



# City Council Agenda

Mayor  
Christine Lundberg

City Council  
Sean VanGordon, Ward 1  
Hillary Wylie, Ward 2  
Sheri Moore, Ward 3  
Dave Ralston, Ward 4  
Marilee Woodrow, Ward 5  
Bob Brew, Ward 6

**City Manager:**  
Gino Grimaldi  
**City Recorder:**  
Amy Sowa 541.726.3700

City Hall  
225 Fifth Street  
Springfield, Oregon 97477  
541.726.3700  
Online at [www.springfield-or.gov](http://www.springfield-or.gov)

The meeting location is wheelchair-accessible. For the hearing-impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. For meetings in the Council Meeting Room, a "Personal PA Receiver" for the hearing impaired is available. To arrange for these services, call 541.726.3700.

**Meetings will end prior to 10:00 p.m. unless extended by a vote of the Council.**

All proceedings before the City Council are recorded.

February 10, 2014

5:30 p.m. Work Session  
Jesse Maine Room

*(Council work sessions are reserved for discussion between Council, staff and consultants; therefore, Council will not receive public input during work sessions. Opportunities for public input are given during all regular Council meetings)*

## CALL TO ORDER

ROLL CALL - Mayor Lundberg \_\_\_\_, Councilors VanGordon \_\_\_\_, Wylie \_\_\_\_, Moore \_\_\_\_, Ralston \_\_\_\_, Woodrow \_\_\_\_, and Brew \_\_\_\_.

1. Charter Amendment to Allow for Councilor Compensation. (30 Minutes)  
[Niel Laudati]
2. Telecommunications Business License Tax. (30 Minutes)  
[Len Goodwin]
3. Stormwater Fees and Billing Services Follow-up. (20 Minutes)  
[Katherine Bishop/Matt Stouder]
4. Acquisition of Pedestrian Level Lighting Fixtures. (10 Minutes)  
[Brian Barnett]
5. Master Fees and Charges Schedule – Spring 2014 Update. (15 Minutes)  
[Bob Duey]

## ADJOURNMENT

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**AGENDA ITEM SUMMARY**

**Meeting Date:** 2/10/2014  
**Meeting Type:** Work Session  
**Staff Contact/Dept.:** Niel Laudati/CMO  
**Staff Phone No:** 541.726.3780  
**Estimated Time:** 30 Minutes  
**Council Goals:** Provide Financially Responsible and Innovative Government Services

**SPRINGFIELD  
CITY COUNCIL**

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**ITEM TITLE:** CHARTER AMENDMENT TO ALLOW FOR COUNCILOR COMPENSATION

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**ACTION REQUESTED:** Obtain guidance from Council on moving forward with a Charter Amendment allowing for City Councilor Compensation.

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**ISSUE STATEMENT:** The Springfield Mayor and Council are volunteers. The Springfield Charter states: “No Councilor or Mayor may receive compensation for serving in that capacity. The Council may prescribe a plan for reimbursing Mayor and City Council for expenses they incur in serving the City.” As such, no elected official has received compensation in Springfield – however, reimbursement for mileage, technology fees, etc. is available.

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**ATTACHMENTS:** Attachment 1: Examples of Council Reimbursements from other Oregon Cities.

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**DISCUSSION/  
FINANCIAL  
IMPACT:** The Springfield Mayor and City Councilors are expected to spend 25 – 35 hours per week attending council meetings, answering constituent emails and reviewing the weekly agendas. They are also asked to attend multiple city-related inter-governmental meetings during the week and events on nights and weekends on behalf of the community. It has become common practice for the Mayor and Councilors to use personal vacation time from their jobs to attend events and meetings on behalf of the city. They often pay for a guest to attend night and weekend events when they are asked to attend events as well. Items such as child care are not covered.

Over the past year, a small sub-committee made up of members of the City Council, the City Attorney’s Office and the City Manager’s Office have met on several occasions to review the need for an update of the City Charter to allow for a reasonable monthly compensation. After discussion and reviewing council compensation from across the state, the sub-committee recommends a \$300 per month stipend for each councilor and a \$500 per month stipend for the Mayor. Amending the Charter requires a vote of the public. The procedure includes the Council passing a resolution regarding the amendment and then referring the proposed amendment to the voters in an upcoming election. The rest of the process follows state election law. The ballot title is prepared by the city and filed with the city elections officer. In order meet the required deadlines and place a Charter amendment on the May 20, 2014 ballot, Council would need to pass a resolution with ballot title no later than March 3, 2014. Charter amendments pass when a majority of the voters support the amendment.

The fiscal impact to the city is approximately \$27,000 per year. Additionally, it is recommended that to continue reimbursements for items such as mileage and technology.

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Options for Council Reimbursement

Options and examples	Estimated cost
<p>City of Eugene:                      Mayor \$1500/Councilors \$1000 may be adjusted annually by a percentage increase or decrease/ stipends are in addition to any reimbursement for actual official expenses incurred. Mayor and councilors may purchase health insurance from the city health insurance plan.</p>	<p>Yearly total cost estimate of stipend: \$90,000</p>
<p>City of Hillsboro:                      \$300-\$500 per month plus a \$75 technology allowance. Councilors receive \$300 Council President \$500</p>	<p>Yearly total cost                      \$25,000</p>
<p>City of Tigard:                      The annual stipend for Council Members, other than the Mayor is \$5,700. The annual stipend for the Mayor is \$43,000.                      Each receive a car stipend of \$275 per month. Each are eligible for a paid tech fee and are eligible to participate in the City's health insurance benefit plan.</p>	<p>Yearly cost of stipends:                      \$77,200.                      Car stipend: \$23,000                      Tech and healthcare</p>
<p>City of Bandon:                      Mayor receives \$200 per month, Councilors \$100 per month to cover expenses.</p>	<p>Yearly cost of stipends: \$10,000</p>
<p>City of St. Helens:                      Council members receive a \$500 per month stipend.</p>	<p>Yearly cost of stipends: \$42,000</p>
<p>Corvallis – no stipends for council</p>	
<p>City of Wilsonville:                      Councilors receive \$375 per month Mayor \$750 per month</p>	<p>Yearly cost of stipends: \$63,000</p>
<p>City of Forest Grove:                      \$100 per month plus 95% of medical, vision and dental.</p>	<p>Yearly cost of stipends: \$8,400</p>

