<u>CITY OF KEIZER MISSION STATEMENT</u>

KEEP CITY GOVERNMENT COSTS AND SERVICES TO A MINIMUM BY PROVIDING CITY SERVICES TO THE COMMUNITY IN A COORDINATED, EFFICIENT AND LEAST COST FASHION

A G E N D A

KEIZER CITY COUNCIL
EXECUTIVE SESSION

Monday, June 1, 2015
6:00 p.m.
Keizer Civic Center
Keizer, Oregon 97303

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **DISCUSSION**

   a. **Pursuant to ORS 192.660(2)(e) –** ***To conduct deliberations with persons designated by the governing body to negotiate real property transactions; AND***

   b. **Pursuant to ORS 192.660(2)(f) -** ***To consider information or records that are exempt by law from public inspection;***

4. **ADJOURN**

Upon request, auxiliary aids and/or special services for those with disabilities will be provided. To request services, please contact us at (503) 390-3700 or through Oregon Relay 1-800-735-2900 at least two working days(48 hours) in advance.

The Oregon Public Meeting Law authorizes governing bodies to meet in executive session in certain limited situations. An executive session is defined as any meeting or part of a meeting of a governing body which is closed to certain persons for deliberations on certain matters as defined by ORS 192.660. These sessions are closed to the public. The media may attend the session, unless the Oregon State Statutes specifically prohibits media attendance. The governing body is not allowed to take any final action or make any final decisions during the executive sessions. Any final action or decision must be made after returning or at the next regularly scheduled meeting.

CITY OF KEIZER MISSION STATEMENT
KEEP CITY GOVERNMENT COSTS AND SERVICES TO A MINIMUM BY PROVIDING CITY SERVICES TO THE COMMUNITY IN A COORDINATED, EFFICIENT AND LEAST COST FASHION

A G E N D A

URBAN RENEWAL AGENCY OF THE CITY OF KEIZER

Monday, June 1, 2015
6:30 p.m.
Keizer Civic Center - Council Chambers
Keizer, Oregon

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC TESTIMONY
This time is provided for citizens to address the Urban Renewal Agency on any matter not scheduled for public hearing.

4. ADMINISTRATIVE ACTION

a. RESOLUTION – Authorization for Appropriation Transfer for Program Income Capital Outlay to Materials and Services
RESOLUTION - Initiating the Termination of the North River Road Economic Development Area Urban Renewal Plan

5. PUBLIC HEARING

a. Fiscal Year 2015-2016 Budget

6. CONSENT CALENDAR

a. Approval of August 18, 2014 Urban Renewal Agency Minutes

7. OTHER BUSINESS
This time is provided to allow Urban Renewal Agency members the opportunity to bring matters before the Agency that are not on tonight's agenda.

8 AGENDA INPUT

9. ADJOURN

Upon request, auxiliary aids and/or special services will be provided to participants with disabilities. To request services, please contact us at (503) 390-3700 at least two working days (48 hours) in advance.

BOARD MEETING: June 1, 2015

AGENDA ITEM NUMBER: _______________

TO: **CHAIR CLARK AND BOARD MEMBERS**

THROUGH: **CHRIS EPPLEY**
CITY MANAGER

FROM: **SUSAN GAHLSDORF, CPA**
FINANCE DIRECTOR

SUBJECT: **Appropriations Transfer**

ISSUES: The Keizer Urban Renewal Agency has completed all projects and requirements of its plan and staff therefore recommends closing the plan. Closing the plan will save time and expense, such as audit costs, fees and public notices. (We anticipate formally closing the Plan and Urban Renewal Agency at the June 15 Council meeting.)

There are remaining funds in the Program Income fund that will not be expended by fiscal year end. These funds can be used to repay taxing jurisdictions which will otherwise be paid by the City of Keizer's General Fund.

Oregon Budget Law provides that transfers of appropriations may be made within a fund when authorized by ordinance or resolution of the governing body of a municipal corporation. (ORS 294.463).

The FY14-15 budget includes $45,800 for capital outlay expenditures primarily for Keizer Station Area B development costs. Staff has determined that expenditures for these projects will not be incurred by the end of the fiscal year. Staff recommends moving appropriation from Capital Outlay to Materials and Services so that these funds can be used to repay taxing jurisdictions. This transfer will bring the Materials & Services appropriation to $51,700.

For FY15-16, Keizer Station Area B development costs can be budgeted in the General Fund budget using $51,700 in unspent appropriation for taxing jurisdictions.

FISCAL IMPACT: This budget adjustment is fiscally neutral.

RECOMMENDATION: Staff recommends the council adopt the attached resolution authorizing the appropriation transfer as described above. In addition, adopt the separate resolution initiating termination of the North River Road Urban Renewal Plan, transferring assets and cancelling collection.

KEIZER URBAN RENEAL DISTRICT, CITY OF KEIZER, STATE OF OREGON

Resolution UR2015-________________________________

AUTHORIZATION FOR APPROPRIATION TRANSFER FOR PROGRAM INCOME CAPITAL OUTLAY TO MATERIALS & SERIVCES

WHEREAS ORS 294.463 provides that transfers of appropriations may be made within a fund when authorized by ordinance or resolution of the governing body of a municipal corporation.

NOW, THEREFORE, BE IT RESOLVED by the North Keizer River Road Urban Renewal District, that the following appropriations be made for fiscal year ending June 30, 2015:

	Adopted/ Amended Budget	Adjustment		Revised Budget
		Increase	Decrease	
Program Income Fund				
Materials & Services	5,900	45,800		51,700
Capital Outlay	45,800		45,800	-
Funds originally designated for Keizer Station Area B improvements are needed for repayment to Taxing Jurisdictions.				

PASSED this _____ day of __________________, 2015

SIGNED this _____ day of __________________, 2015

____
Mayor

____
City Recorder

URBAN RENEWAL AGENCY, CITY OF KEIZER, STATE OF OREGON

Resolution UR2015-_____

INITIATING THE TERMINATION OF THE NORTH RIVER ROAD ECONOMIC DEVELOPMENT AREA URBAN RENEWAL PLAN

WHEREAS, the Keizer Urban Renewal Agency (the "Agency") proposed to the Keizer City Council an Urban Renewal Plan known as the North River Road Urban Renewal Plan (the "Plan");

WHEREAS, such Plan was approved by the Keizer City Council (the "Council") on September 13, 1990 (Ordinance No. 90-186);

WHEREAS, the Plan has been amended several times, the most recent of which being the Ninth Amendment adopted by the Council on February 6, 2012 (Ordinance No. 2012-651);

WHEREAS, the Plan objectives have been met and projects within the Plan have been completed;

WHEREAS, the principal and interest on the maximum indebtedness in the Plan is fully paid and pursuant to ORS 457.450(2), the Agency shall notify the County Assessor of this fact;

WHEREAS, it is appropriate under state statute for the Agency to transfer to the City of Keizer all Agency assets;

WHEREAS, upon conclusion of fiscal year 2014-2015, there will be no remaining tax increment funds;

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

NOW, THEREFORE,

The Keizer Urban Renewal Agency does resolve as follows:

Section 1. The Finance Director is directed to immediately terminate collection of any tax increment funding pursuant to state law.

Section 2. The Agency hereby transfers any and all Agency assets to the City of Keizer pursuant to state law and staff is directed to take all appropriate steps in furtherance thereof.

Section 3. The North River Road Renewal Plan is hereby declared to be complete and the Plan shall be terminated upon approval of such termination by the City Council of the City of Keizer, as provided in Section 3 of this Resolution.

Section 4. This Resolution is hereby referred to the City Council of the City of Keizer for approval of termination of the Plan by Ordinance.

Section 5. This Resolution shall take effect immediately upon the date of its passage.

PASSED this __________ day of ________________, 2015.

SIGNED this __________ day of ________________, 2015.

____
Agency Chair

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

AGENCY MEETING: June 1, 2015

AGENDA ITEM NUMBER: ________________

TO: CHAIR CLARK AND AGENCY MEMBERS

THROUGH: CHRIS EPPLEY
CITY MANAGER

FROM: SUSAN GAHLSDORF, CPA
FINANCE DIRECTOR

SUBJECT: FISCAL YEAR 2015-2016 BUDGET

BACKGROUND:

On May 12, 2015, the Budget Committee convened, received the City Manager's Budget Message for Fiscal Year 2015-2016, opened a public hearing to receive public testimony from interested parties, deliberated on the Urban Renewal Budget and passed the Committee Approved Budget (Attachment #1).

ISSUES AND FISCAL IMPACT:

Tonight the Agency has scheduled a public hearing to receive additional citizen input on the Fiscal Year 2015-2016 Committee Approved Budget. After the hearing, the Agency may adjust the approved budget as follows:

1. Amend the budget estimates.
2. Change the amount of estimated expenditures. The amount of estimated expenditures for each fund in an annual budget may not be increased by more than $5,000 or 10 percent of the estimated expenditures, whichever is greater.

Since the Budget Committee met in May 2015 staff has consulted with Bond Counsel and determined it is in the best interest of the citizens of Keizer to close the Urban Renewal Agency and expend existing funds on outstanding obligations by June 30, 2015.

RECOMMENDATION:

Staff recommends the Agency open the public hearing and receive testimony on the fiscal year 2015-2016 Urban Renewal Agency Budget. After all testimony has been received, staff recommends the Agency close the public hearing and begin deliberations on fiscal year 2015-2016 budget as you so choose. Finally, staff recommends that the Agency pass a motion not to adopt a fiscal year 2015-2016 budget.

Urban Renewal District
Summary

The Keizer Urban Renewal District was scheduled to reach its maximum indebtedness in FY11-12 however, in February 2012, the City Council passed the ninth amendment to the District which increased the maximum indebtedness to $51,653,900, an additional $5,763,500. The ninth amendment narrows the immediate purpose of the district to dealing exclusively with the Keizer Station Local Improvement District (LID). Two properties went into default on assessment payments and the City foreclosed on these properties in FY13-14.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	ADOPTED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 5,051,861**	**$ 5,833,694**	**$ 755,700**	**$ 232,300**	**$ 51,700**	**$ 51,700**		**-100%**
3	**Revenues:**								
4	Taxes & Assessments	1,552,915	1,225,332	1,413,500	1,270,900	-	-		-100%
5	Miscellaneous	113,145	400,850	1,000	500	-	-		-100%
6	**Total Revenues**	**1,666,060**	**1,626,182**	**1,414,500**	**1,271,400**	**-**	**-**		**-100%**
7	**Other Resources:**								
8	Debt Proceeds	691,270	3,817,323	88,600	89,100	-	-		-100%
9	**TOTAL RESOURCES**	**7,409,191**	**11,277,199**	**2,258,800**	**1,592,800**	**51,700**	**51,700**		**-100%**
10	**REQUIREMENTS:**								
11	**Expenditures:**								
12	Materials & Services	219,341	317,538	91,400	88,700	5,900	5,900		-100%
13	Capital Outlay	602,315	3,725,193	46,800	500	45,800	45,800		-100%
14	Debt Service	753,841	7,002,168	2,118,400	1,451,900	-	-		-100%
15	**Total Expenditures**	**1,575,497**	**11,044,899**	**2,256,600**	**1,541,100**	**51,700**	**51,700**		**-100%**
16	**Other Requirements:**								
17	Contingency	-	-	2,100	-	-	-		
18	**Fund Balance:**								
19	Restricted	5,833,694	232,300	100	51,700	-	-		-100%
20	**TOTAL REQUIREMENTS**	**$ 7,409,191**	**$11,277,199**	**$ 2,258,800**	**$ 1,592,800**	**$ 51,700**	**$ 51,700**		**-100%**

Urban Renewal District

Program Income Fund

The Program Income Fund tracts urban renewal property sale proceeds and the subsequent use of those funds.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	ADOPTED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$647,771**	**$616,090**	**$ 51,800**	**$ 51,800**	**$51,700**	**$ 51,700**		**-100%**
3	**Revenues:**								
4	**Miscellaneous:**								
5	Interest	1,956	1,460	-	-	-	-		
6	**Total Miscellaneous**	**1,956**	**1,460**	**-**	**-**	**-**	**-**		
7	**TOTAL RESOURCES**	**649,727**	**617,550**	**51,800**	**51,800**	**51,700**	**51,700**		**-100%**
8	**REQUIREMENTS:**								
9	**Expenditures:**								
10	**Materials & Services:**								
11	Legal Services	28,223	200,129	6,000	100	-	-		**-100%**
12	Miscellaneous Expense	5,268	84	-	-	5,900	5,900		
13	**Total Materials & Services**	**33,491**	**200,213**	**6,000**	**100**	**5,900**	**5,900**		**-100%**
14	**Capital Outlay:**								
15	Property Acquisition & Development	-	-	4,500	-	4,500	4,500		
16	Area B Development Costs	146	-	41,300	-	41,300	41,300		
17	**Total Capital Outlay**	**146**	**-**	**45,800**	**-**	**45,800**	**45,800**		
18	**Debt Service:**								
19	Assessment Payment on Foreclosures	-	365,500	-	-	-	-		
20	**Total Expenditures**	**33,637**	**565,713**	**51,800**	**100**	**51,700**	**51,700**		**-100%**
21	**Fund Balance:**								
22	Restricted	616,090	51,837	-	51,700	-	-		-100%
23	**TOTAL REQUIREMENTS**	**$649,727**	**$617,550**	**$ 51,800**	**$ 51,800**	**$51,700**	**$ 51,700**		**-100%**

Budget Notes:

Expenditures:

11 Legal Services are for the completion of the property foreclosures and the title insurance premiums.

15 Property Acquisition & Development is for past due property taxes owed on the foreclosed properties.

16 Area B Development costs are for project commitments to the Transit District and RJMEW from the land sales proceeds received from these entities.

Urban Renewal District

Project Fund

The Urban Renewal Project Fund tracks project expenses for the North River Road Urban Renewal District plan. Beginning in fiscal year 2015-16 there are no authorized projects anticipated.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	ADOPTED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		
3	**Revenues:**								
4	**Miscellaneous:**								
5	Interest	19	-	-	-	-	-		
6	Reimbursements	96,730	25,195	-	-	-	-		
7	**Total Miscellaneous**	**96,749**	**25,195**	**-**	**-**	**-**	**-**		
8	**Total Revenues**	**96,749**	**25,194**	**-**	**-**	**-**	**-**		
9	**Other Resources:**								
10	**Debt Proceeds:**								
11	Loan Proceeds	691,270	-	-	-	-	-		
12	Bond Proceeds (from Tax Increment Fund)	-	3,817,323	88,600	89,100	-	-		-100%
13	**Total Debt Proceeds**	**691,270**	**3,817,323**	**88,600**	**89,100**	**-**	**-**		**-100%**
14	**TOTAL RESOURCES**	**788,019**	**3,842,517**	**88,600**	**89,100**	**-**	**-**		**-100%**
15	**REQUIREMENTS:**								
16	**Expenditures:**								
31	**Materials & Services:**								
32	Postage & Printing	-	528	-	-	-	-		
33	Association Memberships	325	516	600	600	-	-		-100%
34	Public Notices	805	296	-	1,000	-	-		-100%
35	Legal Services	39,527	1,102	2,000	3,800	-	-		-100%
36	Administrative Services Charges	79,177	114,603	79,900	80,000	-	-		-100%
37	Contractual Services	1,000	-	2,900	2,900	-	-		-100%
38	Audit	250	250	-	300	-	-		-100%
39	Miscellaneous	64,766	29	-	-	-	-		
40	**Total Materials & Services**	**185,850**	**117,324**	**85,400**	**88,600**	**-**	**-**		**-100%**
41	**Capital Outlay:**								
42	Property Acquisition & Development	602,169	3,725,193	1,000	500	-	-		-100%
43	**Total Capital Outlay**	**602,169**	**3,725,193**	**1,000**	**500**	**-**	**-**		**-100%**
44	**Total Expenditures**	**788,019**	**3,842,517**	**86,400**	**89,100**	**-**	**-**		**-100%**
45	**Other Requirements:**								
46	**Contingency:**								
47	Contingency	-	-	2,100	-	-	-		
48	**Fund Balance:**								
49	Restricted	-	-	100	-	-	-		
50	**TOTAL REQUIREMENTS**	**$ 788,019**	**$ 3,842,517**	**$ 88,600**	**$ 89,100**	**$ -**	**$ -**		**-100%**

Urban Renewal District

Project Fund

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	ADOPTED 2015-16	% CHANGE FROM PROJ
Summary of Administrative Service Fund Charges								
City-wide Administration	$ 3,685	$ 2,645	$ 1,300	$ 1,600	$ -	$ -		-100%
City Manager	2,785	14,774	10,700	10,700	-	-		-100%
Information Systems	2,857	4,659	2,800	2,300	-	-		-100%
Attorney's Office	32,836	33,933	25,700	25,100	-	-		-100%
City Recorder	2,804	14,457	10,400	10,300	-	-		-100%
Human Resources	1,349	2,260	1,200	1,200	-	-		-100%
Finance	30,684	39,192	26,300	25,900	-	-		-100%
Facility Maintenance	2,170	2,833	1,500	2,900	-	-		-100%
Adjustments	7	(150)	-	-	-	-		
Total	$ 79,177	$ 114,603	$ 79,900	$ 80,000	$ -	$ -		-100%

Urban Renewal District

Tax Increment Fund

The Tax Increment Fund is used to receipt in Tax Increment Revenue and pay debt obligations owed by the District.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	ADOPTED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 4,404,090**	**$ 5,217,604**	**$ 703,900**	**$ 180,500**	**$ -**	**$ -**		**-100%**
3	**Revenues:**								
4	**Taxes & Assessments:**								
5	Tax Increment Revenue	1,382,810	1,098,053	1,295,300	1,179,400	-	-		-100%
6	Prior Year Taxes	170,105	127,279	118,200	91,500	-	-		-100%
7	**Total Taxes & Assessments**	**1,552,915**	**1,225,332**	**1,413,500**	**1,270,900**	**-**	**-**		**-100%**
8	**Miscellaneous:**								
9	Foreclosure Acquisition Funds	-	365,500	-	-	-	-		
10	Interest	14,440	8,695	1,000	500	-	-		-100%
11	**Total Miscellaneous**	**14,440**	**374,195**	**1,000**	**500**	**-**	**-**		**-100%**
12	**Total Revenues**								
13	**TOTAL RESOURCES**	**5,971,445**	**6,817,131**	**2,118,400**	**1,451,900**	**-**	**-**		**-100%**
14	**REQUIREMENTS:**								
15	**Expenditures:**								
16	**Debt Service:**								
17	Interest on Line of Credit	62,572	54,752	34,700	25,200	-	-		-100%
18	Loan Payment (Project Fund)	691,269	3,817,323	88,600	89,100	-	-		-100%
19	Bond Principal Payment (line of credit)	-	1,400,000	1,260,000	1,260,000	-	-		-100%
20	Repayment of Tax Increment	-	1,364,593	735,100	77,600	-	-		-100%
21	**Total Debt Service**	**753,841**	**6,636,668**	**2,118,400**	**1,451,900**	**-**	**-**		**-100%**
22	**Fund Balance:**								
23	Restricted	5,217,604	180,463	-	-	-	-		
24	**TOTAL REQUIREMENTS**	**$ 5,971,445**	**$ 6,817,131**	**$ 2,118,400**	**$ 1,451,900**	**$ -**	**$ -**		**-100%**

MINUTES
KEIZER URBAN RENEWAL AGENCY
Monday, August 18, 2014
Keizer Civic Center
Keizer, Oregon

CALL TO ORDER

Vice Chair Egli called the session to order at 6:43 p.m. Roll Call was taken as follows:

Present:
Joe Egli
Cathy Clark
Jim Taylor
Kim Freeman
Marlene Quinn

Absent:
Lore Christopher, Chair
Dennis Koho

Staff:
Chris Eppley, City Manager
Shannon Johnson, City Attorney
Nate Brown, Community Development
Bill Lawyer, Public Works Director
Susan Gahlsdorf, Finance Director
Tracy Davis, City Recorder

PUBLIC TESTIMONY

None

PUBLIC HEARING

None

ADMINISTRATIVE ACTION

a. RESOLUTION – Authorization for Supplemental Budget – Appraisal of Keizer Station Area B

Finance Director Susan Gahlsdorf reviewed allowable budget adjustments and restrictions. She noted that the Agency owns property at Keizer Station Area B and staff is recommending appraisal of the property so that the City is prepared for a possible transaction. Total appraisal costs are estimated at $3,500 with the Urban Renewal Agency share at $2,900. The remaining $600 will be taken from the Street Fund.

Agent Taylor moved to adopt a Resolution Authorization for Supplemental Budget – Appraisal of Keizer Station Area B. Agent Clark seconded. Motion passed as follows:

AYES: Egli, Quinn, Freeman, Taylor and Clark (5)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Christopher and Koho (2)

CONSENT CALENDAR

A. Approval of June 2, 2014 Urban Renewal Agency Minutes

Agent Taylor moved for approval of the Consent Calendar. Agent Clark seconded. Motion passed as follows:

AYES:, Quinn, Freeman, Taylor and Clark (4)
NAYS: None (0)
ABSTENTIONS: Egli (1)
ABSENT: Christopher and Koho (2)

OTHER BUSINESS None

ADJOURNMENT With no further business the meeting was adjourned at 6:50 p.m.

APPROVED:

~ Absent ~	
Lore Christopher, Chair	Debbie Lockhart, Deputy City Recorder

AGENCY MEMBERS

~ Absent ~	
Dennis Koho	Cathy Clark
Kim Freeman	Joe Egli
Marlene Quinn	Jim Taylor

Minutes approved:______________________________

CITY OF KEIZER MISSION STATEMENT
KEEP CITY GOVERNMENT COSTS AND SERVICES TO A MINIMUM BY PROVIDING CITY SERVICES TO THE COMMUNITY IN A COORDINATED, EFFICIENT, AND LEAST COST FASHION

AGENDA
KEIZER CITY COUNCIL
REGULAR SESSION
Monday, June 1, 2015
7:00 p.m.
Robert L. Simon Council Chambers
Keizer, Oregon

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **FLAG SALUTE**

4. **SPECIAL ORDERS OF BUSINESS**

   a. **Commendation for Danielle Howitt – Keizer Utility Billing Division**

   b. **Introduction of Keizer Police Officer Esteban Perez**

   c. **Volunteer of the Quarter Award – Mark Caillier**

5. **COMMITTEE REPORTS**

   a. **Volunteer Committee Recommendation for Appointments – Parks Advisory Board, Keizer Arts Commission, and Festival Advisory Board**

6. **PUBLIC TESTIMONY**
   This time is provided for citizens to address the Council on any matters other than those on the agenda scheduled for public hearing.

7. **PUBLIC HEARINGS**

   a. **ORDINANCE – Amending Keizer Development Code Regarding Section 2.403 (Shared Housing facilities) and Section 3.101 (Summary of Application Types); Declaring an Emergency; Amending Ordinance 98-389**

   b. **ORDINANCE – Amending the Utility License Fees for Sewer Utilities in the City of Keizer and Declaring an Emergency – Amending Ordinance 2002-468; Repealing Ordinance 2010-626**

   c. **RESOLUTION – Establishing Application Fee for Public Improvement Reimbursement Districts; Repeal of Resolution 2003-1443 and Resolution 2006-1701**

   d. **RESOLUTION – Amending the StormWater Utility Fee and Declaring an Emergency – Amending Resolution 2014-2504**

   e. **ORDINANCE – Setting Water Rates (2016) Repealing Ordinance 2014-688**

   f. **ORDINANCE – Amending the Ordinance Adopting Waste Water Collection and Disposal System Rules and Regulations – Declaring an Emergency – Amending Ordinance 90-163**
   RESOLUTION – Amending Fees for Certain Administrative Services; Amending Resolution 2014-2453; Repealing Resolution 2014-2482

   g. **RESOLUTION – Declaring City's Election to Receive State Revenues**
   RESOLUTION – Certifying the City of Keizer Provides Four or More Municipal Services

   h. **RESOLUTION –Certification of Street Lighting District Assessments**

i. **RESOLUTION – Adopting the Fiscal Year 2015-2016 Budget, Making Appropriations, and Imposing and Categorizing Taxes**

8. **ADMINISTRATIVE ACTION**

a. **RESOLUTION – Certification of Delinquent Sewer Accounts**

b. **Palma Ciea Park**

c. **Municipal Judge – Councilor Check In**

9. **CONSENT CALENDAR**

a. **RESOLUTION – Authorizing the City Manager to Sign Contract for Custodial Services**

b. **RESOLUTION – Authorizing the City Manager to Enter Into Intergovernmental Agreement for Electronic Records Management Services with Oregon Secretary of State**

c. **RESOLUTION –Authorizing Signs Subject to Conditions for Big Toy Community Build Project**

d. **RESOLUTION – Authorizing the Keizer Police Department Chief of Police to Enter into Salem-Keizer Youth Services Team Memorandum of Agreement**

e. **RESOLUTION – Authorizing the Community Development Director to Apply for Transportation and Growth Management Grant**

f. **RESOLUTION – Authorizing the City Manager to Enter Into First Amendment to Web Development and Maintenance Agreement with Kentucky Underground Storage Inc.**

g. **Approval of May 4, 2015 Regular Session Minutes**

h. **Approval of May 11, 2015 Special Session Minutes**

10. **COUNCIL LIAISON REPORTS**

11. **OTHER BUSINESS**
This time is provided to allow the Mayor, City Council members, or staff an opportunity to bring new or old matters before the Council that are not on tonight's agenda.

12. **WRITTEN COMMUNICATIONS**
***To inform the Council of significant written communications*.**

13. **AGENDA INPUT**

June 8, 2015
5:45 p.m. – City Council Work Session
- **Oregon Government Ethics Commission Training**

June 15, 2015
7:00 p.m. – City Council Regular Session

14. **ADJOURNMENT**

COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER: ________________

TO: **MAYOR CLARK AND COUNCIL MEMBERS**

THROUGH: **CHRIS EPPLEY, CITY MANAGER**

FROM: **SUSAN GAHLSDORF, FINANCE DIRECTOR**

SUBJECT: **COMMENDATION FOR DANIELLE HOWITT**

On Tuesday morning May 12, 2015, after just three weeks on the job, Danielle Howiett was about to experience her first 'shut off' day in the Utility Billing Division. Shut Off is a difficult time for many utility customers who find themselves without water service and often have no means to pay for the services they have received. It is Utility Billing staffs' responsibility to work with these customers to get their accounts current and their service reconnected.

On May 12th, Danielle took a call from a customer who had found himself without water service. During the call, he mentioned that he was not feeling well and needed to go lie down. Danielle assured him that the City would get his water reconnected and suggested that he call 9-1-1 as his chest pains could be a sign of a serious health problem. Danielle then contacted the Keizer Police Department who transferred her to dispatch and sent an ambulance to his house. The ambulance transported this gentleman to the hospital emergency center. His wife later called the City to thank Danielle for her follow through.

The purpose of this staff report is to formally and publicly commend Danielle for her concern and quick thinking. Her willingness to extend the extra effort to assist this customer may have saved his life. The City commends Danielle for her good deed and welcomes her as a valued member of the City of Keizer staff.

When I let Danielle know that she would be receiving this acknowledgement tonight she stated that she appreciates working in an environment where fully assisting the customer is valued. After three short weeks, she knows this because of excellent examples set by her co-workers and fellow front-line customer service staff. I would like to take this opportunity to thank Heidi, Stephanie, Arcelia, Paula and Sara as well for their good deeds and excellent work they do every day.

COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER: _________________

TO: **MAYOR CLARK AND CITY COUNCIL MEMBERS**

THROUGH: **CHRIS EPPLEY**
CITY MANAGER

FROM: **CHIEF JOHN TEAGUE**
KEIZER POLICE DEPARTMENT

SUBJECT: **INTRODUCTION OF OFFICER ESTEBAN PEREZ**

TOPIC:

As the result of a recruitment process earlier this year for a bilingual officer, Esteban Perez was hired as a full time police officer. Officer Perez was formerly a reserve and police officer with Gervais Police Department for over three years. He holds a DPSST intermediate certification and has a bachelor's degree. While at Gervais PD, he worked on Woodburn PD's SWAT team. Esteban lives in Keizer with his wife, Miriam.

Please join us in congratulating and welcoming Officer Perez to the Keizer Police Department.

wjb

CITY COUNCIL MEETING:______________

AGENDA ITEM NUMBER:_______________

TO: MAYOR CATHY CLARK AND CITY COUNCIL MEMBERS

THROUGH: CHRIS EPPLEY
CITY MANAGER

FROM: TRACY L. DAVIS, MMC
CITY RECORDER

SUBJECT: VOLUNTEER OF THE QUARTER AWARD

ISSUE:

The Volunteer Coordinating Committee has selected Mark Caillier as the recipient of the Volunteer of the Quarter award for second quarter 2015. Mr. Caillier was nominated by members of the Parks Advisory Board, Richard Walsh, Clint Holland and Dylan Juran. The nomination letters are attached.

Mr. Caillier has been invited to the meeting to accept his volunteer award. Our thanks and congratulations to Mr. Caillier for his contributions to our community.

Print

Submit

City of Keizer
Volunteer of the Quarter Nomination

Each quarter, the City of Keizer recognizes an individual or group of individuals for their contributions to the Keizer community. This award is designed to recognize the achievement and to encourage actions that enhance the city of Keizer, the Keizer community, and the lives of our citizens.

Process for Award Nomination:

- A written nomination form is submitted to the Keizer City Recorder – P.O. Box 21000/930 Chemawa Road NE, Keizer, Oregon 97307 or submitted by clicking the submit button above.
- Additional letters of support, supplementary information such as pictures, news stories, biographical information, or other materials that show the project or contribution of the nominee may be included.
- The nomination will be reviewed and decided by the Volunteer Coordinating Committee. The nominator may be requested to attend a meeting of the Volunteer Coordinating Committee to answer questions or explain the nomination in further detail.
- The award will be then presented at a regular meeting of the Keizer City Council.

Name of Nominee(s): Mark Callier
Address of Nominee (s):
Nominee Phone Number or Contact Information: 503-930-7481

Please provide a brief description, including the dates or time period, of the nominees' contributions and the reason why you are nominating for this award:

Despite already having "paid his dues" as a Keizer City Councilor and despite being extremely busy volunteering for many community groups such as the Claggett Creek Watershed Council, the Civic Center, the Keizer Community Library, the Keizer Rotary Club, and others, Mark volunteered to be the general contractor for the KEIZER BIG TOY which is the most important and time consuming job of the project. We would not be able to finish the project without his leadership, organizational skills, volunteerism spirit .

Explain the impacts these contributions have had on the city of Keizer or the Keizer community:

Mark has impacted all the groups noted above and many others. Mark's hard work , dedication to Keizer, and spirit of volunteerism, has not only made the BIG TOY project possible, it has helped the ability of all the groups noted above to serve Keizer better through volunteerism. This is wny I am supporting his nomiation as volunteer of the quarter.

Nominator Information:
Your name: Richard Walsh
Address:.
Phone Number – Contact Information 503-304-4886

Print

Submit

City of Keizer
Volunteer of the Quarter Nomination

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Name of Nominee(s): Mark Callier
Address of Nominee (s):
Nominee Phone Number or Contact Information: 503-930-7481

Please provide a brief description, including the dates or time period, of the nominees' contributions and the reason why you are nominating for this award:

Despite being extremely busy volunteering for many community groups such as the Claggett Creek Watershed Council, the Keizer Rotary Club, and others, Mark volunteered to be the general contractor for the KEIZER BIG TOY which is a time consuming job. He is provides leadership, organizational skills and volunteerism spirit. These are only a few of the many things he has done for this community. A true Rotarian who gets out and helps everyone, he is the best of the best.

Explain the impacts these contributions have had on the city of Keizer or the Keizer community:

Mark's hard work, dedication to Keizer, and spirit of volunteerism, has not only made the BIG TOY project possible, it has helped the ability of all the groups noted above to serve Keizer better through volunteerism. This is why I am supporting his nomination as volunteer of the quarter. Mark truly is an amazing example of Keizer's motto: "Pride, Spirit and Volunteerism."

Nominator Information:
Your name: Clint Holland
Address: 4315 Shoreline DR N Keizer, OR 97303
Phone Number – Contact Information 503-910-3232

Print

Submit

City of Keizer
Volunteer of the Quarter Nomination

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Process for Award Nomination:

- A written nomination form is submitted to the Keizer City Recorder – P.O. Box 21000/930 Chemawa Road NE, Keizer, Oregon 97307 or submitted by clicking the submit button above.
- Additional letters of support, supplementary information such as pictures, news stories, biographical information, or other materials that show the project or contribution of the nominee may be included.
- The nomination will be reviewed and decided by the Volunteer Coordinating Committee. The nominator may be requested to attend a meeting of the Volunteer Coordinating Committee to answer questions or explain the nomination in further detail.
- The award will be then presented at a regular meeting of the Keizer City Council.

Name of Nominee(s): Mark Caillier
Address of Nominee (s):
Nominee Phone Number or Contact Information:

Please provide a brief description, including the dates or time period, of the nominees' contributions and the reason why you are nominating for this award:

Mark has contributed so much to the community. including being on Claggett Creek Watershed council for several years, organizing cleanup projects for the civic center, and working countless hours on the Big Toy project. He's a great guy and really deserving of recognition.

Explain the impacts these contributions have had on the city of Keizer or the Keizer community:

Keizer is a cleaner, safer, and more enriched community due to the efforts put forth by Mr. Caillier.

Nominator Information:
Your name: Dylan Juran
Address: 765 Ventura St.
Phone Number – Contact Information 503-385-6188

VOLUNTEER OF THE QUARTER

Second Quarter 2015

Presented to

Mark Caillier

With sincere gratitude and appreciation for your volunteer contributions to the Keizer Community.

Cathy Clark
Mayor – City of Keizer

Trish Crenshaw
Volunteer Coordinating Committee Chair

CITY COUNCIL MEETING: ___________

AGENDA ITEM NUMBER:___________

TO: MAYOR CLARK AND CITY COUNCIL MEMBERS

THROUGH: CHRIS EPPLEY
CITY MANAGER

FROM: TRACY L. DAVIS, MMC
CITY RECORDER

SUBJECT: VOLUNTEER COORDINATING COMMITTEE RECOMMENDATIONS FOR APPOINTMENT

ISSUE:

The Volunteer Coordinating Committee met on May 21st to review applications and interview candidates for openings on several City committees. The Committee is recommending the following applicants for appointments:

- Keizer Arts Commission – **Kim Steen** – Position #3 – term expiring June 2018
- Festival Advisory Board – **Sherrie Gottfried** – Position #2 – term expiring May 2018
- Keizer Parks and Recreation Advisory Board – **J. T. Hager** – Position #1 – remainder of term expiring December 2016

RECOMMENDATION:

It is recommended the City Council accept the recommendations of the Volunteer Coordinating Committee and appoint the applicants as outlined above.

COUNCIL MEETING: June 1, 2015
AGENDA ITEM NUMBER: _______

TO: **MAYOR CLARK AND CITY COUNCIL MEMBERS**
THROUGH: **CHRIS EPPLEY, CITY MANAGER**
NATE BROWN, COMMUNITY DEVELOPMENT DIRECTOR
FROM: **SAM LITKE, SENIOR PLANNER**

SUBJECT: Text amendment related to shared housing facilities

Attachments:

- **Section 2.403 - draft**
- **Section 3.101 – draft**

ISSUE:
The proposed text amendments will allow an accessory residential housing unit to be placed in the front yard of an existing single family home. The Planning Commission voted unanimously to support the proposed text amendment.

DISCUSSION:
The topic of shared housing, specifically accessory residential housing was included into the set of text amendments related to the infill discussion that is currently pending before the Planning Commission. This topic was forwarded to the City Council because the Planning Commission felt that it was not dependent on that larger discussion.

Currently, this type of housing can be constructed only to the side or to the rear of an existing house. This proposal will allow the option of placing an accessory residential housing unit in the front yard through an alternative design review process in which the applicant would be required to demonstrate that the design of the accessory residential unit through architectural features, landscaping and orientation will be compatible with the surrounding neighborhood and adjoining properties. The accessory housing units will be required to meet all setbacks requirements of the zone regardless of its location. The revisions will also eliminate the requirement that the accessory unit can be no more than 25% of the primary unit but will retain the existing maximum size limit of 750 square feet. This revision will allow for additional opportunities for this housing type, and will make the regulations simpler to understand. Blue language is new since the Planning Commission's review and includes criteria outlining parking, design, screening, and orientation factors to be considered. The accompanying revisions to Section 3.101 will create the alternative design review process as a Type I-C process.

The City Attorney has reviewed this matter and based on the Planning Commission direction and City Manager approval, has provided an Ordinance for possible adoption, should the Council choose to move forward with the matter after tonight's hearing. The Ordinance has an emergency clause which means it will be effective immediately if the

Ordinance is adopted and passes unanimously. Typically, we do not include emergency clauses for text amendments such as this, but there are residents who are waiting on this change with regard to a transaction so that option is available.

Written testimony was presented to the Planning Commission from Rick and Andy Hoffman and Wayne Laird relating to this topic and a copy of such testimony is attached hereto. If the Council does not wish an emergency clause, we will be providing substitute language if that is the Council's desire.

RECOMMENDATION:
Open the public hearing and take public testimony. If there are no questions, close the hearing and adopt the attached Ordinance.

May 11, 2015

To City of Keizer Planning Commission and City Council

Address: 1635 Chemawa Rd. NE; Keizer, Or. 973032
.76 Acres with 1063 square foot home, plus a 2 bedroom, 1 bath guest house and two out buildings. (See Attached Flyer)

Owner: Shirley A. DeLapp

We are the listing agents for the above mentioned property. The seller accepted an offer on February 27, 2015. The transaction has yet to close! We were originally scheduled to close on March 30, 2015. However the lender required another appraisal, which the appraiser stated the guest house is not "legal" according to the city. Now a third appraisal has been ordered and was done May 10, 2014.

Sam Litke indicated that if 2.403.02 "C" in Shared Houseing Facilities the phrase "25% of the floor area of the primary residence or" was removed, then the property located at 1635 Chemawa Rd. NE would be "legal" in the eyes of the city.

We would like to encourage the Planning Commission giving a "do pass" vote for the removal of the above mentioned change to 2.403.02 "C" to the City Council. Other wise unless Mrs. DeLapp receives a cash offer, we will be unable to sell her property.

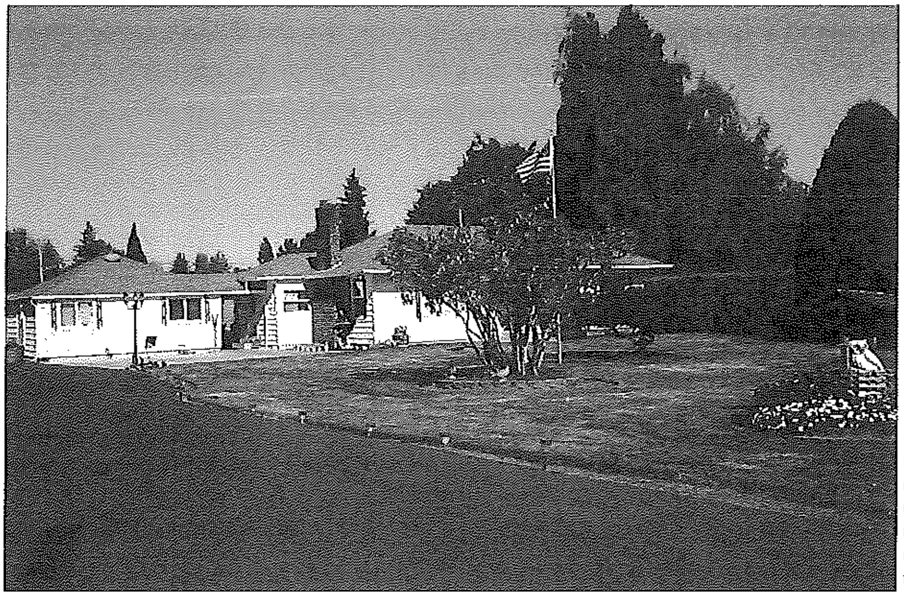
We would greatly appreciate your serious consideration in this matter.

Sincerely,

Rick & Ande

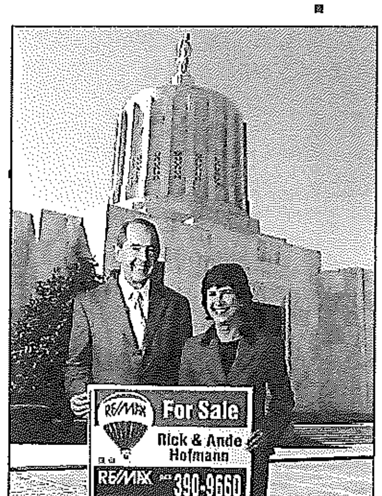
Rick and Ande Hofmann
Broker Principal Broker

1635 Chemawa Rd. NE



$259,900

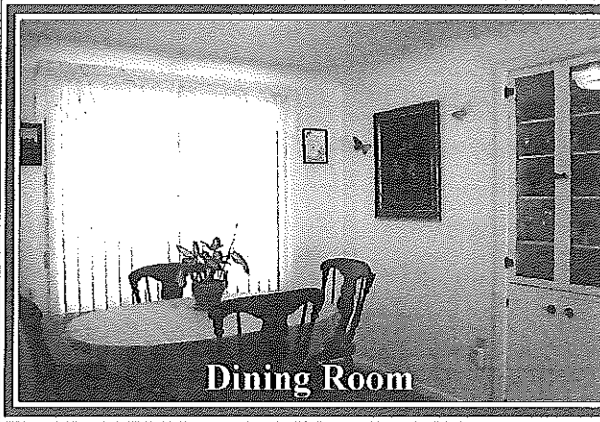
A little bit on country right in Keizer! 4 Bdrm, 2 Ba, 1623 sq. ft. on .76 acre lot. Guest house and main house are connected by a covered breezeway. Home & guest house each have 2 Bdrms & 1 Bath. Home approx. 1063 sq. ft and guest house approx. 560 sq. ft. Home sits back off the road. Coved ceiling in living room & dining area which has a small hutch built in. Gas fireplace in living room. Large covered patio with hot & cold water & long countertop with cupboards and doors. Utility room south end of shop. Separate shop with cement floor; plus another large RV storage with roll-up door.



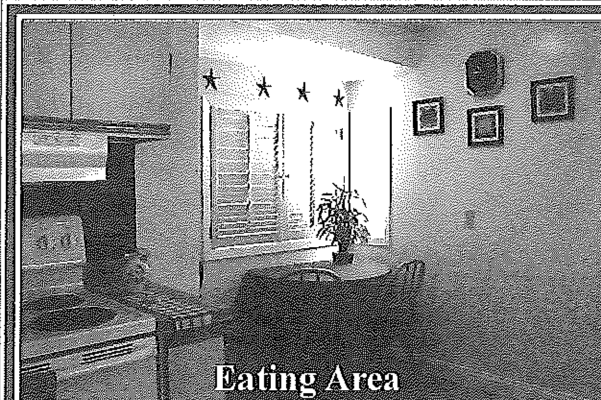
Rick & Ande Hofmann
Broker/Principal Broker
Licensed in the State of Oregon
503-390-9660
RE/MAX Integrity
2110 Mission St. SE, Suite 310
Salem, OR 97302

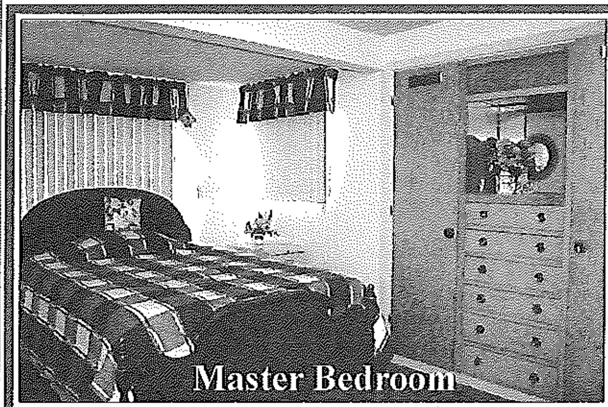
We Get Results!

