	Yes	
11.3	Monitor, measure, and evaluate financial condition	Yes	
11.4	Monitor, measure, and evaluate external factors	Yes	
11.5	Monitor, measure, and evaluate capital program implementation	Yes	
<i>Element 12</i>	<i>Make Adjustments as Needed</i>		
12.1	Adjust the budget	Yes	
12.2	Adjust policies, plans, programs, and management strategies	Yes	
12.3	Adjust broad goals, if appropriate	Yes	

# APPENDIX B: PUBLIC WORKS CAPITAL PROJECTS

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### Public Works Capital Projects

<b>Water</b>		
<b>Year</b>	<b>Cost</b>	<b>Project Name</b>
2014-2015	\$ 200,000	Laurel Street W/L Replacement
2015-2016	\$ 100,000	Maple Street W/L Replacement Phase 1
2015-2016	\$ 100,000	Shop Tank Demolition & new waterline for transmission
2016-2017	\$ 250,000	Maple Street W/L Replacement Phase 2
2017-2018	\$ 300,000	Dutch Brothers/Chickory/99 new 12" w/l
2018-2019	\$ 210,000	Hazel & 9th 8" fire flow replacement line.
2018-2019	\$ 90,000	Engineering for Beall Pump Station
<b>Streets</b>		
<b>Year</b>	<b>Cost</b>	<b>Project Name</b>
2014-2015	\$ 280,000	Freeman Road Phase 1
2015-2016	\$ 220,000	Freeman Road Phase 2
2016-2017	\$ 300,000	Crater Rail Crossing - Twin Creeks
2017-2018	\$ 250,000	Table Rock Road Phase 1
2018-2019	\$ 250,000	Table Rock Road Phase 2
<b>Storm Drain</b>		
<b>Year</b>	<b>Cost</b>	<b>Project Name</b>
2014-2015	\$ 73,000	Comet Outfall
2015-2016	\$ 110,000	Freeman Road/Ash Illicit discharge
2016-2017	\$ 250,000	Victoria Way Phase 1
2017-2018	\$ 250,000	Victoria Way Phase 2
2018-2019	\$ 125,000	Rose Valley Phase 1
<b>Storm Water Quality</b>		
2014-2015	\$ 50,000	Jewett School
2015-2016	\$ 50,000	Comet Outfall Water Quality
2016-2017	-	no project
2017-2018	-	no project
2018-2019	\$ 165,000	Laurel Street Green Street Phase 1

# **Ordinance**

## **General Utility Franchise**



**ADMINISTRATION DEPARTMENT**

140 South 3<sup>rd</sup> Street · Central Point, OR 97502 · (541) 664-7602 · www.centralpointoregon.gov

**STAFF REPORT**  
February 26<sup>th</sup>, 2015

**AGENDA ITEM: The first reading of a General Utility License Fee ordinance – Central Point Municipal Code Chapter 12.40 – Franchises and Utility Fees. If adopted, the proposed ordinance would concurrently repeal current CPMC chapter 12.40.**

**STAFF SOURCE:**

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Sydnee Dreyer, City Attorney  
Chris Clayton, City Manager

**BACKGROUND/SYNOPSIS:**

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While Central Point has a number of franchised utilities operating within public right-of-way, we are attempting to address any ‘non-franchised’ utility operations via a general utility license fee ordinance. The proposed ordinance would not be directed at any specific utility and would envelop utilities using public right-of-way for their business operations. The proposed ordinance includes provisions that allow for pending legal questions in the area of telecommunications to be accommodated via ordinance amendment or specific franchise agreement language.

At the February 12<sup>th</sup> City Council Meeting a discussion was held on the proposed General Utility License Fee ordinance. Tonight’s proposed ordinance is a reflection of the revisions suggest by both council and staff on February 12<sup>th</sup>. More specifically, the proposed ordinance protects the city from non-franchised utility operations, while encouraging utility providers to negotiate individual franchise agreements.

**ATTACHMENTS:**

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1. General Utility License Fee Ordinance (CPMC 12.40)

**RECOMMENDATION:**

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1. Approval of a first reading of a General Utility License Fee ordinance – Central Point Municipal Code Chapter 12.40 – Franchises and Utility Fees.

**PUBLIC HEARING REQUIRED:**

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A public hearing is required on this item.

**SUGGESTED MOTION:**

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I move to approve the first reading of ordinance \_\_\_\_\_ a General Utility License Fee Ordinance – Central Point Municipal Code Chapter 12.40

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

**AN ORDINANCE REPEALING CHAPTER 12.40 TELECOMMUNICATIONS  
INFRASTRUCTURE REPLACING IT WITH CHAPTER 12.40 FRANCHISES AND  
UTILITY FEES**

Recitals:

- A. Chapter 12.40 governs the standards for the use, construction and safety of Telecommunications Carriers in the rights-of-way; and
- B. Chapter 12.40 provides for the right of the city to collect a franchise fee for use of the rights of way by Telecommunications Carriers; and
- C. The City of Central Point desires to set forth uniform standards for the use, construction and safety in the right of way for any utility provider, cable company and/or telecommunications carrier located within the city’s right-of-way; and
- D. To ensure that the city can effectively manage its rights of way and aid the enforcement of its safety and construction standards within the rights of way, the city desires to establish registration requirements for all utilities, cable companies and telecommunication carriers providing facilities or services within the City; and
- E. The City desires to establish reasonable and compensation for the use of the right of way regardless of whether such entity has entered into a franchise agreement with the City.

**THE PEOPLE OF THE CITY OF CENTRAL POINT DO ORDAIN AS FOLLOWS:**

**SECTION 1.** Chapter 12.40 Telecommunications Infrastructure of the Central Point Municipal Code is repealed in its entirety and replaced with a new section Chapter 12.40 Franchises and Utility Fees of the Central Point Municipal Code to read as follows:

**Chapter 12.40  
FRANCHISES AND UTILITY FEES**

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Sections:

- [12.40.010](#) Purpose and intent.
- [12.40.020](#) Definitions.
- [12.40.030](#) Registration.
- [12.40.040](#) Construction standards.
- [12.40.050](#) Location of Facilities.
- [12.40.060](#) Franchise Agreements.
- [12.40.070](#) General franchise terms.
- [12.40.075](#) Utility License Fee.
- [12.40.080](#) General provisions.

