

ROSEBURG CITY COUNCIL AGENDA – FEBRUARY 8, 2016
City Council Chambers, City Hall,
900 S. E. Douglas Avenue, Roseburg, OR 97470



7:00 p.m. - Regular Meeting

1. **Call to Order – Mayor Larry Rich**
2. **Pledge of Allegiance**
3. **Roll Call**
Alison Eggers Ken Fazio Victoria Hawks Steve Kaser
Lew Marks John McDonald Tom Ryan Andrea Zielinski
4. **Mayor Report**
 - A. Burn Awareness Week Proclamation – Bob Mallory, Hillah Shriners
5. **Commission Reports/Council Ward Reports**
6. **Special Presentation – Proposed Library District**
7. **Audience Participation – See Information on the Reverse**
8. **Special Presentations**
 - A. Annual Financial Report – Tom Davidson
 - B. Quarterly Financial Report – December 31, 2015
 - C. Budget Calendar
 - D. Proposed Library Service District
9. **Consent Agenda**
 - A. Minutes of January 25, 2016 Regular Meeting
10. **Ordinances**
 - A. 2nd Reading, Ordinance No. 3457 - Recreational Marijuana Business Regulations
 - B. Ord. No. 3458 - Granting a Telecommunications Franchise to Amerivision Communications
11. **Resolutions**
 - A. Resolution No. 2016-01 – Fee Schedule Amendment, Recreational Marijuana Operations
12. **Items from Departments**
 - A. Emergency Storm Drain Repair
13. **Items From Mayor, Council or City Manager**
14. **Informational**
 - A. Activity Report
15. **Executive Session ORS 192.660(2)**
16. **Adjournment**

***** AMERICANS WITH DISABILITIES ACT NOTICE *****

Please contact the City Recorder's Office, Roseburg City Hall, 900 SE Douglas, Roseburg, OR 97470-3397 (Phone 541-492-6866) at least 48 hours prior to the scheduled meeting time if you need an accommodation. TDD users please call Oregon Telecommunications Relay Service at 1-800-735-2900.

AUDIENCE PARTICIPATION INFORMATION

The Roseburg City Council welcomes and encourages participation by citizens at all our meetings, with the exception of Executive Sessions which, by state law, are closed to the public. To allow Council to deal with business on the agenda in a timely fashion, we ask that anyone wishing to address the Council follow these simple guidelines:

Persons addressing the Council must state their name and address for the record, including whether or not they are a resident of the City of Roseburg. All remarks shall be directed to the entire City Council. The Council reserves the right to delay any action requested until they are fully informed on the matter.

TIME LIMITATIONS

With the exception of public hearings, each speaker will be allotted a total of 6 minutes. At the 4-minute mark, a warning bell will sound at which point the Mayor will remind the speaker there are only 2 minutes left. All testimony given shall be new and shall not have been previously presented to Council.

CITIZEN PARTICIPATION – AGENDA ITEMS

Anyone wishing to speak regarding an item on the agenda may do so when Council addresses that item. If you wish to address an item on the Consent Agenda, please do so under “Audience Participation. For other items on the agenda, discussion typically begins with a staff report, followed by questions from Council. If you would like to comment on a particular item, please raise your hand after the Council question period on that item.

CITIZEN PARTICIPATION – NON-AGENDA ITEMS

We also allow the opportunity for citizens to speak to the Council on matters not on this evening’s agenda on items of a brief nature. A total of 30 minutes shall be allocated for this portion of the meeting.

If a matter presented to Council is of a complex nature, the Mayor or a majority of Council may:

1. Postpone the public comments to “Items From Mayor, Councilors or City Manager” after completion of the Council’s business agenda, or
2. Schedule the matter for continued discussion at a future Council meeting.

The Mayor and City Council reserve the right to respond to audience comments after the audience participation portion of the meeting has been closed.

Thank you for attending our meeting – Please come again.

The City Council meetings are aired live on Charter Communications Cable Channel 191 and rebroadcast on the following Tuesday evening at 7:00 p.m. Video replays and the full agenda packet are also available on the City’s website: www.cityofroseburg.org.

Proclamation

CITY OF ROSEBURG, OREGON

BURN AWARENESS WEEK

WHEREAS: Severe burn injuries are a major cause of deaths and injuries in North America, especially among young children; and

WHEREAS: Every year, hundreds of children die in home fires; and

WHEREAS: Approximately 85 percent of fire-related deaths occur in homes, and fires and burns are a leading cause of injury-related fatalities among children; and

WHEREAS: Hundreds of children are taken to the emergency room every day with burn injuries; and

WHEREAS: Shriners International operates four Shriners Hospitals for Children providing pediatric burn care; and

WHEREAS: Shriners International and Shriners Hospitals for Children join with others in the burn care field across the nation in recognizing the seriousness of this problem and the urgent need to educate the public about burn prevention; and

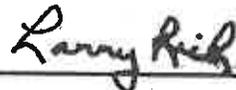
WHEREAS: It is fitting and appropriate to acknowledge the contributions of Shriners International and to commend the Shriners for their continued support and care for children with burn injuries; and

NOW, THEREFORE, I, Larry Rich, Mayor of the City of Roseburg, do hereby proclaim February 7 - 13, 2016, as

BURN AWARENESS WEEK

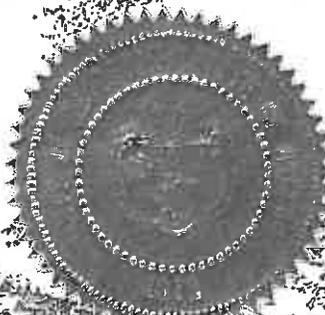
and encourage all citizens to visit beburnaware.org and take appropriate precautions to protect their families from devastating burn injuries.

DATED this eighth day of February, 2016.



Larry Rich

THE HONORABLE MAYOR



**ROSEBURG CITY COUNCIL
AGENDA ITEM SUMMARY**

*yc
2/3/16*



ANNUAL FINANCIAL REPORT

Meeting Date: February 8, 2016
Department: Finance
www.cityofroseburg.org

Agenda Section: Special Presentation
Staff Contact: Ron Harker
Contact Telephone Number: 492-6710

ISSUE STATEMENT AND SUMMARY

Auditor Tom Davidson will present an overview of the Comprehensive Annual Financial Report for fiscal year ending June 30, 2015. The full report is available at this link:

<http://www.cityofroseburg.org/departments/finance/annual-financial-report/>

(A hard copy of the CAFR was provided to the Mayor and Councilor in January. You may wish to bring that to the meeting with you. If you do not believe you need the hard copy and will refer to the online report, please return the CAFR to City Staff.)

Attached is a copy of the auditor letter in regard to the City audit and for the Urban Renewal Agency audit.

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.
Jeffrey R. Cooley, C.P.A.
Traci I. Trotter, C.P.A.
Will M. Sargent, C.P.A.
Vickie L. Rapp, C.P.A.
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2500 W. Harvard Ave.
Roseburg, Oregon 97471-2507
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P.O. Box 1786
Roseburg, Oregon 97470-0425
Phone (541) 672-4886
Fax (541) 673-3712

November 18, 2015

The Honorable Mayor and Council Members
City of Roseburg
900 SE Douglas Ave
Roseburg, OR 97470

Dear Mayor and Council Members:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseburg, Oregon for the year ended June 30, 2015, and have issued our report thereon dated November 18, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 6, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Roseburg are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2014-2015. We noted no transactions entered into by the City during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense is based on the straight-line method over the estimated useful life. We evaluated the key factors and assumptions used to develop the depreciation expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Member:

American Institute of Certified Public Accountants
Oregon Society of Certified Public Accountants
Private Companies Practice Section

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

This information is intended solely for the use of the council members and management of City of Roseburg and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read 'T. Davidson', with a long horizontal flourish extending to the right.

Thomas J. Davidson, CPA

NEUNER, DAVIDSON & COOLEY, LLC

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November 18, 2015

The Honorable Mayor and Council Members
City of Roseburg Urban Renewal Agency
900 SE Douglas Ave
Roseburg, OR 97470

Dear Mayor and Council Members:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseburg Urban Renewal Agency for the year ended June 30, 2015, and have issued our report thereon dated November 18, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 6, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Roseburg Urban Renewal Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2014-2015. We noted no transactions entered into by the Agency during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense is based on the straight-line method over the estimated useful life. We evaluated the key factors and assumptions used to develop the depreciation expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Member:

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Private Companies Practice Section

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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We have requested certain representations from management that are included in the management representation letter dated November 18, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the council members and management of City of Roseburg Urban Renewal Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


Neuner, Davidson & Cooley, LLC

City of Roseburg, Oregon

Quarterly Financial Report



2nd Quarter, Fiscal-Year 2015-2016

December 2015

The *Quarterly Financial Report* summarizes the City of Roseburg's financial position for the General Fund, major operating funds, proprietary funds, and Urban Renewal funds through the 2nd quarter of fiscal year 2015-2016.

All funds are presented on a budgetary basis. Although this is a quarterly financial report, the focus is on year-to-date activity.

Budgeted Fund Balance is comprised of Contingency, Reserves, and Ending Fund Balance.

Report Note: When reading these quarterly financial reports it is important to keep in mind the cyclical activity in revenues and expenditures. Examples would include property taxes, grants, capital projects, and charges for services. This report is unaudited and precedes final year end accruals.

This financial report includes the quarter ending December 2014 for comparison purposes.

OVERVIEW:

- \$11.8 million General Fund balance.
- 7.1% Douglas County unemployment rate.
- 6.1% City of Roseburg unemployment rate.
- .5884% state investment pool interest rate.
- 1.3% CPI Portland-Salem MSA
- Approve change order #5 for the Washington/Oak Improvement project for not to exceed \$90,000.
- Increase the construction project authorization to \$2,485,000 for the Washington/Oak Improvement Project.
- Award transmission main cathodic protection to Cathodic Protection Engineering for \$133,910.
- Urban Renewal Agency Board, adopted Resolution for Line of Credit.
- Award engineering contract for Water system SCADA Improvements to RH2 Engineering.

GENERAL FUND

General Fund	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 19,612,735	\$ 14,098,634	72%	\$14,119,062
Expenditures	20,835,404	9,990,986	48%	9,624,035
Balance-July 1	7,341,488	7,744,551	105%	7,593,152
Balance YTD	\$ 6,118,819	\$ 11,852,199		\$12,088,179

GENERAL FUND REVENUE

General Fund Revenue	Budget	YTD Actual	%	Prior Year Actual
Property Taxes	\$12,734,000	\$ 10,991,101	86%	\$11,011,127
Licenses, Permits, Fees	2,641,593	953,424	36%	951,227
Charges for Services	3,395,200	1,698,782	50%	1,675,490
Intergovernmental	798,942	376,111	47%	407,563
Interest	43,000	17,817	41%	17,369
Miscellaneous	-	61,399	0%	56,286
Total Revenues	\$19,612,735	\$ 14,098,634	72%	\$14,119,062

Property Taxes — The majority of property tax revenue is collected in November and December. At the end of December 86% of the 12.7 million budgeted has been collected.

Property taxes are based upon assessed values (AV). With passage of Measure 50 in 1996 assessed values are limited to 3% annual increases unless the Real Market Value is less.

Licenses, Permits, and Fees—Includes utility franchise fees, planning fees, park fees, and various other fees. At the end of the quarter, 36% of the \$2.6 million budgeted annual revenue from licenses, permits and fees has been collected.

Charges for Services—Besides interdepartmental charges, charges for services includes: fines, service area fees, fire suppression and prevention fees, administrative and lien search fees. Year to date court fines total \$200,388, service area fees total \$171,478 and interdepartmental charges total \$1,305,318.

Intergovernmental Revenues are primarily state collected taxes allocated to cities on a per capita basis and include revenue sharing, tobacco, and liquor, 47% of the \$798,942 budgeted for intergovernmental revenue has been collected during the current fiscal year.

Interest Revenue—Interest revenue of \$17,817 is comparable to the same period a year ago. The average portfolio rate is .5884%.

GENERAL FUND EXPENDITURES

The following tables detail expenditures by department and major categories. Current year General Fund expenditures of \$9,990,986 represent 48% of budgeted annual expenditures.

Year to date expenditures are \$366,951 more than the same period a year ago. The General Fund ending fund balance is \$11,852,199.

By Organizational Unit	Budget	YTD Actual	%	Prior Year Actual
City Manager	\$ 955,539	\$ 431,592	45%	\$ 398,324
Finance & Mgmt	1,218,465	565,504	46%	514,346
Community Develop	541,509	239,174	44%	202,688
Public Works	3,212,867	1,429,873	45%	1,431,481
Parks & Recreation	1,438,139	700,042	49%	682,979
Municipal Court	489,418	198,721	41%	185,101
Police	6,360,705	2,994,734	47%	2,818,841
Fire	5,846,642	2,745,097	47%	2,693,148
Capital & Other	772,120	686,249	89%	697,127
Total	\$20,835,404	\$ 9,990,986	48%	9,624,035

By Major Category	Budget	YTD Actual	%	Prior Year Actual
Personnel Services	\$ 16,355,225	\$ 7,844,355	48%	\$ 7,651,965
Materials & Service	3,708,059	1,460,382	39%	1,274,943
Capital & Other	772,120	686,249	89%	697,127
Total	\$ 20,835,404	\$ 9,990,986	48%	\$ 9,624,035

MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

URBAN RENEWAL GENERAL FUND

Urban Renewal - General	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 3,600,600	\$ 3,113,686	86%	\$ 3,095,944
Expenditures:				
Operations	2,930,000	94,800	3%	144,400
Transfers	800,000	800,000	100%	800,000
Balance-July 1	363,352	354,719	98%	434,542
Balance YTD	\$ 233,952	\$ 2,573,605		\$ 2,586,086

The Urban Renewal-General Fund accounts for the Agency's property tax revenues. Expenditures are primarily for qualified capital improvement projects.

CAPITAL PROJECTS FUNDS

EQUIPMENT REPLACEMENT FUND

Equipment	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 637,500	\$ 636,300	100%	\$ 627,474
Expenditures:				
Capital	1,409,000	717,183	51%	112,768
Balance-July 1	1,023,004	1,052,316	103%	889,966
Balance YTD	\$ 251,504	\$ 971,433		\$ 1,404,672

The Equipment Replacement Fund provides resources for major vehicle and equipment purchases. An annual funding level is established based upon equipment needs over a five year period. Resources are transferred from the General Fund to minimize budget fluctuations in tax supported funds.

Year to date purchases include \$110,960 for the financial system, \$479,716 for the triple combination pumper, \$26,729 for the police unmarked vehicle, \$27,098 for the police motorcycle, \$48,255 for parks chipper, \$50,849 for parks mower and \$11,856 for parks utility vehicle.

FACILITIES REPLACEMENT FUND

Facilities	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 194,000	\$ 2,113	1%	\$ 2,361
Expenditures:				
Operations	65,708	19,382	29%	28,854
Capital	400,000	58,199	15%	-
Balance-July 1	746,621	815,724	109%	912,346
Balance YTD	\$ 474,913	\$ 740,256		\$ 885,853

The Facilities Replacement Fund ending fund balance at December 31, 2015 is \$740,256.

TRANSPORTATION FUND

Transportation	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 1,799,896	\$ 834,374	46%	\$ 711,200
Expenditures:				
Operations	1,657,482	1,109,525	67%	481,375
Capital	680,000	62,754	9%	7,580
Transfers	10,000	10,000	100%	10,000
Balance-July 1	3,322,466	3,495,775	105%	2,694,228
Balance YTD	\$ 2,774,880	\$ 3,147,870		\$ 2,906,473

Transportation Fund revenues are from state gas taxes, transportation SDC's, federal STP funds and franchise fees. Resolution #2011-04 adopted in 2011 directs 15% of utility franchise fees to the Transportation Fund for the City's pavement management program. \$436,970 is budgeted in the current year for franchise fee revenue.

URBAN RENEWAL CAPITAL FUND

Urban Renewal - Capital	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 2,913,000	\$ 804,464	28%	\$ 1,723,339
Expenditures:				
Operation	378,374	175,272	46%	101,538
Capital	4,610,000	1,802,679	39%	344,858
Balance-July 1	2,264,709	2,507,524	111%	2,224,032
Balance YTD	\$ 189,335	\$ 1,334,037		\$ 3,500,975

The Urban Renewal Capital Fund accounts for the agency's major construction and improvements.

Capital expenditures totaling \$1,802,679 include \$1,182,711 for the Washington/Oak/Kane Improvements, \$119,559 for the Charles Gardiner Bike Improvement, \$56,420 for the Spruce/Parrot Improvement, and \$415,558 for the Stephens Street Improvement.

ENTERPRISE FUNDS

STORM DRAINAGE FUND

Storm Drain	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 1,616,205	\$ 787,065	49%	\$ 712,230
Expenditures:				
Operations	576,281	283,821	49%	289,235
Capital	922,500	244,535	27%	429,993
Balance-July 1	1,380,912	1,566,158	113%	1,099,947
Balance YTD	\$ 1,498,336	\$ 1,824,867		\$ 1,092,949

The Storm Drain Fund accounts for the revenues and operations of the storm drainage system. Year to date user charges of \$773,750 are the principal source of revenues.

Year to date Storm Drain Fund capital expenditures include \$155,817 for the Indianola Storm Improvement and \$84,809 for the Washington/Oak/Kane Improvement.

WATER SERVICE FUND

Water	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 5,082,949	\$ 2,949,155	58%	\$ 2,890,139
Expenditures:				
Operations	3,729,033	1,829,990	49%	1,800,831
Capital	2,274,500	452,523	20%	548,791
Balance-July 1	3,825,731	4,160,611	109%	4,603,996
Balance YTD	\$ 2,905,147	\$ 4,827,253		\$ 5,144,513

The Water Fund accounts for the City's domestic drinking water utility. Activities are totally supported by charges for services.

Year to date Water Fund revenues of \$2,949,155 is primarily from charges for services. Revenues are \$59,016 more than the prior year.

The ending fund balance at December 31st is \$4,827,253.

OFF STREET PARKING FUND

Off Street Parking	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 123,450	\$ 51,699	42%	\$ 65,221
Expenditures:				
Operations	146,722	52,095	36%	60,198
Balance-July 1	93,308	97,187	104%	86,925
Balance YTD	\$ 70,036	\$ 96,791		\$ 91,948

Off Street Parking revenues are from parking fines, meters, and parking rental fees in City owned lots. The ending fund balance at December 31st is \$96,791.

Effective November 1, 2012 the Downtown Roseburg Association, DBA Park-Smart, began providing parking enforcement services.

AIRPORT FUND

Airport	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 923,300	\$ 298,532	32%	\$ 794,392
Expenditures:				
Operations	248,117	104,012	42%	101,589
Capital	625,000	66,335	11%	581,104
Debt Service	125,288	30,144	24%	31,343
Balance-July 1	238,197	113,211	48%	153,853
Balance YTD	\$ 163,092	\$ 211,252		\$ 234,209

Current year Airport revenues include user charges of \$181,620 and a FAA grant of \$116,250. Capital expenditures in the Airport Fund are for the apron rehabilitation.

INTERNAL SERVICE FUND

WORKERS' COMPENSATION FUND

The worker's compensation fund was established in 1987 to provide financing for the City's self-insured worker's compensation program. Internal charges to other departments provide resources to administer claims management.

