



CITY COUNCIL AGENDA

May 8, 2017, 7:00PM

Regular Meeting

CITY COUNCIL CHAMBERS, CITY HALL

29592 ELLENSBURG AVE

GOLD BEACH OR 97444

FYI-OTHER MEETINGS THIS EVENING PRIOR TO THE REGULAR COUNCIL MEETING:

- 6:00PM Brief Urban Renewal Agency meeting to discuss project funding FY1718**
- 6:30PM Brief Executive Session held pursuant to ORS 192.660 (2)(f) to consider written advice from our attorney**

Call to order: Time: _____

- 1. **The pledge of allegiance**
- 2. **Roll Call:**

	Present	Absent
Mayor Karl Popoff		
Council Position #1 Melinda McVey		
Council Position #2 Larry Brennan		
Council Position #3 Becky Campbell		
Council Position #4 Doug Brand		
Council Position #5 Tamie Kaufman		
STARTING VOTE		
City Administrator Jodi Fritts		
Student Liaison VACANT		

- 3. **Special Orders of Business:**
NONE SCHEDULED
- 4. **Consent Calendar:**
NONE SCHEDULED
- 5. **Citizens Comments**
As presented to the Mayor at the beginning of the meeting
- 6. **Public Hearing**
NONE SCHEDULED

The City of Gold Beach is dedicated to enhancing quality of life, while promoting health, safety, and welfare of our citizens, businesses, and visitors in the most fiscally responsible manner. In doing this, the City will respect the past, respond to current concerns, and plan for the future, while maintaining environmental sensitivity in our beach oriented community

7. **Citizen Requested Agenda Items**
 - a. Request from ORCCA for Council representative
 - b. Presentation by the GB Disc Golf group on status of course and proposed expansion

8. **Public Contracts and Purchasing**
NONE SCHEDULED

9. **Ordinances & Resolutions**
 - a. R1617-10 FOG Assistance Program and Forms

10. **Miscellaneous Items (including policy discussions and determinations)**
 - a. Discussion ECOB 1% Tax Expenditure Policies

11. **City Administrator's Report**
To be presented at the meeting

12. **Mayor and Council Member Comments**
 - a. Mayor Karl Popoff
 - b. Councilors
 - 1) Melinda McVey
 - 2) Larry Brennan
 - 3) Becky Campbell
 - 4) Doug Brand
 - 5) Tamie Kaufman

13. **Citizens Comments**
As permitted by the Mayor

14. **Executive Session**

Prior to the regular Council meeting, an executive session was held pursuant to ORS 192.660 (2) (f) To consider information or records that are exempt by law from public inspection, including written advice from our attorney.

The next regularly scheduled City Council meeting is **Monday, June 12, 2017, at 6:30PM** in the Council Chambers of City Hall, 29592 Ellensburg Avenue, Gold Beach, Oregon.

15. **Adjourn** **Time:** _____



SECTION 7.

Citizen Requested Agenda Items

**GOLD BEACH CITY COUNCIL
AGENDA REPORT**

Agenda Item No. **7. a.**
Council Meeting Date: May 8, 2017

**TITLE: Written Request from Oregon Coast Community Action
 (ORCCA) for Council representative**

SUMMARY AND BACKGROUND:

I apologize for not having this on the April agenda. It was received in our office on March 30, but I didn't see it in my paper inbox until after the meeting. ORCCA is requesting the City designate one of the elected officials as a representative to their organization. I have included the letter and brochure from them.

ACTION NEEDED

Decide if the City wishes to designate an elected official to be a representative to ORCCA



Oregon Coast Community Action

Feed • House • Warm • Educate

March 28, 2017

Jodi Fritts, City Manager
City of Gold Beach
29592 Ellensburg Avenue
Gold Beach, OR. 97444

RECEIVED

MAR 30 2017

CITY OF GOLD BEACH

Dear Elected Official,

Oregon Coast Community Action (ORCCA) is currently recruiting representation from The City of Gold Beach to help fill ORCCA's tripartite composition of:

- 1/3 Elected public officials (holding office on the date of the selection, or their designee)
- 1/3 Shall be representatives of people in low income situations.
- 1/3 The remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served by ORCCA.