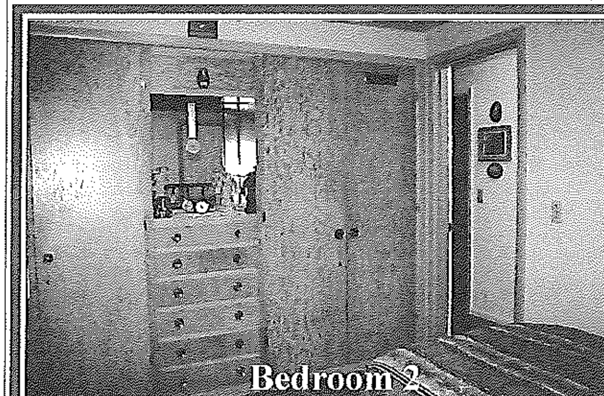

iving Room

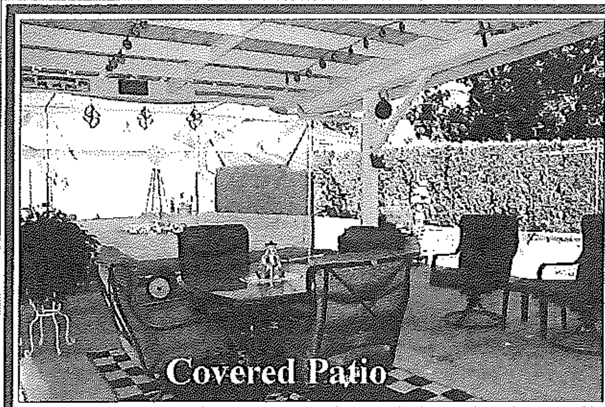

Dining Room

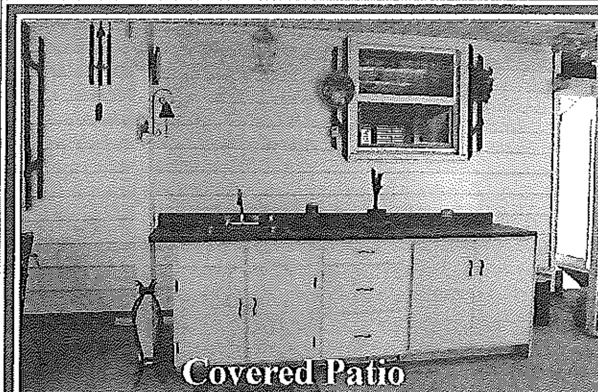

Kitchen

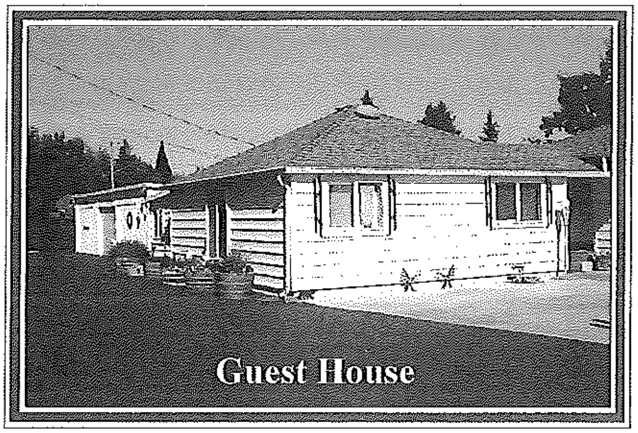

Eating Area

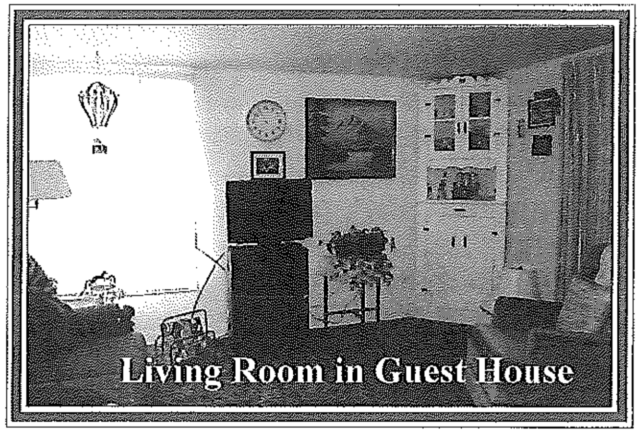

Master Bedroom


Bedroom 2

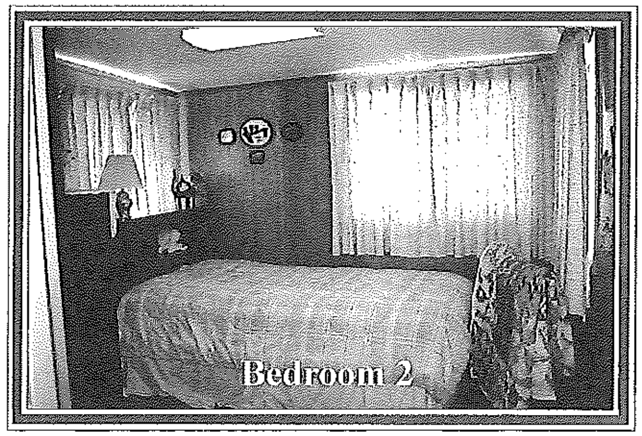

Covered Patio

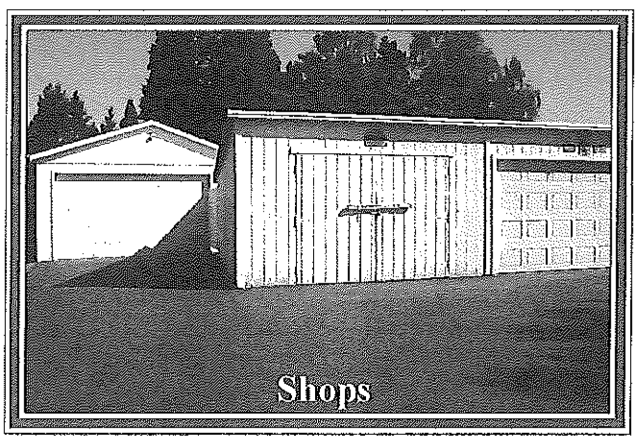

Covered Patio

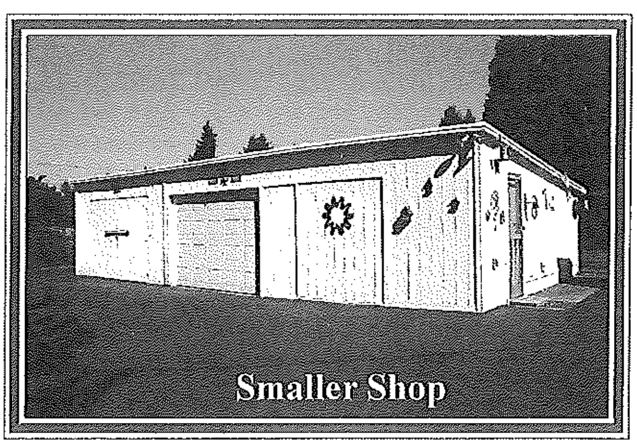

Guest House

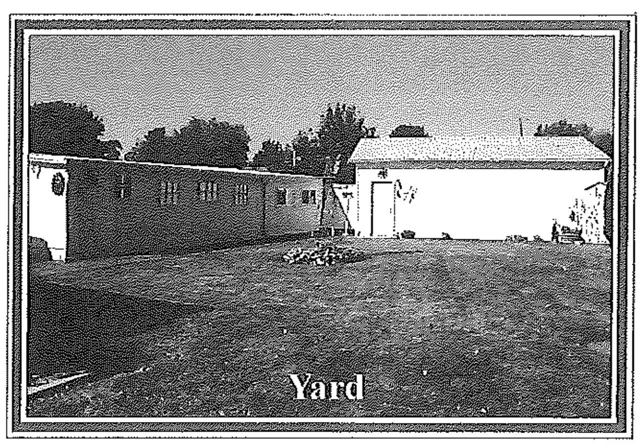

Living Room in Guest House


Bedroom 1


Bedroom 2


Shops


Smaller Shop


Yard

1635 Chemawa Rd. NE

ROOM SIZES:

Living Room: 18.8 x 16
Dining Room: 9.1 x 8
Kitchen: 13.6 x 9.1
Garage: 1 Car, Detached
Master Bedroom: 16.2 x 10.1
2nd Bedroom: 10.9 x 10.1
Utility Room: 20.6 x 10.6

FEATURES:

Year Built: 1952
Approx. Sq. Ft.: 1,063
Flooring: Carpet, Vinyl
Heat: Forced Air, Gas
Fireplace: Living Room, Gas
Hot Water Heater: Gas
Water: Well
Sewer: City
Taxes: $1,892.09 (2014-2015)
Style of Home: 1 Story
Roof: Composition
Siding: Vinyl, LAP
Lot Size: .76 Acre
Shop w/Cement Floor
Smaller Shop w/Roll-up Door
Covered Patio: 25 x 21

ROOM SIZES: GUEST HOUSE

Living Room: 12.6 x 11.11
Eating Area: 16.5 x 7.9
Bedroom 1: 9.8 x 9.2
Bedroom 2: 9.8 x 8.5

GUEST HOUSE FEATURES

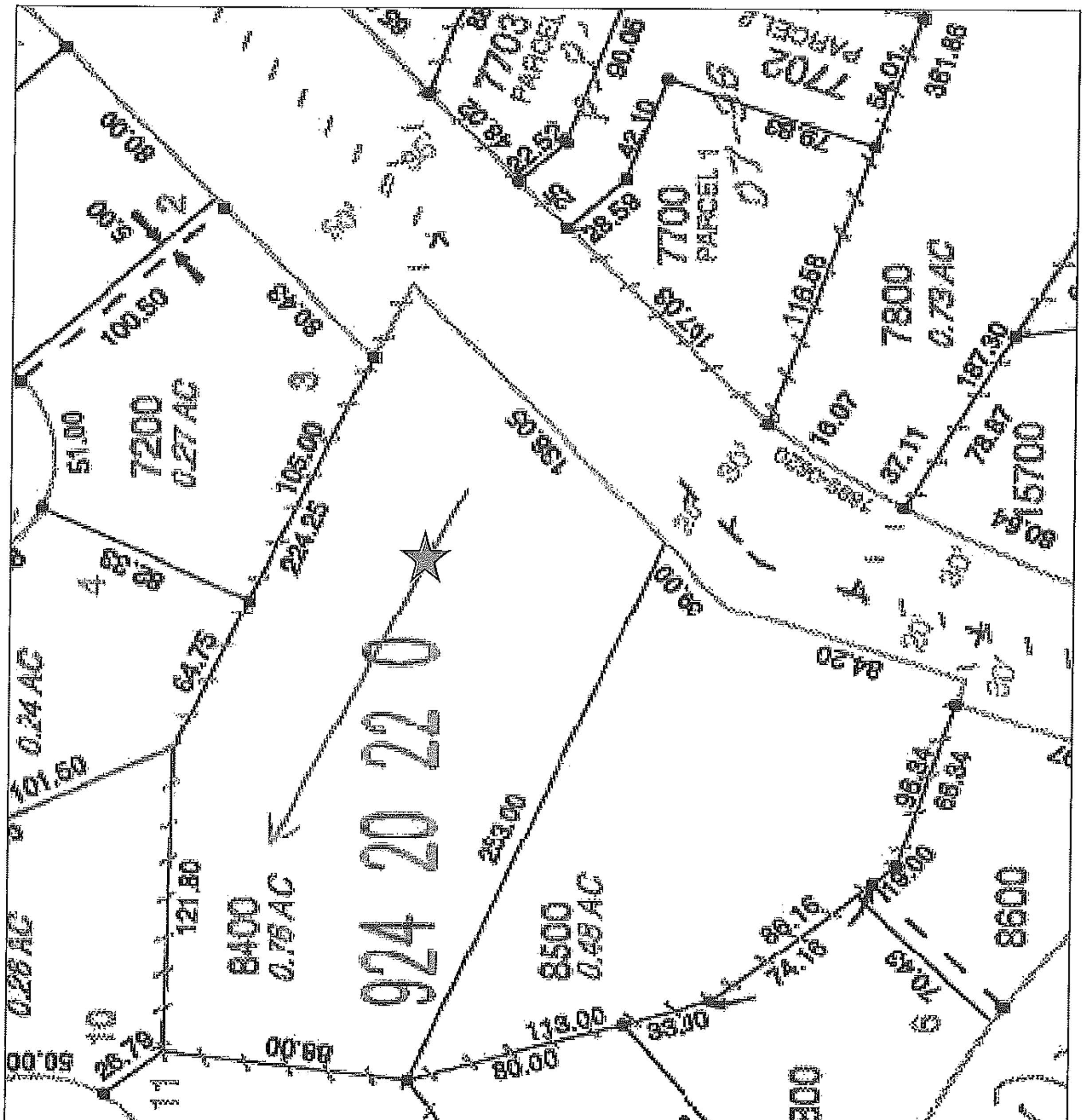
Approx. Sq. Ft.: 560
Heat: Electric Wall Heaters
Roof: Composition
Siding: Vinyl, LAP

~UPDATES~

11/06 Replace cold water line to house. 5/07 Replaced well pump. Replaced 200 amp electrical panel in guest house. 2008 updated furnace in house.

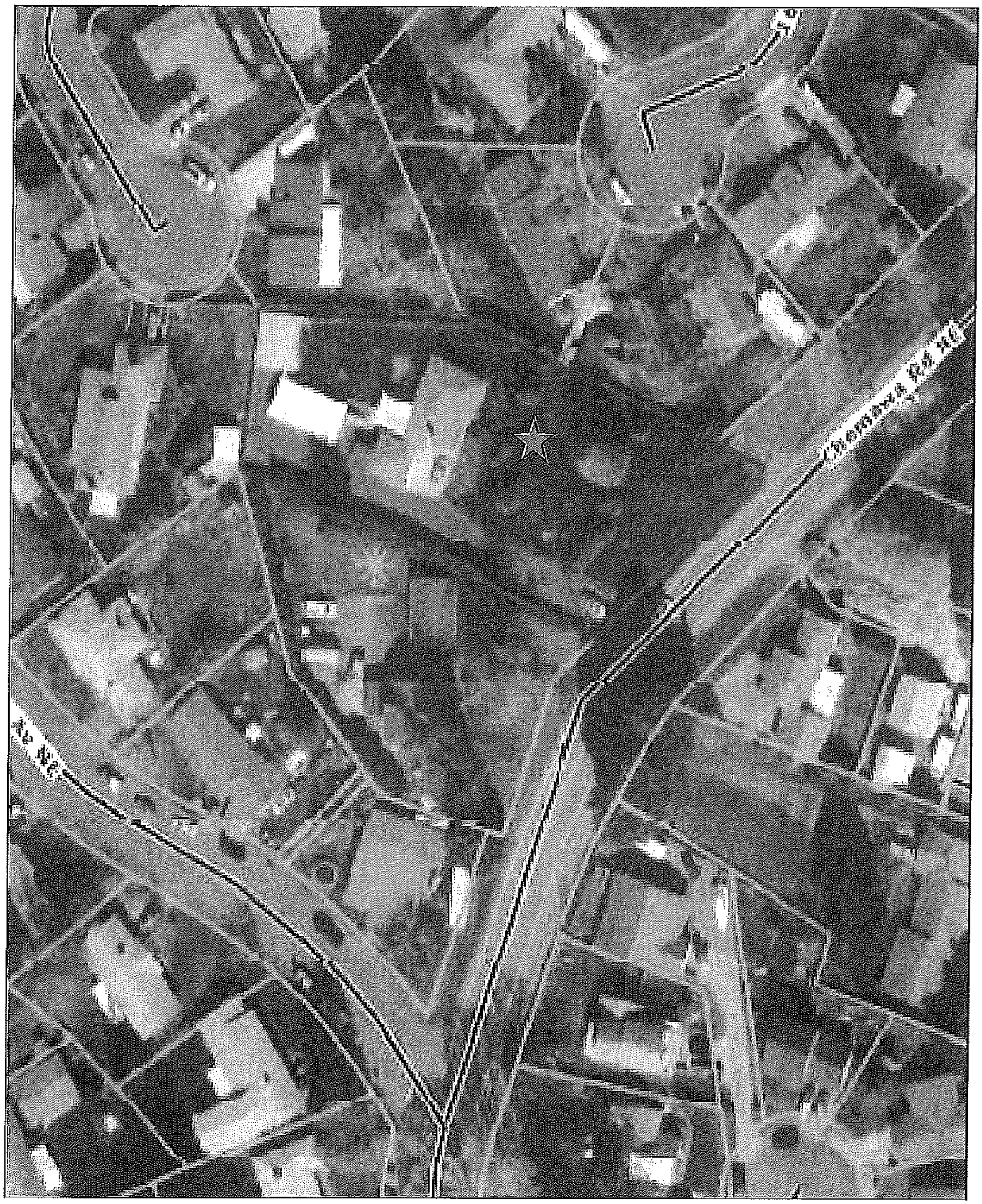
1635 Chemawa Rd. NE

RECORDED PLAT MAP:



1635 Chemawa Rd. NE

AERIAL VIEW MAP:



May 12, 2015

City of Keizer Planning Commission

City Council

I am writing this letter in support of a change in Rule 2.403.02 C within the Shared Housing Facilities removing the condition of a second living area being "25% of the floor area of the primary residence". I believe the square footage of not more than 750 would be sufficient as a rule.

The reason I am writing is because of the second condition on Mothers property caused an appraiser to deem the property not legal and therefore the lender was not willing to lend on the property. I realize that each situation is unique. However, I believe we have the need to be able to create secondary residence, if it meets the requirement. I believe home owners should be able to create these living space to help take care of elderly parents or young adults, yet still allow them freedom in the own area. This was what the buyers were looking for in my Mothers property.

As I discussed with your planning staff it was my understanding that the property was considered a legal non-conforming property because the building in question was built before the City incorporated, but did not meet the 25% requirement. My mother has the house for sale because the lot is three quarters of an acre and too much to maintain for her. We are going to continue to have difficulty selling without a special buyer or additional changes to the home, if this change is not made.

Thank you for taking this change into consideration.

On behalf of my Mother, long time Keizer Resident Shirley Delapp, 1635 Chemawa Rd NE.

Respectively submitted,

Wayne Laird

Wayne Laird

BILL NO. ____ | A BILL | ORDINANCE NO. 2015-__________

FOR

AN ORDINANCE

AMENDING KEIZER DEVELOPMENT CODE REGARDING SECTION 2.403 (SHARED HOUSING FACILITIES) AND SECTION 3.101 (SUMMARY OF APPLICATION TYPES); DECLARING AN EMERGENCY; **AMENDING ORDINANCE 98-389**

WHEREAS, the Keizer Planning Commission has recommended to the Keizer City Council amendments to the Keizer Development Code (Ordinance No. 98-389); and

WHEREAS, the City Council has held a hearing on this matter and considered the testimony given and the recommendation of the Keizer Planning Commission; and

WHEREAS, the Keizer City Council has determined that it is necessary and appropriate to amend the Keizer Development Code as set forth herein; and

WHEREAS, the Keizer City Council has determined that such amendments meet the criteria set forth in state law, the Keizer Comprehensive Plan, and the Keizer Development Code;

NOW, THEREFORE,

The City of Keizer ordains as follows:

Section 1. FINDINGS. The City of Keizer adopts the Findings set forth in Exhibit "A" attached hereto and by this reference incorporated herein.

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

Section 2. AMENDMENT TO THE KEIZER DEVELOPMENT CODE. The Keizer Development Code (Ordinance No. 98-389) is hereby amended by the adoption of the changes to Section 2.403 (Shared Housing Facilities) and Section 3.101 (Summary of Application Types) as set forth in Exhibit "B" attached hereto, and by this reference incorporated herein.

Section 3. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional, or is denied acknowledgment by any court or board of competent jurisdiction, including, but not limited to the Land Use Board of Appeals, the Land Conservation and Development Commission and the Department of Land Conservation and Development, then such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 4. EFFECTIVE DATE. This Ordinance being necessary for the immediate preservation of the public health, safety and welfare, an emergency is declared to exist and this Ordinance shall take effect immediately upon its passage.

PASSED this ________ day of ___________________, 2015.

SIGNED this ________ day of ___________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

EXHIBIT “A”

Findings regarding the adoption of amendments to the Keizer Development Code (Section 2.403 Shared Housing Facilities and Section 3.101 Summary of Application Types)

The review criteria are listed in Section 3.111.04 of the Keizer Development Code.

The City of Keizer finds that:

1. General Findings.

   a. The particulars of this case are found within planning file text amendment 2015-05.

   b. In February, the Planning Commission voted to initiate the text amendment process to consider revisions related to infill development. The issue of accessory residential housing units was included as part of this process.

   c. A public hearing was held before the Planning Commission on May 13, 2015 and the Planning Commission voted unanimously to recommend approval of the revisions. A public hearing was held before the City Council on June 1, 2015. The City Council voted to approve the proposed revisions and to adopt an ordinance with findings in support.

2. **A demonstrated need exists for the product of the proposed amendment - Section 3.111.04.B.**

   Findings: The proposed revisions to the zone code reflects a demonstrated need. The City Council has recognized that from time to time the City’s Development Code should be updated to avoid having the code become so out of date that it would require a massive and costly comprehensive update. The intent is to identify chapters that can be updated in a manageable format. The proposed revision will allow for the zone code to be updated so that it is both easier to read and also eliminates identified confusions within the regulations. The revisions will allow the option of placing an accessory residential housing unit in the front yard through an alternative design review process in which the applicant would be required to demonstrate that the design of the accessory residential unit through architectural features, landscaping and orientation will be compatible with the surrounding neighborhood and adjoining properties. The City Council has determined that a demonstrated need exists and so complies with this provision.

3. **<u>The proposed amendment to the Keizer Development Code complies with statewide land use goals and related administrative rules – Section 3.111.04.C.</u>**

FINDINGS: The proposed text amendment complies with the statewide land use planning goals as discussed below.

Goal 1 – Citizen Involvement: The adoption of this ordinance followed notice to interested parties, a public process of decision making involving a public hearing, deliberation, and ordinance adoption. Public notice was provided in the Keizer Times. Public hearings were held before the Planning Commission and the City Council. Citizens were afforded the opportunity to participate in the public process. Written testimony was received from Rick and Andy Hoffman and also from Wayne Laird both in support of the proposed revisions. This information was made available to both the Planning Commission and the City Council. This process is consistent with the provision for providing an opportunity for citizens to be involved in all phases of this planning process as required by this Goal and with implementing administrative rules within Oregon Administrative Rules.

Goal 2 – Land Use Planning: This ordinance amends the Keizer Development Code. The adoption proceeding was conducted in a manner consistent with requirements of the Keizer Comprehensive Plan, Keizer Development Code, and applicable state law. Notice was published in the Keizer Times. Public hearings were conducted before both the Planning Commission and City Council where opportunities for both verbal and written testimony were provided. Therefore, the proposed revisions to the zone code is consistent with this statewide planning goal and administrative rules.

Goal 3 – Farm Land: The purpose of this goal is to protect lands that are designated for agricultural uses. The proposed amendment will only affect lands that are within the boundaries of the city limits of Keizer. Within the city limits lands that allow commercial agriculture are the Special Agriculture (an EFU qualifying zone), a 10 acre parcel with an EFU designation which is not recognized by the state as an EFU qualifying zone, and the Urban Transition zone. The amendment will not impact any properties that are designated to allow for agricultural uses as none of these designated parcels are likely to have any accessory residential housing unit on them. The SA zoned parcel is owned by the city and is intended for future park uses, the EFU zoned parcel is a field with no buildings, and the UT zoned parcels are mostly small parcels with residences. Therefore, the proposed amendments will comply with the Farm Land Goal and with any implementing administrative rules.

Goal 4 – Forest Land: The intent of this goal is to protect lands that are designated for commercial forest uses. The only lands in the city limits that will allow commercial forestry are the UT, SA, and EFU zones. None of the parcels with these designations are currently in timber production. There are no other lands designated within the city limits that allow for commercial forestry. The amendments to Section 2.403 and 3.101 of the zone code does not involve any land which is designated as forest land, nor will it impact the use of any forest lands. Therefore, this Goal and implementing administrative rules are not applicable to the proposed zone code amendments.

Goal 5 – Natural Resources: The intent of the Natural Resources Goal is to protect various natural resources such as wetlands, waterways, big game habitat, etc. The city established a Resource Conservation overlay zone to maintain, preserve and protect the natural features adjacent to Claggett Creek. The proposed amendment to the zone code regulations will not affect any of the city's natural resources protection regulations or the lawful use of any properties that are within this overlay zone. Therefore, the amendments to the code regulations to allow the placement of an accessory residential housing unit in the front yard will be consistent with this goal and with administrative rules designed to implement this goal.

Goal 6 – Air, Water and Land Quality: The intent of this goal is to protect the city's air, water and land qualities. The city provides its residents with city water from groundwater sources. New construction is required to be connected to the established sanitary sewer system reducing the likelihood of groundwater contamination from failing on-site septic systems. The city has storm water regulations which are geared to maintain water quality in Willamette River and other local streams. Land quality is preserved through the city's erosion control regulations and through zone code development regulations. Air quality is preserved through the city's development code regulations which limit certain types of uses in certain zones. Primarily, air quality regulations will continue to be enforced by the appropriate state agencies which govern air emission standards. The revisions to the city's zone code regulations will not impact the quality of air, water, or land resources, and so complies with this goal and with administrative rules that implement this goal.

Goal 7 – Natural Hazards: The purpose of this goal is to protect life and property from hazards resulting from flooding, steep slopes or other natural occurrences. The city has floodplain regulations that govern the placement of structures within identified 100-year floodplains within the city limits. A floodplain is the area that is adjacent to a body of water which may be subject to periodic inundation. In Keizer, these are primarily located along the Willamette River and smaller streams such as Claggett Creek. The floodplains have been mapped by the federal government. With the exception of areas removed from the 100-year floodplain through the Letter of Map Amendment, the 100-year floodplain is the area of greatest concern. While this area is referred to as a

100-year floodplain it is because it has a statistical probability of having a 1% chance of flooding in any one year. The last major 100 year flood event was the 1964 flood. By contrast, the 1996 flood was not a 100 year flood event for Keizer, although clearly there was a significant amount of water flowing through parts of Keizer during that flood event. The intent of the floodplain regulations is to minimize the loss of life and property damage by preventing development, elevating structures above the flood elevation, or flood proofing structures in the floodplain. Only in the area identified as a floodway will most forms of development be prohibited. The floodway is that area that is generally the channels of rivers and streams which during a flood event will experience very significant water depth and velocity flows. The revisions to the zone code will neither impact this goal nor any administrative rules.

Goal 8 – Recreation: This goal requires the city to identify and plan for the current and future recreation needs of the residents of the city. There are a number of parks, playgrounds, and other recreational opportunities within the city limits. The city has an adopted Parks and Recreation Master Plan that details the city's inventory of park facilities and estimates future park needs for the city's future residents. The proposed text amendments to Section 2.403 and 3.101 will have no impact on the recreational activities or uses within the city. Therefore, this goal and any related rules are not applicable.

Goal 9 – Economic Development: The intent of this goal is to ensure that the city plans for its overall economic vitality. The city recently engaged with Marion and Polk Counties and with the City of Salem to conduct a planning study of an economic opportunity analysis for the Salem – Keizer regional area. The study identified potential economic opportunities facing the region so as to better plan to take advantage of identified economic opportunities. A follow up to that study, the Keizer Economic Opportunities Analysis, was undertaken and documented the economic trends and economic opportunities which are geared specifically to Keizer. This study was adopted by the Council in June 2013.

The EOA documenting the composition of employment by industry in Keizer exhibits several large deviations from the statewide composition. The deviations represent Keizer's competitive advantages in the economy, which fall largely in population-driven services. Industry classifications such as Retail Trade, Education & Health, and Food Service & Drinking Places have a high representation locally. These well-represented industries, in combination with economic development goals and input from the stakeholders, were used to devise potential future target industries. Current employment levels by industry were projected forward based on regional job growth estimates and the above target industry goals. The growth forecast calls for a total of 3,774 new jobs over the next 20 years, representing growth of 55% over current levels.

The EOA estimated the need for 160 gross acres of land to accommodate the projected employment growth. An inventory of remaining buildable lands finds

123 acres of buildable land remaining within the city boundary, in the commercial and industrial categories. However, there is no land available that is well-suited for the institutional category, which includes hospitals, higher education facilities, and other uses that figure heavily into the City's economic development strategy. Finally, the EOA shows there is a need for commercial and institutional lands amounting to 63.3 gross acres above and beyond what the City's remaining buildable employment lands can accommodate. Therefore, the proposal is consistent with this goal.

Goal 10 – Housing: This goal requires the city to plan and provide for the housing needs of its residents. The city recently engaged with the City of Salem to conduct a planning study of buildable lands and housing needs analysis for the Salem – Keizer regional area. In a follow up to the regional study the city adopted its own local housing needs analysis geared specifically to Keizer and identified the projected 20 year housing needs for the city. The HNA indicated that over the upcoming 20-year period, that there will be a growth in the number of non-group households by 4,366 households which will represent a population growth of 11,833 new residents. This is consistent with Keizer's adopted 2032 forecast. When the housing needs of the projected 2033 population is compared to the current housing supply, the analysis projects the need for 4,513 new units to house the future population. The HNA documented that the largest share (50%) of one housing type is projected to be single-family detached homes, due to the stronger need for new ownership housing. The remainder of units is projected to be some form of attached housing (46%), or mobile homes (4%). 54% are projected to be ownership units, while 46% are projected to be rental units. The inventory of buildable residential lands finds a current supply of 315.2 acres which are vacant, partially vacant or re-developable. These acres can hold an estimated 2,422 units. The total 20-year unit need (4,513 units) minus this remaining buildable capacity (2,422 units), leaves a remainder of 2,090 units which must be accommodated beyond the City's remaining capacity within its current boundary. When this remaining land need is apportioned to Keizer's residential zones, the HNA estimates a 20-year need for 267 gross acres of residential land, to be accompanied by 43.5 acres of new land for parks to serve this new population, and 10 acres of land for new school facilities. This is a total of 385 gross acres. The proposed amendments to Section 2.403 and 3.101 will allow for the opportunity to construct an accessory residential housing unit which would have a positive, although in all likelihood very slight impact on this goal and on any related rules.

Goal 11- Public Facilities and Services: The intent of this goal is to develop a timely, orderly and efficient arrangement of public facilities and services necessary to serve the residents of Keizer. The city provides its residents with water, sanitary sewer, and an established street system. Administrative services, police services, and public safety services are also provided by the city. Fire protection services are provided by the Keizer Fire District or Marion County Fire District #1. The proposed amendments to Section 2.403 and 3.101 will not impact any of the city's public facilities and services, and so this goal and any rules are not applicable.

Goal 12 – Transportation: The city has an adopted Transportation System Plan that describes the city's transportation systems. This system includes streets, transit bike, and pedestrian systems and outlines future needs and improvements to these facilities. The revisions to Section 2.403 and 3.101 will not impact any of the city's public transportation systems, and so this goal and any implementing rules are not applicable.

Goal 13 – Energy Conservation: This goal seeks to maximize the conservation of energy. All new construction requires compliance for review to applicable energy conservation standards. The proposed text amendments will not affect this goal or implementing administrative rules, and so is determined to be not applicable.

Goal 14 – Urbanization: The intent of this goal to provide for an orderly and efficient transition from rural to urban land use. The city has an adopted Comprehensive Plan and zone code that complies with the goal. The proposed zone code revisions will have no impact on the intent of this goal as it only will involve land that is within the city limits and not the use of land being transitioned from rural to urbanized uses and so this section is not applicable.

Goal 15 – Willamette River: This goal seeks to protect, conserve, maintain the natural, scenic, historical, agricultural, economic and recreational qualities of lands along the Willamette River. While the Willamette River is located along the western flanks of Keizer the proposed text amendments will not impact the Willamette River. The revisions to the city's code regulations will have no impact on the ability of the city to regulate uses along the river or the Willamette River overlay zone regulations and so this goal is not applicable.

Goal 16 (Estuarine Resources), Goal 17 (Coastal Shorelands), Goal 18 (Beaches and Dunes), and Goal 19 Ocean Resources) govern areas along the ocean. Since Keizer is not located along the coast these goals are not applicable

In consideration of the above findings, the proposed zone code revisions to Section 2.403 and 3.101 complies with all applicable statewide land use goals and with all applicable administrative rules which implement the relevant goal.

4. <u>The amendment is appropriate as measured by at least one of the following criteria – Section 3.111.04.D:</u>

a. It corrects identified error(s) in the previous plan.
b. It represents a logical implementation of the plan.
c. It is mandated by changes in federal, state, or local law.
d. It is otherwise deemed by the council to be desirable, appropriate, and proper.

FINDINGS: The proposed text amendment is intended to correct identified errors within the exiting code regulations. In February, the Planning Commission voted to initiate the text amendment process to consider a set of text amendments related to the infill development. This specific topic (accessory residential housing) was forwarded to the City Council because the Planning Commission felt that it was not dependent on that larger discussion.

Currently, this type of housing can be constructed only to the side or to the rear of an existing house. This proposal will allow the option of placing an accessory residential housing unit in the front yard through an alternative design review process in which the applicant would be required to demonstrate that the design of the accessory residential unit through architectural features, landscaping and orientation will be compatible with the surrounding neighborhood and adjoining properties. The revisions will also eliminate the requirement that the accessory unit can be no more than 25% of the primary unit but will retain the existing maximum size limit of 750 square feet. This revision will allow for additional opportunities for this housing type, and will make the regulations simpler to understand. The accompanying revisions to Section 3.101 will create the alternative design review process as a Type I-C process for accessory residential units proposed for front yards.

The proposed amendment to the zone code represents a logical implementation of the Keizer Comprehensive Plan. The proposed amendment is not mandated by any federal, state, or local laws. The city council found that it was appropriate to consider the proposed amendments and that a need was demonstrated for the proposed text amendments. The City Council has, by this adoption, determined that the text revisions are desirable, appropriate, and proper. As such, the proposal complies with this criterion.

2.403 SHARED HOUSING FACILITIES

2.403.01 Two-Family Shared Housing

Where permitted as a special use, two-family shared housing shall meet the following use and development standards. (5/98)

A. Building Conversion. The building to be converted for two-family shared housing must have been constructed as a single-family dwelling, and have been occupied by the owner for any continuous 6 month period between the date of its first occupancy and the date of its conversion to a two-family dwelling. (5/98)

B. Dwelling Units. The building must contain not more than two dwelling units after conversion and there must be not more than 2 dwelling units per lot. (5/98)

C. Area Requirements. One dwelling unit must contain at least 300 square feet of floor area and the other must contain at least 600 square feet of floor area. (5/98)

D. Occupancy. Only one of the two dwelling units may be occupied by a family, which does not include an owner-occupant of the building. (5/98)

E. Ownership. Two-family shared housing under this section shall not be separated in ownership under the provision of ORS Chapter 94 or any other law or ordinance allowing unit ownership of a portion of a building. (5/98)

2.403.02 Accessory Residential Housing

Where permitted as a special use, accessory residential housing shall meet the following use and development standards. (5/98)

A. Location. The accessory residence shall be located within the side or rear yard.

B. An accessory residence may be located in the front yard only if approved through an alternative design review process as specified in Section 3.101.01. The applicant must show that the design of the accessory residential housing unit will be compatible with the surrounding neighborhood and adjoining properties through architectural features, landscaping and orientation, as well as meeting the requirements set forth below.

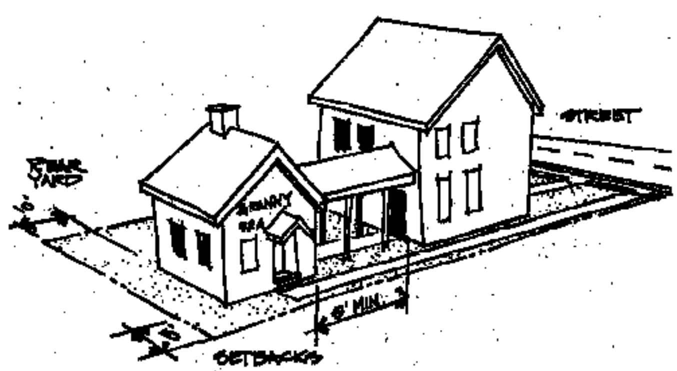


Figure 09 REVOCATION OR REVERSAL
O - Accessory Residential Housing

C. All accessory housing units shall meet the following development standards:

1) Parking – The accessory residential unit shall share the same driveway as the primary residential unit plus shall provide 1 additional parking space.

2) Design - The accessory residential unit shall generally match the design, color, material and textures of the primary residential unit.

3) Screening - The accessory residential unit shall be screened from the street and adjacent properties by a combination of landscaping and trees.

4) Orientation - The accessory residential unit shall be oriented to face the street or an access easement.

5) The accessory residential unit shall be ~~and~~ physically separated from the primary residence by a minimum distance of 5 feet. A covered walkway, which contains no habitable space, may connect the two buildings without violation of the setback requirements. (5/98)

D. Design. The accessory residential unit must be residential in character with an exterior finish similar to the primary residence. A separate address shall be required for each residence. (5/98)

E. Area. The accessory residential unit shall be no larger than ~~25% of the floor area of the primary residence or~~ 750 square feet ~~whichever is lesser~~. (5/98)

F. Setbacks and Height. The minimum rear yard setback shall be 10 feet unless located on an alley in which case the setback shall be 1 foot; the minimum side yard setback shall 5 feet. The maximum height shall be 25 feet. (5/98)

G. Ownership. Accessory residential housing under this section shall not be separated in ownership under the provision of ORS Chapter 94 or any other law or ordinance allowing unit ownership of a portion of a building. (5/98)

H. Dwelling Units. The lot or property shall contain no more than 2 dwelling units. (5/98)

2.403.03 Duplex on a Corner Lot

Where permitted as a special use, a duplex on a corner lot shall meet the following additional use and development standards. (5/98)

A. Lot Area. The corner lot shall contain at least 7,000 square feet. (5/98)

B. Access. Each dwelling unit shall derive its pedestrian and vehicular access from a different street, unless otherwise required by the City Public Works Director. (5/98)

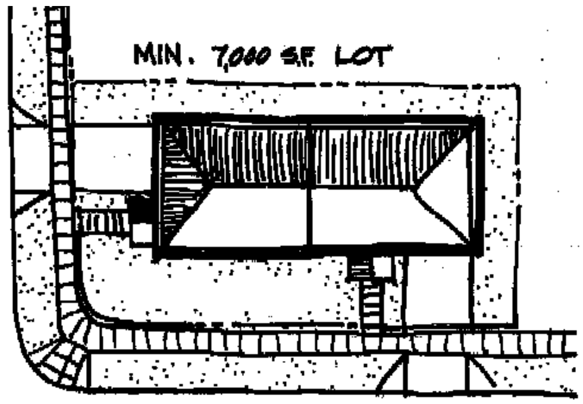


FIGURE EF _TOC168101 \H 459
3.2 - Duplex

3.101 SUMMARY OF APPLICATION TYPES

There are four types of development permits and land use actions, each with its own procedures as found in Chapter 3.2. (5/98)

3.101.01 Type I Action - Summary

Type I actions are administrative reviews processed by the City staff according to the procedures found in Section 3.202.01, 02 & 03. The review standards are generally clear and objective and allow little or no discretion. This process is further divided into four parts: (3/10)

A. Type I-A: A ministerial action reviewed by staff based on clear and objective standards. Conditions may be placed on the decision and notice of the decision is sent only to the applicant. Appeal is to the Hearings Officer. The following actions are processed under the Type I-A procedure: (2/01)

   1. Signs (excluding variances or conditional uses) (5/98)

   2. Temporary Use Permit (3/10)

B. Type I-B: A ministerial action reviewed by staff based on generally clear and objective standards with some discretion afforded to staff. Conditions may be placed on the decision and notice is sent to the applicant and property owners within the required notice area. Appeal is to the Hearings Officer. The Zoning Administrator may refer any application to the Hearings Officer or the City Council for public hearing and decision. The following actions are processed under the Type I-B procedure: (5/98)

   1. Variance (Minor and Sign) (11/05)

   2. Lot Line Adjustment (5/98)

   3. Conditional Use (except Transit Station) (05/09)

   4. Partitions (5/98)

   5. Greenway Development Permit (2/01)

   6. Floodplain Development Permit (including Floodplain Development Permit Variance) (3/10)

C. Type I-C: A ministerial action reviewed by staff based on generally clear and objective standards with some discretion afforded to staff. Conditions may be placed on the decision and notice is sent to the applicant. Appeal is to the Planning Commission. Notice is sent to property owners within the required notice area for public hearing. The Zoning Administrator may refer any application to the Planning Commission or the City Council for public hearing and decision. The following action is processed under the Type I-C procedure:

1. Development Review (2/01)

2. Alternative Design Review for Accessory Residential Housing (Front Yard)

D. Type I-D: A ministerial action reviewed by staff based on generally clear and objective standards with some discretion afforded to staff. Conditions may be placed on the decision and notice is sent to the applicant and property owners within the required notice area. Appeal is to the Planning Commission. The Zoning Administrator may refer any application to the Planning Commission or City Council for public hearing and decision. The following actions are processed under the Type I-D procedure: (07/03)

1. Variance (Major) (07/03)

3.101.02 Type II Actions - Summary

A. A Type II action is a quasi-judicial review in which the Hearings Officer applies a mix of objective and subjective standards that allow considerable discretion. A Type II action follows the procedures found in Section 3.202.04. Staff has an advisory role. The Zoning Administrator may refer any application to the City Council for public hearing and decision bypassing the Hearings Officer. Public notice and a public hearing are provided. Section 3.204 lists the notice requirements. Appeal of a Type II decision is to the City Council. The following actions are processed under a Type II procedure:(2/01)

1. Subdivision (5/98)

2. Planned Unit Development (5/98)

3. Manufactured Home Parks (5/98)

B. Type II-B: A quasi-judicial action in which the City Council applies a mix of objective and subjective standards that allow considerable discretion. Type II-B actions follow the procedures found in Section 3.204.02. Staff has an advisory role. The City Council shall hold a public hearing and make the decision instead of the Hearings Officer. Public notice and a public hearing are provided. Section 3.202 lists the notice requirements. Section 3.206 sets forth the hearings process. The following actions are processed under a Type II-B procedure: (2/03)

1. Transit Station (5/09)

C. Type II-B: A quasi-judicial action in which the Planning Commission applies a mix of objective and subjective standards that allow considerable discretion. Type II-B actions follow the procedures found in Section 3.204.02. Staff has an advisory role. The Planning Commission shall hold a public hearing and make the decision instead of the Hearings Officer. Public notice and a public hearing are provided. Section 3.202 lists the notice requirements. Section 3.206 sets forth the hearings process. The following actions are processed under a Type II-B procedure: (06/11)

1. Nursing and Residential Care Facilities (06/11)

2. Cottage Cluster Developments with the creation of lots (6/14)

3. Cottage Cluster Developments with or without the creation of lots in an RS zone. (6/14)

3.101.03 Type III Actions - Summary

A Type III action is a quasi-judicial process in which the City Council applies a mix of objective and subjective standards. A Type III action follows the procedures found in Section 3.202.04. Staff and the Hearings Officer have advisory roles for Comprehensive Plan Map Amendments and Zone Changes. Staff and Planning Commission have advisory roles for Annexations. Public notice is provided and public hearings are held before the Hearings Officer, Planning Commission and City Council as determined by the application. Section 3.204 lists the notice requirements. In addition to applications by private parties, the City Council, by resolution, may initiate a Type III action. Appeal of the decision is to the Land Use Board of Appeals (LUBA). The following actions are processed under a Type III procedure: (2/01)

A. Comprehensive Plan Map Amendments (involving 5 or fewer adjacent land ownerships) (5/98)

B. Zone Changes (involving 5 or fewer adjacent land ownerships) (5/98)

C. Annexation (5/98)

D. Keizer Station Master Plans which may include Subdivision and Partitioning (4/10)

3.101.04 Type IV Actions - Summary

A Type IV action is a legislative review in which the City considers and enacts or amends laws and policies. A Type IV action follows the procedures found in Section 3.203. Private parties cannot apply for a Type IV action; it must be initiated by City staff, Planning Commission, or City Council. Public notice and hearings are provided in a Type IV process. The following actions are processed under a Type IV procedure: (2/01)

A. Text Amendments to the Comprehensive Plan (5/98)

B. Text Amendments to the Development Code (5/98)

C. Enactment of new Comprehensive Plan or Development Code text (5/98)

D. Comprehensive Plan Map Amendments (involving more than 5 adjacent land ownerships, or, non-adjacent properties) (5/98)

E. Zone Changes (involving more than 5 adjacent land ownerships, or, non-adjacent properties) (5/98)

LAND USE APPLICATION PROCESS (4/10)

LAND USE ACTION	TYPE	STAFF	HEARINGS OFFICER	PLANNING COM-MISSION	CITY COUNCIL
Signs, Temporary Use	I-A	Final Decision	Appeal of Staff Decision		Appeal of H.O. decision
Floodplain Development Permit (including Floodplain Development Permit Variances (3/10)	I-B	Final Decision	Appeal of Staff Decision		Appeal of H.O. decision
Greenway Development Permit	I-B	Final Decision	Appeal of Staff Decision		Appeal of H.O. Decision
Conditional Use (except Transit Station) (05/09)	I-B	Final Decision	Appeal of Staff Decision		Appeal of H.O. Decision
Variance (Minor and Signs)	I-B	Final Decision	Appeal of Staff Decision		Appeal of H.O. Decision
Lot Line Adjustment	I-B	Final Decision	Appeal of Staff Decision		Appeal of H.O. Decision
Partition	I-B	Final Decision	Appeal of Staff Decision		Appeal of H.O. Decision
Transit Station (05/09)	II-B	Recommendation to City Council			Final Decision
Nursing and Residential Care Facilities (06/11)	II-B	Recommendation to Planning Commission		Final Decision	Appeal of Plan Comm Decision

DRAFT to City Council 5-15

LAND USE ACTION	TYPE	STAFF	HEARINGS OFFICER	PLANNING COM-MISSION	CITY COUNCIL
Cottage Cluster Development as a Conditional Use (6/14)	II-B	Recommendation to Planning Commission		Final Decision	Appeal of Plan Comm Decision
Development Review	I-C	Final Decision		Appeal of Staff Decision	Appeal of Planning Commission Decision
Alternative Design Review for Accessory Residential Housing (Front Yard)	I-C	Recommendation to Planning Commission		Final Decision	Appeal of Planning Commission Decision
Variances (Major)	I-D	Final Decision		Appeal of Staff Decision	Appeal of Planning Commission Decision
Subdivision	II	Recommendation to Hearings Officer	Final Decision		Appeal of H.O. Decision
Planned Unit Development	II	Recommendation to Hearings Officer	Final Decision		Appeal of H.O. Decision
Manufactured Home Park	II	Recommendation to Hearings Officer	Final Decision		Appeal of H.O. Decision
Comprehensive Plan Map Amendment	III	Recommendation to Hearings Officer	Recom-mendation to City Council		Final Decision
Zone Change	III	Recommendation to Hearings Officer	Recom-mendation to City Council		Final Decision
Annexation	III	Recommendation to Planning Commission		Recom-mendation to City Council	Final Decision
Keizer Station Master Plan Review	III	Recommendation to Planning Commission		Recom-mendation to City Council	Final Decision

LAND USE ACTION	TYPE	STAFF	HEARINGS OFFICER	PLANNING COM-MISSION	CITY COUNCIL
Text Amendments; Legislative Zone and Comprehensive Plan Map Changes	IV	Recommendation to Planning Commission		Recom-mendation to City Council	Final Decision

COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER: ______________

TO: **MAYOR CLARK AND COUNCIL MEMBERS**

THROUGH: **CHRIS EPPLEY, CITY MANAGER**
SUSAN GAHLSDORF, FINANCE DIRECTOR

FROM: **TIM WOOD, ASSISTANT CONTROLLER**

SUBJECT: **UTILITY LICENSE FEE**

BACKGROUND AND ISSUES:

In accordance with Ordinance No. 2000-436 (Relating to Water Utilities) and Ordinance No. 2010-610 as amended by Ordinance No. 2010-625 (Relating to Stormwater Utilities), the City charges a 5% license fee on the gross amount billed for water and stormwater services, including any direct or indirect charges. Both water and stormwater are services completely managed by the City.

Consistent with water and stormwater fee structure the City charges a 5% license fee on the gross amount billed for sewer services, including any direct or indirect charges. The City of Salem manages the sewer system and allows the City to collect an administrative fee for overseeing the billing and customer remittance process.