Worker's Comp	Budget	YTD Actual	%	Prior Year Actual
Revenues	\$ 303,000	\$ 151,670	50%	\$ 122,163
Expenditures:				
Operations	454,380	317,716	70%	219,283
Balance-July 1	457,757	233,202	51%	683,971
Balance YTD	\$ 306,377	\$ 67,156		\$ 586,851

An employee safety committee oversees safety and wellness programs for employees. The goal is to promote wellness and reduce work related accidents and injuries.

An actuarial review is completed every two years to ensure the program maintains reasonable reserves and funding levels.

ECONOMIC OUTLOOK

U.S. Economy

The December 2015 *Oregon Economic And Revenue Forecast* issued by the Office of Economic Analysis (OEA) reports that “Full employment is finally within sight” for the U.S. economy. While recognizing that the current economic expansion is far from perfect a “. . . long stretch of modest gains in recent years have cumulatively delivered significant progress across the economic spectrum.” It is noted that the number of actual jobs and job openings that are posted by businesses are at an all-time high and when weighed against a normal unemployment rate, at least on paper, points to workers finally becoming a bit scarce. With the combination of these employment factors, “. . . businesses must now compete on price (wages) to attract and retain the best employees.” Due to the emerging competition for employees, “. . . average hourly earnings for all workers are now increasing faster than inflation.”

There are, however, risks to the U.S. economic outlook. The manufacturing sector has and continues to experience deterioration due to weak global demand, a stronger U.S. dollar and the pull-back of investment related to oil and gas resulting in the elimination of this pillar to growth. Despite the reported strengthening in the labor market, large levels of underemployment and a wide disparity between urban and rural economies persist. Despite these risks, “. . . most economists and forecasters are relatively bullish about the near term, with many expecting the U.S. economy to reach full employment in late-2016, if not sooner.”

Offsetting manufacturing weakness is the continued strength in the service sector as job growth remains strong and personal consumption even stronger. While GDP growth has been slow to moderate in recent years, “. . . personal consumption is accelerating and driving growth. This is made possible by the continued improvement in the labor market and nascent signs of wage gains nationally.”

“The average U.S. worker has not experienced an inflation-adjusted wage increase since the Great Recession. Wages have grown, but at the rate of inflation, leaving workers no better off in terms of their purchasing power.” This condition appears to be changing; in October, the average hourly earnings increased by 2.5 percent relative to a year ago and is the strongest reading since the recession. Various economic outlooks, including the Federal Reserve’s, anticipate “. . . average wages to accelerate up to approximately 3.5 percent in the coming year.”

As Millennials age into their prime working years, it is estimated that job growth of 125,000 per month would be enough to absorb their entrance into the labor market. “With job growth in 2015 running north of 200,000 per month, slack in the economy is diminishing. It is expected that by this time next year, if not a bit sooner, the U.S. economy will reach full employment.”



Source: BLS, Oregon Office of Economic Analysis

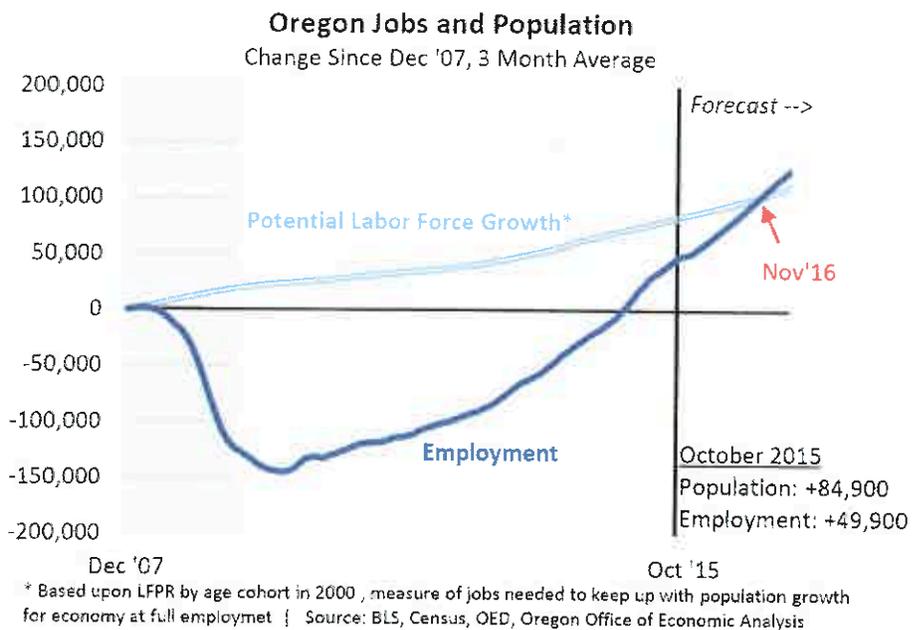
Translated this means that “. . . nearly all workers who want a job, have a job, they are experiencing wage growth along with their increasing productivity and inflation is stable.”

Oregon Economy

Oregon’s Office of Economic Analysis reports that “Oregon’s economy continues to make significant gains. Job growth has slowed just a bit from early 2015 rates, yet remains more than strong enough to bring the unemployment rate down and account for the influx of new workers as population growth picks up. More importantly, Oregon’s stronger-than-the-nation’s wage gains have continued through the fall.” Oregon job growth over the past year has been one percentage point faster than the typical state.

While Oregon’s expansion is far from complete, if the current rate of growth is maintained through the next biennium, Oregon is projected to reach full employment a year from now. While the job growth has slowed a bit from earlier in 2015 it still remains north of 3 percent over the past year; factoring from demographic trends (retiring of Baby Boomers) these rates are as strong as can be expected.

Oregon, as has been traditionally the case, is experiencing a strong migration inflow which is being driven by job opportunities and housing costs. “It is true that many new residents arrive unemployed, or in search of work. It takes time – an adjustment period – for a regional economy to absorb and integrate an influx of new job seekers. This is one reason why Oregon’s unemployment is higher than the nation’s. While the total number of jobs in Oregon has never been higher and is nearly 50,000 above pre-Great Recession levels, it has yet to catch up with underlying population growth. However, the gap is closing quickly. Today’s pace of job gains – approximately 4,000 per month – is double what is needed to keep up with population growth. By this time next year, if our forecast comes to pass, employment in Oregon will have fully caught up to the population gains since the onset of the Great Recession.”



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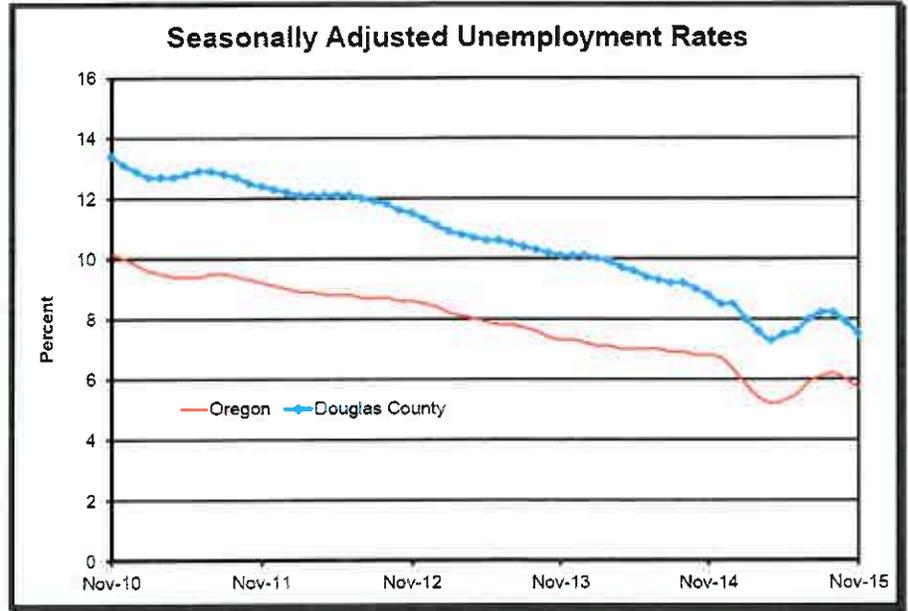
Job gains and overall improvement in the Oregon labor market are translating into stronger wage gains for the average Oregon worker and at a pace of growth beyond the typical state. The OEA noted that Oregon wages “. . . are at their highest relative point since the severe early 1980s recession when the timber industry restructured. Much of this improvement has come in the past 2-3 years [Oregon wages increasing at nearly 8 percent per year, better than during the mid-2000s expansion and average wages per worker increasing 3-4 percent per year]. . . While there remains much room for improvement in average income levels in Oregon, wages have not been this high, relatively, for more than a generation.”

Housing in Oregon’s metropolitan areas [Bend, Hood River, and Portland in particular] “. . . are experiencing rapidly eroding housing affordability as demand outstrips supply.” As demand exceeds supply a supply response is expected and new construction has increased as the pipeline for future work remains assured.

“Overall the Oregon economy, much like the nation, is nearing full employment, or at least it is within sight. Job growth is strong enough to absorb the new workers and bring down the unemployment rate. Wages are increasing much faster than in the typical state. And population gains are bringing increased demand for local services, including housing.” The growth in the housing market should prove beneficial to Douglas County’s economy.

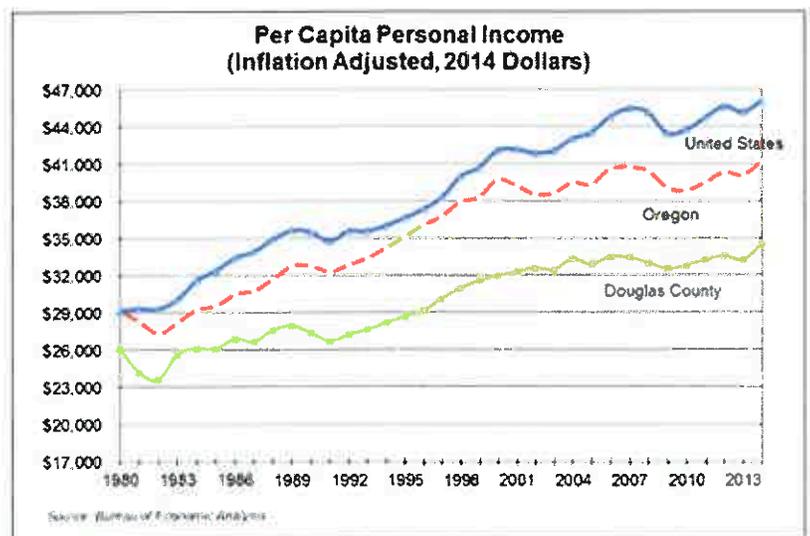
Douglas County

The State of Oregon’s Employment Department reported that Douglas County’s seasonally adjusted unemployment rate decreased from 7.5 percent in November to 7.1 percent in December. A closer look at the underlying numbers reveals that the labor force grew by 314 year-over-year (YoY) and jobs added were actually 1,063 YoY which reflect a strengthening labor market. It is also important to note that December’s unemployment rate of 7.1 percent is 1.4 percentage points lower from a year ago when December’s unemployment rate was 8.5 percent.



A recent study released by the State of Oregon Employment Department broke down the County unemployment rate by city and the results are important for the City of Roseburg to consider. According to the study, the City’s unemployment rate in November was 6.1% (not seasonally adjusted) which was a full 1.4 percentage points lower than the County’s seasonally adjusted unemployment rate for the same time period. In November, the City of Roseburg had a labor force (those that are either employed or are actively looking for employment) of 9,212 and the number of employed were 8,648 leaving 564 unemployed but who are looking for work.

A December 2015 report (Douglas County’s Per Capita Personal Income Rises in 2014) from the State of Oregon Employment Department shed some light on income growth locally. Per Capita Personal income, which consists of all forms of income, including earnings by place of work, dividends, interest and rent, and government transfer payments (largely Social Security and Medicare), when adjusted for inflation “. . . increased \$1,270 (3.8%) to reach \$34,520 in 2014, while the statewide and national figures rose \$1,150 (2.9% and \$890 (2.0%), respectively.”



“Douglas County’s total personal income grew by approximately \$198 million in 2014 to reach \$3.7 billion, a 5.7 percent increase over 2013. When the data are adjusted for inflation, however, total personal income increased by \$141 million, or 4.0 percent.”

Breaking down the aggregate total of per capita personal income for Douglas County it is reported that “. . . 48 percent is from earnings; 18 percent from dividends, interest and rent; and 34 percent from transfer payments in the form of Social Security and Medicare.” The data further highlights the County’s relatively large retirement age population as the County has a high portion of personal income from transfer payments when compared with the U.S. and Oregon which stand at 17 percent and 20 percent respectively.

Douglas County’s per capita personal income is 84 percent of the State’s and 75 percent to that of the U.S. The County’s 2014 per capita personal income is 18th out of 36 Oregon counties.

A FINAL NOTE

This quarterly report has been prepared to summarize and review the City’s operations and financial position for the first quarter of the 2015-16 fiscal year as of the month ending December 31, 2015, provide management with a financial planning tool, and monitor compliance with budget policy and Oregon budget law.

If you have questions about the report or would like additional information please contact Ron Harker, Finance Director, at (541) 492-6710 or via email at rharker@cityofroseburg.org. We encourage you to visit our website at cityofroseburg.org. The site is user friendly and contains information about the services we provide.

City of Roseburg, 900 SE Douglas Avenue, Roseburg, OR 97470
Phone: (541) 492-6710
Website: CityofRoseburg.org

**CITY OF ROSEBURG
BUDGET CALENDAR AND PROCESSING SCHEDULE
FOR FISCAL YEAR 2016-2017**

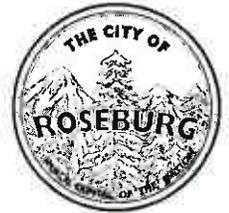
<u>TARGET DATE</u>	<u>ACTION</u>
1. 01/28/16	<u>1:00 P.M. – 5:00 P.M.</u> – Staff Retreat; Distribution of budget preparation manual & forms; budget briefing session; departments begin preparation process
2. 02/08/16	<u>7:00 P.M. COUNCIL MEETING (Budget Committee Invited)</u> : Annual Comprehensive Financial Report (“CAFR”) presented by City Auditor Tom Davidson; Distribution of Budget User’s Guide and calendar; Discussion regarding budget parameters; Finance Director presents Quarterly Report Ending 12/31/2015. Normally held prior to Staff Retreat (*Mail information to Councilors and Budget Committee members who do not attend the meeting.)
3. Week of 02/08/16	IT meets with individual departments to determine technology needs
4. 03/01/16	General Fund budgets submitted to City Manager and Finance Director at department head meeting. BG forms outlining grant requests shall be submitted at the same time, but separate from the full department budget.
5. 03/10/16	Special Fund budgets submitted to City Manager and Finance Director.
6. 03/15/16	Finance Director completes review of departmental budgets and advises City Manager of any uncommitted revenues. If the City Manager and Finance Director determine funding will be available, Staff issues news release indicating non-profit organizations may apply for contributions.
7. 03/16 – 03/18/16	Departments meet with City Manager to review departmental budgets
8. 03/25/16	City Manager completes review of operating sections of departmental budgets; begins revenue projections and directs expenditure adjustments
9. 04/04/16	*Notice of 05/03/16-- Budget Committee Meeting/Public Hearing on <i>Possible Uses of State Revenue Sharing</i> mailed to Budget Committee with reminder of meeting schedule and News-Review for 1st publication on 4/11/16 and posted on City’s website (ORS 294.426 requires publication no more than 30 days prior to hearing & allows for posting on City website rather than 2nd newspaper publication)
10. 04/11/16	Notice of 05/03/16 - Budget Committee Meeting/Public Hearing on Possible Uses of State Revenue Sharing published in News-Review
11. 04/13/16	Non-profit organization grant applications due. City Manager & Finance Director balance & complete proposed budget; Manager prepares Budget Message for City and Urban Renewal Agency
12. 04/18/16	<u>4:30 P.M. – 6:00 P.M. Budget Committee Training Session</u>

**CITY OF ROSEBURG
BUDGET CALENDAR AND PROCESSING SCHEDULE
FOR FISCAL YEAR 2016-2017– CONTINUED**

<u>TARGET DATE</u>	<u>ACTION</u>
13. 05/03/15	<u>7:00 P.M. – 8:30 P.M. First Budget Committee Meeting:</u> City Manager presents budget message and distributes the proposed budget; Public Hearing on Election to Receive State Revenue Sharing & <i>Possible</i> Uses Thereof is held
14. 05/10/16	<u>7:00 P.M. – 10:00 P.M. Second Budget Committee Meeting:</u> Individual departments begin review of their respective portions of the budget
15. 05/11/16 & 05/12/16	<u>7:00 P.M. – 10:00 P.M. Budget Committee Meetings continue as necessary</u> <i>**Budget Committee must hold final session and approve the proposed budget by 5/13/16</i>
16. 05/16/16	Notify News-Review of space needed for budget summary publication
17. 05/20/16	<u>Mail</u> Notice of 06/13/16 -- Public Hearing on <i>Proposed</i> Uses of Revenue Sharing and Detailed Summary of Budget as Approved by the Budget Committee to News-Review to be published on <u>5/29/16**ORS 294.448 requires notice to be published not less than 5 days and not more than 25 days, prior to the hearing; and post on City's website</u>
18. 05/29/16	Detailed summary of budget (as approved by the Budget Committee) and notice of <u>06/13/16</u> Public Hearing on <i>Proposed</i> Uses of Revenue Sharing <u>published</u> in News-Review
19. 06/13/16	<u>7:00 P.M. Council Meeting:</u> Council holds Public Hearing on <i>Proposed</i> Uses of Revenue Sharing & Proposed Budget as Approved by the Budget Committee and adopts a resolution electing to receive state revenue sharing & adopting the final budget <u>**pursuant to ORS 221.770</u>
20. 07/1/16	Send required forms to County Assessor pursuant to ORS 294.555 and Certification of Public Hearings Before the Budget Committee & Council on Possible & Proposed Uses of Revenue Sharing and the Resolution Electing to Receive Revenue Sharing to the State Executive Dept. <u>*Deadline is 07/15</u>
21. 07/8/16	File 1 copy of budget with Douglas County Clerk; 2 with DC Library

ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

OK
2/3/16



Proposed Library Service District

Meeting Date: February 8, 2016
Department: City Manager
www.cityofroseburg.org

Agenda Section: Special Presentation
Staff Contact: C. Lance Colley
Contact Telephone Number: 541-492-6866

ISSUE STATEMENT AND SUMMARY

This agenda item is being presented to Council pursuant to a request to support a Douglas County Library System funding measure. This request was submitted to the City Manager on January 25, 2016 by Mr. Jeff Pugh representing the "Save Our Libraries" PAC (SOL).

BACKGROUND

The Douglas County Library System consists of the Douglas County Central Library in Roseburg and ten branch libraries located throughout the county. This issue was presented to City Council in late 2011; however a Library District was not formed at that time. A portion of the packet information from the 2011 discussion has been attached as background for this discussion.

I have provided a number of documents attached to this memo including a current presentation outline provided by the Save Our Libraries PAC (Exhibit #1); a series of questions that were asked during the 2011 discussions (Exhibit #2); brief answers to those questions as provided by Mr. Pugh (Exhibit #3); and two memos provided to Council by former City Manager Swanson in 2011 relating to some process questions and issues (Exhibit #4).

