

**ROSEBURG CITY COUNCIL AGENDA – DECEMBER 14, 2015**  
City Council Chambers, City Hall,  
900 S. E. Douglas Avenue, Roseburg, OR 97470



**6:00 p.m. - Special Meeting**

- A. Resolution No. 2015-\_\_\_\_ - Water Fee Schedule Amendment

**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. Police Department Commendations
5. **Commission Reports/Council Ward Reports**
  - A. City Manager's Contract
6. **Audience Participation – See Information on the Reverse**
7. **Consent Agenda**
  - A. Minutes of November 23, 2015 Regular Meeting
  - B. Airport Lease Assignment – D.R. Johnson to Rod Johnson
  - C. Police K-9 Patrol Vehicle Purchase
  - D. OLCC Change of Ownership, 334 W Harvard
8. **Public Hearings**
  - A. Ordinance No.\_\_\_\_ - Amending RMC 9.12.050 – Processing of OLCC New Location Applications
  - B. Vacation of Portion of NE Crescent, Ordinance No. \_\_\_\_\_
  - C. LUDO Amendments re: Commercial Marijuana, Ordinance No. \_\_\_\_\_
9. **Ordinances**
  - A. Ordinance No. \_\_\_\_\_, Clear Rate Telecommunications Franchise
10. **Department Items**
  - A. Water System Telemetry Improvements Engineering Contract Award
  - B. Washington/Oak Improvements Change Orders & Additional Authorization
11. **Items From Mayor, Council or City Manager**
12. **Informational**
  - A. Activity Report
13. **Executive Session ORS 192.660(2)**
14. **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](http://www.cityofroseburg.org).***

*JC*  
*12/9/15*



# ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY- SPECIAL MEETING

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## Water Service Fund User Fees

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Meeting Date: December 14, 2015  
Department: Public Works/CM/Finance  
Messenger/Ron Harker  
[www.cityofroseburg.org](http://www.cityofroseburg.org)

Agenda Section: Special Meeting  
Staff Contact: Lance Colley/Nikki

Contact Telephone Number: 541-492-6866

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### ISSUE STATEMENT AND SUMMARY

The Water Service Fund (Utility) is not generating enough revenue to cover operating costs and costs associated with current depreciation/system capital needs. Establishing adequate funding levels for the system's infrastructure is essential and will help to stabilize customer rates in the long term and meet the Utility's operating and capital needs. The Public Works Commission has studied this issue and is forwarding a recommended rate structure. The issue for Council is whether to adopt the Commission's recommended user fees.

### BACKGROUND

**A. Council Action History.** Council has indicated at each of its goal setting sessions over the previous three years that infrastructure funding is a high priority and one of the Council's four goals. The Council last modified water service fees in 2011 through Resolution 2011-08 which adjusted fees beginning July 1, 2011 and again July 1, 2012. At that time, the base rates were increased from \$9.00 per month to \$9.27 and then to \$9.55 which is the current fee. The per unit charges were increased from \$1.43 to \$1.47 and then to \$1.52.

**B. Analysis.** The Water Service Fund is an enterprise fund. The revenues are generated primarily through user fees. Staff prepared and the Public Works Commission reviewed and modified a City of Roseburg Water Rate Study (attached) that was the basis for our discussion and recommendation. The Study is also the basis for this fee discussion and recommendation.

The City has a significant investment in the Utility with capital assets of over \$61 million (net of depreciation \$33 million) as of June 30, 2014. These assets are depreciated over their useful lives according to Generally Accepted Accounting Principles (GAAP). Depreciation is the allocation of the cost of a capital asset over its estimated useful life. The City utilizes industry guidelines to establish the useful life of capital assets. System depreciation is just over \$1.3 million annually. However, because the City purchased a mature water system in 1977, annual depreciation is not reflective of the current reinvestment required to maintain and update the system and meet current regulatory guidelines.

To evaluate the Utility and future needs, the City contracted with MSA, Inc. to develop a Water System Master Plan. That document can be found on our website at [http://www.cityofroseburg.org/files/4313/1370/6225/Water System Master Plan July 2010.pdf](http://www.cityofroseburg.org/files/4313/1370/6225/Water_System_Master_Plan_July_2010.pdf). The master planning process included development of a long-term capital improvement schedule that identified on average over \$2 million in improvements exclusive of the water

treatment plant. Staff reviewed the improvement plan in detail, modified and updated some of the infrastructure costs, and developed a capital project forecast that is included in the rate study.

The Public Works Commission reviewed the Water Rate Study that was developed by staff during their meetings in October and November. There appeared to be a clear understanding of the Utility's needs, but there was not a consensus during the October meeting as to how best to meet the Utility's needs and provide easy to understand and equitable implementation of the rate structure. The Commission asked staff to run a number of alternate scenarios that would eventually meet the financial goals of the Rate Study, but not front load additional fixed costs and provide for a more uniform dollar cost increase over each of the succeeding five years.

Finance Director Ron Harker provided updated modeling for the Commission to review and after extensive discussion at their November meeting, the Commission unanimously recommended a revised implementation strategy that was then incorporated into the final Rate Study (attached) and is the five-year rate recommendation that is included in the proposed resolution that is included on your regular Council agenda.

#### **C. Financial and/or Resource Considerations.**

The financial information utilized for our analysis and the Public Works Commission recommendation is included in Exhibit C of the attached Water Rate Study. As outlined above and in the minutes of the two Commission meetings, the Public Works Commission looked at several scenarios and requested additional information prior to making a recommendation to the City Council. The Commission acknowledged the importance of maintaining an adequate Utility system to serve the community and felt that it was vitally important to provide sufficient funding to sustain it. The Commission recognized that the City has made small increases to the monthly Utility fees over the last ten years, but has not effectively addressed the rising costs associated with maintaining and improving the system. They also recognized that reaching the Utility goals for reinvestment should not be done immediately, but should be spread over a reasonable period of time, in this case, five years. They also acknowledged that one of our historic failures was to identify and quantify resource needs but not to effectively implement the charges necessary to carry out the capital planning for the system.

**D. Timing Issues.** Any rate increases would be proposed to be implemented for water usage beginning January 1, 2016 and each January thereafter for four successive years. Staff recommends that the resource modeling be monitored annually to determine if the system goals are being met and that a full rate study be conducted at a minimum of every five years.

Staff has prepared a Water Service Fund rate resolution for your consideration.

2. Propose changes to and adopt a resolution implementing a different schedule for monthly Water Service Fund fees; or
3. Direct staff to bring back additional information.

**STAFF RECOMMENDATION**

The Public Works Commission discussed this issue at their October and November 2015 meetings and recommended the rate structure included in Exhibit A of the attached rate study and the resolution. Staff concurs with this recommendation.

**SUGGESTED MOTION** *I move to adopt resolution 2015-\_\_\_ A resolution amending resolution no. 91-18 regarding water fees, and implementing water rates effective January 1, 2016 and each year thereafter through January 1, 2020.*

**ATTACHMENTS**

1. Resolution 2015-\_\_\_
2. Water Rate Study
3. Public Works Commission Meeting Minutes

RESOLUTION NO. 2015-\_\_

A RESOLUTION AMENDING RESOLUTION NO. 91-18 REGARDING WATER FEES

WHEREAS, City Staff prepared a Water Utility Water Rate Study in September 30, 2015 (attached hereto as Exhibit A); and

WHEREAS, the Study was approved by the Public Works Commission and evaluated by the City Council; and

WHEREAS, based upon the Study, the City Council has determined the need to adjust existing water service fees to more appropriately cover the cost providing water services;

IT IS HEREBY RESOLVED by the City Council of the City of Roseburg, that Resolution No. 91-18 adopted by the City Council on June 24, 1991, is amended as follows:

Section 1: Effective January 1, 2016, water service usage fees shall be as follows:

Monthly Water Services Rates including Temporary Service (may be billed bi-monthly):

Meter Water Service Rates:

Commodity Charge: per 100 cubic feet ..... 1.52

Monthly demand or open account charge: (charge indicated does not include an allowance for water consumed - Consumption is charged at rate in Commodity Charge above):

Meter Size - 5/8" x 3/4"* CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	9.55
Meter Size - 3/4 x 3/4" N7-18 A9-14 A11-8 .....	14.38
Meter Size - 1"* CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	23.98
Meter Size - 1 1/2"* CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	37.09
Meter Size - 2"* CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	52.78
Meter Size - 3"* 76.99 CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	81.68
Meter Size - 4"* CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	108.42
Meter Size - 6"* CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	204.00
Meter Size - 8" CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	305.30
Meter Size - 10" CA94-12 A95-11 A4-15 A5-26 A9-14 A11-8 .....	409.42

\* Or multiples of same capacity.

In addition to Monthly demand or open account charge:

Second level customers shall pay per month: C A4-15 A5-26 A9-14 A11-8 .....	3.33
Third level customers shall pay per month C A4-15 A5-26 A9-14 A11-8 .....	6.66
Fourth level customers shall pay per month N7-21 A9-14 A11-8 .....	9.99

Commodity Charge per Unit (750 Gallons) ..... 1.62

Base Fees

3/4" Level 1..... 10.98

3/4" Level 2..... 14.81

3/4" Level 3.....	18.63
3/4" Level 4.....	22.46
1" Level 1.....	27.56
1" Level 2.....	31.39
1" Level 3.....	35.22
1-1/2" Level 1.....	42.63
1-1/2" Level 2.....	46.46
2" Level 1.....	60.66
2" Level 2.....	64.49
3" Level 1.....	93.87
4" Level 1.....	124.36
6" Level 1.....	234.45
8" Level 1.....	350.87
10" Level 1.....	470.54
Stacie Court Surcharge .....	20.00

**Section 2:** Effective January 1, 2017, water service usage fees shall be as follows:

Commodity Charge per Unit (750 Gallons).....	1.72
Base Fees	
3/4" Level 1.....	12.40
3/4" Level 2.....	16.73
3/4" Level 3.....	21.05
3/4" Level 4.....	25.37
1" Level 1.....	31.14
1" Level 2.....	35.46
1" Level 3.....	39.78
1-1/2" Level 1.....	48.15
1-1/2" Level 2.....	52.48
2" Level 1.....	68.53
2" Level 2.....	72.85
3" Level 1.....	106.04
4" Level 1.....	140.49
6" Level 1.....	264.85
8" Level 1.....	396.36
10" Level 1.....	531.54
Stacie Court Surcharge .....	20.00

**Section 3:** Effective January 1, 2018, water service usage fees shall be as follows:

Commodity Charge per Unit (750 Gallons).....	1.82
Base Fees	
3/4" Level 1.....	13.83
3/4" Level 2.....	18.65
3/4" Level 3.....	23.46
3/4" Level 4.....	28.28
1" Level 1.....	34.71

1" Level 2.....	39.53
1" Level 3.....	44.35
1-1/2" Level 1.....	53.68
1-1/2" Level 2.....	58.51
2" Level 1.....	76.40
2" Level 2.....	81.21
3" Level 1.....	118.22
4" Level 1.....	156.62
6" Level 1.....	295.26
8" Level 1.....	441.88
10" Level 1.....	592.58
Stacie Court Surcharge .....	20.00

**Section 4:** Effective January 1, 2019, water service usage fees shall be as follows:

Commodity Charge per Unit (750 Gallons).....	1.92
Base Fees	
3/4" Level 1.....	15.25
3/4" Level 2.....	20.57
3/4" Level 3.....	25.88
3/4" Level 4.....	31.20
1" Level 1.....	38.30
1" Level 2.....	43.61
1" Level 3.....	48.93
1-1/2" Level 1.....	59.22
1-1/2" Level 2.....	64.55
2" Level 1.....	84.28
2" Level 2.....	89.60
3" Level 1.....	130.42
4" Level 1.....	172.79
6" Level 1.....	325.74
8" Level 1.....	487.49
10" Level 1.....	653.75
Stacie Court Surcharge .....	20.00

**Section 5:** Effective January 1, 2020, water service usage fees shall be as follows:

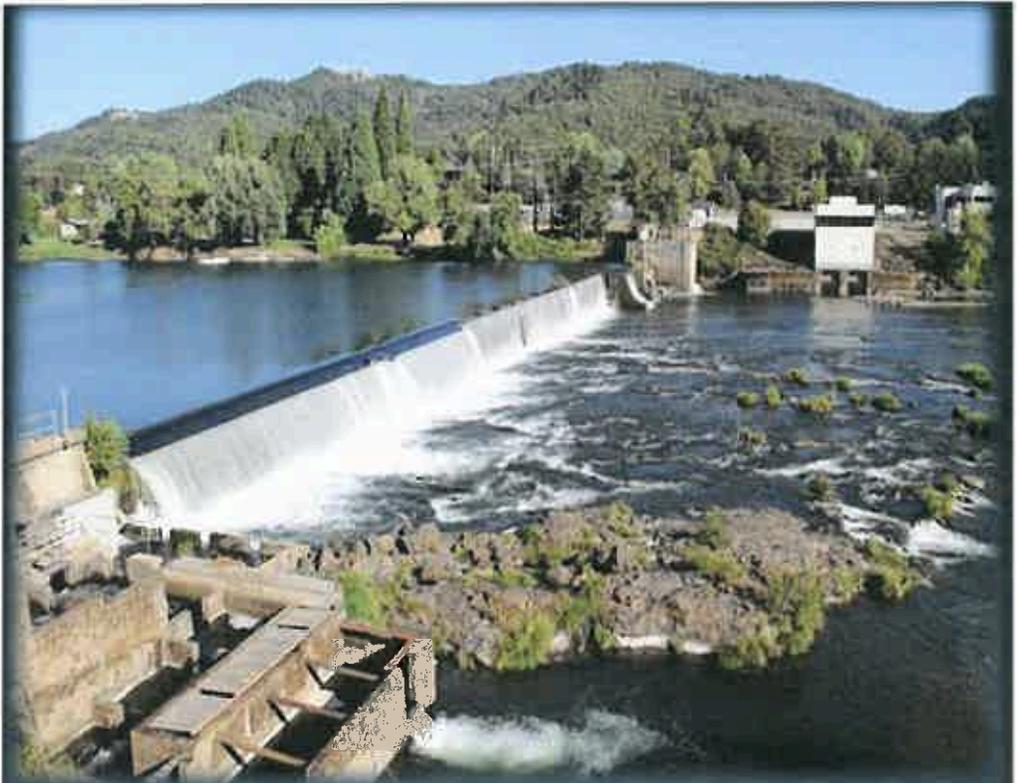
Commodity Charge per Unit (750 Gallons).....	2.02
Base Fees	
3/4" Level 1.....	16.68
3/4" Level 2.....	22.49
3/4" Level 3.....	28.30
3/4" Level 4.....	34.11
1" Level 1.....	41.87
1" Level 2.....	47.68
1" Level 3.....	53.50
1-1/2" Level 1.....	64.75

1-1/2" Level 2.....	70.57
2" Level 1.....	92.15
2" Level 2.....	97.96
3" Level 1.....	142.59
4" Level 1.....	188.91
6" Level 1.....	356.14
8" Level 1.....	532.98
10" Level 1.....	714.75
Stacie Court Surcharge .....	20.00

**APPROVED BY THE COUNCIL OF THE CITY OF ROSEBURG, OREGON, AT ITS  
SPECIAL MEETING ON THE 14<sup>th</sup> DAY OF DECEMBER 2015.**

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Sheila R. Cox, City Recorder



# City of Roseburg Water Utility Water Rate Study



Prepared by:  
C. Lance Colley, City Manager  
Ron Harker, Finance Director  
Nikki Messenger, Public Works Director

September 30, 2015

# City of Roseburg Water Rate Study

## September 2015

### Introduction

In February 2015, the Roseburg City Council re-adopted a goal to “Identify and implement long-term infrastructure funding mechanisms to ensure the City can meet long-term infrastructure stability and sustainability”. In 2013, Council adopted Resolution 2013-1 which implemented a new five-year fee schedule for the City’s Storm Drainage Utility to carry out the long-term master plan priority activities and to maintain the City’s drainage system. The purpose of this study is to provide the City Council, through its Public Works Commission, with recommendations for updated Water Utility rates that will provide equitable, stable and affordable rates and will provide adequate resources to meet our citizens’ long-term demands for high quality domestic water service.

To determine how best to meet the system demands and citizen needs, staff relied on multiple documents that have been prepared by independent consultants in recent years to develop the capital cost components that will affect future rates. The “City of Roseburg Water Treatment Facilities Preliminary Design Report” dated July 2009 and the “Water System Master Plan” dated July 2010 were both prepared by Murray, Smith and Associates, Inc. and were relied upon extensively as the most recent and reliable data available for the City’s water system. The 2010 Master Plan included a relatively detailed 20 year Capital Improvement Plan recommendation and a 50 year water demand forecast.

The City currently provides potable water to approximately 30,000 people in the City’s Urban Growth Boundary Area and limited areas outside the UGB (a limited portion of Charter Oaks and Dixonville). In accordance with our Comprehensive Plan, no new services are allowed outside the UGB, and recent population growth projections completed by Portland State University indicate that expected population increases for the UGB will be very moderate at a rate of 1.2% annually. Based on recent trend information, new technology and consumer conservation we anticipate the water consumption will likely only grow by about the same percentage as population unless a significant user locates within the utility boundaries. This lower population and water demand growth will allow the City to spread portions of the cost of expansion out over a longer period of time.

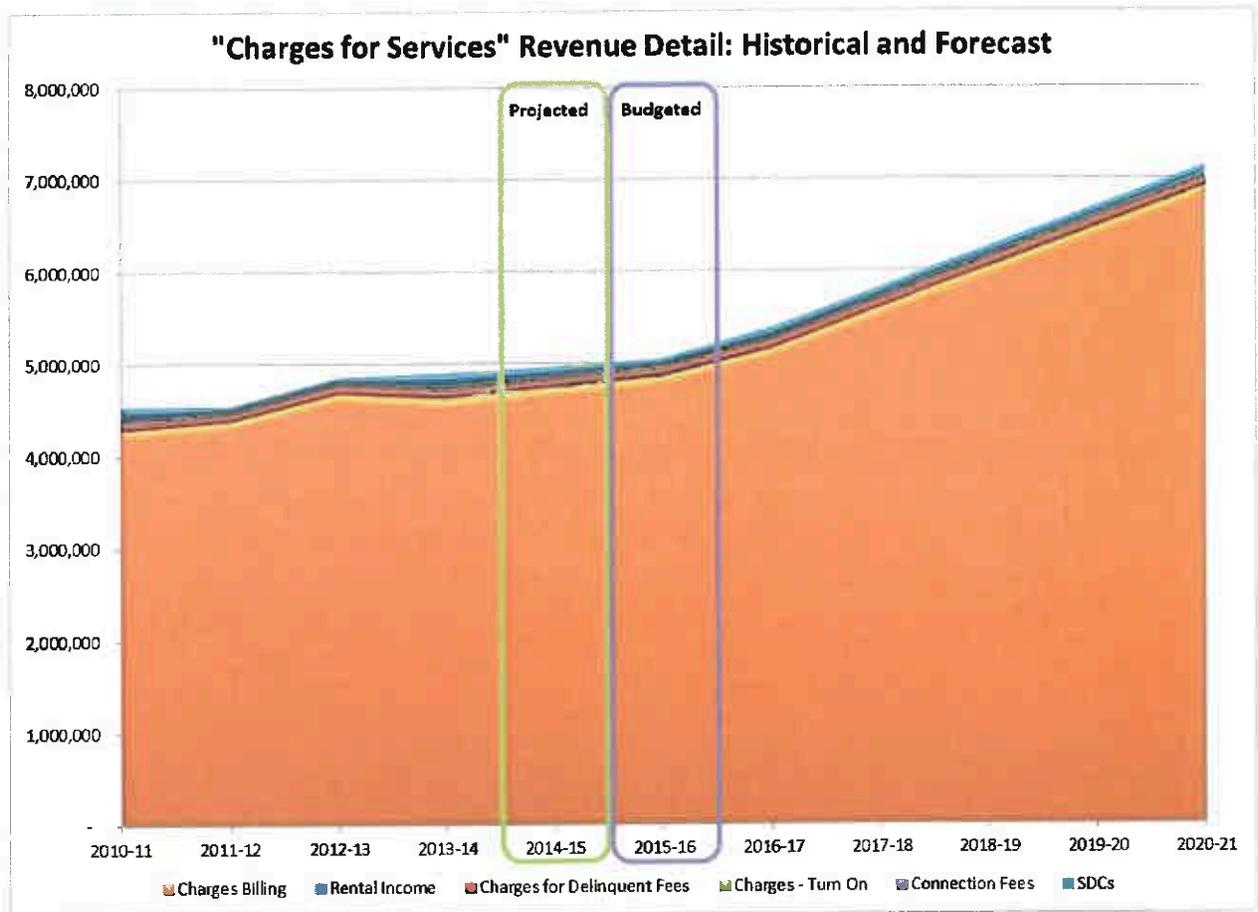
The water plant treatment capacity is currently rated at 12 million gallons per day (MGD), limited primarily by the amount of water that can be treated through the plant’s four existing filters. The plant was designed to be expanded to 18 MGD, which would require the addition of two filters and other treatment plant modifications. In the Design study of 2009, the conclusion was that the expansion to 18 MGD should have been completed in 2012. Based on capacity utilization and current usage trends, it appears that the existing treatment plant capacity will meet the community’s needs for the immediate future and likely for the next twenty-five to thirty years. More accurate capacity utilization measurements indicate that overall water production and consumption are not increasing at the 2009

estimated rates, and consumer utilization through conservation has reduced overall consumption during the ensuing five years.