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**AGENDA ITEM SUMMARY**

**Meeting Date:** 2/10/2014  
**Meeting Type:** Work Session  
**Staff Contact/Dept.:** Len Goodwin, DPW  
**Staff Phone No:** x3685  
**Estimated Time:** 30 minutes  
**Council Goals:** Provide Financially Responsible and Innovative Government Services

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**SPRINGFIELD  
CITY COUNCIL**

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**ITEM TITLE:** TELECOMMUNICATIONS BUSINESS LICENSE TAX

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**ACTION REQUESTED:** Staff requests Council direction on implementing a telecommunication business license tax.

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**ISSUE STATEMENT:** Should the City implement a telecommunication business license tax on all telecommunications companies using rights of way and operating within the city limits by changing Springfield Municipal Code 4.600 Definitions and 4.706 Fee for Use of Public Ways?

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**ATTACHMENTS :** 1: Council Briefing Memorandum  
2: Proposed Ordinance

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**DISCUSSION/  
FINANCIAL  
IMPACT:** Currently, under Springfield City Code, a telecommunications company with facilities in the City's right-of-way pays a fee for use of the right-of-way. Other cities charge utilities a fee a franchise fee or a business license fee.

Incumbent Local Exchange Carriers (ILEC), companies leftover from the break-up of the Bell monopoly in the 1980s, are taxed differently from other utilities creating a disparity in the market. Under State statute, cities are limited to charging ILECs 7% on the revenue from local exchange service for use of a city's right of way. "Local Exchange Service" revenue is only that revenue that results from the dial tone access charge, approximately \$12.60 per month. Revenue generated from the other telecommunication services—such as cellular backhaul, voicemail, call forwarding, caller identification, call waiting, and other modern amenities—are not calculated as a part of the 7% fee. In contrast to ILEC, other utilities (such as Comcast) are charged a fee of 5% of gross revenue—essentially all of the revenue the company earns.

CenturyLink, the local ILEC, pays the City seven percent of the local exchange charge (that charge is about \$12.60 a month per customer). On the other hand, Comcast, CenturyLink's principal competitor in Springfield, pays based on five percent of the total bill (about \$65 per month per customer).

The 2013 Oregon Legislative Assembly attempted but failed to resolve the discrepancy. Another attempt to change is law is anticipated for the 2014 session, however, the proposal currently discussed has clear disadvantages for cities. As an alternative, staff suggests that the City change the right-of-way user fee from a fee for using the right-of-way to a tax on doing business. The tax would not be subject to the preemption. No change is proposed for the rate—currently five percent of gross revenue.

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**MEMORANDUM**

**City of Springfield**

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**Date:** 2/10/2014

**To:** Gino Grimaldi, City Manager

**COUNCIL**

**From:** Len Goodwin, DPW Director

**BRIEFING**

**Subject:** TELECOMMUNICATIONS BUSINESS  
LICENSE TAX

**MEMORANDUM**

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**ISSUE:** Should the City implement a telecommunication business license tax on all telecommunications companies using rights of way and operating within the city limits by changing Springfield Municipal Code 4.600 Definitions and 4.706 Fee for Use of Public Ways?

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**COUNCIL GOALS/**

**MANDATE:**

Provide Financially Responsible and Innovative Government Services

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**BACKGROUND:**

Currently, under Springfield City Code, a telecommunications company with facilities in the City's right-of-way pays a fee for use of the right-of-way. Other cities charge utilities a fee a franchise fee or a business license tax.

Incumbent Local Exchange Carriers (ILEC), companies leftover from the break-up of the Bell monopoly in the 1980s, are taxed differently from other utilities creating a disparity in the market. Under State statute, cities are limited to charging ILECs 7% on the revenue from local exchange service for use of a city's right of way. "Local Exchange Service" revenue is only that revenue that results from the dial tone access charge, approximately \$12.60 per month. Revenue generated from the other telecommunication services—such as cellular backhaul, voicemail, call forwarding, caller identification, call waiting, and other modern amenities—is not calculated as a part of the 7% fee. In contrast to ILEC, other utilities (such as Comcast) are charged a fee of 5% of gross revenue—essentially all of the revenue the company earns.

The distinct fees resulted when the 1989 Legislative Assembly passed ORS 221.515 and preempted local governments' abilities to set fees for the use of the right-of-way for ILECs. Charges on other providers, however, were not limited. Ultimately, this creates an anomaly and has significant impact on both the customers and the cities. The inconsistent fees results in consumers' decisions based on based on government charges, rather than on the basis of the services or charges generated by the carrier.

One potential, and undesirable, effect of the anomalous treatment of the telephone providers is that it injects government revenue and tax policy into a customer's decision about telephone service. Customers should be making their decision on choosing a telephone provider on the basis of the services and fees charged by the carrier, not on the basis of what government charges the carrier is obligated to pay. As much as possible, those fees and charges should be consistent, regardless of carrier. While there are

obvious cases where there should be differences, for example between carriers who use public rights of way and those who do not, these differences should be based on the nature of the business, not on legislative policy decisions.