The PAC is currently investigating options for moving forward with the creation of an independent Library District that would have an autonomous Board of Directors and taxing authority under state statute and the Oregon constitution. In order for this district to serve the citizens of Roseburg and impose taxes within the City limits, the City Council would need to consent to the inclusion of all the area within City boundaries.

Committee member Jeff Pugh and possibly others will be in attendance to present information and to answer questions regarding the library proposal.

A. Analysis

I have evaluated the initial information provided by the PAC that was received from the Assessor's Office and it does not appear to adequately address current compression. In 2012, property tax compression reduced taxes in the City by about \$150,000 without any impact from a new district. In the current fiscal year, compression has reduced taxes in the City by over \$300,000 without consideration of a new district.

The information provided to the SOL indicated that formation of a new district with a taxing capacity of 44 cents per thousand dollars of assessed value would cause an additional

\$660,000 compression impact. While our evaluation does not support that number, it appears to be the current worst case scenario. If in fact a new levy/permanent rate did create that amount of compression, about 85% of the compression loss would be a direct reduction in the property tax available for collection and distribution to the City.

B. Financial and/or Resource Considerations.

We do not currently have adequate or accurate information with which to determine the actual financial implications of the proposal. Our current estimates would deliver a range of impacts from between an additional compression amount of \$150,000 and \$650,000. Obviously a more detailed and accurate estimate will need to be available in order for Council to make an informed policy decision.

C. Timing Issues

SOL has asked to bring the issue to Council at your February 8th meeting to begin the discussion of their district formation to gauge your level of potential support for creation of a Library District. They also hope to determine what the long term impacts of forming the separate district would be within the community, as well as how it would impact the City and the existing services the City provides.

After discussing the issue with Mr. Pugh, SOL agrees that requesting Council to make a decision Monday evening is premature and they are not asking you adopt their proposed resolution at this time. The group is currently researching the timeline requirements for placing the issue on a future ballot, so we do not currently have the final decision date as of the delivery of this memo. We will continue to work with SOL to provide Council with information related to the timing issues. Until we can receive or develop accurate financial information, I do not believe that we can make a sound policy decision relating to this request.



Presentation by the **Save Our Libraries** PAC for Joining a
Douglas County Library District

To be presented to the Roseburg City Council on:

Monday, February 8, 2016 at 7:00 pm

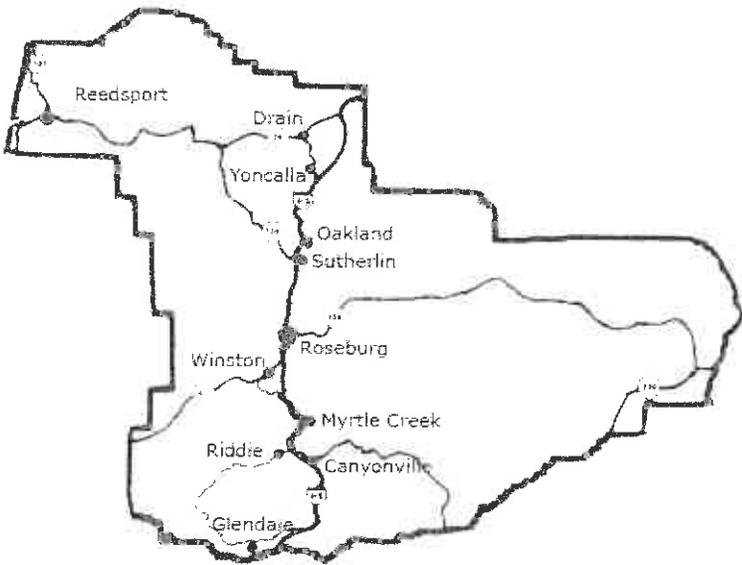
CONTENTS

- An Economic Feasibility Statement (which includes the Budget)
- A draft resolution opting in to the district - (also sent as an electronic copy)
- A link to a 5 minute video describing the functions of the Library System
<https://vimeo.com/152779492>

Outline of Presentation

Introduction
Why you should support a Library District
Why the library is valuable
Description of Feasibility Statement
Ask for vote

(Estimated time less than 15 minutes)



ECONOMIC FEASIBILITY STATEMENT FOR A DOUGLAS COUNTY (OR) LIBRARY DISTRICT

Prepared by Ruth Metz Associates
Submitted January 12, 2016

The Douglas County Library System is being defunded by the Douglas County Board of Commissioners. If voters approve a new funding method-- a library district--the main library in Roseburg and the branch facilities provided by 10 cities throughout the County will have permanent, dedicated operational funding. This will provide much needed services to the 106,972 residents of Douglas County.

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PREFACE AND ACKNOWLEDGEMENTS

This document constitutes the economic feasibility statement for the establishment of a Douglas County Library District. It was commissioned by the Douglas Library Foundation.

EXECUTIVE SUMMARY

Provision and support of adequate library services is a proper and necessary government function for the following reasons:

- An informed citizenry is necessary for the proper functioning of a democratic society.
- Public libraries are a cultural, informational and educational resource for the people of this state.
- Public libraries provide opportunities for reading, study and free inquiry within convenient reach of people.
- Citizens need to know about the activities of their governments.

As one of its functions, Douglas County has funded the Douglas County Library System (Library System) for decades. However, the loss of revenues and higher funding priorities in Douglas County has resulted in successive cuts to the Library System's budget since FY 2006-07. The Douglas County Board of Commissioners has decided to defund the Library System, cutting each successive annual operational budget by 25% until 2019 when there will be insufficient funds to operate the Library System.¹

The reduction of funding for the Library System since FY 2007/08 has eroded the consistency of services in hours, collections, programs, and technology. The planned elimination of funding will lead to the closure of the Library System.

A local citizen political action committee *Save Our Libraries (PAC)*, has formed to advocate for the establishment of a library district and dedicated taxes to operate the Library System. A library district would have its own taxing authority and voter-elected governing board. Funds raised by the tax could only be used for the Library System. Under Oregon law, the tax rate approved by voters cannot be increased.

¹ The Douglas County Board of Commissioners, through their representative to the Library Board, advised the Library Board and the Library Director at the March 17, 2015 Library Board meeting, that there is a three year plan to get departments off the general fund. This includes the Library System. As part of an across the board budget reduction plan the Douglas County Library System's current 2015-2016 budget was reduced by 25%. This reduction would have crippled the workability of the Library System without the timely donation of \$200,000 to the County by the Douglas County Library Foundation. It is expected that further fiscal year cuts to the library budget will be made in fiscal years ending 2017 and 2018, after which time the Library System will no longer receive county funding. The Douglas County Board of Commissioners has also encouraged all general fund recipients, including the Douglas County Library System, to pursue alternative funding.

The PAC intends to put the creation of a Douglas County Library District before voters at the November 8, 2016 general election. If successful, the Library System will have a stable funding base of \$0.44 per thousand dollars of assessed valuation.

The tax rate is based on a service plan and operating budget that addresses community needs. The plan meets the purpose, mission, and roles of the Library System. It also meets Oregon public library minimum ("essential") standards and norms. The Oregon Library Association has standards at three levels: "essential", "enhanced" and "exemplary".

The recommended tax rate of \$.00044 = 44 cents per \$1,000.00 of Assessed Property Value would provide sufficient funding to operate the Library in Roseburg and the ten existing branches throughout the County. The rate has been set at an amount sufficient to keep public libraries in Douglas County open and functioning efficiently and effectively at the least possible cost to taxpayers. Meeting higher than minimum (essential) standards, such as providing more open hours, larger collections, and more programs would cost more and necessitate a higher tax rate.

The tax rate amount takes into account that a district tax rate once established is permanent. Therefore, setting the rate must factor in tax revenue projections as well as the rising cost over time that is typical of any operating budget. In this case, assessed value is expected to increase at 3% per year while operating costs are expected to increase at 5% per year. Therefore, the tax rate must be sufficient to build a reserve in the early years of the Library District so as to sustain a consistent level of operations in subsequent years.

The estimated expenditure budget for the Library District in its first year is \$3.89 million. This report includes an explanation of the budget in the narrative and a detailed three-year budget table in Figure 2.

While voters decide on the fate of the Library System, there will be an increasing gap in its operational funding. In recognition of this, the Ford Family Foundation, the Oregon Community Foundation, and several other charitable organizations will provide some bridge funding for operations. Funding operational expenses is an exceptional departure from the norm in charitable giving. The bridge funds will help keep the main and branch libraries open at current levels until November 2016 when voters will decide on a library tax district.

In conclusion, a Douglas County Library District is feasible at a property tax rate of \$0.44/\$1000 assessed valuation provided that:

1. The property tax revenues in the County continue to increase by at least 3% per year. This increase will help offset the rising cost of services and materials.

2. The future library board builds the estimated fund balance each year, reserving revenues in the early years to offset higher costs in subsequent years.
3. Library management proactively integrates labor-saving technologies and practices into its operations on an ongoing basis, continuously improving both efficiency and effectiveness.
4. The future library board with the assistance of the Douglas County Library Foundation is able to raise additional funds through donations, gifts, grants, and standard fees.

With these provisos, the future library board can provide and sustain essential library services at a tax rate of \$0.44/\$1,000 of assessed valuation. A Douglas County Library District would:

- Provide stable funding for a library service plan that includes operating the main library in Roseburg and ten branches throughout the County a combined total of 290 hours per week.
- Put control of the Library System with an independent elected library board whose purpose is exclusively to provide library services.
- Set a permanent tax rate that will consistently sustain library operations throughout the County and that cannot be increased.
- Provide stable funding for the Library System that cannot be usurped for other purposes.

Without this stable source of funding, the Library System will permanently close. This would be unfortunate in the extreme because the Library System constitutes a unique cultural, educational, and informational resource for the people of the County.

The Library System enables an efficient, interconnected network that affords the resources of the whole Library System to everyone in the County. By bringing within convenient reach of the people opportunity for reading, study, and free inquiry, the Library System fosters a democratic society and makes governments more accessible, responsive, and accountable.

From an economic standpoint, the closure of the Library System would be unfortunate for the County. Like good schools, good public libraries are an incentive for businesses and families to locate and to remain in the communities of the County. The Library System contributes to the economic well-being of the County: by helping people learn new skills for a constantly changing labor market, by supporting early childhood education, by contributing to the success of children in school, and by encouraging life-long learning of all age groups.

In short, the Library System improves the quality of life and economic well-being for the people of Douglas County and its communities.

INTRODUCTION AND BACKGROUND

The Douglas County Library System in southern Oregon has existed since 1955. The Library System's headquarters is in Roseburg and ten branches of this interdependent, networked system are located throughout the County.

The Library System, which is a department of Douglas County local government, serves a population of 106,972 (2015). The Library System has been jointly funded by Douglas County and the cities where branches are located in this manner: the County budgets for the Roseburg facility and operations of the entire Library System, including staff, collections, and the computer network. The cities, excluding Roseburg², own and maintain their library buildings. The branch library cities are Canyonville, Drain, Glendale, Myrtle Creek, Oakland, Reedsport, Riddle, Sutherlin, Winston, and Yoncalla.

For many years the County has relied upon federal timber payments to fund its share of the Library System and other County services. As a result of the loss of timber funds, the County has determined to defund the Library System by FY 2018/19 with successive annual budget cuts. Consequently, open hours, staffing, programming and collections have been and will continue to be reduced.

The planned de-funding of the Library System general fund monies is expected to occur as follows. In FY 2006-07, the County's general fund contribution to the Library System's budget was \$2,625,429. By FY 2014/15, funding had been reduced by 38% to \$1,499,948. A further reduction of 25%, to \$1,125,708 is in effect for FY 2015/16. In FY 2016/17 another 25% reduction is planned; this will reduce the Library System's budget to \$844,281 and will likely close all the branches. In FY 2017/18, another 25% reduction will operate the remaining Roseburg facility with only a few paid staff supervising volunteers. The planned 25% reduction in FY 2018/19 will leave \$474,908 and will likely shutdown the Roseburg facility.

The Library System is unique in its purpose and mission which is "to provide free access to information, ideas, books and technology that enrich, educate, and empower every individual in our communities." (Douglas County Library mission statement). To be this positive force in the County and its communities, the Library System needs adequate and stable funding.

² Roseburg is a Douglas County maintained facility. Roseburg donates \$50,000 per year to the County to offset the cost. With additional tax and compression this donation would likely stop.

As previously noted, a PAC has organized to promote the creation of a library district. Under the Oregon Revised Statutes (ORS Chapter 198), there are two methods for creating a library district: petition and resolution. It is the intention of the PAC to launch a petition to start the creation of a library district. The goal is to have the ballot measure before voters in November of 2016. If successful, the Library System would have a stable funding base of \$0.44 per thousand dollars of assessed valuation.

Oregon state law requires that an economic feasibility statement for the proposed library district be prepared by the chief petitioner before petition circulation. Further, state law (ORS 198.749) requires that the economic feasibility statement contains the following:

- A description of the services and functions to be performed or provided by the proposed district;
- An analysis of the relationships between those services and functions and other existing or needed government services; and
- A proposed first-year line item operating budget and a projected third-year line item operating budget for the new district that demonstrates its economic feasibility.

This document constitutes the economic feasibility statement for the establishment of a Douglas County Library District. The report is organized in three parts, consistent with the three requirements listed in the preceding paragraph.

1.0 DESCRIPTION OF SERVICES AND FUNCTIONS TO BE PROVIDED

The service and functions to be provided and described below are in keeping with the standards and norms for public library services in Oregon. These standards and norms call for a professionally operated library system with personnel capable of managing well the operations and providing collections, services, technologies, and facilities that meet at least the “essential” (minimum level) standards of the Oregon Library Association for public libraries.

1.1 Structure and Funding of the Library

The Library System is an interconnected network of 11 facilities including the main library and headquarters in Roseburg. Branches of the Library System are in 10 incorporated cities. The staff at the Roseburg location performs the functions that enable efficient, cost-effective operations at all 11 facilities: administration, technology and technical services, public services coordination, and circulation coordination.

The funding model for the Library System has been a partnership between the incorporated cities and Douglas County: the cities provide, own, and maintain branch buildings and the County provides the Roseburg building and operating funds for all of the libraries. The partners efficiently leverage their assets without duplicating effort. Back-of-house functions such as procurement, inventory control, information and computer technology, programming planning, and administration are performed centrally at the Roseburg library for all facilities.

1.2 Community Needs

Douglas County is a vast, timbered 5,134 square miles of land and water and the fifth largest county in Oregon. It includes parts of five national protected areas, among them, Crater Lake National Park, Rogue-River-Siskiyou National Forest, and Umpqua National Forest. Douglas is one of two Oregon counties that extend from the Pacific Ocean to the Cascade Range.

The population of 106,972 residents is about equally divided between those that live in 12 incorporated cities, and those that live in 11 census-designated places and 24 unincorporated communities. Roseburg is the County seat and the largest of the cities. The cities hug the Interstate 5 corridor which runs north-south through the County and state highways 38 and 42 which connect the coast and coastal range with the I-5 corridor.

Educational attainment³ and income levels are lower in Douglas County than in Oregon as a whole and the unemployment and the poverty rates are higher.⁴ The County ranks 32 of 34 reporting Oregon counties in key benchmarks of community well-being: length of life, quality of life, and health factors, including health behaviors, clinical care, social and economic factors, and physical environment⁵.

According to the County Health Rankings, cited below, Douglas County ranks 26 of 34 reporting Oregon counties in social and economic indicators such as unemployment (10.8%), children in poverty (29%), and children in single-parent homes (34%) factors which put children at risk and reinforce the cycle of poverty.

- Children raised in poverty are more likely than other children to:
- Have limited or no access to adequate and preventive health care
- Have chronic health problems, such as asthma and anemia

³ High school graduate or higher, percent of persons age 25+ in Douglas County is 87.7% compared to statewide at 89.4%. Bachelor's degree or higher, percentage of persons age 25+, 2009-2013 in Douglas County is 16.1% compared to statewide at 29.7%.

⁴ Per capita money income in the 12 months of 2013 in Douglas County was \$21,870 compared to statewide at \$26,809. Median household income in Douglas County was \$40,524 compared to statewide at \$45,229. Persons below poverty level in Douglas County account for 18.7% of the population compared to statewide at 16.2%.

⁵ County Health Rankings and Roadmap, a Robert Wood Johnson Foundation program, collects and ranks significant health markers by county <http://www.countyhealthrankings.org/app/oregon/2015/rankings/douglas/county/outcomes/overall/snapshot>

- Experience food insecurity and hunger
- Have learning disabilities or developmental delays
- Score lower on standardized tests
- Be referred to juvenile justice
- Drop out of school
- Be poor as adults

These conditions further threaten the economic development of the County, the educational achievement of the County's children and youth, the economic potential of individuals and families, and the desirability of Douglas County as a place to live, to locate a business, and to retire.

Education is a critical pathway for the betterment of individual and community well-being. It is a proven pathway to higher wage jobs for adults and a known path out of poverty for children. The Library System is a freely available educational resource for all adults and children throughout the County.

1.3 Purpose of the Library System

The purpose of the Library System is to educate and empower residents and enrich the educational, social, and cultural life of the communities. The expressed mission of the Douglas County Library System is to "...provide free access to information, ideas, books and technology that enrich, educate, and empower every individual in our communities."

As noted above, many residents are amongst the most vulnerable in Oregon and desperately need the services and resources of their public libraries. The Library System is a safety net for a highly vulnerable population and offers opportunity out of poverty and hardship through education. In many of the host Library System communities, the library is the only public meeting space, as well as the residents' only access to information, books, and technology.

1.4 Key Library Service Roles

In keeping with its purpose and mission, the Library System's services emphasize:

- Developing early literacy in children: creating young readers, leading to literacy and lifelong learning.

Research has shown that using public libraries helps children's language development, readiness to read, school success, literacy as adults, and ultimately, their ability to succeed in the world.

- Stimulating the imagination: providing residents with library services to meet their recreational, educational, and informational needs.

The Library System collection features books and e-books, from popular to classical, electronic databases, and all forms of media. The Library

System's web presence provides local content and is also a portal to the global information market. Interlibrary services give residents access to collections throughout Oregon, the region and the world.

- Bridging the digital divide: connecting residents to technology and information through the internet, Wi-Fi, public computers, databases, and e-books.

Today, one must be able to find and apply for jobs online, to apply for benefits online, and to connect with government online. Many County residents do not have computers at home or the help to use web-based resources. Fortunately, they have the Library System where they can use computers and get help from trained staff to search online, take classes on line, and apply and prepare for jobs using online resources.

- Community engagement: providing the impetus for individuals and communities to gather for educational, social, and cultural enrichment in accessible facilities throughout the County.

Critical to delivering services to support these objectives are welcoming, attractive, and functional facilities. The Roseburg and branch libraries, with their meeting rooms and community-centered mission, help break individual isolation and build community through programs and services.

1.5 Library Service Specifications

This economic feasibility analysis is based on the proposed library district meeting minimum standards and providing the functions, operations, and services that enable compliance with Oregon Library Association standards at the "essential" (minimum) level. The operational structure, service plan, and budget assume these essential standards will be met. Reducing the budget below that which is in Figure 2 would undercut the ability of the Library System to meet these standards.

