

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator James Hagerman		2. Telephone No. 503-823-7196	3. Bureau/Office/Dept. Environmental Services
4a. To be filed (hearing date): September 5, 2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: August 29, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Establish rates for stormwater management services in the areas of the City served by Multnomah County Drainage District No. 1, Peninsula Drainage District No. 1 and Peninsula Drainage District No. 2 and commence direct billings.

2) Purpose of the Proposed Legislation:

Stormwater revenues contributed by residents and businesses in the Districts under the Intergovernmental Agreement with the City totalled \$650,000 for Fiscal Year 2011-12. By comparison, billings at the fully discounted rate (the maximum 35% discount under the Clean River Rewards stormwater discount program) would have totalled approximately \$9 million, which would have resulted in lower overall stormwater rates. The proposal would move partway toward establishing equity between ratepayers in the Districts and ratepayers elsewhere in the City.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|---|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input checked="" type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No. Rates will be set to keep total revenues constant.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)

None for the current fiscal year.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)

No.

- Will positions be created or eliminated in future years as a result of this legislation?

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

185610

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ YES: Please proceed to Question #9.

☐ NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

Stormwater bills for residents in the Districts would increase by about \$7.45 per month.

Commercial customers would pay \$3.43 per thousand square feet of impervious area per month.

Total City billings within the Districts would be about \$3.5 million for FY 2013.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

Public outreach regarding this proposal began in January, 2012. To date, staff have met with board members of the Columbia Corridor Association, attended three meetings of the Bridgeton and East Portland Neighborhood Associations, and two meetings with representatives of the Port of Portland. Staff also coordinated two public meetings for district residents and businesses. Additionally, the Portland Utilities Review board received a briefing regarding the proposal during one of their regularly scheduled meetings.

c) How did public involvement shape the outcome of this Council item?

The proposal was delayed to offer more time for public comment, the amounts proposed to be billed were reduced, and implementation was delayed.

d) Who designed and implemented the public involvement related to this Council item?

BES staff in Business Services and Communications developed and implemented the public outreach.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

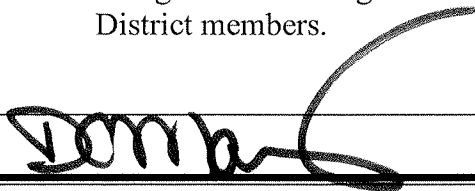
Jim Hagerman, Business Services Manager

503-823-7196

james.hagerman@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

The current proposal calls for implementing direct billing in several phases. Drainage district ratepayers will be notified prior to each phase. Also, the city will be negotiating an intergovernmental agreement with the Districts, which will involve additional outreach with the District members.



APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

City Council
Agenda Item
Staff Supplemental Report

TO: Commissioner Dan Saltzman
THROUGH: Amy Trieu

FROM: James Hagerman

DATE: August 18th, 2012

RE: Establish rates for stormwater management services in the areas of the City served by Multnomah County Drainage District No. 1, Peninsula Drainage District No. 1 and Peninsula Drainage District No. 2 and commence direct billings.

Requested Council Hearing Date: September 5, 2012

I. RECOMMENDATION

Begin billing customers directly within the areas of the City served by Multnomah County Drainage District No. 1, Peninsula Drainage District No. 1 and Peninsula Drainage District No. 2 for City stormwater management services.

II. BACKGROUND

Before 2000, the City of Portland directly billed customers in the drainage districts for stormwater management services. As part of utility rate reforms, the city and the drainage districts signed intergovernmental agreements in 2000 that provided a mechanism for the districts to pay off-site stormwater management charges on behalf of city ratepayers within the districts. The districts include those charges in annual assessments to district landowners.

In 2006, the city notified the districts that it would not renew the agreements because they didn't provide adequate cost recovery for city stormwater management costs. The city informed the districts that it would begin directly billing city ratepayers within the districts in 2012. The proposed change is intended to establish a more equitable sharing of common city-wide stormwater management costs, while also recognizing the value to the city of stormwater management work performed by the districts.

III. FINANCIAL IMPACT

The proposed change would collect approximately \$3.5 million from residents and businesses in the Districts this fiscal year. City-wide stormwater rates would be adjusted downward by 4% to keep billed revenues constant.

IV. LEGAL ISSUES

V. CONTROVERSIAL ISSUES

This represents the first step in more equitably sharing stormwater management costs in the City. Although residents in the Districts will continue to pay less for stormwater management than other City ratepayers (including the amounts they pay to the Districts) it represents an increase in the amounts paid for stormwater in the Districts with no change in the services residents and businesses receive. As such, it is not popular there.

VI. LINK TO CURRENT CITY POLICIES

VII. CITIZEN PARTICIPATION

Staff have met with board members of the Columbia Corridor Association, attended three meetings of the Bridgeton and East Portland Neighborhood Associations, and two meetings with representatives of the Port of Portland. Staff also coordinated two public meetings for district residents and businesses. Additionally, the Portland Utilities Review board received a briefing regarding the proposal during one of their regularly scheduled meetings.

VIII. OTHER GOVERNMENT PARTICIPATION

City staff met with staff and board members of the Drainage Districts.

IX. FINANCIAL IMPACT ON LOCAL ECONOMY

IF APPLICABLE, PROVIDE INFORMATION ON ESTIMATED NUMBER OF JOBS CREATED BY THIS ACTION

IF THIS ACTION IS CONTRACT-RELATED, PROVIDE INFORMATION ON M/W/ESB PARTICIPATION (NUMBER AND PERCENTAGE)

- X. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? ____ WHAT IS THEIR BUSINESS LICENSE NUMBER? ____ IS THEIR ACCOUNT WITH THE CITY CURRENT? ____ IF NOT, HOW MUCH IS OWING?
- _____