Upon review of Ordinance No. 2002-468 as amended by Ordinance No. 2010-626 (Relating to Sewer Utilities), it is not explicitly stated if the City could charge the license fee on the administrative charge included on the utility bill.

In order to be consistent across all utilities, staff is recommending updating the Sewer Utility Ordinance to provide for the 5% license fee on the gross amount billed for sewer services, including direct or indirect charges.

FISCAL IMPACT:

The sewer license fee provides approximately $285,000 to the General Fund of which $17,500 is associated with the license fee on the administrative charge.

RECOMMENDATION:

Staff recommends Council open the public hearing on the proposed utility license fees for sewer utilities. After all public testimony has been received; staff recommends the Council close the public hearing, deliberate on this issue and approve the attached Ordinance Amending the Utility License Fees for Sewer Utilities in the City of Keizer and Declaring an Emergency (Amending Ordinance No. 2002-468; Repealing Ordinance No. 2010-626.

BILL NO. ____ A BILL ORDINANCE NO. 2015-__________

FOR

AN ORDINANCE

AMENDING THE UTILITY LICENSE FEES FOR SEWER UTILITIES IN THE CITY OF KEIZER AND DECLARING AN EMERGENCY **(AMENDING ORDINANCE NO. 2002-468; REPEALING ORDINANCE NO. 2010-626)**

WHEREAS, the City Council of the City of Keizer has adopted Ordinance No. 2002-468 which establishes utility license fees for sewer utilities;

WHEREAS, an amendment to increase the right-of-way use or business license fee from two percent (2%) to five percent (5%) was adopted on June 23, 2003 by Ordinance No. 2003-488;

WHEREAS, an amendment to increase the right-of-way use or business license fee from five percent (5%) to seven percent (7%) was adopted on June 21, 2010 by Ordinance No. 2010-611;

WHEREAS, an amendment to decrease the right-of-way use or business license fee from seven percent (7%) to five percent (5%) was adopted on December 20, 2010 by Ordinance No. 2010-626;

WHEREAS, the City Council finds that it is appropriate to further define the right-of-way fee required to be paid by each Municipal Public Sewer Utility is calculated on all charges connected with providing sewer service;

NOW THEREFORE, the City of Keizer ordains as follows:

Keizer City Attorney

930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

Section 1. AMENDMENT OF ORDINANCE NO. 2002-468. Ordinance No. 2002-468 (An Ordinance Relating to Sewer Utilities in the City of Keizer Establishing Utility License Fees; Declaring an Emergency) is hereby amended at Section 2 as follows:

> Section 2. Fee Required. Each Municipal Public Sewer Utility shall pay to the City a right-of-way use or business license fee as follows: five percent (5%) paid monthly of any and all gross revenues of such public utility received for sewer service within the City for the users thereof, together with any other charges connected with providing sewer service. "Gross Revenue" as the term is used herein will include any and all revenues for providing Sanitary Sewer Services, including any one-time miscellaneous charges. "Other charges connected with providing sewer service" includes, but is not limited to, sewer administration fees.

Section 2. REPEAL OF ORDINANCE NO. 2010-626. Ordinance No. 2010-626 (Amending the Utility License Fees for Sewer Utilities in the City of Keizer and Declaring an Emergency) is hereby repealed in its entirety.

Section 3. EFFECTIVE DATE. This Ordinance being necessary for the immediate preservation of the public health, safety and welfare, an emergency is declared to exist and this Ordinance shall take effect immediately upon its passage.

PASSED this ________ day of ___________________, 2015.
SIGNED this ________ day of ___________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:_________________

TO: **MAYOR CLARK AND CITY COUNCIL MEMBERS**

THROUGH: **CHRIS EPPLEY**
CITY MANAGER

FROM: **BILL LAWYER**
PUBLIC WORKS DIRECTOR

SUBJECT: **REIMBURSEMENT DISTICT APPLICATION FEE**

DATE: **May 26, 2015**

BACKGROUND:

The City Council recently adopted a new Ordinance establishing the process for the formation of Public Improvement Reimbursement Districts. The previous Ordinance regarding this matter was adopted in 2003. The City Council also approved Resolution 2003-1443 establishing the application fee to be charged when a district is proposed and amended by Resolution 2006-1701 providing for indexing of the fee every three years.

Staff has researched costs associated with the review and consideration of the Public Improvement Reimbursement District applications and determined the current fee does not cover the expected City Engineering costs associated with these reviews. The costs for staff time necessary to review these applications and prepare the report to the City Council are also to be considered and should be part of the application fee.

Each application for a Public Improvement Reimbursement District will vary in complexity and scope depending on the type and size of the development. Staff believes setting the application fee to capture the costs of an average development is appropriate and recommends the fee be set at $3,750.00 plus actual publication costs, recording fees, and mailing costs.

FISCAL IMPACT:

The fiscal impact should have minimal effect on the City budget. The fees collected with each application will cover the City's hard costs in most instances.

RECOMMENDATION:

Staff recommends the City Council open the public hearing, receive testimony, close the public hearing, and deliberate the matter and adopt the attached Resolution.

Please contact me with any questions or concerns.

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

ESTABLISHING APPLICATION FEE FOR PUBLIC IMPROVEMENT REIMBURSEMENT DISTRICTS; **REPEAL OF RESOLUTION R2003-1443 AND RESOLUTION R2006-1701**

WHEREAS, the City of Keizer adopted Ordinance No. 2003-485 establishing a process for the formation of public improvement reimbursement districts;

WHEREAS, such Ordinance allowed for establishment of an application fee by Resolution;

WHEREAS, the City Council established the application fee by Resolution R2003-1443;

WHEREAS, the City Council amended the application fee by Resolution R2006-1701;

WHEREAS, the City Council repealed Ordinance No. 2003-485 and adopted Ordinance No. 2015-716 establishing a process for the formation of public improvement reimbursement districts;

WHEREAS, Ordinance No. 2015-716 provides that an application fee is to be established by Resolution;

WHEREAS, the City staff has developed a methodology to establish the fee;

NOW, THEREFORE,

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

BE IT RESOLVED by the City Council of the City of Keizer that an application fee of $3,750.00, plus actual publication costs, recording fees, and mailing costs is adopted for public improvement reimbursement district applications.

BE IT FURTHER RESOLVED by the City Council of the City of Keizer that the application fee for public improvement reimbursement district applications shall automatically be adjusted every three years using the Portland Consumer Price Index for Wage Earners beginning July 1 2018.

BE IT FURTHER RESOLVED by the City Council of the City of Keizer that Resolution R2003-1443 (Establishing Application Fee for Public Improvements Reimbursement Districts) and Resolution R2006-1701 (Application Fee for Public Improvements Reimbursement Districts) are hereby repealed in their entireties.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this __________ day of _________________, 2015.

SIGNED this __________ day of _________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

CITY COUNCIL MEETING: <u>June 1, 2015</u>

AGENDA ITEM NUMBER:___________

TO: MAYOR CLARK AND CITY COUNCIL MEMBERS

THROUGH: CHRIS EPPLEY, CITY MANAGER
SUSAN GAHLSDORF, FINANCE DIRECTOR

FROM: TIM WOOD, ASSISTANT CONTROLLER

SUBJECT: SETTING STORMWATER RATES

BACKGROUND:

During FY12-13 the City reviewed the long range operational funding needs for the Stormwater utility. Staff prepared a plan and first presented it to the Stormwater Advisory Committee (SWAC). Once their questions and issues were resolved, SWAC unanimously recommended the plan be presented to the City Council.

Staff presented the plan to Council at the November 13, 2012 Work Session. The Plan showed that existing staffing levels, contractual services, plant maintenance, operating materials and pipe extension/ repair appropriations were insufficient to maintain the system and meet the regulatory obligations of state and federally mandated permits. Should the City not comply with these mandates it could face heavy fines from the federal government. Adequate funding would require rate increases over the next five years as provided in the Stormwater Long-Range Financial Plan as presented in April 2015.

The following approved rate increases per month per Equivalent Service Unit (ESU) were effective January 1st of the respective year.

2013 - $0.41
2014 - $0.45
2015 - $0.43

Staff recommends funding the Stormwater operations and improvements with an even rate slope at 10%-12% increases annually, adjusted for variances in revenues and expenses each year. An even rate slope will provide equitability to customers; today's customers will not pay for benefits to future customers and future customers will not be burdened with costs incurred today. This increase equates to approximately $0.40 per ESU per month each year over the five-year plan.

The FY15-16 City Budget (scheduled for discussion on tonight's agenda) includes a $0.40 monthly ESU rate increase beginning January 2016. Implementing the increase in January is congruent with the Sewer Rate Increase scheduled to go into effect at that time. Staff recommends this schedule so that customers have only one public utility rate increase during the year. Attachment #1 shows the impact of the increase on the bill for select customers from each customer class (Single-Family, Multi-Family and Commercial).

FISCAL IMPACT:

A $0.40 monthly ESU increase will bring in an additional $54,000 in revenue in fiscal year 2015-2016.

RECOMMENDATION:

Staff recommends Council open the public hearing on the proposed stormwater rate increases. After all public testimony has been received, staff recommends the Council close the public hearing, deliberate on this issue and approve the attached Resolution, setting new stormwater rates and amending Resolution R2014-2504, if it so chooses.

City of Keizer
Stormwater Rate Comparison
FY15-16 Budget

Rates Effective January 1, 2015

	Rate	ESUs	Monthly	Bi-Monthly
Monthly	**$5.110**			**$10.220**
Safeway		86	$ 439.46	$ 878.92
Whiteaker Middle School		94	$ 480.34	$ 960.68
Hidden Creek Apartments		44	$ 224.84	$ 449.68
Single Family Residential		1	$ 5.11	$ 10.22

Proposed Rates January 1, 2016

	Rate	ESUs	Monthly	Bi-Monthly
Monthly	**$5.510**			**$11.020**
Safeway		86	$ 473.86	$ 947.72
Whiteaker Middle School		94	$ 517.94	$ 1,035.88
Hidden Creek Apartments		44	$ 242.44	$ 484.88
Single Family Residential		1	$ 5.51	$ 11.02

Difference in Rate Increase

	Rate	ESUs	Monthly	Bi-Monthly
Monthly	**$0.400**			**$0.800**
Safeway		86	$ 34.40	$ 68.80
Whiteaker Middle School		94	$ 37.60	$ 75.20
Hidden Creek Apartments		44	$ 17.60	$ 35.20
Single Family Residential		1	$ 0.40	$ 0.80

Top 15 rate payers pay 11% of the Stormwater fees excluding Street Fund
Top 15 rate payers pay 8% of the Stormwater fees including Street Fund

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AMENDING THE STORMWATER UTILITY FEE AND DECLARING AN EMERGENCY **(AMENDING RESOLUTION R2014-2504)**

WHEREAS, the City Council of the City of Keizer has adopted Resolution R2014-2504 which imposed a stormwater utility fee;

WHEREAS, an amendment to increase the stormwater utility fee has been brought to the City Council of the City of Keizer for consideration;

WHEREAS, the City Council held a public hearing with regard to the proposed increase on June 1, 2015;

WHEREAS, the City Council finds that it is appropriate to increase the stormwater utility fee in the City of Keizer;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that Resolution R2014-2504 (Imposing a Stormwater Utility Fee) is hereby amended at Section 2, Section 3, and Section 4 as follows:

Section 2. Stormwater Utility Fee Imposed. A stormwater utility fee is hereby imposed at the rate of $5.51 per ESU per month.

Section 3. Single Family/Duplex/Mobile Home Space Stormwater Utility Fee. Single Family units, Duplex units and Mobile/Manufactured Home units shall pay the following stormwater utility fee:

a. Single Family Residence: $5.51 per month
b. Duplex: $5.51 per month
c. Mobile/Manufactured Home Units: $5.51 per month per space or lot

Section 4. Stormwater Utility Fee for All Other Improved Property. All other Improved Property within the City of Keizer not listed in Section 3 above,

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

including, but not limited to multifamily residential, assisted living/retirement homes, commercial, industrial and public properties shall pay $5.51 per month per ESU as calculated for the specific property. This calculation shall be done by or at the direction of the Public Works Director. Any property owner or responsible party may appeal the determination or calculation of the stormwater utility fee as set forth in Ordinance No. 2014-707, Section 8 (Administrative Review – Appeals).

BE IT FURTHER RESOLVED by the City Council of the City of Keizer that the amended stormwater utility fees imposed under this Resolution shall be charged beginning with the January 2016 billing period.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this __________ day of _________________, 2015.

SIGNED this __________ day of _________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

COUNCIL MEETING: **June 1, 2015**

AGENDA ITEM NUMBER: ______________

TO: **MAYOR CLARK AND COUNCIL MEMBERS**

THROUGH: **CHRIS EPPLEY, CITY MANAGER**
SUSAN GAHLSDORF, FINANCE DIRECTOR

FROM: **TIM WOOD, ASSISTANT CONTROLLER**

SUBJECT: **SETTING WATER RATES**

BACKGROUND AND ISSUES:

Staff has completed the Water Rate Model update for fiscal year 2015-2016. The model is a cost of service model (COSA) and is the method adopted by the City Council in 2002 and modified in 2004. The modification in 2004 combined the Single-Family and Multi-Family customer classes so that fixed rates and consumption rates are the same for both classes.

During FY12-13 Council approved a new Water Master Plan, which includes $10 million of infrastructure improvements over the next twenty years. Staff recommends funding this cost with an even rate slope at 4%-5% increase annually, adjusted for variances in revenues and expenses each year. An even rate slope will provide equitability to customers; today's customers will not pay for benefits to future customers and future customers will not be burdened with costs incurred today.

The FY15-16 City Budget (scheduled for discussion on tonight's agenda) includes a 4.0% rate increase beginning January 2016. Implementing the increase in January is congruent with the Sewer Rate increase scheduled to go into effect at that time. Staff recommends this schedule so that customers have only one public utility rate increase during the fiscal year.

Attachment #1 shows the impact of the rate increase on the average customer bill for each customer class (Single-Family, Multi-Family and Commercial). Attachment #2 shows a comparison of existing water rates with proposed water rates.

FISCAL IMPACT:

A 4.0% system-wide increase effective January 1, 2016 will bring in an estimated $45,000 in additional revenue in fiscal year 2015-2016.

RECOMMENDATION:

Staff recommends Council open the public hearing on the proposed water rate increases. After all public testimony has been received, staff recommends the Council close the public hearing, deliberate on this issue and approve the attached Ordinance, setting new water rates and repealing Ordinance 2014-688, if it so chooses.

Attachment One

City of Keizer
Water Rate Comparison for Average Accounts
Long-Range Rate Proposal
FY15-16

	Flat Rate		Consumption		Total	
Rate January 2015	Monthly	Bi-Monthly	Monthly	Bi-Monthly	Monthly	Bi-Monthly
Single Family Residential (1300 ccf)	$ 4.77	$ 9.54	$ 8.06	$ 16.12	$ 12.83	$ 25.66
Multi-family (17500 ccf)	$ 9.69	$ 19.38	$ 108.50	$ 217.00	$ 118.19	$ 236.38
Commercial (5100 ccf)	$ 4.77	$ 9.54	$ 30.35	$ 60.69	$ 35.12	$ 70.23

Rate January 2016	Monthly	Bi-Monthly	Monthly	Bi-Monthly	Monthly	Bi-Monthly
Single Family Residential (1300 ccf)	$ 4.96	$ 9.92	$ 8.38	$ 16.76	$ 13.34	$ 26.69
Multi-family (17500 ccf)	$ 10.08	$ 20.16	$ 112.84	$ 225.68	$ 122.92	$ 245.84
Commercial (5100 ccf)	$ 4.96	$ 9.92	$ 31.56	$ 63.12	$ 36.52	$ 73.04

Cost Increase January 2016	Monthly	Bi-Monthly	Monthly	Bi-Monthly	Monthly	Bi-Monthly
Single Family Residential (1300 ccf)	$ 0.19	$ 0.38	$ 0.32	$ 0.64	$ 0.51	$ 1.03
Multi-family (17500 ccf)	$ 0.39	$ 0.78	$ 4.34	$ 8.68	$ 4.73	$ 9.46
Commercial (5100 ccf)	$ 0.19	$ 0.38	$ 1.21	$ 2.43	$ 1.40	$ 2.81

	Annual Cost
Single Family Residential (1300 ccf)	$ 6.16
Multi-family (17500 ccf)	$ 56.73
Commercial (5100 ccf)	$ 16.86

Attachment Two

City of Keizer
Water Rate Increase Comparison

Water User Fees - bi-monthly charge	Effective January 2015	Effective January 2016	$ Increase	% Increase
5/8" or 3/4"meter	$ 9.54	$ 9.92	$ 0.38	4.0%
1" meter	$ 19.38	$ 20.16	$ 0.78	4.0%
1 1/2" meter	$ 37.48	$ 38.98	$ 1.50	4.0%
2" meter	$ 59.23	$ 61.60	$ 2.37	4.0%
3" meter	$ 115.15	$ 119.76	$ 4.61	4.0%
4" meter	$ 182.51	$ 189.81	$ 7.30	4.0%
6" meter	$ 363.71	$ 378.26	$ 14.55	4.0%
8" meter	$ 622.88	$ 647.80	$ 24.92	4.0%
Volume rate - $/ccf				
Residential	$ 1.24	$ 1.29	$ 0.05	4.0%
Commercial	$ 1.19	$ 1.24	$ 0.05	4.0%
Private Fire Protection				
4"	$ 26.58	$ 27.64	$ 1.06	4.0%
6"	$ 73.85	$ 76.80	$ 2.95	4.0%
8"	$ 155.07	$ 161.27	$ 6.20	4.0%
10"	$ 265.84	$ 276.47	$ 10.63	4.0%
Miscellaneous Water Service Fees				
Service fee	$ 18.13	$ 18.86	$ 0.73	4.0%
Shut off processing fee	$ 36.25	$ 37.70	$ 1.45	4.0%
After hours fees	$ 90.63	$ 94.26	$ 3.63	4.0%
Tampering fee	$ 36.25	$ 37.70	$ 1.45	4.0%
Removal of meter following third tampering incident	cost + 15%	cost + 15%		

BILL NO. ____ A BILL ORDINANCE NO. 2015-__________

FOR

AN ORDINANCE

SETTING WATER RATES (2016); REPEALING ORDINANCE NO. 2014-688

WHEREAS, the City Council adopted Ordinance No. 2014-688 on June 2, 2014 which imposed water rates;

WHEREAS, an amendment to increase the water rates has been brought to the City Council for consideration;

WHEREAS, the City Council held a public hearing with regard to the proposed increase on June 1, 2015;

WHEREAS, the City Council finds that it is appropriate to increase the water rate in the City of Keizer;

WHEREAS, the City Council finds that it is appropriate to repeal Ordinance No. 2014-688 effective January 1, 2016 so there is no confusion as to the adopted water rates;

NOW, THEREFORE,

The City of Keizer ordains as follows:

Section 1. <u>WATER RATES.</u> Water rates for the Keizer Water Department are imposed as set forth on Exhibit "A" attached hereto and by this reference incorporated herein.

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

Section 2. REPEAL OF ORDINANCE NO. 2014-688. Ordinance No. 2014-688 is hereby repealed on January 1, 2016.

Section 3. EFFECTIVE DATE. This Ordinance shall take effect for the January 2016 billings and all successive billings.

PASSED this ________ day of ___________________, 2015.

SIGNED this ________ day of ___________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

Exhibit "A"

Water User Fees - bi-monthly charge

5/8" or 3/4"meter	$	9.92
1" meter	$	20.16
1 1/2" meter	$	38.98
2" meter	$	61.60
3" meter	$	119.76
4" meter	$	189.81
6" meter	$	378.26
8" meter	$	647.80

Volume rate - $/ccf

Residential	$	1.29
Commercial	$	1.24

Private Fire Protection

4"	$	27.64
6"	$	76.80
8"	$	161.27
10"	$	276.47

Miscellaneous Water Service Fees

Service fee	$	18.86
Shut off processing fee	$	37.70
After hours fees	$	94.26
Tampering fee	$	37.70
Removal of meter following third tampering incident	cost + 15%	

The Service fee will be charged for all new accounts, account transfers, landlord/rentals and vacation accounts. The service fee will not be charged for customers voluntarily terminating service or moving out.

The Shut off processing fee will be charged for all accounts remaining unpaid as of the day of shut off, whether or not such meter is physically shut off.

The After hours fee will be charged to customers requesting water to be turned on after regular business hours. This fee does not apply to emergency calls.

The Tampering fee will be charged to all customers whose water has been shut off if they turn the water back on themselves or otherwise tamper with the water meter or City water equipment.

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:____________

TO: MAYOR CLARK AND COUNCIL MEMBERS

THROUGH: CHRISTOPHER C. EPPLEY, CITY MANAGER

FROM: E. SHANNON JOHNSON, CITY ATTORNEY

SUBJECT: AMENDING ADMINISTRATIVE SERVICES FEES TO ADD ADMINISTRATIVE FEE FOR CERTIFYING DELINQUENT SEWER ACCOUNTS TO COUNTY ASSESSOR

Council adopted administrative services fees in 2014 by Resolution R2014-2453 and an administrative costs for certifying delinquent sewer accounts to the County Assessor in 1990 by Ordinance 90-163. The fee set forth in Ordinance 90-163 is outdated and no longer reimburses the City for its costs relating to the administration of certifying the delinquent sewer accounts to the County. Staff is recommending that the administrative costs for certifying delinquent sewer accounts be added to the administrative services fees Resolution and that the Ordinance be amended to refer to the Council adopted Resolution. In this manner, the administrative fee for certifying the delinquent sewer accounts to the Council will automatically adjust every three years and will not become outdated.

RECOMMENDATION:

Open the public hearing on the proposed fee changes and take testimony. Once testimony is taken, close the public hearing and deliberate on staffs' proposed fees. If you have no further questions, adopt the attached documents in the following order:

1. Ordinance Amending the Ordinance Adopting Waste Water Collection and Disposal System Rules and Regulations and Declaring an Emergency (Amending Ordinance No. 90-163).
2. Resolution Amending Fees for Certain Administrative Services; Amending Resolution R2014-2453; Repealing Resolution R2014-2482.

Please contact me if you have any questions in this regard. Thank you.

ESJ/tmh

BILL NO. ____ | A BILL | ORDINANCE NO. 2015-__________

FOR

AN ORDINANCE

AMENDING THE ORDINANCE ADOPTING WASTE WATER COLLECTION AND DISPOSAL SYSTEM RULES AND REGULATIONS AND DECLARING AN EMERGENCY **(AMENDING ORDINANCE NO. 90-163)**

WHEREAS, the City Council of the City of Keizer has adopted Ordinance No. 90-163 which adopted the wastewater collection and disposal system rules and regulations;

WHEREAS, Ordinance No. 90-163 allows a ten dollar ($10) administrative cost for each certification to the Marion County Assessor for assessment and collection;

WHEREAS, the City Council finds that the ten dollar ($10) administrative cost does not reimburse the City for its costs relating to the administration of certifying accounts to the County Assessor for collection;

WHEREAS, the City Council wishes to revise the Ordinance to allow for the recovery of reasonably calculated administration costs by adoption of the fee by Resolution;

NOW THEREFORE, the City of Keizer ordains as follows:

Section 1. AMENDMENT OF ORDINANCE NO. 90-163. Ordinance No. 90-163 (An Ordinance Adopting Waste Water Collection and disposal System Rules and Regulations) is hereby amended at Section 1(E) by deleting the phrase "ten dollar ($10) administrative cost for each such certification to the Marion County Assessor for

Keizer City Attorney

930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

assessment and collection" and replacing it with the following phrase: "an administrative cost for each such certification to the Marion County Assessor for assessment and collection as established by Resolution."

Section 2. <u>EFFECTIVE DATE.</u> This Ordinance being necessary for the immediate preservation of the public health, safety and welfare, an emergency is declared to exist and this Ordinance shall take effect immediately upon its passage.

PASSED this ________ day of ___________________, 2015.

SIGNED this ________ day of ___________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AMENDING FEES FOR CERTAIN ADMINISTRATIVE SERVICES; **AMENDING RESOLUTION R2014-2453; REPEALING RESOLUTION R2014-2482**

WHEREAS, the City Council adopted fees for administrative services by Resolution R2014-2453;

WHEREAS, the City Council amended fees for administrative services by Resolution R2014-2482;

WHEREAS, the City certifies delinquent sewer accounts to the County Assessor for collection each year;

WHEREAS, the City may establish fees reasonably calculated to reimburse it for its administration of the certification;

WHEREAS, the City wishes to revise the fee schedule to add an administration fee for certifying delinquent sewer accounts to the County Assessor for collection;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that Resolution R2014-2453 is amended by replacement of Exhibit “A” with the attached Exhibit “A” and the fees shall be charged to accordingly.

BE IT FURTHER RESOLVED by the City Council of the City of Keizer that the

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

administration fee for certifying delinquent sewer accounts to the County Assessor for collection shall automatically be adjusted beginning July 2015 as directed in Resolution R2014-2453.

BE IT FURTHER RESOLVED that Resolution R2014-2482 is hereby repealed in its entirety.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this __________ day of _________________, 2015.

SIGNED this __________ day of _________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

EXHIBIT "A"

Return Check Fee (NSF Check)	$25.00
Electronic Lien Search Request	$25.00
Three Return Checks within one year	$81.00
Records search (requests taking less than 30 minutes)	$6.00 (after first 15 minutes. First 15 minutes no charge.)
Records search (requests taking 30 minutes or more)	Flat fee for records searches taking less than 30 minutes (see above) plus the hourly rate of staff person conducting the research including benefits for any additional time more than 30 minutes
Photocopies	$0.25 per page (1-10) $0.19 per page (11+)
City Recorder Certification	$6.00
DVD/CD reproduction	$15.00 per DVD/CD
Bound Documents (10-50 pages)	$12.00
Bound Documents (50 plus)	$19.00
Pre-printed maps 8.5" x 11"	$0.43 sheet
Pre-printed maps 11" x 17"	$6.00 sheet
Pre-printed maps over 11" x 17"	$12.00 sheet
Custom Printed Maps 8.5" x 11"	$2.50 sheet
Custom Query Maps 8.5" x 11"	$12.00 sheet
Custom Printed Maps over 8.5" x 11"	$19.00 sheet
Custom Query Maps over 8.5" x 11"	$43.00 sheet
GIS Mapping Data Files-Existing Layer	$81.00 megabyte or portion

GIS Mapping Data Files-Custom Query	$124.00 megabyte or portion
Police Incident Report (one copy at no charge to crime victims, excluding traffic accidents)	$12.00 (+$.25 per page over 10 pages)
Photos	$12.00 plus cost of duplication
Police Photos (DVD Disc)	$12.00
Police Letters of Clearance	$6.00
Police Computer Scan Request	$6.00
Fingerprints	$25.00
Officer Exam Fee	actual cost
Faxes (based on local rates)	
Long Distance (cover sheet free)	
1st page	$2.49
Each additional page	$1.49
Local (cover sheet free)	
1st page	$1.49
Each additional page	$1.09
Administration Fee (certifying each delinquent sewer account to County Assessor)	$37.00

COUNCIL MEETING: June 1, 2015
AGENDA ITEM NUMBER: ________

TO: MAYOR CLARK AND CITY COUNCIL MEMBERS

THROUGH: CHRISTOPHER EPPLEY, CITY MANAGER
SUSAN GAHLSDORF, FINANCE DIRECTOR

FROM: TIM WOOD, ASSISTANT CONTROLLER

SUBJECT: PUBLIC HEARING ON THE DECLARATION OF THE CITY'S ELECTION TO RECEIVE STATE REVENUES AND CERTIFYING THE CITY PROVIDES FOUR OR MORE MUNICIPAL SERVICES

Oregon law requires cities to annually pass a resolution requesting state revenue sharing money. State law also provides that a city located within a county having more than 100,000 inhabitants must provide four or more municipal services to be eligible to receive state-shared revenue. This fact must be certified by the Oregon Office of Business Administration and supported by a city resolution.

Oregon law also requires the City of Keizer hold a public hearing to give the citizens of Keizer the opportunity to comment on the use of State Revenue Sharing funds.

FISCAL IMPACT:

Approximately $340k in State Shared Revenues is anticipated in fiscal year 2015-2016.

RECOMMENDATION:

Staff recommends Council open the public hearing to receive comment on the proposed use of State Revenue Sharing funds. After comments are received, if any, Staff recommends the Council close the public hearing and deliberate on any potential changes. If no changes are made, Council should adopt the two attached resolutions, so that the City may receive State Shared Revenues. If changes are made, staff will prepare a revised resolution for adoption at the June 15, 2015 council meeting.

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES

The City Council of the City of Keizer resolves as follows:

Pursuant to ORS 221.770, The City Council of the City of Keizer hereby elects to receive state revenues for fiscal year 2015-2016.

BE IT FURTHER RESOLVE that this Resolution shall take effect immediately upon the date of its passage.

PASSED this _____ day of ___________________, 2015.

SIGNED this _____ day of ___________________, 2015.

____
Mayor

____
City Recorder

I certify that public hearings before the Budget Committee were held on May 5th, 7th and 12th and a public hearing before the City Council was held on June 1, 2015, giving citizens opportunity to comment on use of State Revenue Sharing.

____
City Recorder

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

CERTIFYING THAT THE CITY OF KEIZER PROVIDES FOUR OR MORE MUNICIPAL SERVICES

WHEREAS, ORS 221.760 provides as follows:

Section 1. The officer responsible for disbursing funds to cities under ORS 323.455, 366.785 to 366.820 and 471.805 shall, in the case of a city located within a county having more than 100,000 inhabitants according to the most recent federal decennial census, disburse such funds only if the city provides four or more of the following services:

1) Police protection

2) Fire protection

3) Street construction, maintenance and lighting

4) Sanitary sewer

5) Storm sewers

6) Planning, zoning and subdivision control

7) One or more utility services

WHEREAS, city officials recognize the desirability of assisting the state officer responsible for determining the eligibility of cities to receive such funds in accordance with ORS 221.760; NOW THEREFORE,

BE IT RESOLVED that the City of Keizer hereby certifies that it provides the following four or more municipal services enumerated in Section 1, ORS 221.760:

1) **Police protection**
2) **Street construction, maintenance and lighting**
3) **Storm sewers**
4) **Planning, zoning and subdivision control**
5) **Water utility services**

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this _____ day of ____________________, 2015.

SIGNED this _____ day of ____________________, 2015.

____
Mayor

____
City Recorder

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER: ________________

TO: MAYOR CLARK AND CITY COUNCIL MEMBERS

THROUGH: CHRIS EPPLEY, CITY MANAGER
SUSAN GAHLSDORF, FINANCE DIRECTOR

FROM: TIM WOOD, ASSISTANT CONTROLLER

SUBJECT: RESOLUTION - CERTIFICATION OF STREET LIGHTING DISTRICT (SLD) ASSESSMENTS

The fiscal year 2015-16 Street Lighting District assessments, by district, are shown on the attached exhibit "A". These assessments must be certified to the Marion County Assessor's office by June 30, 2015 in order to be assessed on the November 2015 tax rolls. These assessments were noticed to the public in the May 22, 2015 edition of the Keizertimes.

On average the FY15-16 assessment is approximately 30% less than the FY14-15 assessment as the result of applying credits received during FY14-15 from Salem Electric and Portland General Electric to the lighting districts they respectively service. This represents on average an $18 cost savings to the property owner.

FISCAL IMPACT:

Staff has calculated $316,880.71 as the total assessments for the November 2015 tax rolls.

RECOMMENDATION:

Staff recommends council open the public hearing on the Street Lighting District Assessments for fiscal year 2015-16. After testimony, staff recommends council close the public hearing and deliberate this issue. After which, staff recommends the council adopt the attached resolution, certifying the Street Lighting District Assessments, by tax account, to the Marion County Assessor for collection, if it so chooses.

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

CERTIFICATION OF LIGHTING DISTRICT ASSESSMENTS

BE IT RESOLVED by the City Council of the City of Keizer that Keizer has determined and computed the amount of money necessary to be raised by assessment to cover funds spent to operate and maintain certain street lighting facilities within Keizer, including administrative costs for a total of $316,880.71; and

BE IT FURTHER RESOLVED that Keizer certifies Exhibit "A" attached hereto, is a true and correct list of the properties within the various lighting assessment district in Keizer giving the proper assessment and apportionment of costs and expenses to be assessed against the respective properties for operation and maintenance of street lighting facilities for the year; and

BE IT FURTHER RESOLVED that Exhibit "A" attached hereto, is certified to the County Assessor to be added to the appropriate tax accounts for the respective properties indicated. The totals include the administrative fee of $4.05 per assessed lot.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this _____ day of ____________________, 2015.

SIGNED this _____ day of ____________________, 2015.

Mayor____________________________

City Recorder______________________

CITY OF KEIZER
"EXHIBIT A"
CERTIFICATION OF
LIGHTING DISTRICT ACCOUNTS
ASSESSMENT YEAR 2015-16

DISTRICT #	DISTRICT NAME	TOTAL PER DISTRICT	PER LOT OR FRONT FOOTAGE	
008	MARDELL	$ 3,480.46	$ 17.23	
012	WILARK PARK ST LTG	9,082.00	47.80	
014	MAI LIN	5,211.29	17.97	
015	APPLEBLOSSOM	2,223.76	25.27	
017	RIVERCREST	8,850.90	27.15	
018	IVY WAY	2,821.49	23.71	
019	ARNOLD WAY	621.20	15.53	
022	NORTHVIEW	2,285.88	26.58	
023	MCNARY HGHTS	4,862.88	55.26	
024	CEDAR PARK ST LGHT	1,055.83	55.57	
025	MENLO	843.48	31.24	
026	SHADY LANE	1,892.86	0.3541	FRONT FOOT
028	NORTHWOOD PARK #1	3,029.18	61.82	
034	GREENWOOD	1,069.29	0.2825	FRONT FOOT
041	WILARK PARK #6	652.32	36.24	
042	WILARK PARK ANN #7	644.00	40.25	
043	NORTHWOOD PARK #2	2,405.42	55.94	
044	MAI-LIN DISTRICT #2	386.76	17.58	
045	MCLEOD PARK	1,306.08	36.28	
046	LANCER PARK	1,503.36	41.76	
047	HILLIGOSS	439.18	31.37	
048	CARLHAVEN ADDITION	353.08	12.61	
049	WINDSOR ESTATES	1,208.65	52.55	
050	WHITAKER PARK	4,005.30	51.35	
079	ANDREW PARK	789.60	52.64	
080	GLYNBROOK	1,681.00	41.00	
081	LAWNDALE SUB	1,981.86	58.29	
082	NORTHWOOD PARK #4	6,690.46	68.27	
083	PALMA CIEA #5	640.64	29.12	
084	WILARK PARK ANN #5	844.74	46.93	
086	HICKS JONES	5,286.34	0.2839	FRONT FOOT
087	CARLHAVEN ADD #2	400.68	14.31	
094	WILL MANOR 4	919.54	39.98	
095	WHEATLAND LN	400.05	57.15	
096	NORTHTREE ESTATES	6,563.00	65.63	
097	CHEMAWA PARK	1,373.94	76.33	
108	MCLEOD PARK #2	1,101.87	40.81	
120	CHEMAWA EST #1	1,478.10	49.27	
122	SIX SUBDIVISION	333.04	14.48	
126	MCLEOD ESTATES	3,199.02	43.23	
128	CHEHALIS SUB	289.28	18.08	

CITY OF KEIZER
"EXHIBIT A"
CERTIFICATION OF
LIGHTING DISTRICT ACCOUNTS
ASSESSMENT YEAR 2015-16

DISTRICT #	DISTRICT NAME	TOTAL PER DISTRICT	PER LOT OR FRONT FOOTAGE
129	DENNIS LANE N	1,303.33	30.31
130	CRESTWOOD VILLAGE	434.76	36.23
131	CHEMAWA EST #2	1,688.10	49.65
132	CHARLOTTE	1,147.95	25.51
141	PALMA CIEA	12,572.00	28.00
142	RIVERVIEW N	755.45	26.05
143	MEADOWBROOK	299.79	33.31
144	JUNIPER	591.20	29.56
146	TERRACE GLEN	809.44	50.59
147	WEDGEWOOD ESTATE	820.48	25.64
148	JULIE ESTATES	1,230.40	61.52
150	KEPHART	1,421.60	35.54
159	JOHNISEE ADDN	301.47	23.19
161	WALENWOOD SUB	155.34	17.26
162	WARNER PARK	160.60	16.06
163	SPRINGTIME PK SUB	642.15	42.81
164	STONEHEDGE ESTATE	4,828.00	48.28
165	RIVERVIEW N #2	761.60	27.20
181	TIMBERVIEW SUB	5,387.48	37.94
182	VISTAVIEW ESTATE #2	1,822.80	30.38
183	NORTHRIDGE PARK	655.68	20.49
184	JUNIPER #2 SUBDIV	857.85	40.85
185	KEIZER HEIGHTS	1,656.96	25.89
191	CLARK ST NE	346.92	12.39
192	FRIENDSHIP ADDITION	332.40	27.70
193	TEN AT MCNARY	860.86	61.49
194	BUCHOLZ ADDITION	440.37	20.97
195	PARKLAWN ADDITION	263.16	43.86
205	GLYNBROOK II N	1,938.87	45.09
206	FOUR WINDS ADDN N	3,686.31	29.97
207	FERNBROOK	974.22	24.98
208	EDEN ESTATES	1,799.28	42.84
209	COUNTRY CLUB EST	1,220.24	43.58
212	LAWNDALE I SUB PH-2	1,759.68	45.12
213	STONEHEDGE EST II	3,360.64	37.76
215	GARY ST	719.28	19.44
216	ARNOLD ST #2	551.08	23.96
217	FOUR WINDS III	325.20	16.26
218	GREENWAY	495.36	27.52
219	NOON AVE	763.84	23.87
220	STONEHEDGE EST III	1,245.76	38.93

CITY OF KEIZER
"EXHIBIT A"
CERTIFICATION OF
LIGHTING DISTRICT ACCOUNTS
ASSESSMENT YEAR 2015-16

DISTRICT		TOTAL PER DISTRICT	PER LOT OR FRONT FOOTAGE
#	NAME		
221	STONEHEDGE EST 4&5	1,427.24	46.04
227	WILLOW LAKE EST	1,907.84	43.36
228	THE MEADOWS PH-1	3,131.52	55.92
231	FOURWINDS II	381.92	23.87
232	WHITAKER HGTS	1,564.86	47.42
234	THE MEADOWS PH-3	1,957.20	55.92
235	THE MEADOWS PH-2	2,069.04	55.92
236	THE MEADOWS PH-4	2,180.88	55.92
237	ORCHARD CREST	1,888.92	35.64
238	STONEHEDGE EST #6	1,430.96	46.16
239	SPRINGMEADOW EST	3,434.44	3,434.44
241	WILLOW LAKE 2&3	3,848.64	40.09
246	CHERRYLAWN CT NE	304.00	38.00
247	ORCHARD CREST PH-3	1,535.45	43.87
248	MAX CT	476.70	47.67
249	THE MEADOWS PH-5	2,348.64	55.92
250	ORCHARD CREST PH-2	1,911.18	36.06
251	RIVERCREST PH-1&2	1,339.80	30.45
253	THE MEADOWS PH-6	1,733.52	55.92
254	THE MEADOWS PH-7	1,789.44	55.92
255	TIMBERVIEW PH-3	1,653.68	59.06
256	APPLETREE PH-1,2,3	2,870.10	63.78
257	BRIARWOOD	2,384.78	2,384.78
258	HIDDEN CRK EST PH-1	3,208.27	86.71
259	CATERWOOD ESTATES	2,273.07	44.57
260	PARKMEADOW APTS	940.24	940.24
261	NORTHRUP/NORTHSHIRE	359.76	29.98
262	COUNTRY GLEN EST	9,155.65	49.49
263	FIRCONE	1,698.82	58.58
264	HIDDEN CRK EST PH-2	829.76	51.86
265	CLEARLAKE SUBDIV	2,642.57	53.93
266	SPRINGRIDGE EST	1,708.48	53.39
267	THE RIDGE	1,239.26	56.33
268	NORTHSIDE ESTATES	2,163.33	50.31
269	HOMESTEAD/CLEARVIEW	251.80	25.18
270	HONEYSUCKLE	902.00	36.08
272	LARSON PARK SUBDIV	428.88	35.74
273	BAILEY ESTATES	414.00	41.40
274	STICKLES ADDITION	229.86	25.54
275	CEDAR BLUFF SUBDIV	1,612.17	59.71
276	ABT KOUFAX LN	1,394.58	63.39

CITY OF KEIZER
"EXHIBIT A"
CERTIFICATION OF
LIGHTING DISTRICT ACCOUNTS
ASSESSMENT YEAR 2015-16

DISTRICT		TOTAL PER	PER LOT OR FRONT
#	NAME	DISTRICT	FOOTAGE
277	HIDDEN CREEK PH-3	757.02	22.94
278	HOLLY LN/ALDER DR NE	247.68	27.52
282	3RD AVE N	1,288.20	22.60
283	HIDDEN CREEK PH-4	1,017.90	67.86
284	JACOBE ESTATES SUB	786.30	78.63
285	PRAIRIE EST	6,922.92	74.44
286	TECUMSEH ESTATES	1,053.99	50.19
287	TEPPER E SUB	1,736.28	62.01
288	WESTMORE	835.92	34.83
292	PINEHURST ESTATES	3,019.29	52.97
293	LEEWOOD MEADOWS	2,278.26	42.19
294	BROWER PLACE	1,611.38	51.98
295	HIGHLANDS ESTATES	3,035.40	50.59
296	JACOBE ESTATES PH2	1,004.76	55.82
297	BAHNSEN WOODS EST	3,003.00	50.05
298	FOREST RIDGE EST	2,637.80	47.96
299	WHEATLAND TERRACE	662.85	44.19
300	WATERFORD	2,651.39	54.11
306	ROCKLEDGE ADDITION	639.68	39.98
307	WITTENBERG	1,085.59	1,085.59
308	JORDON RUN	466.51	42.41
309	PRAIRIE CLOVER	468.56	117.14
310	VINEYARDS	4,016.70	44.63
311	HIGHLANDS NORTH	365.28	22.83
312	CHEMAWA GLEN	1,849.08	48.66
315	SPARROW ADDITION	293.84	36.73
316	VINEYARDS NO. PHASE 2	2,470.95	48.45
317	HIDDEN CREEK PHASE 5	669.20	66.92
318	BARNICK ESTATES	956.16	79.68
319	MCLEOD ACRES	647.90	64.79
321	BEIER ESTATES	1,145.70	63.65
322	WESTMORE EAST SUBDIV N.	284.94	15.83
323	SHADY ADDITION N.-RING ST. N.E.	495.36	27.52
332	CLEARLAKE HEIGHTS	496.92	41.41
333	PINE MEADOWS ESTATE	532.14	38.01
334	AT MURPHY SUBDIVISION-PHASE 1 & 2	1,032.48	43.02
336	FULTZ ESTATES	618.45	41.23
338	RICKMAN CROSSING	498.10	49.81
339	CEDAR TREE	661.10	60.10
340	WINDSOR WOODS SUBDV	2,388.32	54.28
344	APPLE TREE ANNEX/PEIRCE DRIVE	1,409.04	39.14

CITY OF KEIZER
"EXHIBIT A"
CERTIFICATION OF
LIGHTING DISTRICT ACCOUNTS
ASSESSMENT YEAR 2015-16

DISTRICT #	DISTRICT NAME	TOTAL PER DISTRICT	PER LOT OR FRONT FOOTAGE
345	FULTZ ESTATES PH 2	338.48	42.31
346	PLEASANT VIEW NE	1,014.00	25.35
350	HUNTER ADDITION II/BARNICK RD INFILL PROJ	201.60	20.16
351	HUNTER ADDITION I	329.15	65.83
352	LENT ESTATES STLT DIST. KUD	430.65	15.95
353	TREBBER ESTATES	995.25	66.35
354	WINDSOR WOODS SUBDV PH2	1,750.70	42.70
355	EVERWOOD MEADOWS	680.25	45.35
356	MEGAN LEE PROP.	180.15	36.03
358	CLEARLAKE MEADOWS STLT DIST	126.15	25.23
359	CLAGGET GROVE DIST.	187.98	31.33
360	SELENA ESTATES DIST.	444.38	26.14
361	CANDLEWOOD IND PARK NE	134.19	19.17
363	BRIAN MDWS ST LT DIST.-KUD	363.22	16.51
365	JACOBE ESTATES PH3	138.40	17.30
366	MADALYN TERRACE	219.94	15.71
367	GRISWOLD AVE NE	222.93	74.31
368	HALEY ESTATES	389.70	21.65
369	KEIZER STATION LIGHTING-AREA A	13,787.81	189.68 PER ACRE
370	WHEATLAND MEADOWS ESTATE	632.32	16.64
372	SARAH JEAN COURT	134.47	19.21
373	BENSON ESTATES SUBDIVISION	325.20	65.40
374	PEYTON-HAYLEY SUBDIVISION	125.90	25.18
375	MCGEE COURT	138.70	27.74
377	CRAFTSMAN RIDGE STREET	331.50	22.10
378	TAYLOR RIDGE SUB	192.56	24.07
379	TEETS ESTATES STREET	159.12	12.24
384	AVALON MEADOWS STREET	1,694.42	18.62
385	MAGEE ESTATES STREET	77.70	12.95
386	MCNARY HGHTS ADDN STREET	278.85	18.59
387	NEW DAY STREET	136.02	22.67
391	TATE ESTATES ST LTG	151.10	15.11
392	ALDINE MEADOWS LTG	514.80	17.16
393	WINDSOR ISLAND LTG	1,178.82	21.83
462	NAOMI'S START	213.00	53.25
	TOTAL ASSESSMENT	$ 316,880.71	

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER: ________________

TO: **MAYOR CLARK AND COUNCIL MEMBERS**

THROUGH: **CHRIS EPPLEY, CITY MANAGER**
SUSAN GAHLSDORF, FINANCE DIRECTOR

FROM: **TIM WOOD, ASSISTANT CONTROLLER**

SUBJECT: **RESOLUTION ADOPTING FISCAL YEAR 2015-2016 BUDGET, MAKING APPROPRIATIONS, AND IMPOSING AND CATEGORIZING TAXES**

On May 5, 2015, the Budget Committee convened and received the City Manager's Budget Message for fiscal year 2015-16, received public testimony from interested parties and began deliberations on the City Manager Recommended Budget. On May 7th and 12th the Committee received additional public testimony, concluded deliberations and passed the Committee Approved Budget (Attachment One).