Library Hours

- Operate the main library and headquarters at Roseburg 45 hours per week.
- Operate the following large branches 30 hours per week at Myrtle Creek, Reedsport, Sutherlin, and Winston.
- Operate the following small branches 20 hours per week at Canyonville, Drain, Glendale, Oakland, Riddle, and Yoncalla.

System-wide Operations

- Online access to customer accounts and online resource such as eBooks, audiobooks and databases, 24 hours a day, seven days a week (24/7) through a virtual library hosted at the Roseburg facility;
- Integrated library system (ILS) operation;
- Wireless technology, computer management software, self-serve technology, and basic library equipment procurement and maintenance;
- System-wide collection development, acquisitions, cataloging and process, reference and reader's advisory services, and programs for all ages;
- Interlibrary delivery⁶ of library collection items;
- Online reservation of meeting room facilities throughout the Library System.

Library Collections

- Maintain and build the collection of books, periodicals, newspapers, audiovisual, digital, and electronic resources.
- Enlarge the children's collection.
- Expand access to books and other materials through interlibrary loan, reciprocal borrowing, and interlibrary delivery.

Programs and Services

- Children and families: early literacy and language development including weekly pre-school story times and activities such as family funfare book and crafts events.
- Teens: collections and services including book clubs, writers clubs, teen money management.
- Adults: collections and services for a broad spectrum of age groups, young adult through elderly.

⁶ Interlibrary Delivery is the transport by motor vehicle of physical items throughout the Library System. For example people that are house bound, home schoolers, and those that need large print books can order them to be delivered to their local library from any library in the system. If not checked out, they arrive within 3-4 days. Placing an order can be done from any computer, including those that are freely available in the local library.

- Information services: for all ages including homework help, job search, health and wellness, money management, home and auto repair and maintenance, legal resources as well as assistance in finding needed information and reading material.
- Programs for all ages: those that inspire such as book clubs and author events as well as programs that provide help for daily living such as digital skills, educational support, parenting, money management, tax preparation, health and wellness

Personnel

A qualified, well-trained, professional and support staff are essential to operating the Library System effectively and efficiently. For efficiency, many functions are centralized at the Roseburg library, including administration, acquisitions, cataloging, processing, technology support, human resources, accounting, public services and circulation.

The basic service plan on which the economic analysis is based calls for a total of 46.5 full-time equated (FTE) staff. This staffing plan is necessary to efficiently and effectively perform all of the functions of the Library System at a basic level. Staffing is organized in five groupings:

- Administration 7.0 FTE
- Library Branches 14.5 FTE
- Technical Services 7.0 FTE
- Circulation Services 9.0 FTE
- Public Services 9.0 FTE

2.0 RELATIONSHIPS TO OTHER GOVERNMENT SERVICES

The following is an analysis of the relationships between Library System services and functions and other existing or needed government services. This section also includes an explanation of the tax rate, compression, and pertinent political considerations.

2.1 Unique Role of the Library

The Library System is unique in its purpose and mission to "...provide free access to information, ideas, books and technology that enrich, educate, and empower every individual in our communities." No other entity in the County has this purpose or provides the Library System functions and services.

The permanent closure of libraries in Douglas County would deprive residents of the vital resources, services, and facilities most residents and families rely upon. The presence of the Library System throughout the County and its services provide opportunities like no other. The Library System encourages reading, early childhood learning and language development, education and lifelong learning for all ages, digital inclusion, civic and community engagement, and arts, culture, and creativity.

The Library System in all these ways helps reduce people's isolation like no other public presence. For the majority of residents, the Library System is essential to conducting the daily business of living. In short, the Library System helps create a healthier community and better quality of life for residents.

2.2 District Tax Rate

The recommended tax rate for the proposed library district is \$0.44 per thousand dollars of assessed valuation. This tax rate in combination with other revenues is expected to collect sufficient revenue to cover the estimated operational expenses, including beginning to build a reserve for subsequent years.

If approved by voters at the November 8, 2016 election, the first fiscal year of the district will begin July 1, 2017. The County Assessor's office will collect the tax beginning in November 2017 for the fiscal year that begins July 1, 2017.

The newly-elected library board may commit the expected revenues beginning July 1, 2017, by prior agreement with the County. The Library System operation will need funds to bridge the gap between the beginning of the fiscal year and the collection of the new tax by the County.

The amount of revenue generated will vary according to the assessed property value: as assessed value increases, decreases, or remains flat, so will the revenue generated by the permanent rate. Economic conditions will affect the gross revenue generated for the library district. Various other factors will affect the net receipts, such as the urban renewal district, non-profit housing, new construction growth, and real market values.

Figure 1 is a property tax index for a 44 cent tax rate. It shows the tax due on assessed property values ranging from \$75,000 to \$300,000. For instance, a property owner would pay \$33 on a property assessed at \$75,000, \$44.00 on a property assessed at \$100,000, and so forth. The 44-cent rate stays the same, permanently. The assessed value of property is the variable. The tax would be due annually and billed by the County Assessor in November.

Assessed Value	Tax (@ 44 cents/\$1000)
\$75,000.00	\$33.00
\$100,000.00	\$44.00
\$150,000.00	\$66.00
\$200,000.00	\$88.00
\$250,000.00	\$110.00
\$300,000.00	\$132.00

2.3 Compression

A library district would compete for property tax levy money with other non-school governments. Oregon's Constitution limits school and non-school tax rates. The constitution limits all non-school governments levy authority to a maximum of \$10.00 per \$1,000.00 of a property's real market value.⁷ County, city, fire district and other special district property taxing authority may total most of the \$10.00 limit. All permanent tax rate authority has priority over local option rate authority.

The constitutional limit can cause a proportional "compression" of all non-school governments' statutory levy authority for a unit of property. The County Tax Assessor annually determines the total of all permanent rates and all local option rates levied against a unit of property. If the total is less than the \$10.00 per \$1,000.00 cap, then all taxes are collected. If the sum is more than \$10.00 per \$1,000.00, then all local option levies are reduced proportionally to get under the cap.

For the purposes of this Economic Feasibility Statement, The leadership of the Save Our Libraries PAC analyzed the effect of compression on the proposed Library District revenues using the base year FY 2015-16. The 3-year budget, (Figure 2) uses the estimated Library District revenue from the PAC compression analysis and increases the tax revenue by 3% in the District's first year and annually thereafter.

2.4 Political Considerations

There are several political considerations that proponents of the Douglas County Library District should take into account and address directly with voters. They have to do with the governing authority for the proposed library district, voter support, the district boundaries, and the proposed tax rate. These considerations are discussed below.

2.41 Governance

Library advocates generally agree that a library district has a better chance with voters if it is independent of the County, with its own elected governing board. The governing authority for the proposed district will be a five-member library board, elected from a slate of candidates on the library district ballot. It is important that these candidates have the skills and ability to launch and govern a new library district as well as credibility with voters.

It is important for district proponents to work diligently over the next several months to clarify the desirable qualities of the library district board and ensure a strong slate of candidates. The skills, abilities, and credibility of the first library

⁷ Or. Const., Art. XI, Sec.11(11)(b)

board are a more urgent matter than where they live in the County. The first library board should be an at-large board.

2.42 Voter Support

Voting for a library district will keep libraries in Douglas County. It is important to emphasize to voters that keeping libraries open is urgent for Douglas County.

The tax rate would provide a service plan that is complete at a cost that is modest. Because it is a consolidated County Library System, it will be able to provide services on a par with other Oregon public libraries at a lower than average cost per capita.⁸

A recent Pew Research Center study found that two-thirds of Americans ages 16 and older say that closing their local public library would have a major negative impact on their community. Low-income Americans are more likely than others to say that a Library closing would negatively impact their lives and communities.⁹

Voting for the tax keeps the libraries open for children, families, and those trying to improve their economic, social well-being and quality of life. Over half of Douglas County residents are active library card holders.

The Library provides the only community bridge over the digital divide for many households in the County. For example, the internet has transformed access to business, education, and government services, directing people to computers when they need to find a job, do homework, or acquire information about public resources. Yet 30% of households nationally still lack broadband internet access at home; that percentage more than doubles in low income households.¹⁰ It is likely, therefore, that the percentage of households in Douglas County without broadband internet access at home is much higher than the national rate.

Voting for the formation of a library district puts control of the Library System and its funding in the hands of voters. Creating a library district that is independent of the County and that is governed by a board elected by the voters, guarantees that the revenues generated go for the purposes of the Library. The approval of a library district establishes a base of funding and a ceiling for the tax rate. A base of funding is leverage for other forms of support, including philanthropy and grants.

⁸ The average per capita expenditure for public libraries in Oregon was \$51.06 in FY 2013/14, the latest year for which comparative figures are available. The estimated per capita expenditures in the first year of the proposed Library District would be \$36.37 based on the 2015 Douglas County population.

⁹ Pew Research Center, *Libraries at the Crossroads*, 2015

¹⁰ Pew Research Center, *Internet and American Life Project*, 2013

2.43 District Boundaries and the Effect of Cities Opting Out

Cities that opt out of the district boundaries will relinquish the services of the library district, should it be approved by voters. This will mean that residents of such cities would be non-residents of the library district. To use the Library System, non-residents of the library district would have to purchase a library card. The current Douglas County Library System's non-resident library card fee is \$80 per person, per year.

2.44 The Tax and the Tax Rate

New taxes are generally not popular in any community. With the proposed service plan, library district proponents are offering the voters the option to have library services at a cost below the average for library services in Oregon. It seems the last remaining option before closing libraries entirely in Douglas County. It is important to inform voters of these facts and to emphasize that the permanent tax rate cannot be increased.

Further, closure of the Library System would deprive Douglas County of state and federal funds that support library service for children and the general public. Defunding the Library System will invariably erode the public regard for and confidence in local government's responsiveness to residents' needs and priorities.

3.0 PROPOSED THREE-YEAR OPERATING BUDGET

Figure 2 following the narrative below shows a three-year budget for the proposed library district. The following narrative describes what is included in each section of the budget.

3.1 Revenues

3.11 Tax Revenues

For the purposes of this Economic Feasibility Statement, the leadership of the Save our Libraries PAC analyzed the impact of compression on several estimated tax rates and created a compression worksheet. The group used the most recent assessed value, FY 2015-16, as the base year. The 3-year budget in Figure 2 uses the estimated library district revenue from the compression worksheet at the rate of \$0.44. To account for the increasing assessed value in the County, the tax revenue amounts have been increased from the base year by 3% starting with the first year of the library district, FY 2017/18. The rate of increase is based on the track record of revenues increases over the last few years.

3.12 Other Revenues

In addition to the tax revenues, the proposed library district would have other revenues from interest, overdue fines, user fees (such as from photocopying), grants, and gifts. Grants and philanthropic giving are typically ear-marked by the grantor for specific purposes. Therefore, the revenue estimate includes no grant

revenues as these would be offset by grant expenses. Philanthropic gifts would typically be made to the Library Foundation and included in its budget. Such funds would be transferred to the library district budget at such time as it is needed for its intended purpose.

3.2 Expenses

Expense categories include personnel, business and contracting services, materials and services, and budgeting for reserves. Each category is explained below.

3.21 Personnel

This category accounts for 46.5 FTE staff allocated across the 11 libraries. The estimate for personnel includes expenses such as payroll taxes, as well as health and retirement benefits for full-time staff. This estimate uses as a base the Library System's current salary and benefit structure. Actual salary and other personnel compensation and benefits will be set by the proposed Library District's governing board.

3.22 Business and Contract Services

The library district will become a local government itself, and as such will have corporate functions that have heretofore been performed by Douglas County in whole or in part. This category includes those business functions that any local government requires in order to operate: accounting, auditing, banking, debt collection, payroll and other HR services, insurance, recruitment, resource development, and security services. The library district will also need to contract for professional, technical, security, courier, and other business services which may have been provided by the County or are otherwise needed. These are shown as line items in the 3-year budget.

3.23 Materials and Services

This category includes information technology, telecommunications, library resources, equipment maintenance and repair, and facilities, dues and memberships, outreach and promotions, postage and freight, registration and tuition, supplies, training, travel and mileage expenses, and miscellaneous operating expenses.

Library resources include books, periodicals, audiovisual, database subscriptions, and computer software and services. Audiovisual materials include recorded books, CDs, DVDs, and other such items. An example of an electronic database is *ChiltonDYI.com*, a searchable database of the well-known Chilton auto repair manuals. An example of an online service is Tutor.com, which provides live, on-line homework help.

The budget allocates funds to equipment maintenance contracts, provides an allocation for small equipment replacement, and allocates funds for the annual replacement of a portion of the Library System's computers. It assumes a 3-4 year replacement schedule for the public computers (see reserve funds explanation below).

There is allowance for large equipment purchases, such as a telephone system. The Library System will gradually add standard equipment such as an LCD projector at each facility. It will also selectively add technology for efficiency: for instance, self-serve check-out machines and computer and print management software.

The facilities budget provides funds for property rental, utilities, repair and maintenance of the library facilities on a schedule, and custodial supplies.

This category also includes dues and memberships, outreach and promotional materials, postage and freight, registration and tuition, various supply accounts, training, travel expenses, vehicle expenses, and miscellaneous operating expenses. Additionally, this category includes an operating contingency line item to provide a margin of discretionary flexibility and for unforeseen expenses. Unexpended funds, as in all other categories, would become part of the year-end fund balance and should be carried forward into the succeeding year's budget and/or allocated to the reserve funds.

3.24 Reserves

Building a healthy fund balance is a "must" for sustainability of the proposed library district. As previously noted, the tax rate for the library district may not increase. Only the tax revenue can increase or decrease as the result of rising Taxable Assessed Value (TAV.)

Because the tax rate will be permanent, it is necessary to estimate revenues conservatively and expenditures realistically. Since 2011, the TAV has increased on average about 3% per year in Douglas County. Therefore, the 3-year budget assumes a 3% annual rise in district tax revenue. Expenditures have been estimated to rise at a 5% rate in most line items.

One might expect that if revenues decrease, the library district should simply tighten its belt. Of course this is true. However, it is fool-hardy to simply ignore the disparity of the revenue and expenditure growth relationship when establishing the tax rate; this is the very time to set a rate that is realistic. Otherwise the library district is saddled with a structural deficit from the beginning.

Estimating revenues conservatively and expenditures realistically for the purposes of accurately gauging the tax rate is good practice. This is not suggesting that once operating, the library district should feel license to increase its spending by 5% per year. Just the opposite: it should conserve revenues in order to sustain the minimum program of service upon which this budget is based.

Every library district, or any Oregon district for that matter, must think this way in gauging the tax rate because the tax rate can never change. This is a particular challenge in Oregon because of state district tax laws. Many other states allow a

levy lid lift when revenues grow at a slower rate than expenditures. Oregon does not.

The year-ending fund-balance and revenues from interest and fines and fees must be carried forward to insure sufficient revenues in succeeding years. This category includes funds budgeted to equipment replacement and technology reserve, a capital reserve, and a savings reserve for future years. Again, this is a must for sustaining operations over time.

Equipment Replacement and Technology Reserve

The Library System uses staff computers, public access computers, an ILS, and various other equipment and peripherals that make information technology work. The Library System leadership must build this fund for the scheduled, periodic replacement of essential public and staff equipment and technology.

Capital Reserve

The capital reserve fund is a separate set-aside fund for facilities maintenance and renovations. The fund must be sufficient to maintain the district's current and future library facilities over many years: this includes the purchase, repair, and replacement of major facility systems such as carpet, furnishings, heating, ventilation, and air conditioning, as well as unforeseen capital needs.

Reserves for Successive Years

It is important to note that the district tax revenues, with their limited growth potential, will not keep pace with likely increased costs of Library System operations. Accurately pegging the tax rate must take this into account.

Some library districts, such as Deschutes, have TAV that grows yearly at a rate higher than that of operating cost increases. Based on history, that is unlikely to be the case in Douglas County. Therefore, the recommended tax rate for the proposed library district is higher than it might otherwise be. The tax rate must be high enough to collect revenues and hold them in reserve for future years.

This economic feasibility analysis assumes that energy, telecommunications, postage, and other operating costs will outstrip the TAV revenue growth annually. No amount of fiscal restraint will over-ride the inherent reality of rising operating costs. Faced with this reality and without the reserves to deal with it, services would therefore have to be reduced.

If on the other hand revenues are exceeding the cost of operations, the library board at its discretion could increase the level of service. Typically, residents want the library open more hours per week than have been planned for in this baseline program of service and budget.