Currently we have no representatives from your area and are hoping that you may be able to appoint someone (you or your designee) to better serve your community effectively. Current agenda topic items include addressing homelessness, warming shelters, food distribution, child care for low income families, etc.

ORCCA is a nonprofit social service agency, serving Coos, Curry and Western Douglas Counties since 1965. Our Board of Directors meetings are held monthly, usually in the Coos Bay area. We understand rural geography may hamper attendance, so we offer full telecommunication ability to attend by Go To Meeting, and travel expenses (mileage).

If you would like to learn more about ORCCA, please see our website at www.orcca.us.

We would love to answer any questions you or your designee may have, or you or your designee may attend one of our public board meetings, which are usually held the last Wednesday of the each month starting at 5:30 PM.

Sincerely,

ORCCA Board of Directors Development Committee
Carol A. Douglas, Administrative Assistant
541-435-7746
carold@orcca.us



Our Vision

Oregon Coast Community Action provides services and resources; helping people in need, fostering self-sufficiency, and empowering individuals and families.

Our Mission

Positive Change for Thriving Communities

Board of Directors

To see our most current list of board members visit: <http://www.orcca.us/#!board/phs8q>

Service Territory

ORCCA's service territory is approximately 3,800 miles, covering Coos, Curry, and western Douglas Counties. Our territory has a combined population of 90,191. The percentage of people living below the poverty line in our service area is high, with a rate of 17.8% in Coos County, 14.8% in Curry County, and 16% in Reedsport.

To see other ways ORCCA helps the communities in Coos, Curry, and Western Douglas counties, and for a full list of programs and services, please visit our website at: www.orcca.us



As a private non-profit umbrella agency, Oregon Coast Community Action provides cost effective joint administration, leadership, and support for children's programs and emergency services on the southern Oregon Coast. Our network of programs works to feed, house, warm and educate people.



We are Community Action because...

Everyone should have food

As the South Coast's regional food bank for the Oregon Food Bank, our network of local food pantries and meal sites are committed to the belief that no one should be hungry.



Everyone should have a safe, warm, and affordable home

We help families find and stay in affordable housing through services such as housing counseling and emergency rental assistance. Households stay warm through energy assistance, energy education, and weatherization programs.



Everyone should have access to resources to thrive

ORCCA offers emergency medical and dental assistance as well as assistance for individuals to acquire Social Security benefits and health insurance. In addition to programs that are under the ORCCA umbrella, we also support a number of local non-profits through grants, facilities, and other support.



Every child needs more people who care

Through South Coast Head Start and Great Afternoons, ORCCA serves infant to elementary children by providing comprehensive education experience and social services for the entire family. The Court Appointed Special Advocates program provides volunteers to advocate for children in foster care.



Every youth should have opportunities

Programs like Toy Tales and Community Action Adventure offer ways for kids to help other kids in the community.



Everyone has something to give

ORCCA also gives opportunities for neighbors to help neighbors! Contributions of volunteer time, specific items, and money from community businesses and donors are used to create a brighter future for the most vulnerable families in our region.

By working together, we can all thrive.

ORCCA helps build a community where all South Coast families thrive and live with dignity and respect.



SECTION 7.

Citizen Requested Agenda Items

**GOLD BEACH CITY COUNCIL
AGENDA REPORT**

Agenda Item No. **7. b.**
Council Meeting Date: May 8, 2017

**TITLE: Request from GB Disc Golf to address Council on status of
course and possible expansion**

SUMMARY AND BACKGROUND:

Luke Martinez from the GB Disc Golf group requested to address the Council and update you on the status of the course and plans for possible expansion

ACTION NEEDED

FYI Only



SECTION 9. Ordinances & Resolutions

**GOLD BEACH CITY COUNCIL
AGENDA REPORT**

Agenda Item No. **9 a.**
Council Meeting Date: May 8, 2017

TITLE: R1617-10 FOG Assistance Program Resolution

SUMMARY AND BACKGROUND:

After the April final review of the program and forms this resolution adopts the FOG Compliance Assistance Program.

NEEDED ACTION:

Motion to adopt the resolution.