In addition to the sound business reasons for making local fees transparent, there is a risk of litigation should the change not be made. Section 253(c) of the 1996 Act provides that “Nothing in this section affects the authority of a State or local government to . . . require fair and reasonable compensation from telecommunications providers, on a competitively neutral and non-discriminatory basis, for use of public rights-of-way on a non-discriminatory basis . . .” Although no court has held that the preemption by State law creates an inconsistency with the federal requirement, the allegation has been made in a number of cases and may, in some future case, be found meritorious . In 2013, the Oregon Legislative Assembly considered a House Bill developed by Comcast—the largest non-ILEC phone company— that proposed changes to resolve the distinction between utilities. Under House Bill 2455-7 preemption would be eliminated, resulting in every phone company charged on the same revenue formula basis. The Bill, however, did not succeed despite the support from cities and the League of Oregon Cities.

During that same period, the City of Portland developed a local solution to address the problem. Portland converted its existing right-of-way use fee to an approach that is not subject to preemption. Portland revised its code to convert the existing right-of-way use fee to a business license tax imposed on companies that use the public right-of-way to provide telephone service. Like Springfield, the right-of-way use fee was five percent—that rate was not changed when the charge was converted from a fee to a tax. However, the ability to capture more of the ILECs’ revenue, no longer limited to only local access service revenue, resulted in a large increase in revenue for the City of Portland. Similarly changes to Springfield’s Code could produce significant revenue for the General Fund. Staff hesitates to project an estimate at this time as CenturyLink has declined to give the City information on its gross revenues.

The proposed changes would benefit the consumer by removing the element of distinct public fees and taxes from the decision on which telephone service to select. Even though the changes would result in a small impact on individual customers the change would make it possible for consumers to make a choice based on the quality and nature of a company’s service. The tax would be at the same rate as presently in the Municipal Code – 5 percent of gross revenue.

While CenturyLink challenged the Portland ordinance in Circuit Court last year, the Court granted summary judgment to Portland. The case is now pending before the Oregon Court of Appeals. There is no timetable for a decision but we believe that the Circuit Court opinion is sound and will likely be sustained on appeal. Additionally, Comcast intends to introduce a new bill during the 2014 Legislative Assembly. Unfortunately, however, Comcast is now working with the incumbent providers and is likely to propose a measure that will severely undercut local governments—potentially reducing the rates that *all* telecommunications companies pay. Therefore, at this time, staff recommends that the City move ahead with a local ordinance to follow the Portland model. If the ordinance is adopted before the Legislature acts, we believe that Springfield’s action will not be preempted.

**RECOMMENDED ACTION:** Staff recommends changing Springfield Municipal Code sections 4.600 Definitions and 4.706 Fee for Use of Public Ways to establish a Telecommunication Business License Tax which will replace the Utility License Fee currently used at the City. If Council concurs, they may direct staff to present an ordinance in the form of the attached draft for a first reading and public hearing at the next available opportunity.

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**AN ORDINANCE AMENDING THE SPRINGFIELD MUNICIPAL CODE SECTION 4.600 "DEFINITIONS" TO ADD/AMEND DEFINITIONS TO TELECOMMUNICATION BUSINESS LICENSE TAX, AND AMENDING SECTION 4.706 "FEES FOR USE OF PUBLIC WAYS", SECTION 4.712 "REGULATORY FEES AND COMPENSATION NOT A TAX", SECTION 4.714 "PENALTIES AND INTEREST FOR LATE PAYMENT", AND SECTION 4.716 "AUDITS", AND ADOPTING A SEVERABILITY CLAUSE**

WHEREAS, telecommunication companies who have facilities in the City's right-of-way are required to pay a fee to the City for its use of its right-of-way;

WHEREAS, some cities charge such a fee as a franchise fee, while in other cities it may be in the form of a business license or, as the City does, as a right-of-way use fee;

WHEREAS, an incumbent local exchange carriers (ILEC) is the default service provider for a local telephone service and state statute limits the City to charging 7% on the revenue from the local exchange service for use of the City's right-of-way;

WHEREAS, local exchange revenue is the revenue from the dial tone access charge on a bill and there is no limit on what cities may charge competitive local exchange carriers (CLEC);

WHEREAS, the "phone company" of yesteryear has evolved over time and today's phone companies offer many different services did not previously exist including cell backhaul, voice mail, call forwarding, caller identification, call waiting, and others; and

WHEREAS, the City now wishes to establish a method of charging for the true use of the right-of-way.

NOW, THEREFORE, the City of Springfield ordains as follows:

**Section 1.** Section 4.600 "Definitions" of the Springfield Municipal Code is hereby amended to include the following two additional definitions:

"Internet Service. Internet Service means a service that includes computer processing applications, provides the user with additional or restructured information, or permits the user to interact with stored information through the internet or a proprietary subscriber network. 'Internet service' includes provision of internet electronic mail, access to the internet for information retrieval, and hosting of information for retrieval over the internet or the graphical subnetwork called the world wide web. 'Internet' means the international computer network of both

federal and nonfederal interoperable packet switched data networks, including the graphical subnetwork called the world wide web.”

“Public Safety Radio System. Public safety radio system means a radio system whose licensing and use of radio transmitters by state and local government and non-government entities is regulated by the Federal Communications Commission as engaged in public safety activities.”