3.3 Three-Year Budget – Figure 2

REVENUES

LIBRARY DISTRICT BUDGET	Base Year Calculation FY 2015/16	Year One FY2017/18	Year Two FY 2018//19	Year Three FY 2019/20
District tax revenue after compression	\$ 3,805,858	\$ 3,920,034	\$ 4,037,635	\$ 4,158,764
interest on annual revenues		\$ 19,029	\$ 20,188	\$ 20,794
interest on reserves		\$ 3,827	\$ 8,524	\$ 13,460
finances and fees	\$ 37,000	\$ 37,614	\$ 37,000	\$ 37,000
Ready-to-Read Grant	\$ 24,500	\$ 24,500	\$ 24,500	\$ 24,500
TOTAL REVENUES	\$ 3,867,358	\$ 4,005,004	\$ 4,127,847	\$ 4,254,518

NOTE:

District tax revenue after compression is from the Gary Waugaman "With Library District Model" Compression Worksheet

The base year for the Model is FY 2015/16; the data came from Douglas County records

The Gary Waugaman Compression Worksheet "With Library District Model" has been reviewed by the County Assessor's Office

PERSONNEL EXPENDITURES

Wages	\$ 1,483,648	\$ 1,528,158	\$ 1,574,003
PERS	\$ 413,493	\$ 425,898	\$ 438,675
Social Security	\$ 113,499	\$ 116,904	\$ 120,411
WC	\$ 5,193	\$ 5,349	\$ 5,509
Unemployment	\$ 4,451	\$ 4,584	\$ 4,722
Insurance	\$ 712,530	\$ 733,906	\$ 755,923
TOTAL PERSONNEL	\$ 2,732,814	\$ 2,814,798	\$ 2,899,242

BUSINESS & CONTRACT SERVICES (expenditures associated with being an independent entity from the County)

Accounting	\$ 5,000	\$ 4,200	\$ 4,410
Audit	\$ 20,000	\$ 21,000	\$ 22,050
Banking fees	\$ 1,500	\$ 1,575	\$ 1,654
Debt collection services	\$ 10,000	\$ 10,000	\$ 10,000
Human Resources/EAP/Emp Asmt	\$ 45,000	\$ 47,250	\$ 49,613
Insurance Premiums (general liability)	\$ 18,000	\$ 18,900	\$ 19,845
Resource Development	\$ 32,000	\$ 33,600	\$ 35,280
Recruitment	\$ 3,500	\$ 3,675	\$ 3,859
Security Services (e.g., alarm monitoring)	\$ 2,300	\$ 2,415	\$ 2,536
Consulting, Professional and Technical	\$ 46,000	\$ 35,000	\$ 35,000
Courier Services (regional, supraregional)	\$ 10,000	\$ 10,000	\$ 10,000
Custodial Services	\$ 60,000	\$ 63,000	\$ 66,150
Consulting (IT)	\$ 50,000	\$ 50,000	\$ 50,000
TOTAL BUSINESS & CONTRACT SERVICES	\$ 303,300	\$ 300,615	\$ 310,396

MATERIALS & SERVICES EXPENDITURES
Information Technology

Integrated Library System (ILS)	\$ 32,000	\$ 33,600	\$ 35,280
Communication (internet)	\$ 14,500	\$ 15,225	\$ 15,986
Computer Software, hardware, peripherals	\$ 30,000	\$ 12,000	\$ 12,000
Telecommunications			
Telephone-local	\$ 2,500	\$ 2,625	\$ 2,756
Telephone-long distance	\$ 400	\$ 420	\$ 441
Telephone-remote communications	\$ 12,000	\$ 12,600	\$ 13,230
Library Resources			
Books, Periodicals, Audiovisual	\$ 174,000	\$ 182,700	\$ 191,835
Data Base Subscriptions	\$ 40,000	\$ 42,000	\$ 44,100
Computer Software (EBSCO Host, Tutor.com, etc)	\$ 25,000	\$ 26,250	\$ 27,563
Equipment Maintenance and Replacement			
Maintenance Agreements (Routers)	\$ 9,500	\$ 9,975	\$ 10,474
Maintenance Agreements - Office (Xerox, 3M)	\$ 8,900	\$ 13,350	\$ 14,018
Small equipment replacement	\$ 5,000	\$ 5,000	\$ 5,000
Equipment replacement	\$ 15,000	\$ 15,000	\$ 15,000
Facilities			
Property Rental and Lease (Buildings, equipment)	\$ 15,000	\$ 15,750	\$ 16,538
Utilities (electricity, sewer, etc.)	\$ 41,500	\$ 43,575	\$ 45,754
Repair and Maintenance	\$ 30,000	\$ 30,000	\$ 30,000
Custodial Supplies	\$ 7,000	\$ 7,350	\$ 7,718
Dues and Memberships	\$ 2,700	\$ 2,835	\$ 2,977
Outreach and Promotional			
Events at Libraries	\$ 16,000	\$ 16,000	\$ 16,000
Fund Raising events	\$ 15,000	\$ 10,000	\$ 10,500
Programming Support	\$ 10,000	\$ 9,000	\$ 9,450
Educational Supplies	\$ 4,400	\$ 4,000	\$ 4,000
Name tags/ shirts	\$ 2,700	\$ 2,835	\$ 2,977
Postage/Freight	\$ 8,000	\$ 8,400	\$ 8,820
Registration, tuition	\$ 7,500	\$ 7,875	\$ 8,269
Supplies			
Volunteer/ staff recognition	\$ 5,000	\$ 5,000	\$ 5,000
Library supplies (patron cards, etc.)	\$ 14,300	\$ 15,015	\$ 15,766
Office Supplies	\$ 5,200	\$ 5,460	\$ 5,733
Photocopy Paper	\$ 2,000	\$ 2,100	\$ 2,205
Printer Supplies	\$ 2,000	\$ 2,100	\$ 2,205
Printing Services (bookmarks, etc)	\$ 5,000	\$ 5,250	\$ 5,513
Training	\$ 5,200	\$ 5,460	\$ 4,000
Travel Expenses	\$ 5,500	\$ 5,775	\$ 6,064

Vehicle O&M (Mileage)	\$ 4,500	\$ 4,725	\$ 4,961
Miscellaneous operating expenses	\$ 15,000	\$ 20,000	\$ 20,000
TOTAL MATERIALS & SERVICES EXPENDITURES	\$ 592,300	\$ 599,250	\$ 622,130
Operating Contingency (12%) e.g. unforeseen	\$ 71,076	\$ 71,910	\$ 74,656
TOTAL OPERATING EXPENSES	\$ 3,699,490	\$ 3,714,663	\$ 3,831,768

RESERVE FUND ACCOUNTS

Equipment Replacement and Technology Reserve	\$ 30,000	\$ 70,000	\$ 70,000
Savings to offset expense increases in succeeding years (2%)	\$ 73,990	\$ 74,293	\$ 76,635
Capital reserve	\$ 87,348	\$ 90,548	\$ 100,200
TOTAL RESERVE FUNDS	\$ 191,338	\$ 234,841	\$ 246,835
TOTAL EXPENDITURES	\$ 3,890,828	\$ 3,949,505	\$ 4,078,603
TOTAL REVENUES	\$ 4,005,004	\$ 4,127,847	\$ 4,254,518
OVER/UNDER/CARRY FORWARD	\$ 114,176	\$ 178,342	\$ 175,915

IN CONCLUSION

A Douglas County Library District is feasible at a property tax rate of \$0.44/\$1000 assessed valuation provided that:

- The property tax revenues in the County continue to increase by at least 3% per year. This increase will help offset the rising cost of services and materials.
- The future library board builds the estimated fund balance each year and the reserve funds to help offset the rising cost of services and materials.
- Library management proactively integrates labor-saving technologies and practices into its operations on an ongoing basis, continuously improving both efficiency and effectiveness.
- The future library board with the assistance of the Douglas County Library Foundation is able to raise additional funds through donations, gifts, grants, and standard fees.

With these provisos, the future library board can provide and sustain essential library services at a tax rate of \$0.44/\$1,000 of assessed valuation. A Douglas County Library District will:

- Provide stable funding for a library service plan that includes operating the main library in Roseburg and ten branches throughout the County a combined total of 290 hours per week.
- Put control of the Library System with an independent elected library board whose purpose is exclusively to provide library services.
- Set a permanent tax rate that will consistently sustain Library System operations throughout the County and that cannot be increased.
- Provide stable funding for the Library System that cannot be usurped for other purposes.

Without this stable source of funding, the public libraries in Douglas County will permanently close. This would be unfortunate in the extreme because these libraries constitute a cultural, educational, and informational resource for the people of the County like no other.

Together, these libraries enable an efficient, interconnected network that affords the resources of the whole Library System to everyone in the County. By bringing within convenient reach of the people opportunity for reading, study, and free inquiry, the Library System fosters a democratic society and makes local government accessible, responsive, and accountable.

From an economic standpoint, the closure of the Library System would be unfortunate for the County. Like good schools, good public libraries are an incentive for businesses and families to locate and to remain in the communities of the County.

The Library System contributes to the economic well-being of the County: it helps people learn new skills for a constantly changing labor market; it supports early childhood education, it contributes to the success of children in school, and it encourages the life-long learning of all age groups. In short, the Library System improves the quality of life and economic well-being for the people of the County and of the communities therein.

CITY OF _____
RESOLUTION _____
APPROVING DOUGLAS COUNTY ORDER TO INITIATE FORMATION OF
COUNTY LIBRARY SYSTEM SPECIAL DISTRICT

FINDINGS:

- A. The Save our Libraries PAC intends to seek the approval of the Douglas County Commissioners to place on the ballot a measure to form a County Library System Special District under the authority of ORS 357.221. A Douglas County Library Special District would have authority to fund a Library System for all residents of the District.
- B. The Save Our Libraries PAC intends to initiate the formation of a Library System Special District by petition under authority of ORS 198.750. The PAC would like to include all county territory within the boundaries of the County Library System Service District.
- C. The territory of the City may only be included within the boundaries of the Library System Special District if the City Council adopts a resolution approving the County order initiating the formation of the Library System Special District.

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

The City of _____, Oregon, consents to the inclusion of all the territory of the City within the boundaries of the proposed Douglas County Library System Special District, and approves the Douglas County order initiating the formation of that district.

ADOPTED AND SIGNED this _____ day of _____, 2016.

ATTEST:

_____, Mayor

_____, City Recorder

STATE OF OREGON
County of Douglas

I certify that the foregoing is a true copy of the original resolution on file in the office of the City Recorder.

_____, City Recorder

City of Roseburg

November 18, 2011

Douglas County Commission
1036 SE Douglas Avenue
Roseburg, Oregon 97470

RE: PROPOSED LIBRARY SERVICE DISTRICT

Dear Commissioners:

As you are aware, the City of Roseburg, along with all other Douglas County cities, have been asked to adopt resolutions approving a Douglas County order to initiate formation of a County Library System Service District. The proposal has been discussed by the Roseburg City Council on October 24th and again yesterday. We have continued the matter to the November 28th Council meeting and may have need to discuss it further at the December 12th meeting. For your background information, I am enclosing the written material that our Council has considered in these deliberations.

There are a significant number of unanswered questions which have made a difficult decision even more difficult. In discussion with the Futures Committee, it appears the answers can only be provided by the Douglas County Commission. Therefore, we respectfully request your assistance with the following:

1. There is a 1994 intergovernmental agreement between Douglas County and the City of Roseburg which provides for the City's \$50,000 annual contribution to library operations. Should a Special District be formed, would this agreement be voided or would the County expect the \$50,000 contribution to continue?
2. The City Council believes the \$.50 tax levy rate is higher than need be to provide efficient and effective services. The Committee indicates that the Commissioners may not levy that full amount. What is the Commission's position on this?
3. Does the Commission intend to provide the proposed Library District with central services, e.g. legal services, building maintenance, human resource services, etc.? Or will the District be charged for those services through their tax revenues?

Page 2 – Letter to Douglas County Commission
Re: Proposed Library Service District
November 18, 2011

4. The proposal raises staffing and services levels to 2006 levels by almost doubling the current number of library employees while at the same time requiring a reduction in City services as a result of compression. The City Council suggests that the library should experience some reduction from 2006 just as every other governmental agency has done. What is the Commission's position on service and staffing levels?
 5. The City had proposed a November general election date to provide greater voter turn-out. Should the measure pass, this would also allow sufficient opportunity for cities to prepare for the financial impact in their 2013-14 fiscal year budgets. The Futures Committee indicated a May election was imperative because no library funding will be available July 1, 2012, and the library system would likely be dismantled. Will library funding discontinue July 2012?
 6. The Futures Committee has calculated that the City of Roseburg represents 48% of the tax base. Therefore, without City of Roseburg support the Library District proposal cannot go forth. We calculate Roseburg as 19-20% of the tax base. Can you engage the assistance of the Assessor to determine the appropriate percentage?
 7. Is the Commission aware of other potential future districts or levies that will be considered with the loss of timber dollars?
 8. We were informed that should a City opt out of the election, its residents would be charged a library usage fee. What are the projected usage fees and will they be the same for residents of all cities that opt out?
 9. Would the County Commissioners consider submission of an operating levy to the electorate versus formation of a taxing district?
- The following questions all relate to property tax compression. We have calculated that in the current year the City and the Roseburg Urban Renewal Agency have lost \$103,775 through compression. Should the Library District be formed, an additional \$129,200 would be lost. Attachment 2 of the enclosure outlines our calculations.
10. The City of Winston calculated compression based upon a flat 5% of tax revenues. Should the City of Roseburg use that calculation, our loss would be closer to half a million dollars. Can the County Commission engage the Douglas County Assessor's Office to provide definitive numbers for not only Roseburg, but the other County cities facing this question?

Page 3 – Letter to Douglas County Commission
Re: Proposed Library Service District
November 18, 2011

11. If the Commission chooses to charge the Library District for central services, would the Commission consider an agreement by which the Commission would agree to reduce the library levy should compression reach a certain level?

While the Roseburg City Council would prefer not to stand in the way of allowing the electorate to vote on this matter, they do have the obligation of acting in the best interest of the citizens of the City of Roseburg. Given the potential financial impact on City revenues, this creates quite a dilemma. Therefore, we need to be able to provide the Council and the electorate with as much information as possible. We would greatly appreciate your assistance in this matter.

If you have any questions or need clarification on any of our inquiries, please don't hesitate to contact me at 541-492-6866 or eswanson@cityofroseburg.org.

Sincerely,



P. Eric Swanson
City Manager

d

c: City Council
Department Heads

JEFFREY L. PUGH
Attorney at Law

Street Address:
420 S.E. Jackson Street

P.O. Box 1231
Roseburg, OR, 97470

Phone: (541) 673-3520
Fax: (541) 673-8786
Email: jpughlaw@gmail.com

February 3, 2016

Lance Colley
City Manager
City of Roseburg

Via email: lcolley@cityofroseburg.org

Dear Lance:

To the best of the PAC's ability, here are the answers to the questions posed in Eric Swanson's letter of November 18, 2011:

1. The intergovernmental agreement would not be binding on the City of Roseburg. Any agreement to contribute would have to be negotiated between the City and the Board of the District. The budget set forth in the Feasibility Statement does not include a contribution of \$50,000.00 from the City of Roseburg.
2. The budget is, with minor exceptions, built around what is deemed an "essential" level for libraries by the Oregon Library Association. This is the lowest of the three levels of budget for libraries. Also, if our compression figures are inaccurate and the proposed tax rate generates more than expected, the levy should reflect the amount necessary to provide the essential level and not a higher level of service.
3. All mentioned services are in the budget and the responsibility of the Special District. The Commissioners have indicated they will either lease the main building to the district for \$1.00 a year or transfer it to the District and have said all other assets will be transferred to the District. We have done our best to estimate HR, building maintenance etc, but the County has not generally segregated library expenses for legal, accounting, HR IT maintenance, etc.
4. We believe aiming for the essential level is appropriate, and the library has been cut so far that the increase in staffing is necessary.
5. It is now a November election.
6. Based on the County's 2014 figures for assessed values, the City comprised 20.8 % of the total assessed value of the County.
7. No. The PAC is not aware of any and none were mentioned in any conversations with the any of the County Commissioners.

Lance Colley
February 3, 2016
Page 2

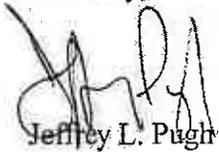
8. The current fee for out of County residents is \$80. The PAC feels this is low, as a \$200,000 home would pay \$88.00. But this is only the position of the PAC, and it will apply to all parties out of the District.

9. The County Commissioners have not considered a levy, and they have said they will stop funding the library in three years.

10. We have tried to have the County run the effect of this tax rate, and they have consulted with the firm they use and have not had them run the effect of this tax rate.

11. This is no longer relevant, as central services will not be contracted through the County.

Sincerely,



Jeffrey L. Pugh

JLP/le

ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY



Proposed Douglas County Library System Service District

Meeting Date: October 24, 2011
Department: City Manager
www.cityofroseburg.org

Agenda Section: Special Presentation
Staff Contact: Eric Swanson
Contact Telephone Number: 541-492-6866

ISSUE STATEMENT AND SUMMARY

This agenda item is being presented to Council pursuant to a request to support a Douglas County Library System funding measure. This request was submitted to the City Manager and Finance Director on October 12th by representatives of the "Futures Committee-Douglas County Library System."

BACKGROUND

The Douglas County Library System consists of the Douglas County Central Library in Roseburg and ten branch libraries located throughout the county. The library system is a partnership between the County, which supplies the staff, collection and computer network, and the cities, which own and maintain the buildings. The only exception is the City of Roseburg which contributes \$50,000 annually for the library headquarters located in Roseburg.

The Douglas County Board of Commissioners has agreed to initiate formation of a countywide service district for the Library System and to place the issue on the May 2012 ballot. In order for this district to serve the citizens of Roseburg, the City Council would need to consent to the inclusion of all the area within the City boundaries and approve the Douglas County order initiating the formation of the district.

Committee member Jim Pratt will be in attendance to present information and to answer questions regarding the library proposal.

A. Analysis

Staff has been asked to address compression and the financial impact to the City as a result of a new taxing district. Staff recommends holding a work session at a later date because the 2011-12 tax rolls are not available at this time.

B. Financial and/or Resource Considerations.

Current year tax values are expected to be available from the Assessor later this month. Last year's City compression totaled \$62,076, 0.5291% of total taxes of \$11.73 million.

C. Timing Issues

December 15, 2011 is the deadline to adopt a resolution to be included on the May 2012 ballot.

COUNCIL OPTIONS

Staff would appreciate feedback as to the analysis they wish to have available for the proposed work session. The City Council will be asked to consider a resolution at a later date.

STAFF RECOMMENDATION

Recommend Council work session on Thursday, November 17, 2011 at 4:00 pm to review current year tax roll, compression and financial impact to the City.

SUGGESTED MOTIONS

"I move to direct the City Manager to organize a work session for November 17, 2011 at 4:00 p.m. to review the proposed Library Service District tax on the 2011/12 tax roll compression and financial impact to the City's General Fund."

ATTACHMENTS

Proposed resolution

Description of proposed DC Library System Service District

Summary of responses from advisory groups and mayors

"City Provides/County Provides" handout

Susan Morgan statement on Douglas County budget

Library brochure



ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

Proposed Library Service District

Meeting Date: November 17, 2011
Department: City Manager/Finance
www.cityofroseburg.org

Agenda Section: Work Session
Staff Contact: Eric Swanson, Cheryl Guyett
Contact Telephone Number: 541-492-6866

ISSUE STATEMENT AND SUMMARY

This agenda item is being presented to Council pursuant to a request to support a Douglas County Library System funding measure. This request was submitted to the City Manager and Finance Director on October 12th by representatives of the "Futures Committee-Douglas County Library System."

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On October 24, 2011, Jim Pratt, Jeff Pugh and Jim Williams of the "Futures Committee-Douglas County Library System" met with the Council and requested consideration of a resolution approving the order to initiate formation of a Service District. At that time, the City Council directed that this work session be scheduled.

A. Analysis.

Impacts to be considered are addressed in the following subsections. The full economic impact is summarized at the conclusion and in Attachment 2.

Estimated Compression Impact: 2011/12 property tax compression per Douglas County Assessor is \$82,025 for the City of Roseburg and \$21,750 for the Urban Renewal Agency for a combined total of \$103,775. Compression is approximately 0.68% of total combined property taxes of \$15.3 million. Were the Library District instituted, City revenues are estimated to be reduced by an additional \$129,200 which equals 1.25 FTE Police Officer.

Current Contribution: The City Council had questioned whether the Library Committee would expect the City to continue the \$50,000 that is contributed from the General Fund to the Library on an annual basis. Staff has reviewed the budgetary information provided by the

Committee and notes that the revenues do anticipate continuation of that contribution. That \$50,000 equates to the summer season park maintenance crews.

Library Financial Information: Staff makes note that the current Douglas County Budget Library shows Restricted Ending Fund Balance of \$306,832. This balance does not appear to be included in the Library Committee revenue report.

There is concern that the proposed \$0.50 tax rate would provide for revenues beyond what may be needed to operate the system efficiently, and we specifically note that the proposed staffing will exceed 2006 levels. The City Council may wish to discuss options for a lesser tax rate which will still provide for an efficient system but would lower the impact on Douglas County cities. District advocates have indicated that the Douglas County Commissioners may choose not to levy the full \$0.50. To date, however, the Commission has made no commitments in that regard. It is also unknown whether administrative costs may or may not be charged to the District. There is an interest in knowing the Commissioners position on this topic. They have been invited to attend the Council work session, but conflicts may prevent them from doing so.

Election & Implementation: The City Council had inquired about voter turn-outs for the proposed May election versus a November general election. Historically, voter turn-out for May primary elections is 48% with turn-out for November general elections at 75.5%. The City Council may wish to propose that the election on this matter be delayed until the 2012 General Election. Should the District be approved at that time, this would allow sufficient opportunity for the City of Roseburg and all other Douglas County cities to prepare for the financial impact in their 2013-14 fiscal year budgets. If approved in May 2012, however, most entities would be nearing the end of their 2012-13 budget approval process and may not have sufficient time to address the budgetary loss.

