

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A special meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Thursday, February 20, 2020. Mayor Knapp called the meeting to order at 7:12 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Council President Akervall
Councilor Lehan
Councilor West
Councilor Linville

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, City Attorney
Kimberly Veliz, City Recorder
Chris Neamtzu, Community Development Director
Cathy Rodocker, Finance Director
Keith Katko, Finance Director

Motion to approve the order of the agenda.

Motion: Councilor West moved to approve the order of the agenda. Councilor Akervall seconded the motion.

Vote: Motion carried 5-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Akervall	Yes
Councilor Lehan	Yes
Councilor West	Yes
Councilor Linville	Yes

MAYOR'S BUSINESS

- A. Upcoming Meetings were announced by the Mayor as well as the regional meetings he attended on behalf of the City. He would be presenting his State of the City address on March 2, 2020.

COMMUNICATIONS

None.

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CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

There was none.

COUNCILOR COMMENTS

A. Council President Akervall

Reported she appreciated the GPI annual economic summit and the discussion on collaboration. The Councilor would be meeting with members of the School Board.

B. Councilor Lehan

Councilor Lehan has been working on Willamette Falls Landings. She noted the city of West Linn has committed money to restore the historic city hall/police station for a regional heritage center. The Councilor indicated the City might be asked to contribute funds to get the national heritage area established.

C. Councilor West

Stated he would be attending a Parks Bond measure task force meeting. He pointed out that February was Black History month and the events taking place in the Portland metro area.

D. Councilor Linville

Attended the leadership meeting with Representative Curt Schrader who is aware of the Willamette Falls Landing and Heritage legislation moving through Congress. The Councilor attended the French Prairie Forum, as well as the following meetings, the I-5 Pedestrian Bridge, Charbonneau Country Club Civics Affairs meeting, the West Linn State of the City, and she will attend the Rotary Heart of Gold Dinner set for February 29, 2020.

CONSENT AGENDA

Ms. Jacobson read the title of the Consent Agenda item into the record.

E. **Resolution No. 2777**

A Resolution Of The City Of Wilsonville Authorizing The City Manager To Execute A Construction Contract With K&E Excavating, Inc. For The French Prairie Road Phase II Project (Capital Improvement Project #2500/4500/7500).

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Motion: Councilor Akervall moved to approve the Consent Agenda. Councilor Lehan seconded the motion.

Vote: Motion carried 5-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Akervall	Yes
Councilor Lehan	Yes
Councilor West	Yes
Councilor Linville	Yes

NEW BUSINESS

None.

CONTINUING BUSINESS

None.

PUBLIC HEARING

A. Resolution No. 2788 (*Legislative Hearing*)

A Resolution Of The City Of Wilsonville Establishing And Imposing Just And Equitable User Fees For The City Water System; Amending Resolution Nos. 1624 And 2447; And Repealing Resolution Nos. 1713, 1829, 1957, And 2204.

Ms. Jacobson read the title of Resolution No. 2788 into the record.

Mayor Knapp provided the public hearing format and opened the public hearing at 7:42 p.m.

Cathy Rodocker, Finance Director, along with consultant Doug Gabbard of FCS, provided the presentation.

The City of Wilsonville last reviewed the water rates in December 2013. A four-year rate path was approved with Resolution 2447, with the last rate increase effective in January 2017. The City has not increased water rates since that time. Council began reviewing water rates in July 2019 and have discussed various rate structures over four different meetings.

The consultants Doug Gabbard and Wyatt Zimbelman from the FCS Group performed a Cost of Service Analysis (COSA). The COSA involved analyzing historical expenses and projecting future cash flow needs to arrive at an annual revenue requirement. The components of this revenue requirement were then classified and allocated to the customer types to arrive at the proposed rates.

One of the primary points of conversation throughout the discussions with Council was how should the allocation of peak charges be reflected in the rates. After reviewing three rate structures, the

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rate structure, which allocated the peak charges to the consumption fee, was favored. Following Council's direction, the rate structure proposed will have an increase in the consumption fee (as compared to existing rates) that reflects the inclusion of the peak charges.

The proposed water rates also includes a new residential rate structure. The City is in the process of implementing a new enterprise resource planning solution, which will include a module specifically for utility billing. In January of next year, the implementation phase will begin with an anticipated go live date of September 1, 2021. It has been noted that the new system would not be able to implement the existing residential rate structures without extra time and cost added to the project. Staff has recommended changing the current structure to a more standard tier structure, one that will not require extra time and cost to build and maintain.

The current residential rate structure actually has two different rate structures. Residential water charges are billed a base fee plus Tier I Rates for the months of November through March. A second rate structure is in effect for the months of April through October. With the second rate structure, Tier I Rates include the units up to the customer's winter average, plus an additional three units. All additional units are billed at the Tier II rates.

Current residential tiered rate structure:

SUMMER RATES		WINTER RATES	
Base Fee, includes first two units	\$20.45	Base Fee, includes first two units	\$20.45
Tier I: Winter Average + 3 Units	3.44/unit	Tier 1: Usage over 2 Units	3.44/unit
Tier II: Additional usage	5.76/unit		

Only one residential rate structure is included in the proposed monthly rate structure effective 5/1/2020 and is as follows:

Base Fee, includes first two units	\$16.59
Tier I: (3-8 units)	4.23/unit
Tier II: Over 8 units	6.13 /unit

Many of Wilsonville's neighboring cities and water districts use this common tiered structure.