**Section 2.** Section 4.600 “Definitions” “Telecommunications service” of the Springfield Municipal Code is hereby amended to read as follows:

“Telecommunications service. The providing or offering for rent, sale or lease, or in exchange for other value received, of the transmittal of voice, data, image, graphic and video programming or any other information between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities, with or without benefit of any closed transmission medium and without regard to the nature of the transmission protocol employed, but does not include:

- (1) cable television services;
- (2) private telecommunications network services;
- (3) over-the-air radio or television broadcasting to the public-at-large from facilities licensed by the Federal Communications Commission or any successor thereto;
- (4) direct-to-home satellite service within the meaning of Section 602 of the Telecommunications Act of 1996;
- (5) services provided solely for the purpose of providing internet service to the consumer;
- (6) public safety radio systems;
- (7) mobile service within the meaning of 47 U.S.C. § 153(33) (2012); and
- (8) services to devices exclusively utilizing electromagnetic spectrum unlicensed by the Federal Communications Commission.”

**Section 3.** Section 4.706 of the Springfield Municipal Code is hereby repealed and rewritten to read as follows:

- “(1) (a) All persons providing utility services shall pay to the City of Springfield a tax in the amount of five percent of gross revenues, as herein defined, subject to limitations in other state or federal laws.
- (b) All utilities owned and operated by the City of Springfield, except a municipal utility as defined in ORS 757.005(1), shall pay to the City of Springfield a utility tax fixed by resolution of the council.

(c) All persons subject to the tax imposed by subsection (a) who are parties to a franchise or public way use agreement shall be entitled to a credit against the tax due under subsection 9a) in the amount of the payments made pursuant to such franchise or public way use agreement.

(2) This fee shall be in addition, and not in lieu of any taxes, fees or charges provided under this Municipal Code.

(3) Unless otherwise agreed such tax or fee shall be paid quarterly, on or before the 45<sup>th</sup> day following the end of the calendar quarter."

**Section 4.** Section 4.710 "Compensation for City Property" of the Springfield Municipal Code is hereby amended to read as follows:

"If the right is granted, by lease, license, franchise or other manner, to use and occupy city property other than the public ways for the installation of facilities, the compensation to be paid shall be fixed by the city and shall be separate and distinct from any taxes or fees imposed in sections 4.702 through 4.708."

**Section 5.** Repeal Section 4.712 "Regulatory Fees and Compensation Not a Tax" from the Springfield Municipal Code.

**Section 6.** Section 4.714 "Penalties and Interest for Late Payment" of the Springfield Municipal Code is hereby amended to read as follows:

"If any tax or fee provided for herein shall not be timely paid, a penalty in the amount of 10 percent of such fee shall be assessed and due as of the date the underlying tax or fee was due. Interest on taxes, fees and penalties shall accrue at the rate of one and one-half percent per month, commencing with the 15th day after the tax, fee or penalty shall be due."

**Section 7.** Section 4.716 "Audits" for the Springfield Municipal Code is hereby amended to read as follows:

"The city may examine the books and records of the utility to verify the amounts due under a franchise, public way use agreement or fee or tax as provided in section 4.706. The utility shall either maintain such books and records at a location within the state of Oregon or, in the alternative, shall provide them to the city when requested, at no expense to the city. In the event such examination discloses an underpayment in the amount due to the city of more than five percent, the city may impose a penalty of 10 percent of the additional amount due, plus costs of the audit, and interest as provided herein from the original date due."

**Section 8. Severability Clause.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is, for any reason, held invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and individual provision and such holding shall not affect the validity of the remaining portion hereof.

**Section 9. Effective Date of Ordinance.** This Ordinance shall take effect 30 days after its adoption by the Council and approval by the Mayor.

ADOPTED by the Common Council of the City of Springfield this \_\_\_\_ day of \_\_\_\_\_, 2014, by a vote of \_\_\_\_ for and \_\_\_\_ against.

APPROVED by the Mayor of the City of Springfield this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Mayor

**ATTEST:**

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

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**AGENDA ITEM SUMMARY**

**Meeting Date:** 2/10/2014  
**Meeting Type:** Work Session  
**Staff Contact/Dept.:** Katherine Bishop/DPW  
Matt Stouder/DPW  
**Staff Phone No:** 541-726-3674  
541-736-1006  
**Estimated Time:** 20 minutes  
**Council Goals:** Provide Financially  
Responsible and  
Innovative Government  
Services

**SPRINGFIELD  
CITY COUNCIL**

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**ITEM TITLE:** STORMWATER FEES AND BILLING SERVICES FOLLOW-UP

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**ACTION REQUESTED:** After discussion, provide direction to staff with respect to: (1) the City's stormwater SDC methodology for residential development; (2) moving to bi-monthly billing for stormwater and wastewater user fees, and; (3) implementation of a 27% reduction in user fees for customers who install qualifying rain gardens or other low impact development techniques.

**ISSUE STATEMENT:** Based on earlier discussions with Council, staff is providing follow-up information on low impact development and residential stormwater user fees.

**ATTACHMENTS:** 1. Council Briefing Memo

**DISCUSSION/  
FINANCIAL  
IMPACT:** The attached Council Briefing Memo (Attachment 1) provides background information summarizing recent discussions and activities on the City's Stormwater Program including System Development Charges, bi-monthly billing and conceptual residential stormwater user fee incentives for low impact development.

At the September 23, 2013 work session, Council asked for additional information on the City's stormwater program with respect to: (1) how stormwater SDC's are applied to new residential development; (2) information for consideration on bi-monthly billing for stormwater and wastewater fees, and; (3) how a 27% discount for residential users who install rain gardens or other low impact development systems would impact user rates and staffing.