SUGGESTED MOTION:

I make the motion that the Council adopts Resolution R1617-10, a resolution adopting a Fat/Oils/Grease (FOG) Compliance Assistance Program

RESOLUTION R1617-10

A RESOLUTION ADOPTING A FAT/OILS/GREASE (FOG) COMPLIANCE ASSISTANCE PROGRAM

WHEREAS: In 2015 over ten years of work was completed to bring the City into compliance with DEQ water quality standards related to the City's sanitary sewer system and wastewater treatment plant; and

WHEREAS: The compliance work was completed at substantial cost to the City and City sanitary sewer rate payers; and

WHEREAS: Fat, oils, and grease (FOG) introduced into the sanitary sewer system are both dangerous and costly; and

WHEREAS: In order to safeguard the conveyance system, sewer pumps and related equipment, the new wastewater treatment plant, and reduce maintenance costs by Public Works staff, the City Council finds that it is prudent, cost-effective, and necessary to assist FOG producers to bring their respective businesses and entities into compliance with federal, state, and local FOG reduction/abatement standards.

NOW THEREFORE, BE IT RESOLVED: the City Council of the City of Gold Beach adopts the City of Gold Beach FOG Compliance Assistance Program. A copy of the FOG Compliance Assistance Program forms and information is attached to this resolution as Exhibit A.

The FOG Compliance Assistance Program will be reviewed annually at the same time as the annual review of Water and Sewer user rates and may be adjusted accordingly.

PASSED BY THE CITY COUNCIL OF THE CITY OF GOLD BEACH, COUNTY OF CURRY, STATE OF OREGON, and EFFECTIVE THIS 8th DAY OF MAY, 2017.

APPROVED BY:

Karl Popoff, Mayor

ATTEST:

Jodi Fritts, City Administrator/City Recorder



City of Gold Beach
FOG COMPLIANCE ASSISTANCE PROGRAM

To help ensure FOG compliance, the City offers a grant/loan program to eligible FOG producers. Please see our FOG FAQs on the following pages for info about what FOG is, how it's generated, and why it's important to reduce it in your drain lines and the City sewer facilities. Compliance is the law, but it also saves you and the City money. Compliance helps reduce the costs of sewer backups in your sewer lines, and within the entire City sewer system from the conveyance lines, the pumps and intake equipment, all the way down to the sewer treatment plant.

If you are a FOG producer, staff from the Public Works Department will meet with you to assist you with a plan of compliance. Depending on the type and quantity of FOG you produce, compliance may be as simple as an under-the-sink device, or as complicated as in-ground device located outside of your building. Once the proper equipment is identified, if you need financial assistance with the purchase and installation of the equipment, the City can help. The City offers the following assistance:

Each requestor is required to contribute at least 25% of the total equipment and installation costs prior to authorization of City funds.

GRANT: The City will provide each requestor a grant in the amount of 25% of the total equipment and installation costs.

LOAN: The City will provide each requestor a loan in the amount of 50% of the total equipment and installation costs at a 4% interest rate. City staff will prepare a projected loan amortization schedule once a compliance plan has been approved. Depending on the size of the loan, repayment can be in 1, 5, or 10 year increments. Loan payments are made monthly as part of the regular monthly utility billing.

To request a FOG Compliance Assistance Grant/Loan please:

- Complete the application on the back of this form.
- Schedule a time to meet with the Public Works staff to identify your needed compliance equipment. Public Works can help you with where to locate appropriate equipment vendors and installation contractors—(you may be able to perform the work yourself subject to compliance with Oregon Plumbing Code).
- Obtain written quotes for the equipment and/or installation costs. **DO NOT BEGIN WORK UNTIL THE BIDS HAVE BEEN REVIEWED AND APPROVED BY CITY STAFF.**
- Schedule an appointment with the City Administrator to go over your cost estimates. The Administrator will have Public Works at this meeting to ensure your proposal meets the City FOG regulations. If the FOG compliance estimates exceed \$5,000, and you are not the property owner where the equipment will be installed, the property owner will be required to co-sign the Compliance Assistance request.