Ordinance No. \_\_\_\_\_ (022615)

**12.40.010 Purpose and intent.**

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**A. Purpose.** The purpose and intent of this chapter is to:

1. Secure fair and reasonable compensation to the city and its residents for permitting private use of the public right-of-way;
2. Assure that all Telecommunications Carriers, Cable Operators and Utility Providers providing facilities and/or services within the city, or passing through the city, register and comply with the ordinances, rules and regulations of the city;
3. Assure that the city's current and ongoing costs of granting and regulating private access to and the use of the public rights-of-way are fully compensated by the persons seeking such access and causing such costs;
4. Assure that the city can continue to fairly and responsibly protect the public health, safety and welfare of its citizens;
5. Enable the city to discharge its public trust consistent with the rapidly evolving federal and state regulatory policies, industry competition and technological development.
6. Comply with the provisions of federal and state law as they apply to local governments, Telecommunications Carriers, Cable Operators and Utility Providers, and the services those carriers offer.
7. Encourage the provision of advanced and competitive telecommunications services on the widest possible basis to businesses, institutions and residents of the city;
8. Permit and manage reasonable access to the public rights-of-way of the city and conserve the limited physical capacity of those public rights-of-way held in trust by the city;

**B. Jurisdiction and Management of the Public Rights-of-Way.**

1. The city has jurisdiction and exercises regulatory management over all public rights-of-way within the city under authority of the city charter and state law.
2. Public rights-of-way include, but are not limited to, streets, roads, highways, bridges, alleys, sidewalks, trails, paths, city easements and all other public ways or areas, including the subsurface under and air space over these areas.
3. The city has jurisdiction and exercises regulatory management over each public right-of-way whether the city has a fee, easement, or other legal interest in the right-of-way and whether the legal interest in the right-of-way was obtained by grant, dedication, prescription, reservation, condemnation, annexation, foreclosure or other means.
4. No person may occupy or encroach on a public right-of-way without the permission of the city. The city grants permission to use rights-of-way by franchises and permits and through the provisions of this ordinance.

5. The exercise of jurisdiction and regulatory management over each public right-of-way by the city is not official acceptance of the right-of-way, and does not obligate the city to maintain or repair any part of the right-of-way.

6. The city retains the right and privilege to cut or move any Telecommunications, Cable or Utility facilities located within the public rights-of-way of the city, as the city may determine to be necessary, appropriate or useful in response to a public health or safety emergency.

C. Regulatory Fees and Compensation not a Tax.

1. The fees and costs provided for in this chapter, and any compensation charged and paid for use of the public rights-of-way provided for in this chapter, are separate from, and in addition to, any and all federal, state, local, and city charges as may be levied, imposed, or due from a Telecommunications Carrier, Cable Operator or Utility Provider, its customers or subscribers, or on account of the lease, sale, delivery, or transmission of telecommunications services.

2. The city has determined that any fee provided for by this chapter is not subject to the property tax limitations of Article XI, Sections 11 and 11b of the Oregon Constitution. These fees are not a tax imposed on property or property owners, and these fees are not new.

3. The fees and costs provided for in this chapter are subject to applicable federal and state laws.

**12.40.020 Definitions.**

For the purpose of this chapter the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number and words in the singular number include the plural number. The words “shall” and “will” are mandatory and “may” is permissive. Words not defined herein shall be given the meaning set forth in the Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996. If not defined there, the words shall be given their common and ordinary meaning.

Aboveground Facilities. See “Overhead facilities.”

“Affiliated interest” shall have the same meaning as ORS [759.010](#).

“Cable Act” means the Cable Communications Policy Act of 1984, 47 U.S.C. subsection 521, et seq., as now and hereafter amended.

“Cable Operator” means any person or group of persons who provides cable service over a cable system and directly or through one or more affiliates owns a significant interest in such cable system, or who otherwise controls or is responsible for, through any arrangement, the management and operation of such a cable system.



“Cable Service” is to be defined consistent with federal laws and means the one-way transmission to subscribers of video programming, or other programming service; and subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

“City” means the city of Central Point, an Oregon municipal corporation, and individuals authorized to act on the city’s behalf.

“City Council” means the elected governing body of the city of Central Point, Oregon.

“City property” means and includes all real property owned by the city, other than public rights-of-way and utility easements as those are defined herein, and all property held in a proprietary capacity by the city, which are not subject to right-of-way franchising as provided in this chapter.

“Conduit” means any structure, or portion thereof, containing one or more ducts, conduits, manholes, handholds, bolts, or other facilities used for any telegraph, telephone, cable television, electrical, or communications conductors, or cable right-of-way, owned or controlled, in whole or in part, by one or more public utilities.

“Construction” means any activity in the public rights-of-way resulting in physical change thereto, including excavation or placement of structures, but excluding routine maintenance or repair of existing facilities.

“Control” or “controlling interest” means actual working control in whatever manner exercised.

“Days” means calendar days unless otherwise specified.

“Duct” means a single enclosed raceway for conductors or cable.

“Emergency” has the meaning provided for in ORS [401.025](#).

“Federal Communication Commission” or “FCC” means the federal administrative agency, or its lawful successor, authorized to regulate and oversee telecommunications carriers, services and providers on a national level.

“Franchise” means an agreement between the city and a grantee which grants a privilege to use public right-of-way and utility easements within the city for a dedicated purpose and for specific compensation.

“Grantee” means the person to which a franchise is granted by the city.

“Oregon Public Utilities Commission” or “OPUC” means the statutorily created state agency in the state of Oregon responsible for licensing, regulation and administration of certain telecommunications carriers as set forth in Oregon Law, or its lawful successor.

“Overhead or aboveground facilities” means utility poles, utility facilities and telecommunication facilities above the surface of the ground, including the underground supports and foundations for such facilities.

“Person” means an individual, corporation, company, association, joint stock company or association, firm, partnership, or limited liability company.

“Private telecommunications network” means a system, including the construction, maintenance or operation of the system, for the provision of a service or any portion of a service which is owned or operated exclusively by a person for their use and not for resale, directly or indirectly. “Private telecommunications network” includes services provided by the state of Oregon pursuant to ORS [190.240](#) and [283.140](#).

“Public rights-of-way” include, but are not limited to, streets, roads, highways, bridges, alleys, sidewalks, trails, paths, public easements, and all other public ways or areas, including the subsurface under and air space over these areas. This definition applies only to the extent of the city’s right, title, interest or authority to grant a franchise to occupy and use such areas for Telecommunications, Cable and/or Utility facilities. “Public rights-of-way” shall also include utility easements as defined below.