RECOMMENDED AMENDMENTS TO THE COMMITTEE APPROVED BUDGET:

GENERAL FUND – NONDEPARTMENTAL EXPENSES (Page 48)
Reserve for Area B Development
In conjunction with closing the North River Road Urban Renewal District, during FY14-15 some of the overlapping tax jurisdictions were repaid their forgone tax revenue using Urban Renewal resources. As a result of the repayment the City can reduce the amount needed to repay the overlapping taxing jurisdictions in FY15-16 and appropriate the amount to provide for existing commitments associated with Area B development that was previously accounted for in the Urban Renewal Agency Program Income Fund. Staff recommends:

- Line 17 - Reduce the "Repayment to Taxing Jurisdictions" by $51,700, and
- Line 26 - Creating an "Area B Development Costs" line item of $51,700.

GENERAL FUND – PARKS DEDICATED (Page 52)
Keizer Rotary Amphitheater – Concert Series
City staff is recommending adding footnote disclosure on the General Fund Parks Dedicated Budget to indicate that:

> "Upon completion of the concert series, $2,000 will be paid to KRA LLC as a general sponsorship/stipend in support of the amphitheater concert series."

The $2,000 is already included in Keizer Rotary Amphitheater line item budgeted amounts.

ADMINISTRATIVE SERVICES – FINANCE UTILITY BILLING (Page 16)
Personnel Services
In preparation for the budget hearing it was identified that one staff position was not fully accounted for in the Finance Utility Billing department of the Administrative Services Fund. City staff recommends:

Administrative Service Fund
- Line 5 - Increase Charges for Services $20,600
- Lines 10 – 15 - Increase Personnel Service - $20,600

Utility Funds
- Sewer Fund– Page 36, line 32 - Increase Admin Service Charges by $9,700
- Water Fund– Page 40, line 51 - Increase Admin Service Charges by $8,900
- Stormwater Fund– Page 34, line 47 - Increase Admin Service Charges by $2,000

The utility funds have sufficient fund balance available to absorb the additional charges while still maintaining the required 60 day cash supply.

ISSUES AND FISCAL IMPACT:
Tonight the City has scheduled a public hearing to receive additional citizen input on the fiscal year 2015-16 Committee Approved Budget. After the hearing, the Council may adjust the approved budget as follows:

1. Amend the budget estimates
2. Amend the proposed ad valorem property tax amount or rate in the budget document (maximum is $2.0838 per $1,000 of assessed value)
3. The amount of estimated expenditures for each fund in an annual budget may not be increased by more than $5,000 or 10 percent of the estimated expenditures, whichever is greater
4. The amount or rate of the total ad valorem property taxes to be certified by the municipal corporation to the assessor may not exceed the amount approved by the budget committee.

By state law, the Council must adopt the upcoming fiscal year budget by June 30, 2015. As a reminder, the City Council has the opportunity to adjust the budget mid-year and there is no requirement to reconvene the budget committee to do so. The size and type of the budget adjustment, as noted in item #3 above, determines the circumstances in which a public hearing is required.

RECOMMENDATION:
Staff recommends that the City Council open the public hearing and receive testimony on the fiscal year 2015-2016 Committee Approved Budget. After all testimony has been received, Staff recommends the Council close the public hearing and begin deliberations as you so choose. Finally, Staff recommends that the City Council adopt the attached Budget Resolution for fiscal year 2015-16 with amendments if any.

CITY OF KEIZER, STATE OF OREGON

RESOLUTION R2015-_____

ADOPTING THE FY15-16 BUDGET, MAKING APPROPRIATIONS AND IMPOSING AND CATEGORIZING TAXES

BE IT RESOLVED, that the City Council of the City of Keizer hereby adopts a budget for fiscal year 2015-16 in the sum of $40,066,500 now on file at City Hall in Keizer, Oregon.

BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2015 and for the purposes shown below are hereby appropriated:

General Fund			
	General Services	$2,406,000	
	Parks	348,900	
	Community Development	772,500	
	Police	6,523,200	
	Municipal Court	191,900	
	Revenue Sharing	11,200	
	Transfers Out	29,200	
	Contingency	50,000	
TOTAL GENERAL FUND			**$10,332,900**
Administrative Services Fund			
	Admin Services - General	250,800	
	City Manager	220,000	
	City Attorney	283,800	
	City Recorder	220,400	
	Human Resources	292,300	
	Finance – Non-Dept	479,300	
	Information Systems	445,700	
	Utility Billing	400,200	
	Public Works – Non-Dept	553,500	
	Facility Maintenance	299,800	
	Contingency	192,000	
TOTAL ADMINISTRATIVE SERVICES FUND			**3,637,800**
Public Education Government (PEG) Fund			
	PEG	118,300	
	Contingency	50,000	
TOTAL PUBLIC EDUCATION GOVERNEMENT FUND			**168,300**

Law Enforcement Grant Fund **TOTAL LAW ENFORCEMENT GRANT FUND**	Law Enforcement Grant	30,000	**30,000**
Parks Improvement Fund **TOTAL PARKS IMPROVEMENT FUND**	Park Improvement	901,900	**901,900**
Keizer Station LID Fund **TOTAL KEIZER STATION LID FUND**	Debt Service	1,691,300	**1,691,300**
Transportation Improvement Fund **TOTAL TRANSPORTATION IMPROVEMENT FUND**	Transportation Improvement	2,200,000	**2,200,000**
Off-Site Transportation Improvement Fund **TOTAL OFF-SITE TRANSPORTATION IMPROVEMENT FUND**	Off-Site Transportation Improvement	98,500	**98,500**
Housing Services Fund **TOTAL HOUSING SERVICES FUND**	Housing Services	58,700	**58,700**
Energy Efficiency Revolving Loan Fund **TOTAL ENERGY EFFICIENCY REVOLVING LOANFUND**	Energy Efficiency	17,300	**17,300**
Street Fund **TOTAL STREET FUND**	Streets Transfers Out Contingency	2,210,800 372,500 45,300	**2,628,600**
Sewer Fund **TOTAL SEWER FUND**	Sewer Transfers Out Contingency	5,532,700 55,600 16,200	**5,604,500**

Water Fund **TOTAL WATER FUND**	Water Debt Service Transfers Out Contingency	2,445,300 231,500 100,000 125,000	**2,901,800**
Water Facility Replacement Reserve Fund **TOTAL WATER FACILITY REPLACEMENT RESERVE FUND**	Water Facility Replacement	622,500	**622,500**
Street Lighting Districts Fund **TOTAL STREET LIGHTING FUND**	Street Lighting Districts Contingency	458,200 23,000	**481,200**
Stormwater Fund **STORMWATER FUND**	Stormwater Contingency	1,575,700 46,600	**1,622,300**
Sewer Reserve Fund **TOTAL SEWER RESERVE FUND**	Sewer Reserve	270,500	**270,500**
Community Center Fund **TOTAL COMMUNITY CENTER FUND**	Community Center Contingency	180,400 1,500	**181,900**
TOTAL APPROPRIATIONS ALL FUNDS			**33,450,000**
TOTAL UNAPPROPRIATED AND RESERVE AMOUNTS, ALL FUNDS			**6,616,500**
TOTAL ADOPTED BUDGET			**$40,066,500**

BE IT FURTHER RESOLVED that the ad valorem property taxes are hereby imposed for tax year 2015-16 upon the assessed value of all taxable property within the district in the amount of $2.0838 per $1,000 of assessed value for permanent rate tax.

BE IT FURTHER RESOLVED that the taxes imposed are hereby categorized for purposes of Article XI section 11b as Permanent Rate Tax.

General Government Limitation $2.0838/$1000

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this _____ day of ________________________, 2015.

SIGNED this _____ day of ________________________, 2015.

____
Mayor

____
City Recorder

Administrative Services Fund Summary

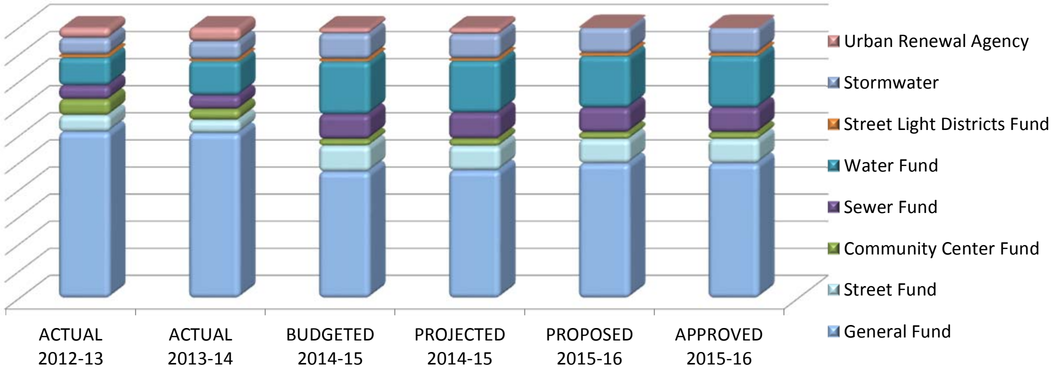
The Administrative Services Fund is an Internal Service Fund which is used to account for the financing of goods and/or services provided to various City funds on a cost-reimbursement basis.

Administrative Services are provided by the following activities: General Administration (City Council and Non-departmental), City Manager's Office, City Attorney's Office, City Records Department, Human Resources Department, Finance – Non-Departmental, Finance – Utility Billing, Finance - Information Systems, Public Works – Non-departmental and Public Works Civic Center Facilities (building maintenance).

The sources from which the fund shall be replenished: The City's (and Urban Renewal Agency's) operating funds are charged for the services provided by the Administrative Services Fund based on various cost allocation plans. These plans are to be revised each year based on anticipated benefits received. The plans are based on a range of factors including number of personnel, percent of effort expended by administrative personnel to the benefiting fund, revenues and expenditures, information technology equipment costs, software costs and maintenance fees.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 63,737**	**$ 113,303**	**$ 147,000**	**$ 133,700**	**$ 130,600**	**$ 130,600**	**$ 130,600**	**-2%**
3	**Revenues:**								
4	**Charges for Services:**								
5	Charges for Services	1,993,872	2,197,798	3,456,700	3,177,700	3,486,700	3,486,700	3,507,300	10%
6	**Miscellaneous:**								
7	Miscellaneous Revenue	6,060	1,988	-	-	-	-	-	
8	**Total Revenues**	1,999,932	2,199,786	3,456,700	3,177,700	3,486,700	3,486,700	3,507,300	10%
9	**TOTAL RESOURCES**	**2,063,669**	**2,313,089**	**3,603,700**	**3,311,400**	**3,617,300**	**3,617,300**	**3,637,900**	10%
10	**REQUIREMENTS:**								
11	**Expenditures:**								
12	**Personnel Services:**								
13	City Manager	182,712	195,610	207,200	206,700	213,700	213,700	213,700	3%
14	City Attorney's Office	229,061	239,867	255,200	254,600	270,700	270,700	270,700	6%
15	City Recorder's Office	179,198	191,526	201,600	200,300	214,200	214,200	214,200	7%
16	Human Resources	198,386	232,444	247,200	245,700	265,500	265,500	265,500	8%
17	Finance - Non-Departmental	379,320	399,792	424,400	420,800	449,800	449,800	449,800	7%
18	Finance - Information Systems	89,511	96,894	167,200	144,900	201,400	201,400	201,400	39%
19	Finance - Utility Billing	-	-	252,700	260,500	273,600	273,600	294,200	13%
20	Civic Center Facilities	60,147	68,303	76,900	76,300	83,000	83,000	83,000	9%
21	Public Works	-	-	562,400	460,400	470,500	470,500	470,500	2%
22	**Total Personnel Services**	**1,318,335**	**1,424,436**	**2,394,800**	**2,270,200**	**2,442,400**	**2,442,400**	**2,463,000**	8%
23	**Materials & Services:**								
24	General Administration	193,380	263,288	247,700	238,700	250,800	250,800	250,800	5%
25	City Manager	3,951	6,530	6,300	6,300	6,300	6,300	6,300	0%
26	City Attorney's Office	6,134	6,758	13,100	6,900	13,100	13,100	13,100	90%
27	City Recorder's Office	5,039	5,768	6,200	5,200	6,200	6,200	6,200	19%
28	Human Resources	13,486	22,436	27,600	25,500	26,800	26,800	26,800	5%
29	Finance - Non-Departmental	27,367	29,990	32,500	31,400	29,500	29,500	29,500	-6%
30	Finance - Information Systems	154,615	146,636	174,900	126,400	155,500	155,500	155,500	23%
31	Finance - Utility Billing	-	-	102,900	97,000	106,000	106,000	106,000	9%
32	Civic Center Facilities	180,057	194,736	232,100	233,500	214,100	214,100	214,100	-8%
33	Public Works	-	-	45,200	41,100	47,500	47,500	47,500	16%
34	**Total Materials & Services**	**584,029**	**676,142**	**888,500**	**812,000**	**855,800**	**855,800**	**855,800**	5%
35	**Capital Outlay:**								
36	General Administration	-	-	1,000	-	-	-	-	
37	Finance - Information Systems	45,048	57,840	94,400	85,000	88,800	88,800	88,800	4%
38	Public Works Administration	-	-	5,000	3,700	35,500	35,500	35,500	859%
39	Civic Center Facilities	2,954	20,822	18,500	10,000	2,700	2,700	2,700	-73%
40	**Total Capital Outlay**	**48,002**	**78,662**	**118,900**	**98,700**	**127,000**	**127,000**	**127,000**	29%
41	**Total Expenditures**	**1,950,366**	**2,179,240**	**3,402,200**	**3,180,900**	**3,425,200**	**3,425,200**	**3,445,800**	8%
42	**Other Requirements:**								
43	Contingencies	-	-	201,500	-	192,000	192,000	192,000	
44	**Fund Balance:**								
45	Committed	113,303	133,850	-	130,500	100	100	100	-100%
46	**TOTAL REQUIREMENTS**	**$2,063,669**	**$2,313,089**	**$ 3,603,700**	**$ 3,311,400**	**$ 3,617,300**	**$ 3,617,300**	**$ 3,637,900**	10%

Administrative Services Fund Summary



The increase in the Stormwater, Water, Sewer and Street Funds in fiscal year 2014-15 is due to the new Utility Billing and Public Works cost centers in the Administrative Services Fund. In prior years, Utility Billing and Public Works administrative costs were allocated directly

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
CHARGES FOR SERVICES BY FUND								
General Fund	$ 1,222,651	$ 1,335,481	$ 1,611,100	$ 1,497,100	$ 1,731,600	$ 1,731,600	$ 1,731,600	16%
Street Fund	122,717	107,186	332,700	287,000	311,600	311,600	311,600	9%
PEG Fund	-	3,239	1,800	1,800	2,300	2,300	2,300	28%
Community Center Fund	117,500	88,315	85,000	85,100	89,700	89,700	89,700	5%
Sewer Fund	101,534	110,310	313,600	303,500	314,900	314,900	324,600	7%
Water Fund	206,518	277,925	674,300	609,800	666,200	666,200	675,100	11%
Street Light Districts Fund	20,834	13,764	33,200	28,900	35,900	35,900	35,900	24%
Stormwater	122,943	146,825	325,000	286,500	334,000	334,000	336,000	17%
Urban Renewal Agency	79,170	114,753	79,900	80,000	-	-	-	-100%
Adjustments	5	-	100	(2,000)	500	500	500	-125%
Total Allocation by Fund	$ 1,993,872	$ 2,197,798	$ 3,456,700	$ 3,177,700	$ 3,486,700	$ 3,486,700	$ 3,507,300	10%

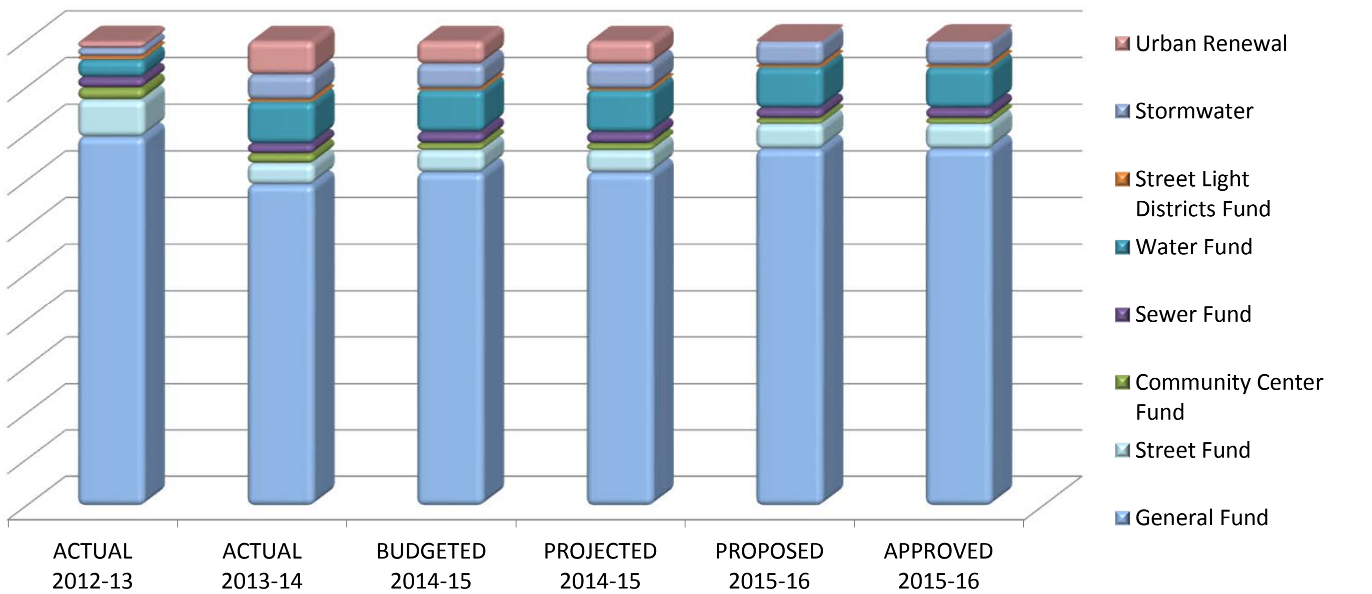
City Manager's Office

The City Manager is the Chief Executive Officer for the City of Keizer and Urban Renewal Agency. This position provides the Mayor and City Councilors with information, implements policies adopted by the Council, and manages the City operations in an effective and efficient manner. The City Manager oversees all departments, which provide services to the citizens of Keizer. These Departments include City Recorder, Community Development, Finance, Human Resources, Public Works, and Police. The City Manager is appointed by, reports to and serves at the pleasure of the City Council under contract. The City Manager is the primary liaison with other local Municipal, State and Federal agencies.

Costs are allocated based on a blend of full-time equivalents and time spent on projects as authorized in Council Resolution. A time tracking mechanism, managed by the Legal Department staff, is used and the results are categorized by operating fund. A three-year rolling average is used as the basis for allocating costs which helps smooth out spikes in workload in any given year.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 5,148**	**$ 4**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	181,519	202,140	213,500	213,000	220,000	220,000	220,000	3%
6	**TOTAL RESOURCES**	**186,667**	**202,144**	**213,500**	**213,000**	**220,000**	**220,000**	**220,000**	**3%**
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Personnel Services:**								
10	City Manager	130,062	139,835	147,500	147,500	147,500	147,500	147,500	0%
11	Vehicle Allowance	4,200	4,200	4,200	4,200	4,200	4,200	4,200	0%
12	Cell Phone Stipend	-	-	-	-	-	-	-	
13	Wellness	-	207	400	400	400	400	400	0%
14	Medicare	2,064	2,218	2,400	2,400	2,400	2,400	2,400	0%
15	Retirement	30,355	32,694	34,600	34,000	39,600	39,600	39,600	16%
16	Insurance Benefits	15,922	16,340	18,000	18,000	19,400	19,400	19,400	8%
17	Workers Compensation	109	116	100	200	200	200	200	0%
18	**Total Personnel Services**	**182,712**	**195,610**	**207,200**	**206,700**	**213,700**	**213,700**	**213,700**	**3%**
19	**Materials & Services:**								
20	Meetings, Travel & Training	3,651	6,230	6,000	6,000	6,000	6,000	6,000	0%
21	Liability Insurance	300	300	300	300	300	300	300	0%
22	**Total Materials & Services**	**3,951**	**6,530**	**6,300**	**6,300**	**6,300**	**6,300**	**6,300**	**0%**
23	**Total Expenditures:**	**186,663**	**202,140**	**213,500**	**213,000**	**220,000**	**220,000**	**220,000**	**3%**
24	**Fund Balance:**								
25	Committed for Operations	4	5	-	-	-	-	-	
26	**TOTAL REQUIREMENTS**	**$ 186,667**	**$ 202,144**	**$ 213,500**	**$ 213,000**	**$ 220,000**	**$ 220,000**	**$ 220,000**	**3%**

City Manager's Office



SUMMARY OF CITY MANAGER'S OFFICE CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	FTE/ Project Time
General Fund	$ 144,077	$ 139,751	$ 153,200	$ 152,800	$ 168,800	$ 168,800	$ 168,800	77%
Street Fund	14,438	9,283	10,300	10,300	11,900	11,900	11,900	5%
PEG Fund	-	-	-	-	100	100	100	0%
Community Center Fund	4,691	4,192	3,100	3,100	2,500	2,500	2,500	1%
Sewer Fund	4,057	4,292	5,100	5,100	4,900	4,900	4,900	2%
Water Fund	6,935	18,168	19,400	19,400	19,400	19,400	19,400	9%
Street Light Districts Fund	1,316	799	400	400	600	600	600	0%
Stormwater	3,218	10,881	11,400	11,400	11,800	11,800	11,800	5%
Urban Renewal	2,785	14,774	10,700	10,700	-	-	-	0%
Adjustments	2	-	(100)	(200)	-	-	-	
TOTAL CHARGES BY FUND	$ 181,519	$ 202,140	$ 213,500	$ 213,000	$ 220,000	$ 220,000	$ 220,000	100%

Budget Notes:

Expenditures:

9 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

City Attorney's Office

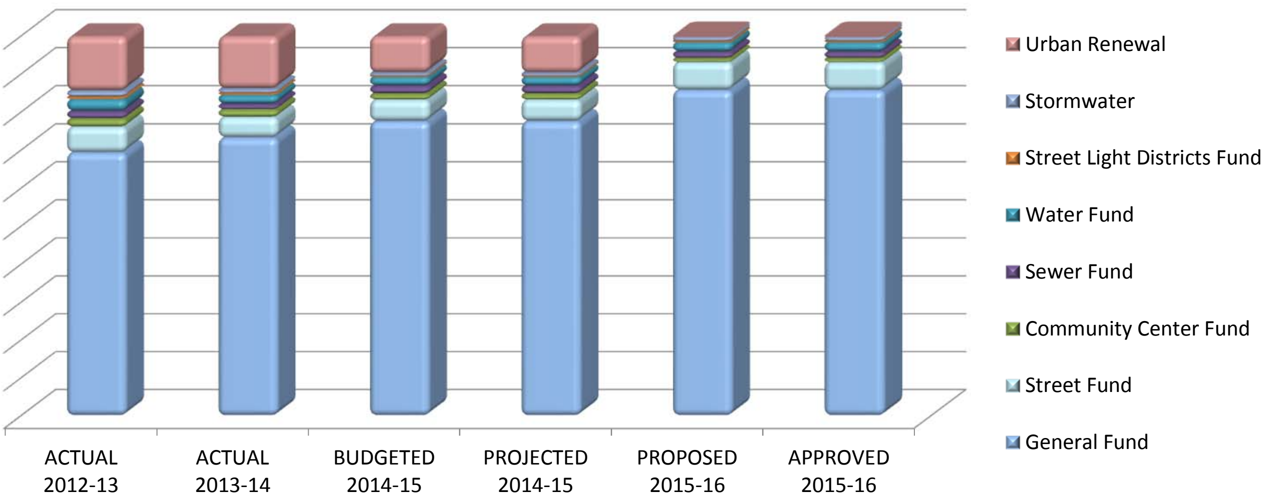
The City Attorney is a Charter officer, answering directly to the City Council. The City Attorney's Office is responsible for most legal matters involving the City, and also oversees the efforts of outside counsel for most matters requiring special expertise.

The City Attorney's Office provides legal advice and representation to the City Council, the Urban Renewal Agency, the City Manager, City staff and various City boards and committees. The Office provides advice at public meetings, including legislative and quasi-judicial hearings of the City Council, Urban Renewal Agency and Planning Commission.

The City Attorney's Office tracks time spent on various projects and categorizes the results by operating fund. A rolling three-year average is used as the basis for allocating costs

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 6,378**	**$ 56**	**$ 200**	**$ -**	**$ -**	**$ -**	**$ -**	
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	228,873	246,569	268,100	261,500	283,800	283,800	283,800	9%
6	**TOTAL RESOURCES**	**235,251**	**246,625**	**268,300**	**261,500**	**283,800**	**283,800**	**283,800**	**9%**
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Personnel Services:**								
10	Attorney	120,245	126,846	133,800	133,800	135,500	135,500	135,500	1%
11	Administrative Support	48,526	51,198	54,000	54,000	56,400	56,400	56,400	4%
12	Cell Phone Stipend	660	660	700	700	900	900	900	29%
13	Wellness	-	114	800	400	600	600	600	50%
14	Medicare	2,619	2,767	2,900	3,000	3,000	3,000	3,000	0%
15	Retirement	25,135	25,375	26,900	26,900	35,300	35,300	35,300	31%
16	Insurance Benefits	31,745	32,681	35,900	35,500	38,800	38,800	38,800	9%
17	Workers Compensation	131	226	200	300	200	200	200	-33%
18	**Total Personal Services**	**229,061**	**239,867**	**255,200**	**254,600**	**270,700**	**270,700**	**270,700**	**6%**
19	**Materials & Services:**								
20	Meetings, Travel & Training	5,054	5,320	8,500	4,700	8,500	8,500	8,500	81%
21	Legal Services Contracts	1,080	348	4,000	2,000	3,500	3,500	3,500	75%
22	Law Library Maintenance	-	1,090	600	200	1,100	1,100	1,100	450%
23	**Total Materials & Services**	**6,134**	**6,758**	**13,100**	**6,900**	**13,100**	**13,100**	**13,100**	**90%**
24	**Total Expenditures:**	**235,195**	**246,625**	**268,300**	**261,500**	**283,800**	**283,800**	**283,800**	**9%**
25	**Fund Balance:**								
26	Committed for Operations	56	-	-	-	-	-	-	
27	**TOTAL REQUIREMENTS**	**$ 235,251**	**$ 246,625**	**$ 268,300**	**$ 261,500**	**$ 283,800**	**$ 283,800**	**$ 283,800**	**9%**

City Attorney's Office



SUMMARY OF CITY ATTORNEY'S OFFICE CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	Project Time
General Fund	$ 158,838	$ 180,822	$ 208,100	$ 203,000	$ 243,200	$ 243,200	$ 243,200	86%
Street Fund	15,490	13,360	15,200	14,800	20,900	20,900	20,900	7%
PEG Fund	-	-	-	-	400	400	400	0%
Community Center Fund	5,045	4,943	4,400	4,300	3,000	3,000	3,000	1%
Sewer Fund	4,360	3,572	5,400	5,300	4,700	4,700	4,700	2%
Water Fund	7,438	5,996	6,800	6,600	7,400	7,400	7,400	3%
Street Light Districts Fund	1,412	1,279	200	200	600	600	600	0%
Stormwater	3,453	2,664	2,300	2,200	3,600	3,600	3,600	1%
Urban Renewal	32,836	33,933	25,700	25,100	-	-	-	0%
Adjustments	1	-	-	-	-	-	-	0%
TOTAL CHARGES BY FUND	$ 228,873	$ 246,569	$ 268,100	$ 261,500	$ 283,800	$ 283,800	$ 283,800	100%

Budget Notes:

Expenditures:

9 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

21 Legal Services Contracts include outside legal assistance on City matters (excluding Bond Counsel costs).

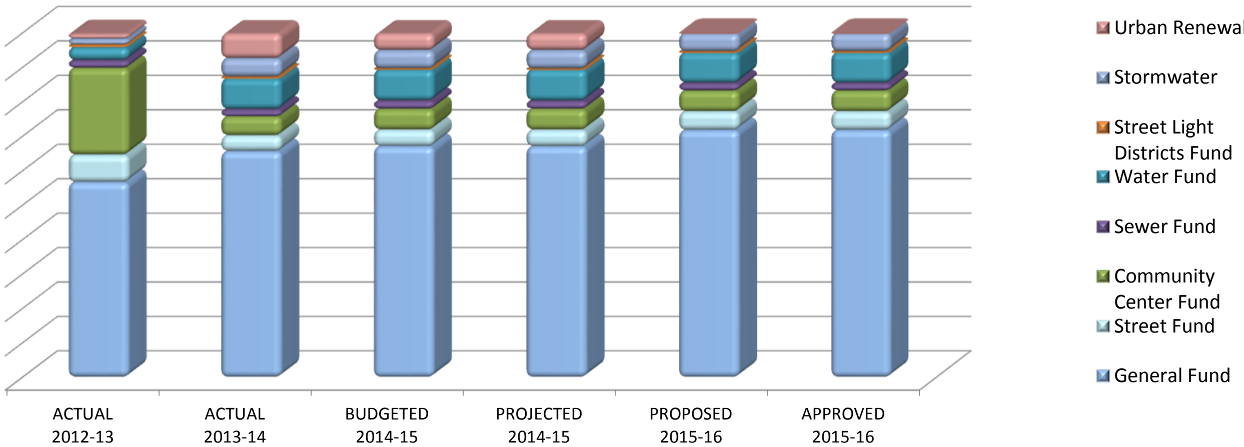
City Records Department

The City Recorder’s Department is responsible for the overall administration, coordination and evaluation of all City Recorder and Event Center functions. The City Recorder staff serves as the Clerk of the City Council and related committees and commissions, Records Manager and City Elections Official. This Department is responsible for a variety of highly confidential and sensitive information.

Costs are primarily allocated through a time tracking mechanism managed by the Legal Department staff and the results are categorized by operating fund. A three-year rolling is used as the basis for allocating costs which helps smooth out spikes in workload in any given year. An adjustment is made for the Community Center activity since the City Recorder manages that program. The allocation methodology is authorized by Council Resolution.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 4,839**	**$ 57**	**$ (100)**	**$ -**	**$ -**	**$ -**	**$ -**	
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	179,455	197,237	207,900	205,500	220,400	220,400	220,400	7%
6	**TOTAL RESOURCES**	**184,294**	**197,294**	**207,800**	**205,500**	**220,400**	**220,400**	**220,400**	**7%**
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Personnel Services:**								
10	City Recorder	74,610	80,220	82,200	82,200	83,300	83,300	83,300	1%
11	Administrative Support	48,090	52,158	55,100	55,100	57,500	57,500	57,500	4%
12	Overtime	-	-	-	-	-	-	-	
13	Cell Phone Stipend	660	605	700	700	900	900	900	29%
14	Wellness	-	289	800	500	800	800	800	60%
15	Medicare	1,898	2,050	2,200	2,200	2,200	2,200	2,200	0%
16	Retirement	22,045	23,360	24,500	24,300	30,500	30,500	30,500	26%
17	Insurance Benefits	31,745	32,681	35,900	35,000	38,800	38,800	38,800	11%
18	Workers Compensation	150	163	200	300	200	200	200	-33%
19	**Total Personnel Services**	**179,198**	**191,526**	**201,600**	**200,300**	**214,200**	**214,200**	**214,200**	**7%**
20	**Materials & Services:**								
21	Meetings, Travel & Training	5,039	5,768	6,200	5,200	6,200	6,200	6,200	19%
22	**Total Expenditures:**	**184,237**	**197,294**	**207,800**	**205,500**	**220,400**	**220,400**	**220,400**	**7%**
23	**Fund Balance:**								
24	Committed for Operations	57	-	-	-	-	-	-	
25	**TOTAL REQUIREMENTS**	**$ 184,294**	**$ 197,294**	**$ 207,800**	**$ 205,500**	**$ 220,400**	**$ 220,400**	**$ 220,400**	**7%**

City Records Department



SUMMARY OF CITY RECORDS DEPARTMENT CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	Time Spent
General Fund	$ 101,746	$ 129,546	$ 139,500	$ 137,900	$ 158,200	$ 158,200	$ 158,200	72%
Street Fund	14,277	9,037	10,000	9,900	11,900	11,900	11,900	6%
PEG Fund	-	-	-	-	-	-	-	0%
Community Center Fund	45,276	10,848	12,600	12,500	13,400	13,400	13,400	6%
Sewer Fund	4,009	4,192	5,000	4,900	4,900	4,900	4,900	2%
Water Fund	6,859	17,724	18,900	18,700	19,500	19,500	19,500	9%
Street Light Districts Fund	1,301	826	400	400	600	600	600	0%
Stormwater	3,182	10,607	11,100	11,000	11,800	11,800	11,800	5%
Urban Renewal	2,804	14,457	10,400	10,300	-	-	-	0%
Adjustments	1	-	-	(100)	100	100	100	0%
TOTAL CHARGES BY FUND	$ 179,455	$ 197,237	$ 207,900	$ 205,500	$ 220,400	$ 220,400	$ 220,400	100%

Budget Notes:

Expenditures:

9 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

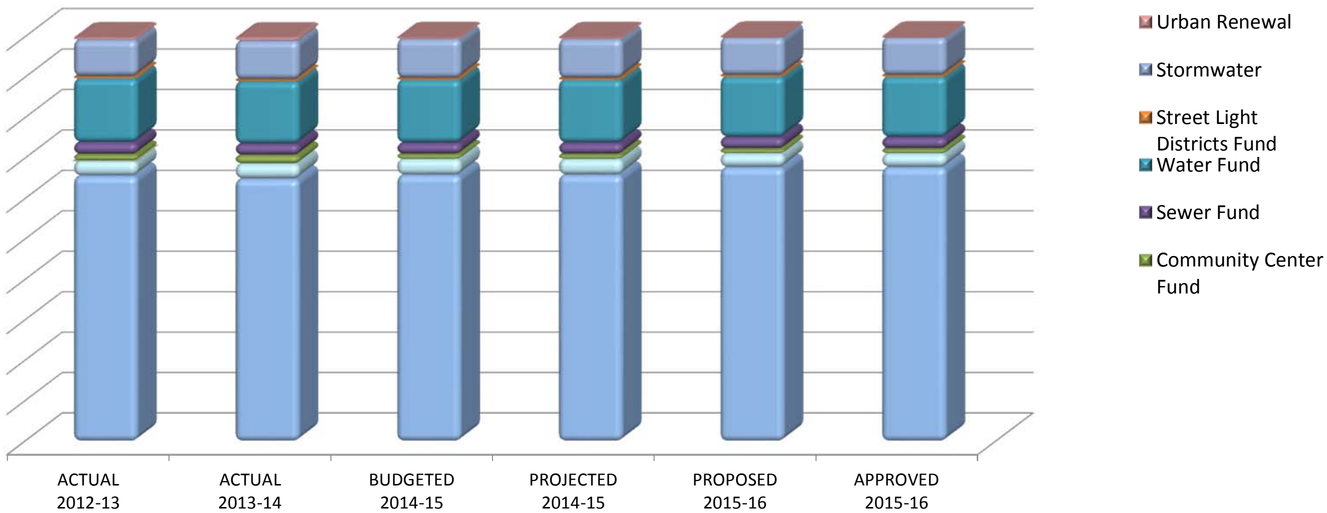
Human Resources Department

The Human Resources Department provides responsive employment and personnel services to the City's managers and employees as well as providing information and assistance to external customers and job applicants. The Department is responsible for a full range of comprehensive human resource services and programs to enhance the efficiency and effectiveness of the organization.

The Human Resource Department costs are allocated based on City-wide FTE allocations as authorized by Council Resolution.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 5,890**	**$ 3,074**	**$ -**	**$ 3,100**	**$ -**	**$ -**	**$ -**	-100%
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	209,056	251,806	274,800	268,100	292,300	292,300	292,300	9%
6	**TOTAL RESOURCES**	**214,946**	**254,880**	**274,800**	**271,200**	**292,300**	**292,300**	**292,300**	**8%**
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Personnel Services:**								
10	Administrative Support	36,183	57,851	61,300	61,300	63,900	63,900	63,900	4%
11	Human Resources Director	97,053	105,277	111,100	111,100	115,800	115,800	115,800	4%
12	Cell Phone Stipend	900	1,000	900	900	900	900	900	0%
13	Wellness Program	-	275	800	500	800	800	800	60%
14	Medicare/Social Security	2,772	2,541	2,700	2,700	2,800	2,800	2,800	4%
15	Retirement	25,378	32,645	34,300	33,000	42,300	42,300	42,300	28%
16	Insurance Benefits	22,325	32,681	35,900	35,900	38,800	38,800	38,800	8%
17	Workers Compensation	151	174	200	300	200	200	200	-33%
18	Unemployment	13,624	-	-	-	-	-	-	
19	**Total Personnel Services**	**198,386**	**232,444**	**247,200**	**245,700**	**265,500**	**265,500**	**265,500**	**8%**
20	**Materials & Services:**								
21	Safety & Wellness	1,672	6,837	9,500	6,000	8,700	8,700	8,700	45%
22	Meetings, Travel & Training	4,532	5,636	8,600	6,500	7,500	7,500	7,500	15%
23	Labor Attorney -- City-wide	2,963	3,164	5,000	9,000	5,000	5,000	5,000	-44%
24	Medical Testing	1,125	960	2,000	1,500	1,700	1,700	1,700	13%
25	Recruitment	-	-	-	-	500	500	500	
26	Contractual Services	3,194	5,839	2,500	2,500	3,400	3,400	3,400	36%
27	**Total Materials & Services**	**13,486**	**22,436**	**27,600**	**25,500**	**26,800**	**26,800**	**26,800**	**5%**
28	**Total Expenditures:**	**211,872**	**254,880**	**274,800**	**271,200**	**292,300**	**292,300**	**292,300**	**8%**
29	**Fund Balance:**								
30	Committed for Training	3,000	-	-	-	-	-	-	
31	Committed for Operations	74	0	-	-	-	-	-	
32	**Total Fund Balance**	**3,074**	**0**	**-**	**-**	**-**	**-**	**-**	
33	**TOTAL REQUIREMENTS**	**$ 214,946**	**$ 254,880**	**$ 274,800**	**$ 271,200**	**$ 292,300**	**$ 292,300**	**$ 292,300**	**8%**

Human Resources Department



SUMMARY OF HUMAN RESOURCES DEPARTMENT CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	FTE
General Fund	$ 137,250	$ 163,488	$ 180,200	$ 176,600	$ 198,000	$ 198,000	$ 198,000	67%
Street Fund	7,985	9,430	10,900	10,600	10,100	10,100	10,100	4%
PEG Fund	-	-	-	-	-	-	-	0%
Community Center Fund	3,151	5,274	3,300	3,200	3,400	3,400	3,400	1%
Sewer Fund	6,207	7,055	7,500	7,400	8,200	8,200	8,200	3%
Water Fund	33,101	39,133	42,900	42,000	44,000	44,000	44,000	15%
Street Light Districts Fund	925	804	800	800	800	800	800	0%
Stormwater	19,088	24,362	26,800	26,200	27,700	27,700	27,700	10%
Urban Renewal	1,349	2,260	1,200	1,200	-	-	-	0%
Adjustments	-	-	1,200	100	100	100	100	0%
TOTAL CHARGES BY FUND	$ 209,056	$ 251,806	$ 274,800	$ 268,100	$ 292,300	$ 292,300	$ 292,300	100%

Budget Notes:

Expenditures:

9 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.
For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

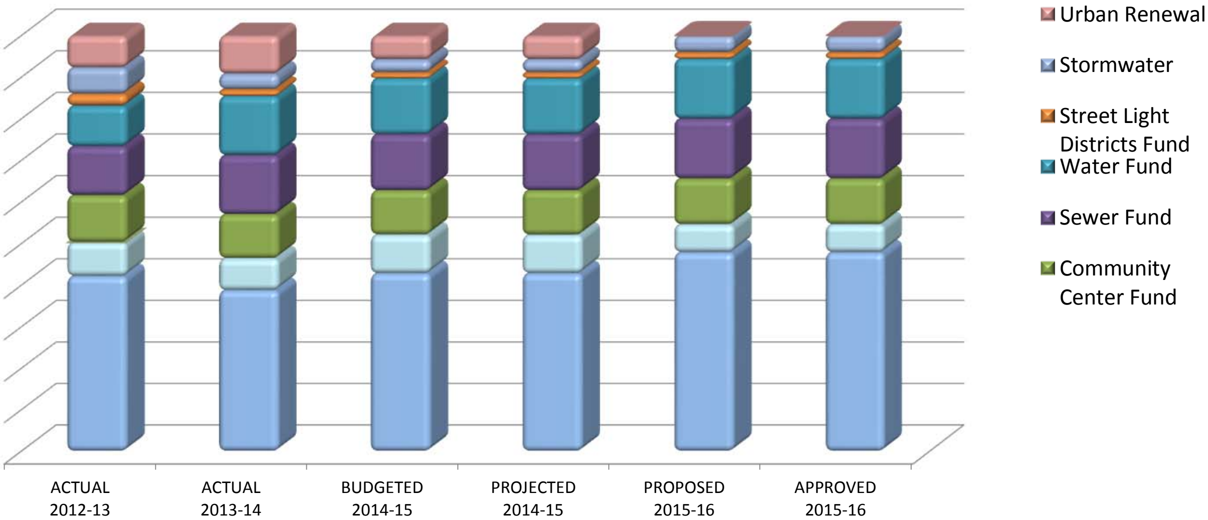
Finance - Non-Departmental

The financial operations of the City are planned and directed by the Finance Department. It establishes and sustains controls over the City's financial activities, and provides accurate, timely financial information to Council and Management.