Plant expansion cost estimates from the 2009 Study indicated an estimated cost of \$7.6 million. Adding inflationary factors would likely lead to a current cost of between \$8 and \$8.5 million. Because the expansion will need to be done as one large project rather than being phased, it will likely require a combination of debt financing and utilization of a portion of the Water Utility Fund reserves. In the current interest rate environment, an \$8 million debt issuance repaid over ten-years could be issued at par with interest rates in an average range of around 2.5% with annual payments of just in excess of \$900,000 for a total cost of approximately \$9.1 million. That same \$8 million debt could likely be issued today bearing interest at an average coupon of 3-3.5% for twenty years with an estimated annual cost of about \$545,000 and a total cost of about \$10.9 million. The longer time frame more closely matches the estimated time frame for utilization of the additional capacity and will generally allow for all users to pay a portion of the expansion cost. The longer time frame in low interest rate environment also allows potential rate adjustments to be more moderate.

This rate study, which is intended to estimate necessary rate adjustment during the next five years, **does not include a plant expansion or related debt**. This information is provided to allow the reader to understand the scope and magnitude of the longer term system needs and the potential for future rate implications when the plant expansion becomes necessary. The City should continue to monitor plant capacity, plant production and consumer utilization annually to determine when it will be appropriate to begin plant expansion design to meet future needs.

The expansion cost for the plant and capacity increasing system improvements are eligible for SDC inclusion as an “improvement fee” component however the utility is not currently charging the maximum amount under the current methodology, so including this cost will likely not increase available funding. The current methodology and the amount being charged should be reviewed in conjunction with this rate evaluation to determine if the SDC methodology should be updated or if the fee should be increased within the existing methodology. Currently, SDC revenues only provide about 2% of the gross system revenues (see “Charges for Services” Revenue Detail: Historical and Forecast chart). Reliance on SDC fees to provide a significant component of future capital requirements is not reasonable given historical resource generation. General water rates have generated between 93% and 96% of total water utility revenues over the last ten years and are the focus of this study (see “Charges for Services” Revenue Detail: Historical and Forecast chart).



Other needed non-plant related capital improvements outlined in the 2010 Master Plan Document contained in Section 5 of the plan include storage, pumping facilities, distribution system piping and telemetry which average about \$1.5 million over a twenty year period, but average closer to \$1.9 million in the initial ten year period. Well over 80% of the non-plant related improvement recommendations relate to the distribution system. An independent and more in-depth telemetry study performed by RH2 Engineering, Inc. undertaken in March 2014 indicated that the telemetry system had reached the end of its useful life and needs replaced as soon as practical at a cost of approximately \$1.8-\$2 million. The current rate structure and available capital resources would require this schedule be implemented over at least an 8 year period. The initial utility budget for 2015-16 includes \$200,000 for the first phase of the implementation. It is essential that this project be implemented sooner and staff is recommending the remaining \$1.6-\$1.8 million for inclusion in the capital planning over the next four years.

Based on the updated telemetry study and 2010 Water System Master Plan, the estimated annual capital needs exclusive of the water treatment plant are approximately \$2 million based on current cost estimates. To properly plan for the impacts of inflation on the capital cost, an average inflationary factor of 3% will be included in the rate evaluation.

## **Analysis**

The City of Roseburg's water utility (Utility) currently provides domestic potable water to approximately 30,000 people and almost 1,500 businesses (generally within the City's Urban Growth Boundary area) through approximately 11,050 water meters ranging in size from our standard ¾ inch residential meter to an 8 inch meter that serves the Veterans Administration Facility. Eighty six percent of the water meters serve residential customers and ninety two percent of the meters are ¾ inch meters. Consumption in the system is made up of about 53% residential use, 37% commercial use and 10% public agency use. The largest user in the system is Veterans Administration Facility which is considered a public agency user.

The Utility serves customers in four different pressure zones, or service levels, and charges a differential for each additional level that requires pumping capacity and additional reservoir storage to provide service. The Utility's base rates start at \$9.55 for a ¾ inch service and graduates upwards based on volumetric ratios to \$305.30 per month for an 8 inch meter. Consumption is billed at a uniform rate \$1.52 per unit, which is 100 cubic feet, or approximately 748 gallons per unit. The base rate, which includes no water consumption, currently generates approximately 35% of the Utility's gross rate revenue (\$1.93 million) and consumption charges provide the other 65% (\$3.53 million).

Over time, customer utilization trends and conservation activities have actually reduced overall system consumption which in turn reduces the system's primary revenue. The elasticity of the consumption charges also tends to make revenue projections more volatile and less accurate. Our forecast model relies heavily on the usage trends for the most recent five year period and includes projections for the next five fiscal periods.

The expenditure component of the forecast model also relies heavily on the most recent five year expenditure information and includes additional periodic adjustments for retirement system increases and internal franchise fee impacts. Other trend adjustments are included and are based on trend data from the last five years. As outlined in the Introduction to this report, capital needs are forecast at \$2 million in year 1 of the model and are projected to increase at 3% annually during the five year forecast period to approximately \$2.250 million.

The Utility's historic reliance on consumption based charges has led to an inequity in the allocation of the system's fixed costs and also provides for more volatility in revenue based on conservation and weather related occurrences. This rate evaluation will take this historic reliance into consideration and will try to balance the system's fixed and variable costs more closely with the revenue generated by each type of charge.

## **Rate design**

In developing a rate design, a number of factors can and should be included. We based our review of the relevant data on principles outlined in the American Water Works manual of water supply practices (M1) "Principles of Water Rates, Fees, and Charges" which outlines best practices in evaluating local

utility rates. The Manual considers investor owned, private and publicly owned utilities and components of rate structures that apply to each type of utility system.

For the most part, each utility looks at its water rate structure as a user charge, or schedule of user charges designed primarily to recover its costs and provide for necessary investments in infrastructure to continue to provide an appropriate level of service. Generally consideration is given to the makeup of the utility's customers, the frequency of billing and the schedule of charges. Some utilities charge differing rate schedules by customer classification i.e. residential, commercial and industrial. Historically the City has not used a differential schedule of charges, but utilized proportional base rates tied to meter size. In the previous analysis, we indicated that over ninety two percent of the utility's customers were served by the smallest meter provided in the system. A further analysis of customers indicates that seasonal usage mirrored residential usage in that spring and summer usage increased proportionately regardless of size, with only minor exceptions.

In accordance with M1, the first step in rate setting is to define goals and objectives. The City of Roseburg's rates historically provide relatively stable resources to carry out the utility objectives; however based on our most recent master plans the net resource available for capital investment is now falling short of projected needs to maintain our desired service levels. The primary goal of this study is to develop simple, understandable, and equitable rates that allow the utility to meet the needs of customers in today's environment as well as in the future. As a governmentally owned utility, the Roseburg City Council is the ultimate authority on setting utility rates. This study was presented to the Public Works Commission to allow for input and to make a recommendation to the Council prior to rate setting action. Modifications to staff's original rate recommendation are included later in the report. A secondary, but important goal of this study, is to reallocate components of the rate (base fee versus consumption fee) to reduce elasticity in revenue generation.

Rate objectives common to utilities across the spectrum include- yielding necessary revenue in a stable and predictable manner, minimizing unexpected changes to customer bills, discouraging wasteful use, promoting fairness and equity, maintaining simplicity and certainty, and compliance with legal frameworks. "Evaluating and weighing the alternative rate structures and their effects against these objectives is, perhaps, the most important part in the process of selecting a rate structure" (Principles of Public Utility Rates).

The second step in the rate setting process is to evaluate alternative rate structures. Rate structures can differ by type of utility (investor owned vs. publicly owned); however they are generally designed to meet the objectives outlined in similar ways. Water rates are almost always composed of a base rate and commodity charge. Various additional charges such as service level charges, reservoir charges, or other differential cost of service charges may be added, however the primary rate structures rarely vary from a base and commodity charge.

Currently the City includes a base fee, a commodity charge, and various cost of service charges. In evaluating available alternatives we looked at standard rate models that included uniform consumption,

increasing block, decreasing block and seasonal charges. Given the relative uniformity of the City's system users consumption patterns, developing complex rate structures for consumption clearly outweighed our objective to provide simple and equitable rates. We determined early in the process that a uniform consumption charge provides for equitable, simple and understandable rates. Given that usage generally increases during warmer periods based on customer utilization of outside water, a uniform rate provides an incentive to conserve during warmer weather, and to not waste the commodity. It is simple to understand and consistent with the City's historical rate design. Increasing block rates and seasonal rates tend exacerbate increases in customer bills during warmer weather and generally leads to more uncertainty in usage patterns, which in turn leads to less predictability in our modeling.

A uniform consumption rate is expressed as a constant price per thousand gallons or price per hundred cubic feet, which is the case currently in our system. The system currently utilizes meters that allow for charges based on one hundred cubic feet units of measure. As stated previously, one hundred cubic feet approximates 748 gallons of water. We bill based on full units, so increments for billing are always expressed in whole rather than partial units. Uniform rates are simple to implement and easy to understand. A uniform rate provides customers with clear usage based price signals and understandable cost containment options. The obvious correlation for users is that the more water they consume, the higher the bill. Given that seasonal water use trends are relatively consistent throughout the system, a uniform rate rightfully implies that generally speaking, all increments of water provided are associated with the same unit cost of providing the service.

Historically, utilities that began charging base on uniform water rates considered other alternatives. Decreasing block rates generally favored large users, theoretically based on a lower per unit cost of service. Decreasing block rates generally shift the cost from larger users to residential customers, and given our density of residential customers, it seems inappropriate to consider a decreasing block rate. In some utilities, if there is an actual cost for raw water, a decreasing block rate may still be appropriate. The City has no raw water cost.

As water conservation became more popular, and in some cases a necessity, decreasing block rates were discouraged and increasing block rates became popular. However increasing block rates tend to penalize larger consistent users of the commodity and unfairly transfer the cost burden. In utilities where capacity utilization and mandatory water conservation are a necessity, increasing block rates provide incentives to use less water, and can be very affective at moderating utilization. Currently the City does not face capacity issues nor are we currently in a situation where conservation mandates have become necessary. If that happens in the future, an increasing block rate may need to be considered.

As outlined earlier, there are two primary rate components, a fixed, or base rate and the consumption charge. It is our opinion that utilizing a uniform consumption charge is the most appropriate for our utility after evaluating a number of factors previously identified. Identifying the proportion of resources that should be generated by each component of the charge is an important function of the rate study. The base charge is referred to as the fixed charge portion of the bill because it does not change from

billing period to billing period and generally serves as the minimum charge a customer must pay to receive access to the water commodity.

Water usage and sales have been declining in many parts of the county, including Roseburg. There are many reasons for the drop in sales including greater environmental awareness, conservation, consumer awareness and in some areas regulatory pressure. Certainly in our area, environmental awareness and conservation have impacted commodity utilization as has economic reality. Those who have been able to reduce commodity usage during the recession to save money certainly did. The impact of reduced usage has impacted overall utility revenues and has stressed the ability of current rates to meet system and user service level demands. In an effort to stabilize revenues at a level sufficient to meet the system infrastructure cost demands, it will be necessary to increase the current base rates at a higher proportion than the commodity charge.

It is appropriate that all users of the system pay an equitable amount for access to the commodity through the base fee. A predictable revenue stream provided by the base fee allows the utility to allocate a more equitable "cost" for provision of the actual commodity to those placing more demand on the system. It does, however, more equitably allocate the more fixed cost components of running the utility to all users. A cost of service approach to setting water rates results in a reasonable distribution of costs to all customers based, generally, on the costs that each customer causes. The allocation of a fixed and variable (consumption) charge is an extension of that theory. All utilities incur significant costs associated with serving each customer irrespective of the amount of water consumption that occurs. It is appropriate to allocate all or a portion of the utility's fixed costs to customers based on a monthly or bi-monthly base charge.

Utilities have used many different types of fixed charges to allocate these costs to customers. Various types of charges include billing fees, service or meter fees, and minimum charges with or without a consumption allowance. The City has historically charged a base fee that included components of a billing fee and service fee. The base fee has not covered the cost of basic service and billing, but both components were included in the cost allocation. It is our intention to continue charging fees, by meter size, that include cost components relating to billing and basic services exclusive of commodity usage. As outlined in our analysis, the current base fee generates approximately 35% of our total utility revenues while the more elastic and volatile commodity charge generates approximately 65% of our revenues.

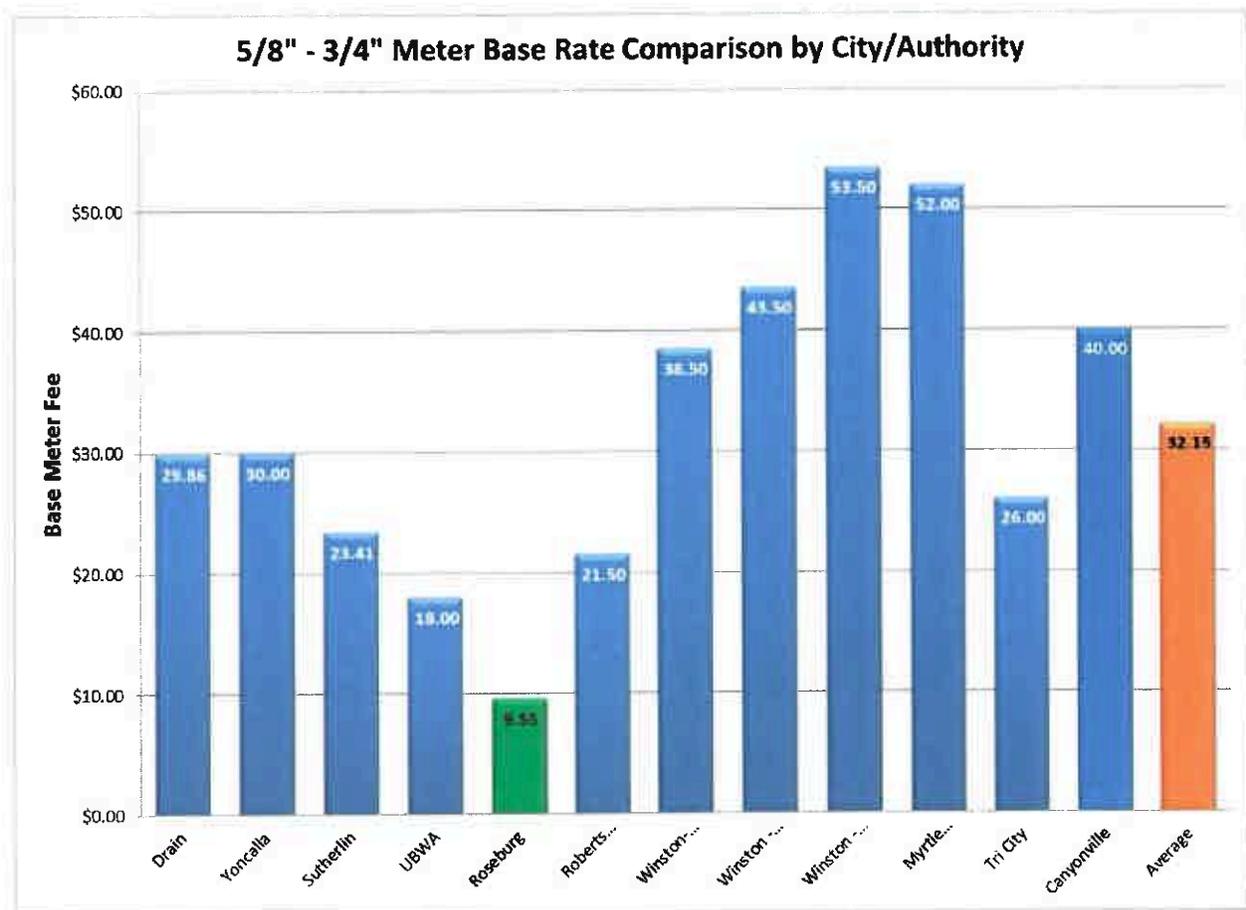
In an effort to stabilize our resources and provide for more predictable revenues, more of the system fixed cost burden will be shifted to the base charge and a more equitable cost per unit will be allocated to the commodity charge in the recommended fee structure.

### **Rate recommendations**

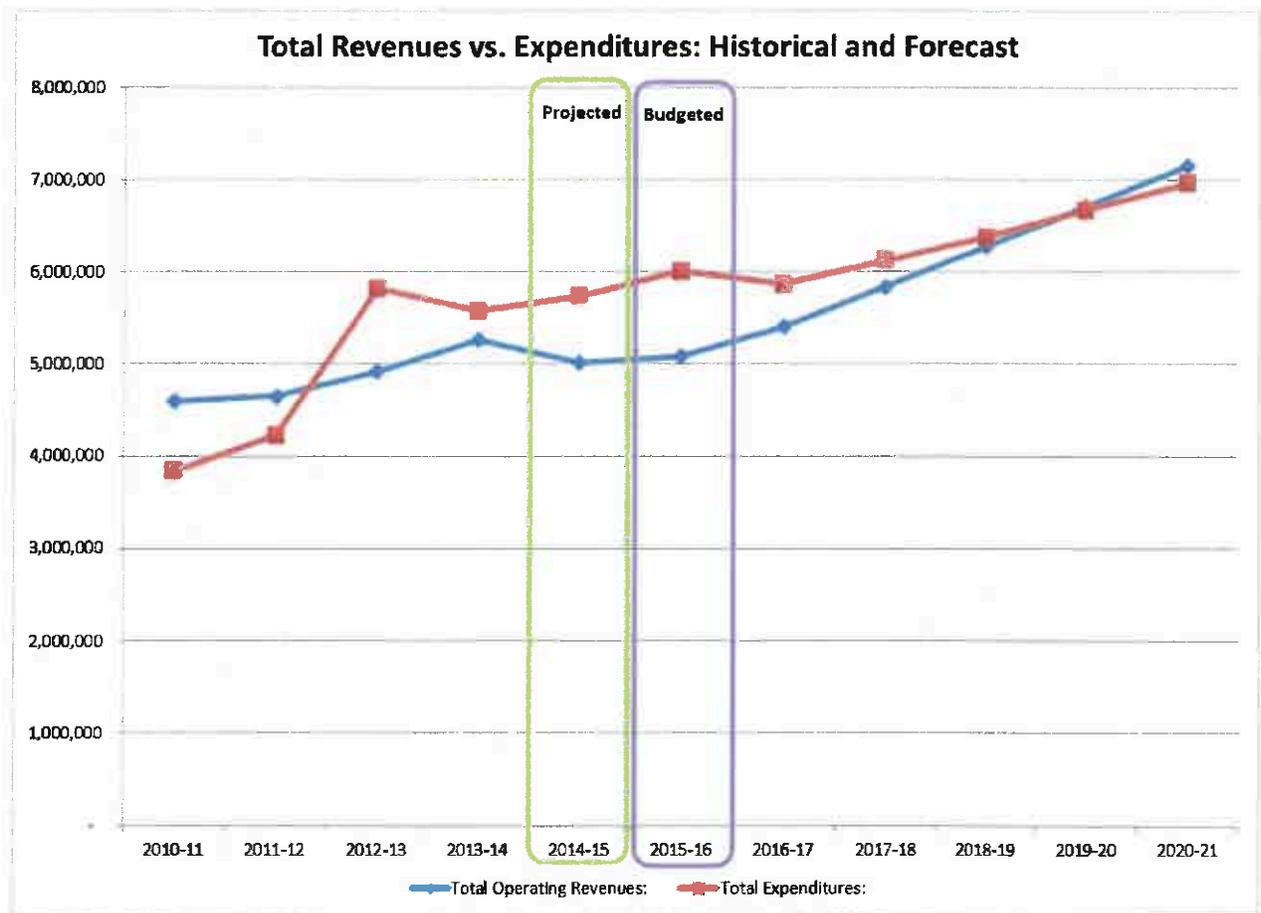
The outcome of our modeling indicates that fees will need to increase to meet our system demands. In an effort to spread the overall cost increases through the system in an equitable manner, we originally recommended that the base fee increases be more front loaded and that commodity fee increases be

fairly uniform throughout a five year rate implementation time frame. After extensive discussions with the Public Works Commission, the final recommendation was to implement the base fee increases and the commodity increases at fixed annual equal amounts. We do not believe that it is necessary to raise the rates to the maximum proposed amount immediately to meet the utility's needs, but we do believe strongly that a systematic approach to increasing rates is necessary to implementing our master plans and meeting our community's and customer's demand for high quality water service.