“Reseller” means any person that provides Telecommunications Service using a Telecommunications Facility for which service a separate charge is made by such Reseller, where such Reseller does not own, control, or manage the Telecommunications Facility used to provide the service.

“State” means the state of Oregon.

“Telecommunication” means the transmission between and among points specified by the user, of information of the user’s choosing.

“Telecommunications Act” means the Communications Policy Act of 1934, as amended by subsequent enactments including the Telecommunications Act of 1996 (47 U.S.C. subsection 151 et seq.) and as hereafter amended.

“Telecommunications Carrier” means any provider of telecommunications services and includes every person that directly or indirectly owns, controls, operates or manages telecommunications facilities within the city.

“Telecommunications Facilities” means the fixed, mobile, or transportable structures, property or equipment, including electrical wiring, cabling, and transmission pathways, other than customer premises equipment, used by a Telecommunications Carrier to provide Telecommunications Services.

“Telecommunications service” means transmission for rent, sale, or lease or in exchange for other value received, information in electromagnetic frequency, electronic or optical form, including but not limited to voice, video or data, whether or not the transmission medium is owned by the provider itself, and whether or not the transmission medium is wireline or wireless. Telecommunications service includes all forms of telephone services and voice,

data and video transport, but does not include: 1) cable service; 2) OVS service; 3) private communications system services; 4) over-the-air radio or television broadcasting to the public-at-large from facilities licensed by the Federal Communications Commission or any successor thereto; and 5) direct-to-home satellite service within the meaning of the Telecommunications Act of 1996.

Telecommunication System. See “Telecommunications Facilities.”

“Telecommunication Utility” has the same meaning as ORS [759.005\(1\)](#).

“Underground facilities” means utility, cable and telecommunications facilities located under the surface of the ground, excluding the underground foundations or supports for “overhead facilities.”

“Usable space” means all of the space on a pole, except the portion below ground level, the twenty feet of safety clearance above ground level, and the safety clearance space between communications and power circuits. There is a rebuttable presumption that six feet of a pole is buried below ground level.

“Utility Provider” means any public, private, cooperative or special district or other entity formed for the purpose of providing electric, gas, steam heat, water, wastewater treatment and disposal service.

“Utility Easement” means any easement granted to or owned by the city and acquired, established, dedicated or devoted for public utility purposes.

“Utility Facilities” means the plant, equipment and property, including but not limited to the poles, pipes, mains, conduits, ducts, cable, wires, plant and equipment located under, on, or above the surface of the ground within the public right-of-way of the city and used or to be used for the purpose of providing utility or telecommunications services. (Ord. 1820 §1(4), 2001).

**12.40.030 Registration.**

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A. Purpose. The purpose of registration is:

1. To assure that all Telecommunications Carriers, Cable Operators and Utility Providers who have facilities and/or provide services within the city comply with the ordinances, rules and regulations of the city;
2. To provide the city with accurate and current information concerning the Telecommunications Carriers, Cable Operators and/or Utility Providers who offer to provide services within the city, or that own or operate such facilities within the city;
3. To assist the city in the enforcement of this chapter and the collection of any city franchise fees or charges that may be due the city.

B. Registration Required. Except as provided in subsection D of this section, all Telecommunications Carriers, Cable Operators and/or Utility Providers having

Telecommunications Facilities, Cable Facilities, and/or Utility Facilities within the corporate limits of the city, and/or Resellers and other such entities that offer or provide such services to customer premises within the city, shall register. The appropriate application and license from: (a) the Oregon Public Utility Commission (PUC); or (b) the Federal Communications Commission (FCC), where applicable, qualify as necessary registration information. Applicants have the option of providing the following information:

1. The identity and legal status of the registrant, including the name, address, and telephone number of the duly authorized officer, agent, or employee responsible for the accuracy of the registration information;
2. The name, address, and telephone number for the duly authorized officer, agent or employee to be contacted in the case of emergency;
3. A description of the registrant's existing or proposed facilities within the city, a description of the facilities that the registrant intends to construct, and a description of the service that the registrant intends to offer or provide to persons, firms, businesses, or institutions within the city;
4. Information sufficient to determine whether the transmission, origination or receipt of the services provided, or to be provided by the registrant constitutes an occupation or privilege subject to any business license requirements. A copy of the business license or the license number must be provided.

C. Registration Fee. Each application for registration shall be accompanied by a nonrefundable registration fee in an amount to be determined by resolution of the city council. Such fee is designed to defray the costs of City administration of this section.

D. Exceptions to Registration. The following Telecommunications Carriers, Cable Operators and/or Utility Providers are exempted from registration:

1. Telecommunication Carriers, including internet service providers, Cable Operators and/or Utility Providers that are owned and operated exclusively for its own use by the state or a political subdivision of this state;
2. A private telecommunications network. Provided that such network does not occupy any public rights-of-way of the city. (Ord. 1820 §1(5)--(8), 2001).

**12.40.040 Construction standards.**

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A. General. No person shall commence or continue with the construction, installation or operation of Telecommunication Facilities, Cable Facilities and/or Utility Facilities within a public right-of-way except as provided in subsections D through O of this section and Section [12.40.050](#), and with all applicable codes, rules, and regulations.

B. Construction Codes. Telecommunication Facilities, Cable Facilities and/or Utility Facilities shall be constructed, installed, operated and maintained in accordance with all

applicable federal, state and local codes, rules and regulations including the National Electrical Code and the National Electrical Safety Code.

C. Construction Permits. No person shall construct or install any Telecommunication Facilities, Cable Facilities and/or Utility Facilities within the city without first obtaining a construction permit, and paying the construction permit fee established in subsection G of this section. No permit shall be issued for the construction or installation of Telecommunication Facilities, Cable Facilities and/or Utility Facilities:

1. Unless the Telecommunications Carrier, Cable Operator or Utility Provider has first filed a registration statement with the city pursuant to Section [12.40.030](#); and if applicable;
2. Unless the Telecommunications Carrier, Cable Operator or Utility Provider has satisfied the requirements of the Central Point Municipal Code.