Costs are allocated based on a blend of revenues and expenditures city-wide except for the Office Assistant's time is allocated 70% to the Community Center as part of the position's regular duties. The Allocation methodology is authorized by Council Resolution.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 10,410**	**$ 2,300**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	398,577	427,482	456,900	452,200	479,300	479,300	479,300	6%
6	**TOTAL RESOURCES**	**408,987**	**429,782**	**456,900**	**452,200**	**479,300**	**479,300**	**479,300**	**6%**
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Personnel Services:**								
10	Administrative Support	163,321	173,074	181,100	181,100	186,300	186,300	186,300	3%
11	Finance Director	104,977	111,687	117,800	117,800	122,900	122,900	122,900	4%
12	Overtime	59	452	-	-	-	-	-	
13	Medicare	4,126	4,383	4,600	4,600	4,900	4,900	4,900	7%
14	Wellness	-	580	1,600	700	1,400	1,400	1,400	100%
15	Retirement	43,132	44,023	47,200	47,000	56,600	56,600	56,600	20%
16	Insurance Benefits	63,390	65,265	71,700	69,000	77,300	77,300	77,300	12%
17	Workers Compensation	315	328	400	600	400	400	400	-33%
18	**Total Personnel Services**	**379,320**	**399,792**	**424,400**	**420,800**	**449,800**	**449,800**	**449,800**	
19	**Materials & Services:**								
20	Office Materials and Supplies	58	59	800	600	-	-	-	-100%
21	Meetings, Travel & Training	1,524	4,146	5,000	5,000	3,000	3,000	3,000	-40%
22	Audit Fees	25,785	25,785	26,700	25,800	26,500	26,500	26,500	
23	**Total Materials & Services**	**27,367**	**29,990**	**32,500**	**31,400**	**29,500**	**29,500**	**29,500**	**-6%**
24	**Total Expenditures:**	**406,687**	**429,782**	**456,900**	**452,200**	**479,300**	**479,300**	**479,300**	**6%**
25	**Fund Balance:**								
26	Committed for Training	2,300	-	-	-	-	-	-	
27	**Total Fund Balance**	2,300	-	-	-	-	-	-	
28	**TOTAL REQUIREMENTS**	**$ 408,987**	**$ 429,782**	**$ 456,900**	**$ 452,200**	**$ 479,300**	**$ 479,300**	**$ 479,300**	**6%**

Finance - Non-Departmental



SUMMARY OF FINANCE NON-DEPARTMENTAL CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	Average Revenue/ Expense
General Fund	$ 168,111	$ 165,818	$ 196,300	$ 193,800	$228,600	$228,600	$228,600	48%
Street Fund	32,488	32,763	42,400	41,800	32,000	32,000	32,000	7%
PEG Fund	-	-	-	-	1,800	1,800	1,800	0%
Community Center Fund	44,851	45,232	48,800	48,300	52,500	52,500	52,500	11%
Sewer Fund	47,001	60,707	61,700	60,900	68,700	68,700	68,700	14%
Water Fund	38,790	60,707	61,700	60,900	68,700	68,700	68,700	14%
Street Light Districts Fund	11,522	7,007	6,700	6,600	7,700	7,700	7,700	2%
Stormwater	25,129	16,056	14,200	14,100	19,100	19,100	19,100	4%
Urban Renewal	30,684	39,192	26,300	25,900	-	-	-	0%
Adjustments	1	-	(1,200)	(100)	200	200	200	0%
TOTAL CHARGES BY FUND	$ 398,577	$ 427,482	$ 456,900	$ 452,200	$ 479,300	$ 479,300	$ 479,300	100%

Budget Notes:

Expenditures:

6 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

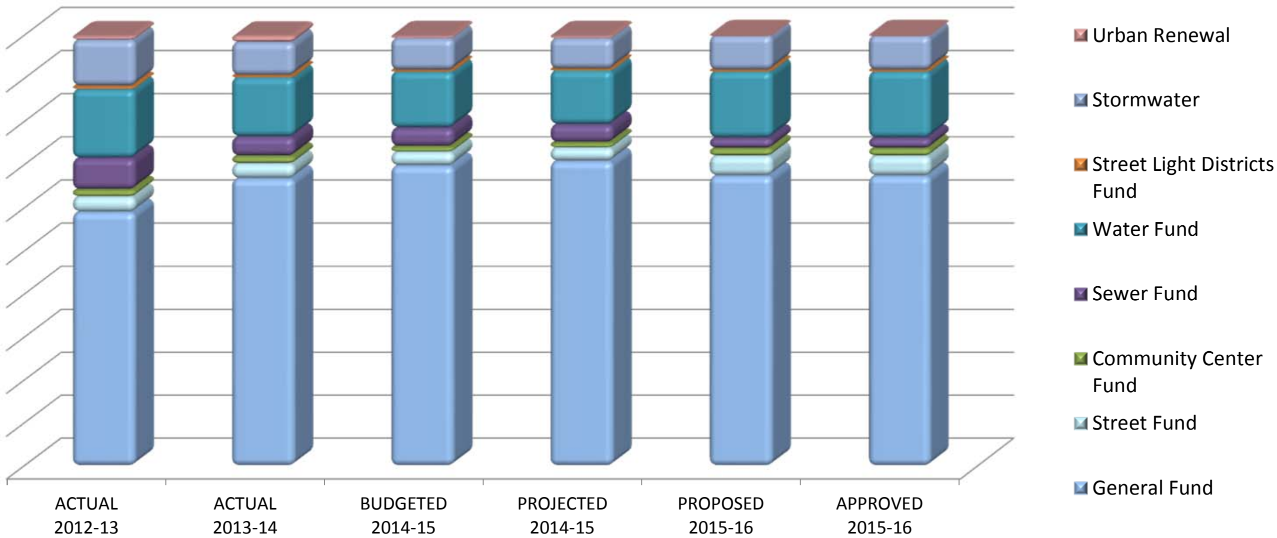
For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Finance - Information Systems

The Information Technology Division supports the City's software, hardware, telecommunication, and security systems needs.
Costs are allocated based on FTE allocations charged to each operating fund except software and hardware costs are based on dollars expended by fund as authorized by Council Resolution.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 5,382**	**$ 2,455**	**$ 16,200**	**$ -**	**$ -**	**$ -**	**$ -**	
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	286,247	298,915	420,400	356,300	445,700	445,700	445,700	25%
6	**TOTAL RESOURCES**	**291,629**	**301,370**	**436,600**	**356,300**	**445,700**	**445,700**	**445,700**	**25%**
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Personnel Services:**								
10	Network Administrator	62,483	68,955	109,400	99,000	133,400	133,400	133,400	35%
11	Temporary Help	-	-	2,400	300	-	-	-	-100%
12	Cell Phone Stipend	660	660	1,400	700	1,800	1,800	1,800	157%
13	Wellness	-	-	800	-	400	400	400	
14	Medicare	971	1,257	1,800	1,600	2,100	2,100	2,100	31%
15	Retirement	9,366	9,563	19,700	12,500	24,800	24,800	24,800	98%
16	Insurance Benefits	15,922	16,341	31,500	30,500	38,700	38,700	38,700	27%
17	Workers Compensation	109	118	200	300	200	200	200	-33%
18	**Total Personnel Services**	**89,511**	**96,894**	**167,200**	**144,900**	**201,400**	**201,400**	**201,400**	**39%**
19	**Materials & Services:**								
20	Travel & Training	-	458	600	300	1,000	1,000	1,000	233%
21	Contractual Services	-	82	300	100	-	-	-	-100%
22	Telephone	14,331	14,364	16,300	15,000	16,000	16,000	16,000	7%
23	Computer Software & Maintenance	119,105	111,395	138,800	90,000	116,500	116,500	116,500	29%
24	Office Equipment Maintenance	21,179	20,337	18,900	21,000	22,000	22,000	22,000	5%
25	**Total Materials & Services**	**154,615**	**146,636**	**174,900**	**126,400**	**155,500**	**155,500**	**155,500**	**23%**
26	**Capital Outlay:**								
27	Computer Hardware	45,048	57,840	94,400	85,000	88,800	88,800	88,800	4%
28	**Total Expenditures:**	**289,174**	**301,370**	**436,500**	**356,300**	**445,700**	**445,700**	**445,700**	**25%**
29	**Fund Balance:**								
30	Committed for Software	2,400	-	-	-	-	-	-	
31	Committed for Operations	55	-	100	-	-	-	-	
32	**Total Fund Balance**	2,455	-	100	-	-	-	-	
33	**TOTAL REQUIREMENTS**	**$ 291,629**	**$ 301,370**	**$ 436,600**	**$ 356,300**	**$ 445,700**	**$ 445,700**	**$ 445,700**	**25%**

Finance - Information Systems



SUMMARY OF FINANCE - INFORMATION SYSTEM CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	FTE
General Fund	$ 168,947	$ 199,711	$ 293,300	$ 252,500	$ 300,500	$ 300,500	$ 300,500	67%
Street Fund	10,369	10,457	13,700	11,200	20,700	20,700	20,700	4%
PEG Fund	-	-	-	-	-	-	-	0%
Community Center Fund	4,590	5,042	5,100	4,200	7,800	7,800	7,800	1%
Sewer Fund	20,857	13,392	18,100	14,800	10,600	10,600	10,600	3%
Water Fund	45,841	41,348	55,000	44,900	68,900	68,900	68,900	15%
Street Light Districts Fund	1,924	1,099	1,100	900	1,000	1,000	1,000	0%
Stormwater	30,862	23,207	31,300	25,600	36,100	36,100	36,100	10%
Urban Renewal	2,857	4,659	2,800	2,300	-	-	-	0%
Adjustments	-	-	-	(100)	100	100	100	0%
TOTAL CHARGES BY FUND	$ 286,247	$ 298,915	$ 420,400	$ 356,300	$ 445,700	$ 445,700	$ 445,700	100%

Budget Notes:

Expenditures:

9 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

10 The FY15-16 budget provides for a Network Support position to assist with increased workload and provided needed coverage in areas when the Network Administrator is assigned elsewhere or otherwise unavailable.

24 The increase in Computer Software & Maintenance is primarily for additional server licensing and CJIS compliant record management system software.

27 The increase in Computer Hardware is primarily for the first stage of a two stage project to upgrade the City's phone system, in addition the increase is related to replacing aged computers and two servers.

Finance - Utility Billing

Utility Billing operates and maintains the billing function for the City's water, sewer, and storm water utilities. The City bills active accounts bi-monthly, billing one-half of the City one month and alternating billing the other half of the City the following month. Emphasis is on excellence in customer service by addressing needs and concerns with a caring attitude on a consistent basis.
Costs are allocated based on effort expended in managing the separate elements of the utility accounts; 47% sewer, 43% water and 10% storm water. Allocation of costs is authorized by Council Resolution.

*Note: The Finance - Utility Billing unit was a new cost center beginning FY14-15. These costs were previously accounted for directly in the Public Works funds referenced above.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**								
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	$ -	$ -	$ 355,600	$ 357,500	$ 379,600	$ 379,600	$ 400,200	12%
6	**TOTAL RESOURCES**	**-**	**-**	**355,600**	**357,500**	**379,600**	**379,600**	**400,200**	12%
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Personnel Services:**								
10	Administrative Support	-	-	162,400	170,700	167,400	167,400	179,200	5%
11	Wellness	-	-	1,400	300	1,500	1,500	1,600	433%
12	Medicare	-	-	2,500	2,600	2,600	2,600	2,800	8%
13	Retirement	-	-	23,300	22,400	29,200	29,200	32,900	47%
14	Insurance Benefits	-	-	62,700	63,500	72,700	72,700	77,300	22%
15	Workers Compensation	-	-	400	1,000	200	200	400	-60%
16	**Total Personnel Services**	**-**	**-**	**252,700**	**260,500**	**273,600**	**273,600**	**294,200**	13%
17	**Materials & Services:**								
18	Postage & Printing	-	-	54,100	52,000	52,000	52,000	52,000	0%
19	Contractual Services	-	-	46,800	45,000	52,000	52,000	52,000	16%
20	Meetings, Travel & Training	-	-	2,000	-	2,000	2,000	2,000	
21	**Total Materials & Services**	**-**	**-**	**102,900**	**97,000**	**106,000**	**106,000**	**106,000**	9%
22	**Total Expenditures**	**-**	**-**	**355,600**	**357,500**	**379,600**	**379,600**	**400,200**	12%
23	**Fund Balance:**								
24	Committed for Operations	-	-	-	-	-	-	-	
25	**Total Fund Balance**								
26	**TOTAL REQUIREMENTS**	**$ -**	**$ -**	**$ 355,600**	**$ 357,500**	**$ 379,600**	**$ 379,600**	**$ 400,200**	12%

Finance - Utility Billing

SUMMARY OF FINANCE - UTILITY BILLING CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	Utility Account Allocation
Sewer Fund	-	-	167,100	168,000	178,400	178,400	188,100	47%
Water Fund	-	-	152,900	153,700	163,200	163,200	172,100	43%
Stormwater	-	-	35,600	35,800	38,000	38,000	40,000	10%
Adjustments	-	-	-	-	-	-	-	
TOTAL CHARGES BY FUND	$ -	$ -	$ 355,600	$ 357,500	$ 379,600	$ 379,600	$ 400,200	100%

Budget Notes:

The Utility Billing function was previously budgeted proportionately to the Sewer, Water and Storm Water funds. These costs have been compiled and moved to the Administrative Services Fund to better track the costs of utility billing.

Expenditures:

9 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

19 Contractual services are primarily for credit card fee charges.

Public Works - Non-Departmental

The Public Works Department is responsible for providing efficient and sound infrastructure, facilities, and services regarding the City's transportation, water, wastewater, stormwater, parks and building and property management. These services are required year round and are fundamental in supporting the quality of life enjoyed by residents, businesses and visitors. The Public Works - Non Departmental cost center tracks costs shared by all Public Works funds and includes those staff costs for services provided to multiple funds.

Staff costs are allocated based on effort expended in managing and supporting each Public Works Division. Allocation of costs is authorized by Council Resolution.

*Note: The Public Works - Non-Departmental unit was a new cost center beginning FY14-15. These costs were previously accounted for directly in the Public Works operating funds including General Fund Parks, Street, Water, Sewer, Street Light Districts, and Stormwater.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**								
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	$ -	$ -	$ 612,700	$ 505,200	$ 553,500	$ 553,500	$ 553,500	10%
6	**TOTAL RESOURCES**	**-**	**-**	**612,700**	**505,200**	**553,500**	**553,500**	**553,500**	10%
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Personnel Services:**								
10	Public Works Director	-	-	107,900	107,900	112,500	112,500	112,500	4%
11	Public Works Superintendent	-	-	91,300	-	-	-	-	
12	Municipal Utility Workers	-	-	140,800	152,600	154,700	154,700	154,700	1%
13	Administrative Support	-	-	51,400	51,400	53,700	53,700	53,700	4%
14	Overtime	-	-	-	-	-	-	-	
15	Clothing Stipend	-	-	2,200	2,200	2,200	2,200	2,200	0%
16	Wellness	-	-	2,000	800	1,400	1,400	1,400	75%
17	Medicare	-	-	6,100	5,000	5,900	5,900	5,900	18%
18	Retirement	-	-	66,100	46,900	58,100	58,100	58,100	24%
19	Insurance Benefits	-	-	89,600	89,600	77,300	77,300	77,300	-14%
20	Workers Compensation	-	-	5,000	4,000	4,700	4,700	4,700	18%
21	**Total Personnel Services**	**-**	**-**	**562,400**	**460,400**	**470,500**	**470,500**	**470,500**	2%
22	**Materials & Services:**								
23	Shop Operations and Supplies	-	-	10,300	10,300	10,500	10,500	10,500	2%
24	Meetings, Travel & Training	-	-	400	-	500	500	500	
24	Labor Attorney	-	-	7,900	3,000	5,000	5,000	5,000	67%
25	Janitorial Services	-	-	2,500	4,700	5,000	5,000	5,000	6%
26	Shop Utilities	-	-	8,400	8,400	9,000	9,000	9,000	7%
27	Telephone, Telemetry & Fire Alarm	-	-	1,600	1,600	1,600	1,600	1,600	0%
28	Insurance - Auto	-	-	14,100	13,100	14,100	14,100	14,100	8%
29	Medical Testing	-	-	-	-	1,800	1,800	1,800	
30	**Total Materials & Services**	**-**	**-**	**45,200**	**41,100**	**47,500**	**47,500**	**47,500**	16%
	Capital Outlay:								
31	Shop Improvements	-	-	5,000	3,700	35,500	35,500	35,500	859%
32	**Total Expenditures**	**-**	**-**	**612,600**	**505,200**	**553,500**	**553,500**	**553,500**	10%
33	**Fund Balance:**								
34	Committed for Operations	-	-	100	-	-	-	-	
35	**Total Fund Balance**	-	-	100	-	-	-	-	
36	**TOTAL REQUIREMENTS**	**$ -**	**$ -**	**$ 612,700**	**$ 505,200**	**$ 553,500**	**$ 553,500**	**$ 553,500**	10%

Public Works - Non-Departmental

SUMMARY OF PUBLIC WORKS - NON DEPARTMENTAL CHARGES BY FUND	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	Allocation
General Fund Parks	$ -	$ -	$ 15,700	$ 13,000	$ 19,700	$ 19,700	$ 19,700	4%
Street Fund	-	-	204,500	168,100	182,900	182,900	182,900	33%
Sewer Fund	-	-	25,900	21,400	17,200	17,200	17,200	3%
Water Fund	-	-	215,500	178,000	182,900	182,900	182,900	33%
Street Light Districts Fund	-	-	21,700	17,900	22,800	22,800	22,800	4%
Stormwater	-	-	129,200	106,700	127,800	127,800	127,800	23%
Adjustments				100	200	200	200	
TOTAL CHARGES BY FUND	$ -	$ -	$ 612,500	$ 505,200	$ 553,500	$ 553,500	$ 553,500	100%

Budget Notes:

Expenditures:

Personnel Services:

9 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

31 Shop Improvements include new roof ($30,000), new heater for downstairs area ($2,000), and new locks for all doors ($3,500).

Public Works - Civic Center Facilities

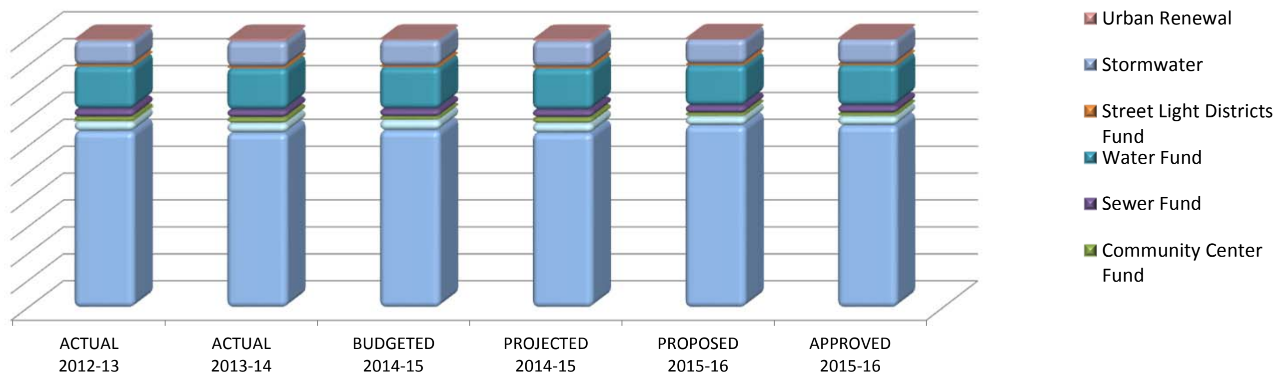
The Civic Center Facility Fund accounts for operations and maintenance of the Civic Center. Facility Maintenance staff will continue to maintain the facility at a level that allows maximum efficiency of all staff. The Facility Maintenance staff will continue refining the programming of the HVAC units for the changing seasons as well as the lighting system in an efficient manner. General and preventive maintenance of the 68,000 sq. ft. building and 4.5 acres of exterior grounds will continue to be addressed throughout the year.

Costs are allocated based on FTE allocations charged to each operating fund except software and hardware costs are based on dollars expended by fund as authorized by Council Resolution.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**								
3	Restricted for Civic Center Improvements	$ 23,761	$ 98,807	$ 130,500	$ 130,500	$ 130,500	$ 130,500	$ 130,500	0%
4	Unrestricted	1,739	-	100	100	100	100	100	
5	**Total Beginning Balances**	**25,500**	**98,807**	**130,600**	**130,600**	**130,600**	**130,600**	**130,600**	**0%**
6	**Revenues:**								
7	**Charges for Services:**								
8	Administrative Service Charges	316,465	315,654	343,500	319,700	301,300	301,300	301,300	-6%
9	**TOTAL RESOURCES**	**341,965**	**414,461**	**474,100**	**450,300**	**431,900**	**431,900**	**431,900**	**-4%**
10	**REQUIREMENTS:**								
11	**Expenditures:**								
12	**Personnel Services:**								
13	Municipal Utility Worker	-	3,682	5,600	5,600	5,900	5,900	5,900	5%
14	Facility Maintenance Technician	35,731	39,651	41,900	41,900	43,700	43,700	43,700	4%
15	Overtime	-	-	400	-	400	400	400	
16	Clothing Allowance	400	400	500	500	500	500	500	0%
17	Wellness	-	159	500	300	500	500	500	67%
18	Medicare	544	675	800	800	800	800	800	0%
19	Retirement	4,275	6,228	7,000	7,000	9,300	9,300	9,300	33%
20	Insurance Benefits	16,365	17,211	19,700	19,700	21,300	21,300	21,300	8%
21	Workers Compensation	297	297	500	500	600	600	600	20%
22	Unemployment Insurance	2,535	-	-	-	-	-	-	
23	**Total Personnel Services**	**60,147**	**68,303**	**76,900**	**76,300**	**83,000**	**83,000**	**83,000**	**9%**
24	**Materials & Services:**								
25	Materials & Supplies	9	48	-		-	-	-	
26	Contractual Services	3,980	9,202	9,600	8,000	9,600	9,600	9,600	20%
27	Janitorial Services	59,198	59,637	60,000	59,000	62,000	62,000	62,000	5%
28	Utilities	98,795	103,391	105,000	101,000	105,000	105,000	105,000	4%
29	Equipment Maintenance & Replacement	1,742	10,565	44,000	54,800	25,000	25,000	25,000	-54%
30	Maintenance Supplies	11,192	5,656	8,000	7,000	8,000	8,000	8,000	14%
31	Janitorial Supplies	5,141	6,237	5,500	3,700	4,500	4,500	4,500	22%
32	**Total Materials & Services**	**180,057**	**194,736**	**232,100**	**233,500**	**214,100**	**214,100**	**214,100**	**-8%**
33	**Capital Outlay:**								
34	Civic Center Improvements	2,954	20,822	18,500	10,000	2,700	2,700	2,700	-73%
35	**Total Expenditures**	**243,158**	**283,861**	**327,500**	**319,800**	**299,800**	**299,800**	**299,800**	**-6%**
36	**Other Requirements:**								
37	**Contingency:**								
38	Operating Contingency	-	-	1,500	-	1,500	1,500	1,500	
39	Civic Center Improvements	-	-	145,100	-	130,500	130,500	130,500	
40	**Total Contingency**	-	-	146,600	-	132,000	132,000	132,000	

Public Works - Civic Center Facilities

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
41	**Fund Balance:**								
42	Committed for Civic Center Improvements	98,807	130,600	-	130,500	-	-	-	-100%
43	Committed for Operations	-	-	-	100	100	100	100	0%
44	**Total Fund Balance**	98,807	130,600	-	130,600	100	100	100	-100%
45	**TOTAL REQUIREMENTS**	**$ 341,965**	**$ 414,461**	**$ 474,100**	**$ 450,400**	**$ 431,900**	**$ 431,900**	**$ 431,900**	**-4%**



PUBLIC WORKS - SUMMARY OF FACILITY MAINTENANCE CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	FTE
General Fund	$ 207,469	$ 204,941	$ 226,200	$ 207,400	$ 204,100	$ 204,100	$ 204,100	67%
Street Fund	12,174	11,821	13,700	12,000	10,400	10,400	10,400	4%
PEG Fund	-	-	-	-	-	-	-	0%
Community Center Fund	4,778	6,612	4,100	6,700	3,500	3,500	3,500	1%
Sewer Fund	9,460	8,844	9,500	9,000	8,500	8,500	8,500	3%
Water Fund	50,421	49,055	53,900	49,700	45,400	45,400	45,400	15%
Street Light Districts Fund	997	1,009	1,000	1,000	900	900	900	0%
Stormwater	28,996	30,539	33,600	30,900	28,600	28,600	28,600	10%
Urban Renewal	2,170	2,833	1,500	2,900	-	-	-	0%
Adjustments	-	-	-	100	(100)	(100)	(100)	0%
TOTAL CHARGES BY FUND	$ 316,465	$ 315,654	$ 343,500	$ 319,700	$ 301,300	$ 301,300	$ 301,300	100%

Budget Notes:

Expenditures:

Personnel Services:

12 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

26 Replacement gauges, pipe inspection, check valve inspection for fire sprinkler system $1,400, re-stripe parking lot $1,000, and routine costs

27 The Janitorial Services contract is up for renewal and costs are expected to increase.

29 Equipment Maintenance & Replacement costs include lighting ballast replacements.

Capital Outlay:

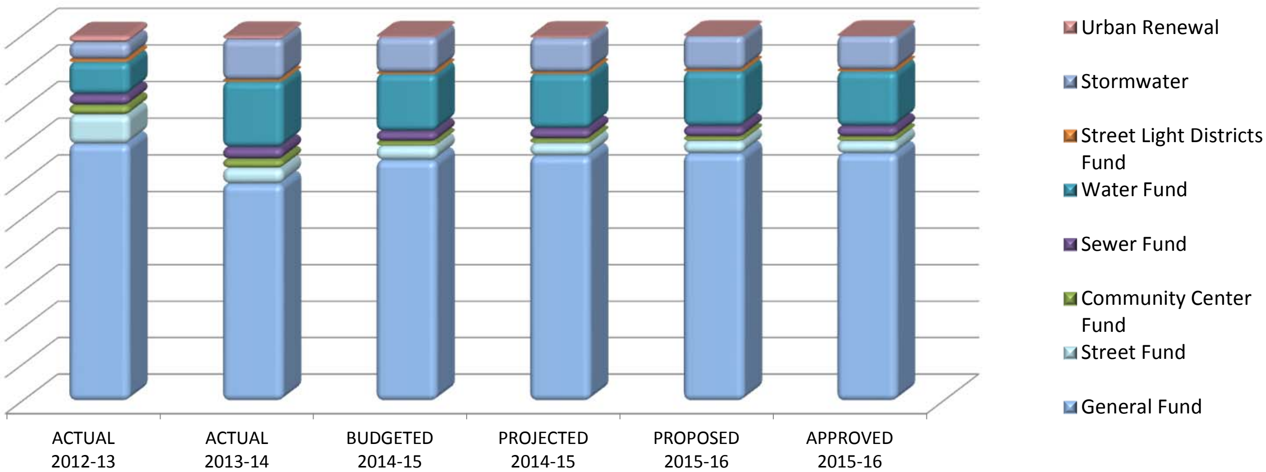
34 Civic Center Improvements include $1,000 for Code Enforcement furniture and $1,700 for replacing chairs from Human Resources Office.

General Administration

General Administration tracks City-Wide shared costs. Costs are charged to each operating fund based on the full-time equivalents (FTE) of that fund as authorized in Council Resolution.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 190**	**$ 6,550**	**$ 100**	**$ -**	**$ -**	**$ -**	**$ -**	
3	**Revenues:**								
4	**Charges for Services:**								
5	Administrative Service Charges	193,680	254,756	301,500	238,700	310,800	310,800	310,800	30%
6	**Miscellaneous:**								
7	Interest	6,060	1,988	-	-	-	-	-	
8	**TOTAL RESOURCES**	**199,930**	**263,294**	**301,600**	**238,700**	**310,800**	**310,800**	**310,800**	30%
9	**REQUIREMENTS:**								
10	**Expenditures:**								
11	**Materials & Services:**								
12	Office Materials & Supplies	18,930	17,616	27,000	27,000	27,000	27,000	27,000	0%
13	Postage & Printing	13,546	20,561	31,500	25,000	25,200	25,200	25,200	1%
14	Association Memberships	47,475	48,241	49,600	51,000	51,000	51,000	51,000	0%
15	City Council Expenses	4,686	4,857	9,000	8,500	9,000	9,000	9,000	6%
16	Committee Meeting Expense	822	249	500	500	500	500	500	0%
17	Public Notices	628	722	1,000	500	1,000	1,000	1,000	100%
18	Contractual Services	793	895	1,100	700	1,100	1,100	1,100	57%
19	Liability Insurance	106,137	169,616	127,500	125,000	135,500	135,500	135,500	8%
20	Miscellaneous Expense	363	531	500	500	500	500	500	0%
21	**Total Materials & Services**	**193,380**	**263,288**	**247,700**	**238,700**	**250,800**	**250,800**	**250,800**	**5%**
22	**Capital Outlay:**								
23	Office Furniture & Equipment	-	-	1,000	-	-	-	-	
24	**Total Expenditures**	**-**	**-**	**1,000**	**-**	**-**	**-**	**-**	
25	**Other Requirements:**								
26	**Contingency:**								
27	Liability Retro Plan	-	-	54,900	-	60,000	60,000	60,000	
28	**Fund Balance:**								
29	Committed for Operations	6,550	6	(2,000)	-	-	-	-	
30	**TOTAL REQUIREMENTS**	**$199,930**	**$ 263,294**	**$ 301,600**	**$ 238,700**	**$ 310,800**	**$ 310,800**	**$ 310,800**	30%

General Administration



SUMMARY OF CITY-WIDE ADMINISTRATIVE CHARGES BY FUND

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	FTE
General Fund	$ 136,213	$ 151,404	$ 198,600	$ 160,100	$ 210,500	$ 210,500	$ 210,500	67%
Street Fund	15,496	11,035	12,000	8,300	10,800	10,800	10,800	4%
Peg Fund	-	-	-	-	-	-	-	0%
Community Center Fund	5,118	6,172	3,600	2,800	3,600	3,600	3,600	1%
Sewer Fund	5,583	8,256	8,300	6,700	8,800	8,800	8,800	3%
Water Fund	17,133	45,794	47,300	35,900	46,800	46,800	46,800	15%
Street Light Districts Fund	1,437	941	900	700	900	900	900	0%
Stormwater	9,015	28,509	29,500	22,600	29,500	29,500	29,500	10%
Urban Renewal	3,685	2,645	1,300	1,600	-	-	-	0%
Adjustments	-	-	-		(100)	(100)	(100)	0%
TOTAL CHARGES BY FUND	$ 193,680	$ 254,756	$ 301,500	$ 238,700	$ 310,800	$ 310,800	$ 310,800	100%

General Administration

Budget Notes:

Expenditures:

12 Police Department Office Materials & Supplies are now budgeted in the Administrative Services Fund as a City-Wide shared cost and the General Fund's portion is charged back to that fund.

13 Police Department Postage & Printing are now budgeted in the Administrative Services Fund as a City-Wide shared cost and the General Fund's portion is charged back to that fund. Costs also increased due to the increase in postage and to provide funds for a citizen survey.

14 Association Memberships include organizations such as the Council of Governments, League of Oregon Cities, Chamber of Commerce, & local newspaper subscriptions.

15 Funding provides for 5 council members to attend the fall League of Oregon Cities conference and the Mayor to attend the annual Mayor's Association Conference.

18 Contractual Services include the ASCAP and BMI licenses. American Society of Composers, Authors & Publishers (ASCAP) licenses the right to perform songs and musical works created and owned by publishers who are ASCAP members. Broadcast Music, Inc. (BMI), a global leader in rights management, collects license fees from businesses that use music, which it distributes as royalties to songwriters, composers & music publishers. Licenses apply to the City's on-hold telephone music and Amphitheater performances.

19 The City's Liability Insurance is expected to increase 7.6%. Premiums cover, Property, General and Auto liability. The City participates in a "Retro Plan" agreement on its General and Auto liability insurance premiums. Under this plan, premium contributions are 75% of the base premium amount with a maximum exposure of 112.5%. Because of the City's good claims loss experience it saves money by participating in this plan, although it does assume additional risk. Auto insurance premiums are paid from the Police Operating budget and Public Works budgets. FY15-16 projections expect premium rates to increase 8% over FY14-15. Liability insurance includes insuring art pieces included as part of the City's Art Walk Program. The premium is estimated at $750 annually. The deductibles are based on the value. If the value of the art is $7,500 or under, the City's deductible is $2,500. If the value is over $7,500, the deductible is $5,000. Deductibles will be paid from General Fund resources.

27 As explained in the Liability Insurance line item, the City's risk exposure for participating in the "Retro Plan" equates to 37.5% of the premiums paid on General and Auto liability. Premiums paid on property and auto damage are not part of the "Retro Plan".

Public Works
Street Fund

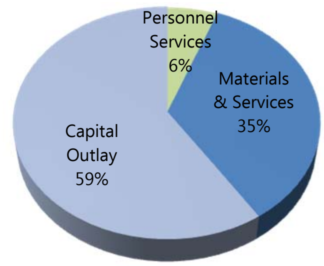
The Street Fund is managed by the Public Works Department to provide quality streets, lighting, traffic signals, sidewalks, and bike paths. The primary source of revenue is State Fuel Taxes, which are apportioned by the State based on population. Fuel tax revenues are restricted by constitutional limits and are to be used for street maintenance and improvements (Const. IX § 3). The Street Fund's share of drainage system maintenance and repair costs is an annual assessment of Stormwater fees. The City currently contracts striping services with Marion County. Traffic Signal System operation and maintenance is contracted with the City of Salem.

Accomplishments for FY 14-15

- Reconstructed Shoreline Drive including new curbs, sidewalks, and ADA upgrades.
- Resurfaced approximately 2.1 miles of City streets.
- Completed the Chemawa Road North Improvement Project.

Goals for FY15-16

- Construction of the Verda/Chemawa Round-a-Bout Project will begin in FY 15-16.
- Replace traffic protected/permissive left turn signal heads on River Road.
- Continue annual resurfacing of various City streets.



		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**								
3	Unrestricted Beginning Balance	**$ 2,740,132**	**$ 1,440,562**	**$ 1,199,300**	**$ 1,189,900**	**$ 1,126,600**	**$ 1,126,600**	**$ 1,126,600**	-5%
4	Bike Safety Donations	1,856	1,738	800	1,200	-	-	-	-100%
5	**Total Beginning Balances**	**2,741,988**	**1,442,300**	**1,200,100**	**1,191,100**	**1,126,600**	**1,126,600**	**1,126,600**	**-5%**
6	**Revenues:**								
7	**Taxes & Assessments:**								
8	Assessments	4,530	2,007	2,200	2,200	-	-	-	-100%
9	**Licenses & Fees:**								
10	Planning Construction Fees	2,965	16,768	5,000	10,500	7,500	7,500	7,500	-29%
11	Driveway Permit Fees	4,260	4,410	2,800	3,500	4,600	4,600	4,600	31%
12	**Total Licenses & Fees**	**7,225**	**21,178**	**7,800**	**14,000**	**12,100**	**12,100**	**12,100**	**-14%**
13	**Intergovernmental:**								
14	Grants	21,887	393	-	-	-	-	-	
15	State Fuel Tax	2,008,545	2,100,979	2,158,800	2,087,000	2,100,000	2,100,000	2,100,000	1%
16	**Total Intergovernmental**	**2,030,432**	**2,101,372**	**2,158,800**	**2,087,000**	**2,100,000**	**2,100,000**	**2,100,000**	**1%**
17	**Miscellaneous:**								
18	Property Sales	-	-	-	-	-	-	-	
19	Bike Safety Donations	215	359	-	100	-	-	-	-100%
20	Assessment Interest	186	178	200	200	-	-	-	-100%
21	Interest	5,605	2,449	2,200	1,400	1,500	1,500	1,500	7%
22	Rental Property	8,517	-	-	-	-	-	-	
23	Miscellaneous Revenue	17,249	1,058	-	-	-	-	-	
24	**Total Miscellaneous**	**31,772**	**4,044**	**2,400**	**1,700**	**1,500**	**1,500**	**1,500**	**-12%**
25	**TOTAL RESOURCES**	**4,815,947**	**3,570,901**	**3,371,300**	**3,296,000**	**3,240,200**	**3,240,200**	**3,240,200**	**-2%**

Public Works
Street Fund

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
26	**REQUIREMENTS:**								
27	**Expenditures:**								
28	**Personnel Services:**								
29	Public Works Director	41,356	40,891	-	-	-	-	-	
30	Municipal Utility Workers	70,598	84,199	46,000	46,000	48,600	48,600	48,600	6%
31	Community Development Director	11,571	11,849	12,200	12,200	12,300	12,300	12,300	1%
32	Code Enforcement/Zoning Technician			5,000	5,000	7,000	7,000	7,000	40%
33	Administrative Support	19,695	20,956	-	-	-	-	-	
34	Overtime	4,788	3,159	5,200	5,200	5,200	5,200	5,200	0%
35	Parade Overtime	506	-	2,200	2,200	2,200	2,200	2,200	0%
36	Duty Pay	6,600	6,525	7,800	7,800	7,800	7,800	7,800	0%
37	Clothing Allowance/Cell Phone Stipend	1,243	1,187	900	900	700	700	700	-22%
38	Wellness	-	154	500	200	500	500	500	150%
39	Medicare	2,373	2,575	1,100	1,100	1,200	1,200	1,200	9%
40	Retirement	22,511	24,348	13,500	10,900	16,900	16,900	16,900	55%
41	Insurance Benefits	33,059	46,507	22,800	22,800	24,200	24,200	24,200	6%
42	Workers Compensation	357	1,572	2,100	1,700	1,400	1,400	1,400	-18%
43	**Total Personnel Services**	**214,657**	**243,922**	**119,300**	**116,000**	**128,000**	**128,000**	**128,000**	**10%**
44	**Materials & Services:**								
45	Helmets	332	825	-	-	1,200	1,200	1,200	
46	Postage & Printing	-	25	-	-	-	-	-	
47	Meetings, Travel & Training	693	998	1,200	1,200	1,500	1,500	1,500	25%
48	Public Notices	257	-	500	-	500	500	500	
49	Labor Attorney	8	126	-	-	-	-	-	
50	Administrative Services Charges	122,717	107,227	332,700	287,000	311,600	311,600	311,600	9%
51	Parade Traffic Control	2,643	2,358	2,700	2,500	2,700	2,700	2,700	8%
52	Contractual Services	38,739	59,037	97,600	83,600	139,000	139,000	139,000	66%
53	Engineering Services	10,125	26,863	25,000	12,500	25,000	25,000	25,000	100%
54	Traffic Engineering SDC Review	1,875	-	2,500	3,500	5,000	5,000	5,000	43%
55	Janitorial	340	472	-	-	-	-	-	
56	Utilities	948	1,288	-	-	-	-	-	
57	Telephone	1,131	882	-	-	-	-	-	
58	Auto Insurance	349	427	600	-	-	-	-	
59	Gasoline/Diesel	2,320	2,894	2,500	2,500	2,500	2,500	2,500	0%
60	Equipment Maintenance	2,044	3,318	5,000	3,500	5,000	5,000	5,000	43%
61	Sidewalk Maintenance	78	1,550	5,000	-	5,000	5,000	5,000	
62	Operating Materials and Supplies	8,720	10,715	15,000	15,000	15,000	15,000	15,000	0%
63	Street Sweeping	72,815	-	-	-	-	-	-	
64	Storm Water Charges		310,637	-	-	-	-	-	
65	Street Maintenance & Repair	106,485	104,122	155,000	115,000	155,000	155,000	155,000	35%
66	Street Light Utilities	67,801	68,003	70,000	70,000	65,000	65,000	65,000	-7%
67	Traffic Light Utilities	22,439	22,929	27,000	27,000	28,000	28,000	28,000	4%
68	Medical Testing	205	193	200	100	200	200	200	100%
69	Rental Property Expenses	4,309	799	500	500	500	500	500	0%
70	MPO Support/ SKATS	5,722	6,969	9,900	9,900	9,900	9,900	9,900	0%
71	**Total Materials & Services**	**473,095**	**732,657**	**752,900**	**633,800**	**772,600**	**772,600**	**772,600**	**22%**

Public Works

Street Fund

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
72	**Capital Outlay:**								
73	Heavy Equipment/Vehicles	12,897	7,677	26,300	26,300	-	-	-	-100%
74	Street Improvements	1,217,474	74,675	850,000	525,000	300,000	300,000	300,000	-43%
75	Infill and ADA Sidewalk Completions	-	26,952	25,000	25,000	25,000	25,000	25,000	0%
76	Street Resurfacing	979,288	631,106	500,000	500,000	800,000	800,000	800,000	60%
77	Signage & Signal Upgrades	43,825	62,691	15,000	-	20,000	20,000	20,000	
78	Field Equipment	701	-	2,000	2,000	1,100	1,100	1,100	-45%
79	Area B Development Costs	138	-	41,200	-	45,000	45,000	45,000	
80	Unanticipated Expense			146,000	-	119,100	119,100	119,100	
81	**Total Capital Outlay**	**2,254,323**	**803,101**	**1,605,500**	**1,078,300**	**1,310,200**	**1,310,200**	**1,310,200**	**22%**
82	**Debt Service:**								
83	Principal	183,000	594,000	-	-	-	-	-	
84	Interest	26,872	6,080	-	-	-	-	-	
85	**Total Debt Service**	**209,872**	**600,080**	**-**	**-**	**-**	**-**	**-**	
86	**Total Expenditures**	**3,151,947**	**2,379,760**	**2,477,700**	**1,828,100**	**2,210,800**	**2,210,800**	**2,210,800**	**21%**
87	**Other Requirements:**								
88	**Contingency:**								
89	Operating Contingency	-	-	43,000	-	45,300	45,300	45,300	
90	**Transfers Out:**								
91	Storm Water Fund	221,700		341,300	341,300	372,500	372,500	372,500	9%
92	**Fund Balance:**								
93	Restricted Property Sales Proceeds	143,100	143,100	143,100	-	143,100	143,100	143,100	
94	Restricted for Street Improvements	-	-	-	-	50,000	50,000	50,000	
95	Restricted for Operations	1,299,200	1,048,041	366,200	1,126,600	418,500	418,500	418,500	-63%
96	**Total Fund Balance**	**1,442,300**	**1,191,141**	**509,300**	**1,126,600**	**611,600**	**611,600**	**611,600**	**-46%**
97	**TOTAL REQUIREMENTS**	**$ 4,815,947**	**$ 3,570,901**	**$ 3,371,300**	**$ 3,296,000**	**$ 3,240,200**	**$ 3,240,200**	**$3,240,200**	**-2%**

Public Works

Street Fund

Summary of Administrative Service Fund Charges

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
City-Wide Administration	$ 15,496	$ 11,035	$ 12,000	$ 8,300	$ 10,800	$ 10,800	$ 10,800	30%
City Manager	14,438	9,283	10,300	10,300	11,900	11,900	11,900	16%
Information Systems	10,369	10,457	13,700	11,200	20,700	20,700	20,700	85%
Attorney's Office	15,490	13,360	15,200	14,800	20,900	20,900	20,900	41%
City Recorder	14,277	9,037	10,000	9,900	11,900	11,900	11,900	20%
Human Resources	7,985	9,430	10,900	10,600	10,100	10,100	10,100	-5%
Finance	32,488	32,763	42,400	41,800	32,000	32,000	32,000	-23%
Facility Maintenance	12,174	11,821	13,700	12,000	10,400	10,400	10,400	-13%
Public Works	-	-	204,500	168,100	182,900	182,900	182,900	9%
Adjustments		41						
Administrative Services Charges	$ 122,717	$ 107,227	$ 332,700	$ 287,000	$ 311,600	$ 311,600	$ 311,600	9%

Budget Notes:

Revenues:

15 The League of Oregon Cities notes that state highway shared revenues are projecting a 2% increase next year. The League also noted that in recent years state projections have exceeded actual revenues.

Expenditures:

Personnel Services:

28 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

29
30
33 The Public Works Director, one Municipal Utility Worker and the Administrative Service positions are budgeted in the Public Works section of the Administrative Services Fund and costs are charged back to the Street Fund based on estimated time spent in the Division.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

49 Labor Attorney Costs are included in the Public Works Administrative Services Fund.

50 Administrative Service Charges increased primarily due to personnel service increases associated with salary and wage, retirement and insurance expenses.

52 Contractual Services include $75,000 for pavement markings, $10,000 for Pavement Condition update, $16,000 for updated city wide traffic counts, and $38,000 for routine costs such as landscape maintenance.

55
56 Janitorial, utilities, and telephone costs have been moved to the Public Works Administration Fund
57

Capital Outlay:

74 Street Improvements include $300,000 for the Verda/Chemawa round-a-bout project.

77 Signage upgrades are to replace protective and permissive left turn signal heads on River Road.

89 The contingency is 5% of operating costs including personnel services and materials and services.

90 The transfer to the Storm Water Fund is the Street Fund's share of Storm Water costs. The Storm Water Fund rate slope provides for a $0.40 per ESU rate increase effective January 1, 2016.

Public Works

Street Lighting District Fund

The Street Lighting District Fund accounts for the Street Lighting Districts and Local Improvement Districts from establishment and construction; through billing and recording the liens with the county tax collector. The City currently has approximately 200 Lighting Districts. The City Recorder, the Finance Department and the Public Works Department share the responsibility for managing the activities in this fund.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	$ 297,362	$ 294,651	$ 257,300	$ 305,800	$ 346,500	$ 346,500	$ 346,500	**13%**
3	**Revenues:**								
4	**Taxes & Assessments:**								
5	Lighting District Assessments	409,795	413,282	448,300	409,900	305,000	305,000	305,000	-26%
6	**Miscellaneous:**								
7	Interest Earnings/Miscellaneous	1,062	7,426	1,000	70,000	7,000	7,000	7,000	-90%
8	**Transfers:**								
9	Transfer from Sewer Fund	-	32,900	-	-	55,600	55,600	55,600	
10	**Total Revenues**	410,857	453,608	449,300	479,900	367,600	367,600	367,600	-23%
11	**TOTAL RESOURCES**	**708,219**	**748,259**	**706,600**	**785,700**	**714,100**	**714,100**	**714,100**	**-9%**
12	**REQUIREMENTS:**								
13	**Expenditures:**								
14	**Personnel Services:**								
15	Public Works Director	4,700	5,111	-	-	-	-	-	
16	Administrative Support Staff	4,580	4,873	-	-	-	-	-	
17	Cell Phone Stipend	66	66	-	-	-	-	-	
18	Wellness	-	14	-	-	-	-	-	
19	Medicare	140	152	-	-	-	-	-	
20	Retirement	1,147	1,233	-	-	-	-	-	
21	Insurance Benefits	1,914	3,094	-	-	-	-	-	
22	Workers Compensation	62	128	-	-	-	-	-	
23	**Total Personnel Services**	**12,609**	**14,671**	**-**	**-**	**-**	**-**	**-**	
24	**Materials & Services:**								
25	Public Notices	707	566	800	800	800	800	800	0%
26	Administrative Services Charges	20,834	13,753	33,200	28,900	35,900	35,900	35,900	24%
27	Engineering Costs	335	1,929	3,000	1,000	3,000	3,000	3,000	200%
28	Lighting Costs	371,846	409,884	452,000	406,500	416,500	416,500	416,500	2%
29	Street Lighting Maintenance - KS Area A	7,235	1,608	5,100	2,000	2,000	2,000	2,000	0%
30	Miscellaneous Expense	2	-	-	-	-	-	-	
31	**Total Materials & Services**	**400,959**	**427,740**	**494,100**	**439,200**	**458,200**	**458,200**	**458,200**	**4%**
32	**Total Expenditures**	**413,568**	**442,411**	**494,100**	**439,200**	**458,200**	**458,200**	**458,200**	**4%**
33	**Other Requirements:**								
34	Contingency	-	-	24,700	-	23,000	23,000	23,000	
35	**Fund Balance:**								
36	**Restricted:**								
37	Pole Replacement at KS Area A	-	-	27,300	-	31,200	31,200	31,200	
38	Pole Replacement Option B Districts	-	-	10,000	-	-	-	-	
39	**Total Restricted Fund Balance**	**-**	**-**	**37,300**	**-**	**31,200**	**31,200**	**31,200**	
40	**Unrestricted:**								
41	Restricted for Operations	294,651	305,848	150,500	346,500	201,700	201,700	201,700	-42%
42	**Total Fund Balance**	**294,651**	**305,848**	**187,800**	**346,500**	**232,900**	**232,900**	**232,900**	**-33%**
43	**TOTAL REQUIREMENTS**	**$ 708,219**	**$ 748,259**	**$ 706,600**	**$ 785,700**	**$ 714,100**	**$ 714,100**	**$ 714,100**	**-9%**

Public Works

Street Lighting District Fund

Summary of Administrative Service Fund Charges

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
City-Wide Administration	$ 1,437	$ 941	$ 900	$ 700	$ 900	$ 900	$ 900	29%
City Manager	1,316	799	400	400	600	600	600	50%
Information Systems	1,924	1,099	1,100	900	1,000	1,000	1,000	11%
Attorney's Office	1,412	1,279	200	200	600	600	600	200%
City Recorder	1,301	826	400	400	600	600	600	50%
Human Resources	925	804	800	800	800	800	800	0%
Finance	11,522	7,007	6,700	6,600	7,700	7,700	7,700	17%
Facility Maintenance	997	1,009	1,000	1,000	900	900	900	-10%
Public Works	-	(11)	21,700	17,900	22,800	22,800	22,800	27%
Administrative Services Charges	$ 20,834	$ 13,753	$ 33,200	$ 28,900	$ 35,900	$ 35,900	$ 35,900	24%

Budget Notes:

Revenues:

5 The Street Lighting District Fund operates on a reimbursement basis. Electricity is paid in Year One and assessed on the tax rolls in Year Two. The decrease in Lighting District Assessments is due to applying electricity rebate credits received during previous years to the current year assessment.

8 The transfer from the Sewer Fund is to transfer electricity rebates previously recorded in the Sewer fund to the Street Lighting District where the electricity expenditures were recorded. The credits will reduce future assessment amounts for Salem Electric customers.

Expenditures:

14 Personnel service costs were for various Public Works staff time spent on Street Lighting District issues. These costs have been moved to the Public Works Administrative Services fund and are charged back to the Street Lighting District Fund.

26 Administrative Service Charges increased primarily due to personnel service increases associated with salary and wage, retirement and insurance expenses.

27 The City is expecting two additional street lighting districts to form in FY2015-16.

Public Works

Transportation Improvement Fund

The Transportation Improvement Fund was established in Fiscal Year 2004-2005 to account for system development fees. The city charges a system development fee to help cover the cost of transportation improvements resulting from development. The fee varies depending on the land use being developed and the location of the development. The system development fees are adjusted each July using a blended rate of the Northwest Construction index and the change in undeveloped land values in the Keizer area. These fees can be located on the City's web site.