Based on the attached model, after receiving the input from the Public Works Commission, it is staff's and the Commission's recommendation that the base fee for a standard 5/8 by 3/4 inch be adjusted January 1, 2016 from \$9.55 per month to \$10.98, and that the base fee be increased January 1 of the succeeding years to \$12.40, \$13.83, \$15.25, and \$16.68. These fee increases will allow us to shift the approximate revenue generated by the base fee from 35% of total revenues currently to approximately 39% of total revenues in five years. At the end of the five-year period, the base fee for a standard meter will still be lower than any other local provider is charging as of the date of this report. The current base fees charged for standard meters by utilities in Douglas County ranges from the City of Roseburg's rate of \$9.55 to a high of \$53.50 with an average monthly base rate of \$32.15. The next lowest base rate in the County is Umpqua Basin Water District at \$18.00, however their commodity charge (\$4.38 per 1,000 gallons) is over double that of the City's.



The proposal above increases the base fee at a uniform amount of \$1.43 each year for the next five years. (Larger meter base fee charges will be increased proportionately.) At that point, the system revenue allocated to the base fee would meet our objectives. It will likely then still need to increase proportionately in the future to sustain the approximate 40% base, 60% commodity fee goal. At those levels, the base fee will cover the personnel costs for production and transmission and distribution which do not change materially based on the amount of water used, and will also cover the administrative charges allocated to the Water Utility based on staff budgeted in the General Fund that provide direct services to the Utility. It is important to note that we will be able to keep the commodity fee increases lower as a result of increasing the base fee to an appropriate level.

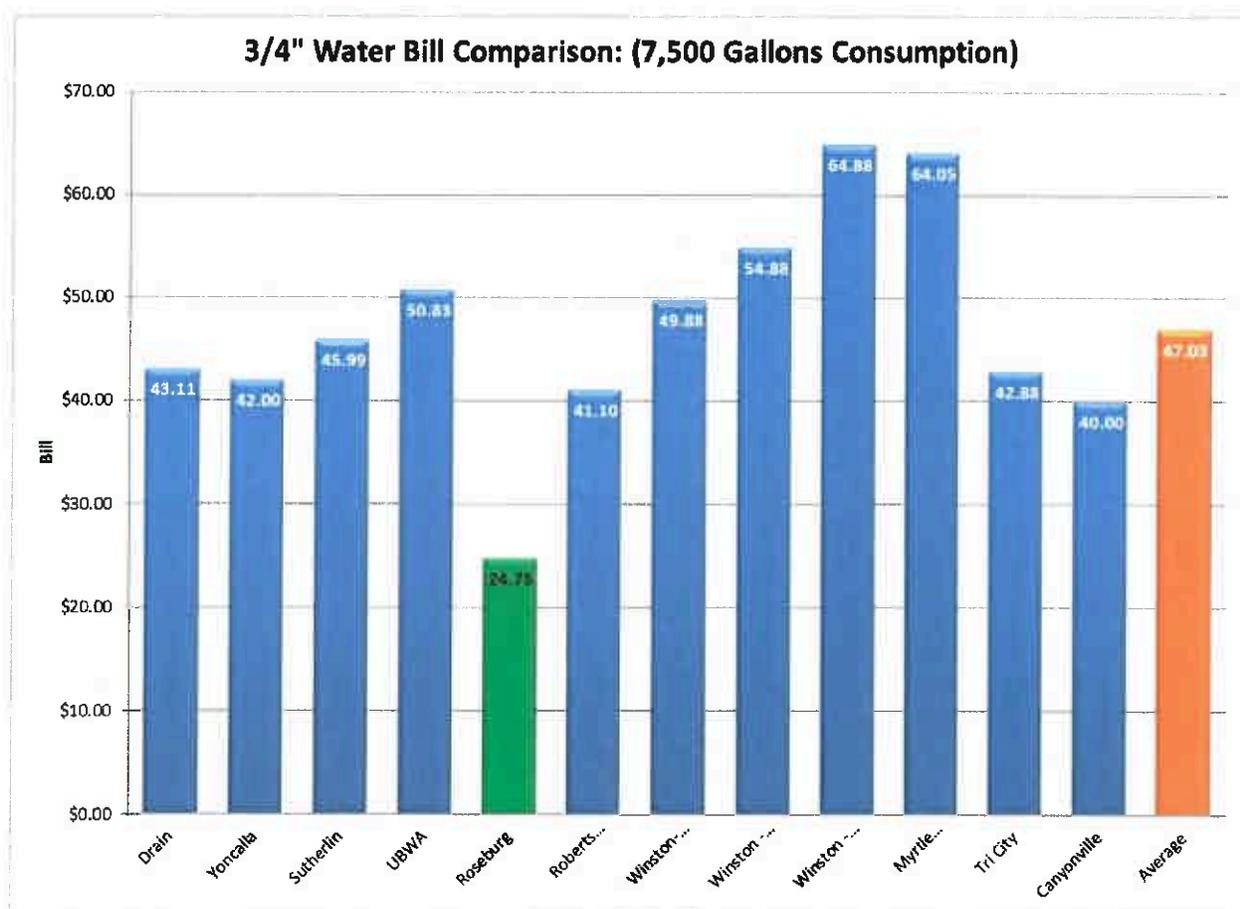


The current commodity charge, which is imposed at a uniform rate throughout the system, is \$1.52 per 100 cubic foot unit (\$2.03 per 1,000 gallons). As outlined above, the commodity charge provides approximately 65% of the current gross system utility revenue, but has become much more volatile in recent years. As environmental concerns and conservation practices improve, the commodity charge will become more elastic, but likely more predictable. Our goal to shift a more equitable cost component away from the commodity to the base fee is reflected in staff's recommendation to increase the commodity charge at a lower rate (average annual increase of 5.85%) over the next five years. Over

that period, the commodity charge, while increasing, will provide an estimated 61% of the gross system revenue at the end of five years.

The proposed rate implementation schedule for the commodity charge, which is recommended to continue as a uniform rate, would be \$1.62 per unit January 1, 2016 and increasing each successive January to \$1.72, \$1.82, \$1.92 and \$2.02.

The proposed rates will likely not, in and of themselves, create additional conservation efforts as a means to control the financial impact of individual’s water bills, however it is the component of each individual bill that can be controlled by the utility user. If these two rate components are approved the average residential water charge will increase in the first year from \$25 per month to \$27.45 per month (\$2.45 per month). The City bills every two months, so residential customer average bills would go from \$50 per two month billing cycle to \$54.89 (\$4.89 per billing period) in the first year, a roughly 9.77% increase. The proposed rates, given uniform average usage would then increase approximately 8.9% in 2017, 8.17% in 2018, 7.55% in 2019 and 7.02% in 2020. In 2020, the average residential monthly bill would then be \$37.21, which again, is lower than any other utility provider in Douglas County currently charges.



### **Summary and conclusion**

It is important to consider many factors when designing and implementing utility rates. From the utility's perspective, it is essential to develop rates that will allow for the equitable distribution of cost to customers and to derive the minimum amount of revenues necessary to reinvest in the infrastructure necessary to provide the high quality of water service our community expects and requires. It is also necessary to generate adequate revenues to meet changing environmental requirements and future demand.

Based on the goals of this rate study and the importance of continuing to reinvest in the system infrastructure, it is staff's recommendation that the rate schedule outlined in exhibit A, attached, be approved and implemented in annual increments beginning in January 2016 and continuing through January 2020. During the five-year period it is recommended the revenue generation and expenditure modeling be closely monitored to ensure that the infrastructure investments outlined in the analysis can be carried out. It will be important to review the financial circumstances annually during this period and that comprehensive rate reviews be done approximately every two years beginning in 2019.

**Proposed Water Rates: Current through Five Years  
(Straight Line Adjustments)**

	Base Fee					
	Current	Year 1	Year 2	Year 3	Year 4	Year 5
3/4" Level 1	9.55	10.98	12.40	13.83	15.25	16.68
3/4" Level 2	12.88	14.81	16.73	18.65	20.57	22.49
3/4" Level 3	16.21	18.63	21.05	23.46	25.88	28.30
3/4" Level 4	19.54	22.46	25.37	28.28	31.20	34.11
1" level 1	23.98	27.56	31.14	34.71	38.30	41.87
1" level 2	27.31	31.39	35.46	39.53	43.61	47.68
1" level 3	30.64	35.22	39.78	44.35	48.93	53.50
1-1/2" Level 1	37.09	42.63	48.15	53.68	59.22	64.75
1-1/2" Level 2	40.42	46.46	52.48	58.51	64.55	70.57
2" Level 1	52.78	60.66	68.53	76.40	84.28	92.15
2" Level 2	56.11	64.49	72.85	81.21	89.60	97.96
3" Level 1	81.68	93.87	106.04	118.22	130.42	142.59
4" Level 1	108.21	124.36	140.49	156.62	172.79	188.91
6" Level 1	204.00	234.45	264.85	295.26	325.74	356.14
8" Level 1	305.30	350.87	396.36	441.88	487.49	532.98
10" Level 1	409.42	470.54	531.54	592.58	653.75	714.75
Stacie Court Surcharge	20.00	20.00	20.00	20.00	20.00	20.00

	Commodity Charge					
	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Per Unit (750 Gallons)	1.52	1.62	1.72	1.82	1.92	2.02

**Exhibit B**

**Billing Impact Per Service Analysis (Straight Line Model)**

Service		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
3/4" Level 1 (Residential)	<b>Base Rate</b>	<b>9.55</b>	<b>10.98</b>	<b>12.40</b>	<b>13.83</b>	<b>15.25</b>	<b>16.68</b>	
	Actual Change		1.43	1.43	1.43	1.43	1.43	
	% Change		14.92%	12.98%	11.49%	10.31%	9.34%	
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>	
	Actual Change		0.10	0.10	0.10	0.10	0.10	
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%	
	<b>Average Monthly Consumption</b>	<b>10.17</b>	<b>10.17</b>	<b>10.17</b>	<b>10.17</b>	<b>10.17</b>	<b>10.17</b>	
	<b>Average Bill (2 Months)</b>	<b>\$ 50.01</b>	<b>\$ 54.89</b>	<b>\$ 59.77</b>	<b>\$ 64.66</b>	<b>\$ 69.54</b>	<b>\$ 74.42</b>	
	Actual Change		\$ 4.88	\$ 4.88	\$ 4.88	\$ 4.88	\$ 4.88	
	% Change		9.77%	8.90%	8.17%	7.55%	7.02%	
	3/4" Level 2 (Residential)	<b>Base Rate</b>	<b>12.88</b>	<b>14.81</b>	<b>16.73</b>	<b>18.65</b>	<b>20.57</b>	<b>22.49</b>
		Actual Change		1.93	1.92	1.92	1.93	1.92
		% Change		14.95%	12.97%	11.48%	10.32%	9.33%
<b>Consumption</b>		<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>	
Actual Change			0.10	0.10	0.10	0.10	0.10	
% Change			6.58%	6.17%	5.81%	5.49%	5.21%	
<b>Average Monthly Consumption</b>		<b>9.75</b>	<b>9.75</b>	<b>9.75</b>	<b>9.75</b>	<b>9.75</b>	<b>9.75</b>	
<b>Average Bill (2 Months)</b>		<b>\$ 55.40</b>	<b>\$ 61.20</b>	<b>\$ 66.99</b>	<b>\$ 72.78</b>	<b>\$ 78.58</b>	<b>\$ 84.37</b>	
Actual Change			\$ 5.80	\$ 5.79	\$ 5.79	\$ 5.80	\$ 5.79	
% Change			10.47%	9.46%	8.64%	7.97%	7.37%	
3/4" Level 3 (Residential)		<b>Base Rate</b>	<b>16.21</b>	<b>18.63</b>	<b>21.05</b>	<b>23.46</b>	<b>25.88</b>	<b>28.30</b>
		Actual Change		2.42	2.42	2.42	2.42	2.42
		% Change		14.93%	12.96%	11.48%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>	
	Actual Change		0.10	0.10	0.10	0.10	0.10	
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%	
	<b>Average Monthly Consumption</b>	<b>11.17</b>	<b>11.17</b>	<b>11.17</b>	<b>11.17</b>	<b>11.17</b>	<b>11.17</b>	
	<b>Average Bill (2 Months)</b>	<b>\$ 66.37</b>	<b>\$ 73.44</b>	<b>\$ 80.50</b>	<b>\$ 87.57</b>	<b>\$ 94.64</b>	<b>\$ 101.70</b>	
	Actual Change		\$ 7.07	\$ 7.06	\$ 7.06	\$ 7.07	\$ 7.06	
	% Change		10.66%	9.62%	8.77%	8.08%	7.46%	
	3/4" Level 4 (Residential)	<b>Base Rate</b>	<b>19.54</b>	<b>22.46</b>	<b>25.37</b>	<b>28.28</b>	<b>31.20</b>	<b>34.11</b>
		Actual Change		2.92	2.91	2.92	2.92	2.91
		% Change		14.92%	12.96%	11.49%	10.33%	9.33%
<b>Consumption</b>		<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>	
Actual Change			0.10	0.10	0.10	0.10	0.10	
% Change			6.58%	6.17%	5.81%	5.49%	5.21%	
<b>Average Monthly Consumption</b>		<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	
<b>Average Bill (2 Months)</b>		<b>\$ 61.88</b>	<b>\$ 69.21</b>	<b>\$ 76.53</b>	<b>\$ 83.86</b>	<b>\$ 91.20</b>	<b>\$ 98.52</b>	
Actual Change			\$ 7.33	\$ 7.32	\$ 7.33	\$ 7.34	\$ 7.32	
% Change			11.85%	10.58%	9.58%	8.75%	8.03%	

<b>1" Level 1</b> (Residential)	<b>Base Rate</b>	<b>23.98</b>	<b>27.56</b>	<b>31.14</b>	<b>34.71</b>	<b>38.30</b>	<b>41.87</b>
	Actual Change		3.58	3.58	3.58	3.59	3.58
	% Change		14.93%	12.97%	11.48%	10.33%	9.34%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>16.58</b>	<b>16.58</b>	<b>16.58</b>	<b>16.58</b>	<b>16.58</b>	<b>16.58</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 98.37</b>	<b>\$ 108.85</b>	<b>\$ 119.32</b>	<b>\$ 129.78</b>	<b>\$ 140.27</b>	<b>\$ 150.74</b>
Actual Change		\$ 10.48	\$ 10.47	\$ 10.47	\$ 10.49	\$ 10.47	
% Change		10.65%	9.62%	8.77%	8.08%	7.46%	
<b>1" Level 2</b> (Residential)	<b>Base Rate</b>	<b>27.31</b>	<b>31.39</b>	<b>35.46</b>	<b>39.53</b>	<b>43.61</b>	<b>47.68</b>
	Actual Change		4.08	4.07	4.07	4.08	4.07
	% Change		14.92%	12.97%	11.48%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>11.67</b>	<b>11.67</b>	<b>11.67</b>	<b>11.67</b>	<b>11.67</b>	<b>11.67</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 90.09</b>	<b>\$ 100.57</b>	<b>\$ 111.04</b>	<b>\$ 121.52</b>	<b>\$ 132.01</b>	<b>\$ 142.48</b>
Actual Change		\$ 10.48	\$ 10.47	\$ 10.47	\$ 10.49	\$ 10.47	
% Change		11.64%	10.41%	9.43%	8.64%	7.93%	
<b>1" Level 3</b> (Residential)	<b>Base Rate</b>	<b>30.64</b>	<b>35.22</b>	<b>39.78</b>	<b>44.35</b>	<b>48.93</b>	<b>53.50</b>
	Actual Change		4.58	4.57	4.57	4.58	4.57
	% Change		14.93%	12.96%	11.49%	10.33%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>12.50</b>	<b>12.50</b>	<b>12.50</b>	<b>12.50</b>	<b>12.50</b>	<b>12.50</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 99.28</b>	<b>\$ 110.93</b>	<b>\$ 122.56</b>	<b>\$ 134.20</b>	<b>\$ 145.86</b>	<b>\$ 157.49</b>
Actual Change		\$ 11.65	\$ 11.63	\$ 11.64	\$ 11.66	\$ 11.63	
% Change		11.73%	10.48%	9.50%	8.69%	7.97%	
<b>1-1/2" Level 1</b> (Residential)	<b>Base Rate</b>	<b>37.09</b>	<b>42.63</b>	<b>48.15</b>	<b>53.68</b>	<b>59.22</b>	<b>64.75</b>
	Actual Change		5.54	5.53	5.53	5.54	5.53
	% Change		14.92%	12.96%	11.48%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>57.00</b>	<b>57.00</b>	<b>57.00</b>	<b>57.00</b>	<b>57.00</b>	<b>57.00</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 247.46</b>	<b>\$ 269.93</b>	<b>\$ 292.38</b>	<b>\$ 314.84</b>	<b>\$ 337.32</b>	<b>\$ 359.77</b>
Actual Change		\$ 22.47	\$ 22.45	\$ 22.46	\$ 22.48	\$ 22.45	
% Change		9.08%	8.32%	7.68%	7.14%	6.66%	

<b>1-1/2" Level 2</b>	<b>Base Rate</b>	<b>40.42</b>	<b>46.46</b>	<b>52.48</b>	<b>58.51</b>	<b>64.55</b>	<b>70.57</b>
(Commercial)	Actual Change		6.04	6.02	6.03	6.04	6.02
	% Change		14.94%	12.96%	11.49%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>	<b>Currently no customers in this rate category</b>					
	<b>Consumption</b>						
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 80.84</b>	<b>\$ 92.92</b>	<b>\$ 104.96</b>	<b>\$ 117.02</b>	<b>\$ 129.10</b>	<b>\$ 141.14</b>
	Actual Change		\$ 12.08	\$ 12.04	\$ 12.06	\$ 12.08	\$ 12.04
	% Change		14.94%	12.96%	11.49%	10.32%	9.33%
<b>2" Level 1</b>	<b>Base Rate</b>	<b>52.78</b>	<b>60.66</b>	<b>68.53</b>	<b>76.40</b>	<b>84.28</b>	<b>92.15</b>
(Commercial)	Actual Change		7.88	7.87	7.87	7.89	7.86
	% Change		14.93%	12.97%	11.48%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>192.67</b>	<b>192.67</b>	<b>192.67</b>	<b>192.67</b>	<b>192.67</b>	<b>192.67</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 691.27</b>	<b>\$ 745.56</b>	<b>\$ 799.82</b>	<b>\$ 854.10</b>	<b>\$ 908.40</b>	<b>\$ 962.66</b>
	Actual Change		\$ 54.29	\$ 54.26	\$ 54.27	\$ 54.30	\$ 54.26
	% Change		7.85%	7.28%	6.79%	6.36%	5.97%
<b>2" Level 2</b>	<b>Base Rate</b>	<b>56.11</b>	<b>64.49</b>	<b>72.85</b>	<b>81.21</b>	<b>89.60</b>	<b>97.96</b>
(Commercial)	Actual Change		8.38	8.36	8.36	8.39	8.36
	% Change		14.93%	12.96%	11.48%	10.33%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>15.33</b>	<b>15.33</b>	<b>15.33</b>	<b>15.33</b>	<b>15.33</b>	<b>15.33</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 158.83</b>	<b>\$ 178.65</b>	<b>\$ 198.44</b>	<b>\$ 218.23</b>	<b>\$ 238.07</b>	<b>\$ 257.86</b>
	Actual Change		\$ 19.82	\$ 19.79	\$ 19.80	\$ 19.84	\$ 19.79
	% Change		12.48%	11.08%	9.98%	9.09%	8.31%
<b>3" Level 1</b>	<b>Base Rate</b>	<b>81.68</b>	<b>93.87</b>	<b>106.04</b>	<b>118.22</b>	<b>130.42</b>	<b>142.59</b>
(Commercial)	Actual Change		12.19	12.17	12.18	12.21	12.17
	% Change		14.92%	12.96%	11.48%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>516.17</b>	<b>516.17</b>	<b>516.17</b>	<b>516.17</b>	<b>516.17</b>	<b>516.17</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 1,732.51</b>	<b>\$ 1,860.12</b>	<b>\$ 1,987.69</b>	<b>\$ 2,115.28</b>	<b>\$ 2,242.92</b>	<b>\$ 2,370.49</b>
	Actual Change		\$ 127.61	\$ 127.57	\$ 127.58	\$ 127.64	\$ 127.57
	% Change		7.37%	6.86%	6.42%	6.03%	5.69%