D. Permit Applications. Applications for permits to construct Telecommunication Facilities, Cable Facilities and/or Utility Facilities shall be submitted upon forms to be provided by the city and shall be accompanied by drawings, plans and specifications in sufficient detail to demonstrate:

1. That the facilities will be constructed in accordance with all applicable codes, rules and regulations;
2. That the facilities will be constructed in accordance with the franchise agreement, if any;
3. The location and route of all facilities to be installed aboveground or on existing utility poles;
4. The location and route of all new facilities on or in the public rights-of-way to be located under the surface of the ground, including the line and grade proposed for the burial at all points along the route which are within the public rights-of-way. Existing facilities shall be differentiated on the plans from new construction;
5. The location of all of applicant's existing underground utilities, conduits, ducts, pipes, mains and installations which are within the public rights-of-way along the underground route proposed by the applicant. A cross-section shall be provided showing new or existing facilities in relation to the street, curb, sidewalk or right-of-way;
6. The construction methods to be employed for protection of existing structures, fixtures and facilities within or adjacent to the public rights-of-way, and description of any proposal to temporarily or permanently remove or relocate.

E. Applicant's Verification. All permit applications shall be accompanied by the verification of a registered professional engineer, or other qualified and duly authorized representative of the applicant, that the drawings, plans and specifications submitted with the application comply with applicable technical codes, rules and regulations.

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F. Construction Schedule. All permit applications shall be accompanied by a written construction schedule, which shall include a deadline for completion of construction. The construction schedule is subject to approval by the planning, building and public works departments.

G. Construction Permit Fee. Unless otherwise provided in a franchise agreement, prior to issuance of a construction permit, the applicant shall pay a permit fee in an amount to be determined by resolution of the city council. Such fees shall be designed to defray the costs of city administration of the requirements of this chapter.

H. Issuance of Permit. If satisfied that the applications, plans and documents submitted comply with all requirements of this chapter and the franchise agreement, the planning, building and public works departments shall issue a permit authorizing construction of the facilities, subject to such further conditions, restrictions or regulations affecting the time, place and manner of performing the work as they deem necessary or appropriate.

I. Notice of Construction. Except in the case of an emergency, the permittee shall notify the public works department not less than two working days in advance of any excavation or construction in the public rights-of-way. Utility locates by the Oregon Utility Notification Center shall be completed prior to notification of the public works department.

J. Compliance with Permit. All construction practices and activities shall be in accordance with the permit and approved final plans and specifications for the facilities. The planning, building and public works departments and their representatives shall be provided access to the work site and such further information as they may require to ensure compliance with such requirements.

K. Noncomplying Work. Subject to the notice requirements in subsection D of Section [12.40.050](#), all work which does not comply with the permit, the approved or corrected plans and specifications for the work, or the requirements of this chapter, shall be removed at the sole expense of the permittee. The city is authorized to stop work in order to assure compliance with the provisions of this chapter.

L. Completion of Construction. The permittee shall promptly complete all construction activities so as to minimize disruption of the city's rights-of-way and other public and private property. All construction work within city rights-of-way, including restoration, must be completed within one hundred twenty (120) days of the date of issuance of the construction permit unless an extension or an alternate schedule has been approved by the appropriate city official as contemplated by subsection F of this section.

M. As-Built Drawings. If requested by the city, the permittee shall furnish the city with two complete sets of plans drawn to scale and certified to the city as accurately depicting the location of all Telecommunication Facilities, Cable Facilities and/or Utility Facilities pursuant to the permit. These plans shall be submitted to the public works director or designee within sixty days after completion of construction, in a format mutually acceptable to the permittee and the city.

N. Restoration of Public Rights-of-Way and City Property.

Ordinance No. \_\_\_\_\_ (022615)

1. When a permittee, or any person acting on its behalf, does any work in or affecting any public rights-of-way or city property, it shall, at its own expense, promptly remove any obstructions therefrom and restore such ways or property to good order and condition unless otherwise directed by the city and as determined by the public works director.

2. If weather or other conditions do not permit the complete restoration required by this subsection N, the permittee shall temporarily restore the affected rights-of-way or property. Such temporary restoration shall be at the permittee's sole expense and the permittee shall promptly undertake and complete the required permanent restoration when the weather or other conditions no longer prevent such permanent restoration. Any corresponding modification to the construction schedule may be subject to approval by the city.

3. If the permittee fails to restore rights-of-way or property in good condition, the city shall give the permittee written notice and provide permittee a reasonable period of time not exceeding thirty (30) days to restore the rights-of-way or property. If, after said notice, the permittee fails to restore the rights-of-way or property to as good a condition as existed before the work was undertaken, the city shall cause such restoration to be made at the expense of the permittee.

4. A permittee or other acting in its behalf shall use suitable barricades, flags, flagging attendants, lights, flares and other measures as required for the safety of all members of the general public and to prevent injury or damage to any person, vehicle or property by reason of such work in or affecting such rights-of-way or property.

O. Performance and Completion Bond. Unless otherwise provided in a franchise agreement, a performance bond or other form of surety acceptable to the city equal to at least one hundred (100%) percent of the estimated cost of constructing permittee's Telecommunication Facilities, Cable Facilities and/or Utility Facilities within the public rights-of-way of the city shall be provided before construction is commenced.

1. The surety shall remain in force until sixty (60) days after substantial completion of the work, as determined in writing by the city, including restoration of public rights-of-way and other property affected by the construction.

2. The surety shall guarantee, to the satisfaction of the city:

a. Timely completion of construction;

b. Construction is in compliance with applicable plans, permits, technical codes and standards;

c. Proper location of the facilities as specified by the city;

d. Restoration of the public rights-of-way and other property affected by the construction; and



- e. Timely payment and satisfaction of all claims, demands or liens for labor, material, or services provided in connection with the work.

**12.40.050 Location of Facilities.**

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A. Location of Facilities. Placement of Telecommunication Facilities, Cable and Utility Facilities within the city shall be subject to zoning code, Title [17](#). All facilities located within the public right-of-way shall be constructed, installed and located in accordance with the following terms and conditions, unless otherwise specified in a franchise agreement:

1. Whenever all new or existing Telecommunication Facilities, Cable Facilities and/or Utility Facilities are located or relocated underground within a public right-of-way of the city, a grantee with permission to occupy the same public right-of-way must also locate its facilities underground.
2. Whenever all new or existing Telecommunication Facilities, Cable Facilities and/or Utility Facilities are located or relocated underground within a public right-of-way of the city, a grantee that currently occupies the same public right-of-way shall relocate its facilities underground concurrently with the other affected utilities to minimize disruption of the public right-of-way, absent extraordinary circumstances or undue hardship as determined by the city and consistent with applicable state and federal law.