Recommendations for expenditures in FY15/16:
Begin Engineering design for the improvements to the I-5/Chemawa Southbound on-ramp. ODOT is currently taking the lead planning and designing these improvements. Estimated cost includes the City's share of permits and project management.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$1,888,228**	**$1,980,234**	**$2,146,500**	**$2,175,300**	**$2,369,900**	**$2,369,900**	**$2,369,900**	**9%**
3	**Revenues:**								
4	**Licenses & Fees:**								
5	System Development Fees	112,685	162,448	47,500	190,100	216,900	216,900	216,900	14%
6	**Miscellaneous:**								
7	Interest	5,931	5,894	6,100	4,500	4,500	4,500	4,500	0%
8	**Total Revenues**	**118,616**	**168,342**	**53,600**	**194,600**	**221,400**	**221,400**	**221,400**	
9	**Other Resources:**								
10	Sewer Reserve Fund Loan Repayment	-	26,706	-	-	-	-	-	
11	**Total Other Resources**	-	26,706	-	-	-	-	-	
12	**TOTAL RESOURCES**	**2,006,844**	**2,175,282**	**2,200,100**	**2,369,900**	**2,591,300**	**2,591,300**	**2,591,300**	**9%**
13	**REQUIREMENTS:**								
14	**Expenditures:**								
15	**Capital Outlay:**								
16	Improvements	-	-	450,000	-	450,000	450,000	450,000	
17	Unanticipated Expenses	-	-	1,000,000	-	1,750,000	1,750,000	1,750,000	
18	**Total Capital Outlay**	**-**	**-**	**1,450,000**	**-**	**2,200,000**	**2,200,000**	**2,200,000**	
19	**Total Expenditures**								
20	**Other Requirements:**								
21	**Transfers Out:**								
22	Interfund loan to Sewer Reserve Fund	26,610	-	-	-	-	-	-	
23	**Total Transfers Out**	**26,610**	**-**	**-**	**-**	**-**	**-**	**-**	
24	**Fund Balance:**								
25	Restricted for Improvements	1,980,234	2,175,282	750,100	2,369,900	391,300	391,300	391,300	-83%
26	**TOTAL REQUIREMENTS**	**$2,006,844**	**$2,175,282**	**$2,200,100**	**$2,369,900**	**$2,591,300**	**$2,591,300**	**$2,591,300**	**9%**

Budget Notes:

Revenues:

5 The System Development Fee projections for FY15-16 assume 60 new single family homes and 180 apartment units developed during the year.

Expenditures:

16 Improvement costs are for engineering design for the I-5 Chemawa southbound on-ramp.

Public Works
Off-Site Transportation Improvement Fund

The Off-Site Transportation Fund was created for future transportation improvement projects in connection with Keizer Station Areas B and C. The resources are from developer fees required to be paid as set forth in the Keizer Station Master Plan orders.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 52,594**	**$ 52,754**	**$ 52,900**	**$ 52,900**	**$ 53,000**	**$ 53,000**	**$ 53,000**	**0%**
3	**Revenues:**								
4	**Licenses & Fees:**								
5	Off-Site Transportation Fees	-	-	-	-	-	45,500	45,500	
6	**Miscellaneous:**								
7	Interest	160	149	100	100	-	-	-	-100%
8	**Total Revenues**	160	149	100	100	-	45,500	45,500	45400%
9	**TOTAL RESOURCES**	**52,754**	**52,903**	**53,000**	**53,000**	**53,000**	**98,500**	**98,500**	86%
10	**REQUIREMENTS:**								
11	**Expenditures:**								
12	**Capital Outlay:**								
13	Off-Site Transportation Improvements	-		52,900	-	53,000	53,000	53,000	
14	**Fund Balance:**								
15	Restricted for Improvements	52,754	52,903	100	53,000	-	45,500	45,500	-14%
16	**TOTAL REQUIREMENTS**	**$ 52,754**	**$ 52,903**	**$ 53,000**	**$ 53,000**	**$ 53,000**	**$ 98,500**	**$ 98,500**	86%

Budget Notes:

Revenues:

5 Off-Site Transportation Fees are charges on developers in lieu of constructing certain transportation improvements.

Expenditures:

13 Off-Site Transportation Improvements are projects that are identified in the Keizer Station Area B and C master plan orders.

Public Works

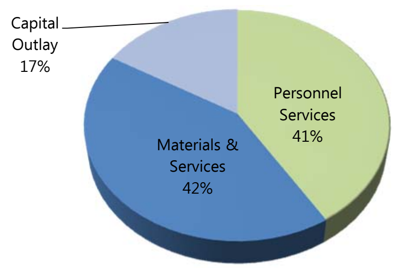
Stormwater Fund

The Stormwater Fund is managed by the Public Works Department to meet the Federal Clean Water Act and Safe Drinking Water Act. The City's stormwater regulatory programs are administered by the State of Oregon through the Department of Environmental Quality (DEQ). The City has 3 regulatory programs which allow the City to manage stormwater through discharge to local waterways, overland flow, and injection into the ground. The City maintains compliance of the regulatory programs by implementing the requirements of state approved management plans for the municipal separate storm sewer system (MS4), the underground injection control (UIC) devices, and the Total Maximum Daily Load (TMDL) Implementation Plan. The City is the permittee for the National Pollutant Discharge Elimination System (NPDES) permit #102904, the Water Pollution Control Facilities (WPCF) permit #103068, and is a designated management agency for the Willamette Basin TMDL.

The City Council approved a long range financial plan for the Stormwater Fund in 2012/2013 in order to address deficiencies and provide adequate financial planning for a self-sustaining fund. That strategy has been successful in addressing ongoing and upcoming regulatory, maintenance, and repair needs for the stormwater system. The Department continues to elevate repair activities while meeting regulatory permit requirements.

Accomplishments for FY 14-15

- Erosion Control Ordinance amended and adopted by resolution.
- Stormwater Utility Ordinance amended and adopted by resolution.
- Continued design work for the storm line realignment in Terrace Green.
- 1st annual report for the WPCF permit submitted and approved by DEQ.
- 24" stormline repair on Garland Court identified by TV contractor. Immanent failure facilitated
- Identified 60+ repairs needed during video inspection work performed by the TV contractor.
- Completed 26 repairs identified during video inspections.
- Continued participation on the DEQ Steering Committee for Phase II permit and 1200-C series
- Completed required stormwater sampling as required by WPCF permit.
- Annual outfall inspection and catch basin cleaning continues.



Division Goals for FY 15-16

- Continue repair work identified by the TV inspection contractor.
- Continue implementation of the TV inspection contract (goal is 10%).
- Complete the comprehensive integrated public education program for the Department.
- Continue participation on the DEQ Steering Committee for development of the new NPDES Phase II permit.
- Continue implementation of the City's 3 regulatory stormwater programs.
- Initiate revision of Public Works Design Standards.
- Complete realignment of storm line at Terrace Green.
- Continue installation of public Vegetated Stormwater Facilities for treatment and infiltration.
- Initiate private stormwater facility inventory program.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 388,946**	**$ 460,629**	**$ 371,600**	**$ 435,100**	**$ 422,500**	**$ 422,500**	**$ 422,500**	-3%
3	**Revenues:**								
4	**Intergovernmental:**								
5	Grants	-	-	-	-	-	-	-	
6	**Charges for Services:**								
7	Planning & Construction Fees	8,764	12,450	7,800	12,000	10,000	10,000	10,000	-17%
8	Service Fees	792,784	886,984	973,500	973,500	1,062,500	1,062,500	1,062,500	9%
9	Charges to Street Fund	-	310,637	-	-	-	-	-	
10	**Total Charges for Services**	801,548	1,210,071	981,300	985,500	1,072,500	1,072,500	1,072,500	9%
11	**Miscellaneous:**								
12	Interest	762	882	6,500	500	2,000	2,000	2,000	300%
13	Miscellaneous Revenue	1,095	2,557	-	2,100	-	-	-	-100%
14	**Total Miscellaneous**	1,857	3,439	6,500	2,600	2,000	2,000	2,000	-23%
15	Total Revenues	803,405	1,213,510	987,800	988,100	1,074,500	1,074,500	1,074,500	9%
16	**Other Resources:**								
17	**Transfers In:**								
18	From the Street Fund	221,700	-	341,300	341,300	372,500	372,500	372,500	9%
19	Interfund Loan From Transportation Fund	-	-	-	-	-	-	-	
20	**Total Transfers In**	221,700	-	341,300	341,300	372,500	372,500	372,500	9%
21	**TOTAL RESOURCES**	**1,414,051**	**1,674,139**	**1,700,700**	**1,764,500**	**1,869,500**	**1,869,500**	**1,869,500**	**6%**

Public Works

Stormwater Fund

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
22	**REQUIREMENTS:**								
23	**Expenditures:**								
24	**Personnel Services:**								
25	Public Works Director	16,918	18,401	-	-	-	-	-	
26	Municipal Utility Workers	145,251	178,542	152,000	152,000	158,800	158,800	158,800	4%
27	Community Development Staff	1,827	1,905	2,100	2,100	2,100	2,100	2,100	0%
28	Environmental Program Staff	190,796	212,071	222,700	217,700	236,700	236,700	236,700	9%
29	Administrative Support	16,781	18,007	-	-	-	-	-	
30	Overtime	2,054	1,658	4,600	1,500	4,800	4,800	4,800	220%
31	Duty Pay	6,600	6,525	7,800	7,800	7,800	7,800	7,800	0%
32	Cell Phone - Clothing Allowances	1,428	1,427	2,100	1,500	1,300	1,300	1,300	-13%
33	Wellness	-	879	2,800	1,700	2,800	2,800	2,800	65%
34	Medicare	6,112	7,170	6,000	6,000	6,300	6,300	6,300	5%
35	Retirement	61,798	69,455	68,300	66,000	86,800	86,800	86,800	32%
36	Insurance Benefits	116,613	138,555	127,800	126,000	134,600	134,600	134,600	7%
37	Workers Compensation	20,440	7,217	6,900	4,100	5,100	5,100	5,100	24%
38	**Total Personnel Services**	586,618	661,812	603,100	586,400	647,100	647,100	647,100	10%
39	**Materials & Services:**								
40	Postage & Printing	4,697	5,031	-	-	-	-	-	
41	Concrete	196	1,850	3,000	1,500	3,000	3,000	3,000	100%
42	Rock & Backfill	209	699	1,200	1,200	1,200	1,200	1,200	0%
43	Paving	1,136	2,415	4,500	4,000	4,500	4,500	4,500	13%
44	Meetings, Travel & Training	3,564	8,454	6,000	6,000	7,000	7,000	7,000	17%
45	Public Notices	163	10	-	-	-	-	-	
46	Labor Attorney	22	50	-	-	-	-	-	
47	Administrative Services Charges	122,943	147,210	325,000	286,500	334,000	334,000	336,000	17%
48	Contractual Services	72,253	109,407	93,300	93,300	113,300	113,300	113,300	21%
49	Engineering Services	11,635	11,001	15,000	15,000	20,000	20,000	20,000	33%
50	Janitorial	735	785	-	-	-	-	-	
51	Utilities	1,389	1,737	-	-	-	-	-	
52	Storm Drain Utilities	4,542	5,421	5,000	5,500	5,500	5,500	5,500	0%
53	Telephone	2,603	2,430	-	-	-	-	-	
54	Auto Insurance	977	4,098	-	-	-	-	-	
55	Gasoline	1,492	2,057	2,200	2,400	2,200	2,200	2,200	-8%
56	Diesel Fuel	8,660	6,209	11,000	7,200	10,000	10,000	10,000	39%
57	Vehicle Maintenance	3,135	3,444	3,500	2,000	3,500	3,500	3,500	75%
58	Equipment Maintenance	4,657	6,546	14,000	8,000	14,000	14,000	14,000	75%
59	Storm Sewer Dumping Costs	490	65	-	-	-	-	-	
60	Permit Renewal & Registration Fees	4,052	850	4,000	3,100	4,000	4,000	4,000	29%
61	Plant Maintenance	5,676	5,808	10,000	7,000	12,500	12,500	12,500	79%
62	Pump Maintenance	2,438	-	10,000	3,700	10,000	10,000	10,000	170%
63	Operating Materials & Supplies	7,008	10,170	15,300	22,500	12,800	12,800	12,800	-43%
64	Street Sweeping	18,448	105,225	98,000	97,000	98,000	98,000	98,000	1%
65	Medical Testing	45	349	400	300	400	400	400	33%
66	Lab Tests	7,572	3,692	8,000	5,600	8,000	8,000	8,000	43%
67	Consumer Confidence Report/ Public Education	870	874	3,400	3,000	3,000	3,000	3,000	0%
68	**Total Materials & Services**	291,607	445,887	632,800	574,800	666,900	666,900	668,900	16%

Public Works
Stormwater Fund

#		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
69	**Capital Outlay:**								
70	Field Equipment	-	3,824	3,800	3,800	9,700	9,700	9,700	155%
71	Heavy Equipment/Service Vehicle	12,897	23,032	30,000	27,000	-	-	-	-100%
72	Storm Sewer Pipe Extension or Repair	62,301	104,436	150,000	150,000	250,000	250,000	250,000	67%
73	**Total Capital Outlay**	75,198	131,292	183,800	180,800	259,700	259,700	259,700	44%
74	**Total Expenditures**	953,423	1,238,991	1,419,700	1,342,000	1,573,700	1,573,700	1,575,700	17%
75	**Other Requirements:**								
76	Contingency	-	-	84,800	-	46,600	46,600	46,600	
77	**Fund Balance:**								
78	Assigned	460,628	435,148	196,200	422,500	249,200	249,200	247,200	-41%
79	**TOTAL REQUIREMENTS**	**$ 1,414,051**	**$ 1,674,139**	**$ 1,700,700**	**$1,764,500**	**$1,869,500**	**$1,869,500**	**$ 1,869,500**	**6%**

Summary of Administrative Service Fund Charges

City-Wide Administration	$ 9,015	$ 28,509	$ 29,500	$ 22,600	$ 29,500	$ 29,500	$ 29,500	31%
City Manager	3,218	10,881	11,400	11,400	11,800	11,800	11,800	4%
Information Systems	30,862	23,207	31,300	25,600	36,100	36,100	36,100	41%
Attorney's Office	3,453	2,664	2,300	2,200	3,600	3,600	3,600	64%
City Recorder	3,182	10,607	11,100	11,000	11,800	11,800	11,800	7%
Human Resources	19,088	24,362	26,800	26,200	27,700	27,700	27,700	6%
Finance	25,129	16,056	14,200	14,100	19,100	19,100	19,100	35%
Utility Billing	-	-	35,600	35,800	38,000	38,000	40,000	12%
Facility Maintenance	28,996	30,539	33,600	30,900	28,600	28,600	28,600	-7%
Public Works	-	-	129,200	106,700	127,800	127,800	127,800	20%
Adjustments		385						
Administrative Services Charges	$ 122,943	$ 147,210	$ 325,000	$ 286,500	$ 334,000	$ 334,000	$ 336,000	17%

Budget Notes:

Revenues:

8 The City is operating with an even rate slope model for setting its stormwater rates. Annual rate increases are expected to be between $0.40 and $0.50 per Equivalent Service Unit for the next few years. The FY15-16 increase is $0.40 and anticipated in January 2016.

Expenditures:

Personnel Services:

24 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

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29
The Public Works Director, one Municipal Utility Worker and the Administrative Support positions are now budgeted in the Public Works section of the Administrative Services Fund and costs are charged back to the Water Fund based on estimated time spent in the Division.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

46 Labor Attorney Costs have moved to the Public Works Administrative Services Fund.

47 Administrative Service Charges increased primarily due to personnel service increases associated with salary and wage, retirement and insurance expenses.

48 Contractual services include $90,000 for video inspection of pipes, $20,000 for Vegetated Stormwater Facility maintenance, and $3,300 for routine costs such as bank card fees for stormwater payments made with debit and credit cards.

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Janitorial, utility and telephone and auto insurance costs have been moved to the Public Works Administration Fund.

Public Works
Sewer Fund

The City of Keizer is a part of a regional sewer system managed by the City of Salem. Salem sets the sewer rates for the regional system. Keizer appoints Council and Staff liaisons to attend the Regional Task Force meetings . City of Keizer staff manage the billing function and remit Sewer Charges to City of Salem each month.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
	RESOURCES:								
1	**Beginning Balance:**	**$ 234,397**	**$ 248,216**	**$ 202,700**	**$ 224,700**	**$ 246,000**	**$ 246,000**	**$ 246,000**	**9%**
2	**Revenues:**								
3	**Charges for Services:**								
4	Plan/Construction Fees	491	3,035	-	3,000	-	-	-	
5	Salem Sewer Billing	4,673,101	4,879,208	5,081,500	5,050,000	5,202,000	5,202,000	5,202,000	3%
6	Sewer Administration Fee	295,079	299,041	334,300	325,300	360,800	360,800	360,800	11%
7	**Total Charges for Services**	**4,968,671**	**5,181,284**	**5,415,800**	**5,378,300**	**5,562,800**	**5,562,800**	**5,562,800**	**3%**
8	**Miscellaneous:**								
9	Miscellaneous	10,294	32	-	-	-	-	-	
10	Interest Earnings	216	252	400	400	400	400	400	0%
11	**Total Miscellaneous**	**10,510**	**284**	**400**	**400**	**400**	**400**	**400**	**0%**
12	**Total Revenues**	**4,979,181**	**5,181,568**	**5,416,200**	**5,378,700**	**5,563,200**	**5,563,200**	**5,563,200**	**3%**
13	**TOTAL RESOURCES**	**5,213,578**	**5,429,784**	**5,618,900**	**5,603,400**	**5,809,200**	**5,809,200**	**5,809,200**	**4%**
14	**REQUIREMENTS:**								
15	**Expenditures:**								
16	**Personnel Services:**								
17	Public Works Director	4,700	5,111	-	-	-	-	-	
18	Community Development Staff	1,827	1,905	2,100	2,000	2,100	2,100	2,100	5%
19	Administrative Support	76,162	79,030	-	-	-	.	-	
20	Overtime	396	34	-	-	-	-	-	
21	Cell Phone Stipend	76	75	100	100	100	100	100	0%
22	Medicare	1,316	1,537	100	100	100	100	100	0%
23	Wellness	-	55	100	100	100	100	100	0%
24	Retirement	11,148	11,009	500	500	600	600	600	20%
25	Insurance Benefits	33,594	30,554	400	400	400	400	400	0%
26	Workers Compensation	189	270	100	100	100	100	100	0%
27	**Total Personnel Services**	**129,408**	**129,580**	**3,400**	**3,300**	**3,500**	**3,500**	**3,500**	**6%**
28	**Materials & Services:**								
29	Postage & Printing	22,080	23,123	-	-	-	-	-	
30	Meetings, Travel & Training	511	121	200	-	-	-	-	
31	Public Notices	31	45	100	100	100	100	100	0%
32	Administrative Services Charges	101,534	109,923	313,600	303,500	314,900	314,900	324,600	7%
33	Contractual Services	16,491	17,804	-	-	-	-	-	
34	Engineering Services	1,302	1,083	5,000	500	500	500	500	0%
35	Salem Sewer Payments	4,694,005	4,890,534	5,133,300	5,050,000	5,202,000	5,202,000	5,202,000	3%
36	Emergency Management Expense	-	-	1,000	-	1,000	1,000	1,000	
37	Miscellaneous Expense	-	-	1,000	-	1,000	1,000	1,000	
38	**Total Materials & Services**	**4,835,954**	**5,042,633**	**5,454,200**	**5,354,100**	**5,519,500**	**5,519,500**	**5,529,200**	**3%**
39	**Total Expenditures**	**4,965,362**	**5,172,213**	**5,457,600**	**5,357,400**	**5,523,000**	**5,523,000**	**5,532,700**	**3%**
40	**Other Requirements:**								
41	Contingency	-	-	16,200	-	16,200	16,200	16,200	
42	Transfer to Street Lighting District Fund		32,900			55,600	55,600	55,600	
43	**Total Other Requirements**	**-**	**32,900**	**16,200**	**-**	**71,800**	**71,800**	**71,800**	
44	**Fund Balance:**								
45	Committed for Future Operations	248,216	224,671	145,100	246,000	214,400	214,400	204,700	-17%
46	**TOTAL REQUIREMENTS**	**$ 5,213,578**	**$ 5,429,784**	**$ 5,618,900**	**$ 5,603,400**	**$ 5,809,200**	**$ 5,809,200**	**$ 5,809,200**	**4%**

Public Works
Sewer Fund

Summary of Administrative Service Fund Charges

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
City-Wide Administration	$ 5,583	$ 8,256	$ 8,300	$ 6,700	$ 8,800	$ 8,800	$ 8,800	31%
City Manager	4,057	4,292	5,100	5,100	4,900	4,900	4,900	-4%
Information Systems	20,857	13,392	18,100	14,800	10,600	10,600	10,600	-28%
Attorney's Office	4,360	3,572	5,400	5,300	4,700	4,700	4,700	-11%
City Recorder	4,009	4,192	5,000	4,900	4,900	4,900	4,900	0%
Human Resources	6,207	7,055	7,500	7,400	8,200	8,200	8,200	11%
Finance	47,001	60,707	61,700	60,900	68,700	68,700	68,700	13%
Utility Billing	-	-	167,100	168,000	178,400	178,400	188,100	12%
Facility Maintenance	9,460	8,844	9,500	9,000	8,500	8,500	8,500	-6%
Public Works	-	-	25,900	21,400	17,200	17,200	17,200	-20%
		(387)						
Administrative Services Charges	$ 101,534	$ 109,923	$ 313,600	$ 303,500	$ 314,900	$ 314,900	$ 324,600	7%

Budget Notes:

Revenues:

5 The City of Salem has been operating off an even rate slope model for setting its sewer rates. Keizer's rate increase is estimated at 3% per year through 2015. Prior to 2009, Salem included a 7.5% surcharge on Keizer's sewer rates. Through negotiations with Keizer City Council, Salem agreed to reduce the surcharge by 1% until it is eliminated. 2015 marked the last year the remaining 1% surcharge will be included in Keizer rates.

6 The Sewer Administration Fee is $5.94 per bi-monthly bill set January 2015.

Expenditures:

Personnel Services:

16 The Public Works and Administrative Service staff are budgeted in the Administrative Services Fund and costs are charged back to the Sewer Fund based on estimated time spent in the Division.

29 Postage & Printing and Contractual Services are costs associated with generating and sending utility bills. These costs are budgeted in
33 the Utility Billing Administrative Services Fund and changed back to the Sewer Fund.

32 Administrative Service Charges increased primarily due to personnel service increases associated with salary and wage, retirement and insurance expenses.

35 The 3% increase in Salem Sewer Payments reflects the rate increase anticipated in FY15-16.

Public Works

Sewer Reserve Fund

The Sanitary Sewer Reserve Fund was established in 1994 to cover areas not served by existing sewer lines. The Sewer Reserve is a systems development based fund used to reimburse developers for sewer trunk line improvement extensions and City constructed growth driven sewer capacity improvements outlined in the Sanitary Sewer Master Plan. No additional capacity improvements are planned in Fiscal Year 15/16.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 26,027**	**$ -**	**$ 63,500**	**$ 72,100**	**$162,200**	**$162,200**	**$ 162,200**	**125%**
3	**Revenues:**								
4	**Licenses & Fees:**								
5	Sewer System Development Fee	25,737	98,770	40,000	89,900	108,700	108,700	108,700	21%
6	**Miscellaneous:**								
7	Interest	8	61	100	200	200	200	200	0%
8	**Total Revenues**	**25,745**	**98,831**	**40,100**	**90,100**	**108,900**	**108,900**	**108,900**	**21%**
9	**Other Resources:**								
10	**Transfers In:**								
11	Transportation Interfund Loan	26,610	-	-	-	-	-	-	
12	**TOTAL RESOURCES**	**78,382**	**98,831**	**103,600**	**162,200**	**271,100**	**271,100**	**271,100**	**67%**
13	**REQUIREMENTS:**								
14	**Expenditures:**								
15	**Capital Outlay:**								
16	Sewer Line Extensions	3,382	-	-	-	-	-		
17	Reimburse Sewer SDC Fees	75,000	-	-	-	-	-		
18	Unanticipated Expense	-	-	103,500	-	270,500	270,500	270,500	
19	**Total Capital Outlay**	**78,382**	**-**	**103,500**	**-**	**270,500**	**270,500**	**270,500**	
20	**Other Requirements:**								
21	**Transfers Out:**								
22	Transportation Fund Interfund Loan	-	26,706	-	-	-	-	-	
23	**Fund Balance:**								
24	Restricted for Improvements	-	72,125	100	162,200	600	600	600	-100%
25	**TOTAL REQUIREMENTS**	**$ 78,382**	**$ 98,831**	**$ 103,600**	**$ 162,200**	**$271,100**	**$271,100**	**$ 271,100**	**67%**

Budget Notes:

Revenues:

5 The System Development Fee projections for FY15-16 assumes the Keizer Station Area C development begins

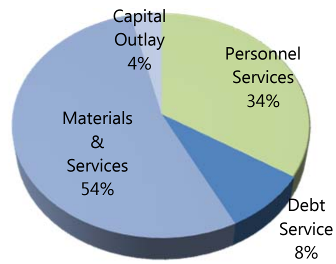
Public Works

Water Fund

Revenues in the Water fund are derived from user charges. The City's charter designates this as a dedicated fund to be used solely for water related services. The water system is managed by the Public Works Department to provide safe, low cost, high quality drinking water that meets or exceeds state and federal
The Water Division operates under the Oregon Administrative Rules for Public Water Systems enforced by the Oregon Health Authority (OHA), Drinking Water Services (DWS) that administer and enforce drinking water quality standards for public water systems in the state of Oregon.

Accomplishments for FY 14-15

- Cleaned all (3) water storage reservoirs
- Connected to new water main intertie with City of Salem at Wiessner Pump Station
- Updated (1) 4" and (3) 6" meters to more efficient and accurate meters
- Completed water main relocation for Chemawa Rd. Roundabout
- Painted 118 fire hydrants
- Repaired 15 water main leaks
- Tested meters for accuracy



Division Goals for FY 15-16

- Replace water main on Ivy Way
- Continue updating distribution system to ensure adequate volume and pressure delivery to residents
- Continue developing a comprehensive integrated public education program with the Stormwater Division

The Water fund promotes public education and outreach through the annual Consumer Confidence Report, instruction at local grade schools, and also by hosting a Public Services Fair each year.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 616,647**	**$ 633,892**	**$ 585,600**	**$ 671,500**	**$ 598,200**	**$ 598,200**	**$ 598,200**	**-11%**
3	**Revenues:**								
4	**Taxes & Assessments:**								
5	Assessments	825	350	1,100	-	-	-	-	
6	**Licenses & Fees:**								
7	Planning & Construction Fees	2,960	11,535	10,000	10,000	10,000	10,000	10,000	0%
8	Service Fees	22,288	20,413	15,000	15,000	15,000	15,000	15,000	0%
9	Diesel Fuel Sales	38,732	31,961	37,000	35,000	37,000	37,000	37,000	6%
10	Live Tap Reimbursement	5,804	18,505	5,000	21,000	7,500	7,500	7,500	-64%
11	**Total Licenses & Fees**	**69,784**	**82,414**	**67,000**	**81,000**	**69,500**	**69,500**	**69,500**	**-14%**
12	**Charges for Services:**								
13	Water Sales	2,381,758	2,437,562	2,553,400	2,560,000	2,662,400	2,662,400	2,662,400	4%
14	**Miscellaneous:**								
15	Interest	1,941	1,662	1,800	1,000	1,000	1,000	1,000	0%
16	Miscellaneous	4,702	5,167	10,600	16,000	7,500	7,500	7,500	-53%
17	**Total Miscellaneous**	6,643	6,829	12,400	17,000	8,500	8,500	8,500	-50%
18	**Other Resources:**								
19	**Transfers In:**								
20	Transfer from General Fund	-	-	7,400	7,400	17,400	17,400	17,400	135%
21	Transfer from Park Improvement Fund	-	6,574	-	-	-	-	-	
22	**Total Transfers In**	-	6,574	7,400	7,400	17,400	17,400	17,400	
23	**TOTAL RESOURCES**	**3,075,657**	**3,167,621**	**3,226,900**	**3,336,900**	**3,356,000**	**3,356,000**	**3,356,000**	**1%**

Public Works

Water Fund

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
24	**REQUIREMENTS:**								
25	**Expenditures:**								
26	**Personnel Services:**								
27	Public Works Director	25,378	25,557	-	-	-	-	-	
28	Municipal Utility Workers	518,256	532,646	508,500	511,800	538,700	538,700	538,700	5%
29	Community Development Staff	1,827	1,905	2,100	2,100	2,100	2,100	2,100	0%
30	Administrative Support	78,692	81,574	-	-	-	-	-	
31	Overtime	17,741	23,900	25,500	15,500	19,500	19,500	19,500	26%
32	Duty Pay	13,200	13,050	15,600	15,600	15,600	15,600	15,600	0%
33	Cell Phone/Clothing Allowance	4,627	4,602	6,300	4,100	5,200	5,200	5,200	27%
34	Wellness	-	518	4,100	1,300	4,200	4,200	4,200	223%
35	Medicare	10,030	10,603	8,200	8,500	8,600	8,600	8,600	1%
36	Retirement	89,247	93,810	88,200	78,900	112,900	112,900	112,900	43%
37	Insurance Benefits	192,975	220,740	188,400	185,000	193,500	193,500	193,500	5%
38	Unemployment	7,594	5,070	-	-	-	-	-	
39	Workers Compensation	2,588	7,498	9,600	7,600	8,400	8,400	8,400	11%
40	**Total Personnel Services**	**962,155**	**1,021,473**	**856,500**	**830,400**	**908,700**	**908,700**	**908,700**	**9%**
41	**Materials & Services:**								
42	Postage & Printing	20,198	21,586	-	-	-	-	-	
43	Concrete	14,761	4,870	10,000	6,000	10,000	10,000	10,000	67%
44	Rock & Backfill	4,566	4,564	5,500	5,000	5,500	5,500	5,500	10%
45	Paving	14,558	14,710	16,500	6,500	16,500	16,500	16,500	154%
46	Sequestering Agent	14,509	24,187	28,000	19,200	10,500	10,500	10,500	-45%
47	Fluoride	6,974	9,658	15,000	9,300	10,500	10,500	10,500	13%
48	Meetings, Travel & Training	12,975	14,376	15,000	13,500	15,000	15,000	15,000	11%
49	Public Notices	389	194	300	300	300	300	300	0%
50	Labor Attorney	1,783	327	-	-	-	-	-	
51	Administrative Services Charges	206,518	278,240	674,300	609,800	666,200	666,200	675,100	11%
52	Contractual Services	52,617	24,233	35,000	35,000	25,000	25,000	25,000	-29%
53	Flagging	4,983	1,804	2,000	3,000	3,000	3,000	3,000	0%
54	Engineering Services	6,695	19,786	20,000	25,000	25,000	25,000	25,000	0%
55	Janitorial	2,563	2,126	-	-	-	-	-	
56	Electricity	204,966	215,200	226,000	220,000	230,000	230,000	230,000	5%
57	Natural Gas	2,351	2,382	2,500	2,200	2,500	2,500	2,500	14%
58	Telephone	6,069	6,004	-	-	-	-	-	
59	Telemetry	3,617	10,436	10,000	2,500	10,000	10,000	10,000	300%
60	Auto Insurance	3,909	5,464	-	-	-	-	-	
61	Gasoline	18,599	17,381	18,000	18,000	18,000	18,000	18,000	0%
62	Diesel Fuel	47,270	42,381	50,000	42,000	50,000	50,000	50,000	19%
63	Vehicle Maintenance	14,963	7,923	15,000	15,000	22,000	22,000	22,000	47%
64	Equipment Maintenance	3,792	16,202	12,000	12,000	12,000	12,000	12,000	0%
65	Plant Maintenance	50,653	63,807	55,000	55,000	45,000	45,000	45,000	-18%
66	Live Taps	11,020	13,135	10,000	25,000	10,000	10,000	10,000	-60%
67	Pump House Maintenance	7,417	13,067	15,000	12,500	10,000	10,000	10,000	-20%
68	Pump Maintenance	38,848	43,916	65,000	30,000	65,000	65,000	65,000	117%
69	Operating Materials & Supplies	24,433	23,199	30,000	25,000	30,000	30,000	30,000	20%
70	Medical Testing	558	1,448	500	1,000	1,200	1,200	1,200	20%
71	Water Mains	16,927	18,699	35,000	35,000	35,000	35,000	35,000	0%
72	Well Property Lease	1,069	-	-	-	-	-	-	
73	Lab Tests	42,101	58,818	38,000	38,000	49,000	49,000	49,000	29%
74	Contract Meter Reading	33,990	35,420	34,000	35,700	38,000	38,000	38,000	6%
75	Consumer Confidence Report	7,830	7,863	12,000	8,000	12,000	12,000	12,000	50%
76	Miscellaneous	9,579	(3)	1,000	-	1,000	1,000	1,000	
77	**Total Materials & Services**	**914,050**	**1,023,403**	**1,450,600**	**1,309,500**	**1,428,200**	**1,428,200**	**1,437,100**	**10%**

Public Works

Water Fund

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
78	**Capital Outlay:**								
79	Field Equipment	6,521	1,575	11,000	11,000	10,500	10,500	10,500	-5%
80	Water Meters	7,589	23,117	45,000	45,000	50,000	50,000	50,000	11%
81	Acquisition & Development	28,752	-	-	-	-	-	-	
82	Heavy Equipment/Vehicle	69,740	31,583	8,800	8,800	30,000	30,000	30,000	241%
83	Unanticipated Expense	-	-	21,400	-	9,000	9,000	9,000	
84	**Total Capital Outlay**	**112,602**	**56,275**	**86,200**	**64,800**	**99,500**	**99,500**	**99,500**	**54%**
85	**Debt Service:**								
86	Principal	165,000	170,000	180,000	180,000	185,000	185,000	185,000	3%
87	Interest	67,958	61,090	54,000	54,000	46,500	46,500	46,500	-14%
88	**Total Debt Service**	232,958	231,090	234,000	234,000	231,500	231,500	231,500	-1%
89	**Total Expenditures**	**2,221,765**	**2,332,241**	**2,627,300**	**2,438,700**	**2,667,900**	**2,667,900**	**2,676,800**	**10%**
90	**Other Requirements:**								
91	Contingency	-	-	115,400	-	125,000	125,000	125,000	
92	Transfer to Water Facility Replacement Reserve	220,000	163,900	90,100	300,000	100,000	100,000	100,000	-67%
93	**Total Other Requirements**	**220,000**	**163,900**	**205,500**	**300,000**	**225,000**	**225,000**	**225,000**	**-25%**
94	**Fund Balance:**								
95	Restricted for Operations	633,892	671,480	394,100	598,200	463,100	463,100	454,200	-24%
96	**TOTAL REQUIREMENTS**	**$3,075,657**	**$3,167,621**	**$3,226,900**	**$3,336,900**	**$3,356,000**	**$3,356,000**	**$3,356,000**	**1%**

Summary of Administrative Service Fund Charges

City-Wide Administration	$ 17,133	$ 45,794	$ 47,300	$ 35,900	$ 46,800	$ 46,800	$ 46,800	30%
City Manager	6,935	18,168	19,400	19,400	19,400	19,400	19,400	0%
Information Systems	45,841	41,348	55,000	44,900	68,900	68,900	68,900	53%
Attorney's Office	7,438	5,996	6,800	6,600	7,400	7,400	7,400	12%
City Recorder	6,859	17,724	18,900	18,700	19,500	19,500	19,500	4%
Human Resources	33,101	39,133	42,900	42,000	44,000	44,000	44,000	5%
Finance	38,790	60,707	61,700	60,900	68,700	68,700	68,700	13%
Utility Billing	-	-	152,900	153,700	163,200	163,200	172,100	12%
Facility Maintenance	50,421	49,055	53,900	49,700	45,400	45,400	45,400	-9%
Public Works	-	-	215,500	178,000	182,900	182,900	182,900	3%
Adjustments		315						
Administrative Service Charges	$ 206,518	$ 278,240	$ 674,300	$ 609,800	$ 666,200	$ 666,200	$ 675,100	11%

Public Works

Water Fund

Budget Notes:

Revenues:

13 The City updated the Water Capital Improvement Plan in FY12-13 and is operating with an even rate slope model for setting its water rates. Annual rate increases are expected to be approximately 4% for the next several years. The FY15-16 increase is anticipated in January 2016.

Expenditures:

Personnel Services:

26 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

27
28 The Public Works Director, one Municipal Utility Worker and the Administrative Support positions are budgeted in the Public Works section of the Administrative Services Fund and costs are charged back to the Water Fund based on estimated time spent in the Division.
30

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

50 Labor Attorney Costs have moved to the Public Works Administrative Services Fund.

51 Administrative Service Charges increased primarily due to personnel service increases associated with salary and wage, retirement and insurance expenses.

52 Contractual services include $11,000 for temporary employees, $5,000 for hydrant painting and $9,000 for routine costs such as bank card fees for water payments made with debit and credit cards.

55
58 Janitorial and telephone costs have been moved to the Public Works Administration Fund.
60

71 Water Main costs are primarily for the Ivy Way replacement project.

Capital Outlay:

79 Field equipment includes New Locator and receivers (5K), Jackhammer (2.7K), Truck lightbar (1.1K), Shared expense (tools) (1.5K Water fund portion).

82 The Water Division needs a new vehicle to replace a 1996 Ford Ranger.

Debt Service:

85 The City has a 15-year bond outstanding with an original issue date of 9/30/2005. Remaining payment dates are as follows:

	Principal	Interest
09/01/15	185,000	25,113
03/01/16		21,320
09/01/16	190,000	21,320
03/01/17		17,425
09/01/17	200,000	17,425
03/01/18		13,325
09/01/18	210,000	13,325
03/01/19		9,020
09/01/19	215,000	9,020
03/01/20		4,613
09/01/20	225,000	4,613
Cumulative	$ 1,225,000	$ 156,518

Public Works

Water Facility Fund

The water Facility Replacement Reserve was established for replacement and construction of new facilities needed to provide water production, storage, and distribution.

Revenue consists of System Development Charges, water usage charges transferred from the Water Operating Fund, and revenue bonds.

Expenditures listed in the 2015/2016 Capital Improvements are intended to enhance the ability to provide the water needed to serve the community within the existing Urban Growth Boundary consistent with the City Council adopted 2012 Water System Master Plan Update.

Projects completed FY 2014/2015

- Installed Standby Generator and Automatic Transfer Switch at Reitz Pump Station.
- Completed the Hydrogeological/Engineering study for volatile organic compound contamination.
- Replaced approximately 4,000 feet of steel water main replacement plan as identified in 2012 Water Master Plan Update.
- Updated the Telemetry and Supervisory Control and Data Acquisition system.

Capital Improvements Planned FY 2015/2016

- Install a filter plant at Lacey Court Well for hydrogen sulfide issues.
- Continue steel water main replacement program.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 783,636**	**$ 636,996**	**$ 520,300**	**$ 556,100**	**$ 270,500**	**$ 270,500**	**$ 270,500**	**-51%**
3	**Revenues:**								
4	**Charges for Services:**								
5	System Development Charges	23,155	51,963	40,700	86,900	73,700	73,700	73,700	-15%
6	**Miscellaneous:**								
7	Interest	2,611	2,003	2,500	1,500	2,000	2,000	2,000	33%
8	Miscellaneous	36,590	50	-	-	-	-	-	
9	**Total Miscellaneous**	**39,201**	**2,053**	**2,500**	**1,500**	**2,000**	**2,000**	**2,000**	**33%**
10	**Total Revenues**	**62,356**	**54,016**	**43,200**	**88,400**	**75,700**	**75,700**	**75,700**	**-14%**
11	**Other Resources:**								
12	**Debt Proceeds:**								
13	Bank Loan	-	-	360,000	-	460,000	460,000	460,000	
14	**Transfers In:**								
15	Transfer from Water Fund	220,000	163,900	90,100	300,000	100,000	100,000	100,000	-67%
16	**Total Other Resources**	**220,000**	**163,900**	**450,100**	**300,000**	**560,000**	**560,000**	**560,000**	**87%**
17	**TOTAL RESOURCES**	**$1,065,992**	**$ 854,912**	**$1,013,600**	**$ 944,500**	**$ 906,200**	**$ 906,200**	**$ 906,200**	**-4%**
18	**REQUIREMENTS:**								
19	**Expenditures:**								
20	**Capital Outlay:**								
21	Supply/Treatment	428,996	62,639	109,000	139,000	175,000	175,000	175,000	26%
22	Transmission & Distribution Mains	-	227,621	400,000	400,000	400,000	400,000	400,000	0%
23	General Plant	-	8,560	202,000	135,000	-	-	-	-100%
24	Storage	-	-	-	-	-	-	-	
25	Unanticipated Expenses	-	-	68,100	-	47,500	47,500	47,500	
26	**Total Capital Outlay**	**428,996**	**298,820**	**779,100**	**674,000**	**622,500**	**622,500**	**622,500**	**-8%**
27	**Fund Balance:**					-	-		
28	Restricted for Debt Service Requirements	-	-	234,100	234,100	234,100	234,100	234,100	0%
29	Restricted for Improvements	636,996	556,092	400	36,400	49,600	49,600	49,600	36%
30	**Total Fund Balance**	**636,996**	**556,092**	**234,500**	**270,500**	**283,700**	**283,700**	**283,700**	**5%**
31	**TOTAL REQUIREMENTS**	**$1,065,992**	**$ 854,912**	**$1,013,600**	**$ 944,500**	**$ 906,200**	**$ 906,200**	**$ 906,200**	**-4%**

Budget Notes:

Revenues:

5 The System Development Fee projections for FY15-16 assume 60 new single family homes, and 2 two inch meters for Area C apartments.
The City intends to finance its capital improvements over the next several years to help smooth water rates charged to customers.

Expenditures:

21 Supply & Treatment costs are for the installation of a filter plant at the Lacey Court well.

Public Works

Park Improvement Fund

The Park Improvement Fund was established to account for Systems Development Charges (SDC's) designated for park improvements. These fees are collected from new residential development in the City. Improvements are included in the City Council adopted Parks Master Plan and expenditures follow the adopted SDC Methodology.

Improvements in FY 14/15

The Community Build Big Toy project at Keizer Rapids Park was completed.

Improvements Planned for FY 15/16

Completion of the Community Build Big Toy project at Keizer Rapids Park.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 493,862**	**$ 388,605**	**$ 265,000**	**$ 371,700**	**$ 460,200**	**$ 460,200**	**$ 460,200**	**24%**
3	**Revenues:**								
4	**Licenses & Fees:**								
5	System Development Fees	26,334	45,051	64,400	237,900	366,100	366,100	366,100	54%
6	**Intergovernmental:**								
7	Grants	650,360	-	150,000	-	75,000	75,000	75,000	
8	**Miscellaneous:**								
9	Interest	310	879	1,200	600	600	600	600	0%
10	Miscellaneous Revenue	140	10,262	-	219,000	-	-	-	-100%
11	**Total Miscellaneous**	**450**	**11,141**	**1,200**	**219,600**	**600**	**600**	**600**	**-100%**
12	**Total Revenues**	**677,144**	**56,192**	**215,600**	**457,500**	**441,700**	**441,700**	**441,700**	**-3%**
13	**TOTAL RESOURCES**	**$1,171,006**	**$ 444,797**	**$ 480,600**	**$ 829,200**	**$ 901,900**	**$ 901,900**	**$ 901,900**	**9%**
14	**REQUIREMENTS:**								
15	**Expenditures:**								
16	**Capital Outlay:**								
17	Grant Expenditures	760,804	40,666	150,000	-	75,000	75,000	75,000	
18	Improvements	21,597	25,861	300,000	369,000	200,000	200,000	200,000	-46%
19	**Unanticipated Expenses:**								
20	Roadway Extension & Parking	-	-	-	-	-	-	-	
21	ADA Access to Amphitheater	-	-	10,000	-	10,000	10,000	10,000	
22	KRP Playground	-	-	-	-	-	-	-	
23	"New" SDC Money	-	-	20,600	-	616,900	616,900	616,900	
24	**Total Unanticipated Expenses**	**-**	**-**	**30,600**	**-**	**626,900**	**626,900**	**626,900**	
25	**Total Capital Outlay**	**782,401**	**66,527**	**480,600**	**369,000**	**901,900**	**901,900**	**901,900**	**144%**
26	**Other Requirements:**								
27	**Transfers Out:**								
28	Transfer to Water Fund	-	6,574	-	-	-	-	-	
29	**Fund Balance:**								
30	Restricted for Improvements	388,605	371,696	-	460,200	-	-	-	-100%
31	**TOTAL REQUIREMENTS**	**$1,171,006**	**$ 444,797**	**$ 480,600**	**$ 829,200**	**$ 901,900**	**$ 901,900**	**$ 901,900**	**9%**

Budget Notes:

Revenues:

5 The System Development Fee projections for FY15-16 assume 60 new single family homes and 180 apartment units during the year.

7 The City will be applying for a grant with the Oregon Parks and Recreation Department to help fund surfacing at the "Big Toy" in Keizer Rapids Park.

Expenditures:

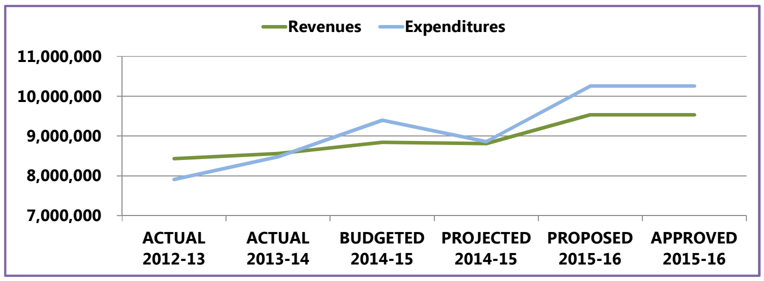
17
18 Capital outlay expenditures are for the "Big Toy" project at Keizer Rapids Park.

General Fund Summary

The General Fund is the chief operating fund of the city and accounts for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and intergovernmental revenues such as Cigarette and Liquor Tax.