4" Level 1 (Commercial)	<b>Base Rate</b>	<b>108.21</b>	<b>124.36</b>	<b>140.49</b>	<b>156.62</b>	<b>172.79</b>	<b>188.91</b>
	Actual Change		16.15	16.13	16.14	16.17	16.13
	% Change		14.92%	12.97%	11.49%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>125.67</b>	<b>125.67</b>	<b>125.67</b>	<b>125.67</b>	<b>125.67</b>	<b>125.67</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 598.45</b>	<b>\$ 655.88</b>	<b>\$ 713.26</b>	<b>\$ 770.67</b>	<b>\$ 828.13</b>	<b>\$ 885.51</b>
Actual Change		\$ 57.43	\$ 57.38	\$ 57.40	\$ 57.46	\$ 57.38	
% Change		9.60%	8.75%	8.05%	7.46%	6.93%	
6" Level 1 (Commercial & Public)	<b>Base Rate</b>	<b>204.00</b>	<b>234.45</b>	<b>264.85</b>	<b>295.26</b>	<b>325.74</b>	<b>356.14</b>
	Actual Change		30.45	30.40	30.42	30.48	30.40
	% Change		14.93%	12.96%	11.48%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>		Currently no customers in this rate category				
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 408.00</b>	<b>\$ 468.90</b>	<b>\$ 529.69</b>	<b>\$ 590.52</b>	<b>\$ 651.48</b>	<b>\$ 712.28</b>
Actual Change		\$ 60.90	\$ 60.79	\$ 60.83	\$ 60.96	\$ 60.80	
% Change		14.93%	12.96%	11.48%	10.32%	9.33%	
8" Level 1 (Public)	<b>Base Rate</b>	<b>305.30</b>	<b>350.87</b>	<b>396.36</b>	<b>441.88</b>	<b>487.49</b>	<b>532.98</b>
	Actual Change		45.57	45.49	45.52	45.61	45.49
	% Change		14.93%	12.96%	11.48%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>	<b>3,512.75</b>	<b>3,512.75</b>	<b>3,512.75</b>	<b>3,512.75</b>	<b>3,512.75</b>	<b>3,512.75</b>
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 11,289.36</b>	<b>\$ 12,083.05</b>	<b>\$ 12,876.58</b>	<b>\$ 13,670.16</b>	<b>\$ 14,463.93</b>	<b>\$ 15,257.46</b>
Actual Change		\$ 793.69	\$ 793.53	\$ 793.58	\$ 793.77	\$ 793.53	
% Change		7.03%	6.57%	6.16%	5.81%	5.49%	
10" Level 1 (Public)	<b>Base Rate</b>	<b>409.42</b>	<b>470.54</b>	<b>531.54</b>	<b>592.58</b>	<b>653.75</b>	<b>714.75</b>
	Actual Change		61.12	61.00	61.04	61.17	61.00
	% Change		14.93%	12.96%	11.48%	10.32%	9.33%
	<b>Consumption</b>	<b>1.52</b>	<b>1.62</b>	<b>1.72</b>	<b>1.82</b>	<b>1.92</b>	<b>2.02</b>
	Actual Change		0.10	0.10	0.10	0.10	0.10
	% Change		6.58%	6.17%	5.81%	5.49%	5.21%
	<b>Average Monthly</b>						
	<b>Consumption</b>		Currently no customers in this rate category				
	<b>Average Bill</b>						
	<b>(2 Months)</b>	<b>\$ 818.84</b>	<b>\$ 941.08</b>	<b>\$ 1,063.08</b>	<b>\$ 1,185.16</b>	<b>\$ 1,307.50</b>	<b>\$ 1,429.50</b>
Actual Change		\$ 122.24	\$ 122.00	\$ 122.08	\$ 122.34	\$ 122.00	
% Change		14.93%	12.96%	11.48%	10.32%	9.33%	

**Water Operations Forecast Model: Expenditures and Revenues (Impact of Proposed New Rates) - (Straight Line Rate Adjustments)**

	Actuals				Projected	Budgeted	Forecast				
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Resources</b>											
Charges for Services	4,545,780	4,554,175	4,858,073	4,903,305	4,961,437	5,053,449	5,376,249	5,813,612	6,251,000	6,688,582	7,125,946
Intergovernmental	-	48,852	-	318,750	10,971	-	-	-	-	-	-
Special Assessments	-	-	12,500	-	-	-	-	-	-	-	-
Interest	28,910	31,619	31,288	22,577	23,816	18,000	13,073	11,016	9,753	9,319	9,519
Proceeds from Sale of Assets	9,489	2,838	2,900	710	-	-	-	-	-	-	-
Miscellaneous	14,048	13,428	10,880	15,452	14,378	11,500	13,637	13,637	13,637	13,637	13,637
<b>Total Operating Revenues:</b>	<b>4,598,227</b>	<b>4,650,912</b>	<b>4,915,641</b>	<b>5,260,794</b>	<b>5,010,602</b>	<b>5,082,949</b>	<b>5,402,960</b>	<b>5,838,266</b>	<b>6,274,391</b>	<b>6,711,539</b>	<b>7,149,103</b>
Bond/Loan Proceeds	9,380	9,591	9,807	10,027	-	-	-	-	-	-	-
Beginning Fund Balance	4,599,055	5,366,766	5,800,433	4,909,309	4,603,995	3,825,731	2,905,147	2,448,028	2,167,247	2,070,813	2,115,427
<b>Total Resources:</b>	<b>9,206,662</b>	<b>10,027,269</b>	<b>10,725,881</b>	<b>10,180,130</b>	<b>9,614,597</b>	<b>8,908,680</b>	<b>8,308,107</b>	<b>8,286,293</b>	<b>8,441,638</b>	<b>8,782,351</b>	<b>9,264,530</b>
<b>Personnel</b>											
Production	548,188	586,338	598,780	590,875	603,239	629,036	644,806	671,991	689,130	714,960	733,345
Transmission & Distribution	811,047	845,009	927,303	937,927	959,060	1,012,974	1,038,784	1,081,239	1,109,306	1,150,392	1,180,514
<b>Total Personnel:</b>	<b>1,359,235</b>	<b>1,431,347</b>	<b>1,526,083</b>	<b>1,528,802</b>	<b>1,562,299</b>	<b>1,642,010</b>	<b>1,683,590</b>	<b>1,753,230</b>	<b>1,798,436</b>	<b>1,865,352</b>	<b>1,913,859</b>
<b>Materials and Services</b>											
Production	350,140	382,817	401,470	395,434	439,554	481,790	502,025	523,110	545,081	567,974	591,829
Transmission & Distribution	358,794	354,047	304,291	317,514	319,031	346,086	347,993	362,215	371,618	385,381	395,472
Administration	1,095,817	1,163,494	1,222,304	1,286,151	1,292,798	1,259,147	1,326,471	1,420,491	1,533,890	1,662,763	1,807,423
<b>Total M&amp;S:</b>	<b>1,804,751</b>	<b>1,900,358</b>	<b>1,928,065</b>	<b>1,999,099</b>	<b>2,051,383</b>	<b>2,087,023</b>	<b>2,176,489</b>	<b>2,305,816</b>	<b>2,450,589</b>	<b>2,616,118</b>	<b>2,794,724</b>
<b>Capital Outlay</b>											
Capital Outlay	675,910	895,131	2,362,424	2,048,234	2,125,675	2,274,500	2,000,000	2,060,000	2,121,800	2,185,454	2,251,018
<b>Debt Service</b>											
Debt Service	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures:</b>	<b>3,839,896</b>	<b>4,226,836</b>	<b>5,816,572</b>	<b>5,576,135</b>	<b>5,739,357</b>	<b>6,003,533</b>	<b>5,860,079</b>	<b>6,119,046</b>	<b>6,370,825</b>	<b>6,666,924</b>	<b>6,959,601</b>
Ending Fund Balance	5,366,766	5,800,433	4,909,309	4,603,995	3,825,731	2,905,147	<b>2,448,028</b>	<b>2,167,247</b>	<b>2,070,813</b>	<b>2,115,427</b>	<b>2,304,929</b>
<b>Total Expenditures and Ending Fund Balance:</b>	<b>9,206,662</b>	<b>10,027,269</b>	<b>10,725,881</b>	<b>10,180,130</b>	<b>9,565,088</b>	<b>8,908,680</b>	<b>8,308,107</b>	<b>8,286,293</b>	<b>8,441,638</b>	<b>8,782,351</b>	<b>9,264,530</b>

**CITY OF ROSEBURG  
PUBLIC WORKS COMMISSION MEETING  
OCTOBER 8, 2015  
MINUTES**

**CALL TO ORDER:** The meeting of the City of Roseburg Public Works Commission was called to order at 3:31 p.m. Thursday, October 8, 2015 in the Third Floor Conference Room at City Hall.

**ROLL CALL:** Present: Chair Steve Kaser, Commissioners Richard Weckerle, Vern Munion, Ryan Forsloff, Fred Dayton, Noel Groshong, Nathan Reed, Stuart Liebowitz (arrived 3:37), and John Seward

**Absent:** None

**Others Present:** None

**Attending Staff:** City Manager Lance Colley, Finance Director Ron Harker, Public Works Director Nikki Messenger, Engineer Manager Jim Maciariello, and Department Technician Chanelle Rogers

**APPROVAL OF MINUTES:** Weckerle moved to approve the minutes of the August 13, 2015 Public Works Commission meeting. Motion was seconded by Forsloff and carried unanimously.

**DISCUSSION ITEMS:**

**Cathodic Protection Bid Award:** Maciariello informed there are two transmission mains that run parallel to each other for approximately five miles along Stephens Street between the Water Treatment Plant and Reservoir Hill. In 1981 a Galvanic Anode Corrosion Protection (GACP) systems was installed on some of the steel pipe to mitigate corrosion and prolong the life of the pipe. Maciariello said that a study done in 2011 revealed that areas of the system were no longer adequately protected from corrosion because the anodes installed in 1981 have exceeded their useful life. Maciariello stated that in March of 2014 the City contracted with RH2 Engineering, Inc. to design a new Impressed Current Cathodic Protection (ICCP) system. The ICCP system will protect the 30-inch pipe from Hooker Road to Newton Creek Road and the 20-inch pipe from Hooker Road to Garden Valley Boulevard. Kaser inquired about going away from the old system. Maciariello explained how the system works as far as preventing rust and corrosion. The system will include a buried anode field, that type of system allows for protection of long sections of pipeline without having to dig down and attach an anode to each pipe section.

**MOTION:** Forsloff moved to recommend to the City Council the award of the Transmission Main Cathodic Protection Project to the low bidder, Cathodic Protection Engineering, Inc., for \$133,971.89. Motion was seconded by Weckerle and carried unanimously.

**Water Rate Study:** Colley informed that the City Council adopted a goal to "Identify and implement long-term infrastructure funding mechanisms to ensure the City can meet long-term infrastructure stability and sustainability. Colley stated in 2013 a five-year fee schedule for the City's Storm Drainage Utility was implemented and has been working well, so staff is recommending doing a five-year schedule for the water rates. Currently there is a base rate and consumption is billed at a uniform rate. The base rate generates approximately 35% of the gross rate revenue and consumption provides the other 65%. With the current revenue

generated it allows to keeps things in good shape but not make any improvements/upgrades. Colley said that staff is recommending that the base fee be raised more in the first couple years and the commodity fee increase be fairly uniform throughout a five year rate implementation time frame. Weckerle inquired why not make it a 10 year time frame. Colley stated that would require larger increases. Colley informed that even after the fifth year increase, Roseburg will still have the lowest rate it will still be lower than the next lowest currently. Discussion ensued regarding how the Water Master Plan tied into the suggested rate increases. Harker discussed how the increase would affect the billing and what the customer would see on their water bill. He mentioned that the customer would only see a 10% increase on their bill. Groshong questioned if a trial had been done for a flat rate. Harker stated that currently expenditures are exceeding revenue so need to make the increase front loaded. If only a flat rate is done then will have to push out the Capital Improvement projects. Liebowitz stated he would like to see in the report about how a consumer can conserve. Colley stated that information is available but isn't part of the rate structure study report. Seward asked what would happen if nothing is changed. Harker showed that if nothing is done with the rates then in a couple years the City will be in the negative for this account. Kaser questioned what the different levels were for. Messenger explained the levels have to do with the elevation. No motion was made the consensus was to bring the topic back to the commission at the next meeting. Kaser asked the commission to get any questions or comments to staff so they can research it before the next meeting.

**Single Lot L.I.D:** Messenger informed that currently LUDO requires if you add 20% to a structure the developer is required to upgrade or install sidewalks. Messenger said staff is looking at lowering the percentage that triggers the improvements and offer them a single lot L.I.D. Staff doesn't want to cause a burden on the developer so they would have 10 years to pay back the L.I.D. Dayton said there is currently an L.I.D process. Messenger explained this would expand the code to make single lot L.I.D.S easier and more streamlined. The proposal is the development either installs the sidewalks or agrees to have the City do the work, then developer pays the City back.

**AUDIENCE PARTICIPATION:** None

**INFORMATIONAL ITEMS:** None

**BUSINESS FROM THE COMMISSION:** None

**NEXT MEETING DATE:** Thursday, November 12, 2015

**ADJOURNMENT:** Meeting adjourned at 4:50 p.m.

*Chanelle Rogers*

Chanelle Rogers  
Public Works Department Technician

**CITY OF ROSEBURG  
PUBLIC WORKS COMMISSION MEETING  
NOVEMBER 12, 2015  
MINUTES**

**CALL TO ORDER:** The meeting of the City of Roseburg Public Works Commission was called to order at 3:32 p.m. Thursday, November 12, 2015 in the Third Floor Conference Room at City Hall.

**ROLL CALL:** Present: Chair Steve Kaser, Commissioners Richard Weckerle, Vern Munion, Ryan Forsloff, Fred Dayton, Noel Groshong, Nathan Reed, Stuart Liebowitz, and John Seward

Absent: None

Others Present: None

Attending Staff: City Manager Lance Colley, Finance Director Ron Harker, Public Works Director Nikki Messenger, and Department Technician Chanelle Rogers

**APPROVAL OF MINUTES:** Seward moved to approve the minutes of the October 8, 2015 Public Works Commission meeting. Motion was seconded by Weckerle and carried unanimously.

**DISCUSSION ITEMS:**

**Water Rate Study:** Colley stated that staff was looking to implement the new fees in January, February, or March so that the consumer can see the actual difference and be able to make changes to consumption if needed. Groshong asked if that means money would be collected prior to the budget year. Colley said yes roughly 3-4 months prior but the annual adjustment would happen the same month it was implemented each year not at the fiscal year. Dayton stated he feels that the base rate is stable revenue and that there has been a decline in the consumption. Liebowitz feels the base rate is aggressive and that adjusting the consumption rate allows the customer to better control their bill by conserving. Dayton said that a certain amount of revenue is needed to maintain the system and if you encourage the customer to conserve then you will need to raise the base rate to make the amount of revenue needed. Discussion ensued regarding what the revenue was used for. Liebowitz inquired as to which of the three comparison water rate models was absolutely needed. Colley stated that either the Variable Adjustment or the Straight Line plus \$.10 Consumption would work, they both end up about the same for the base rate and consumption charge at the end of the 5 years. Seward questioned if the consumption has been steady over the past 5 years. Harker stated that very few customers were added over the last 5 years and yes the consumption had stayed steady. Discussion ensued. Forsloff questioned if the rates would be looked at again after the 5 years that is proposed. Colley said staff will most likely look at yearly and report to Council. Commission asked how many gallons is one unit. Staff informed that one unit is about 750 gallons and the average house uses 7500 gallons over 2 months.

**MOTION:** Dayton moved to recommend to the City Council adoption of the water fee structure outlined in Appendix 1 of the City of Roseburg Water Rate Study completed in September of 2015. Motion was seconded by Weckerle.

Multiple members of the commission felt the Straight Line plus \$.10 consumption would be easier to explain that it is a straight across the board raise rather than bigger increase in the

beginning. Dayton doesn't feel that the increase would be a shock to the customer, prices of other things are also going up, and he says raising the base fee is in the best interest of the utility and the customer. After discussion Weckerle withdrew his second to the motion and Dayton withdrew his motion.

**MOTION:** Groshong moved to recommend to the City Council adoption of the Straight Line plus \$.10 Consumption Model. Motion was seconded by Liebowitz and carried unanimously, with Chair Kaser abstaining.

**AUDIENCE PARTICIPATION:** None

**INFORMATIONAL ITEMS:** None

**BUSINESS FROM THE COMMISSION:** Forsloff mentioned during the Veteran's Day parade, he saw a lady slip on a metal plate that is in the sidewalk. Colley stated the City had already been contacted but the issue is a private matter. Kaser noticed that some of the reflectors are popping up in the redone intersections downtown. Messenger stated that a different type of application is being looked at.

**NEXT MEETING DATE:** Thursday, December 10, 2015

**ADJOURNMENT:** Meeting adjourned at 4:54 p.m.

*Chanelle Rogers*

Chanelle Rogers  
Public Works Department Technician

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*12/8/15*

# ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY



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## CITY MANAGER CONTRACT

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**Meeting Date: December 14, 2015**  
**Department: City Manager's Office**  
***www.cityofroseburg.org***

**Agenda Section: Council Reports**  
**Staff: Debi Davidson**  
**Contact Telephone: 492-6866**

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### ISSUE STATEMENT AND SUMMARY

The City Manager's performance was reviewed on November 9, 2015 upon completion of two years of service. Council may wish to consider amendment of the Manager's contract.

### BACKGROUND

**A. Council Action History.**

- October 2015 – One-on-one meetings were conducted between the City Manager and Mayor/City Councilors.
- November 9, 2015 – Council and the City Manager met in Executive Session to discuss the Manager's performance.
- November 23, 2015 – A brief follow-up executive session was conducted.

**B. Analysis:** The City Manager's contract is effective until terminated by either party. Upon completion of the annual performance evaluation is generally the time at which the City Council determines whether an adjustment should be made in the employment contract and/or compensation plan.

**C. Financial and/or Resource Considerations.** At the time of 2015/16 budget preparation, funds were included in the budget to accommodate an adjustment effective January 1, 2016. At the time of hiring in November 2012, the Council chose to set the salary at 10% above the highest paid department head. Since the Manager's hire date, those department heads have received pay step and cost of living adjustments pursuant to the City's Personnel Policies and Employee Handbook. Therefore, in order to maintain that 10% differential, which would also be the Manager's request, the City Manager's salary would be adjusted from \$11,021 per month to \$11,521 in January.

### CITY COUNCIL OPTIONS

The City Council has the option to:

- A. Take no action on the contract.
- B. Amend the contract to reflect a salary adjustment.

### RECOMMENDED MOTION

"I move to amend the contract with C. Lance Colley to adjust the monthly salary to \$11,521 beginning January 1, 2016.

**MINUTES OF THE REGULAR MEETING  
OF THE ROSEBURG CITY COUNCIL**

**November 23, 2015**

Mayor Larry Rich called the regular meeting of the Roseburg City Council to order at 7:00 p.m. on Monday, November 23, 2015, in the City Hall Council Chambers, 900 SE Douglas, Roseburg, Oregon. Councilor Ryan led the Pledge of Allegiance.

ROLL CALL

Present: Councilors Lew Marks, Alison Eggers, Steve Kaser, Andrea Zielinski, Tom Ryan and Victoria Hawks. John McDonald arrived at 7:04 p.m.

Absent: Councilor Ken Fazio

Others present: City Manager Lance Colley, City Attorney Bruce Coalwell, Public Works Director Nikki Messenger, Police Captain Jerry Matthews, Fire Chief Gregg Timm, Finance Director Ron Harker, Community Development Director Brian Davis, Human Resources Director John VanWinkle, Management Technician Debi Davidson, Troy Brynelson of The News Review and Kyle Bailey of KQEN Radio.

MAYOR REPORT

Rich thanked Staff for their involvement in the Veterans Day Parade

COMMISSION REPORTS/COUNCIL WARD REPORTS

Kaser reported the Public Works Commission spent two meetings discussing the water rate study and reached a recommendation which will be presented at the next Council meeting. He requested Councilors read all the study and ask questions prior to the meeting.

Marks reported the RAIN Conference will be held December 9<sup>th</sup> at 8:30 a.m. at UCC's Jacoby Auditorium.

AUDIENCE PARTICIPATION

Robin Stalcup, 1788 NW Crouch, invited Council to attend a Healthy Communities Program on December 20<sup>th</sup> at the YMCA and thanked the City for addressing weed problems via the grant which will be considered on the agenda.

CONSENT AGENDA

Ryan moved to approve the following Consent Agenda item:

- A. Minutes of November 9, 2015 regular meeting.

Motion was seconded by Marks and carried unanimously.

MEDICAL EDUCATION FACILITY PRESENTATION

Partnership Director Alex Campbell shared a presentation regarding the proposed medical education facility, a full copy of which is contained in the Council record. Approximately \$300,000 has been spent to date on the first phase feasibility study. Councilors requested an accounting of how those funds were spent and derived. That feasibility expense is not

12-14-15

included in the estimated \$180 million capital funding need, but a major donor has been identified that could assist with capital funding. Campbell estimated the chances of succeeding with the full program at 5% to 10%. An incremental program would have greater chances of success. Primary competition for such a facility exists only with existing similar programs. Campbell was not aware of any other community efforts to create a similar new institution. It was estimated the next phase would cost approximately \$75,000 of which the City was asked to provide 20% or \$15,000.