Attachment 1 provides additional information on the three items above, including fee incentives, program resources and associated program costs, and the fiscal impact to the stormwater fund and residential stormwater user fees based on the level of participation in a residential stormwater fee incentive program. In addition, information on the City's wastewater and stormwater monthly billing cycle is provided to assist with further discussion on the benefits and constraints of a monthly or bi-monthly billing cycle. Included is information on the contractual relationship with the Metropolitan Wastewater Management Commission (MWMC) for further consideration and discussion.

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**MEMORANDUM**

City of Springfield

**Date:** 2/10/2014**To:** Gino Grimaldi, City Manager**COUNCIL****From:** Len Goodwin, Development and Public Works Director  
Matt Stouder, Environmental Services Manager  
Katherine Bishop, Senior Finance Analyst**BRIEFING  
MEMORANDUM****Subject:** Stormwater Fees and Billing Services Follow-Up**ISSUE:**

Based on earlier discussions with Council, staff is providing follow-up information on low impact development and residential stormwater user fees.

**COUNCIL GOALS/****MANDATE:**

Provide Financially Responsible and Innovative Government Services

**BACKGROUND:**

At the May 13, 2013 work session, staff presented a stormwater program and activities update to Council. Discussions included a status update on the City's National Pollutant Discharge Elimination System (NPDES) Phase II MS4 stormwater discharge permit renewal currently in progress with the Oregon Department of Environmental Quality. Staff provided an overview of the City's stormwater education and outreach program, which included examples such as rain garden demonstrations and classes the City has made available to the community. Council asked staff if a discount or incentive was considered for rate payers who install rain gardens on their property.

As part of the June 17, 2013 Council meeting, staff provided a Correspondence item including a history of the City's stormwater user fee program. This item included a letter dated May 21, 2013 to the City from Planned Parenthood of Southwestern Oregon, located at 3579 Franklin Boulevard, regarding stormwater user fees associated with green infrastructure at this location. Council accepted the correspondence for filing.

At the September 23, 2013 Council Work Session, staff presented information on the City's Stormwater Management Program, including a review of the user fee rate structure for commercial and residential accounts. Council discussed the commercial stormwater user fee rate structure and felt the design allowed for fees to be applied equitably on commercial property and directed staff to make no changes to the commercial methodology. Council provided helpful input to staff and commented on areas of further interest, including: (1) follow-up with information on how SDC's are applied to new residential development; (2) follow up with information for consideration on bi-monthly billing for stormwater and wastewater, and; (3) provide Council with information on how a 27% discount for residential users who install rain gardens would impact user rates and staffing.

**DISCUSSION:**

The following presents a summary of the items requested for follow up by Council:

*System's Development Charges (SDC's) for new residential development*

New development for single family residential structures is governed by the *International Building Code* and reviewed by City staff. For new development where rain gardens or other

low impact stormwater management systems are proposed, the City's stormwater SDC methodology allows for a baseline 50% reduction in the stormwater SDC assessed. If the builder chooses to document the impact of the system by submitting calculations showing a greater reduction in a 10-year storm event, the reduction in the SDC is proportional to the amount of stormwater that does not enter the public system. For example, if supporting calculations show a 100% reduction in runoff, the corresponding stormwater SDC paid is \$0. The current stormwater SDC rate is \$0.616 per square foot, which equates to \$1,232 for a new 2000 square foot home.

### Bi-Monthly Utility Billing

The City provides monthly utility billing for local stormwater and local and regional wastewater services, with the billing services administered through the Springfield Utility Board (SUB). City services are included on the monthly SUB billing statement along with the SUB monthly water and electric service charges.

At the September 23, 2013 work session, Council raised questions regarding costs associated with the billing services provided by SUB. Under a contractual agreement between SUB and the City, the current billing service rate is \$1.11 per billing transaction, and includes stormwater and wastewater services on the same monthly bill. SUB's billing rate methodology takes into consideration labor and operating costs, excluding overhead and capital costs. SUB and the City share costs associated with water meter reading since meter read information for individual customer usage is equally necessary in calculating the SUB water and the City wastewater charges, and in addition customer billing and cashier services which includes technology/application support are shared on an equivalent bill basis. Preliminary conversations with SUB staff indicate moving to bi-monthly billing would likely require renegotiation of the contractual agreement with SUB, along with upgrades/reprogramming the current billing software system.

The current \$1.11 per monthly transaction fees has remained level since 2005. The \$1.11 fee currently includes 57% or \$0.63 for customer billing and cashier services, with 43% or \$0.48 representing the meter reading services. The billing costs are shared proportionately by local stormwater, local wastewater, and regional wastewater. Monthly water meter read data is necessary for either a monthly or bi-monthly billing cycle, since wastewater charges are based on actual usage in the five (5) winter months of December through April, while May through November bills are based on the individual customer's average of the winter usage or actual usage, whichever is less. As such, a bi-monthly billing cycle would not reduce SUB charges to the City for the meter reading services component, and the customer billing services may require additional prorating to account for a five (5) month winter usage period.

Another factor to consider in discussion of bi-monthly billing is the contractual relationship with the Metropolitan Wastewater Management Commission (MWMC). The Intergovernmental Agreement (IGA) between MWMC and the Cities of Springfield and Eugene requires user fees to be billed and collected monthly. Accordingly, moving forward with bi-monthly billing could occur only with respect to local wastewater and stormwater bills, unless the IGA is amended to allow for a different billing cycle. This would require the mutual agreement of the City, the City of Eugene and Lane County. Until amendment of the IGA, regional wastewater user charges will be billed and collected monthly, and would result in customers receiving different billing amounts on alternating months (larger amount one month, lesser the next). This option could result in an increased burden on financial administration staff, and might be confusing for citizens.