B. Interference with the Public Rights-of-Way. No grantee may locate or maintain its Telecommunication Facilities, Cable Facilities and/or Utility Facilities so as to unreasonably interfere with the use of the public rights-of-way by the city, by the general public or by other persons authorized to use or be present in or upon the public rights-of-way. All use of public rights-of-way shall be consistent with city codes, ordinances and regulations.

C. Relocation or Removal of Facilities. Except in the case of an emergency, within ninety (90) days following the written notice by the city, a grantee shall, at no expense to city, temporarily or permanently remove, relocate, change or alter the position of any Telecommunication Facilities, Cable Facilities and/or Utility Facilities within the public rights-of-way whenever the city shall have determined that such removal, relocation, change or alteration is reasonably necessary for:

1. The construction, repair, maintenance or installation of any city or other public improvement in or upon the public rights-of-way;
2. The operations of the city or other governmental entity in or upon the public rights-of-way;
3. The public interest.

D. Removal of Unauthorized Facilities. Within thirty (30) days following written notice from the city, any Telecommunications Carrier, Cable Operator, Utility Provider or other person that owns, controls or maintains any unauthorized Telecommunications, Cable or Utility system, facility or related appurtenances within the public rights-of-way of the city shall, at its own expense, remove such facilities and/or appurtenances from the public rights-of-way



of the city. A Telecommunications, Cable or Utility system or facility is unauthorized and subject to removal in the following circumstances:

1. One year after the expiration or termination of the grantee's franchise;
2. Upon abandonment of a facility within the public rights-of-way of the city. A facility will be considered abandoned when it is deactivated, out of service, or not used for its intended and authorized purpose for a period of ninety days or longer. A facility will not be considered abandoned if it is temporarily out of service during performance of repairs or if the facility is being replaced;
3. If the system or facility was constructed or installed without the appropriate prior authority at the time of installation;
4. If the system or facility was constructed or installed at a location not permitted by the grantee's franchise or other legally sufficient permit.

E. Coordination of Construction Activities. All grantees are required to make a good faith effort to cooperate with the city.

1. By January 1st of each year, grantees shall provide the city with a schedule of their proposed construction activities in, around or that may affect the public rights-of-way.
2. If requested by the city, each grantee shall meet with the city annually or as determined by the city, to schedule and coordinate construction in the public rights-of-way. At that time, the city will provide available information on plans for local, state, and/or federal construction projects.
3. All construction locations, activities and schedules shall be coordinated, as ordered by the public works director or designee, to minimize public inconvenience, disruption or damages. (Ord. 1823 §1, 2001; Ord. 1820 §1(24)--(28), 2001).

#### **12.40.060 Franchise Agreements.**

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A. Franchise. As of the effective date of this ordinance, in lieu of payment of the Utility License Fee, a Telecommunications Carrier, Cable Operator or Utility Provider who desires to occupy public rights-of-way of the city may negotiate to enter into a franchise agreement with the city, subject to the provisions herein.

B. Application. Any person that desires a franchise must register as a Telecommunications Carrier, Cable Operator or Utility Provider as provided in 12.40.030 herein, and shall file an application with the Central Point planning department which includes the following information:

1. The identity of the applicant;
2. A description of the services that are to be offered or provided by the applicant over its facilities;

3. Engineering plans, specifications, and a network map in a form customarily used by the applicant of the facilities located or to be located within the public rights-of-way in the city, including the location and route requested for applicant's proposed Telecommunication Facilities, Cable Facilities and/or Utility Facilities;

4. The area or areas of the city the applicant desires to serve and a preliminary construction schedule for build-out to the entire franchised area;

5. Information to establish that the applicant has obtained all other governmental approvals and permits to construct and operate the facilities and to offer or provide the services proposed;

6. An accurate map showing the location of any existing Telecommunication Facilities, Cable Facilities and/or Utility Facilities in the city that applicant intends to use or lease.

C. Application and Review Fee.

1. Subject to applicable state law, applicant shall reimburse the city for such reasonable costs as the city incurs in entering into the franchise agreement.

2. An application and review fee of one thousand dollars shall be deposited with the city as part of the application filed pursuant to subsection B of this section. Expenses exceeding the deposit will be billed to the applicant or the unused portion of the deposit will be returned to the applicant following the determination granting or denying the franchise. Additional building, public works and planning department fees may be required by the Central Point Municipal Code.

D. Determination by the City. The city shall issue a written determination granting or denying the application in whole or part. If the application is denied, the written determination shall include the reasons for denial.

E. Rights Granted. No franchise granted pursuant to this chapter shall convey any right, title or interest in the public rights-of-way, but shall be deemed a grant to use and occupy the public rights-of-way for the limited purposes and term, and upon the conditions stated in the franchise agreement.

F. Term of Grant. Unless otherwise specified in a franchise agreement, a franchise granted hereunder shall be in effect for a term of five years.

G. Franchise Territory. Unless otherwise specified in a franchise agreement, a franchise granted hereunder shall be limited to a specific geographic area of the city to be served by the franchise grantee, and the public rights-of-way necessary to serve such areas, and may include the entire city.

H. Franchise Fee. Each franchise granted by the city is subject to the city's right, which is expressly reserved, to fix a fair and reasonable compensation to be paid for the privileges granted; provided, nothing in this chapter shall prohibit the city and a grantee from agreeing to the compensation to be paid. The compensation shall be subject to the specific payment

terms and conditions contained in the franchise agreement and applicable state and federal laws.

I. Amendment of Grant. Conditions for amending a franchise:

1. A new application and grant shall be required of any Telecommunications Carrier, Cable Operator or Utility Provider that desires to extend or locate its Telecommunication Facilities, Cable Facilities and/or Utility Facilities in public rights-of-way of the city which are not included in a franchise previously granted under this chapter, or to provide a service not previously included in a franchise previously granted under this chapter.
2. If ordered by the city to locate or relocate its Telecommunication Facilities, Cable Facilities and/or Utility Facilities in public rights-of-way not included in a previously granted franchise, the city shall grant an amendment without further application.
3. A new application and grant shall be required of any Telecommunications Carrier, Cable Operator or Utility Provider that desires to provide a service which was not included in a franchise previously granted under this chapter.

J. Renewal Applications. A grantee that desires to renew its franchise under this chapter shall, not less than one hundred eighty (180) days before expiration of the current agreement, file an application with the city for renewal of its franchise which shall include the following information:

1. The information required pursuant to subsection B of this section;
2. Any information required pursuant to the franchise agreement between the city and the grantee.