Ryan was concerned that neither had The Partnership Board voted on moving forward nor had a recommendation been received from the City's Economic Development Commission. Colley noted that there were time constraints in order to be prepared for the January Legislative session, thus the issue was brought directly to the Council.

Ryan moved to refer the request to the Economic Development Commission, seconded by Marks. Campbell indicated that while City participation is important from the political perspective, other partners in the project can proceed with steps needed for phase 2 which include engaging Pac West to help identify state and federal support and potential partner institutions, providing information during the legislative short session and establishing support at the federal congressional level. Motion was then voted on and carried with Hawks voting nay. Hawks believed the requested contribution was minimal versus the possibility of the project being successful and providing a substantial return to the community.

#### PROPERTY ACQUISITION CONTRACT – UNIVERSAL FIELD SERVICES

Messenger reported the City had contracted with Universal Field Services for property acquisition services with three task orders totalling under \$50,000. Additional properties need to be acquired for projects, including the Parrott/Spruce project which will be bid out soon, so Universal's services will exceed the City Manager's \$50,000 authority. Kaser moved to authorize the City Manager to negotiate and execute task orders under the existing contract with Universal Field Services up to a cumulative total of \$100,000. Motion was seconded by Hawks and carried unanimously.

#### WORKERS COMPENSATION FUND UPDATE

Colley reported that a settlement agreement was reached with one employee in fiscal year 2014-15 and a second employee in the current fiscal year for their workers compensation claims. Therefore, there is no further need for spending authorization that Council had granted earlier in the year. Ryan moved to rescind prior authorization for the City Manager to expend up to and including the full amount of the Workers Compensation Fund for payment of lump sum settlements for Workers Compensation claims. Motion was seconded by Hawks and carried unanimously.

#### OREGON STATE WEED BOARD GRANT PROGRAM APPLICATION

Messenger reported an opportunity has arisen to apply for a grant to remove noxious weeds and replant with native vegetation along the riverbanks. She anticipated award of approximately \$80,000 with \$20,000 in matching funds budgeted in the Grant Fund. Most of the matching cost will be provided through in-kind labor. Hawks moved to authorize the City Manager to submit an application for an Oregon State Weed Board grant to perform weed abatement and replanting activities along the waterfronts in City owned parks. Motion was seconded by Eggers and carried unanimously.

ITEMS FROM MAYOR, COUNCIL OR CITY MANAGER

Hawks and McDonald reported on attendance at the homeless group forum. Hawks noted she was surprised at the number of people who believed the City had funds available to provide housing for the homeless.

McDonald lauded the "best" Veterans Day Parade in the state.

Meeting adjourned at 8:37 p.m.

Debi Davidson  
Management Technician

*CF*  
12/7/15



## ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

### ASSIGNMENT OF GROUND LEASE - CORPORATE HANGAR SPACE #2

**Meeting Date:** December 14, 2015

**Agenda Section:** CONSENT

**Department:** Airport Manager

**Staff Contact:** Patricia Loegering

[www.cityofroseburg.org](http://www.cityofroseburg.org)

**Contact Telephone Number:** 541-492-6873

**ISSUE STATEMENT AND SUMMARY:** The current lessee of Corporate Hangar Space #2 at the Roseburg Regional Airport has requested assignment of the lease.

#### BACKGROUND:

**A. Council Action History.** RMC 3.22.160 requires Council approval of the requested assignment, based on a recommendation from the Airport Commission.

**B. Analysis.** On October 26, 2015, Don R. Johnson requested Lessor's approval of an assignment of the Lease to Rod Johnson and Lessor has no objection to said assignment

**C. Financial and/or Resource Considerations.** n/a

**D. Timing Issues.** At the November 19, 2015 Airport Commission meeting, members unanimously recommended Council approval of the assignment.

**COUNCIL OPTIONS:** Council may grant or deny approval of the requested assignment.

**STAFF RECOMMENDATION:** Staff recommends Council approval.

**SUGGESTED MOTION:** "I MOVE TO APPROVE ASSIGNMENT OF THE GROUND LEASE FOR CORPORATE HANGAR SPACE #2 AT THE ROSEBURG REGIONAL AIRPORT FROM DON R. JOHNSON TO ROD JOHNSON."

**ATTACHMENTS:** n/a

cc: Don R. Johnson, P.O. Box 66, Riddle, Oregon 97469  
Subject Lease File  
Chrono File

*o/c*  
*12/8/15*

# ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY



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## Marked K-9 Patrol Vehicle Purchase

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Meeting Date: December 14, 2015  
Department: Police  
[www.cityofroseburg.org](http://www.cityofroseburg.org)

Agenda Section: Department Items  
Staff Contact: Chief Jim Burge  
Contact Telephone Number: 541.492.6760

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### ISSUE STATEMENT AND SUMMARY

Council will be considering the purchase of two new K-9 police utility vehicles to replace older models as part of a standard and scheduled vehicle fleet rotation. The 2016 Ford Utility vehicles will be procured from the State of Oregon state-bid pricing agreement.

### BACKGROUND

A. Council Action History.

Council has approved our process of purchasing marked police vehicles in past budget cycles. Marked police K-9 vehicles are on an extended rotation/purchasing schedule because of their single officer assignment.

B. Analysis.

The two older model Ford Interceptor sedans are being replaced. The current configuration of police K-9 vehicle does not allow for prisoner transport. The new Ford K-9 Utility Vehicle is configured with more room available for prisoner transport and other equipment required for day-to-day law enforcement patrol activity.

C. Financial and/or Resource Considerations.

Council adopted the FY 15-16 budget allowing for the purchase of police vehicles. Money has been budgeted for this purchase.

### COUNCIL OPTIONS

Council may choose to approve or not to approve the purchase of police vehicles.

### STAFF RECOMMENDATION

Staff recommends that the City Council approve the purchase of two (2) 2016 full size, six-cylinder, marked police vehicles to be used by K-9 officers at a price of \$28,695.00 each for a total of \$57,390.00.

### SUGGESTED MOTION

**"I MOVE TO APPROVE THE REQUEST TO PURCHASE TWO (2) 2016 FULL SIZE, SIX-CYLINDER, MARKED POLICE K-9 VEHICLES AT STATE-BID PRICE FOR A TOTAL NOT TO EXCEED \$57,390.00."**

*Jc*  
*12/7/15*

## ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY



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### OLCC APPLICATION-CHANGE OF OWNERSHIP BUY 2 – 013, 334 W HARVARD

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**Meeting Date:** December 14, 2015  
**Department:** City Recorder  
**[www.cityofroseburg.org](http://www.cityofroseburg.org)**

**Agenda Section:** Consent  
**Staff Contact:** Sheila Cox  
**Contact Telephone Number:** 492-6866

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### ISSUE STATEMENT AND SUMMARY

Roseburg Municipal Code Chapter 9.12 requires staff review of all applications submitted to the Oregon Liquor Control Commission for a license to sell alcoholic beverages within the City. Upon completion of staff review, the City Recorder is required to submit the application and a recommendation concerning endorsement to the Council for its consideration. Changes to existing licenses must be processed in the same manner.

### BACKGROUND

OLCC has received a change of ownership application for Buy 2 – 013, (formerly Toad's Express), located at 334 W Harvard. This is an "Off-Premises" sales with fuel pumps license application submitted by Lutfi Thabet.

- A. Council Action History.** Chapter 9.12 requires Council to make a recommendation to OLCC on the approval or denial of all liquor license applications submitted by any establishment located inside City limits.
- B. Analysis.** The Police Department conducted a background investigation on the applicant and found no reason to deny the application.
- C. Financial and/or Resource Considerations.** The applicant has paid the appropriate fee for City review of the application.
- D. Timing Issues.** The applicant is requesting endorsement from the Council for immediate submittal to OLCC.

### COUNCIL OPTIONS

Council may recommend OLCC approval of the application as submitted or recommend denial based on OLCC criteria.

**STAFF RECOMMENDATION**

Staff recommends Council approval of the application as submitted.

**SUGGESTED MOTION**

*"I MOVE TO RECOMMEND APPROVAL OF THE OLCC CHANGE OF OWNERSHIP APPLICATION FOR BUY 2-013 LOCATED AT 334 W HARVARD."*

**ATTACHMENTS**

A. Subject Application

c: Applicant  
OLCC



# OREGON LIQUOR CONTROL COMMISSION LIQUOR LICENSE APPLICATION

Application is being made for:

**LICENSE TYPES**

- Full On-Premises Sales (\$402.60/yr)
- Commercial Establishment
- Caterer
- Passenger Carrier
- Other Public Location
- Private Club
- Limited On-Premises Sales (\$202.60/yr)
- Off-Premises Sales (\$100/yr)
  - with Fuel Pumps
- Brewery Public House (\$252.60)
- Winery (\$250/yr)
- Other: \_\_\_\_\_

**ACTIONS**

- Change Ownership
- New Outlet
- Greater Privilege
- Additional Privilege
- Other \_\_\_\_\_

**90-DAY AUTHORITY**

Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

**APPLYING AS:**

- Limited Partnership
- Corporation
- Limited Liability Company
- Individuals

**CITY AND COUNTY USE ONLY**

Date application received: \_\_\_\_\_

The City Council or County Commission:

\_\_\_\_\_  
(name of city or county)

recommends that this license be:

- Granted
- Denied

By: \_\_\_\_\_  
(signature) (date)

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

Title: \_\_\_\_\_

**OLCC USE ONLY**

Application Rec'd by: KB

Date: 12/1/2015

90-day authority:  Yes  No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

① Thabet Management, Inc. ③ \_\_\_\_\_  
② \_\_\_\_\_ ④ \_\_\_\_\_

2. Trade Name (dba): buuy 2 013

3. Business Location: 334 W. Harvard Roseburg OR 97470  
(number, street, rural route) (city) (county) (state) (ZIP code)

4. Business Mailing Address: 4105 Franklin Blvd Eugene OR 97403  
(PO box, number, street, rural route) (city) (state) (ZIP code)

5. Business Numbers: 541-344-5983 541-485-7399  
(phone) (fax)

6. Is the business at this location currently licensed by OLCC?  Yes  No

7. If yes to whom: \_\_\_\_\_ Type of License: Off premises sales

8. Former Business Name: \_\_\_\_\_

9. Will you have a manager?  Yes  No Name: Lutfi Thabet  
(manager must fill out an Individual History form)

10. What is the local governing body where your business is located? Roseburg - Douglas County  
(name of city or county)

11. Contact person for this application: Barb Ross-Franklin 541-344-5983  
(name) (phone number(s))  
4105 Franklin Blvd 541-485-7399 brss-franklin@tmbuy2.com  
(address) (fax number) (e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

① [Signature] Date 01, Dec, 2015 ③ \_\_\_\_\_ Date \_\_\_\_\_  
② \_\_\_\_\_ Date \_\_\_\_\_ ④ \_\_\_\_\_ Date \_\_\_\_\_

*OLC*  
*12/14/15*



## ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

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### PUBLIC HEARING – ORDINANCE AMENDING RMC 9.12.050 - PROCESSING OF OLCC NEW LOCATION APPLICATIONS

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**Meeting Date:** December 14, 2015  
**Department:** City Recorder  
**[www.cityofroseburg.org](http://www.cityofroseburg.org)**

**Agenda Section:** PUBLIC HEARING  
**Staff Contact:** Sheila R. Cox *SRC*  
**Contact Telephone Number:** 541/492-6861

**ISSUE STATEMENT AND SUMMARY** Council will be conducting a public hearing to consider an ordinance that would eliminate the requirement for Council to hold a public hearing any time it considers an OLCC liquor license application for a location that has never been licensed to sell alcohol. ORS 471.166(8) requires the City to hold a public hearing prior to amending the guidelines it follows in making recommendations on license applications.

#### BACKGROUND

**A. Council Action History.** Following a staff report on the subject at the November 9, 2015 Council meeting, Council agreed to consider eliminating the requirement that a public hearing be held prior to Council making its recommendation on all liquor license applications for new outlets.

**B. Analysis.** As discussed previously, RMC 9.12.050 currently requires the Council to hold a public hearing on each OLCC application for a new location. Notice of the hearing must be posted in three places within each of our four wards and published in the local newspaper at an average cost of \$100 per notice. If the requirement for the hearing is eliminated, Council would still receive a Staff report on new outlet applications just like it does for all other liquor license applications – such as those for renewal, change of ownership or change in privilege. The public would also still have an opportunity to comment on the application just like they do on any other agenda item. After considering the Staff report, if Council decides there may be cause to recommend that OLCC deny the application ~ Council could postpone their decision until a public hearing could be held in order to give the applicants, or other interested parties, an opportunity to submit testimony regarding the matter ~ prior to Council making its final decision.

**C. Financial and/or Resource Considerations.** Elimination of the public hearing will save the staff time it takes to prepare and post the notice, as well as the cost of publishing the notice.

**D. Timing Issues.** n/a

**COUNCIL OPTIONS** At the conclusion of the public hearing, Council may direct staff to proceed with first reading of the ordinance or request further information prior to proceeding with the ordinance.

**STAFF RECOMMENDATION**

Staff recommends Council proceed with first reading of the proposed ordinance.

**SUGGESTED MOTION**

If Council concurs with Staff's recommendation, only a consensus to proceed with first reading will be required.

**ATTACHMENT:** #1. RMC 9.25 as currently written  
#2. The proposed ordinance amending RMC 9.12.050

cc: Oregon Liquor Control Commission; ATTN: Will Higlin, Sr. Director of Licensing and Compliance; 9079 SE McLoughlin Blvd.; Portland, OR 97222-7335

Christine Matthews, Roseburg OLCC Office

Chrono File

## Chapter 9.12

### BUSINESSES LICENSED BY OLCC-- REVIEW OF APPLICATIONS

#### Sections:

- 9.12.010** Application procedure.  
**9.12.020** Application review.  
**9.12.030** Additional information from applicant.  
**9.12.040** Staff report to Council.  
**9.12.050** Public hearing required--Notice thereof.  
**9.12.060** Public hearing procedure.  
**9.12.070** Standards and criteria.

**9.12.010** Application procedure.

Except for special event liquor license applications processed in accordance with Roseburg Municipal Code Section 7.02.030, all applications submitted to the Oregon Liquor Control Commission (OLCC) for a license to sell alcoholic beverages within the City shall be submitted to the City Recorder for review by the City Council. Such application shall be accompanied by the fee set by Council resolution for the type of license sought. (Ord. 2966 § 1 (part), 1996)

**9.12.020** Application review.

The City Recorder shall refer each application to appropriate departments for review and comment prior to scheduling Council review of the application. (Ord. 2966 § 1 (part), 1996)

**9.12.030** Additional information from applicant.

The City Recorder or department designated to review a license application may require the applicant to supply additional information as is necessary to make a recommendation to Council regarding endorsement of the license. (Ord. 2966 § 1 (part), 1996)

**9.12.040** Staff report to Council.

Upon completion of the review pursuant to Section 9.12.030, the City Recorder shall submit the application and a recommendation concerning endorsement to the Council for its consideration. (Ord. 2966 § 1 (part), 1996)

**9.12.050** Public hearing required--Notice thereof.

A. A public hearing shall be held on an application for a license at a new location or upon the request of two or more Council members.

B. A recommendation to deny an application shall not be made by the Council without providing the applicant an opportunity to be heard.

C. Notice of the public hearing before the Council shall be given not less than ten days prior to the hearing, shall contain the time and place of the hearing, the business name of the applicant, the location of the business and the nature of the license applied for. Such notice shall be mailed to the applicant or applicant's agent at the address shown on the application, published in a newspaper of general circulation in the City, and posted in twelve public places, three in each of the four wards within the City and at a conspicuous place in the City Hall. (Ord. 2966 § 1 (part), 1996)

**9.12.060** Public hearing procedure.

The Council shall conduct a public hearing on the license application at the time and place designated on the notice of public hearing. The applicant, applicant's representative and all other interested persons shall be given a reasonable opportunity to be heard. After due consideration of all pertinent information and testimony, the Council shall make its recommendation. The recommendation of the Council shall be based upon the standards and criteria set forth in the following Section. (Ord. 2966 § 1 (part), 1996)

**9.12.070** Standards and criteria.

A. General Criteria. The criteria used by the City for recommending the denial, issuance, maintenance and/or renewal of OLCC licenses shall be current

state statutes and regulations, the criteria in this Chapter and the general ordinances of the City.

B. The Council may also refuse to recommend approval if it determines that public opinion weighs against the issuance of a license. Such public opinion will be evaluated in light of the reasons expressed and the extent to which the persons expressing it are likely to be affected by the issuance of the license. Greater weight will be given to opinions of persons residing, working or owning businesses within a one-mile radius of the proposed premises. The number of persons expressing support or opposition will not, in and of itself, be controlling.

C. A finding that one or more of the criteria in this Section is not met shall be grounds for a Council recommendation of denial unless the applicant can demonstrate that good cause exists for the Council to find to the contrary.

D. Package Store License. In addition to the criteria in the above Subsections A and B, the following special standards and criteria shall apply to applications for package store liquor licenses within the City:

1. A history of sale of alcoholic liquor to any person who is visibly intoxicated as shown by police reports and/or testimony of persons residing, working or owning a business in the neighborhood;  
or

2. An unreasonable number of detoxification holds by the City Police Department from the area around the store premises. (Ord. 2966 § 1 (part), 1996)

**ORDINANCE NO. \_\_\_\_\_**  
**AN ORDINANCE AMENDING SUBSECTION 9.12.050 OF THE ROSEBURG MUNICIPAL CODE REGARDING POTENTIAL DENIAL OF AN OLCC APPLICATION**

**SECTION 1.** Roseburg Municipal Code Subsection 9.12.050 is hereby amended to read as follows:

**9.12.050 Public hearing required on potential recommendation for denial.**

**A.** After hearing the City Recorder's report outlined in Subsection 9.12.040, if Council determines there is sufficient reason to consider recommending that OLCC deny a liquor license application, the Council shall direct the City Recorder to schedule a public hearing on the matter at the next available Council meeting and notify the applicant, and any known interested parties, of said hearing.

**B.** Written notice of the public hearing shall be provided to the applicant, and any known interested parties, not less than 10 days prior to the hearing advising the applicant of the time and place of the hearing and of their right to be heard before the Council makes a final determination on its recommendation to OLCC. A recommendation to deny an application shall not be made by Council without providing the applicant an opportunity to testify as to why the license should be granted.

**SECTION 2.** All other Sections and Subsections of Chapter 9.12 of the Roseburg Municipal Code shall remain in full force and effect as currently written.

**ADOPTED BY THE ROSEBURG CITY COUNCIL THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2015.**

**APPROVED BY THE MAYOR THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2015.**

\_\_\_\_\_  
**LARRY RICH, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**SHEILA R. COX, CITY RECORDER**

**ORDINANCE NO. \_\_\_\_\_ - Page 1**

**ATTACHMENT #2**

JC  
12/4/15



## ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

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### PUBLIC HEARING - PROPOSED VACATION OF A PORTION OF NE CRESCENT STREET RIGHT-OF-WAY

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**Meeting Date:** December 14, 2015  
**Department:** City Recorder  
**www.cityofroseburg.org**

**Agenda Section:** PUBLIC HEARING  
**Staff Contact:** Sheila R. Cox *SRC*  
**Contact Telephone Number:** 492-6866

#### ISSUE STATEMENT AND SUMMARY

Council will be conducting a public hearing to receive comments from property owners that could be affected by the proposed vacation of a portion of NE Crescent Street right-of-way. The portion of Crescent Street involved in this vacation is unimproved right-of-way located between NE Garden Valley Blvd. and NE Barnes Street.

#### BACKGROUND

- A. **Council Action History.** n/a
- B. **Analysis.** The application for this vacation was submitted by SAIF Corporation to adjust the property line to address a preexisting building encroachment. The building was originally constructed in 1980 and the builder thought it was built right on the property line. It wasn't until later, when SAIF purchased the building that a professional survey disclosed that the east building wall and asphalt walkway were actually constructed over the east property line and into the Crescent Street right-of-way. The proposed vacation request encompasses a 15 foot strip of property parallel to the west right-of-way line and running the length of the property, which is only large enough to address the issue of the encroachment into the right-of-way. Due to the small size of the property involved, the applicant requested that the City Manager waive the requirement for a professional appraisal and the request was granted. Staff had no objection to the proposed vacation *provided* it only entailed the small area needed to correct the building encroachment issue.

Notice of the Public Hearing for the vacation was published in The News-Review on November 29 and December 6, 2015; mailed to affected property owners on November 13, 2015 and posted in at least two conspicuous places within the proposed vacation area on November 20, 2015. As of the writing of this memo, Staff has received no response to the notice.

In accordance with state law, ownership of the vacated property will go to the adjoining property owner(s) in the same manner in which it was originally dedicated as right-of-way.