**City of Gold Beach
FOG COMPLIANCE ASSISTANCE PROGRAM**

- The Administrator and Public Works Director will determine if your financial assistance proposal meets our program guidelines. Once that determination has been made, the City will pay for the equipment and contractors directly.
- After the installation has been inspected and approved by the Public Works Department, the total project cost will be determined and a loan repayment schedule will be prepared. The loan repayment will begin 30 days following the acceptance by the City and you. The repayment schedule is in equal monthly payments that will be added to your regular monthly utility billing.

REQUEST FOR FOG COMPLIANCE ASSISTANCE GRANT/LOAN

<p><u>AUTHORIZED AGENT FOR ENTITY OR BUSINESS</u></p> <p>Name: _____</p> <p>MAILING Address: _____</p> <p>_____</p> <p>City, State, Zip: _____</p> <p>Daytime Phone: _____</p>	<p><u>PROPERTY OWNER INFORMATION</u></p> <p><i>If same as Applicant no need to complete this section</i></p> <p>Property Owner Name: _____</p> <p>MAILING Address: _____</p> <p>_____</p> <p>City, State, Zip: _____</p> <p>Daytime Phone: _____</p>
<p><u>TYPE OF FOG PRODUCER</u></p> <p>Is your business:</p> <p><input type="checkbox"/> Restaurant or food vendor?</p> <p><input type="checkbox"/> Non-profit entity?</p> <p><input type="checkbox"/> Governmental agency?</p> <p><input type="checkbox"/> OTHER—Please describe:</p>	<p><u>PROPERTY INFORMATION</u></p> <p>Street Address of business: _____</p> <p>_____</p> <p>Assessor Map/TL#: _____</p> <p>_____</p>

AUTHORIZED AGENT CERTIFICATION FOR THIS ENTITY/PROPERTY

By my signature I certify that the information provided herein is correct. I certify that all provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. By signing this application form I acknowledge that I am granting the City of Gold Beach staff or their agent(s) authorization to enter onto the subject property for the purposes related to this application proposal. I have read the FOG Compliance Assistance Program guidelines contained in this document and understand and agree to the provisions of the program. I understand if I am approved for a grant/loan I will be required to sign a promissory note and repay the loan subject to the terms at the time of said loan.

Signature of Authorized Agent

Date

Please print name legibly



CITY OF GOLD BEACH FOG FAQs



What is FOG and what is the FOG control program?

F.O.G. stands for Fats, Oils, and Grease. Fats, oils, and greases are natural by-products of the cooking and food preparation process. The FOG control program is being implemented by the City in order to monitor and reduce the amount of FOG that enters our sanitary sewer system.

How does FOG create a sewer blockage?

Fats, oils and grease in a warm liquid form may appear to be harmless since they flow easily down the drain. However, as the liquid cools, the FOG solidifies and separates from other liquids in the sewer pipes. The layer of FOG sticks to the sewer pipes and, over time, the flow of



wastewater becomes restricted and causes a backup or overflow. This solidification is sometimes referred to as “FAT-BERGS”. These fat-bergs can become so thick they require drilling to break them loose, or in worst cases, complete removal and replacement of that section of sewer line.

Why is the issue of sanitary sewer overflows (SSOs) important?

About 50% of the City’s sanitary sewer calls can be attributed to FOG. Overflowing sewers release bacteria, viruses, and other pathogens that may be dangerous to human health. The



raw sewage may be released into your business or home or out into the street. SSOs are gross and expensive to clean up, and if they occur on private property, it is you, the property owner, who are responsible for the clean-up. Should a blockage occur in our (City) sewer main, then the City is responsible for the clean-up. The costs associated with SSOs are not limited to the City's costs of containment, removal, and disposal of contaminated materials. Emergency line cleaning, disinfection, sampling, testing and public notification can be very expensive. Non-direct costs may include property damages, EPA and DEQ enforcement actions (fines), and increased insurance premiums. These costs are passed down to the consumers in the form of higher rates.

Is there a law against overflowing sanitary sewers?

Yes. The federal Clean Water Act and the Oregon DEQ comparable water quality regulations prohibit wastewater discharges except under very specific circumstances.

Why should homeowners and businesses take the responsibility? Isn't the sanitary sewer system the responsibility of the City?