K. Renewal Determinations. Within ninety (90) days after receiving a complete application under subsection J of this section, the city shall issue a written determination granting or denying the renewal application in whole or in part, applying the following standards. If the renewal application is denied, the written determination shall include the reasons for nonrenewal.

1. The financial and technical ability of the applicant;
2. The legal ability of the applicant;
3. The continuing capacity of the public rights-of-way to accommodate the applicant's existing and proposed facilities;
4. The applicant's compliance with the requirements of this chapter and the franchise agreement;
5. Applicable federal, state and local laws, rules and policies;

6. Such other factors as may demonstrate that the continued grant to use the public rights-of-way will serve the community interest;

L. Obligation to Cure as a Condition of Renewal. No franchise shall be renewed until any ongoing violations or defaults in the grantee's performance of the agreement, or of the requirements of this chapter, have been cured, or a plan detailing the corrective action to be taken by the grantee has been approved by the city.

M. Assignments or Transfers of System or Franchise. Ownership or control of a majority interest in a Telecommunication Carrier, Cable Operator or Utility Provider subject to a franchise may not, directly or indirectly, be transferred, assigned or disposed of by sale, lease, merger, consolidation or other act of the grantee, by operation of law or otherwise, without the proper consent of the city, which consent shall not be unreasonably withheld or delayed, and then only on such reasonable conditions as may be prescribed in such consent.

1. Grantee and the proposed assignee or transferee of the franchise or system shall agree, in writing, to assume and abide by all of the provisions of the franchise.

2. No transfer shall be approved unless the assignee or transferee has the legal, technical, financial and other requisite qualifications to own, hold and operate the Telecommunications System, Cable System or Utility System pursuant to this chapter.

3. Unless otherwise provided in a franchise agreement, the grantee shall reimburse the city for all direct and indirect fees, costs and expenses reasonably incurred by the city in considering a request to transfer or assign a franchise.

4. Any transfer or assignment of a Telecommunications, Cable or Utility franchise, system or integral part of a system without prior approval of the city under this section or pursuant to a franchise agreement shall be void and is cause for revocation of the franchise.

N. Revocation or Termination of Franchise. A franchise to use or occupy public rights-of-way of the city may be revoked for the following reasons:

1. Construction or operation in the city or in the public rights-of-way of the city without a construction permit;

2. Construction or operation at an unauthorized location;

3. Failure to comply with subsection M of this section with respect to sale, transfer or assignment of a system or franchise;

4. Misrepresentation by or on behalf of a grantee in any application to the city;

5. Abandonment of Telecommunication Facilities, Cable Facilities and/or Utility Facilities in the public rights-of-way;

6. Failure to relocate or remove facilities as required in this chapter;

7. Failure to pay taxes, compensation, fees or costs when and as due the city under this chapter;
8. Insolvency or bankruptcy of the grantee;
9. Violation of material provisions of this chapter;
10. Violation of the material terms of a franchise agreement.

O. Notice and Duty to Cure. In the event that the city believes that grounds exist for revocation of a franchise, the city shall give the grantee written notice of the apparent violation or noncompliance, providing a short and concise statement of the nature and general facts of the violation or noncompliance, and providing the grantee a reasonable period of time, not exceeding thirty (30) days, to furnish evidence that:

1. Corrective action has been taken, or good faith and active efforts to expeditiously remedy the violation or noncompliance are taking place; and/or
2. Requesting a hearing before the city council to rebut the alleged violation or noncompliance; and/or present evidence that it would be in the public interest to impose some penalty or sanction less than revocation.

P. Public Hearing. Upon receipt of the franchisee's response, or in the event no response is received within thirty (30) days of the date of receipt of the notice, the city manager shall refer the apparent violation or noncompliance to the city council. In the event a request for hearing is made by the franchisee, the city manager shall fix a time and place for hearing the matter, and shall give the appellant fifteen days written notice of the time and place of the hearing before the city council.

1. The parties shall be entitled to appear personally and by counsel and to present such facts, evidence and arguments as may tend to support the respective positions on appeal.
2. The city council shall afford the parties an opportunity to be heard at an appeal hearing after reasonable notice. The city council shall take such action upon the appeal it sees fit. The city council shall at a minimum:
  - a. At the commencement of the hearing, explain the relevant issues involved in the hearing, applicable procedures and the burden of proof.
  - b. At the commencement of the hearing place on the record the substance of any written or oral ex parte communications concerning any relevant and material fact in issue at the hearing which was made outside the official proceedings during the pendency of the proceeding. The parties shall be notified of the substance of the communication and the right to rebut the communication. Notwithstanding the above, the parties are prohibited from engaging in ex parte communications with the members of the city council.

- c. Testimony shall be taken upon oath or affirmation of the witnesses.
- d. The city council shall ensure that the record developed at the hearing shows a full and fair inquiry into the relevant and material facts for consideration for the issues properly before the hearings officer.
- e. Written testimony may be submitted under penalty of false swearing for entry into the record. All written evidence shall be filed with the City recorder no less than (5) five working days before the date of the hearing.
- f. The city council shall hear and consider any records and evidence presented bearing upon the alleged violation or nonconformance.

3. Informal disposition may be made of any case by stipulation, agreed settlement, consent order or default.

Q. Standards for Revocation or Lesser Sanctions. If persuaded that the grantee has violated or failed to comply with the material provisions of this chapter, or of a franchise agreement, the city council shall determine whether to revoke the franchise, or to establish some lesser sanction and cure, considering the nature, circumstances, extent, and gravity of the violation as reflected by one or more of the following factors. Whether:

- 1. The misconduct was egregious;
- 2. Substantial harm resulted;
- 3. The violation was intentional;
- 4. There is a history of prior violations of the same or other requirements;
- 5. There is a history of overall compliance;
- 6. The violation was voluntarily disclosed, admitted or cured.
- 7. The findings of the city council shall be final and conclusive, and shall be served upon the grantee in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of notice.

R. Other City Costs. All grantees shall, within thirty (30) days after written demand therefor, reimburse the city for all reasonable direct and indirect costs and expenses incurred by the city in connection with any modification, amendment, renewal or transfer of the franchise or any franchise agreement consistent with applicable state and federal laws. (Ord. 1969 §1(part), 2013; Ord. 1820 §1(29)--(46), 2001).