Discounts for residential stormwater user rates

The last item Council requested follow up information on at the September 23, 2013 work session was how a 27% discount for residential users who install rain gardens or other low impact development techniques would impact user rates and staffing. This proposal has been evaluated on the assumption that the reduction is in addition to the SDC reduction described above. Currently, the City’s residential monthly stormwater user fee is \$12.62 per month. If qualifying customers (who installed rain gardens or other green systems) received a 27% discount, their resulting monthly stormwater rate would be \$9.21. In order to offset user fee reductions for customers who install green systems and provide the same level of stormwater program services (something the Council expressed concern for at the September work session), other customers monthly stormwater fee would need to proportionately increase. In addition, to ensure system functionality, and to meet future NPDES stormwater requirements, an increase in the amount of staffing time and resource would be needed.

Table 1 below shows the fiscal impact to the Stormwater Fund and residential user rates, including how the overall residential monthly stormwater bill would be impacted depending upon how many customers qualify and maintain rain gardens or other green systems.

Table 1

Impact to Rates and User Fees	Fiscal Impact to Stormwater Fund	Stormwater Residential User Fee Rate Impact	Residential User Fee Monthly Increase	Residential Stormwater User Fee Example	Residential User Fee with 27% Incentive
<i>Participants</i>	<i>Fiscal Impact</i>		<i>Impact to Residential User Fees</i>		
1	\$40.92	0.00%	\$0.00	\$12.62	\$9.21
25	\$1,023	0.00%	\$0.00	\$12.62	\$9.21
150	\$23,692	0.41%	\$0.11	\$12.73	\$9.29
250	\$45,410	0.78%	\$0.22	\$12.84	\$9.37
500	\$73,500	1.26%	\$0.35	\$12.97	\$9.47
1,000	\$148,200	2.51%	\$0.71	\$13.33	\$9.73

Table 2 below displays the fee incentive, along with the necessary resources to ensure the systems are maintained and working properly depending upon how many customers chose to install rain gardens or other green systems. The following revenue reduction and added expenses are incorporated in Table 1 above.

Table 2

Fee Incentive and Staffing Increase	27% Fee Incentive Monthly	27% Fee Incentive Annually	FTE Staffing Increase	Increased Staffing Expense Annual
<i>Participants</i>	<i>Revenue Reduction</i>		<i>Additional Expense</i>	
1	\$3.41	\$40.92	0.00	\$0
25	\$85	\$1,023	0.00	\$0
150	\$516	\$6,192	0.25	\$17,500
250	\$868	\$10,410	0.50	\$35,000
500	\$1,750	\$21,000	0.75	\$52,500
1,000	\$3,600	\$43,200	1.50	\$105,000

One important note which may inform the Council's decision on timing and implementation of a residential stormwater user fee reduction program involves recent developments with respect to the City's renewal of its NPDES stormwater permit. Preliminary conversations with the MS4 Stormwater Advisory Committee and Oregon Department of Environmental Quality indicate Springfield and other Phase II communities will be faced with much more stringent stormwater requirements upon permit renewal, including required incentives related to low impact development. Incentivizing low impact development with a fee reduction program prior to permit renewal might complicate the ability of the City to adjust to any new requirements, particularly if DEQ were to consider previous City incentives a baseline and impose additional requirements. The City currently anticipates permit renewal in 2015, and Council may wish to align the timing of a fee incentive program with the City's permit renewal.

An update of the City's Stormwater Program, including the permit renewal process and status, is planned for the March 17, 2014 Council Work Session.

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**RECOMMENDED ACTION:**

After discussion, provide direction to staff with respect to: (1) the City's stormwater SDC methodology for residential development; (2) Bi-monthly billing for stormwater and wastewater user fees, and; (3) implementation of a 27% reduction in user fees for customers who install qualifying rain gardens or other low impact development techniques.

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**AGENDA ITEM SUMMARY**

**Meeting Date:** 2/10/2014  
**Meeting Type:** Work Session  
**Staff Contact/Dept.:** Brian Barnett/DPW  
**Staff Phone No:** (541)726-3681  
**Estimated Time:** 10 min.  
**Council Goals:** Promote and Enhance our Hometown Feel while Focusing on Livability and Environmental Quality

**SPRINGFIELD  
CITY COUNCIL**

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**ITEM TITLE:** ACQUISITION OF PEDESTRIAN LEVEL LIGHTING FIXTURES

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**ACTION REQUESTED:** Authorize staff to acquire a bulk quantity of pedestrian level light fixtures for the Main Street Lighting Project and for other purposes.

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**ISSUE STATEMENT:** Staff has discovered an opportunity to buy a bulk quantity of lighting fixtures to be used in the Downtown Lighting Project and other City projects requiring such fixtures, at a substantial discount in cost.

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**ATTACHMENTS:** Attachment 1 – Image of Lighting Fixture to be Purchased  
Attachment 2 – Image of Current Light Fixtures

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**DISCUSSION/  
FINANCIAL  
IMPACT:** Council has directed staff to move forward on a program to provide pedestrian level lighting in downtown. On November 25, 2013, Council directed staff to begin implementing a seven phase project which would, as funds became available, provide new lighting and other new amenities to the downtown streets. A significant portion of the cost of those projects, which all taken together total almost \$5 million over a number of years, is the cost of the lighting fixtures. Staff estimates that new fixtures alone will cost over \$700,000.