Staff recommends Council adopt a four-year rate path with the increase effective each May 1, 2020. The rate schedule below represents the COSA rate structure over the next four years. Overall, the annual increases will result in a system wide increase in revenues of 3%. The following Table II will also be included in the resolution.

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TABLE II CITY OF WILSONVILLE WATER USER FEES EFFECTIVE MAY 1, 2020						
Date Effective		1/1/2017	5/1/2020	5/1/2021	5/1/2022	5/1/2023
MINIMUM CHARGES FOR ALL CUSTOMERS						
Meter Size	Monthly Quantity Allowance (ccf)	MONTHLY MINIMUM CHARGE				
5/8" x 3/4"	2	\$ 20.45	\$ 16.59	\$ 17.09	\$ 17.61	\$ 18.13
1"	2	\$ 22.58	\$ 19.18	\$ 19.76	\$ 20.34	\$ 20.96
1-1/2"	2	\$ 25.40	\$ 23.50	\$ 24.21	\$ 24.93	\$ 25.68
2"	2	\$ 33.18	\$ 28.68	\$ 29.54	\$ 30.43	\$ 31.34
3"	2	\$ 67.14	\$ 42.49	\$ 43.77	\$ 45.08	\$ 46.43
4"	2	\$ 111.70	\$ 58.03	\$ 59.77	\$ 61.56	\$ 63.41
6"	2	\$ 161.21	\$ 101.19	\$ 104.22	\$ 107.35	\$ 110.57
8"	2	\$ 217.80	\$ 152.98	\$ 157.57	\$ 162.30	\$ 167.17
10"	2	\$ 269.09	\$ 213.40	\$ 219.81	\$ 226.40	\$ 233.19
Bulk water		\$ 33.18	\$ 28.68	\$ 29.54	\$ 30.43	\$ 31.34
VOLUME CHARGES						
Customer Class	Volume Rate (\$/HCF)					
S-F Residential Tier 1	\$ 3.44	\$ 4.23	\$ 4.23	\$ 4.23	\$ 4.23	\$ 4.23
S-F Residential Tier 2	\$ 5.76	\$ 6.13	\$ 6.13	\$ 6.13	\$ 6.13	\$ 6.13
Multifamily	\$ 3.70	\$ 3.89	\$ 3.99	\$ 4.08	\$ 4.18	\$ 4.18
Commercial	\$ 3.59	\$ 3.90	\$ 4.07	\$ 4.25	\$ 4.45	\$ 4.45
Industrial	\$ 3.65	\$ 3.89	\$ 4.10	\$ 4.32	\$ 4.55	\$ 4.55
Irrigation	\$ 5.76	\$ 6.13	\$ 6.46	\$ 6.80	\$ 7.17	\$ 7.17
Public	\$ 3.59	\$ 3.86	\$ 4.06	\$ 4.27	\$ 4.49	\$ 4.49
Bulk water (Rate as of 1/1/20)	\$ 4.52	\$ 4.91	\$ 5.12	\$ 5.35	\$ 5.60	\$ 5.60
FIRE SERVICE CHARGES						
All Customers per inch diameter of pipe	\$ 8.21	\$ 8.33	\$ 8.45	\$ 8.58	\$ 8.71	\$ 8.71
Notes:	S-F Residential Tier 1 bills each ccf consumed between 3-8 ccf					
	S-F Residential Tier 2 bills each ccf consumed over 8 ccf					
All rates include 4% Franchise Fees						

Two specific items included in Table II above were not directly addressed in the COSA. FCS Group did not review bulk water and fire charges. Being as Bulk Water fixed charges are based on a 2" commercial meter, the Bulk Water volume charges are set to increase at the same per unit percentage increase as the commercial rate. Fire service charges are set to increase 1.5% each year.

In addition to the rate increases, several changes are also recommended to the prior resolutions. The major item is to correct the residential rate changes but other items are being updated as well.

The adoption of the 2020 Water Rate Structure, along with the addition three year rate path, will provide the estimated funding required to meet the operations and capital needs, as noted.

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Staff is targeting an effective date of May 1, 2020 as the first year of rate increases and new residential rate structure. Each of the three additional proposed rate increases will go into effect May 1 of each following year.

The new rate structure will increase the revenues collected for the last two months of the current fiscal year. The increase was not originally included in the revenue projections and will result in slightly higher revenues than anticipated.

Mayor Knapp asked if Councilors had questions. Councilors asked clarifying questions regarding the delinquent fee, maintaining contact with high volume customers, and the effective date of the rate increase.

Mayor Knapp invited public testimony.

Tom Vaughn, Arbor homeowners association (HOA) President, was concerned with the way Arbor HOA is billed for their irrigation system that runs five months a year. Mr. Vaughn asked Council to look at the base rate and make an exception for Arbor HOA due to their size and the amount of water bills paid to the City. The HOA has sixteen irrigation meters that run five months out of the year and Mr. Vaughn requested not being billed for the base rate on those meters when the irrigation system was dormant.