A General Fund looks different from City to City. For example, the Parks Department could be a separate district in some cities. In Keizer, the General Fund's primary expenditures are for Public Safety, Park Operations, Community Development and General Government.

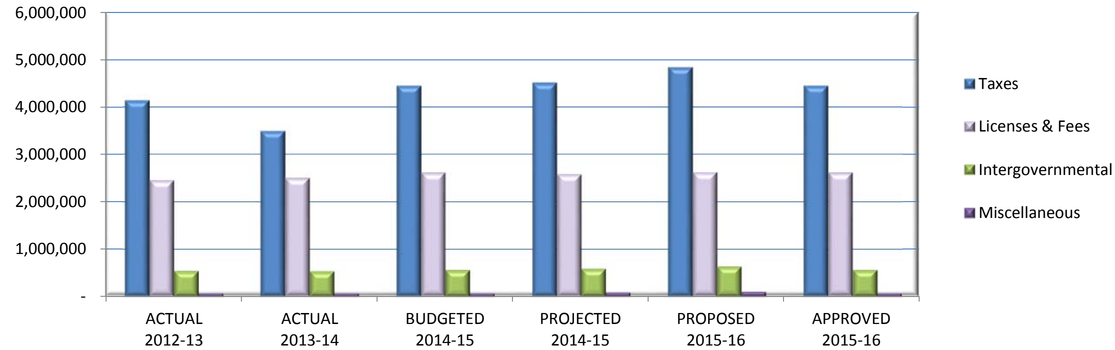
General Fund Revenues and Expenditures



		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	Beginning Balances	$ 1,976,295	$ 2,152,434	$ 2,185,800	$ 2,239,000	$ 2,139,900	$ 2,139,900	$ 2,139,900	-4%
3	**Revenues:**								
4	Taxes & Assessments	4,137,204	4,349,656	4,449,900	4,515,000	4,835,900	4,835,900	4,835,900	7%
5	Licenses & Fees	2,502,160	2,573,015	2,682,400	2,665,100	2,720,200	2,720,200	2,720,200	2%
6	Intergovernmental	1,084,107	1,038,203	1,141,200	1,074,800	1,326,200	1,326,200	1,326,200	23%
7	Fines & Forfeitures	566,938	448,093	407,000	394,900	419,000	419,000	419,000	6%
8	Charges for Services	5,604	4,275	13,000	4,000	17,500	17,500	17,500	338%
9	Miscellaneous	134,630	148,415	147,600	158,600	213,500	213,500	213,500	35%
10	**Total Revenues**	**8,430,643**	**8,561,657**	**8,841,100**	**8,812,400**	**9,532,300**	**9,532,300**	**9,532,300**	**8%**
11	**Other Resources:**								
12	Transfers In	35,123	-	5,000	5,000	-	-	-	-100%
13	Debt Proceeds	-	-	-	-	-	-	-	
14	**Total Other Resources:**	35,123	-	5,000	5,000	-	-	-	-100%
15	**TOTAL RESOURCES**	**10,442,061**	**10,714,091**	**11,031,900**	**11,056,400**	**11,672,200**	**11,672,200**	**11,672,200**	**6%**
16	**REQUIREMENTS:**								
17	**Expenditures:**								
18	Personnel Services	5,402,683	5,549,112	6,054,400	5,882,600	6,423,600	6,423,600	6,423,600	9%
19	Materials & Services	2,060,404	2,442,784	3,030,400	2,642,700	3,805,900	3,804,900	3,753,200	42%
20	Capital Outlay	445,365	483,242	310,100	333,000	25,200	25,200	76,900	-77%
21	**Total Expenditures**	**7,908,452**	**8,475,138**	**9,394,900**	**8,858,300**	**10,254,700**	**10,253,700**	**10,253,700**	**16%**
22	**Other Requirements:**								
23	Transfers Out	381,171	-	7,400	58,200	28,200	29,200	29,200	-50%
24	Contingency	-	-	60,000	-	50,000	50,000	50,000	
25	**Total Other Requirements**	381,171	-	67,400	58,200	78,200	79,200	79,200	**36%**
26	**Fund Balance:**								
27	Committed	-	-	270,000	270,000	5,000	5,000	5,000	-98%
28	Unassigned	2,152,438	2,238,953	1,299,600	1,869,900	1,334,300	1,334,300	1,334,300	-29%
29	**Total Fund Balance**	**2,152,438**	**2,238,953**	**1,569,600**	**2,139,900**	**1,339,300**	**1,339,300**	**1,339,300**	-37%
30	**TOTAL REQUIREMENTS**	**$ 10,442,061**	**$10,714,091**	**$ 11,031,900**	**$ 11,056,400**	**11,672,200**	**$ 11,672,200**	**$ 11,672,200**	**6%**

General Fund

Non-Departmental Resources



		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	Beginning Balances	$ 1,720,395	$ 2,000,410	$ 2,029,000	$ 2,122,100	$ 1,977,800	$ 1,977,800	$ 1,977,800	-7%
3	**Taxes:**								
4	Tax Base	3,950,354	4,129,108	4,240,400	4,305,000	4,666,100	4,666,100	4,666,100	8%
5	Prior Year Taxes	147,710	166,450	160,700	154,000	169,800	169,800	169,800	10%
6	Hotel/Motel Tax	39,140	54,098	48,800	56,000	-	-	-	-100%
7	**Total Taxes**	**4,137,204**	**4,349,656**	**4,449,900**	**4,515,000**	**4,835,900**	**4,835,900**	**4,835,900**	**7%**
8	**Licenses & Fees:**								
9	Electric Franchise	1,009,244	1,024,816	1,115,700	1,062,000	1,068,000	1,068,000	1,068,000	1%
10	Natural Gas Franchise	334,001	352,125	349,000	351,600	357,700	357,700	357,700	2%
11	Telephone Franchise	61,347	53,964	48,200	49,900	47,400	47,400	47,400	-5%
12	Cable Television Franchise	396,863	404,376	406,500	420,700	435,500	435,500	435,500	4%
13	Sanitation Franchise	195,114	197,625	197,800	199,600	209,500	209,500	209,500	5%
14	Water Sales Assessments	123,888	129,055	135,800	134,200	139,600	139,600	139,600	4%
15	Sewer License Fee	261,485	272,154	284,100	282,500	290,000	290,000	290,000	3%
16	Storm Water Franchise	41,406	46,348	50,700	50,300	53,100	53,100	53,100	6%
17	Wireless Franchise	10,000	10,000	10,000	10,000	-	-	-	-100%
18	Liquor Licenses	2,642	2,420	2,500	2,600	2,700	2,700	2,700	4%
19	Lien Search Fee	19,768	19,052	18,800	20,000	20,000	20,000	20,000	0%
20	**Total Licenses & Fees**	**2,455,758**	**2,511,935**	**2,619,100**	**2,583,400**	**2,623,500**	**2,623,500**	**2,623,500**	**2%**
21	**Intergovernmental:**								
22	Cigarette Tax	52,175	49,473	46,500	47,500	44,700	44,700	44,700	-6%
23	Liquor Tax	489,344	515,010	516,500	541,000	595,100	595,100	595,100	10%
24	**Total Intergovernmental**	**541,519**	**564,483**	**563,000**	**588,500**	**639,800**	**639,800**	**639,800**	**9%**
25	**Miscellaneous:**								
26	Stadium Rent	45,922	46,449	46,700	46,700	46,700	46,700	46,700	0%
27	Interest	5,557	5,803	5,000	5,000	5,500	5,500	5,500	10%
28	Rentals	100	200	-	-	-	-	-	
29	Cell Tower Rent	10,025	10,224	10,400	10,400	10,700	10,700	10,700	3%
30	Art Walk Revenue	800	800	-	800	-	-	-	-100%
31	Sewer SDC Admin Fee	217	-	200	-	-	-	-	
32	Parks SDC Admin Fee	2,926	4,999	3,300	25,000	40,000	40,000	40,000	60%
33	Miscellaneous Revenue	7,654	8,615	2,000	5,000	2,000	2,000	2,000	-60%
34	**Total Miscellaneous**	**73,201**	**77,090**	**67,600**	**92,900**	**104,900**	**104,900**	**104,900**	**13%**

General Fund
Non-Departmental Resources

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
35	**Transfers In:**								
36	From PEG Fund	-	-	5,000	5,000	-	-	-	-100%
37	From Transportation Fund	-	-	-	-	-	-	-	
38	**Total Transfers In**	-	-	5,000	5,000	-	-	-	-100%
39	**TOTAL RESOURCES**	**$ 8,928,077**	**$ 9,503,574**	**$ 9,733,600**	**$ 9,906,900**	**$ 10,181,900**	**$10,181,900**	**$10,181,900**	**3%**

Budget Notes:

4 Property Tax Revenues are expected to increase 7%; 1% from new construction based on permits process in FY14-15 and 3.0% from increased valuation. Marion County projects a tentative 4% increase overall, however, official estimates are not available at this time. Tax collections are expected to increase an additional 3% since the North River Road Urban Renewal District will no longer collect tax increment revenues.

9 PGE anticipates a 4-6% rate increase effective January 2016 which will primarily impact FY2016-17.

10 NW Natural Gas experienced a 2% increase in rates during FY14-15 and has requested a 1.7% increase during 2015-16

11 Telephone franchise revenues continue to decline as more users switch from landlines to cellular phones which are not subject to franchise tax. FY15-16 revenue projections are based on a 5% reduction over FY14-15 projected revenues, consistent with the current downward trend.

12 Comcast is projecting a 4% increase overall in cable television revenues during calendar year 2015.

13 Sanitation franchise operators are proposing a rate increase of at least 5%.

14

15 City Utility assessments and fees are expected to increase commensurate with the rate increases anticipated in FY15-16.

16

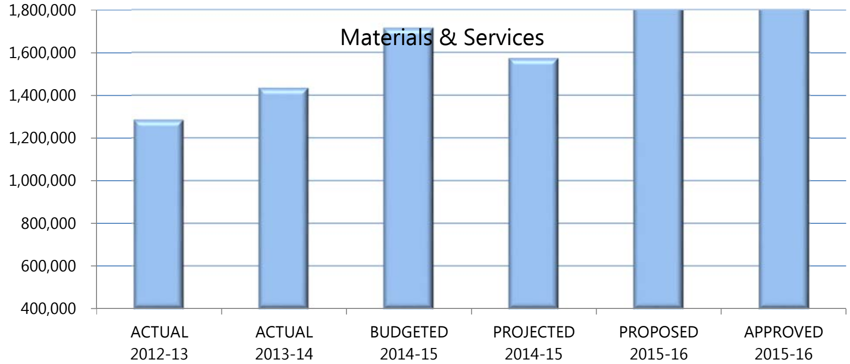
17 The City's Wireless agreement with Clear Wireless ended during FY14-15.

22 The League of Oregon Cities reports that the State projects a 6% decline in Cigarette Tax revenues and a 13% increase in Liquor Tax revenues.

23 Both trends are a result of sales and are not due to legislative changes in the tax or allocation of the tax.

General Fund

Non-Departmental Requirements



		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**TOTAL REQUIREMENTS:**								
2	**Expenditures:**								
3	**Materials & Services:**								
4	Public Notices	$ 1,300	$ 780	$ 1,400	$ 800	$ 1,400	$ 1,400	$ 1,400	75%
5	Art Walk Artists' Stipends	800	1,140	3,000	1,200	1,500	1,500	1,500	25%
6	Art Commission	-	-	-	-	1,000	1,000	1,000	
7	Civic Center Art	-	-	-	-	500	500	500	
8	Legal Services	-	1,484	12,000	2,000	18,900	18,900	18,900	845%
9	Administrative Services Charges	1,222,651	1,361,709	1,611,100	1,497,100	1,731,600	1,731,600	1,731,600	16%
10	Contractual Services	9,175	11,807	10,700	10,700	11,900	11,900	11,900	11%
11	Keizer Fire District TOT	-	-	4,000	4,000	-	-	-	
12	KAVA-Hotel/Motel Tax	5,500	-	-	-	-	-	-	
13	Keizer Chamber Support	-	3,560	12,500	2,500	2,500	1,500	1,500	-40%
14	Chamber Holiday Lights	-	9,800	-	-	20,000	20,000	20,000	
15	Off-Site Property Maintenance	7,813	5,021	7,500	5,500	7,500	7,500	7,500	36%
16	Neighborhood Associations	398	1,104	2,100	2,100	1,000	1,000	1,000	-52%
17	Repayment to Taxing Jurisdictions	-	-	-	-	560,000	560,000	508,300	
18	SK Schools Tax Payment	33,515	33,515	33,600	33,600	33,600	33,600	33,600	0%
19	Volunteer Recognition	132	67	200	200	200	200	200	0%
20	Keizer Community Library	-	-	7,400	7,400	7,400	7,400	7,400	0%
21	After School Programs	5,000	5,000	6,000	6,000	6,000	6,000	6,000	0%
22	Miscellaneous	542	500	2,700	500	1,000	1,000	1,000	100%
23	Emergency Management	-	203	1,000	-	1,000	1,000	1,000	
24	**Total Materials & Services**	**1,286,826**	**1,435,690**	**1,715,200**	**1,573,600**	**2,407,000**	**2,406,000**	**2,354,300**	**50%**
25	**Capital Outlay**								
26	Area B Development Costs	-	-	-	-	-	-	51,700	
27	**Total Expenditures**	**1,286,826**	**1,435,690**	**1,715,200**	**1,573,600**	**2,407,000**	**2,406,000**	**2,406,000**	**53%**
28	**Other Requirements:**								
29	**Contingencies:**								
30	General Contingency	-	-	60,000	-	50,000	50,000	50,000	
31	**Transfers Out:**								
32	Revenue Sharing Fund	35,123	-	-	-	-	-	-	
33	Transfer to 9-1-1	309,866	-	-	-	-	-	-	
34	Community Center Fund	36,182	-	-	50,800	10,800	11,800	11,800	
35	Water Fund	-	-	7,400	7,400	17,400	17,400	17,400	135%
36	**Total Transfers Out**	**381,171**	**-**	**7,400**	**58,200**	**28,200**	**29,200**	**29,200**	**-50%**
37	**Fund Balance:**								
38	**Reserves:**								
39	Committed to Taxing Jurisdictions	-		270,000	270,000	-	-	-	-100%
40	**Total Reserves**	**-**	**-**	**270,000**	**270,000**	**-**	**-**	**-**	**-100%**
41	**TOTAL REQUIREMENTS**	**$ 1,667,997**	**$1,435,690**	**$ 2,052,600**	**$1,901,800**	**$ 2,485,200**	**$2,485,200**	**$ 2,485,200**	**31%**

General Fund

Non-Departmental Requirements

Summary of Administrative Service Fund Charges

	ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
City-Wide Administration	$ 136,213	$ 151,404	$ 198,600	$ 160,100	$ 210,500	$ 210,500	$ 210,500	31%
City Manager	144,077	139,751	153,200	152,800	168,800	168,800	168,800	10%
Information Systems	168,947	199,711	293,300	252,500	300,500	300,500	300,500	19%
Attorney's Office	158,838	180,822	208,100	203,000	243,200	243,200	243,200	20%
City Recorder	101,746	129,546	139,500	137,900	158,200	158,200	158,200	15%
Human Resources	137,250	163,488	180,200	176,600	198,000	198,000	198,000	12%
Finance	168,111	165,818	196,300	193,800	228,600	228,600	228,600	18%
Facility Maintenance	207,469	204,941	226,200	207,400	204,100	204,100	204,100	-2%
Public Works	-	-	15,700	13,000	19,700	19,700	19,700	52%
Difference		26,228	-				-	
Administrative Services Charges	$ 1,222,651	$ 1,361,709	$ 1,611,100	$ 1,497,100	$ 1,731,600	$ 1,731,600	$ 1,731,600	16%

Budget Notes:

8 Legal Services include $10,000 for outside legal counsel who specialize in telecom, to prepare a master telecom ordinance, inclusive of all telecom providers doing business in Keizer. The City currently has an exclusive agreement with CenturyLink (aka Qwest) and does not have a master telecom ordinance. Another $8,900 is appropriated for bond counsel's assistance in closing out the North River Road Urban Renewal District.

9 Administrative Service Charges increased primarily from adding the urban renewal district's allocation to the budget since the district has completed its plan and is sun setting. Furthermore, personnel service increases associated with salary and wage, retirement and insurance expenses have increased this cost.

In addition the City added a Police Officer, Code Compliance and Network Support position resulting in the General Fund absorbing more administrative service costs for allocations based upon FTE.

10 Contractual services include audit costs and association expenses related to the urban renewal district.

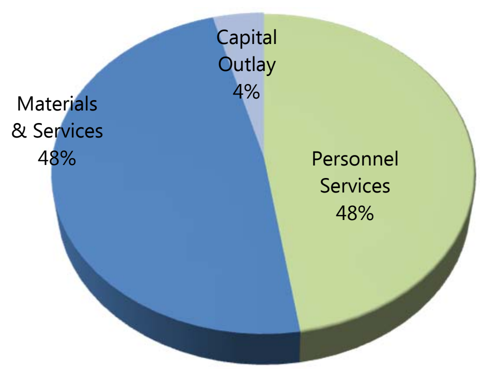
17 Repayment to Taxing Jurisdictions is for repayment of urban renewal tax increment funds per interagency agreements, including interest owed. Once paid, the City's outstanding debt to the Salem-Keizer School District will be $1,270,000, interest exempt, due in fiscal year 2021-2022. Additional annual property tax revenues from the closure of the district will be sufficient in future years to pay off this debt when due.

General Fund
Park Operations

The Public Works Department Parks Division is funded by City policy using general fund revenues. Additional revenue for Parks operations will also be provided from the rental of property purchased at 1590 Chemawa Road North. This includes rental of a house and lease of a filbert orchard. The Parks Division goal is to continue providing clean, safe, open spaces and river access for structured and unstructured recreation.

The Parks Division has two full-time employees and supplements staffing in the summer months through a temporary agency. The primary focus of Parks Staff is on maintenance of the Parks system with emphasis on mowing, garbage collection, and maintenance of the various park amenities. Repair or replacement of broken and/or damaged play structures, drinking fountains, and other amenities occur as needed with available funding. The Splash Fountain located at Chalmers Jones Park will operate on the same schedule as the last budget cycle. This additional operation is available because of increased funding for temporary employees.

Accomplishments for FY 2014-15
- Replace 10 Picnic Tables
- Replace playground Wood Chips
- Create and manage volunteer grant program



Division Goals for FY 2015-16
- Resurface Willamette Manor Tennis Court
- Resurface south parking lot at Claggett Creek Park
- Replace roof on Gazebo at Chalmers Jones Park

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
	Revenues:								
	Licenses & Fees:								
1	Park Reservation Fees	$ 2,583	$ 3,513	$ 2,700	$ 2,700	$ 2,700	$ 2,700	$ 2,700	0%
2	**Miscellaneous:**								
3	Park Rental Income	25,051	25,013	45,700	36,400	58,800	58,800	58,800	62%
4	Little League Reimbursement	1,496	-	-	-	-	-	-	
5	**Total Miscellaneous**	**26,547**	**25,013**	**45,700**	**36,400**	**58,800**	**58,800**	**58,800**	62%
6	**Total Resources**	**29,130**	**28,526**	**48,400**	**39,100**	**61,500**	**61,500**	**61,500**	**57%**
7	**Expenditures:**								
8	**Personnel Services:**								
9	Public Works Director	940	7,156	-	-	-	-	-	
10	Municipal Utility Workers	94,774	67,442	88,000	88,000	93,200	93,200	93,200	6%
11	Overtime	-	152	500	500	600	600	600	20%
12	Clothing Stipends	813	486	800	800	800	800	800	0%
13	Wellness	-	-	800	400	800	800	800	100%
14	Medicare - Social Security	1,488	1,179	1,400	1,400	1,500	1,500	1,500	7%
15	Retirement	14,235	10,663	16,100	13,500	20,700	20,700	20,700	53%
16	Insurance Benefits	32,863	32,714	34,100	34,100	36,700	36,700	36,700	8%
17	Workers Compensation	286	681	1,000	1,000	1,300	1,300	1,300	30%
18	**Total Personnel Services**	**145,399**	**120,473**	**142,700**	**139,700**	**155,600**	**155,600**	**155,600**	**11%**

General Fund

Park Operations

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
19	**Materials & Services:**								
20	Parks Materials & Supplies	20,084	16,168	33,900	33,900	30,000	30,000	30,000	-12%
21	Meetings, Travel & Training	1,188	219	1,500	1,000	1,500	1,500	1,500	50%
22	Labor Attorney	11	-	-	-	-	-	-	
23	Public Notices	61	307	-	-	-	-	-	
24	Contractual Services	63,706	71,507	73,200	73,200	75,000	70,000	70,000	-4%
25	Utilities	8,559	4,688	4,700	4,700	4,700	4,700	4,700	0%
26	Telephone	1,674	1,858	1,700	1,500	1,700	1,700	1,700	13%
27	Auto Insurance	558	1,537	2,100	-	-	-	-	
28	Gasoline	5,036	6,226	6,500	7,500	7,500	7,500	7,500	0%
29	Vehicle Maintenance	2,243	2,069	2,000	2,000	2,500	2,500	2,500	25%
30	Equipment Maintenance	1,932	3,102	4,000	3,500	4,000	4,000	4,000	14%
31	Medical Testing	-	274	100	-	-	-	-	
32	Little League Park Maintenance	3,938	20,957	27,000	9,600	15,000	15,000	15,000	56%
33	Park Rental Program Expenses	6,973	4,548	6,000	3,000	6,000	6,000	6,000	100%
34	Grant Program	-	-	14,000	9,000	10,000	15,000	15,000	67%
35	**Total Materials & Services**	**115,963**	**133,460**	**176,700**	**148,900**	**157,900**	**157,900**	**157,900**	**6%**
36	**Capital Outlay:**								
37	Field Equipment	2,738	9,899	3,000	3,000	3,000	3,000	3,000	0%
38	Capital Improvements	20,000	18,287	3,500	3,200	11,000	11,000	11,000	244%
39	**Total Capital Outlay**	**22,738**	**28,186**	**6,500**	**6,200**	**14,000**	**14,000**	**14,000**	**126%**
40	**Reserves:**								
41	Park Improvement Matching	-	-	-	-	5,000	5,000	5,000	
42	**Total Requirements**	**$284,100**	**$282,119**	**$325,900**	**$294,800**	**$332,500**	**$ 332,500**	**$ 332,500**	**13%**

Budget Notes:

Expenditures:

7 Parks General Support Resources equal at least 2.5% of General Fund budgeted revenues as is the policy of the City. The FY15-16 budget is 3.5% of budgeted revenues.

Personnel Services:

8 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

9 The Public Works Director is budgeted in the Public Works section of the Administrative Services Fund and costs are charged back
10 to the General Fund.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

24 Contractual Services includes $35,000 for routine services and $40,000 for Temporary Employees.

32 Little League Park Maintenance includes $2,000 for porta potties, $5,000 for fertilization and weed control, $1,000 for restroom supplies, $600 for equipment maintenance (mower), $2,600 for garbage service, and $3,800 for unanticipated incidental expenses.

34 Funds will be allocated to citizen sponsored projects and are to be approved by the Parks Board.

Capital Outlay:

38 Capital improvements include resurfacing of the tennis court at Willamette Manor Park $11,000.

General Fund
Park Dedicated Funds

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balances:**								
3	Dog Park Donations	$ 2,152	528	$ 500	$ 500	$ -	$ -	$ -	-100%
4	Skate Park Donations	-	-	-	-	-	-	-	
5	Recreation Donations	-	314	-	-	-	-	-	
6	Park Donations	1,468	1,494	2,500	5,600	-	-	-	-100%
7	Developers Tree Reimbursements	7,675	4,889	4,800	4,900	4,700	4,700	4,700	-4%
8	Boat Ramp Grant	-	165	-	-	-	-	-	
9	Keizer Rotary Amphitheater Fees	8,212	7,638	7,700	8,300	7,500	7,500	7,500	-10%
10	**Total Beginning Balances**	**19,507**	**15,028**	**15,500**	**19,300**	**12,200**	**12,200**	**12,200**	**-37%**
11	**Revenues:**								
12	**Intergovernmental:**								
13	MAP Boat Ramp Grant	3,875	4,100	4,100	4,100	4,100	4,100	4,100	0%
14	**Charges for Services:**								
15	Amphitheater Rental Fees	2,254	3,752	3,000	2,000	2,500	2,500	2,500	25%
16	**Miscellaneous:**								
17	Dog Park Donations	112	-	-	-	-	-	-	
18	Park Donations	1,025	8,752	3,000	1,000	-	-	-	-100%
19	Recreation Donations	2,000	-	-	-	-	-	-	
20	Skate Park Donations	-	-	-	-	-	-	-	
21	Developers Tree Reimbursements	-	-	-	-	-	-	-	
22	**Total Miscellaneous**	**3,137**	**8,752**	**3,000**	**1,000**	**-**	**-**	**-**	**-100%**
23	**Total Resources**	**28,773**	**31,632**	**25,600**	**26,400**	**18,800**	**18,800**	**18,800**	**-29%**
24	**Expenditures:**								
25	**Materials & Services:**								
26	Dog Park Projects	1,736	-	-	-	600	600	600	
27	Skate Park Projects	-	-	-	-	-	-	-	
28	Recreation Projects	1,686	2,915	2,000	2,000	2,000	2,000	2,000	0%
29	Park Projects	1,000	4,656	3,000	4,100	-	-	-	-100%
30	Boat Ramp Maintenance	1,777	3,115	4,100	5,500	4,100	4,100	4,100	-25%
31	Developers Tree Expenses	2,786	-	4,800	300	4,700	4,700	4,700	1467%
32	Keizer Rotary Amphitheater	2,829	3,114	10,700	2,800	10,000	10,000	10,000	257%
33	**Total Materials & Services**	**11,814**	**13,800**	**24,600**	**14,700**	**21,400**	**21,400**	**21,400**	**46%**
34	**Capital Outlay:**								
35	Capital Improvements	-	-	5,600	-	-	-	-	
36	**Total Capital Outlay**	**-**	**-**	**5,600**	**-**	**-**	**-**	**-**	
37	**Total Expenditures**	**$11,814**	**$13,800**	**$30,200**	**$ 14,700**	**$ 21,400**	**$ 21,400**	**$21,400**	**46%**

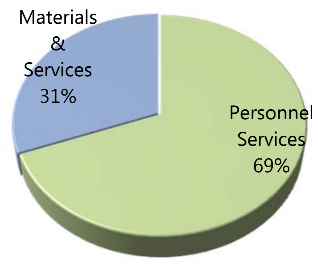
Budget Notes:

Expenditures:

32 Upon completion of the concert series, $2,000 will be paid to KRA LLC as a general sponsorship/stipend in support of the amphitheater concert series.

General Fund
Community Development

The Community Development Department provides a variety of services that are important to the economic well being and quality of life of Keizer businesses and residents. Services include managing the City development activities, Urban Renewal activities, community plans, building permit processes, and enforcing City codes. Long-range planning activities include policy issues regarding management of the Comprehensive Plan, State Planning requirements including Periodic Review, Transportation Planning, and development of specific plans such as Master Plans, developing code revisions and ordinance development. Current planning activities include services to the public for development relative to zoning, land dividing, and floodplain management. Code Enforcement regulates zoning violations, solid waste, noxious weeds and unsafe housing issues. Building Permit Administration connects development with other appropriate staff within the City, and to Marion County, implementing the new statewide permit system.



		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**Revenues:**								
2	**Licenses & Fees:**								
3	Sign Permits	$ 2,975	$ 2,785	$ 3,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	0%
4	Land Use Application Fees	9,196	12,373	13,200	18,000	18,000	18,000	18,000	0%
5	Building Fees - Zoning	18,931	25,326	29,000	35,000	45,000	45,000	45,000	29%
6	Permit Fees	12,717	17,083	15,400	20,000	25,000	25,000	25,000	25%
7	Facility Fees	-	-	-	2,000	2,000	2,000	2,000	0%
8	**Total Licenses & Fees**	43,819	57,567	60,600	79,000	94,000	94,000	94,000	19%
9	**Intergovernmental:**								
10	Grants	70,000	-	100,000	-	165,000	165,000	165,000	
11	**Charges for Services:**								
12	Nuisance Abatement	3,350	523	10,000	2,000	15,000	15,000	15,000	650%
13	**Total Revenues**	117,169	58,090	170,600	81,000	274,000	274,000	274,000	238%
14	**Expenditures:**								
15	**Personnel Services:**								
16	Community Development Director	100,668	103,090	105,600	105,600	106,900	106,900	106,900	1%
17	Code Enforcement Technician	-	-	27,900	12,000	39,600	39,600	39,600	230%
18	Planning Staff	121,127	130,260	137,700	137,700	145,000	145,000	145,000	5%
19	Administrative Support	39,372	48,734	51,400	51,400	53,700	53,700	53,700	4%
20	Storm Water Technician	1,866	1,948	2,600	2,200	2,700	2,700	2,700	23%
21	Overtime	-	-	1,700	500	2,500	2,500	2,500	400%
22	Cell Phone Stipend	1,547	1,487	2,100	1,500	1,800	1,800	1,800	20%
23	Wellness	-	548	1,900	1,000	1,900	1,900	1,900	90%
24	Medicare	4,031	4,355	5,100	4,700	5,500	5,500	5,500	17%
25	Retirement	49,852	52,377	65,100	55,800	82,600	82,600	82,600	48%
26	Insurance Benefits	57,618	63,524	81,200	80,000	91,800	91,800	91,800	15%
27	Unemployment	-	-	-	-	-	-	-	
28	Workers Compensation	295	483	600	500	900	900	900	80%
29	**Total Personnel Services**	376,376	406,806	482,900	452,900	534,900	534,900	534,900	18%

General Fund
Community Development

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
30	**Materials & Services:**								
31	Mapping Supplies & Services	136	185	500	500	500	500	500	0%
32	Uniforms	-	-	600	500	700	700	700	40%
33	Field Equipment	-	-	1,700	1,700	1,700	1,700	1,700	0%
34	Postage & Printing	486	-	3,000	-	3,000	3,000	3,000	
35	Meetings, Travel & Training	5,479	385	7,200	900	7,200	7,200	7,200	700%
36	Public Notices	1,074	2,663	2,500	2,500	2,500	2,500	2,500	0%
37	Hearings Officer	1,503	3,250	3,800	3,000	4,000	4,000	4,000	33%
38	Auto Insurance	209	427	600	500	1,000	1,000	1,000	100%
39	Gasoline & Vehicle Maintenance	345	930	1,500	700	2,000	2,000	2,000	186%
40	Nuisance Abatement	2,447	6,993	10,000	5,000	15,000	15,000	15,000	200%
41	Land Conservation Grant	64,147	1,572	-	-	-	-	-	
42	TGM Grant	-	-	100,000		165,000	165,000	165,000	
43	UGB Land Use Analysis	-	-	35,000	-	35,000	35,000	35,000	
44	**Total Materials & Services**	75,826	16,405	166,400	15,300	237,600	237,600	237,600	1453%
45	**Total Expenditures**	$ 452,202	$ 423,211	$ 649,300	$ 468,200	$ 772,500	$ 772,500	$ 772,500	65%

Budget Notes:

Revenues:

5 Building Fees and Permit Administration Fees will increase due to Keizer Station Area C and Area D building activity and new subdivision
6 applications

12 Nuisance Abatement revenue is the City's costs recovered from offenders for property clean up. This is anticipated to increase as the result of filling the Code Compliance position. (see Personnel Services section below).

Expenditures:

Personnel Services:

15 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

17 In FY10-11 the City eliminated the Code Compliance position as a response to the economic downturn. General Fund revenues have improved over the past few years and the City is now able to fund this position. This addition also increases the cost of fringe benefits and overtime for this Department.
For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

32
33 Uniforms and Field Equipment are for the Code Compliance position.

34 Postage & Printing costs provide for a mass mailing should legal mandates require one in FY15-16.

35 Meetings, Travel & Training includes $5,000 for a national conference and $1,600 for memberships plus $600 for the Code Enforcement training and memberships.

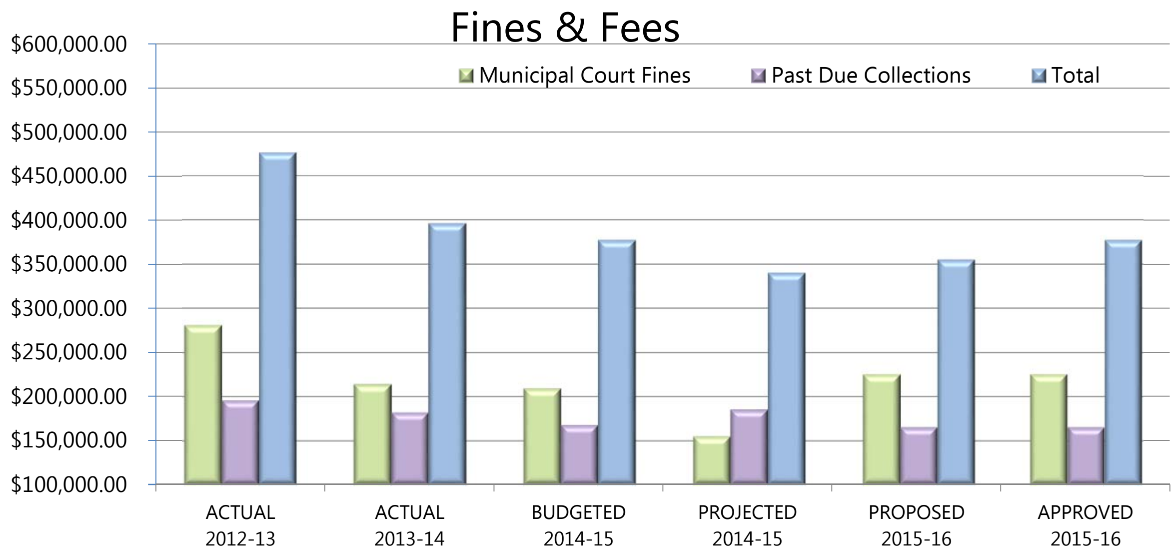
40 Nuisance Abatement costs are anticipated to increase as the result of filling the Code Compliance position.

42 The City has applied for a transportation growth management grant to assist with the analysis of the urban growth boundary expansion.

43 The first half of the periodic review order compliance for the UGB expansion project.

General Fund
Finance - Municipal Court

The Municipal Court administers the judicial system for the City of Keizer. The Court handles traffic infractions, City code violations and has recently incorporated limited Juvenile status violations into Court proceedings, all enforced by the Keizer Police Department. Municipal Court arraignments and hearings are held weekly in the City Hall Council Chambers. An independent contractor serves as the Municipal Court Judge. Staff provides excellent customer service by encouraging compliance with manageable payment schedules and opportunities to fulfill court orders and requirements.



		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**Revenues:**								
2	**Intergovernmental:**								
3	Peer Court JABG Grant	$ 8,398	$ 4,845	$ 3,300	$ 3,300	$ -	$ -	$ -	-100%
4	**Fines & Forfeits:**								
5	Municipal Court Fines	280,781	213,960	209,100	155,000	225,000	225,000	225,000	45%
6	Past Due Collections	195,733	182,033	167,900	185,000	165,000	165,000	165,000	-11%
7	Peer Court Fees	3,811	5,230	4,000	1,700	3,000	3,000	3,000	76%
8	**Total Fines & Forfeits**	**480,325**	**401,223**	**381,000**	**341,700**	**393,000**	**393,000**	**393,000**	**15%**
9	**Miscellaneous:**								
10	Peer Court Donations	-	-	3,300	3,300	11,200	11,200	11,200	239%
11	Interest	-	-	-	-	18,600	18,600	18,600	
12	**Total Miscellaneous**	-	-	3,300	3,300	29,800	29,800	29,800	
13	**Total Revenues**	**488,723**	**406,068**	**387,600**	**348,300**	**422,800**	**422,800**	**422,800**	**21%**

General Fund
Finance - Municipal Court

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
14	**Expenditures:**								
15	**Personnel Services:**								
16	Court Clerks	64,789	69,259	71,000	60,000	48,700	48,700	48,700	-19%
17	Overtime	786	687	1,000	500	500	500	500	0%
18	Wellness	-	191	600	400	400	400	400	0%
19	Medicare	1,008	1,078	1,100	1,000	800	800	800	-20%
20	Retirement	9,728	9,953	10,300	8,800	9,200	9,200	9,200	5%
21	Insurance Benefits	23,784	24,559	26,900	22,400	19,400	19,400	19,400	-13%
22	Workers Compensation	129	135	100	100	100	100	100	0%
23	**Total Personnel Services**	**100,224**	**105,862**	**111,000**	**93,200**	**79,100**	**79,100**	**79,100**	**-15%**
24	**Materials & Services:**								
25	Materials & Supplies	460	343	800	500	500	500	500	0%
26	Meetings, Travel & Training	-	548	1,500	1,000	1,000	1,000	1,000	0%
27	Judge's Services	14,140	15,367	16,200	14,000	14,000	14,000	14,000	0%
28	Other Contractual Services	6,402	5,238	4,500	4,500	5,500	5,500	5,500	22%
29	Peer Court	21,054	22,470	21,900	21,300	24,700	24,700	24,700	16%
30	Collections Cost	1,740	525	500	800	800	800	800	0%
31	Interagency Assessments	81,781	66,105	69,300	58,000	66,300	66,300	66,300	14%
32	**Total Materials & Services**	**125,577**	**110,596**	**114,700**	**100,100**	**112,800**	**112,800**	**112,800**	**13%**
33	**Total Expenditures**	**$ 225,801**	**$ 216,458**	**$ 225,700**	**$ 193,300**	**$ 191,900**	**$ 191,900**	**$ 191,900**	**-1%**

Budget Notes:

Revenues:

5 Municipal Court Fines are expected to increase once the Traffic Officer are hired (see Police Operations budget).

6 The City entered into a new agreement for collection agency services, part of the agreement provides for sharing interest earned on accounts sent to collections.

Expenditures:

Personnel Services:

15 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.
For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

31 Interagency Assessments are approximately 17% of citation revenue

General Fund

Police Operations

The mission of the Keizer Police Department is to help the community maintain order while promoting safety and freedom and building public confidence.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
	RESOURCES:								
	Beginning Balances:								
1	Reserve Donations	$ 1,679	$ 2,079	$ 1,100	$ 2,400	$ 2,600	$ 2,600	$ 2,600	8%
2	K-9 Donations	16,529	6,645	6,900	12,600	14,500	14,500	14,500	15%
3	Civil/Criminal Forfeitures	127,839	128,272	133,300	82,600	132,800	132,800	132,800	61%
4	**Total Beginning Balances**	**146,047**	**136,996**	**141,300**	**97,600**	**149,900**	**149,900**	**149,900**	**54%**
5	**Revenues:**								
6	**Intergovernmental:**								
7	Special Duty Officers	2,943	2,555	8,600	5,000	5,000	5,000	5,000	0%
8	School Resource Contract	145,078	149,606	153,900	154,300	159,700	159,700	159,700	3%
9	Materials & Services Grants	8,503	5,289	-	5,000	5,000	5,000	5,000	0%
10	Overtime Grants	19,964	10,727	12,000	2,000	2,000	2,000	2,000	0%
11	**Total Intergovernmental**	**176,488**	**168,177**	**174,500**	**166,300**	**171,700**	**171,700**	**171,700**	**3%**
12	**Fines & Forfeits:**								
13	Impound Fees	28,420	21,705	1,000	1,000	1,000	1,000	1,000	0%
14	Civil/Criminal Forfeitures	58,193	25,165	25,000	52,200	25,000	25,000	25,000	-52%
15	**Total Fines & Forfeits**	**86,613**	**46,870**	**26,000**	**53,200**	**26,000**	**26,000**	**26,000**	**-51%**
16	**Miscellaneous:**								
17	Police Testing Reimbursements	2,220	540	-	500	-	-	-	-100%
18	Reserve Officer Donations	400	300	-	300	-	-	-	-100%
19	Police Donations	285	1,750	-	200	-	-	-	-100%
20	K-9 Donations	7,905	17,728	5,000	5,000	-	-	-	-100%
21	Event Overtime Reimbursements	-	-	5,000	5,000	5,000	5,000	5,000	0%
22	Miscellaneous	20,935	17,242	18,000	14,000	15,000	15,000	15,000	7%
23	**Total Miscellaneous**	**31,745**	**37,560**	**28,000**	**25,000**	**20,000**	**20,000**	**20,000**	**-20%**
24	**TOTAL RESOURCES**	**440,893**	**389,603**	**369,800**	**342,100**	**367,600**	**367,600**	**367,600**	**7%**

General Fund

Police Operations

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
25	**Expenditures:**								
26	**Personnel Services:**								
27	Chief of Police	134,311	102,755	115,400	115,400	120,400	120,400	120,400	4%
28	Deputy Chief	100,013	106,716	112,200	112,200	117,000	117,000	117,000	4%
29	Lieutenants	191,003	240,376	285,700	285,700	297,700	297,700	297,700	4%
30	Sergeants	554,383	518,300	513,800	513,800	527,600	527,600	527,600	3%
31	Police Officers	1,771,799	1,810,858	1,884,200	1,870,000	1,982,200	1,982,200	1,982,200	6%
32	Community Service Officer/Evidence Specialist	55,326	37,848	44,400	43,700	44,200	44,200	44,200	1%
33	Forensics Support	-	-	46,100	-	-	-	-	
34	Administrative Support	318,522	377,906	394,100	394,100	403,900	403,900	403,900	2%
35	Reserve Officers	-	649	1,500	-	1,500	1,500	1,500	
36	Overtime	111,917	126,466	129,700	129,700	130,400	130,400	130,400	1%
37	Overtime - Grant Programs	19,665	12,784	12,000	12,000	12,000	12,000	12,000	0%
38	Overtime - Community Events	7,642	7,300	8,800	8,800	8,800	8,800	8,800	0%
39	Clothing, Cell Phone Stipends	30,870	34,113	32,200	32,400	42,200	42,200	42,200	30%
40	Wellness	10,500	10,684	12,300	9,000	16,700	16,700	16,700	86%
41	Medicare SSI	51,484	57,911	52,400	57,500	53,900	53,900	53,900	-6%
42	Retirement & VEBA	690,312	691,750	769,600	740,000	933,700	933,700	933,700	26%
43	Insurance Benefits	706,942	746,049	848,600	830,000	923,300	923,300	923,300	11%
44	Unemployment Costs	-	-	-	-	-	-	-	
45	Workers Compensation	25,995	33,506	54,800	42,500	38,500	38,500	38,500	-9%
46	**Total Personnel Services**	**4,780,684**	**4,915,971**	**5,317,800**	**5,196,800**	**5,654,000**	**5,654,000**	**5,654,000**	**9%**

General Fund

Police Operations

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
47	**Materials & Services:**								
48	Office Materials & Supplies	10,602	9,705	-	-	-	-	-	
49	Cadet Program	730	852	2,500	1,800	2,500	2,500	2,500	39%
50	Reserve Officer Program	301	691	21,000	15,000	21,000	21,000	21,000	40%
51	K-9 Donation Expense	4,457	1,128	3,000	3,000	3,000	3,000	3,000	0%
52	Clothing & Duty Gear	27,758	27,896	24,000	24,000	24,000	24,000	24,000	0%
53	Civil/Criminal Forfeiture Expense	14,661	13,749	36,500	2,000	36,500	36,500	36,500	1725%
54	K-9 Program	2,631	3,150	5,000	5,000	5,000	5,000	5,000	0%
55	Postage & Printing	4,594	3,529	-	-	-	-	-	
56	Association Memberships	-	-	2,000	2,000	2,000	2,000	2,000	0%
57	Meetings, Travel & Training	21,786	24,822	25,000	28,000	28,000	28,000	28,000	0%
58	Tuition Reimbursement	-	-	3,000	3,000	3,000	3,000	3,000	0%
59	Public Notices	110	191	500	400	500	500	500	25%
60	Labor Attorney	5,654	32,687	25,000	41,000	40,000	40,000	40,000	-2%
61	Contractual Services	7,976	1,892	17,500	6,500	6,500	6,500	6,500	0%
62	Labor	25,542	3,421	-	3,200	-	-	-	-100%
63	Telephone/Internet Service	15,087	14,618	15,600	14,000	15,000	15,000	15,000	7%
64	Auto Insurance	14,450	11,952	18,700	17,800	18,900	18,900	18,900	6%
65	Office Equipment Rental	2,100	1,532	2,000	2,000	2,000	2,000	2,000	0%
66	Gasoline	78,976	74,196	95,000	80,000	90,000	90,000	90,000	13%
67	Software	90	-	-	-	-	-	-	
68	Vehicle Maintenance	26,650	15,549	32,000	32,000	32,000	32,000	32,000	0%
69	Equipment Maintenance	1,816	3,505	2,000	1,000	2,000	2,000	2,000	100%
70	Community Events Materials	914	2,639	1,500	1,800	1,800	1,800	1,800	0%
71	Operating Materials	19,909	22,044	10,000	12,000	12,000	12,000	12,000	0%
72	Ammo & Weapons	1,427	12,054	15,000	15,000	12,000	12,000	12,000	-20%
73	Durable Goods	-	-	13,000	14,500	11,000	11,000	11,000	-24%
74	Willamette Valley Comm Center	59,100	358,367	367,300	371,600	401,300	401,300	401,300	8%
75	Salem Radio Bandwidth	31,221	31,164	32,000	28,800	30,800	30,800	30,800	7%
76	RAIN	6,959	7,178	7,500	7,500	8,100	8,100	8,100	8%
77	PRIORS	46,640	42,620	44,200	44,200	47,300	47,300	47,300	7%
78	Investigations	7,955	8,752	10,000	10,000	10,000	10,000	10,000	0%
79	Applicant Testing Expense	4,162	2,950	2,000	3,000	3,000	3,000	3,000	0%
80	Miscellaneous Expense	140	-	-	-	-	-	-	
81	**Total Materials & Services**	**444,398**	**732,833**	**832,800**	**790,100**	**869,200**	**869,200**	**869,200**	**10%**
82	**Capital Outlay:**								
83	K-9 Dog	13,331	10,670	-	-	-	-	-	
84	Computer Equipment	-	6,800	-	-	-	-	-	
85	Furniture	-	17,273	-	-	-	-	-	
86	Equipment	-	15,002	-	12,000	-	-	-	-100%
87	Vehicles	-	-	-	19,000	-	-	-	-100%
88	**Total Capital Outlay**	**13,331**	**49,745**	**-**	**31,000**	**-**	**-**	**-**	**-100%**
89	**Total Expenditures**	**$ 5,238,413**	**$ 5,698,549**	**$ 6,150,600**	**$ 6,017,900**	**$ 6,523,200**	**$ 6,523,200**	**$6,523,200**	**8%**

General Fund

Police Operations

Budget Notes:

Revenues:

8 Beginning FY11-12 Salem Keizer School District reduced funding for School Resource Officers to help balance its budget. Funding currently supports 2 SROs, down from 3 SROs in FY10-11. The District covers 40% of an SRO's yearly salary (1/2 the cost for 9.5 months of the school year), benefits & equipment needs and 20% of such costs for the sergeant who supervises the program.