Full Anticipated Library Impact

Current General Fund Obligation	\$ 50,000
Anticipated General Fund Compression	\$100,875
Anticipated Urban Renewal Compression	<u>\$ 28,335</u>
	\$179,210

B. Timing Issues

December 15, 2011 is the deadline to adopt a resolution to be included on the May 2012 ballot. Please note that the attached proposed resolution has been amended to remove Recital D which had stated the "City Council believes a Library System Service District will be able to better meet the needs of all members of the city."

COUNCIL OPTIONS

No action is necessary at this time. Council will be asked to consider a resolution at the December 12, 2011 meeting.

ATTACHMENTS

1. Tax Compression Examples
2. Compression Table
3. Proposed resolution

Library Committee Attachments

4. November Letter
5. Financial Analysis
6. Financial Table
7. October 24th Library Information

**MINUTES OF THE REGULAR MEETING
OF THE ROSEBURG CITY COUNCIL
January 25, 2016**

Mayor Larry Rich called the regular meeting of the Roseburg City Council to order at 7:00 p.m. on Monday, January 25, 2016, in the City Hall Council Chambers, 900 SE Douglas, Roseburg, Oregon. Councilor Fazio led the Pledge of Allegiance.

ROLL CALL

Present: Councilors Ken Fazio, Lew Marks, Alison Eggers, Steve Kaser, Andrea Zielinski, Tom Ryan and Victoria Hawks.

Absent: Councilor John McDonald.

Others present: City Manager Lance Colley, City Attorney Bruce Coalwell, City Recorder Sheila Cox, Public Works Director Nikki Messenger, Police Chief Jim Burge, Fire Chief Gregg Timm, Finance Director Ron Harker, Human Resources Director John VanWinkle, Management Technician Debi Davidson, Troy Brynelson of The News Review and Kyle Bailey of KQEN Radio.

MAYOR REPORTS

Rich congratulated former City Councilor Robert Cotterell for his selection as the Chamber of Commerce First Citizen and thanked Harker for the modified audit report which was distributed to Council.

COMMISSION REPORTS/COUNCIL WARD REPORTS

Ryan reported the Public Works Commission discussed the pavement management program.

Hawks reported the Historic Resources Review Commission reviewed an application from NeighborWorks Umpqua to demolish the Howell Apartments on Jackson Street. Due to extremely poor conditions, it is cost prohibitive to bring the structure up to code. It will be replaced with ground level retail and upper level housing.

MEDCOM UPDATE

Colley explained that MedCom oversees the ambulance service area and has a franchise agreement with Douglas County Fire District #2 (DCFD2) to provide those services. DCFD2 has issued a request for proposals to determine if a private ambulance service would be interested in pursuing a subcontract with DCFD2. Responses are due in late February with a decision for subcontracting expected in March.

AUDIENCE PARTICIPATION

Jacob Brewer, 511 SE Stephens, shared his observations regarding homelessness.

CONSENT AGENDA

Ryan moved to approve the following Consent Agenda items:

- A. Minutes of January 11, 2016 regular meeting.
- B. Purchase of 2016 full size Ford transit police van from Auto Additions of Salem for \$33,338.

Motion was seconded by Marks and carried unanimously.

ORDINANCE NO. 3457 – RECREATIONAL MARIJUANA REGULATIONS

Cox reported that the Council needed to consider an ordinance establishing business regulations for recreational marijuana dispensaries and other commercial activities (producers, processors, wholesalers and retailers). An ordinance regarding dispensaries was drafted to mirror the regulations already established for medical dispensaries. The other commercial activities would be regulated as all other business registrations within the City. Medical dispensaries that have been temporarily operating will have the ability to continue operating as a medical facility but may only sell recreational marijuana until December 31, 2016 unless they opt to transfer and become a recreational dispensary. OLCC is establishing state regulations and working work with local dispensaries on any transitions. At this time, recreational and medical marijuana sales cannot be operated at the same location or same address. Discussion was held on other portions of the Code which provide for background investigation of all owners of a business, whether an individual, company or corporation.

John Sajo, 1422 SE Court, stated that because Douglas County has banned marijuana sales, the area would be missing a great economic opportunity. He encouraged changes in zoning regulations to allow marijuana farming within the City.

Jess Rogers, 12772 Old Highway 99 South, and owner of Canna King, also spoke to the economic impact and specifically to his business situation wherein the Oregon Health Authority cited the business for rule violations. Further discussion on the matter was postponed to later in the meeting.

Cox read Ordinance No. 3457 for the first time, entitled: An Ordinance Adding Chapter 9.15 to the Roseburg Municipal Code to Establish Regulations Relating to the Operation of Recreational Marijuana Dispensaries and Other Commercial Marijuana Activities.

CLARIFICATION OF RMC 9.100.060 – PENALTIES FOR LICENSE REVOCATION

Cox reported that RMC 9.100.060 provides that in the event a business registration certificate, license or permit is revoked, no new registration certificate, license or permit shall be issued for three years to that person, to any partnership or association in which the person is a member or to any corporation of which the person is an officer. Although that provision has been in effect for more than 20 years, Staff wished to verify that the current Council concurred with the intent of the Code language. The issue was raised specifically because Canna King's license had been revoked when they lost their State license for medical marijuana dispensary. Canna King intends to reapply for a license, but issuance would not be allowed under RMC 9.100.060.

Considerable discussion was held on the Code language, with Councilors affirming Staff's interpretation of the Code but some having concerns that the penalties may be too harsh. In the instance of Canna King, Cox explained that the Code requires a dispensary to have a license through the Oregon Health Authority. Canna King lost their state license which automatically caused the revocation of their City license. Notification of revocation was sent via certified mail, regular mail and hand delivery to all addresses included on Canna King's application. Although appeal can be filed through the City Manager and then through the City Council, no appeal was filed.

Jess Rogers stated that Canna King failed to follow some state regulations. He chose not to appeal the State citation because of the time that would take. Instead, he opted to voluntarily surrender his license and pay a \$4,000 fine. In doing so, the Oregon Health Authority indicated he would be able to apply for a new license, reinstate operations and be treated as though no violations occurred – unless they reoccurred.

John Sajo urged Council to reconsider the ordinance as it could have very unfair results for businesses that must comply with substantially more State regulation than other types of businesses. He also felt the penalty was like mandatory minimum sentencing. Becky Rogers stated the revocation notice was never received at the Rogers' home address. Had it been received they would have pursued the appeal process. Max Smoot believed the Code should be more lenient on violations that are not criminal in nature.

Cox again indicated that every attempt possible was made to get notice to Rogers regarding the revocation. She did note that if Rogers were to get a new license from the Oregon Health Authority, he could submit a new application for City approval which would likely be denied pursuant to the Municipal Code. However, he could appeal that denial to the City Manager who could possibly grant a conditional approval of the license.

Consensus was to affirm Staff's interpretation of the Code language. Kaser stated it would be helpful for councilors to read the entire chapter, share any suggestions with the City Manager and bring the issue up at a later time if need be. Colley noted the difficulty in interpretation is if the inability to obtain a permit applies to operation of any business, the same business for which a permit was revoked or a similar business.

REFERRAL OF SALES TAX ON RECREATIONAL MARIJUANA

Cox reminded Council that they had adopted a 10% sales tax on marijuana. That was repealed pursuant to State law. State law now allows a local 3% sales tax. Currently, the state is charging a 25% tax which will be reduced to 17% beginning January 1, 2017. Ryan and Fazio did not support a sales tax, but would support letting the voters decide the issues. Hawks moved to direct Staff to begin the process of referring a 3% sales tax on recreational marijuana to the voters at the November 8, 2016 election. Motion was seconded by Marks and carried unanimously.

BICYCLE FRIENDLY COMMUNITY DESIGNATION

Messenger reported that Bike/Walk Roseburg requested that Council consider applying to become a Bicycle Friendly Community. The application process is quite involved and will require significant Staff time. Inasmuch as the project is not currently in the Council goals or work plan, Staff sought Council direction prior to committing to those efforts.

The following spoke in support of the initiative with many offering to volunteer their time to help with the application preparation: Jim Caplan, 145 Agape Road; Dick Dolgonas, 1338 SE Overlook; Matt Parks, 1203 NW Riverfront speaking on behalf of Mercy Medical Center; David Reeck, 2090 NW Excello; Ron Hilbert, 8301 North Bank Road; Juliete Polenshus, 412 W Myrtle, speaking on behalf of Umpqua Health Alliance; Thomas McGregor, 1249 SE Main, of Phoenix Charter School; David McFarland, 1689 NW Lynwood and Vice President of the Umpqua Velo Club; Marty Fink, 131 Forest Hills Lane; Christ Polenshus, 458 Umpqua; Arthur Chapet, 123 SE Lane; Jenny Carloni, President of the League of Women Voters of

Umpqua Valley; Georgina Olzaski, 181 Olivia Lane; Max Smoot, 404 NE Atlanta; Marissa Fink, 131 Forest Hills Lane and Director of the YMCA; and Alvaro Francisco, 1402 SE Court.

Ryan moved to direct Staff to participate with Bike/Walk Roseburg in preparing an application to the League of American Bicyclists for a Bicycle Friendly Community Designation. Motion was seconded by Fazio. Kaser encouraged the Bike Walk members to work with Staff to ensure they are doing as much as possible to limit the amount of Staff time needed. He also and requested Staff provide periodic updates as to project progress. Motion was then voted on and carried unanimously.

ITEMS FROM MAYOR, COUNCIL OR CITY MANAGER

Kaser asked that Council discuss two items at future meetings – an issue of private sewer lines in the public way and homelessness. Coalwell suggested it may be possible for RUSA to form a local improvement district to assist private property owners in obtaining sewer connections.

Colley commended Harker on preparation of the Popular Annual Financial Report (PAFR). The PAFR synthesizes the Comprehensive Annual Report which can be lengthy and complex.

Colley reported assessed values are not increasing as much as projected, and in some cases, have been reduced. This will not have a dramatic budgetary impact this year, but if the trend continues the City could experience compression issues. He will continue to try to obtain information regarding assessed values from Douglas County.

Colley reported a storm drainage failure occurred near the west end of Harvard Avenue. An emergency project had to be instituted in accordance with the Municipal Code to make immediate repairs. Costs are estimated at approximately \$100,000 and should be completed by Cradar Excavation within the week.

Meeting adjourned at 9:12 p.m.

Debi Davidson
Management Technician

ORDINANCE NO. 3457

AN ORDINANCE ADDING CHAPTER 9.15 TO THE ROSEBURG MUNICIPAL CODE TO ESTABLISH REGULATIONS RELATING TO THE OPERATION OF RECREATIONAL MARIJUANA DISPENSARIES AND OTHER COMMERCIAL MARIJUANA ACTIVITIES

WHEREAS, Oregon has had a medical marijuana program since 1998 when voters approved Ballot Measure 67, the Oregon Medical Marijuana Act (OMMA) which has been amended numerous times since; and

WHEREAS, in 2013, the Oregon Legislature enacted HB 3460 (ORS 475.314) creating a system for state-registered facilities licensed by the Oregon Health Authority ("OHA") to lawfully transfer medical marijuana between growers and patients or caregivers, which as originally drafted failed to address many local government concerns; and

WHEREAS, on September 22, 2014, the City Council adopted Ordinance No. 3433 implementing the land use regulations relating to medical marijuana dispensaries and Ordinance No. 3434 adding Chapter 9.14 to the Roseburg Municipal Code establishing regulations relating to the operation of medical marijuana dispensaries effective November 1, 2014; and

WHEREAS, at the General Election on November 4, 2014, Oregon voters approved Measure 91, which decriminalized the personal growing and use of certain amounts of recreational marijuana by persons 21 years of age or older beginning July 1, 2015; and

WHEREAS, Measure 91 also designated the Oregon Liquor Control Commission (OLCC) as the agency responsible for developing, implementing and enforcing a licensing program for businesses involved in the growing, processing, transporting, packaging and labeling of recreational marijuana for wholesale and retail sales, but left the enforcement of the home grow/personal possession to the discretion of local jurisdictions; and

WHEREAS, because OLCC was not prepared to issue licenses for the retail sale of recreational marijuana and did not expect to do so until sometime in 2016, the 2015 Oregon Legislature authorized medical marijuana dispensaries to sell limited quantities of recreational marijuana beginning October 1, 2015 and continuing until December 31, 2016 unless such early sales were prohibited by local ordinance under the authority of Senate Bill 460; and

WHEREAS, HB 3400 as enacted by the 2015 Oregon Legislature amended the Oregon Medical Marijuana Act and Measure 91 to give local governments the authority to adopt ordinances imposing reasonable regulations on the operation of the recreational marijuana facilities licensed by OLCC; and

WHEREAS, on January 11, 2016, the Roseburg City Council adopted Ordinance No. 3455 amending the Roseburg Land Use and Development Ordinance to provide limited and appropriate zoning use locations for recreational marijuana facilities within the City; and

WHEREAS, the Roseburg City Council now finds it necessary to amend the Roseburg Municipal Code to address business regulations for recreational marijuana dispensaries and all other businesses involved in the production, processing, transporting, as well as the wholesale and retail sales of recreational marijuana;

NOW THEREFORE, THE ROSEBURG CITY COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Chapter 9.15 is hereby added to the Roseburg Municipal Code to read as follows:

**REGULATIONS RELATING TO RECREATIONAL MARIJUANA DISPENSARIES
AND OTHER COMMERCIAL MARIJUANA ACTIVITIES**

- 9.15.005** **Definitions**
- 9.15.010** **Purpose**
- 9.15.020** **Recreational Marijuana Dispensary Operator’s License Application, Term and Fee**
- 9.15.030** **Recreational Marijuana Dispenser’s Permit Application, Term and Fee**
- 9.15.040** **Recreational Marijuana Dispensary Operating Regulations**
- 9.15.050** **Inspection of Books and Premises**
- 9.15.060** **City Indemnification**
- 9.15.070** **Other Commercial Marijuana Activities**
- 9.15.080** **Denial, Suspension and Revocation; Appeals and Penalties**

9.15.005 **DEFINITIONS.** As used in this Chapter, unless the context in which used clearly requires a different meaning, the following words and phrases shall mean:

“CFR Schedule I or Schedule II” means the controlled substances designated in the Code of Federal Regulations Title 21, Chapter II, Part 1308.

“Cannabinoid” means any of the chemical compounds that are the active constituents of marijuana.

“Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.

“Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae, but does not include industrial hemp as defined in ORS 571.300.

“Marijuana Items” means marijuana, cannabinoid products, concentrates and extracts.

“Marijuana Processor” means a person who processes, compounds or converts marijuana into useable products, including edibles, skin and hair products, concentrates or extracts within the City of Roseburg or in the State of Oregon.

“Marijuana Producer” means a person who grows and produces marijuana within the City of Roseburg or in the State of Oregon.

“Marijuana Retailer” means a person who sells marijuana items to a consumer within the City of Roseburg or in the State of Oregon.

“Marijuana Wholesaler” means a person who purchases marijuana items within the City of Roseburg or the State of Oregon for the purpose of reselling such items to a person other than a consumer.

“Medical Marijuana Dispensary” means a facility or operation licensed by the Oregon Health Authority and designed, intended or used for the purposes of delivering, dispensing or transferring marijuana to Oregon Medical Marijuana Registry Identification Card holders pursuant to ORS 475.300-475.346; and operating under a license obtained pursuant to Chapter 9.14 of the Roseburg Municipal Code.

“Oregon Liquor Control Commission”, “OLCC”, or “Commission” means the division of the state that administers the provisions of OAR 845-025-100-8580 and enforces all policies and procedures pertaining thereto as set forth therein.

“Other Commercial Marijuana Activities” means any marijuana related commercial activities that are not subject to the license requirements of this Chapter, or Chapter 9.14 of the Roseburg Municipal Code.

“Recreational Marijuana Dispensary” means any facility or operation designed, intended or used for purposes of functioning as a marijuana retailer. Recreational Marijuana Dispensary does not include a Medical Marijuana Dispensary.

9.15.010 PURPOSE. The purpose of this Chapter is to ensure that recreational marijuana dispensaries operated within the City limits of Roseburg are in full compliance with the requirements of the Oregon Liquor Control Commission as set forth in OAR 845-025-1000 - 8590, as well as, the City’s land use and development regulations, building and fire codes and all provisions of this Chapter, and to ensure safe access to recreational marijuana, while protecting the health, safety and welfare of the citizens of Roseburg.

9.15.020 RECREATIONAL MARIJUANA DISPENSARY OPERATOR’S LICENSE APPLICATION, TERM AND FEE.

A. Recreational Marijuana Dispensary Operator’s License Application. Pursuant to the provisions of this Chapter, no person shall operate a recreational

marijuana dispensary within the City without first obtaining a recreational marijuana dispensary operator's license from the City Recorder. Applications for such dispensary operator's license shall be available from the City Recorder's Office. Completed applications must be submitted to the City Recorder along with a copy of the applicant's license issued by the Oregon Liquor Control Commission pursuant to OAR 845-025-1000 – 8580, a copy of the applicant's driver's license or other government-issued photo identification, a current passport sized photograph of the applicant and payment of the original operator's application investigation fee and license fee as set by Council resolution. The application shall require the following information:

1. The business name, mailing address, physical location and telephone number under which the recreational marijuana dispensary shall be operated;
2. The days and hours during which the recreational dispensary shall be open for business;
3. The true name, residence address, date and place of birth and driver's license number or other government-issued photo identification number of the person intending to operate the recreational dispensary;
4. A statement that the recreational dispensary operator shall at all times comply with the regulations established by the Oregon Liquor Control Commission and this Chapter, as well as all other state and local laws relating to the dispensing and distribution of marijuana, including the City's land use and development regulations, building codes and fire codes relating to such dispensaries;
5. A statement whether the applicant for the dispensary operator's license has ever been convicted of any felony during the applicant's lifetime, or of a misdemeanor within the past five (5) years that relates to fraud, theft or the manufacture or delivery of a CFR Schedule I or Schedule II controlled substance.
6. A statement that the recreational dispensary operator shall not employ, or accept volunteer services from, any person to dispense marijuana or perform any other dispensary-related tasks, whom has not obtained a marijuana handler's permit from OLCC in accordance with OAR 845-025-5500 and a recreational marijuana dispenser's permit from the City; and
7. Any other information the City Recorder deems relevant and necessary to conduct any investigation or background check (including fingerprints) of the applicant and to ensure the proper protection of the public health, safety and welfare. All information provided on the recreational dispensary operator's application must be kept current at all times; any change in such information must be reported to the City Recorder's office within ten (10) days of such change.

B. Term of Recreational Marijuana Dispensary Operator's License. Licenses to operate a recreational marijuana dispensary shall be issued on a calendar year basis for a term of one year or portion thereof beginning upon the date of approval of the original application. Persons issued a recreational dispensary operator's license shall also be issued a recreational marijuana dispenser's permit, but shall not be required to pay the permit fee set forth in Subsection 9.15.030(C) of this Chapter. All dispensary licenses shall expire on December 31st of the year issued. If a licensee intends to continue to operate the following license year, not less than thirty days prior to the license expiration, the licensee shall complete a license renewal application and pay the annual license fee. Criminal history checks will be performed on the applicants of the original and each renewal application. A recreational marijuana dispensary operator's license shall not be sold, assigned, mortgaged or otherwise transferred.