The efficient operation of the sewer system affects all of us. Raw sewage exposure can be very dangerous not to mention just plain gross. If a sewer backup occurs on your property, it is your responsibility to clean up and that can be expensive. Repeated calls to clean out blocked City sewers result in higher rates for all users. Helping prevent FOG helps keep costs down for all users.

What are the sources of FOG? Who produces FOG?

Common sources of FOG include meat fats, dairy products, food scraps, cooking oils, baked goods, sauces, dressings, sandwich spreads, gravies, marinades, dairy products, shortening, lard, butter and margarine. FOG is produced by restaurants, cafeterias, delis, bakeries, residential homeowners, daycares, assisted living, social halls, etc. In short, any location, residential or commercial with food service capabilities.

Can the City tell where FOG is coming from?

Yes. By checking manholes and using CCTV, the City can tell which sanitary service area, and usually which specific building or neighborhood, FOG is coming from. If FOG blockages are occurring frequently in a certain area, the City will make an effort to inform the residents in the area so that they can be more aware of their FOG disposal methods and help to fix the problem.



Can't I just use large quantities of detergent to wash grease down the drain?

Products such as detergents that claim to dissolve grease just pass the grease down the pipeline and cause problems elsewhere. You may remove the grease from your immediate vicinity but you are only helping to create a larger problem downstream.

Why are oils that do not solidify a problem?

Oils entering the system cause problems in two ways:

1. Many **do** solidify at lower temperatures, and therefore clog the system. Even if they don't solidify they often bind to other forms of fats and grease.
2. Some oils move through the system so quickly that they cannot be fully broken down in the treatment process.

How should I dispose of fats, oils and grease?

Larger quantities of fats, oils and grease left in pans from cooking should be placed in a tin can and stored in the refrigerator or freezer. Once the container is full it can be discarded in your household garbage. Smaller amounts of cooled grease, salad dressings and sauces should be scraped into the trash with a spatula. Any excess grease can be absorbed with a paper towel and tossed into the garbage.

What do I do with the oil used in deep fryers?

Wait until the oil in your fryer has completely cooled and use a funnel to pour the oil into a container. If you are not planning to reuse the oil, seal the container tightly and put it in the trash. Never pour oil down your home's plumbing or into the storm drain.

Isn't throwing containers full of grease into the landfill just creating a different problem?

Over time, fats, oils and grease are very effectively broken down under landfill conditions. Fats, oils and grease cause greater environmental problems when they enter the wastewater system.

Can I use my garbage disposal?

Home garbage disposals do not keep grease out of the sewer system. In fact, garbage disposals help contribute to the problem of blocked sanitary sewer pipes. Food particles stick to the grease that clings to pipe walls and speeds the blockage of pipes.

What should I avoid putting down my kitchen sink/garbage disposal?