**12.40.070 General franchise terms.**

A. Facilities. Upon request, each grantee shall provide the city with an accurate map or maps certifying the location of all facilities within the public rights-of-way. Each grantee will provide updated maps annually.

B. Damage to Grantee's Facilities. Unless directly and proximately caused by willful, intentional or malicious acts by the city, the city shall not be liable for any damage to or loss of any Telecommunications, Cable or Utility facility within the public rights-of-way as a result of or in connection with any public works, public improvements, construction, excavation, grading, filling or work of any kind in the public rights-of-way by or on behalf of the city, or for any consequential losses resulting directly or indirectly therefrom.

C. Duty to Provide Information. Within ten (10) business days of a written request from the city, each grantee shall furnish the city with the following:

1. Information sufficient to demonstrate that grantee has complied with all requirements of this chapter;
2. All books, records, maps, and other documents, maintained by the grantee with respect to its facilities within the public rights-of-way shall be made available for inspection by the city at reasonable times and intervals.

D. Service to the City. If the city contracts for the use of Telecommunication, Cable or Utility facilities, services, installation, or maintenance from the grantee, the grantee shall charge the city the grantee's most favorable rate offered at the time of the request charged to similar users within Oregon for similar volume of service, subject to any of grantee's tariffs or price lists on file with the OPUC. With the city's permission, the grantee may deduct the applicable charges from fee payments. Other terms and conditions of such services may be specified in a separate agreement between the city and grantee.

E. Compensation for City Property. If any right is granted, by lease, franchise, or other manner, to use and occupy city property for the installation of Telecommunication Facilities, Cable Facilities and/or Utility Facilities, the compensation to be paid for such right and use shall be fixed by the city.

F. Multiple Facility Franchises. A facility used for multiple purposes requires separate franchises. By way of illustration and not limitation, a Cable Operator of a Cable System to provide Cable Services must obtain a separate franchise to provide Telecommunication Services over the same facilities.

G. Resellers. Resellers must register with the city pursuant to section 12.40.030 herein. So long as Resellers register pursuant to section 12.40.030 herein and pay the Utility License Fee provided in section 12.40.075 below, a Reseller may use another entity's facilities to engage in telecommunications activities in the right-of-way without obtaining a franchise, providing the Reseller does not, either itself or through an affiliate, own or lease, control or manage the facilities in the right-of-way and is not involved in the construction or repair of facilities in the right-of-way. For purposes of calculating the registration and privilege tax to be paid by the Reseller, the amount of compensation paid by the Reseller to the owner of manager of the facilities in the right-of-way for the services it resells shall be deducted from

the Reseller's gross revenues before applying the percentage rates described in sections 12.40.075.

H. Leased Capacity. A grantee shall have the right, without prior city approval, to offer or provide capacity or bandwidth to its customer; provided that the grantee shall notify the city that such lease or agreement has been granted to a customer of lessee.

I. Grantee Insurance. Unless otherwise provided in a franchise agreement, each grantee shall, as a condition of the grant, secure and maintain the following liability insurance policies insuring the grantee and the city, and its elected and appointed officers, officials, agents and employees as coinsured:

1. Comprehensive general liability insurance with limits not less than:
  - a. Three million dollars for bodily injury to death to each person,
  - b. Three million dollars for property damage resulting from any one accident, and
  - c. Three million dollars for all other types of liability;
2. Automobile liability for owned, non-owned and hired vehicles with a limit of one million dollars for each person and three million dollars for each accident;
3. Worker's compensation within statutory limits and employer's liability insurance with limits not less than one million dollars;
4. Comprehensive form premises-operations, explosions and collapse hazard, underground hazard and products completed hazard with limits not less than three million dollars;
5. The liability insurance policies required by this section shall be maintained by the grantee throughout the term of the franchise, and such other period of time during which the grantee is operating without a franchise hereunder, or is engaged in the removal of Telecommunication Facilities, Cable Facilities and/or Utility Facilities. Each such insurance policy shall contain the following endorsement:

“It is hereby understood and agreed that this policy may not be canceled nor the intention not to renew be stated until 90 days after receipt by the City, by registered mail, of a written notice addressed to the City Manager of such intent to cancel or not to renew.”
6. Within sixty (60) days after receipt by the city of such notice and in no event later than thirty (30) days prior to such cancellation, the grantee shall obtain and furnish to the city evidence that the grantee meets the requirements of this section.
7. As an alternative to the insurance requirements contained herein, a grantee may provide evidence of self-insurance subject to review and acceptance by the city.



J. General Indemnification. Each franchise agreement shall include, to the extent permitted by law, grantee's express undertaking to defend, indemnify and hold the city and its officers, employees, agents and representatives harmless from and against any and all damages, losses and expenses, including reasonable attorney's fees and costs of suit or defense, arising out of, resulting from or alleged to arise out of or result from the negligent, careless or wrongful acts, omissions, failures to act or misconduct of the grantee or its affiliates, officers, employees, agents, contractors or subcontractors in the construction, operation, maintenance, repair or removal of its Telecommunication Facilities, Cable Facilities and/or Utility Facilities, and in providing or offering Telecommunications, Cable or Utility Services over the facilities or network, whether such acts or omissions are authorized, allowed or prohibited by this chapter, or by a franchise agreement made or entered pursuant to this chapter.

K. Performance Surety. Before a franchise granted pursuant to this chapter is effective, and as necessary thereafter, the grantee shall provide a performance bond, in form and substance acceptable to the city, as security for the full and complete performance of a franchise granted under this chapter, including any costs, expenses, damages or loss the city pays or incurs because of any failure attributable to the grantee to comply with the codes, ordinances, rules, regulations or permits of the city. This obligation is in addition to the performance surety required by subsection O of Section [12.40.040](#) for construction of facilities. (Ord. 1820 §1(47)--(56), 2001).

**12.40.075 Utility License Fee Required.**

A. The terms of the Utility License Fee shall not apply to any holder of a current, valid, franchise granted or issued by the city council.

B. Any Telecommunications Carrier, Cable Operator or Utility Provider using or occupying public rights-of-way within the city without a franchise for a period of thirty (30) days or longer shall pay for the use and occupancy of such public rights of way. The fee imposed under this subsection shall be in the amount of seven and one-half percent (7.5%) of the Telecommunications Carrier, Cable Operator or Utility Provider's Gross Revenues as defined herein, for each consecutive three (3) month period. The Utility License Fee shall be computed as of 30-days after the commencement of business or 30-days after the expiration of any franchise or other authority under which the Telecommunications Carrier, Utility Provider or Cable Operator operated. The license fee shall be due and payable so long as the Telecommunications Carrier, Cable Operator or Utility Provider operates within the city limits and uses or occupies the public rights-of-way.