Staff has learned that the City of San Diego is undertaking a complete renovation of its Gas Lamp district. As part of this renovation, they are removing and disposing of thousands of light fixtures which are remarkably similar to those recently installed on North A Street. The approved disposal contractor for the City of San Diego, WestCoast Light Recycling LLC, has agreed to sell those fixtures to the City for \$85 each, well under half the price of new fixtures on the market today. Staff estimates that for a total of about \$315,000 the fixtures can be refit with LED lighting, recoated to black (they are currently blue) and prepared for installation on poles. This compares with a cost of \$781,550 for new fixtures, fully fitted. Neither of these costs include the purchase price of new poles.

Staff propose to buy 500 of these fixtures, at a total cost of \$42,500. The fixtures will be stored at a City site and held until the downtown light projects advance to the point of requiring them. Staff proposes to fund the purchase with \$5,000 of Downtown SEDA funding and \$37,500 in Street fund resources. If agreeable to the Council, in the future SEDA would “buy” fixtures from the Street Fund as the lighting projects advance so that ultimately the costs of fixtures needed in Downtown would be borne by urban renewal funds. This would also allow the City to use some of the fixtures for replacement and installation in other areas of the City.

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ATTACHMENT 1



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**AGENDA ITEM SUMMARY**

**Meeting Date:** 2/10/2014  
**Meeting Type:** Work Session  
**Staff Contact/Dept.:** Bob Duey  
**Staff Phone No:** 726.3740  
**Estimated Time:** 15 minutes  
**Council Goals:** Provide Financially Responsible and Innovative Government Services

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**SPRINGFIELD  
CITY COUNCIL**

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**ITEM TITLE:** MASTER FEES AND CHARGES SCHEDULE –SPRING 2014 UPDATE

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**ACTION REQUESTED:** None. Discuss and provide input to staff. Item is subsequently scheduled for March 3rd regular meeting action.

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**ISSUE STATEMENT:** Council and staff reviewed proposed fee increases at the February 3 work session. Council members asked that two fees be brought back for subsequent discussion prior to a formal request for adoption. These two fees were Dog Licenses and Over the Street Banners. In addition, staff will take the opportunity to bring back to Council for review an alternate fee schedule for a Sewer Connection Fee – Unassessed (Sewer in Lieu of Assessment Fee) for the Franklin/McVay Sanitary Sewer Extension project that was also discussed as a separate February 3 work session topic.

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**ATTACHMENTS:** 1. Council Briefing Memorandum

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**DISCUSSION/  
FINANCIAL  
IMPACT:** See Council Briefing Memorandum

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**MEMORANDUM**

City of Springfield

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**Date:** 1/27/2014  
**To:** Gino Grimaldi **COUNCIL**  
**From:** Bob Duey, Finance Director **BRIEFING**  
**Subject:** Master Fees and Charges Update **MEMORANDUM**

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**ISSUE:**

Council and staff reviewed proposed fee increases at the February 3 work session. Council members asked that two fees be brought back for subsequent discussion prior to a formal request for adoption. These two fees were Dog Licenses and Over the Street Banners. In addition, staff will take this opportunity to bring back to Council for review an alternate fee schedule for a Sewer Connection Fee – Unassessed (Sewer in Lieu of Assessment Fee) for the Franklin/McVay Sanitary Sewer Extension Project that was also discussed as a separate February 3 work session topic.

**COUNCIL GOALS/****MANDATE:**

Provide Financially Responsible and Innovative Government Services

Adopted City policies recognize that the funding sources for different services vary greatly from full cost recovery to full tax subsidy to outside grants to a combination of many different sources. Review of rates, sources and cost recovery models on a regular basis is important to ensure that citizens are able to receive maximum service for the resources available.

**BACKGROUND:**

The City's schedule of fees and charges are established by Council action. The work in the spring of 2013 by the Council and staff consolidated past documents describing the City's various fees and the method for making changes into a single document titled Master Fees and Charges schedule. This document provides an easy reference for citizens, Councilors and staff to identify the current fees authorized to be levied and collected by the City.

Identified below are the two fees, Dog Licenses and Over the Street Banners, as they were presented to Council on February 3<sup>rd</sup>. Also listed is the current and proposed CPI adjustment for the Sewer in-lieu of Assessment Fee that addresses all projects in this circumstance. Council has requested to review an alternative to this fee schedule that could be applied specifically and only to the proposed Franklin/McVay Sanitary Sewer Extension Project. Discussion on each of these 3 fees will follow the existing written descriptions.

**Section 5: Police****Page 21, Dog Licenses**

	<b>1 yr</b>	<b>2yr</b>	<b>3yr</b>
Unaltered Dog	\$35	\$55	\$70
Neutered Dog	\$15	\$25	\$35
Sr. Citizen(62+) Unaltered Dog	\$35	\$55	\$70
Sr. Citizen Neutered Dog	\$10	\$17	\$25
Commercial Kennel	\$250		
Watchdog	\$25 + above lic. fee		

<del>General Issue</del>	<del>\$20.00</del>
<del>Neutered License</del>	<del>\$10.00</del>
<del>Keeper 60+ years old</del>	<del>\$5.00</del>
<del>Commercial License</del>	<del>\$75.00</del>
<del>Duplicate License</del>	<del>\$5.00</del>
<del>Watchdog License (in addition to dog license fee)</del>	<del>\$20.00</del>
<del>Guide Dog/ADA companion dog license</del>	<del>FREE</del>

Explanation: The City has not increased Dog License fees for a number of years. Current revenue from license fees is approximately \$30,000 per year, while total program costs exceed \$100,000. Staff and volunteers assigned to the Animal Control Office have implemented new licensing software and have adapted business practices to greatly increase program efficiencies. The proposed increases should generate an additional \$10,000 to \$15,000 per year. The proposed fee schedule would put Springfield's rates at the same level as the County and City of Eugene.