- Butter, margarine
- Lard
- Cooking Oil
- Bacon Grease

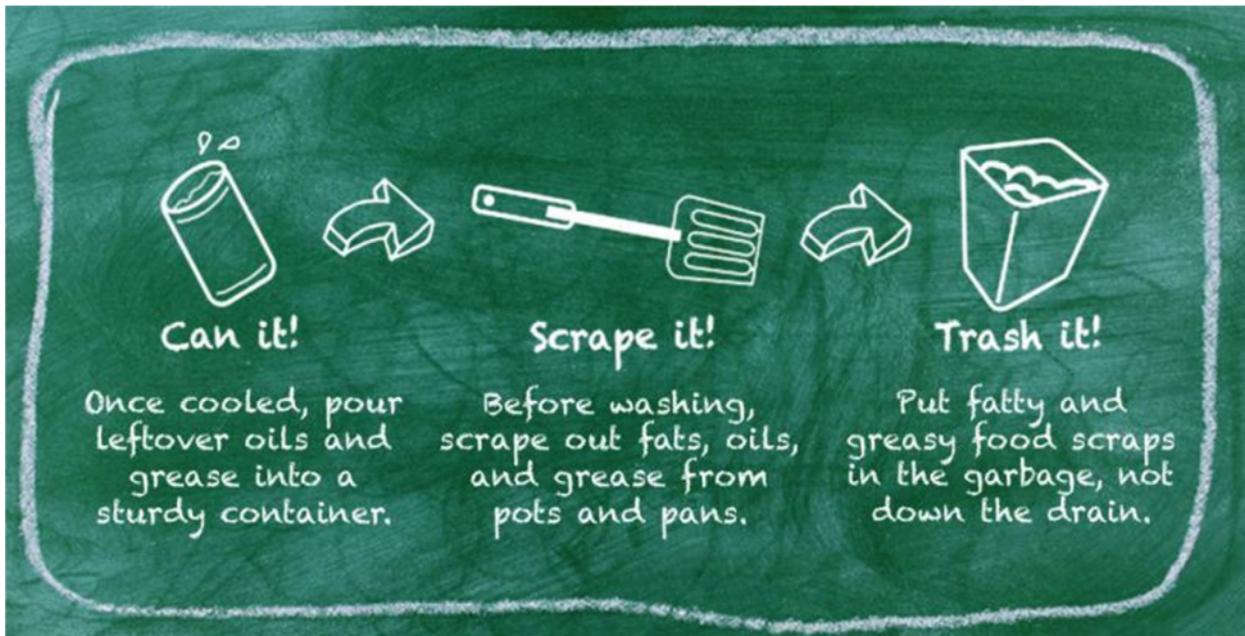


- Egg shells
- Coffee grounds
- Meat scraps
- Potatoes/potato peels
- Rice
- Pasta
- Gravy
- Salad dressing
- Jello/gelatin
- Stringy veggies such as celery, corn, asparagus, artichokes, and onions
- Banana peels

What is okay to put down my kitchen sink/garbage disposal?

- Non-starchy foods
- Anything that doesn't solidify or gel when cooled
- Citrus fruit and peels
- Melons

What can I do to keep FOG out of the sewer system?



What should I do if I experience a sewer blockage or overflow?

First, call the City at 541-247-7029. We will come and determine whether the blockage is on your property or in the City sewer main. If the blockage is on your property you will need to hire a plumber to fix the problem.



SECTION 10.

MISC ITEMS (including policy discussions & determinations)

GOLD BEACH CITY COUNCIL AGENDA REPORT

Agenda Item No. **10 a.**
Council Meeting Date: May 6, 2017

TITLE: Discussion of Preparing ECOB 1% Tax Expenditure Policies

SUMMARY AND BACKGROUND:

Last July the Council amended the Room Tax Ordinance to begin collecting an additional 1% to fund maintenance projects at the Event Center on the Beach (Fairgrounds). At the time we discussed the need to adopt policies related to how the expenditures would be reviewed and approved. To date we haven't adopting anything formal. I have put together the following info to assist the Council in preparing policies.

REQUESTED ACTION

Please review and discuss. Staff can prepare the policies for adoption in June if the Council wishes.

Staff would recommend that the Council adopt policies related to the review and funding of expenditures from the 1% Event Center Building Maintenance Fund prior to the disbursement of any funds. A detailed (but not lengthy!) Capital Improvement/Maintenance plan should be prepared and adopted as the basis for funding projects. This will provide a framework for both the City and Fairgrounds on what and how the money can be used.

These are policies, not ordinances, so the Council has the ability to efficiently and quickly revise and update the spending structure as needs change. I would recommend that two City Councilors and two Fair Board members serve as a project review committee prior to any expenditures. The City Administrator and Fairground/Event Center Manager can serve to implement the committee's approved plans.

Because the fairgrounds have so many diverse building types, both in purpose and age, a detailed inventory should be made of each structure. These inventory sheets can be utilized to prioritize and triage maintenance. I have attached a sample of form that can be altered to be used for an inventory sheet for each building.



SECTION 10.

MISC ITEMS (including policy discussions & determinations)

Other information for the policy preparation:

How the IRS identifies Capital improvements VS Maintenance/Repair expenses

Capital	Repair
Improvements that "put" property in a better operating condition	Improvements that "keep" property in efficient operating condition
Restores the property to a "like new" condition	Restores the property to its previous condition
Addition of new or replacement components or material sub-components to property	Protects the underlying property through routine maintenance
Addition of upgrades or modifications to property	Incidental Repair to property
Enhances the value of the property in the nature of a betterment	
Extends the useful life of the property	
Improves the efficiency of the property	
Improves the quality of the property	
Increases the strength of the property	
Increases the capacity of the property	
Ameliorates a material condition or defec	
Adapts the property to a new use	
Plan of Rehabilitation Doctrine	

I'm also attaching at the end of this report a copy of the City of Corvallis financial policies related to capital improvement projects. It's not real long and has some good language in it.