C. In the event a franchise is granted to any Telecommunications Carrier, Cable Operator or Utility Provider subject to the Utility License Fee under this chapter, and the franchise becomes effective, then the fee shall cease to apply from the effective date of the franchise. The franchise holder shall pay the proportionate earned amount of the Utility License Fee for the current quarterly period. The license fee shall in such cases become immediately due and payable, and if not paid, collectible as provided in subsection G herein.

D. Each Telecommunications Carrier, Cable Operator or Utility Provider subject to the Utility License Fee as provided in this section shall file with the Director of the Finance Department a report of the revenues earned within the corporate limits of the city for each consecutive 3-month period in the form and manner specified by the Finance Department (“Quarterly Report”).

1. The first quarterly report shall be filed on or before the first payment date of the license fee. Subsequent reports shall be filed on or before February 15, May 15, August 15 and November 15 of each year.

2. If a franchise is granted to an entity otherwise subject to the license fee, the Telecommunications Carrier, Cable Operator or Utility Provider shall file a report with the Director within 10-days after the franchise becomes effective showing the Gross Revenues earned for the proportionate period of the quarter prior to the franchise being granted.

E. Telecommunication Carriers, Cable Operators and Utility Providers shall submit quarterly payments of Privilege Taxes under this subsection on or before February 15, May 15, August 15 and November 15 of each year which shall be accompanied by the Quarterly Report for that payment period as provided in subsection E above.

F. If the Telecommunication Carrier, Cable Operator or Utility Provider fails to pay the Utility License Fee under this section, the City Attorney may institute an action in the Circuit Court of the State of Oregon for Jackson County to recover the amount of the utility license fee due the city, together with applicable penalties and accrued interest.

1. Interest will be assessed on any unpaid utility license fee at the rate of 0.833 percent simple interest per month or fraction thereof (10 percent per annum), computed from the original due date of the fee to the 15<sup>th</sup> day of the month following the date of payment.

2. For the purpose of calculating interest under this subsection G, the amount of the utility license fee due shall be reduced the amount of any Utility License Fee payments received by the Director on or before the due dates established herein.

3. Interest amounts properly assessed in accordance with this section may not be waived or reduced by the Director.

G. Any person subject to this Chapter or any officer or agent of any association or corporation subject to the provisions of this Chapter who, for a period of 30-days after the statement is required to be filed with the Director, fails, neglects, or refuses to file with the Director the Quarterly Report of such person, association or corporation shall be subject to the penalties, including any criminal penalties, provided for in Section

H. Any person subject to the provisions of this 12.40.75 shall provide the city evidence of the insurance on the amounts specified in 12.40.070 and is subject to the indemnification requirements of 12.40.070 herein.

**12.40.080 General provisions.**

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A. Governing Law. Any franchise granted under this chapter is subject to the provisions of the Constitution and laws of the United States, and the state of Oregon and the ordinances and charter of the city.

B. Written Agreement. No franchise shall be granted hereunder unless the agreement is in writing.

C. Nonexclusive Grant. No franchise granted under this chapter shall confer any exclusive right, privilege, license or franchise to occupy or use the public rights-of-way of the city for delivery of telecommunications services or any other purpose.

D. Severability and Preemption. If any article, section, subsection, sentence, clause, phrase, term, provision, condition, covenant or portion of this chapter is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, or superseded by state or federal legislation, rules, regulation or decision, the remainder of the chapter shall not be affected thereby but shall be deemed as a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof, and each remaining section, subsection, sentence, clause, phrase, provision, condition, covenant and portion of this chapter shall be valid and enforceable to the fullest extent permitted by law. In the event that federal or state laws, rules or regulations preempt a provision or limit the enforceability of a provision of this chapter, then the provision shall be read to be preempted only to the extent required by the law. In the event such federal or state law, rule, or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall be thereupon return to full force and effect, and shall thereafter be binding, without the requirement of further action on the part of the city.

E. Penalties. Any person found guilty of violating, disobeying, omitting, neglecting or refusing to comply with any provisions of this chapter shall be fined not less than one hundred dollars nor more than one thousand dollars for each offense. A separate and distinct offense shall be deemed committed each day on which a violation occurs.

F. Other Remedies. Nothing in this chapter shall be construed as limiting any judicial remedies that the city may have, at law or in equity, for enforcement of this chapter.

G. Captions. The captions to sections throughout this chapter are intended solely to facilitate reading and reference to the sections and provisions contained herein. Such captions shall not affect the meaning or interpretation of this chapter.

H. Compliance with Laws. Any grantee under this chapter shall comply with all federal and state laws and regulations, including regulations of any administrative agency thereof, as well as all ordinances, resolutions, rules and regulations of the city heretofore or hereafter adopted or established during the entire term of any franchise granted under this chapter, which are relevant and relate to the construction, maintenance and operation of a telecommunication system.

I. Consent. Whenever the consent of either the city or of the grantee is specifically required by this chapter or in a franchise granted, such consent will not be unreasonably withheld.

J. Application to Existing Ordinance and Agreements. To the extent that this chapter is not in conflict with and can be implemented with existing ordinance and franchise agreements, this chapter shall apply to all existing ordinance and franchise agreements for use of the public right-of-way for telecommunications.

K. Confidentiality. The city agrees to use its best efforts to preserve the confidentiality of information as requested by a grantee, to the extent permitted by the Oregon Public Records Law. (Ord. 1820 §1(57)--(67), 2001).

**SECTION 3.** Codification. Provisions of this Ordinance shall be incorporated in the City Code and the word Ordinance may be changed to “code”, “article”, “section”, “chapter”, or other word, and the sections of this Ordinance may be renumbered, or re-lettered, provided however that any Whereas clauses and boilerplate provisions need not be codified and the City Recorder is authorized to correct any cross references and any typographical errors.

**SECTION 4.** Effective Date. The Central Point City Charter states that an ordinance enacted by the council shall take effect on the thirtieth day after its enactment. The effective date of this ordinance will be the thirtieth day after the second reading.

Passed by the Council and signed by me in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Mayor Hank Williams

ATTEST:

\_\_\_\_\_  
City Recorder