## Section 7: Engineering

### Page 34, Over the Street Banner

(SMC 3.223(1) *Over the Street Banner*. A banner that hangs between two poles that straddle the city street at locations designated by the city.)

Per permit \$150.00 ~~No Fee~~

Explanation: This fee was recently reviewed for cost recovery. The city staff time to install and take down an Over the Street Banner is \$170 total. The fee is set at 88% cost recovery.

### Page 35, Sewer Connection Fee-Unassessed (Sewer In Lieu of Assessment Fee)

(SMC 3.356(3)) Upon making an application as herein provided, such person shall pay to the city an amount based upon the city's established rate per square foot of benefited property. This rate is based on the average actual sewer construction costs per square foot of benefited property, as set by resolution of the council. Any rate adjustment shall be determined by the previous year's sewer construction costs and projected inflation to the next construction season. The depth of the benefited property shall not exceed 150 feet from the street or 150 feet from the sanitary sewer line if the sewer line is not within the street right-of-way, except by special authorization by the Director of Public Works and based upon reasonable judgment, such as

- (a) The location of the building in relation to the referenced 150 foot line;
- (b) The possibility of future development for the building sites beyond the 150 foot depth. Except as provided by (a) and (b) immediately preceding, a reduced charge will be charged for that area beyond the 150 foot line. The sum so paid may be deposited against any future sanitary sewer assessment which may be made against said property. In the event the sum paid exceeds the assessment any excess will be refunded to the property owner.

Per square foot for first 150 fee of depth	\$ .66 <del>\$64</del>
And per square foot thereafter	\$ .33 <del>\$32</del>

5% Technology Fee (surcharge) will be applied when imposed or collected.

## DISCUSSION:

### Dog Licenses

#### Definitions:

A *Watchdog* is, "A dog confined at a business or commercial establishment within a business or industrial zone to protect merchandise, inventory or equipment." Current watchdog licenses for Springfield: None

*A Commercial Kennel*, in Muni Code 5.402, is defined as “a place of business authorized by the Springfield Development Code for the commercial care of dogs, including, but not limited to, the boarding, grooming, breeding, training or selling of dogs. The term is not intended to include an animal hospital.” Current Commercial Kennel licenses within Springfield: None

Springfield’s Animal Control Program has 1 full time employee assigned to it and is primarily centered around dogs although there are many other types of activities that may occur in the course of duties. The effort during the priority based budgeting exercise identifies the program costs as \$131,000 while identifying revenue in the amount of \$31,000.

Staff original recommendation to increase fees as identified in the Proposed Master Fees and Charges Schedule was both intended to close the property tax subsidy gap for a non-mandated program as well as looking to match a level of regional rates by Eugene and Lane County in their programs. Matching the regional rates isn’t necessarily critical, but it did seem ‘fair’, and could allow us to offer some kind of reciprocity when people move in or out of our jurisdiction.

On the significant difference between ‘fixed’ and ‘unfixed’ dogs, even for seniors . . . Police staff report that they have roughly 3,500 dogs licensed today. Of those, 2,813 are neutered (868 belong to seniors and would continue to receive the senior discount) and 662 are unaltered (300 belong to seniors and currently not being recommended to receive the discount). The remaining dogs are Service Dogs and licensed free. Percentage wise, 662 of the 3,475 licensed dogs are unaltered, or just little less than 20%. According to the City’s Animal Control Officer, more than half of the dog at-large, found-dog, runaway dog calls involve the 20% that are unaltered. The reason for not initially offering a discount even to seniors is that the unaltered dogs generate more work for the program, and the goal is to change pet owners’ behavior by encouraging them to be responsible and spay/neuter their pets.

Staff would still like to see an incentive based license scale that encourages all pet owners to spay/neuter their pets but it is recognized the additional financial hardship this could place upon senior citizens. If all fees was left as originally recommended, we would ‘grandfather’ in anyone who already gets a senior discount, even if they’re not quite 62 yet and, through a campaign, provide ample notice to seniors with unaltered dogs before imposing the higher fee.

If Council would like to see a discount provided to Seniors with non-altered pets, staff would like to recommend that the fee structure that was recommend on February 2 remain intact with the exception of the Senior Citizen (62+) Unaltered being adjusted downward from an annual license fee of \$35 to a new fee of \$20. This new fee would still provide an incentive for the spaying or neutering of all pets without the full burden of the higher fee.

The additional issue of looking into the possibility of eliminating the City’s Animal Control Program as it currently exists and looking at contracting with another agency will require additional research by staff. As part of the priority based budget exercise this spring, the Police Department will consider this alternative and report back to the Council/Budget Committee during the budget meeting this year.

#### Over the Street Banner

This service is provided historically to about 18 non-profit organizations per year. The estimated cost to City staff to install and remove the banner over either Main Street or Mohawk Boulevard is approximately \$170. The recommend fee at the work session for this service was \$150 or about 88% of the cost. Concerns expressed at the work session about establishing this fee at \$150 were that the fee might be too high for non-profits and could discourage them from applying for a street banner permit. This form of advertising for the event could reach many people that other forms of media coverage do not reach. It could also be likely that those hesitant to pay a \$150 fee may also not refer to the web site that provides an opportunity for someone to seek an administrative waiver of all or part of a fee.

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