BEST PRACTICE FOR CAPITAL PLANNING POLICIES from the Government Finance Officers Association <http://gfoa.org/capital-planning-policies>

We don't necessarily need to get as detailed as this indicates because the facilities are not ours—we are just assisting, but we do need to have some general guidelines on how the City is willing to help and what may/may not be considered for funding. For example: the City will fund maintenance to existing facilities, but not the building of new structures or facilities, or the



SECTION 10.

MISC ITEMS (including policy discussions & determinations)

City will fund project costs but not consultant costs. *(And these are not specific suggestions-- just sample talking points on how to structure the guidelines)*

BACKGROUND:

Policies designed to guide capital planning help to assure that each jurisdiction's unique needs are fully considered in the capital planning process. Effective policies can also help a government to assure the sustainability of its infrastructure by establishing a process for addressing maintenance, replacement, and proper fixed asset accounting over the full life of capital assets. In addition, capital planning policies can strengthen a government's borrowing position by demonstrating sound fiscal management and showing the jurisdiction's commitment to maximizing benefit to the public within its resource constraints.

Good capital planning policies can lead to the development of a capital plan that is consistent with best practices; however, they do not constitute the capital plan itself. Rather, capital planning policies establish a framework in which stakeholders understand their roles, responsibilities, and expectations for the process and an end result. Ideally, such policies also include guidelines for coordinating capital projects and promoting sound, long-term operational and capital financing strategies.

To create a sustainable capital plan, the finance officer and other participants in the capital planning process need to consider all capital needs as a whole, assess fiscal capacity, plan for debt issuance, and understand impact on reserves and operating budgets, all within a given planning timeframe. Capital planning policies provide an essential framework for managing these tasks and for assuring that capital plans are consistent with overall organizational goals.

RECOMMENDATION:

GFOA recommends that governments develop and adopt capital planning policies that take into account their unique organizational characteristics including the services they provide, how they are structured, and their external environment.

Capital planning policies should provide, at minimum: **(highlighting by staff)**

- 1. A description of how an organization will approach capital planning, including how stakeholder departments will collaborate to prepare a plan that best meets the operational and financial needs of the organization.**
- 2. A clear definition of what constitutes a capital improvement project.**
- 3. Establishment of a capital improvement program review committee and identification of members (for example, the finance officer or budget officer, representatives from planning, engineering, and project management, and, as deemed appropriate, operations departments most affected by capital plans, along with a description of the responsibilities of the committee and its members.**



SECTION 10.

MISC ITEMS (including policy discussions & determinations)

4. A description of the role of the public and other external stakeholders in the process. (The level and type of public participation should be consistent with community expectations and past experiences.)
- 5. Identification of how decisions will be made in the capital planning process including a structured process for prioritizing need and allocating limited resources**
6. A requirement that the planning process includes an assessment of the government's fiscal capacity so that the final capital plan is based on what can realistically be funded by the government rather than being simply a wish list of unfunded needs.
7. A procedure for accumulating necessary capital reserves for both new and replacement purchases.
8. A policy for linking funding strategies with useful life of the asset including identifying when debt can be issued and any restrictions on the length of debt.
9. A requirement that a multi-year capital improvement plan be developed and that it include long term financing considerations and strategies.
10. A process for funding to ensure that capital project funding is consistent with legal requirements regarding full funding, multi-year funding, or phased approaches to funding.
- 11. A requirement that the plan include significant capital maintenance projects.**
12. Provisions for monitoring and oversight of the CIP program, including reporting requirements and how to handle changes and amendments to the plan.



City of Corvallis

Financial Policies - Council Policy

Policy # 10.05

Financial Policies – Capital Improvement Program (CIP)



Purpose:

To maintain the City's investment in infrastructure, this policy provides direction for the development and implementation of the annual CIP.