- C. Financial and/or Resource Considerations.** The applicant has paid the vacation application fee, and made a deposit for the cost of publishing, posting and mailing the notice of public hearing and recording the ordinance. If the actual cost exceeds the amount deposited, the applicant will be required to pay the difference. If the cost is less than the deposit, the difference will be refunded to the applicant.

Due to the limited value of the right-of-way being vacated, the applicant has requested that they not be assessed for that value; Staff supports the request. However, in accordance with RMC 4.06.110, Council must make that determination. If Council is interested in assessing the applicant, we will need to continue the public hearing until the applicant has an opportunity to respond.

- D. Timing Issues.** If Council concurs with Staff that the value of the right-of-way is minimal enough that the applicant should not be assessed, Council may proceed with the public hearing as scheduled. If no objections to the proposed vacation are heard during the public hearing, after the Mayor closes the hearing, it would be appropriate to proceed with first reading of the ordinance attached to this memo.

## **COUNCIL OPTIONS**

Council has the option to:

1. continue the public hearing, direct Staff to advise the applicant that Council has determined they should be assessed the value of the property, and delay first reading of the ordinance until after the applicant has had an opportunity to respond; or
2. direct Staff to conduct first reading of the proposed ordinance vacating the subject right-of-way without an assessment of the value; or
3. deny the proposed vacation.

## **STAFF RECOMMENDATION**

Staff recommends Council proceed with first reading of the proposed ordinance without levying an assessment for the value of the property.

## **SUGGESTED MOTION**

If Council concurs with Staff's recommendation, no motion will be required, simply a consensus to proceed with first reading of the ordinance.

## **ATTACHMENTS**

1. **Proposed Ordinance w/map of the subject area**

**cc:** BTS Engineering & Surveying; ATTN: Adam DeGroot; 431 SE Main; Roseburg, OR  
Subject Vacation File  
Chrono File

**ORDINANCE NO. \_\_\_\_\_**  
**AN ORDINANCE VACATING A PORTION OF NE CRESCENT STREET**  
**RIGHT-OF-WAY IN THE CITY OF ROSEBURG**

**WHEREAS**, pursuant to Roseburg Municipal Code Chapter 4.06, upon receipt of a report from the Community Development Department, the City Recorder initiated proceedings to vacate a portion of NE Crescent Street Right-of-Way in the City of Roseburg, more particularly described in Section 1 of this ordinance and shown on the map attached hereto as Exhibit "A" of this ordinance; and

**WHEREAS**, the City Recorder published a notice of a public hearing on the proposed vacation to be held before the Roseburg City Council on December 14, 2015, in The News-Review, a newspaper of general circulation in the City of Roseburg, Oregon, on November 29 and December 6, 2015, posted said notice at or near each end of the vacation area and mailed the same to all affected property owners, not less than 14 days prior to the date of the hearing, all of which more fully appear in the proof of publication, posting and mailing on file in the City Recorder's Office; and

**WHEREAS**, such public hearing was duly held before the Roseburg City Council on the above-mentioned date, and all persons desiring to be heard on said matter were heard;

**NOW, THEREFORE, THE CITY OF ROSEBURG ORDAINS AS FOLLOWS:**

**Section 1.** A portion of NE Crescent Street Right-of-Way, further described as follows:

A parcel of land located in the NW 1/4 of Section 18, T.27S., R.5W., W.M., Douglas County, Oregon, being a portion of The Realigned Crescent Street R/W Per Instrument Nos. 75-1834 and 75-1835 of the Official Records of Douglas County, Oregon; and being more particularly described as follows:

Beginning at a 5/8" Iron Rod at the NE Corner of instrument No. 2007-023182, of the Official Records of Douglas County, Oregon, said Point being the intersection of the South R/W Line of Garden Valley Blvd and the West R/W Line of Realigned Crescent Street per Inst. No. 75-1834, from which a 5/8" Iron Rod at the SE Corner of Lot 1, Block 13, Amended Map of Jones Addition bears S.18°17'15"E., 420.01 feet; Thence S.0°29'16"W. along the West R/W Line of Crescent Street, 84.09 Feet to a 5/8" Iron Rod at the SE Corner of Said Inst. No. 2007-023182; Thence N.63°07'50"E., 4.51 feet to a 5/8" Iron Rod; Thence N.2°18'39"W., 82.11 feet to the Place of Beginning, and containing 0.0039 acres (168.58 sq. feet), more or less.

**Section 2.** The title to the property being vacated by this ordinance shall attach to the lands bordering on such equal portions in accordance with ORS 271.140.

**Section 3.** Pursuant to ORS 271.150, the City Recorder is hereby directed to file a certified copy of this ordinance and the map attached hereto as Exhibit "A" with the Douglas County Clerk, Douglas County Assessor and Douglas County Surveyor.

**ADOPTED BY THE CITY COUNCIL THIS \_\_\_\_ DAY OF DECEMBER, 2015.**

**APPROVED BY THE MAYOR THIS \_\_\_\_ DAY OF DECEMBER, 2015.**

\_\_\_\_\_  
**Larry Rich, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Sheila R. Cox, City Recorder**

# RECORD OF SURVEY

## VACATING A PORTION OF CRESCENT STREET AMENDED MAP OF JONES ADDITION TO ROSEBURG ORE. LOCATED IN THE NW 1/4 OF SECTION 18, T.27S., R.5W., W.M. DOUGLAS COUNTY, OREGON

FILED

Date: \_\_\_\_\_  
 This Survey consists of: \_\_\_\_\_  
 Surveyed by: \_\_\_\_\_  
 Corner Rpt.: \_\_\_\_\_  
 DOUGLAS COUNTY  
 SURVEYOR

MAP FILE PRELIMINARY

**NARRATIVE:**

THE PURPOSE OF THIS SURVEY IS TO MONUMENT A PORTION OF CRESCENT STREET R/W FOR VACATION PURPOSES. DURING THE COURSE OF THE 2008 BTS SURVEY M 156-52, IT WAS DISCOVERED THAT PORTIONS OF THE NEWLY PURCHASED SAIF BUILDING WERE BUILT WITHIN THE R/W OF CRESCENT STREET. REFER TO M 156-52 FOR THE FULL BOUNDARY RESOLUTION AND BUILDING ENCROACHMENT DETAILS.

THE NEW R/W BOUNDARY WAS COMPUTED BY HOLDING THE M 80-11 MONUMENT ON THE NORTH, AND RUNNING A LINE PARALLEL TO THE BUILDING WALL, OFFSET 1.06 FEET, AND INTERSECTING THE EXTENDED SOUTH BOUNDARY LINE.

THIS SURVEY WAS PERFORMED BY ADAM DEGROOT, STEPHEN WILLIAMS, AND KELLER SYVERSON USING A LEICA TCRP1203 TOTAL STATION WITH COMPUTATIONS AND DRAFTING BY ADAM DEGROOT.

**LEGAL DESCRIPTION:**

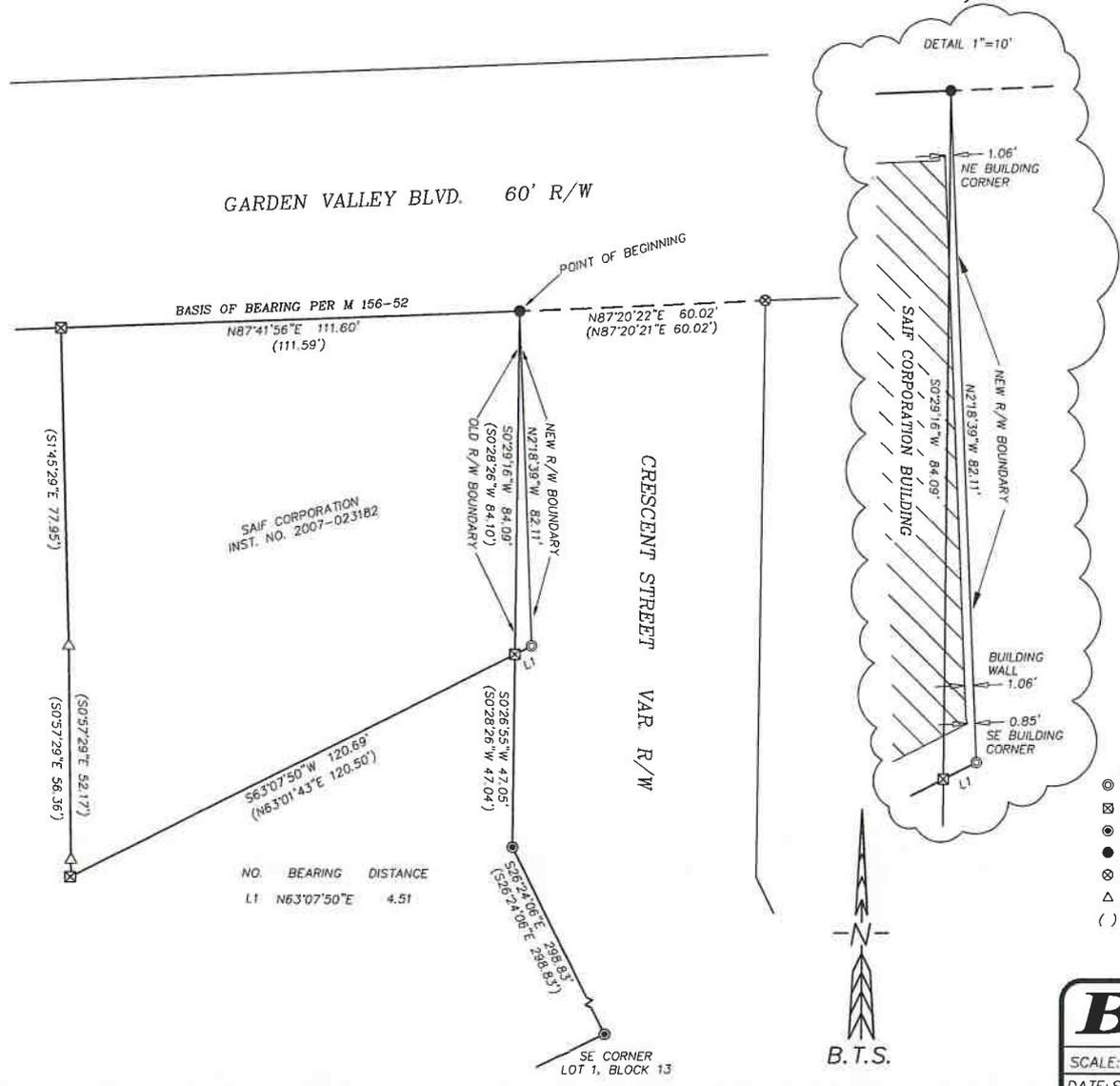
A PARCEL OF LAND LOCATED IN THE NW 1/4 OF SECTION 18, T.27S., R.5W., W.M., DOUGLAS COUNTY, OREGON, BEING A PORTION OF THE REALIGNED CRESCENT STREET R/W PER INSTRUMENT NOS. 75-1834 AND 75-1835 OF THE OFFICIAL RECORDS OF DOUGLAS COUNTY, OREGON; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD AT THE NE CORNER OF INSTRUMENT NO. 2007-023182, OF THE OFFICIAL RECORDS OF DOUGLAS COUNTY, OREGON, SAID POINT BEING THE INTERSECTION OF THE SOUTH R/W LINE OF GARDEN VALLEY BLVD AND THE WEST R/W LINE OF REALIGNED CRESCENT STREET PER INST. NO. 75-1834, FROM WHICH A 5/8" IRON ROD AT THE SE CORNER OF LOT 1, BLOCK 13. AMENDED MAP OF JONES ADDITION BEARS S.18°17'15" E., 420.01 FEET; THENCE S.0°29'16" W. ALONG THE WEST R/W LINE OF CRESCENT STREET, 84.09 FEET TO A 5/8" IRON ROD AT THE SE CORNER OF SAID INST. NO. 2007-023182; THENCE N.63°07'50" E., 4.51 FEET TO A 5/8" IRON ROD; THENCE N.2°18'39" W., 82.11 FEET TO THE PLACE OF BEGINNING, AND CONTAINING 0.0039 ACRES (168.58 SQ. FEET), MORE OR LESS.

**LEGEND:**

- ⊙ = SET 5/8" x 30" IRON ROD w/PLASTIC CAP "BTS ENG-SURV"
- ⊗ = FOUND 5/8" IRON ROD PER M 156-52
- ⊙ = FOUND 5/8" IRON ROD PER M 98-78
- = FOUND 5/8" IRON ROD PER M 80-11
- ⊗ = FOUND 1/2" IRON ROD PER M 52-43
- △ = COMPUTED POINT NOT SET
- ( ) = RECORD PER M 156-52

REGISTERED  
 PROFESSIONAL  
 LAND SURVEYOR  
**PRELIMINARY**  
 OREGON  
 MAY 26, 2015  
 ADAM DEGROOT  
 8959  
 RENEWS: 12-31-2015



NO.	BEARING	DISTANCE
L1	N63°07'50" E	4.51



**BTS ENGINEERING & SURVEYING, INC.**  
 431 S.E. MAIN ST., ROSEBURG, OR 97470  
 PHONE (541) 673-0966 FAX (541) 673-0105

SCALE: 1" = 20'	FOR: SAIF CORPORATION 400 HIGH STREET SE SALEM, OR 97312	JOB #: 14-051 FILE: 14-051 PLAT.DWG SHEET 1 OF 1
DATE: SEPTEMBER 28, 2015		

MAP FILE PRELIMINARY



# Proposed Vacation Notice Area File No. VAC-15-3

741 NE Garden Valley Blvd - T27 R05W SEC18BB TL3700

Community Development Department | 900 SE Douglas Ave., Roseburg, Oregon 97470 | 541-492-6750



Map is for informational purposes only and is not suitable for legal, engineering or surveying purposes. The City of Roseburg is not responsible for map errors, omissions, misuse, or misinterpretation. Not for determining legal ownership or identification of property boundaries.



*7/2  
12/9/15*

# ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

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## Recreational Marijuana Use Regulations LUDO File No. 15-3

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**Meeting Date:** December 14, 2015  
**Department:** Community Development  
[www.cityofroseburg.org](http://www.cityofroseburg.org)

**Agenda Section:** Department Items  
**Staff Contact:** Brian Davis *B.D.*  
**Contact Telephone Number:** 541-492-6750

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### ISSUE STATEMENT AND SUMMARY

The Council directed Staff to propose amendments to the Land Use and Development Ordinance to provide limited and appropriate zoning use locations for recreational marijuana within the City.

### BACKGROUND

#### A. Council Action History:

October 13, 2015 – Council decided not to refer a city-wide ban on recreational marijuana to the voters and directed staff to prepare land use regulations to allow such use to be in place by January 1, 2016.

#### B. Analysis:

Oregon voters approved Ballot Measure 91 which legalized the use of marijuana products for recreational purposes. The City Council directed Staff to propose amendments to the Land Use and Development Ordinance (LUDO) for adoption prior to January 1, 2016. The amendments would provide limited zoning allowances for recreational marijuana uses. The proposed LUDO amendments are as follows:

1. Adding use definitions to include marijuana processors, producers, retailers, and wholesalers in accordance with Oregon Laws 2015, Chapter 614.

2. Adding zoning provisions as follows:

Marijuana retailers: allowed in Mixed Use, General Commercial and Community Commercial Zones with the same proximity limitations as medical marijuana dispensaries (1000 feet of each other, a school or pre-school; 500 feet from any property zoned Public Reserve or 200 feet from any property zoned Residential except when an arterial street lies between a dispensary and Residential or Public Reserve zoned property).

Marijuana processors, producers, and wholesalers: allowed in Mixed Use, Medium Industrial, and Light Industrial Zones as a conditional use and limited to indoor use.

The attached Findings of Fact and Order document provides the proposed justification for the text amendment allowing the proposed marijuana uses on the limited scale listed above.

**C. Financial and/or Resource Considerations:**

None at this time

**D. Timing Issues:**

The City must have regulations in place by January 1, 2016.

**COUNCIL OPTIONS**

1. Adopt the Planning Commission's findings of fact for File No. LUDO 15-3 and proceed with first reading of the ordinance
2. Do not adopt Planning Commission's findings

**STAFF RECOMMENDATION**

Staff recommends adopting the Planning Commission's findings of fact for File No. LUDO 15-3 and proceeding with first reading of the ordinance.

**SUGGESTED MOTION**

*"I move to adopt Findings of Fact approved by the Planning Commission for File No. LUDO 15-3."*

A nodding of the heads will be required to proceed with first reading of the ordinance.

**ATTACHMENTS**

Planning Commission Minutes (Draft)  
Ordinance and Findings of Fact

**CITY OF ROSEBURG  
PLANNING COMMISSION MEETING MINUTES  
November 30, 2015**

**CALL TO ORDER:** Chair Ron Hughes called the regular meeting of the Roseburg Planning Commission to order at 7:02 p.m. on Monday, November 30, 2015, in the Roseburg City Hall Council Chambers, 900 SE Douglas Avenue, Roseburg, Oregon.

**ROLL CALL**

**Present:** Chair Ron Hughes, and Commissioners Kerry Atherton, Duane Haaland, Matthew Powell, Dan Onchuck, Patrick Parson, and Brook Reinhard

**Others present:** Community Development Director Brian Davis, Staff Assistant Sandy Cook and City Attorney Bruce Coalwell. City Councilor John McDonald

**APPROVAL OF MINUTES**

*Reinhard moved to approve the minutes of November 2, 2015 as written; seconded by Atherton. Motion passed with Hughes abstaining.*

**AUDIENCE PARTICIPATION** – none

**CPA-15-3/ZC-15-2, 738 W Harvard Avenue**

Davis advised that the City, ODOT and the property owner have agreed to postpone the public hearing until January 4, 2016 to provide time for additional information to be prepared and submitted. City Councilor John McDonald of 3500 NW Stewart Parkway spoke as a representative of Oregon Department of Transportation (ODOT). He explained that the traffic signal located at Bellows, West Harvard and the Interstate 5 southbound ramps will require modifications to accommodate new/additional development. There is concern as to whether the current traffic signal has the capability to handle the potential impact of the proposed development. ODOT will require the applicant to pay their fair share and their staff is preparing a report to assist in making that determination.

**LUDO-15-3, Text Amendment – Marijuana Dispensaries**

Hughes read the public hearing procedures and opened the public hearing. There were no conflicts of interest declared. Davis advised that Council had directed Staff to propose amendments to the Land Use and Development Ordinance (LUDO) for adoption prior to January 1, 2016 to allow for recreational marijuana uses. Staff prepared the LUDO amendment as follows:

1. Adding use definitions to include marijuana processors, producers, retailers, and wholesalers in accordance with Division 25 of Oregon Administrative Rule 845.
2. Adding zoning provisions as follows:

Marijuana retailers: allowed in Mixed Use, General Commercial and Community Commercial Zones with the same proximity limitations as medical marijuana dispensaries (1000 feet of each other, a school or pre-school; 500 feet from any property zoned Public Reserve or 200 feet from any property zoned Residential

except when an arterial street lies between a dispensary and Residential or Public Reserve zoned property).

Marijuana processors, producers, and wholesalers: allowed in Mixed Use, Medium Industrial, and Light Industrial Zones as a conditional use and limited to indoor use.

The City Attorney reviewed the proposed changes and recommended additional clarification which was incorporated. Staff recommends adding definitions to Section 1.1.110 of LUDO to include - marijuana processors (medical and recreational), marijuana producer, marijuana retailer and marijuana wholesaler in accordance with Division 25 of Oregon Administrative Rule 845. Additional zoning provisions identify those zones the marijuana retailers would be permitted including specified zones permitting them as a conditional use. Coalwell noted that recreational and medical dispensary locations can be determined by the local jurisdiction, although the state mandates they cannot be on the same premises.

Davis explained Staff's recommendation to permit uses outright in C2 and C3 zones (with restrictions) and conditional uses permitted in M0, M1 and M2. The M3 (Heavy Industrial) zone was not included because of the intent for more of the larger type industrial uses and larger property sizes within that zone. Staff has also recommended restricting indoor use. The Commission recommendation would go to City Council for their final approval on December 14<sup>th</sup> so the amendments are in place prior to January 1<sup>st</sup>.

Upon questioning by Reinhard discussion followed regarding licensing requirements for dispensaries as well as signage concerns. Complaints were expressed regarding billboard signs and the location of signs advertising dispensaries. Coalwell advised the City doesn't regulate content and then stated the sign ordinance would be reviewed for modification in the future. Discussion followed regarding determination of potential sites available including those in the County but close to the city limits. Coalwell explained the separation distance is from property line to property line and the state requirement to be housed in separate premises. Powell suggest Table 2-7 footnote #8 Table 2-13 footnote #2 should be clarified as - "*A marijuana retailer (non-medical) shall not be within 1000 feet of another marijuana retailer....*"

Tom Hawksworth of 1372 Harlan Street, questioned if there was an existing retail marijuana dispensary located within the city limits and its effect on the development of a school if located within the required separation distance or improvements/additions to a single family residence outside the city limits. Davis explained that it would not preclude a development that would otherwise be restricted. Commissioners were reminded the location restriction is from property line to property line, and not between structures. Locally imposed restrictions would not apply if the property is outside the city limits. Statewide restrictions would apply.