C. Recreational Marijuana Dispensary Operator's License Fee. Upon submission of an original application for a recreational marijuana dispensary operator's license, the applicant shall submit a non-refundable application investigation fee and the annual license fee as set by Council resolution. If an applicant applies for such dispensary operator's license after July 1st, the annual license fee shall be reduced by one-half for the remaining portion of the first license year.

9.15.030 RECREATIONAL MARIJUANA DISPENSER'S PERMIT APPLICATION, TERM AND FEE.

A. Recreational Marijuana Dispenser Permit Application. No person shall be employed by, or provide volunteer services for, a recreational marijuana dispensary operator to dispense marijuana to consumers, or perform any other dispensary-related tasks, without first obtaining a recreational marijuana handler's permit from OLCC in accordance with OAR 845-025-5500 and a recreational marijuana dispenser's permit from the City Recorder. A recreational dispenser's permit shall be required for each recreational dispensary at which a person dispenses or performs any other dispensary-related tasks. Completed applications for a recreational marijuana dispenser's permit shall be submitted to the City Recorder, along with a copy of the applicant's OLCC marijuana handler's permit, driver's license or other government-issued form of identification, a current passport sized photograph of the applicant and payment of the non-refundable application investigation fee and recreational marijuana dispenser's permit fee as set by Council resolution. The application for such dispenser's permit shall provide the following information:

1. The business name, address, telephone number and the name of the licensed recreational dispensary operator for which the dispenser will be employed by or provide volunteer services for;
2. The applicant's true name, residence address, date and place of birth and driver's license number or other government-issued photo identification number;
3. A statement that the applicant is fully aware and knowledgeable of the rules and regulations established by the Oregon Liquor Control Commission, as

well as all other state and local laws relating to the dispensing and distribution of recreational marijuana including the City's land use and development regulations, building codes and fire codes relating to such dispensaries; and

4. A statement whether the applicant has ever been convicted of any felony during the applicant's lifetime, or of a misdemeanor within the past five (5) years that relates to fraud, theft or the manufacture or delivery of a CFR Schedule I or Schedule II controlled substance; and

5. Any other information the City Recorder deems relevant and necessary to conduct any investigation or background check (including fingerprints) of the applicant and to ensure the proper protection of the public health, safety and welfare. All information provided on the dispenser's application must be kept current at all times; any change in such information must be reported to the City Recorder's office within ten (10) days of such change.

B. Term of Recreational Marijuana Dispenser's Permit. Recreational marijuana dispenser permits shall be issued on a calendar year basis for a term of one year or portion thereof beginning upon the date of approval of the original application. All such dispenser permits shall expire on December 31st of the year issued. If a recreational dispenser intends to continue dispensing for a licensed recreational marijuana dispensary operator the following year, not less than thirty days prior to the permit expiration, the dispenser shall complete a permit renewal application and pay the annual permit fee. Criminal history checks will be performed on the original and each renewal application.

C. Recreational Marijuana Dispenser's Permit Fee. Upon submission of an original application for a recreational marijuana dispenser's permit, the applicant shall submit a non-refundable application investigation fee and the annual permit fee as set by Council resolution. If an applicant applies for such recreational dispenser's permit after July 1st, the annual permit fee shall be reduced by one-half for the remaining portion of the first year of the permit.

9.15.040 RECREATIONAL MARIJUANA DISPENSARY OPERATING REGULATIONS.

Each licensed recreational marijuana dispensary operator shall comply with the following operating regulations in addition to any other state or local rules and regulations:

A. Recreational marijuana dispensaries shall open for business no earlier than 9:00 a.m. and close no later than 9:00 p.m. any day of the week except Sunday, on which day such dispensaries must close by 6:00 p.m.

B. Recreational marijuana dispensaries must at all times be operated in strict compliance with Oregon Administrative Rules, Oregon Revised Statutes, this Chapter, building and fire codes and all other rules and regulations directly or indirectly relating to marijuana and the receipt, distribution, dispensing, transferring, advertising and

packaging thereof, as well as the security requirements, possession limits, and location and zoning requirements of recreational marijuana dispensaries.

C. The recreational marijuana dispensary operator's license issued by the Oregon Liquor Control Commission and the license certificate issued by the City must be prominently displayed in an easily visible location inside the dispensary at all times. All recreational dispensers employed by, or any person serving as a volunteer dispenser or providing any other dispensary-related services for the dispensary operator, must have their OLCC marijuana handler's permit and the recreational marijuana dispenser's permit issued by the City on their persons at all times while working or volunteering at the dispensary.

D. The recreational dispensary must not manufacture or produce any extracts, oils, resins or similar derivatives of marijuana on-site and must not use open flames or butane or other corrosive gases in the preparation of any product.

E. The recreational dispensary must be located in a permanent building and may not locate in a trailer, cargo container or motor vehicle and shall not offer drive-through services. Outdoor storage of merchandise, raw materials or other material associated with the recreational dispensary is prohibited.

F. No marijuana or paraphernalia shall be displayed or kept in a dispensary so as to be visible from the outside of the licensed premises. Marijuana and tobacco products must not be inhaled (smoked or vaporized), ingested (orally, sublingually or rectally), topically applied or otherwise consumed, in any manner that creates any pharmaceutical effect or chemical influences on a person while on the premises of the recreational dispensary.

G. The recreational dispensary must utilize an air filtration and ventilation system which, to the greatest extent feasible, confines all marijuana-related odors within the recreational dispensary rather than allowing such odors to escape outside. Sufficient measures and means of preventing odors, debris, fluids and other substances from exiting the dispensary must be in effect at all times.

H. The recreational dispensary shall require each person who delivers, transfers or provides marijuana to the dispensary to sign a written waiver/release stating the person releases all claims to the marijuana and agrees that the recreational dispensary will destroy any marijuana that tests positive for pesticides, mold or mildew. The recreational dispensary will document who the marijuana was received from, how much was received and the date it was destroyed. The recreational dispensary must provide for secure disposal of all marijuana that has tested positive for pesticides, mold, or mildew as well as, all remnants and by-products of all marijuana received, but shall not place such material within the dispensary's exterior refuse containers.

I. No minors shall be allowed in a recreational marijuana dispensary.

9.15.050 INSPECTION OF BOOKS AND PREMISES.

A. For purposes of confirming compliance with this Chapter, the City Manager, or his designee shall be authorized to inspect the premises of a recreational marijuana dispensary and all of the dispensary's financial, operational and facility information, including books, records, payroll records and state and federal tax returns. The operator shall be required to furnish the means, facilities and opportunity for such inspection.

B. As part of the investigation of any crime which law enforcement officials reasonably suspect has taken place in a recreational dispensary or in connection with the operation of such dispensary, upon request, the Roseburg Police Department shall have the authority to view the dispensary's video surveillance records and recordings, and audio records and recordings when available.

9.15.060 CITY INDEMNIFICATION.

A. By accepting a recreational marijuana dispensary operator's license or a recreational dispenser's permit issued pursuant to this Chapter, the licensee and/or permittee waives and releases the City, its officers, elected officials, employees, volunteers and agents from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of dispensary owners, operators, employees, volunteers, clients or customers for a violation of federal, state or local laws and regulations.

B. By accepting a license or permit issued pursuant to this Chapter, the licensee and/or permittee, jointly and severally, if more than one, agree to indemnify and hold harmless the City, its officers, elected officials, employees, volunteers and agents, insurers and self-insurance pool against all liability, claims and demands on account of any injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the recreational marijuana dispensary that is subject of the license.

9.15.070 OTHER COMMERCIAL MARIJUANA ACTIVITIES. No recreational marijuana dispensary or other commercial marijuana related business may lawfully exist in the City of Roseburg absent the issuance of a state license and full regulatory oversight of the marijuana establishment by the State as well as the City. Compliance with the requirements of this Chapter does not provide a defense to criminal prosecution under otherwise applicable law. All commercial marijuana activities that are not subject to the licensing requirements of this Chapter or Chapter 9.14 of the Roseburg Municipal Code, including but not limited to medical or recreational marijuana processors, producers, wholesalers, and laboratories, shall be required to obtain a general business registration pursuant to Chapter 9.02 of the Roseburg Municipal Code in addition to meeting all other local and state laws.

9.15.080 DENIAL, SUSPENSION AND REVOCATION, APPEALS AND PENALTIES.

A. In addition to the grounds set forth in Chapter 9.100, the City Recorder may deny, suspend or revoke a recreational marijuana dispensary operator's license or a recreational dispenser's permit for failure to meet the requirements of this Chapter or to comply with the rules adopted by this Chapter or any other local or state requirement relating to recreational marijuana facilities.

B. A decision to deny an application for a recreational dispensary operator's license or dispenser's permit shall be submitted in writing setting forth the reasons therefore and advising the applicant of the right to appeal the Recorder's decision pursuant to RMC 9.100.

C. A decision to suspend or revoke a recreational dispensary operator's license or dispenser's permit pursuant to this Section shall be in writing, setting for the reasons therefore, and giving the licensed operator or permitted dispenser written notice by first-class mail at least five days prior to the effective date of the suspension or revocation. Such notice shall also advise the operator or dispenser of the right to appeal the Recorder's decision pursuant to RMC 9.100.

D. The remedies provided in this Section are not exclusive and shall not prevent the City from exercising any other remedy available under law, either simultaneously or otherwise, including but not limited to seeking penalties as provided in Chapter 1.06 of this Code.

SECTION 2. If any section, subsection, paragraph, sentence or word in this ordinance is deemed to be invalid or beyond the authority of the City, either on its' face or as applied, the invalidity of such provision shall not affect the other sections, subsections, paragraphs, sentences or words of this ordinance, and the application thereof; and to that end, sections, subsections, paragraphs, sentences and words of this Chapter shall be deemed severable.

**ADOPTED BY THE ROSEBURG CITY COUNCIL ON THIS 8th DAY
OF FEBRUARY, 2016.**

APPROVED BY THE MAYOR ON THIS 8th DAY OF FEBRUARY, 2016.

LARRY RICH, MAYOR

ATTEST:

SHEILA R. COX, CITY RECORDER

esc
2/2/16



ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

ORDINANCE GRANTING A TELECOMMUNICATIONS FRANCHISE TO AMERIVISION COMMUNICATIONS, INC.

Meeting Date: February 8, 2016 **Agenda Section:** ORDINANCES
Department: City Recorder **Staff Contact:** Sheila R. Cox *esc*
www.cityofroseburg.org **Contact Telephone Number:** 541/492-6866

ISSUE STATEMENT AND SUMMARY

The City has received an application for a telecommunication franchise from Amerivision Communications, Inc. located in Oklahoma City, Oklahoma.

BACKGROUND

A. Council Action History. Council has not acted on this particular application.

B. Analysis. The subject application and associated fee was not received until February 1, 2016; however the company has been providing services in Roseburg since July 1, 2015 and has retroactively paid the appropriate franchise fees back to that date.

C. Financial and/or Resource Considerations. As a non-carrier provider of telecommunication services within Roseburg, Amerivision is required to pay a franchise fee of 5% of the gross revenues derived from customers within the City.

D. Timing Issues. As noted above, the application was submitted just recently, but service to Roseburg customers began on July 1, 2015. Therefore, Staff is requesting that the franchise be granted retroactively to that date. Such effective date will make the initial term of the franchise 2 years and 6 months, with an expiration date of December 31, 2017. The ordinance will also allow renewal options of three years each, for a total of five terms.

STAFF RECOMMENDATION Staff recommends that Council proceed with first reading of the ordinance, followed by second reading and adoption at the February 8, 2016 meeting to avoid further delay in issuing the franchise.

SUGGESTED MOTION If Council concurs with Staff's recommendation, Council will need to request first reading of the ordinance granting a telecommunications franchise to Amerivision Communications, Inc. effective

retroactively to July 1, 2015 after which the following motions would be appropriate:

#1 *"I MOVE TO SUSPEND THE RULES AND PROCEED WITH SECOND READING OF ORDINANCE NO. 3458."*

#2 *"I MOVE TO ADOPT ORDINANCE NO. 3458."*

ATTACHMENTS Proposed Ordinance

cc: Amerivision Communications, Inc.
Attn: Judith Riley, Regulatory Agent
PO Box 720128
Oklahoma City, OK 73172-0128

Subject Franchise File
Chrono File

ORDINANCE NO. 3458
AN ORDINANCE GRANTING A TELECOMMUNICATION FRANCHISE
TO AMERIVISION COMMUNICATIONS, INC.
EFFECTIVE RETROACTIVELY TO JULY 1, 2015

SECTION 1. Grant of Franchise. The City of Roseburg, hereinafter called "City", hereby grants Amerivision Communications, Inc., hereinafter called "Franchisee", the non-exclusive right to use and occupy all public ways within the Franchise Territory, solely for the purposes described herein, for a period of two years and six months beginning retroactively to July 1, 2015 and ending December 31, 2017, following Franchisee's acceptance of the Franchise as provided in Section 11 of this Ordinance.

SECTION 2. Incorporation of Roseburg Municipal Code. This Franchise is granted pursuant to Chapter 9.25 of the Roseburg Municipal Code ("RMC"), entitled "Telecommunications Providers", and shall be interpreted to include all provisions of Chapter 9.25, as it now exists and as it may be amended during the term of the Franchise, and all other provisions of the Roseburg Municipal Code and City regulations with which Chapter 9.25 requires compliance, as if set forth in writing herein. A copy of Chapter 9.25, as it exists and is in effect on the effective date of this Franchise, is attached to this Franchise as Exhibit "A". It shall be the responsibility of the Franchisee to keep itself informed of any amendments to applicable provisions of the Roseburg Municipal Code and all related regulations.

SECTION 3. Amendment and Renewal. The Franchise granted by this Ordinance may be amended in accordance with RMC 9.25.120 and may be renewed in accordance with RMC 9.25.100.

SECTION 4. Franchise Territory. The "Franchise Territory" is all territory within the boundaries of the City of Roseburg, as currently existing or as the boundaries may be adjusted during the term of this Franchise.

SECTION 5. Services to be Provided. Franchisee shall provide telecommunications services as authorized by law to residents, businesses and other entities within the City of Roseburg.

SECTION 6. Franchise Fees. Franchise fees shall be based on Franchisee's annual use of the City's public ways, as provided below:

- A. Fee Base.** For the privileges granted by this Franchise, Franchisee shall pay five percent (5%) of its gross revenue derived from services provided to customers within the City limits of Roseburg.

B. Payment. All payments due hereunder shall be paid to the City of Roseburg by check or money order delivered to the address of the City for notices as set forth herein.

C. Due Date. Franchise fees shall be paid to the City on a quarterly basis, based on the revenues derived from the quarter just passed, not more than 30 days following the end of each quarter.

D. Late Fee. If Franchisee fails to pay the Franchise fee when due, Franchisee shall be charged a penalty of ten percent (10%), and the legal rate of interest established by state statute on the unpaid balance.

SECTION 7. Notices and Authorized Representatives.

A. Except for emergency notification of Franchisee, all notices or other communications between the parties shall be deemed delivered when made by certified United States mail or confirmed express courier delivery to the following persons and locations:

If to City:

City of Roseburg
ATTN: Sheila R. Cox, City Recorder
900 SE Douglas
Roseburg, OR 97470
E-mail: scox@cityofroseburg.org
Phone: 541/492-6866

If to Franchisee:

Amerivision Communications, Inc.
ATTN: Barbara Rogers, Tax Agent
PO Box 720128
Oklahoma City, OK 73172-0128
E-mail: brogers@telecompliance.net
Phone: 405/755-8177

Either party may change the identity of its authorized representative(s) or its address or phone number for notice purposes by delivering written notice of the change to the other party.

B. In case of an emergency that causes or requires interruption of service, City shall give Franchisee emergency notification by hand delivery or telephone, as appropriate to the nature of the emergency, to the following:

Contact Person's Name: Judith Riley, Regulatory Agent
Mailing Address: PO Box 720128; Oklahoma City, OK 73172-0128
Telephone: 405/755-8177
Email: jriley@telecompliance.net

SECTION 8. Location, Relocation and/or Removal of Facilities. RMC Chapter 4.02, along with RMC Sections 9.25.290 – 9.25.320, sets forth the conditions for the construction, installation, location, relocation and removal of Franchisee's facilities. There

are no exceptions or additions to these regulations unless Franchisee is exempted by statute.

SECTION 9. Representation and Warranty of Franchisee. By executing this document, Franchisee represents and warrants that it is familiar with all provisions of this Franchise, including those contained in this Ordinance, and that it accepts and agrees to be bound by all terms, conditions and provisions set forth herein.

SECTION 10. Franchise Effective Date. Franchisee began serving Roseburg customers on July 1, 2015; and submitted an application requesting a telecommunications franchise and paid the application fee on February 1, 2016. The Roseburg City Council approved such request at its meeting on February 8, 2016; and hereby authorizes this Franchise to take effect retroactively on July 1, 2015 and expire on December 31, 2017, provided Franchisee satisfies the acceptance requirements of Section 11 of this Ordinance.

SECTION 11. Acceptance of Franchise. Upon receipt of this Ordinance, Franchisee shall sign in the space below to indicate its unconditional acceptance of the terms and conditions upon which City has offered the Franchise described herein, and immediately return such acceptance to the City. If Franchisee fails to accept the Franchise and return acceptance to City within 30 days of the adoption of this Ordinance, this Ordinance and the Franchise granted herein shall become void and have no force or effect.

ADOPTED BY THE CITY COUNCIL ON THIS 8th DAY OF FEBRUARY , 2016.

APPROVED BY THE MAYOR ON THIS 8th DAY OF FEBRUARY, 2016.

MAYOR

Larry Rich

ATTEST:

Sheila R. Cox, City Recorder

(Franchisee's Acceptance on Following Page)

FRANCHISEE'S ACCEPTANCE OF ORDINANCE NO. 3458

This Ordinance is hereby accepted by Amerivision Communications, Inc. on this _____ day of _____, 2016.

By: _____
(Signature)

Name: _____
(Printed)

Title: _____

Date: _____

State of _____)
County of _____) ss.

This acceptance was signed before me on _____, 2016 by,
_____ as _____ of Amerivision Communications, Inc.

Notary Public for _____
Name: _____
My commission expires on: _____

.....
Acceptance received by City Recorder on _____, 2016.

Sheila R. Cox, City Recorder

Handwritten initials and date: 2/2/16

ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY



FEE SCHEDULE AMENDMENT – RECREATIONAL MARIJUANA

Meeting Date: February 8, 2016
Department: City Manager's Office
www.cityofrosburg.org

Agenda Section: Resolutions
Staff Contact: Debi Davidson
Contact Telephone Number: 492-6866

ISSUE STATEMENT AND SUMMARY

The City Council is asked to adopt fees related to recently adopted recreational marijuana operations.

BACKGROUND

A. Council Action History. On January 25, 2016, the City Council supported Staff recommendation regarding recreational marijuana regulations and held first reading Ordinance No. 3457 adopting those regulations. It is anticipated that second reading and adoption of the ordinance will occur during the February 8, 2016 meeting.