Councilor West reported he belongs to Arbor HOA and therefore would be recusing himself from discussion.

Mayor Knapp invited additional speakers, seeing none he closed the public hearing at 8:13 p.m.

Motion: Councilor Akervall moved to approve Resolution No. 2788. Councilor Lehan seconded the motion.

Councilor West announced he received approval from the City Attorney to vote on Resolution No. 2788.

Councilor Akervall remarked there were many benefits to the new structure in that the rate structure has been simplified, it contains more equity, and supports water conservation goals.

Councilor Linville thought the homeowners in the HOA might have their bills reduced since they were paying less for the base.

Councilor West indicated all residents of the City would be impacted by the rate increases. The Council had many discussions about rate equity and the concern with how this would affect the less prosperous.

Councilor Lehan wanted to know who determined how the irrigation meter costs were billed and whether the meter costs would go to the individual homeowners, or to the HOA.

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Mr. Cosgrove said staff would research how other HOAs are set up and report to Council. He suggested the Arbor HOA complete an analysis to see if there is a need for all of the meters.

Mayor Knapp called for the vote.

Vote: Motion carried 5-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Akervall	Yes
Councilor Lehan	Yes
Councilor West	Yes
Councilor Linville	Yes

B. **Resolution No. 2789** (*Legislative Hearing*)

A Resolution Authorizing A Supplemental Budget Adjustment For Fiscal Year 2019-20.

Ms. Jacobson read the title of Resolution No. 2789 into the record.

Mayor Knapp provided the public hearing format and opened the public hearing at 8:31 p.m.

No Councilor declared a conflict of interest, bias, or conclusion from information gained outside the hearing. No member of the audience challenged any of the Councilor's participation.

Keith Katko, Assistant Finance Director provided the staff report.

Oregon's Local Budget Law (ORS 294.471 & 294.473) allows the Council to amend the adopted budget for an occurrence or condition that was not known at the time the budget was adopted. The supplemental budget adjustment and noticed hearing process followed herein can recognize expenditures that exceed 10% of the adopted budget expenditures or 15% of the adopted contingency in a fund, although the actual adjustment may be less.

These budget supplemental requests the adjustments under the following categories:

- Materials & Services (MS) requests including amounts for as indicated:
 - Bank Fees (customer credit card use increase) - \$154,000
 - Street Sweeping Contract: - \$100,000
 - Sidewalk Repair Reimbursement Program: - \$5,000

- Capital Outlay requests include amounts as indicated:
 - Community Center Kitchen Steamer Replacement- \$20,000

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- Capital Improvement Project (CIP) requests include as indicated:
 - CIP#4214 Day Road Emergency Repair - \$85,000
 - CIP#4014 Road Maintenance Projects - \$73,000
 - CIP#1123 Water SDC Rate Study - \$8,800

- Net Zero Dollar transfers between projects:
 - Reclass of \$5,000 from CIP#8128 (Phone Replacement) to CIP#8122 (Copier Replacement)

- Beginning Fund Balance to actual prior year Ending Fund Balance, restatement adjustments:
 - Stormwater Operating Fund - \$624,958
 - Roads Maintenance Fund - \$2,406,053
 - Building Capital Projects Fund - \$201,146

As stated in the Fiscal Management Policies, the City shall amend its annual budget in accordance with Oregon local budget law. The Council at a regularly scheduled meeting adopts the supplemental budget adjustment. Convening the budget committee is not required.

Local Budget Law requires a notice for the public hearing to be published not less than 5 days prior to the regular meeting. The notice was published in the Wilsonville Spokesman on Wednesday, February 12, 2020. Adoption of the Supplemental Budget Adjustment is required prior to the end of the fiscal year, June 30, 2020.

In response to Councilor’s questions staff:

- Will contact the Community Center to find out more information on the steamer and will report findings to Council.
- Described in more depth the Sidewalk grant program.
- Explained the budgeting of the beginning fund balance.

The Mayor invited public testimony, seeing none he closed the public hearing at 8:42 p.m.

Motion: Councilor Linville moved to approve Resolution No. 2789. Councilor West seconded the motion.

Vote: Motion carried 5-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Akervall	Yes
Councilor Lehan	Yes
Councilor West	Yes
Councilor Linville	Yes

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CITY MANAGER'S BUSINESS

Mr. Cosgrove reported ODOT signed a contract for the Boone Bridge retrofit study.

The City is working with the West-Linn/Wilsonville School District on the possibility of the two agencies co-sponsoring and hosting the World Outdoor Track and Field events.

The City Manager has been talking with staff about additional and more frequent communication to the public on the major City projects.

LEGAL BUSINESS

No Report.

ADJOURN

Mayor Knapp adjourned the meeting at 8:45 p.m.

Respectfully submitted,

DocuSigned by:
Kimberly Veliz
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Kimberly Veliz, City Recorder

ATTEST:

DocuSigned by:
Tim Knapp
C2B8898B3949461...

Tim Knapp, Mayor