Hughes closed the public hearing.

*Powell moved to adopt the Findings of Fact and Order subject to modifications discussed to clarify footnotes by adding the word "marijuana" before "retailer" in Table 2-7 Footnote #8 and Table 2-13 Footnote #2, and recommend the City Council **APPROVE** File No. LUDO-15-3, adopting the proposed Text Amendments. Haaland seconded.*

Following a call for discussion, Parson stated he did not agree with the findings as presented by Staff. His specific items of concern included Economic Growth Policy #3, Statewide Planning Goal #2 and #12, Goal 1 of the Roseburg Transportation System Plan and Section 1 of the Roseburg Land Use and Development Ordinance. Inasmuch as the use of marijuana is still a federal offense, Parson suggested the multiple plans, policies and goals as identified, were in direct conflict with federal law. Because of these issues, Parson was not able to approve the proposal. Reinhard responded noting that at least two other states have approved similar policies and could be an economic driver for the City.

*The motion passed with Parson voting Nay and all others Yes.*

**BUSINESS FROM STAFF** - Davis thanked the commissioners for attending this meeting on an off-night and advised the next meeting is scheduled for January 4, 2016. The agenda for that meeting will include the proposed CPA/ZC for 738 W. Harvard and potentially a hearing for the LUDO Phase 3 updates. Davis suggested the commissioners plan for a longer meeting than normal for that evening.

**BUSINESS FROM COMMISSION** -

**ADJOURNMENT** - Meeting adjourned at 8:03 pm. The next meeting is scheduled for Monday, January 4, 2016.

SANDY COOK, Staff Assistant

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

**AN ORDINANCE AMENDING THE ROSEBURG LAND USE AND DEVELOPMENT  
ORDINANCE FOR THE PROVISION OF RECREATIONAL MARIJUANA USES**

**WHEREAS**, after reviewing the recommendation of the Planning Commission and conducting a Public Hearing on November 30, 2015, and

**WHEREAS**, Section 5.2.090 states it may be necessary to amend the Land Use and Development Ordinance text from time-to-time to meet changes in circumstances and conditions;

**NOW, THEREFORE, THE CITY OF ROSEBURG HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1:** On the basis of the facts contained in the record, the City Council finds there is sufficient justification and need to accept the Planning Commission recommendation and hereby adopts as its own the Findings of Fact of the Planning Commission which are included herein by this reference.

**SECTION 2:** Land Use and Development Ordinance No. 2363, originally adopted June 28, 1982, and amended at various times thereafter, is hereby amended to read and provide as set forth in Exhibit 1 attached hereto and incorporated herein by this reference as if it were set forth verbatim in full.

**PASSED BY THE COUNCIL THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.**

**APPROVED BY THE MAYOR THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.**

\_\_\_\_\_  
Larry Rich, Mayor

ATTEST:

\_\_\_\_\_  
Sheila R. Cox, City Recorder

# EXHIBIT 1

## LUDO TEXT AMENDMENTS

### SECTION 1.1.110 DEFINITIONS

**98) ~~MEDICAL MARIJUANA, MEDICAL DISPENSARY:~~** Any facility or operation designed, intended or used for purposes of delivering, dispensing, or transferring marijuana to Oregon Medical Marijuana Registry Identification Card holders pursuant to ORS 475.300-475.346.

**99) ~~MARIJUANA PROCESSOR—MEDICAL:~~** A person who processes marijuana in accordance with Oregon Laws 2015, Chapter 614 for medicinal purposes pursuant to ORS 475-300-475.346.

**100) ~~MARIJUANA PROCESSOR—RECREATIONAL:~~** A person who processes marijuana in accordance with Oregon Laws 2015, Chapter 614 for recreational purposes.

**101) ~~MARIJUANA PRODUCER:~~** A person who produces marijuana in accordance with Oregon Laws 2015, Chapter 614.

**102) ~~MARIJUANA RETAILER:~~** A person who sells marijuana items to a consumer in accordance with Oregon Laws 2015, Chapter 614.

**103) ~~MARIJUANA WHOLESALER:~~** A person who purchases marijuana items for resale to a person other than a consumer in accordance with Oregon Laws 2015, Chapter 614.

(remainder of definitions in Section 1.1.110 to be renumbered starting from 104)

**TABLE 2-7: COMMERCIAL – ALLOWED USES**

USE CATEGORY	PO	C1	C2	C3	STANDARDS
Specific Use					
49) <del>Medical-Marijuana, Medical Dispensary</del>	-	-	P[8]	P[8]	-
50) <del>Marijuana Retailer</del>			P[8]	P[8]	-
(remainder of uses in Table 2-7 to be renumbered starting from 51)					

- [1] Dwelling unit above or behind a permitted use.
- [2] Within an existing residential use.
- [3] Uses under this category must be limited to customer or client traffic of 20 persons per day.
- [4] Limited to 1,500 square feet in area.
- [5] Limited to 2,500 square feet in area.
- [6] Limited to 25,000 square feet in area.
- [7] Limited to 5,000 square feet in area.
- [8] ~~Location shall not be within 1000 feet of another medical-marijuana-dispensary, a school or pre-school; 500 feet from any property zoned Public Reserve or 200 feet from any property zoned Residential except when an arterial street lies between a dispensary and Residential or Public Reserve zoned property. A marijuana retailer (non-medical) shall not be within 1000 feet of another marijuana retailer; a medical marijuana dispensary shall not be within 1000 feet of another medical marijuana dispensary. In addition, any and all Medical Marijuana Dispensaries must be registered with the Oregon Health Authority under ORS 475.314 and comply with all OHA rules. In addition, any and all Marijuana Retailers must be licensed by OLCC and comply with all OLCC rules.~~

**TABLE 2-13: INDUSTRIAL – ALLOWED USES**

USE CATEGORY	MU	M1	M2	M3	STANDARDS
Specific Use					
50) <del>Medical-Marijuana, Medical Dispensary</del>	P[2]	-	-	-	-
51) <del>Marijuana Processor—Medical</del>	C	C	C	-	Indoor use only
52) <del>Marijuana Processor—Recreational</del>	C	C	C	-	Indoor use only
53) <del>Marijuana Producer</del>	C	C	C	-	Indoor use only
54) <del>Marijuana Retailer</del>	P[2]	-	-	-	-
55) <del>Marijuana Wholesaler</del>	C	C	C	-	Indoor use only
(remainder of uses in Table 2-13 to be renumbered starting from 56)					

- [1] Minimum lot size of 10,000 square feet.
- [2] ~~Location shall not be within 1000 feet of another medical-marijuana-dispensary, a school or pre-school; 500 feet from any property zoned Public Reserve or 200 feet from any property zoned Residential except when an arterial street lies between a dispensary and Residential or Public Reserve zoned property. A marijuana retailer (non-medical) shall not be within 1000 feet of another marijuana retailer; a medical marijuana dispensary shall not be within 1000 feet of another medical marijuana dispensary. In addition, any and all Medical Marijuana Dispensaries must be registered with the Oregon Health Authority under ORS 475.314 and comply with all OHA rules. In addition, any and all Marijuana Retailers must be licensed by OLCC and comply with all OLCC rules.~~
- [3] A Professional Office may be located within a multiple-use structure but it shall not exceed 33% of the total floor area of the structure.
- [4] Uses permitted in the M1 and M2 districts may be considered providing the development standards referenced in Table 2-14 and any other applicable standards are met.

In the matter of the legislative action  
by City of Roseburg

) Text Amendment  
) File # LUDO-15-3

## **BEFORE THE ROSEBURG PLANNING COMMISSION ORDER OF APPROVAL**

### **I. NATURE OF AMENDMENTS**

The City Council directed Staff to propose changes to the Land Use and Development Ordinance in an effort to allow the limited use of general marijuana uses.

### **II. PUBLIC HEARING**

A public hearing was held on the proposed amendments before the Roseburg Planning Commission on November 30, 2015. At that hearing the Planning Commission reviewed Land Use File LUDO-15-3 for legislative text amendments and it was made part of the record.

### **III. FINDINGS OF FACT**

#### **A. EXISTING CONDITIONS**

1. The Planning Commission takes official notice of the Roseburg Urban Area Comprehensive Plan adopted by City Council Ordinance # 2980 on December 9, 1996 and of the Roseburg Land Use and Development Ordinance # 2363, as originally adopted July 1, 1982, and most recently updated in Ordinance #3408 on March 11, 2013, as both may have been amended from time-to-time.
2. Notice of the public hearing was given by publication in the News-Review, a newspaper of general circulation, at least 20 days prior to the hearing. Opportunities were provided for all interested parties to be involved in the planning process through the public hearing.
3. The proposal is to legislatively amend text within the city of Roseburg's Land Use and Development Ordinance.

#### **B. PROPOSAL**

Amends LUDO as follows:

1. Adding use definitions to include marijuana processors, producers, retailers, and wholesalers in accordance with Division 25 of Oregon Administrative Rule 845.
2. Adding zoning provisions as follows:

Marijuana retailers: allowed in Mixed Use, General Commercial and Community Commercial Zones with the same proximity limitations as medical marijuana dispensaries (1000 feet of each other, a school or pre-school; 500 feet from any property zoned Public Reserve or 200 feet from any property zoned Residential

except when an arterial street lies between a dispensary and Residential or Public Reserve zoned property).

Marijuana processors, producers, and wholesalers: allowed in Mixed Use, Medium Industrial, and Light Industrial Zones as a conditional use and limited to indoor use.

C. AGENCY COMMENTS

No agency comments were received prior to the hearing.

D. PUBLIC COMMENTS

No public comments were received prior to the hearing.

E. ANALYSIS

Text Amendments are required to satisfy approval criteria contained within LUDO Section 5.2.010 through Section 5.2.090.

F. REVIEW CRITERIA

Pursuant to LUDO 5.2.060(2) all legislative action proposals shall be analyzed for consistency with the policies of the Comprehensive Plan, Statewide Planning Goals, and other provisions of LUDO.

**Comprehensive Plan**

Pertinent policies that apply to the proposal have been evaluated as follows:

**Economic Growth Policy No. 3**

*The City shall encourage economic activities which strengthen the urban area's position as a regional distribution, trade, and service center.*

Finding:

Marijuana use is as yet unproven in the state of Oregon as a legal economic activity that could strengthen an urban area's position as a regional trade center. However, consistent input from users suggests there is demand for the provision of legal marijuana use in the region. The City of Roseburg is the first jurisdiction in Douglas County to propose a limited allowance of recreational marijuana use. As Roseburg currently serves as the regional trade center in the region, adding another legal economic activity to the list of allowed uses in Roseburg's LUDO should strengthen its position as such.

**Energy Conservation Policy No. 4**

*As an energy conservation measure, the City will encourage the infilling of vacant land.*

Finding:

The City's proposal of allowable areas for general marijuana uses is composed of existing commercial, industrial, and mixed use zones (with limitations). No new

commercial, industrial, or mixed use lands are being proposed for growth purposes.

**Parks and Recreation Policy No. 5**

*The City shall take an active role in promoting both the public and private recreation industries in the Roseburg urban area.*

Finding:

The proposal includes for retail uses a 500-foot protection area from all land zoned for public recreational industries, Public Reserve. This restriction was specifically intended to protect patrons of city parks and other open space facilities from activities related to marijuana use.

**Commercial Development Policy No. 6**

*Commercial uses shall have convenient access to collector and arterial streets.*

Finding:

All lands proposed for the siting of legal marijuana uses have convenient access to collector and arterial streets.

**Commercial Development Policy No. 11**

*Zoning regulations governing the siting of commercial development shall take into consideration the relationship of adjacent development in terms of building height, mass, and activity.*

Finding:

The proposed local restrictions for retailers – 1,000 feet from any school, 500 feet from any Public Reserve zone unless bisected by an arterial, and 200 from any Residential zone unless bisected by an arterial – took into account the relationship between marijuana activities and adjacent development. Other proposed uses – processors, producers, and wholesalers – are allowed on a conditional basis to ensure compatibility with surrounding uses in Mixed Use and Industrial Zones.

**Statewide Planning Goals**

Pertinent Statewide Planning Goals that apply to the proposal have been evaluated as follows:

***Statewide Planning Goal # 1 - Citizen Involvement***

*To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.*

The City of Roseburg and Douglas County have an adopted and acknowledged Comprehensive Plan for the Roseburg Urban Area. The Comprehensive Plan is implemented via the adopted LUDO, in which the City identifies procedural requirements for processing land use actions, including notification and hearing procedures. The notice procedures guide the general public through the land use

process within the City as well as through provisions that meet Oregon Revised Statutes (ORS).

Roseburg also has an established Planning Commission that has the responsibility to act as the conduit to the City Council on land use matters. The Planning Commission is selected through an open, well-publicized public process and the Commission may include one member who resides outside the city limits.

The City of Roseburg provided notice of this proposal as mandated through ORS and LUDO requirements, as well as publishing the notice in the News-Review, a newspaper of general circulation. A public hearing was held in order to provide an opportunity for interested citizens to be involved, provide comments and present issues, influence the Commission and eventually the Council, provide technical information, and/or provide information regarding conditional approval.

***Statewide Planning Goal # 2 - Land Use Planning***

*To establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions and actions.*

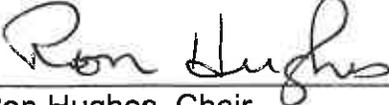
As noted above the City of Roseburg has adopted a Comprehensive Plan, which is "acknowledged" by the State of Oregon. This Plan was again acknowledged through Periodic Review in 1992 and is coordinated and adopted by Douglas County for the unincorporated area located within the City UGB. (Roseburg Urban Area Comprehensive Plan adopted by the City Council in Ordinance No. 2345, effective on July 1, 1982, and re-adopted in Ordinance No. 2980 on December 9, 1996.) Implementation of the Comprehensive Plan is accomplished through the adopted LUDO. LUDO has been acknowledged by the State of Oregon and has been amended from time-to-time in order to comply with ORS. (Roseburg Land Use and Development Ordinance No. 2363, as originally adopted July 1, 1984, and most recently updated in Ordinance No. 3408 on March 11, 2013.) Both the Comprehensive Plan and LUDO have been amended from time-to-time.

#### **IV. CONCLUSION**

Based on the above findings, the Planning Commissions concludes that the proposal meets the criteria for approval in LUDO Section 5.2.010 through 5.2.090.

**V. ORDER**

Based on the Findings and Conclusions above, the Planning Commission recommends approval of this proposal to the City Council.

  
\_\_\_\_\_  
Ron Hughes, Chair

11/30/15  
Date

  
\_\_\_\_\_  
Brian Davis, Community Development Director

11/30/15  
Date

Planning Commission Members:

- Ron Hughes, Chair
- Matthew Powell, Vice-chair
- Kerry Atherton
- Duane Haaland
- Dan Onchuck
- Patrick Parson
- Brook Reinhard

*aje*  
*12/14/15*



## ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

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### ORDINANCE GRANTING A TELECOMMUNICATIONS FRANCHISE TO CLEAR RATE COMMUNICATIONS, INC.

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**Meeting Date:** December 14, 2015      **Agenda Section:** ORDINANCES  
**Department:** City Recorder              **Staff Contact:** Sheila R. Cox *SKC*  
**www.cityofroseburg.org**      **Contact Telephone Number:** 541/492-6866

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#### ISSUE STATEMENT AND SUMMARY

The City has received an application for a telecommunication franchise from Clear Rate Communications, Inc. located in Longwood, Florida.

#### 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 November 10, 2015; however the company has been providing services in Roseburg since July 1, 2015 and has paid the appropriate fees since that date.

**C. Financial and/or Resource Considerations.** As a non-carrier provider of telecommunication services within Roseburg, Clear Rate 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 December 14, 2015 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 Clear Rate 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. (to be inserted at meeting)."*

**#2** *"I MOVE TO ADOPT ORDINANCE NO. (to be inserted at meeting)."*

**ATTACHMENTS** Proposed Ordinance

cc: Clear Rate Communications, Inc.  
Attn: Mark Lammert, Attorney-in-Fact  
740 Florida Central Parkway, Ste. 2028  
Longwood, FL 32750

Subject Franchise File  
Chrono File

**ORDINANCE NO. \_\_\_\_\_**  
**AN ORDINANCE GRANTING A TELECOMMUNICATION FRANCHISE**  
**TO CLEAR RATE COMMUNICATIONS, INC. EFFECTIVE RETROACTIVELY TO**  
**JULY 1, 2015**

**SECTION 1. Grant of Franchise.** The City of Roseburg, hereinafter called "City", hereby grants Clear Rate 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](mailto:scox@cityofroseburg.org)  
Phone: 541/492-6866

**If to Franchisee:**

Clear Rate Communications, Inc.  
ATTN: Mark Lammert  
740 Florida Central Parkway, #2028  
Longwood, FL 32759  
E-mail: [mark@csilongwood.com](mailto:mark@csilongwood.com)  
Phone: 407/260-1011

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:** Mark Lammert, Attorney-in-Fact

**Mailing Address:** 740 Florida Central Parkway #2028, Longwood, FL 32759

**Telephone:** 407/260-1011

**Email:** [mark@csilongwood.com](mailto:mark@csilongwood.com)

**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; submitted an application requesting a telecommunications franchise and paid the application processing fee on November 10, 2015. The Roseburg City Council approved such request at its meeting on December 14, 2015; 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 14th DAY OF DECEMBER, 2015.**

**APPROVED BY THE MAYOR ON THIS 14th DAY OF DECEMBER, 2015.**

**MAYOR LARRY RICH**

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Larry Rich

**ATTEST:**

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Sheila R. Cox, City Recorder

**(Franchisee's Acceptance on Following Page)**

**ORDINANCE NO. \_\_\_\_\_ – page 3**

**FRANCHISEE'S ACCEPTANCE OF ORDINANCE NO. \_\_\_\_\_**

This Ordinance is hereby accepted by Clear Rate Communications, Inc. on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**By:** \_\_\_\_\_  
(Signature)

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

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

**State of** \_\_\_\_\_ )

) **ss.**

**County of** \_\_\_\_\_ )

This acceptance was signed before me on \_\_\_\_\_, 2015 by,  
\_\_\_\_\_ as \_\_\_\_\_ of Clear Rate Communications, Inc.

Notary Public for \_\_\_\_\_

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

My commission expires on: \_\_\_\_\_



Acceptance received by City Recorder on \_\_\_\_\_, 2015.

\_\_\_\_\_  
**Sheila R. Cox, City Recorder**

*ape*  
*12/8/15*

## ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY



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### Water System Telemetry Improvements – Engineering Contract Award

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Meeting Date: December 14, 2015  
Department: Public Works  
[www.cityofroseburg.org](http://www.cityofroseburg.org)

Agenda Section: Department Items  
Staff Contact: Nikki Messenger  
Contact Telephone Number: 541-492-6730

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#### ISSUE STATEMENT AND SUMMARY

Staff has completed a qualifications based selection process for design services related to the replacement of the City's existing water telemetry system. The issue for Council is whether to award an engineering contract to the highest ranked proposer.

#### BACKGROUND

**A. Council Action History.** None.

**B. Analysis.** The City's water system, including the water treatment plant, is controlled and monitored by a Supervisory Control and Data Acquisition (SCADA) system. It was installed by S&B of Bellevue, Washington in 1992 and is still maintained by S&B.

The City's water system includes the water treatment plant, 13 reservoirs, 21 pump stations, and 2 pressuring reducing valve (PRV) control facilities spanning approximately 22 separate pressure zones. In 2014, the City hired RH2 Engineering, Inc. to evaluate the existing SCADA system and provide a short-term and long-term strategy for upgrading and maintaining the City's system over the next 5 to 10 years. The "City of Roseburg Telemetry Study" was completed in February of 2015 and includes a recommendation for a series of improvements that will allow the City to implement the entire conversion process in phases. The study can be found on the City's website at:

[http://www.cityofroseburg.org/files/1914/2560/1396/City\\_of\\_Roseburg\\_-\\_Telemetry\\_Study.pdf](http://www.cityofroseburg.org/files/1914/2560/1396/City_of_Roseburg_-_Telemetry_Study.pdf)

The proposed improvements will address the following deficiencies:

- The existing SCADA system is outdated and obsolete. With exception to the most recent Dixonville system which uses newer technology, the majority of the system uses tone control facilities that are more than 20 years old.
- Existing S&B control system components cannot be maintained by local vendors. The system is proprietary and travel distance between S&B and Roseburg makes on-site visits expensive and difficult to plan quickly.
- There are currently six isolated facilities that are not monitored or controlled by the SCADA system.
- The City does not possess any copies of the software for the SCADA. Software should be available and maintainable by City IT staff.

Staff issued a Request for Qualifications (RFQ) and received two statements of qualifications (SOQs) on November 19. The SOQs were ranked by a review committee consisting of three Public Works staff members. The final rankings were as follows.