Scope:

The City has a significant investment in the infrastructure necessary for the general public's use. The infrastructure systems – streets, bikeways and sidewalks, water treatment plants and distribution system, wastewater treatment plants and collection system, storm water conveyance system, airport, parks, recreation facilities, open spaces, and municipal facilities – are important to the general well-being of the community. The City maintains and enhances the infrastructure systems by developing long-term plans to meet the service needs of the community and by securing the funding necessary to implement the plans. The CIP is developed to advise the community of the projects proposed over a five-year period to protect the public investment.

Guidelines:

CAPITAL IMPROVEMENT PROGRAM

- A. Definition of a Capital Project -- A capital project must:
 1. cost more than \$25,000, and
 2. be a permanent addition to the capital assets of the City, and
 3. purchase land, or
 4. construct a new building, or
 5. remodel or add to an existing building, or
 6. construct/install public infrastructure, or
 7. replace existing infrastructure.
- B. Full Costs Included -- For any project which meets the definition of a capital project, all costs for the project, including design, land or right-of-way acquisition, appraisals, construction, construction management, furnishings, and legal or administrative costs will be included in the project budget.
- C. Five-year CIP -- A five-year Capital Improvement Program (CIP) shall be developed annually by staff. The plan will be presented to and reviewed by the Planning Commission for compliance with the Comprehensive Plan, reviewed by the Budget Commission for compliance with long-term financial plans, and approved by the City Council. This plan shall contain the planned capital improvements from all funds and departments of the City.
- D. Existing Assets -- A high priority shall be placed on repair or replacement of capital assets when such assets have deteriorated to the point of becoming hazardous, incur high maintenance costs, are negatively affecting property values, and/or are no longer functionally serving their intended purposes.
- E. Construction Standards -- Capital improvements constructed in the city shall be designed and built based on published construction standards which shall be periodically updated by the City Engineer. The construction standards will assure projects are built with an acceptable useful life and minimum maintenance costs.



City of Corvallis

Financial Policies - Council Policy

Policy # 10.05

Financial Policies – Capital Improvement Program (CIP)



CAPITAL IMPROVEMENT MAINTENANCE

Operating Budget Impacts -- Future operating budget impacts for maintenance of new capital facilities will be analyzed and estimates included in all years of the financial plans as part of considering a proposed capital project.

CAPITAL IMPROVEMENT FINANCING

- A. Appropriate Funding -- Within the limitation of existing law, various funding sources may be used for capital improvements. When capital projects are proposed, funding sources will be identified.
- B. Unspent Funds -- Upon completion of capital projects, the Finance Director shall certify any unspent funds from the project. The most restrictive project revenues shall be used first so that unused funds will have the fewest restrictions on future use. Unspent capital project funds, except bond funds, shall be returned to their original source. If there are unspent funds from a bond issue, those monies will be allocated according to stipulations in the bond indenture. In no case shall projects incur a funding deficit without the express approval of the City Council.
- C. Interest Earnings in the Capital Construction Fund (governmental fund) -- Interest earnings shall be allocated to each project based on the project's proportion of the cash balance in the fund. Projects which have a negative cash balance due to timing of reimbursements of grants or loans will not accrue interest revenue or an interest expense.
 1. Interest earnings which are restricted due to the funding source (i.e., grant, bond issue) shall be spent in compliance with those restrictions.
 2. Interest earnings not otherwise limited will be considered the most restricted City funds in the project and will be spent first in compliance with section B on Unspent Funds.
- D. Interest Earnings in the Proprietary Fund Construction Components -- Interest earnings which are restricted due to the funding source (i.e., grant, bond issue) shall be spent in compliance with those restrictions. All non-restricted interest earnings will be accrued to the operating fund and will be available to spend on either operations or future capital projects.

Review/Update:

The Finance Director will prepare this Council Policy review every year for City Council approval.



City of Corvallis

Financial Policies - Council Policy

Policy # 10.05

Financial Policies – Capital Improvement Program (CIP)



Rev #	Name	Change Date	Character of Change
0		November 1989	Adopted
23	N. Brewer	February 2012	Review
24	N. Brewer	March 2013	Review
25	N. Brewer	April 2014	Review
26	J. Chenard	March 2015	Review
27	J. Chenard	June 2015	Review
28	N. Brewer	October 2016	Update to clarify language