B. Analysis. Ordinance No. 3457 provides for fees to be paid for recreational marijuana dispensary operators and dispensers. Staff's recommendation was to set these fees at the same rate as medical marijuana operations which are:

Annual Operator's License	\$500.00
License Fee on or after July 1	\$250.00
Original Application Investigation Charge	\$500.00
Annual Dispenser License	\$50.00
License Fee on or after July 1	\$25.00
Original Application Investigation Charge	\$50.00

C. Financial and/or Resource Considerations. Fees are set at a rate to cover the cost of Staff time involved in investigating and issuing the licenses.

D. Timing Issues. Fees need to be in place by March 8, 2016, at which time Ordinance No. 2457 shall be effective.

COUNCIL OPTIONS

The City Council has the option to:

1. Adopt the fee amendment resolution as presented.
2. Adopt the fee amendment resolution with changes.
3. Decline to implement fees for recreational marijuana operations.

STAFF RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 2016-01 as presented.

SUGGESTED MOTION

"I MOVE TO ADOPT RESOLUTION NO. 2016-01 REGARDING RECREATIONAL MARIJUANA RELATED FEES."

ATTACHMENTS

Resolution No. 2016-01.

RESOLUTION NO. 2016-01

A RESOLUTION AMENDING RESOLUTION NO. 92-13 REGARDING RECREATIONAL MARIJUANA RELATED FEES

IT IS HEREBY RESOLVED by the City Council of the City of Roseburg, that Resolution No. 92-13 adopted by the City Council on August 24, 1992, is amended as follows:

Section 1: The following monthly fees shall be imposed for Recreation Marijuana Dispensary Operators and Dispensers:

Recreational Marijuana Dispensary Operator Annual License:

Operator's License	500.00
On or after 7/1	250.00
Original Application Investigation Charge	500.00

Recreational Marijuana Dispensary Dispenser Annual License:

Dispenser License	50.00
On or after 7/1	25.00
Original Application Investigation Charge	50.00

Section 2: This Resolution shall become effective March 8, 2016.

APPROVED BY THE COUNCIL OF THE CITY OF ROSEBURG, OREGON, AT ITS REGULAR MEETING ON THE 8TH DAY OF FEBRUARY 2016.

Sheila R. Cox, City Recorder

etc
2/2/16

**ROSEBURG CITY COUNCIL
AGENDA ITEM SUMMARY**



DEPARTMENT ITEM – EMERGENCY EXPENDITURE

Meeting Date: February 8, 2016	Agenda Section: Department items
Department: City Manager	Staff Contact: C. Lance Colley
www.cityofroseburg.org	Contact Telephone Number: 541-492-6866

ISSUE STATEMENT AND SUMMARY

The week of January 18th Public Works staff identified a potential failure in a short stretch storm drainage pipe on Harvard Avenue just west of Lookingglass Road near an entrance to the Redeemers Fellowship property. Given the amount of rain we have experienced in the last few months and the development of a recent sink hole at a drainage pipe failure across town, our Engineering and Public Works staff did further evaluation of the pipe in question.

It was determined later in the week that without emergency intervention, the pipe could collapse and create a public safety issue. On Friday January 22nd, Engineering staff ordered necessary materials to replace 240 feet of storm line and began negotiating with a local pipe contractor to get a price to remove and replace the storm line under our "emergency requiring prompt action" section RMC 3.06.025.

The following week we entered into a contract with Cradar Enterprises to install the pipe that was delivered Monday, January 25th. The emergency removal and replacement of the pipe was completed Thursday, January 28th.

BACKGROUND

RMC 3.06.025F.1 allows that when the Purchasing Agent determines that an emergency requiring prompt action exists, the Purchasing Agent may waive any of the requirements of this Chapter and may execute public contracts without competitive solicitation and award, or Council approval.

Staff determined that a clear emergency existed and that to mitigate a clear public safety issue, we should replace this section of storm drainage pipe as quickly as possible. Under the circumstances, I (the Purchasing Agent) determined that an emergency existed and that pursuant to RMC 3.06.025F.1, I provided an oral report to City Council on Monday January 25, 2016. The report outlined the materials purchase in the amount \$24,093.98 and the emergency removal and replacement contract in the amount of \$66,703.00.

As indicated above, the work commenced on Tuesday January 26th and was completed on Thursday January 28th. Based on staff's final review of the project, the immediate emergency situation has now been alleviated, however additional work in the area will be designed and bid later this year to replace additional pipe in the area.

ANALYSIS

RMC 3.06.025F.1-7 outlines the code requirements for reporting to Council. Given that the emergency situation was identified and the corrective action was completed within the two

week time frame between Council meetings, I am providing this written report which satisfies the requirements of both sections 4 and 7.

As the Purchasing Agent, I waived the competitive bidding requirements for the purchase of materials in the amount of \$24,093.98 from H.D. Fowler Company. The materials were consistent with pipe that is purchased by our local contractors and met standards and specifications for installation in our system. It was also delivered within 48 hours for emergency installation.

I directed staff to negotiate with a local contractor, Cradar Enterprises, to install the pipe. Cradar has been the lowest qualified bidder on a number of recent pipe installation contracts and was available to provide the emergency pipe removal and installation. A contract was signed on Monday January 25th in the amount of \$66,703.00 and the work was completed on Thursday January 28th in accordance with scope of work outlined in the contract.

Given the very short duration of the time between identification of the emergency circumstances and delivery and installation of the materials, we are satisfied that costs associated mitigating the emergency situation were reasonable and that public safety concern has been fixed. The costs associated with the project, \$90,796.98 are within the budget appropriations for the Storm Drainage funds so no further action related to this item is anticipated.

While the RMC does not explicitly state that Council needs to accept this report, I would prefer that Council go on record as receiving and accepting this report in accordance with Code since emergency waivers of code provisions are so few and far between.

SUGGESTED MOTION:

"I MOVE TO ACCEPT THE REPORT FROM THE PURCHASING AGENT OUTLINING THE WAIVER OF CERTAIN PURCHASING REQUIREMENTS IN ACCORDANCE WITH RMC 3.06.025F. 1-7."

INFORMATIONAL TIMELINE:

- December 10: Cracks and loss of soil appeared along south shoulder of Harvard Avenue
- December 16: Televised the line and noted beginning of joint failure in area where shoulder sluffing was occurring.
- January 20: Re-televised the line and noticed significant additional failure with potential impending collapse of pipe. Also noted that bottom of pip had corroded away and pipe was not structurally sound.
- January 22: Ordered 247 feet of 48 inch ADS pipe from H.D. Fowler Company
- January 25: Executed construction contract with Cradar Enterprises
- January 26/27: Repairs were completed by Cradar Enterprises.

*CLC
2/2/16*

INFORMATIONAL A
2-8-16

ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY



ACTIVITY REPORT

Meeting Date: February 8, 2016
Department: City Manager
www.cityofroseburg.org

Agenda Section: City Manager Reports
Staff Contact: C. Lance Colley
Contact Telephone Number: 492-6866

ISSUE STATEMENT AND SUMMARY

At each meeting I will provide the City Council with a report on the activities of the City, along with an update on operational/personnel related issues which may be of interest to the Council. These reports shall be strictly informational and will not require any action on the Council's part. The reports are intended to provide a mechanism to solicit feedback and enhance communication between the Council, City Manager and City Staff. For your February 8, 2016, meeting, I provide the following items:

- Department Head Meeting Agendas
- Tentative Future Council Agenda Items
- City Manager Weekly Messages



Agenda
Department Heads Meeting
January 26, 2016 – 10:00 a.m.

1. Review January 25, 2016 City Council Meeting
2. Review Tentative February 8, 2016 Council Meeting
3. Tentative Future Agenda
4. Document Signing/Grants
5. Facilities
6. Department Items



Agenda
Department Heads Meeting
February 1, 2016 – 10:00 a.m.

1. Review Tentative February 8, 2016 Council Meeting
2. Tentative Future Agenda
3. Document Signing/Grants
4. Facilities CIP
5. Department Items

TENTATIVE FUTURE COUNCIL AGENDA

Unscheduled

- City Hall Entry/Finance Department Remodel
- Pacific Power Franchise
- Parking Enforcement Agreement
- Recreational Marijuana Sales Tax Referral Ordinance and Resolution
- Roadside Memorial Policy
- Urban Services Agreement
- Amending RMC 5.04 Water Rules and Regulations

February 22, 2016

Consent Agenda

- A. Minutes of February 8, 2016

Public Hearing

- A. Proposed Sale of Ward/Post Property

Ordinances

- A. Ordinance No. _____, Smoking Policy – Parking Lots & Abutting Sidewalks
- B. Ordinance No. _____, Single Lot Local Improvement Districts

Department Items

- A. The Partnership Annual Report
- B. Capital Improvement Plan

Informational

- A. Activity Report

Urban Renewal Agency Board Meeting

- A. Approval of Minutes
- B. Engineering Contract – Signal Connectivity

Executive Session

- A. City Manager Quarterly Evaluation

March 14, 2016

Consent Agenda

- A. Minutes of February 22, 2016

Public Hearing

- A. LUDO Phase 3, Ordinance No. _____

Ordinances

- A. 2nd Reading, Ordinance No. _____ Smoking Policy – City Parking Lots and Abutting Sidewalks
- B. 2nd Reading, Ordinance No. _____ Single Lot Local Improvement Districts

Department Items

- A. Visitors Bureau Annual Report

Informational

- A. Activity Report



March 28, 2016

Consent Agenda

- A. Minutes of March 14, 2016

Ordinances

- A. 2nd Reading, Ordinance No. ____ - LUDO Phase 3
- B. Ordinance No. ____ - Tree Ordinance

Resolutions

- A. Social Media Policy

Informational

- A. Activity Report

April 11, 2016

Mayor's Report

- A. Volunteer Recognition Month Proclamation

Consent Agenda

- A. Minutes of March 28, 2016

Ordinances

- A. 2nd Reading, Ordinance No. ____ - Tree Ordinance

Informational

- A. Activity Report (Budget Calendar Reminder)

April 25, 2016

Mayor's Report

- A. Historic Preservation Month Proclamation

Consent Agenda

- A. Minutes of April 11, 2016
- B. OLCC License Renewals

Informational

- A. Activity Report (Quarterly Reports)

May 9, 2016

Mayor Reports

- A. Bike to Work Proclamation

Consent Agenda

- A. Minutes of April 25, 2016
- B. U-Trans Services Contract
- C. Fee Amendment Resolutions

Informational

- A. Activity Report

Executive Session

- A. City Manager Quarterly Evaluation



May 23, 2016

Consent Agenda

- A. Minutes of May 9, 2016

Informational

- A. Activity Report

June 13, 2016

Mayor's Report

- A. Camp Millennium Week Proclamation

Consent Agenda

- A. Minutes of May 23, 2016

Public Hearing

- A. Resolution No. 2016-____ - 2016/17 Budget Adoption

Informational

- A. Activity Report

Urban Renewal Agency Board Meeting

- A. Approval of Minutes
- B. Public Hearing - Resolution – 2016/17 Budget Adoption

June 27, 2016

Consent Agenda

- A. Minutes of June 13, 2016

Informational

- A. Activity Report

Executive Session

- A. Municipal Judge Evaluation

July 11, 2016

Consent Agenda

- A. Minutes of June 27, 2016

Informational

- A. Activity Report

July 25, 2016

Consent Agenda

- A. Minutes of July 11, 2016

Informational

- A. Activity Report (Quarterly Reports)

August 8, 2016

Consent Agenda

- A. Minutes of July 25, 2016

Informational

- A. Activity Report

August 22, 2016

Consent Agenda

- A. Minutes of August 8, 2016

Informational

- A. Activity Report

Executive Session

- A. City Manager Quarterly Evaluation

September 12, 2016

Council Reports

- A. Implementation of City Manager Annual Performance Evaluation

Consent Agenda

- A. Minutes of August 22, 2016

Department Items

- A. Downtown Roseburg Association Annual Report

Informational

- A. Activity Report

September 26, 2016

Mayor Reports

- A. Walk and Bike to School Day Proclamation

Consent Agenda

- A. Minutes of September 12, 2016

Informational

- A. Activity Report

October 10, 2016

Consent Agenda

- A. Minutes of September 26, 2016

Informational

- A. Activity Report

October 24, 2016

Consent Agenda

- A. Minutes of October 10, 2016
- B. Cancellation of December 26, 2016, Meeting

Informational

- A. Activity Report (Quarterly Reports)

November 14, 2016

Consent Agenda

- A. Minutes of October 24, 2016

Informational

- A. Activity Report

Executive Session

- A. City Manager Annual Review

November 28, 2016

City Council Reports

- A. City Manager Contract

Consent Agenda

- A. Minutes of November 14, 2016

Informational

- A. Activity Report

December 12, 2016

Mayor Reports

- A. Election Results

Consent Agenda

- A. Minutes of November 28, 2016

Informational

- A. Activity Report
-

Friday January 22, 2016

Good Friday afternoon everyone! The winter weather appears to be staying with us, with maybe a short break from the rain coming up in the next few days. Along with the heavy rains, we have experienced a few storm drainage system failures around town. A couple of weeks ago, a storm pipe in the parking lot near the social security office failed and caused a sink hole. This particular line is one of our public lines, so staff and a local contractor secured the area and fixed the problem in pretty short order. This week we experienced another partial pipe failure near the west end of Harvard Avenue by Redeemers on the south side of Harvard. Again, staff responded quickly to the problem and we will be working with local contractors to determine how quickly we can replace the section of pipe and at what cost. This particular failure will cost much more to fix, and we will provide you with an update at your Monday meeting.

Tuesday morning, in a driving rain storm, Harvard West developers held a ground breaking ceremony at the site of the former Douglas Community Hospital. Despite the rain there was a great turnout from the community and the media. A number of representatives from Investors IX, LLC, the developer, their prime contractor, LCG Pence, and architects were present as well as City staff. The developers had very kind words relating to their development experience in Roseburg and they are looking forward to completing this project during late 2016 so that the service providers from the State can occupy the new space.



On Wednesday, Sheila, Nikki and I met with representatives from Pacific Power to begin conversations about the renewal of the Pacific Power franchise agreement. We have a long standing working relationship with our regional power provider and their representatives. We are looking forward to working with them over the next couple months in an effort to bring an updated agreement to you in April.

The HRRC met on Wednesday as well. They considered a request to move or demolish a building adjacent to the Kolhagen Apartments at the south end of Jackson Street. The purpose for the removal or demolition would be to allow the prospective purchaser of the property to redevelop the property into a joint commercial/residential facility that will meet demands for both retail and housing in the downtown core area.

Thursday the Airport Commission met to discuss the upcoming five-year CIP for submittal to the Federal Aviation Administration. The CIP provides a framework for staff to work with to stage funding and construction timelines for the projects that are eligible

for FAA funding. We will also have a couple of smaller projects that are important to the airport operations, but will not be FAA eligible. Councilor McDonald chaired his first Airport Commission meeting and was welcomed to the commission. Over the next few months the Commission will be discussing revenue enhancement options based on Council's request last year to address some resource concerns.

This week, all City employees participated in training regarding workplace violence and active shooter situations. Training was presented based on the *Run, Hide, Fight* model and included an informative and impactful video produced by the City of Houston, Texas. In short, in an active shooter situation, employees are expected to 1) evacuate the area as quickly and safely as possible, and assist others in exiting the area; 2) If escape is not possible find a defensible space to hide; and 3) if no other options are available, fight the attacker with any means possible. The sessions included some interesting discussion, and all were encouraged to evaluate their work areas for the most effective safe exit routes in case of an emergency. We hope that the events of October 1 are not repeated in our community, but if similar events do occur we want our people to be as prepared as possible. Follow the link below if you're interested in viewing the 6-minute video.



<https://www.youtube.com/watch?v=5VcSwejU2D0>

Finance Director Ron Harker recently prepared and submitted a summary financial report to GFOA for review. The Popular Annual Financial Report, or PAFR, was designed to provide summary and narrative information for selected important components from our Comprehensive Annual Financial Report in a more transparent and readable format. And, it's less than 20 pages long, instead of the over 120 pages in the CAFR. There will be a copy of the PAFR at your place Monday evening and Ron may say a couple words about it at the end of the meeting.



Have a great weekend everyone!

Friday January 29, 2016

Good Friday afternoon everyone! As you probably noticed, our contractor on the Oak/Washington project was back this week to install the "tree stump" seating at that intersection and to finish up some punch list items. I continue to hear lots of support for the end product from customers and property owners alike. It was great to hear that one of the corner buildings on Oak and Jackson was recently purchased by a group of local business owners who plan to open a new business at that location.



We are continuing to work with DRA and NeighborWorks Umpqua on a small grant for Arts Integration in the Heart of Roseburg. As you may recall, our EDC is contributing \$5,000 to match NeighborWorks grant allocation of \$8,000 and we will apply for a \$5,000 TA grant through a local foundation once we select a consultant. The RFP responses have been received and we will be scoring those and selecting a consultant in the next week or so. The program will be overseen by NeighborWorks Umpqua with significant input from staff, DRA and the Arts Center. We work collaboratively with these local partners to incorporate art and culture into economic development opportunities.

We were approached by representatives of a group that is reforming to discuss options for funding the County Library System. The group approached Council in late 2011 regarding formation of County Service District that would have taxing authority to provide operating revenue to run the entire library system. Based on preliminary information, they likely will be considering formation of a separate special district that would have its own board and be a separate entity from Douglas County.



They have asked to make a presentation to Council at your February 8 meeting. I provided them with a list of questions that Council asked during the last process so everyone can be prepared to have a discussion. One of the obvious questions that we are both trying to answer is what amount of tax compression would occur if a library permanent rate were approved. Similar to the last discussion, if they move forward, each City Council will eventually be asked in advance to opt in or out of the District boundary. Much more to follow!

Our entire leadership staff met yesterday at a "budget retreat" in the Salmon Room at the PSC to review our current financial situation and to begin the annual internal budget process for next fiscal year, 2016-17. I am very encouraged by the team approach that

our departments have taken over the last few years in supporting our highest priority services and acknowledging how important it is to carry out our core mission and support Council and department goals through the budget process. Finance will incorporate suggested budget increases into our forecast model in advance of the budget committee process and we will evaluate the impacts. One of our challenges moving forward will be appropriate tax revenue forecasting. The information for this year is not readily available, but appears to be coming in lower than expected. This will clearly impact our modeling as property taxes provide almost 100% of our Urban Renewal revenue and almost 65% of our current General Fund operating revenue. We will continue to keep you posted as we learn more.

And, to end on a very happy note, I wanted to let you all know that we have been working with representatives from the Portland Trailblazer organization on their plans to provide an entertainment and recognition opportunity at their game in Portland this weekend relating to the UCC October 1st incident. This will include folks from UCC and all of the local agencies that provided first responder public safety and emergency



responses as well as health and mental health responses. The Blazers will be hosting over 250 local folks who were impacted by the tragedy to let them, and our community, know how important they are, and that the Blazers want to support our healing and recovery process. You may recall we hosted an event in the lot by the YMCA this last summer and the same people who organized that event reached out to us to see if they could do anything to help. This is a very generous offer and I know that many of those folks were moved by that generosity.

There is no Council meeting next week, but it looks like the Parks Commission will be meeting next Wednesday. Have a great weekend everyone!