	<b>Proposer</b>	<b>Average Score</b>
1.	RH2 Engineering Inc.	92
2.	Civil West Engineering Services, Inc.	76

Staff's intent is to execute a master contract with a consultant to provide design, bidding, and construction management services to replace the City's existing SCADA system. Each task order under the master contract would be individually negotiated, based on an agreed upon scope of work. The first anticipated task order will include the design and installation of a radio system and wireless network at all reservoirs. Additional work that may be accomplished under this contract is as follows:

- Project/program management services
- Services during bidding.
- Services during construction.
- Review the 2015 Telemetry Study by RH2 and Associates, Inc.
- Design/ licensing of 450 MHz radio system. Includes radio study to reservoirs and facilities.
- Design and installation of new wireless communications network.
- Design/manufacture/ programing and testing of new master controller at the water treatment plant.
- Design and installation of new SCADA computer system, includes screen development for future sites.
- Design/upgrade of control systems at facilities.
- Design/upgrade of Siemens automation direct PLC facilities.
- Switch Dixonville system from the existing DSL line to the new radio system.
- Design/fevelopment and installation of water treatment plant software.
- Water treatment plant wiring/testing/training
- Isolated control system upgrades
- Provide testing, startup, and training for City personnel on how to operate the new SCADA system as it comes on line.

**C. Financial and/or Resource Considerations.** The FY 2015-16 adopted Water Fund budget includes \$200,000 for the first phase of this project. It is staff's intent to enter into a master contract and negotiate task orders as required. A new task order will be negotiated at the beginning of each phase until the project is completed. Any task orders over \$50,000 will require approval from the City Council.

**D. Timing Issues.** None.

#### **COUNCIL OPTIONS**

Council has the following options:

1. Award a master contract for engineering services to the highest ranked proposer, RH2 Engineering, Inc.; or
2. Request additional information; or
3. Not award a contract and not move forward with the project.

#### **STAFF RECOMMENDATION**

The City's telemetry system is vitally important in monitoring and controlling the water system. Much of the technology used has become obsolete, and many of the components have reached the end of their useful life. Money has been budgeted and is available to begin the system upgrades. Therefore, staff recommends entering into a master contract with the highest ranked consultant, RH2 Engineering, Inc., to provide design, bidding, and construction management services relating to the replacement of the City's water system SCADA system. The Public Works Commission will discuss this contract at their December 10<sup>th</sup> meeting. Staff will report the results of that discussion at the Council meeting.

#### **SUGGESTED MOTION**

*I move to award an engineering contract to for the Water System SCADA Improvements to the highest ranked proposer RH2 Engineering, Inc. upon expiration of the seven day Notice of Intent to Award protest period.*

#### **ATTACHMENTS**

None.

*o/c  
12/14/15*

## ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY



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### Washington/Oak Final Change Order & Additional Authorization

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Meeting Date: December 14, 2015  
Department: Public Works  
[www.cityofroseburg.org](http://www.cityofroseburg.org)

Agenda Section: Department Items  
Staff Contact: Nikki Messenger  
Contact Telephone Number: 541-492-6730

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#### ISSUE STATEMENT AND SUMMARY

The Washington/Oak project is nearly complete. As part of project closeout, staff requests approval to process the final change order (documentation of final quantities) and needs additional authorization on the overall project. The issue for Council is whether to approve the final change order and increase the project authorization.

#### BACKGROUND

##### A. Council Action History.

- On October 28, 2013, acting as the Urban Renewal Board (the Board) awarded the design contract to i.e. Engineering, Inc.
- On January 27, 2014, the Board approved the design concepts for the Washington/Oak Project and included keeping Rose Street as a two-way street.
- On March 10, 2014, the Board approved a contract amendment with i.e. Engineering for additional work including a traffic operations analysis.
- On March 17, 2014, the Board revisited the project and decided to:
  - Keep the parking at the Post Office head-in.
  - Proceed with a traffic study to evaluate the impacts of reducing one lane of traffic on Washington and Oak between Jackson and Kane Streets.
  - If the traffic study indicated that one travel lane was feasible, proceed with constructing back-in angled parking on Washington and Oak as proposed for a one-year trial period.
- On May 12, 2014, the Board directed staff to eliminate all back in parking and proceed with front in angled parking.
- On November 24, 2014, the Board approved a second contract amendment to the engineering design contract.
- On February 23, 2015, Council:
  - Authorized an Intergovernmental Agreement with RUSA to include sanitary sewer work as part of the project, with RUSA reimbursing the City.
  - Authorized removal of parking meters as required; and
  - Adopted a resolution pre-qualifying two concrete contractors to perform the concrete work on this project.
- On May 14, 2015 the Council and the Urban Renewal Board awarded the contract to Brown Contracting, Inc.

**B. Analysis.** The Washington/Oak project is substantially complete with only punch list items remaining. It is not uncommon for a project this size to have quantity changes throughout the project as decisions are made based on what is uncovered during the construction. It is staff's practice to have a final change order on each project to document final quantities such that the final "contract price" matches the total of payments made to the contractor.

The Washington/Oak project included 140 bid items. Of these, 52 bid items underran the bid quantity, 44 items did not change, and 44 items overran the bid quantity. The current estimate on the final change order amount is \$92,895. This happened for various reasons. The largest overruns were in the following categories (dollar figures rounded):

<i>Bid Item</i>	<i>Bid Price</i>	<i>Bid Quantity</i>	<i>Actual Quantity</i>	<i>Cost Difference</i>
Removal of Surfacing	2.00/sy	67,500	146,570	\$23,141
Agg. Base Rock	75/ton	825	1,530.6	\$52,932
Level 3 Asphalt	120/ton	1,120	1,234.4	\$13,727
Mountain Tr Concrete	25/sf	1,400	2,458	\$26,450
Mono Curb & Sidewalk	5.00/sf	530	2,964	\$12,469
Mono C,G,SW	5.50/sf	12,300	13,733	\$ 7,882
Street trees	800/ea	28	38	\$ 8,000
Tree Grates	1500/ea	24	27	\$ 4,500
Hydrant Assembly	6700/ea	1	2	\$ 6,700

As evidenced above, the primary overruns for bid items were the result of removing and replacing additional street sections, sidewalks and trees. The base rock quantity was substantially higher partly due to additional sub-excavation that took place when the existing asphalt sections of roadways were removed. In this type of project, it is important to do the required sub-excavation when the street is opened up to protect the investment of putting in a new asphalt section. Obviously, there was more sub-excavation than originally anticipated.

In addition to quantity overruns, there was \$94,682.23 in change orders based on 23 proposal requests (PRs) for additional or changed work. The larger items in the change orders are as follows:

Description of work/change

Temporary asphalt patching for July 4 <sup>th</sup> /Graffiti	\$ 7,851
Oak Ave. Basement Infill	\$ 5,077
Oak/Jackson sidewalk backfill	\$ 4,731
Replacing bump at Washington/Rose	\$ 7,226
Add'l work on Washington @ Post Office	\$ 6,667
Mock up changes/color changes	\$28,155
Washington over-ex & geo-grid	\$ 7,601

**C. Financial and/or Resource Considerations.** In May of 2015, the City Council and Urban Renewal Board authorized a total of \$2,427,520 to be spent on the project construction. That total was identified as follows:

Construction	\$2,059,682
Construction Mgt. Support	\$ 117,092
City Provided Materials	\$ 96,000
Contingency (7.5% of const.)	<u>\$ 154,476</u>
<b>Council Authorization-construction costs</b>	<b>\$2,427,520</b>

The actual costs paid to date are within the authorization, however, the project work to date will exceed the authorization. Projected final costs are as follows:

Original Contract	\$2,059,682
Quantity Underruns	\$ (119,449)
Quantity Overruns	\$ 218,745
Change Orders	<u>\$ 94,682</u>
<i>Total Construction</i>	<i>\$2,253,660</i>

Construction Mgt. Support	\$ 117,092
Amendment #1 CM support	<u>\$ 16,400</u>
<i>Total Construction Mgt</i>	<i>\$ 133,492</i>

City Provided Materials	
Kiosks	\$ 25,000
Boulders	\$ 2,397
Medallions	\$ 23,305
Medallion concrete inserts	\$ 35,334
BBG Marketing (Kiosks)	\$ 6,000
Douglas County Museum (Kiosks)	<u>\$ 2,250</u>
<i>Total City Provided Materials</i>	<i>\$ 94,286</i>

*Total Project Costs* *\$2,481,438*

One item that has not been included in the costs above is benches at the timber intersection. The contractor did a mockup of the benches that were bid and they were not acceptable to the City. If Council agrees that benches should still be included in that intersection, staff would recommend that additional money be authorized to ensure that funding is available to complete the project.

Staff recommends the following break out of construction related costs based on the constructed bid items:

	<b><i>Budgeted</i></b>	<b><i>Proposed</i></b>
Urban Renewal FY15-16	\$1,500,000	\$1,500,000
Urban Renewal FY14-15	\$ 200,000	\$ 200,000
Streetlight/Sidewalk	\$ 410,000	\$ 434,359
Storm Drainage	\$ 150,000	\$ 93,395
Water	\$ 150,000	\$ 198,350
RUSA contribution	<u>\$ 50,000</u>	<u>\$ 66,896</u>
<b><i>Total Project budget</i></b>	<b><i>\$2,460,000</i></b>	<b><i>\$2,495,000</i></b>

**D. Timing Issues.** With the exception of the benches at the timber intersection and a few punch list items, all of the work has been complete. Once the final change order is signed and all quantities are agreed to, the City contractually has 30 days to make payment to the contractor.

### **COUNCIL OPTIONS**

Council has the following options:

1. Approve the final change order to Brown Contracting, Inc. for the Washington/Oak Improvement Project for an amount not to exceed \$100,000 and increase the project construction authorization to \$2,495,000; or
2. Request additional information regarding the change order or total project authorization.

### **STAFF RECOMMENDATION**

While staff is disappointed that the project was not managed within the Council authorization, we do believe that the change orders and quantity overruns were necessary to construct the final product that was envisioned and shared with the public. Hindsight tells us that when working in such an old part of town, the contingency should have been assigned as a higher percentage of the construction bid. That said, staff has presented a payment scenario that fairly distributes the costs among the Urban Renewal Agency, Sidewalk/Streetlight Fund and the appropriate utilities to reflect the work that has been accomplished. Therefore, staff recommends that the Council approve the final change order in an amount not to exceed \$100,000 and increase the project construction cost authorization to a total not to exceed \$2,495,000 to ensure adequate resources to make payment on the project and construct benches in the timber intersection. The Public Works Commission will discuss this item at their December 10<sup>th</sup> meeting. Staff will report the results of that conversation at the Council meeting.

### **SUGGESTED MOTION**

***I move to approve the final change order in an amount not to exceed \$100,000 and to increase the construction project authorization to \$2,495,000 for the Washington/Oak Improvement Project.***

### **ATTACHMENTS**

None.

# ROSEBURG CITY COUNCIL AGENDA ITEM SUMMARY

*CJ*  
12/7/15

INFORMATIONAL A  
12-14-15



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## ACTIVITY REPORT

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**Meeting Date:** December 14, 2015  
**Department:** City Manager  
**[www.cityofroseburg.org](http://www.cityofroseburg.org)**

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

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### 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 December 14, 2015, meeting, I provide the following items:

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



Agenda  
Department Heads Meeting  
December 7, 2015 – 10:00 a.m.

1. Review Tentative December 14, 2015 City Council Agenda
2. Tentative Future Agenda
3. Document Signing/Grants
4. Safety Committee Assignments
5. Department Items

**YEAR END REPORTS**

Due to City Manager 12/11/15

Due to Mayor Rich 12/18/15

**CITY CONNECTION**

Publish January 12, 2016

Articles Due to City Manager's Office December 28, 2015

TENTATIVE FUTURE COUNCIL AGENDA

Unscheduled

- CDBG Grant Architectural Selection (depending upon grant award)
- City Hall Entry/Finance Department Remodel
- Parking Enforcement Agreement
- Police Utility Vehicle Purchase
- Roadside Memorial Policy
- Social Media Policy
- Tree Ordinance
- Urban Services Agreement
- Amending RMC 5.04 Water Rules and Regulations

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January 11, 2016

Mayor's Report

- A. State of the City Address
- B. Commission Chair Appointments
- C. Commission Appointments

City Council Ward Reports/Commission Reports

- A. Election of Council President
- B. Planning Commission Appointments

Consent Agenda

- A. Minutes of December 14, 2015

Ordinances

- A. 2<sup>nd</sup> Reading, Ordinance No. \_\_\_\_\_, LUDO Amendments re: Commercial Marijuana
- B. 2<sup>nd</sup> Reading, Ordinance No. \_\_\_\_\_, Amending RMC 9.12 Regarding OLCC New Outlet Application Approval Process
- C. 2<sup>nd</sup> Reading, Ordinance No. \_\_\_\_\_, Vacation of a Portion of NE Crescent

Department Items

- A. Medical Education Facility Phase 2 Funding

Informational

- A. Activity Report

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January 25, 2016

Consent Agenda

- A. Minutes of January 11, 2016

Public Hearing

- A. LUDO Phase 3, Ordinance No. \_\_\_\_\_

Ordinances

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

Department Items

- A. Capital Improvement Plan Update

Informational

- A. Activity Report (Municipal Court Quarterly Report)

\*\*\*\*\*

**February 8, 2016**

Special Presentation (Invite Budget Committee)

- A. Annual Financial Report – Tom Davidson
- B. Quarterly Financial Report – December 31, 2015
- C. Budget Calendar

Consent Agenda

- A. Minutes of January 25, 2016

Ordinances

- A. 2<sup>nd</sup> Reading, Ordinance No. \_\_\_\_\_, LUDO Phase 3
- B. 2<sup>nd</sup> Reading, Ordinance No. \_\_\_\_\_, Single Lot Local Improvement Districts
- C. 2<sup>nd</sup> Reading, Ordinance No. \_\_\_\_\_ Smoking Policy – City Parking Lots and Abutting Sidewalks

Informational

- A. Activity Report

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**February 22, 2016**

Consent Agenda

- A. Minutes of February 8, 2016

Department Items

- A. The Partnership Annual Report

Informational

- A. Activity Report

Executive Session

- A. City Manager Quarterly Evaluation

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**March 14, 2016**

Consent Agenda

- A. Minutes of February 22, 2016

Department Items

- A. Visitors Bureau Annual Report

Informational

- A. Activity Report

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**March 28, 2016**

Consent Agenda

- A. Minutes of March 14, 2016

Informational

- A. Activity Report

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**April 11, 2016**

Mayor's Report

- A. Volunteer Recognition Month Proclamation

Consent Agenda

- A. Minutes of March 28, 2016

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

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**May 23, 2016**

Consent Agenda

- A. Minutes of May 9, 2016

Informational

- A. Activity Report

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**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

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Informational

- A. Activity Report

Urban Renewal Agency Board Meeting

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

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**June 27, 2016**

Consent Agenda

- A. Minutes of June 13, 2016

Informational

- A. Activity Report

Executive Session

- A. Municipal Judge Evaluation

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**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)

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**August 8, 2016**

Consent Agenda

- A. Minutes of July 25, 2016

Informational

- A. Activity Report

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**August 22, 2016**

Consent Agenda

- A. Minutes of August 8, 2016

Informational

- A. Activity Report

Executive Session

- A. City Manager Quarterly Evaluation

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**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

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**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)

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**November 14, 2016**

Consent Agenda

- A. Minutes of October 24, 2016

Informational

- A. Activity Report

Executive Session

- A. City Manager Annual Review

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**November 28, 2016**

City Council Reports

- A. City Manager Contract

Consent Agenda

- A. Minutes of November 14, 2016

Informational

- A. Activity Report

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**December 12, 2016**

Mayor Reports

- A. Election Results

Consent Agenda

- A. Minutes of November 28, 2016

Informational

- A. Activity Report



Friday, November 20, 2015

Good Friday afternoon everyone! It looks like we are experiencing normal fall weather this year. It's a welcome change but brings some challenges along with the rain. The leaf pickup program is in full swing which is a critical service we provide to keep our community storm drainage system operating efficiently. Wet weather also seems to increase our public safety issues. Wet roads tend to lead to more accidents early in the fall which keeps our police and fire very busy.



Monday I had an opportunity to work with a local foundation community group to help allocate some resources to non-profit organizations in Douglas County. It was interesting to participate in the review and to see how difficult it is to stretch philanthropic dollars in our region. It seems like there are so many worthwhile organizations providing great services and we are still unable to meet our community's needs. I also had an opportunity to spend some time with UCC President Cavin Monday. I look forward to continuing our support for UCC through their leadership transition as they appoint a new interim and conclude their search for a new President.

Brian attended the Douglas County Industrial Development Board on Tuesday. Consensus from the group recommended moving forward with developing a vacant county-owned property in Sutherlin with facilities that could potentially house UCC's industrial arts program, including its auto and welding shops. Another county-owned property south of Myrtle Creek along I-5 is ready for development now that the 34-acre site is clear of ownership entanglements. It is one of the few large industrial lots in the county with freeway access and few wetlands.

Wednesday, Captain Matthews, Chief Timm and I attended a monthly meeting with RPS Superintendent Gerry Washburn and other emergency service providers as we work together on standardized response protocols for schools in the Roseburg area. Our first responders will be critical in any type of emergency and working together to provide consistent language and expectations can make a huge difference when an incident occurs. Mercy Hospital, the Sheriff's office and DC Fire District 2 have also been involved in the planning process.

I have been more than a little under the weather the last few days but I hope to see you all Monday night at your regular Council meeting. Have a great weekend everyone.



Agenda  
Department Heads Meeting  
November 24, 2015 – 10:00 a.m.

1. Review November 23, 2015 City Council Meeting
2. Review Tentative December 14, 2015 City Council Agenda
3. Tentative Future Agenda
4. Document Signing/Grants
  - Southgate Market Partition Plat Letter
  - Fairmount/Garden Valley Drainage Improvements Engineering Contract – i.e. Douglas County Right-to-Life - Walk for Life Permit
5. CDBG Letter
6. Right-of-Way Use – Nutcracker Placement
7. Grant Option Priorities
8. Monthly Financial Reports
9. Department Items

**YEAR END REPORTS**

Due to City Manager 12/11/15  
Due to Mayor Rich 12/18/15

**CITY CONNECTION**

Publish January 12, 2016  
Articles Due to City Manager's Office December 28, 2015

Friday December 4, 2015

Good Friday afternoon everyone! I hope you are enjoying the fall weather. I know it was a little cold around Thanksgiving, but I am thrilled we are getting some rain here in town and snow in the mountains. Fall and winter is a great time to enjoy the North Umpqua River as well as the waterfalls and lakes. Having a little snow for winter time activities makes it even better.



We had five Mondays in November, so we are on a little break from regular Council meetings. Our next meeting will be December 14<sup>th</sup>, likely at 6:00 p.m. for a work study on water rates which will allow us to further address our Infrastructure Funding Goal. I will send out the rate study work that was prepared by staff and reviewed and modified by the Public Works Commission next week so you have plenty of time to review and digest the material in advance of your meeting. I want to remind you we only have one scheduled meeting in December. The second regular meeting was cancelled in a previous Council Meeting because it is the day after Christmas.

I spent significant time in community meetings this week. I am working with folks from the community and UCC to develop plans for the re-purposing or re-use of Snyder Hall on the UCC campus. I had an opportunity last evening to attend and listen in on an OPB interview with UCC and community folks chatting about where we are two months removed from the events of October 1<sup>st</sup>. I attended an affordable housing meeting last evening that was presented by the Meyer Memorial Trust which has done some extensive evaluation of the potential for and also the barriers to providing affordable housing in both rural and metropolitan Oregon. It was an interesting presentation that was attended by representatives from HADCO, UCAN, NeighborWorks Umpqua and the City.

Also this week, John and I attended a presentation put on by PERS to address employers and provide them with current information relating to the system, its current and future costs and how it impacts local government employers. There was little good news in the presentation, but we were already aware of most of the issues and costs associated with the program. I continue to sit on the PERS Legislative Advisory Committee and will be attending a meeting in Tigard Monday morning of the LAC to discuss current issues and potential legislation that may be considered or pursued by the PERS Board during the upcoming short session.

Our Downtown project is getting closer to completion with only a few more items to be completed. I hope you have all had a chance to wander around the project area and

see all of the work that has been completed. I think the new street lighting has been very well received and I know the diagonal parking is being used extensively. I continue to hear a lot of positive comments from visitors downtown and our local merchants. I hope the retail season bodes well for our merchants. I know the construction disrupted the flow of traffic, but I think the end result will pay dividends far into the future.

And speaking of downtown, the Downtown area is looking festive for the Christmas holiday with lights and ribbons on lamp posts, nutcrackers at multiple business locations and the Courthouse tree that was celebrated and officially lit on November 29<sup>th</sup>. We hope you enjoy any festivities scheduled this weekend and the Christmas Fair at the DC Fairgrounds if you have the opportunity to go.