13 Due to a Ninth Circuit Court of Appeals decision, Impound fees are expected to decline from $25,000 to $1,000.

14 Civil Forfeiture can be used only to support law enforcement operations and may be spent on such costs as equipment, training, and investigations.

Personnel Services:

26 The Budget provides a 1.5% and a 2.5% wage and salary increase for all non-represented and represented staff, respectively. In addition step increases for those eligible as provided for in the Union Contract and City Personnel Policies.

36 Overtime costs depend on the number of crimes, court appearances and the training needs of the department. Overtime costs are budgeted at less than 6% of sworn-represented staff wages.

For additional information on employee benefits see the Summary of Fringe Benefits in the Supplemental Section.

Materials & Services:

48 Office Materials & Supplies are tracked in the Administrative Services Fund, City-Wide Administration account.

50 The Department intends to enhance its Reserve Officer Program to help cover workload. Beginning in FY14-15 this line-item includes all direct costs associated with Reserve Officers including training, uniforms and equipment to provide an accurate accounting of the cost of this program.

53 Civil/Criminal Forfeiture Expenses are costs that support law enforcement operations such as equipment, training and investigation costs and are paid from Civil/Criminal Forfeiture Revenues.

55 Postage & Printing costs are tracked in the Administrative Services Fund, City-Wide Administration account.

60 Labor attorney costs are to support anticipated employee relations activities.

64 Auto insurance premiums will increase up to 8%. The increases result from the addition of vehicles purchased in FY14-15 and claim loss settlements from prior years.

66 The increase in gasoline is the result of increasing prices in addition to adding a traffic control officer.

General Fund
Revenue Sharing

Fourteen percent of state liquor receipts are allocated to cities on a formula basis as outlined in state statute. This portion of liquor tax distributions is known as "state revenue sharing" and is distributed on a quarterly basis.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	Beginning Balances	$ 90,346	$ -	$ -	$ -	$ -	$ -	$ -	
3	**Revenues:**								
4	**Intergovernmental:**								
5	State Revenue Sharing	280,827	296,598	292,300	310,000	340,000	340,000	340,000	10%
6	Police Capital Grants	3,000	0	4,000	2,600	5,600	5,600	5,600	115%
7	**Total Intergovernmental**	**283,827**	**296,598**	**296,300**	**312,600**	**345,600**	**345,600**	**345,600**	**11%**
8	**Transfers In:**								
9	Transfer from the General Fund	35,123	-	-	-	-	-	-	
10	**Total Transfers In**	35,123	-	-	-	-	-	-	
11	**TOTAL RESOURCES**	**409,296**	**296,598**	**296,300**	**312,600**	**345,600**	**345,600**	**345,600**	**11%**
12	**REQUIREMENTS:**								
13	**Expenditures:**								
14	**Capital Outlay:**								
15	Police Protective Vests	6,750	3,825	10,500	10,000	11,200	11,200	11,200	12%
16	Police Officer Equipment	22,885	-	-	-	-	-	-	
17	Motorcycles & Equipment Lease	11,772	-	-	-	-	-	-	
18	Parks Vehicle	-	-	30,000	28,500	-	-	-	-100%
19	Police Vehicle Leases	145,940	57,189	-	1,000	-	-	-	-100%
20	Police Vehicle Purchases	221,949	344,297	257,500	256,300	-	-	-	-100%
21	**Total Capital Outlay**	**409,296**	**405,311**	**298,000**	**295,800**	**11,200**	**11,200**	**11,200**	**-96%**
22	**Total Expenditures**	**$ 409,296**	**$ 405,311**	**$ 298,000**	**$ 295,800**	**$ 11,200**	**$ 11,200**	**$ 11,200**	**-96%**

Budget Notes:

Revenues:

5 State Revenue Sharing revenues have increased due to an increase in liquor sales in Oregon. The League of Oregon Cities projects a 12% increase in FY15-16.

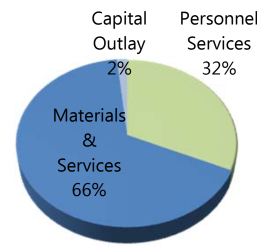
6 Police grants fund 50% of the cost for Protective Vests and the Department has applied for funding 13 vests for FY15-16.

Expenditures:

15 The City anticipates the need for 13 Protective Vests funded 50% with federal grant funds.

Community Center Fund

The City of Keizer Community Center is a state of the art facility intended to accommodate the cultural, educational, professional, recreational, and economic needs of its citizens and the community. Rental fees help cover the operation and management of the center. During the last fiscal year, the Center has hosted a variety of events. During the week, the Center is used by many of our City Committees and local community groups such as West Keizer Neighborhood Association, Claggett Creek Watershed Council, and Keizer homeowner association meetings. On weekends, the Center has served as the venue for weddings, quinceaneras, anniversary parties, and baby/bridal showers. Keizer Parks Foundation, Union Gospel Mission, Chamber of Commerce, and other non-profit organizations have used the facility for their fundraising ventures.
During the last couple of years, staff has worked towards making the Center self-sustaining. City Staff manage the scheduling and coordination of the facility. Staff provide tours, answer rental inquiries, assist clients with the necessary contractual requirements (insurance, catering requirements, etc.) room sets, audio needs, and othe amenities to assure the client's event is successful. Temporary event staffing is used to provide service during the event and upon completion of the event, cleaning and resetting the venue for the next event. During the last year, promotion of the Center h taken place at bridal shows, Chamber of Commerce luncheons, Travel Salem gathering and membership in the Mid-Willamette Valley Wedding Pro Association.



		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 24,647**	**$ 11,071**	**$ -**	**$ -**	**$ 100**	**$ 100**	**$ 100**	
3	**Revenues:**								
4	**Taxes & Assessments:**								
5	Hotel/Motel Tax	9,785	-	-	-	60,000	60,000	60,000	
6	**Charges for Services:**								
7	Rental Fees	86,274	98,356	170,000	100,000	100,000	100,000	100,000	0%
8	**Miscellaneous:**								
9	Donations	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0%
10	Interest	6	14	100	-	-	-	-	
11	**Total Miscellaneous**	**10,006**	**10,014**	**10,100**	**10,000**	**10,000**	**10,000**	**10,000**	**0%**
12	**Total Revenues**	106,065	108,370	180,100	110,000	170,000	170,000	170,000	55%
13	**Other Resources:**								
14	Transfer from General Fund	36,182	-	-	50,800	10,800	11,800	11,800	-77%
15	**TOTAL RESOURCES**	**$ 166,894**	**$ 119,441**	**$ 180,100**	**$ 160,800**	**$ 180,900**	**$ 181,900**	**$ 181,900**	**13%**
16	**REQUIREMENTS:**								
17	**Expenditures:**								
18	**Personnel Services:**								
19	Event Center Coordinator	-	15,045	31,300	31,300	31,800	31,800	31,800	2%
20	Temporary Help	8,547	12,458	10,000	10,000	10,000	10,000	10,000	0%
21	Overtime Costs	-	-	-	200	-	-	-	-100%
22	Cell Phone Stipend	-	275	700	700	900	900	900	29%
23	Revenue Benchmark Incentive	-	-	7,500	-	-	-	-	
24	Wellness	-	-	-	-	-	-	-	
25	Medicare	654	1,251	800	1,400	800	800	800	-43%
26	Retirement	330	2,780	4,800	5,400	8,300	8,300	8,300	54%
27	Insurance Stipend	-	2,788	4,800	4,800	4,800	4,800	4,800	0%
28	Unemployment	219	105	-	-	-	-	-	
29	Workers Compensation	(25)	176	400	400	600	600	600	50%
30	**Total Personnel Services**	**9,725**	**34,878**	**60,300**	**54,200**	**57,200**	**57,200**	**57,200**	**6%**

Community Center Fund

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
31	**Materials & Services:**								
32	Materials & Supplies	252	980	600	600	800	800	800	33%
33	Association Memberships	425	15	500	100	500	500	500	400%
34	Legal Notices	-	152	100	-	100	100	100	
35	Administrative Services Fund	117,499	58,656	85,000	85,100	89,700	89,700	89,700	5%
36	Contractual Services	6,729	8,525	8,000	4,000	8,000	8,000	8,000	100%
37	Marketing Costs	-	586	1,000	1,500	1,500	6,000	6,000	
38	Janitorial Services	4,733	4,679	4,000	4,400	4,400	4,400	4,400	0%
39	Utilities	3,551	5,205	5,500	5,600	5,500	5,500	5,500	-2%
40	Janitorial Supplies	3,838	4,790	5,000	5,000	5,000	5,000	5,000	0%
41	Medical Testing	41	360	200	100	200	200	200	
42	**Total Materials & Services**	137,068	83,948	109,900	106,400	115,700	120,200	120,200	13%
43	**Capital Outlay:**								
44	Furnishings & Fixtures	9,030	615	1,000	100	3,000	3,000	3,000	2900%
45	**Total Expenditures**	**155,823**	**119,441**	**171,200**	**160,700**	**175,900**	**180,400**	**180,400**	**12%**
46	**Other Requirements:**								
47	Contingency	-	-	5,000	-	5,000	1,500	1,500	
48	**Fund Balance:**								
49	Assigned	11,071	-	3,900	100	-	-	-	-100%
50	**TOTAL REQUIREMENTS**	**$ 166,894**	**$ 119,441**	**$ 180,100**	**$ 160,800**	**$ 180,900**	**$ 181,900**	**$ 181,900**	**13%**

Summary of Administrative Service Fund Charges

City-Wide Administration	$ 5,118	$ 6,172	$ 3,600	$ 2,800	$ 3,600	$ 3,600	$ 3,600	29%
City Manager	4,691	4,192	3,100	3,100	2,500	2,500	2,500	-19%
Information Systems	4,590	5,042	5,100	4,200	7,800	7,800	7,800	86%
Attorney's Office	5,045	4,943	4,400	4,300	3,000	3,000	3,000	-30%
City Recorder	45,276	10,848	12,600	12,500	13,400	13,400	13,400	7%
Human Resources	3,151	5,274	3,300	3,200	3,400	3,400	3,400	6%
Finance	44,851	45,232	48,800	48,300	52,500	52,500	52,500	9%
Facility Maintenance	4,778	6,612	4,100	6,700	3,500	3,500	3,500	-48%
Adjustments	(1)	(29,659)	-	-	-	-		
Administrative Services Charges	$ 117,499	$ 58,656	$ 85,000	$ 85,100	$ 89,700	$ 89,700	$ 89,700	5%

Budget Notes:

7 Rental fees are expected to remain consistent with the previous year.

19 The Event Center Coordinator position will remain a limited duration position through the end of FY15-16 with a potential a transition from a limited duration to regular position during FY16-17.

23 Revenue Benchmark Incentive to be paid quarterly if Event Center Coordinator meets Revenue Benchmarks at the end of each quarter. Quarterly revenues need to exceed the historical three-year quarterly average by $30,000 per quarter for the $2,500 incentive to be paid. Projected revenues do not support incentive compensation.

35 In FY13-14 a portion of the Administrative Services Fund charges allocated to the Community Center Fund were paid by the General Fund.

36 Contractual Services are primarily for event security and this cost is reimbursed through rental fees.

Public Education Government Fund

The Public Education Government Fund (PEG) is a Special Revenue Fund set up to account for PEG franchise fees assessed on cable television bills. The fees are to be used exclusively for providing governmental cable programming.

Legislative action taken in fiscal year 2007-2008 continues to threaten PEG revenues. Should revenues cease by the end of the fiscal year, the ending fund balance will be sufficient to pay monthly broadcasting expenses the following year.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	$ 162,374	$ 206,729	$ 231,700	$ 243,400	$ 232,000	$ 232,000	$ 232,000	-5%
3	**Revenues:**								
4	**Intergovernmental:**								
5	PEG Fees	118,906	121,312	122,200	123,500	126,200	126,200	126,200	2%
6	**Miscellaneous:**								
7	Interest Earnings	449	726	600	600	600	600	600	0%
8	**TOTAL RESOURCES**	**$ 281,729**	**$ 328,767**	**$ 354,500**	**$ 367,500**	**$ 358,800**	**$ 358,800**	**$ 358,800**	**-2%**
9	**REQUIREMENTS:**								
10	**Expenditures:**								
11	**Materials & Services:**								
12	Administrative Fee	-	3,239	1,800	1,800	2,300	2,300	2,300	28%
13	Production Services	-	-	1,500	500	-	-	-	-100%
14	Broadcasting	75,000	81,000	108,700	93,200	96,000	96,000	96,000	3%
15	**Total Materials & Services**	**75,000**	**84,239**	**112,000**	**95,500**	**98,300**	**98,300**	**98,300**	**3%**
16	**Capital Outlay:**								
17	Television Equipment	-	1,148	40,400	35,000	20,000	20,000	20,000	-43%
18	**Total Expenditures**	**75,000**	**85,387**	**152,400**	**130,500**	**118,300**	**118,300**	**118,300**	**-9%**
19	**Other Requirements:**								
20	Contingency	-	-	21,800	-	50,000	50,000	50,000	
21	Transfers out	-	-	5,000	5,000				
22	Restricted for Operations	206,729	243,380	175,300	232,000	190,500	190,500	190,500	-18%
23	**Total Other Requirements**	**206,729**	**243,380**	**202,100**	**237,000**	**240,500**	**240,500**	**240,500**	**1%**
24	**TOTAL REQUIREMENTS**	**$ 281,729**	**$ 328,767**	**$354,500**	**$ 367,500**	**$ 358,800**	**$ 358,800**	**$ 358,800**	**-2%**

Budget Notes:

Revenues:

4 PEG Fees are franchise fees assessed on Comcast cable television bills; revenues continue to trend slightly upward from year to year.

Expenditures:

12 The Administrative Fee pays PEGs share of the City's network costs.

14 Costs are $8,000 per month for cable broadcasting.

17 Ongoing video and television upgrades

20 Contingency is sufficient to cover a major equipment failure.

Law Enforcement Grant Fund

Revenues in the Law Enforcement Grant Fund are from federal grants. Uses are restricted to each specific grant received and have traditionally been for one-time purchases of operating materials and Police equipment.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
3	**Revenues:**								
4	**Intergovernmental:**								
5	Police Grants	2,589	3,000	30,000	8,400	30,000	30,000	30,000	
6	**TOTAL RESOURCES**	**2,589**	**3,000**	**30,000**	**8,400**	**30,000**	**30,000**	**30,000**	
7	**REQUIREMENTS:**								
8	**Expenditures:**								
9	**Materials & Services:**								
10	Operating Materials	-	3,000	9,000	8,400	-	-	-	
11	**Capital Outlay:**								
12	Police Equipment	2,589	-	21,000	-	30,000	30,000	30,000	
13	**Total Expenditures**	2,589	3,000	30,000	8,400	30,000	30,000	30,000	
14	**Other Requirements:**								
15	Restricted	-	-	-	-	-	-	-	
16	**TOTAL REQUIREMENTS**	**$ 2,589**	**$3,000**	**$ 30,000**	**$ 8,400**	**$30,000**	**$ 30,000**	**$ 30,000**	

Budget Notes:

5 From time to time the Police Department applies for and receives various Federal Grants for one-time purchases of Materials and Capital Outlay items. Funds will not be expended until the grant award is received and approved by City Council. In recent years, the Federal government has significantly reduced the pool of money available for new grants; funds have been budgeted to account for such grants should the opportunity arise.

Housing Rehabilitation Fund

The original source of revenues in the Housing Services Fund was from a State Community Development Block Grant. Uses were restricted to creating loans for housing rehabilitation projects. The original grant was completely expended in fiscal year 1998. The goal of the program is to preserve the existing supply of affordable low income housing and to ensure that the existing housing occupied by low income homeowners is safe, energy efficient and affordable to maintain.

In FY12-13 the City reestablished the former program to benefit low/moderate income households within the Keizer community. This program was combined with the Energy Efficiency Revolving Loan Fund to more effectively serve the qualified participants.

This program, combined with the Energy Efficiency Revolving Loan Fund, provided loans to 23 qualified home owners who were able to replace roofs, heating systems, windows, doors and make other improvements.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 288,416**	**$ 23,526**	**$ 3,600**	**$ 14,500**	**$ 28,700**	**$ 28,700**	**$ 28,700**	98%
3	**Revenues:**								
4	**Miscellaneous:**								
5	Loan Proceeds	-	20,431	30,000	15,000	30,000	30,000	30,000	100%
6	Interest Revenue	428	44	-	-	-	-	-	
7	**Total Miscellaneous**	**428**	**20,475**	**30,000**	**15,000**	**30,000**	**30,000**	**30,000**	**100%**
8	**TOTAL RESOURCES**	**288,844**	**44,001**	**33,600**	**29,500**	**58,700**	**58,700**	**58,700**	**99%**
9	**REQUIREMENTS:**								
10	**Expenditures:**								
11	**Materials & Services:**								
12	Materials and Supplies	-	-	-	-				
13	Administrative Fee	36,774	3,454	5,000	400	-	-	-	-100%
14	Housing Rehabilitation Services	228,544	26,092	28,600	400	58,700	58,700	58,700	14575%
15	**Total Materials & Services**	**$ 265,318**	**$ 29,546**	**$ 33,600**	**$ 800**	**$ 58,700**	**$ 58,700**	**$ 58,700**	**7238%**
16	**Other Requirements:**								
17	Restricted	23,526	14,455	-	28,700	-	-	-	-100%
18	**TOTAL REQUIREMENTS**	**$288,844**	**$ 44,001**	**$ 33,600**	**$ 29,500**	**$ 58,700**	**$ 58,700**	**$ 58,700**	**99%**

Budget Notes:

5 The program typically receives 1-2 repayments each year. The average balance of each loan is approximately $15,000.

8 The City Council adopted policies for the housing services program in May 2012. The Council passed a motion to review these polices when at least 50% of the funds have been repaid and are available to lend.

13 The City contracts with Mid-Willamette Valley Council of Governments for administration of this program.

14 Funds have been appropriated to loan should the City wish to continue the program in FY15-16 provided loan repayments come available.

Energy Efficiency Revolving Loan Fund

The City of Keizer has recently received funding from the Recovery Act – Energy Efficiency and Conservation Block Grant. Uses for these funds were restricted programs that improved energy efficiency within the community. The City elected to develop a revolving loan fund to complement the current Housing Rehabilitation loan program. The Energy Efficiency loans will be restricted to permanent enhancements that improve energy efficiency within the residential home of low/moderate income households.

City staff will manage the program by accepting and approving qualified applications. City staff coordinates funds from the Housing Rehabilitation program to enhance the reach of this new program. Staff educates the public of these opportunities through the City's website, Keizer 23 channel, local newsletters, the City of Keizer Facebook page and other media. Due to the 36 month time frame for use of this Federal funding this loan program is scheduled to terminate in the early part of the next fiscal year. This funding, combined with the Housing Services funds provided loans to 23 home owners who were able to make energy efficiency improvements to their homes.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 127,567**	**$ 20,402**	**$ 5,400**	**$ 3,800**	**$ 2,300**	**$ 2,300**	**$ 2,300**	**-39%**
3	**Revenues:**								
4	**Intergovernmental:**								
5	Grant Funds	-	-	-	-	-	-	-	
6	**Miscellaneous:**								
7	Loan Proceeds	-		15,000	-	15,000	15,000	15,000	
8	Interest Revenue	182	36	-	-	-	-	-	
9	**Total Miscellaneous**	182	36	15,000	-	15,000	15,000	15,000	
10	**Total Revenues**	182	36	15,000	-	15,000	15,000	15,000	
11	**TOTAL RESOURCES**	**127,749**	**20,438**	**20,400**	**3,800**	**17,300**	**17,300**	**17,300**	**355%**
12	**REQUIREMENTS:**								
13	**Expenditures:**								
14	**Materials & Services:**								
15	Materials and Supplies	-	-	-	-	-	-	-	
16	Administrative Fee	16,405	1,476	2,000	200	-	-	-	-100%
17	Energy Efficiency Loans	90,942	15,156	18,400	1,300	17,300	17,300	17,300	1231%
18	**Total Materials & Services**	107,347	16,632	20,400	1,500	17,300	17,300	17,300	1053%
19	**Fund Balance:**								
20	Restricted	20,402	3,806	-	2,300	-	-	-	-100%
21	**TOTAL REQUIREMENTS**	**$ 127,749**	**$ 20,438**	**$ 20,400**	**$ 3,800**	**$ 17,300**	**$ 17,300**	**$ 17,300**	**355%**

Budget Notes:

7 The program typically receives 1-2 repayments each year. The average balance of each loan is approximately $15,000.

11 The City Council adopted policies for the Energy Efficiency Program in May 2012. The Council passed a motion to review these polices when at least 50% of the funds have been repaid and are available to lend.

16 The City contracts with Mid-Willamette Valley Council of Governments for administration of this program.

17 Funds have been appropriated to loan should the City wish to continue the program in FY15-16 provided loan repayments come available.

Keizer Station LID Fund

The Keizer Station Local Improvement Fund has been established to account for the improvements to the Keizer Station Development Project. Money expended in this fund was financed with a line-of-credit and an interfund loan during the construction phase of the project. Now that the project is complete, the City has arranged for long-term financing to pay off the line-of-credit and interfund loan. The cost of the improvements has been assessed to the property owners who directly benefit from the project. The assessments received will be used to pay off the long-term debt scheduled for maturity on June 1, 2031.

During FY13-14 the City foreclosed on two properties which had been delinquent for over three years. Proceeds from the foreclosure were used to pay down on the City's debt. Currently, twenty-five commercial property owners owe assessments on the Keizer Station property development and all properties are current on assessment payments.

		ACTUAL 2012-13	ACTUAL 2013-14	BUDGETED 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	APPROVED 2015-16	REVISED APPROVED 2015-16	% CHANGE FROM PROJ
1	**RESOURCES:**								
2	**Beginning Balance:**	**$ 2,729,997**	**$ 2,687,875**	**$ 2,693,400**	**$ 2,685,700**	**$ 2,683,700**	**$ 2,683,700**	**$ 2,683,700**	**0%**
3	**Revenues:**								
4	**Taxes & Assessments:**								
5	Assessments	1,315,209	4,407,155	771,300	730,500	767,900	767,900	767,900	5%
6	Net foreclosure proceeds	-	-	-	-	-	-	-	
7	**Total Taxes & Assessments**	**1,315,209**	**4,407,155**	**771,300**	**730,500**	**767,900**	**767,900**	**767,900**	**5%**
8	**Miscellaneous:**								
9	Interest	9,844	8,923	16,500	11,200	13,000	13,000	13,000	16%
10	Assessment Interest	1,290,507	1,009,651	908,700	944,800	907,700	907,700	907,700	-4%
11	Assessment Penalty	16,671	12,893	-	-	-	-	-	
12	Other	1,967	-	-	-	-	-	-	
13	**Total Miscellaneous**	**1,318,989**	**1,031,467**	**925,200**	**956,000**	**920,700**	**920,700**	**920,700**	**-4%**
14	**TOTAL RESOURCES**	**5,364,195**	**8,126,497**	**4,389,900**	**4,372,200**	**4,372,300**	**4,372,300**	**4,372,300**	**0%**
15	**REQUIREMENTS:**								
16	**Expenditures:**								
17	**Debt Service:**								
18	Principal	1,485,000	4,300,000	795,000	775,000	815,000	815,000	815,000	5%
19	Interest	1,191,320	1,140,750	913,900	913,500	876,300	876,300	876,300	-4%
20	**Total Debt Service**	2,676,320	5,440,750	1,708,900	1,688,500	1,691,300	1,691,300	1,691,300	0%
21	**Total Expenditures**	**2,676,320**	**5,440,750**	**1,708,900**	**1,688,500**	**1,691,300**	**1,691,300**	**1,691,300**	**0%**
22	**Fund Balance:**								
23	Restricted Debt Reserve	2,687,875	2,685,747	2,681,000	2,683,700	2,681,000	2,681,000	2,681,000	0%
24	**TOTAL REQUIREMENTS**	**$ 5,364,195**	**$ 8,126,497**	**$ 4,389,900**	**$ 4,372,200**	**$ 4,372,300**	**$ 4,372,300**	**$ 4,372,300**	**0%**

Keizer Station LID Fund

Budget Notes:

Debt Service:

17 The City's debt obligation provides for annual interest payments on it's outstanding debt each year through 2031 and one principal payment ($16,985,000 currently) due June 1, 2031. The original issue date was May 21, 2008. Semi-annual interest payments of $441,610 are due on 6/1 and 12/1 each year. The city may pay down the principal if assessment proceeds are available. The principal payment budgeted in FY15-16 assumes the City will receive the total amount of assessment payments due from each property owner.

23 Bond covenants require the City to retain at least $2,681,000 in reserves.

Debt Service Schedule

Payment Date	Principal Balance	Principal Payment	Interest Payment	Total Payment
12/1/2015	16,985,000	-	441,610	441,610
6/1/2016	16,985,000	-	441,610	441,610
12/1/2016	16,985,000	-	441,610	441,610
6/1/2017	16,985,000	-	441,610	441,610
12/1/2017	16,985,000	-	441,610	441,610
6/1/2018	16,985,000	-	441,610	441,610
12/1/2018	16,985,000	-	441,610	441,610
6/1/2019	16,985,000	-	441,610	441,610
12/1/2019 through 12/1/2030	16,985,000	-	10,157,030	10,157,030
6/1/2031	16,985,000	$16,985,000	441,610	17,426,610
		$16,985,000	$14,131,520	$31,116,520

COUNCIL MEETING: **June 1, 2015**

AGENDA ITEM NUMBER: _______________

TO: **MAYOR CHRISTOPHER AND CITY COUNCILORS**

THROUGH: **CHRIS EPPLEY, CITY MANAGER**
SUSAN GAHLSDORF, FINANCE DIRECTOR

FROM: **TIM WOOD, ASSISTANT CONTROLLER**

SUBJECT: **DELINQUENT SEWER ASSESSMENTS**

ISSUE:

The City of Keizer collects sewer fees from residents and businesses of Keizer. The attached list marked as exhibit "A" represents an itemized list of delinquent accounts from March 1, 2014 through February 28, 2015. Each resident (and property owner, if different) has been notified by certified letter and given a sufficient amount of time to remit payment for their accounts. ORS 454.225 authorizes the City to certify the delinquent amounts to the County Assessor for the amounts assessed against the premises serviced. The statute also allows the City to collect penalty, interest or costs associated with the delinquencies. A 10% delinquent amount has been added as a penalty and a $37.00 administration fee has been added to cover the City's costs.

FISCAL IMPACT:

Delinquent assessments total $6,886.75 for tax year 2015-2016. This compares to $6,569.29 for tax year 2014-2015.

RECOMMENDATION:

Staff recommends the City Council adopt the attached Resolution, which certifies the delinquent sewer accounts to the County Assessor for collection.

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

CERTIFICATION OF DELINQUENT SEWER ACCOUNTS

WHEREAS, the City of Keizer is responsible for the collection of sewer fees from the residents of Keizer

NOW THEREFORE, BE IT RESOLVED that the attached Exhibit “A” is an itemized list of delinquent sewer charges through and including February 28, 2015 that the City has been unable to collect through the usual collection procedures; and

BE IT FURTHER RESOLVED that ten percent (10%) of the delinquent amount has been added as a penalty and that a $37.00 administration fee has been added to cover the City’s costs; and

BE IT FURTHER RESOLVED that the amounts certified on the attached Exhibit “A” shall be added to the appropriate tax accounts as indicated pursuant to ORS 454.225.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this _____ day of __________________, 2015.

SIGNED this _____ day of __________________, 2015.

____

Mayor

____

City Recorder

City of Keizer
Delinquent Sewer Accounts
Exhibit A

Property ID	Service Address	Owner's Name		Total
R19693	7585 WHEATLAND RD N	GAREN & DIANA JIRACEK	$	486.79
R45798	1095 CLEAR LAKE RD N	JERRY & PAT WAIT		276.53
R20087	7225 WHEATLAND RD N	ROBERT & BARBARA HASKINS		503.93
R45803	1090 BARBARA AV N	JAMES ASHTON		145.46
R20165	7029 FIR GROVE LN N	SHANNON & SCOTT WHITE		503.93
R20126	7495 WHEATLAND RD N	PATRICK & TANA BRYANT		495.41
R20342	1060 HARMONY DR NE	STACY BROWN		454.71
R20580	5580 ST CROIX WY NE	E-VILLAGE LLC		316.11
R20579	5565 ST CROIX WY NE	E-VILLAGE LLC		260.41
R20577	5625 MCLEOD LN NE	JUSTINDER BHATIA & ALICIA SINGH		506.36
R20567	2200 CHEMAWA RD NE	E-VILLAGE LLC		506.36
R20570	5530 ST CROIX WY NE	E-VILLAGE LLC		506.36
R20573	5540 ST CROIX WY NE	E-VILLAGE LLC		506.36
R63508	5032 8TH AV NE	ISABEL LINARES		122.64
R45948	1136 OLIN CT NE	JOHN VELDINK RLT & BEAGLE, BURKE & ASSOCIATES LT TRE		177.51
R65528	1551 SIEBURG DR NE	LAURA SCOTCH		857.47
R20579	5565 ST CROIX WY NE	E-VILLAGE LLC		260.41
Total			$	6,886.75

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:____________

TO: MAYOR CLARK AND COUNCIL MEMBERS

THROUGH: CHRISTOPHER C. EPPLEY, CITY MANAGER

FROM: E. SHANNON JOHNSON, CITY ATTORNEY

SUBJECT: PALMA CIEA PARK

At the May 18, 2015 City Council meeting, the Parks Board requested that the Council direct staff to obtain a market value of Palma Ciea Park. It was reported that Palma Ciea Park is not being used for its intended purpose at this time and obtaining a value of the property would allow the Parks Board to determine what action would be appropriate for the Council to consider.

There are two mechanisms for obtaining a value for property. The first mechanism is an appraisal that is prepared by an appraiser. An appraisal is the best mechanism for establishing a market value, but it is also the most costly. A restricted appraisal would cost $1,900.00 in this type of situation.

The second mechanism is to obtain a market analysis. A market analysis is prepared by a real estate company. While this is much less expensive (approximately $300-$500), it does have some drawbacks. First, the real estate company usually believes that it will obtain a listing following the preparation of the market analysis. Due to competitive bidding rules, the City would not be able to enter into a listing agreement with the real estate company just because it prepared the market analysis. The City would need to go through a competitive process to enter into a listing agreement.

Second, in this type of situation, a market analysis may be more difficult. We anticipate that there may be two lots possible considering the power line location on the park. There would have to be an easement placed from the end of Cummings Lane to access the two lots. Considering this, there are some unique issues that a normal market analysis may not be able to cover.

Council should consider and give direction on the following:

1. Does the Council desire to obtain a value for the Palma Ciea Park property?

2. If the Council desires to obtain a value for the property, do you want a formal appraisal or a market analysis?
3. What funding do you want to use to pay for the appraisal?

I would anticipate the staff will investigate the best layout for possible building lots prior to acquiring the market analysis or appraisal.

Please be advised that if it appears that marketing of the property would be appropriate, the City would have to go through both a comprehensive park system amendment, as well as a land use rezoning process.

RECOMMENDATION:

Staff recommends that Council review the matter and direct staff how as desired.

Please contact me if you have any questions in this regard. Thank you.

ESJ/tmh

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:____________

TO: **MAYOR CLARK AND COUNCIL MEMBERS**

THROUGH: **CHRISTOPHER C. EPPLEY, CITY MANAGER**

FROM: **E. SHANNON JOHNSON, CITY ATTORNEY**

SUBJECT: **MUNICIPAL JUDGE – COUNCILOR CHECK IN**

At the May 18, 2015 Council meeting, the Council adopted a new Municipal Judge Evaluation process. In accordance with such Resolution, no later than the first City Council meeting in June each year, the Mayor is to announce two Councilors to attend arraignments and/or hearings and check in with the Judge for the upcoming year.

RECOMMENDATION:

The Mayor should announce the two Councilors to attend arraignments and/or hearings and check in with the Judge for the upcoming year.

Please contact me if you have any questions in this regard. Thank you.

ESJ/tmh

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:____________

TO: **MAYOR CLARK AND COUNCIL MEMBERS**

THROUGH: **CHRISTOPHER C. EPPLEY, CITY MANAGER**

FROM: **E. SHANNON JOHNSON, CITY ATTORNEY**

SUBJECT: ***RESOLUTION AUTHORIZING CITY MANAGER TO SIGN CONTRACT FOR CUSTODIAL SERVICES***

The City contracts for custodial services with Willamette Valley Rehabilitation Center, Inc. Staff has determined at this point it makes sense to continue on with the contractual services rather than bringing this job in-house.

Willamette Valley Rehabilitation Center is a "Qualified Rehabilitation Facility". State law requires that the Qualified Rehabilitation Facility be used when the particular product or service is available. The attached contract provides for a three year term with a monthly fee of $5,446.90. This includes cleaning the entire civic center as well as the public works shop pursuant to the task lists attached to the contract. The monthly fee is within the recommended budget amount.

Staff is satisfied with the quality of work that Willamette Valley Rehabilitation Center has provided. The attached Resolution authorizes the City Manager to enter into the three year contract.

RECOMMENDATION:

Adopt the attached Resolution.

Please let me know if you have questions. Thank you.

ESJ/tmh
attachment

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AUTHORIZING CITY MANAGER TO SIGN CONTRACT FOR CUSTODIAL SERVICES

WHEREAS, the City of Keizer and Willamette Valley Rehabilitation Center, Inc. entered into a contract for custodial services on or about July 1, 2009;

WHEREAS, the City of Keizer and Willamette Valley Rehabilitation Center, Inc. entered into several extensions;

WHEREAS, the contract and extensions expire on June 30, 2015;

WHEREAS, the City of Keizer and Willamette Valley Rehabilitation Center, Inc. wish to enter into a new contract for custodial services for cleaning the entire civic center as well as the public works shop pursuant to the task lists attached to the contract;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that the City Manager is authorized to sign the attached contract with Willamette Valley Rehabilitation Center, Inc.

BE IT FURTHER RESOLVED by the City Council of the City of Keizer that the City Manager is authorized to take such further action as required under state law.

///

///

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this __________ day of _________________, 2015.

SIGNED this __________ day of _________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

CUSTODIAL SERVICES CONTRACT

This Contract is between the CITY OF KEIZER, an Oregon municipal corporation ("City") and WILLAMETTE VALLEY REHABILITATION CENTER, INC. ("Contractor").

The parties mutually covenant and agree as follows:

1. Effective Date and Duration.

The period of this Contract shall be July 1, 2015 to June 30, 2018. The Contract may be extended on an annual basis if agreed upon in writing by both the City and Contractor. There can be no more than two (2) one-year extensions of this Contract. Annual renewals of the Contract will be contingent upon the approval of the costs in the City's annual fiscal year budget.

2. Statement of Work.

The work required under this Contract is contained in the "Statements of Janitorial Services" (hereafter "Scope of Services") and the "Standard Terms and Conditions for Standard Public Contracts" attached hereto. The Contractor shall comply in every way with the requirements of the Scope of Services and the Standard Terms and Conditions for Standard Public Contracts that are hereby made a part of this Contract by attachment and by this reference.

3. Consideration.

a. City agrees to pay the Contractor, at the times and in the manner provided in the "Request for Price Approval" attached hereto for recurring services. "As requested" services shall be invoiced at the rate shown in Exhibit "A" attached hereto.

b. City certifies that sufficient funds are available and authorized for expenditure to finance the cost of this Contract through June 30, 2016. This Agreement may be cancelled by City after that date if sufficient funds are not available.

c. Renewals of the Contract may include a price adjustment if agreed upon by both the City and Contractor. The Contractor must submit written documentation supporting the price adjustment to the City for consideration at least 90 days prior to each expiration date of the Contract.

CITY OF KEIZER

By:__________________________
Christopher C. Eppley,
City Manager

Dated:______________________

WILLAMETTE VALLEY REHABILITATION CENTER, INC.

By:__________________________
Rhonda Fisher,
Contract Services Manager

Dated:_______________________

APPROVED AS TO FORM:

____
Keizer City Attorney

CITY OF KEIZER
STANDARD TERMS AND CONDITIONS FOR
STANDARD PUBLIC CONTRACTS

1. Contractor is a Qualified Rehabilitation Facility

a. Contractor shall perform the work required by this Contract as a suitable provider. Although the City reserves the right (i) to determine (and modify) the delivery schedule for the work to be performed and (ii) to evaluate the quality of the completed performance, the City cannot and will not control the means or manner of the Contractor's performance. The Contractor is responsible for determining the appropriate means and manner of performing the work.

b. The Contractor represents and warrants that Contractor (i) is not currently an employee of the federal government or the State of Oregon, and (ii) meets the standards of OAR 125-055-0015 and OAR 125-055-0020.

c. Contractor will be responsible for any federal or state taxes applicable to any compensation or payment paid to Contractor under this Contract.

d. Contractor is not eligible for any federal Social Security, unemployment insurance, or workers' compensation benefits from compensation or payments to Contractor under this Contract.

2. Subcontracts and Assignment

Contractor shall not subcontract any of the work required by this Contract, or assign or transfer any of its interest in this Contract, without the prior written consent of the City. Contractor agrees that if subcontractors are employed in the performance of this Contract, the Contractor and its subcontractors are subject to the requirements and sanction of ORS Chapter 656, Workers' Compensation.

3. No Third Party Beneficiaries

City and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract.

4. Successors in Interest

The provisions of this Contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns, if any.

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5. Contract Documents

The Contract Documents, which comprise the entire Contract between the City and Contractor, include the Standard Public Contract, Scope of Services, Request for Price Approval, and Exhibit "A".

All exhibits, schedules and lists attached to the Contract Documents, or delivered pursuant to the Contract Documents, shall be deemed a part of the Contract Documents and incorporated herein, where applicable, as if fully set forth herein.

6. Contractor's Representations

By executing this Contract, the Contractor hereby represents that:

a. Contractor understands and agrees that any work included in the recurring services shall be provided on holidays either by performing the work on the holiday, the day before the holiday, or the day after the holiday. Such work shall not wait until the next scheduled cleaning day for any particular area.

b. Contractor has familiarized itself with the nature and extent of the Contract Documents, project work, site, locality, general nature of work to be performed by City or others at the site that relates to the project work required by the Contract Documents, local conditions, and federal, state, and local Laws and Regulations that in any manner may affect cost, progress, performance, or furnishing of the project work.

c. Contractor has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) examinations, investigations, explorations, tests, and studies which pertain to the conditions (subsurface or physical) at or contiguous to the site or otherwise and which may affect the cost, progress, performance, or furnishing of the project work as Contractor deems necessary for the performance and furnishing of the project work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents; and no additional or supplementary examinations, investigations, explorations, tests, reports, or similar information or data are or will be required by Contractor for such purposes.

d. Contractor has given the City written notice of conflicts, errors, ambiguities, or discrepancies that it has discovered in the Contract Documents, and the written resolution thereof by the City is acceptable to the Contractor, and the Contract Documents are generally sufficient to indicate and convey understanding of terms and conditions for performing and furnishing the project work.

7. Drug Testing Policy

Does not apply.

8. Notice to Proceed

Written Notice to Proceed will be given by the City after the Contract has been executed and all required insurance documents approved. The Contractor shall commence the project work within five (5) days of the date of the written Notice to Proceed.

9. Suspension of the Work

The City, and its authorized representatives, may suspend portions or all of the project work due to causes including, but not limited to:

a. Failure of the Contractor to correct unsafe conditions;

b. Failure of the Contractor to carry out any provision of the Contract;

c. Failure of the Contractor to carry out orders;

d. Conditions, in the opinion of the City, which are unsuitable for performing the project work;

e. Allowance of time required to investigate differing site conditions;

f. Any reason considered to be in the public interest.

The Contract time will not be extended, nor will the Contractor be entitled to any additional compensation if the work is suspended pursuant to subsections (a), (b) or (c). If work is suspended pursuant to subsections (d) or (e), the Contract time may be extended and the Contractor may be entitled to additional compensation, depending on all relevant circumstances in the reasonable discretion of the City. If the project work is suspended pursuant to subsection (f), the Contractor is entitled to a reasonable extension of the Contract time and reasonable compensation for all costs resulting from the suspension plus a reasonable allowance for overhead with respect to such costs.

10. Early Termination

a. This City and the Contractor, by mutual written agreement, may terminate this Contract at any time.

b. The City may terminate the Contract in whole or in part whenever the City determines that termination of the Contract is in the best interest of the public. The City will provide the Contractor seven (7) days prior written notice of a termination for public convenience. After such notice, the Contractor shall provide the City with immediate and peaceful possession of the Project site and premises, and materials located on and off the Project site and premises for which the Contractor received progress payment. In no circumstances shall Contractor be entitled to lost profits due to termination.

c. Either the City or the Contractor may terminate this Contract in the event of a breach of the Contract by the other. Prior to such termination, however, the party seeking the termination shall give to the other party written notice of the breach and of the party’s intent to terminate. If the Party has not entirely cured the breach within 15 days of the notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.

11. Payment on Early Termination

a. If this Contract is terminated under 10(a) or 10(b), the City shall pay the Contractor for work performed in accordance with the Contract prior to the termination date.

b. If this Contract is terminated under 10(c), by the Contractor due to a breach by the City, then the City shall pay the Contractor as provided in subsection (a) of this section.

c. If this Contract is terminated under 10(c), by the City due to a breach by the Contractor, then the City shall pay the Contractor as provided in subsection (a) of this section, subject to set off of excess costs, as provided for in Section 12, Remedies.

12. Remedies

a. In the event of termination under 10(c), by the City due to a breach by the Contractor, then the City may complete the work either itself, by agreement with another contractor, or by a combination thereof. In the event the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then the Contractor shall pay to the City the amount of the reasonable excess within thirty (30) days of demand.

c. The remedies provided to the City under Section 10 and Section 12 for a breach by the Contractor shall not be exclusive. The City also shall be entitled to any other equitable and legal remedies that are available.

d. In the event of breach of this Contract by the City, then the Contractor's remedy shall be limited to termination of the Contract and receipt of payment as provided in Sections 10(c) and 11(b).

13. Access to Records

Contractor shall maintain and the City, and its authorized representatives, shall have access to all books, documents, papers and records of Contractor which relate to this Contract for the purpose of making audit, examination, excerpts, and transcripts for a period of three years after final payment. Copies of applicable records shall be made available upon request. Payment for cost of copies is reimbursable by the City.

14. Ownership of Work

All work products of the Contractor, including background data, documentation and staff work that is preliminary to final reports, which result from this Contract are the property of City. Use of any work product of the Contractor for any purpose other than the use intended by this Contract is at the risk of the City.

15. Compliance with Applicable Law

Contractor shall comply with all federal, state, and local laws and ordinances applicable to the work under this Contract, including, without limitation, ORS chapter 279, 279A, 279B, and 279C and are incorporated herein by this reference as though fully set forth. Without limiting the foregoing, Contractor expressly agrees to comply with: (I) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 (Pub L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

16. Registration with Construction Contractor's Board

Does not apply.

17. Progress Payments

The Contractor shall submit a monthly invoice for services rendered to the City. The Contractor shall invoice only for services rendered. The invoice(s) shall be delivered to:

Finance Department
City of Keizer
PO Box 21000
Keizer, OR 97307

The invoice must show the name, address, and telephone number of Contractor, invoice number, billing period, work performed, and amount due.

Payment shall not exceed the amounts listed in the Request for Price Approval attached hereto plus any "As requested" services without the prior approval of the City. Total payments to Contractor shall not exceed the amount specified in the Contract without prior written approval of the City. Payment will be made as promptly as the ordinary payment procedure of the City will permit.

18. Retainage

Does not apply.

19. Change Orders

The Contractor agrees to complete this Contract in accordance with the attached Scope of Services, including any change orders. A change order submitted by the City must be agreed upon by the Contractor and the City, and in the event of failure to so agree, the City may then proceed with any additional work in any manner the City may choose. A decision by the City to proceed to have work done by another party shall in no way relieve either the Contractor or City of this Contract and neither will such action be cause for collection of damages by either party to the Contract, one from the other.

20. Contractor/Subcontractor Payment Obligations

a. The Contractor is required to include in each subcontract for property or services entered into by the Contractor and a first-tier subcontractor, including a material supplier, for the purpose of performing this Contract:

A. A payment clause that obligates the Contractor to pay the first-tier subcontractor for satisfactory performance under its subcontract within 10 days out of such amounts as are paid to the Contractor by the City under such Contract; and

B. An interest penalty clause that obligates the Contractor, if payment is not made within 30 days after receipt of payment from the City, to pay to the first-tier subcontractor an interest penalty on amounts due in the case of each payment not made in accordance with the payment clause included in the subcontract pursuant to paragraph (A) of this subsection. A contractor or first-tier subcontractor shall not be obligated to pay an interest penalty if the only reason that the contractor or first-tier subcontractor did not make payment when payment was due is that the contractor or first-tier subcontractor did not receive payment from the City or contractor when payment was due. The interest penalty shall be:

(a). For the period beginning on the day after the required payment date and ending on the date on which payment of the amount is due made; and

(b). Computed at the rate specified in Oregon law.

b. The Contractor is further required to include in each of its subcontracts, for the purpose of performance of such Contract condition, a provision requiring the first-tier subcontractor to include a payment clause and an interest penalty clause conforming to the standards of this section in each of its subcontracts and to require each of its subcontractors to include such clauses in their subcontracts with each lower-tier subcontractor or supplier.

c. The Contractor shall not request payment of any amount withheld or retained in accordance with Oregon law until such time as the Contractor has determined and certified to the City that the subcontractor is entitled to the payment of such amount.

d. A dispute between the Contractor and a subcontractor relating to the amount or entitlement of a subcontractor to a payment or a late payment interest penalty under a clause included in the subcontract pursuant to subsection (4) or (5) does not constitute a dispute to which the City is a party. The City shall not be included as a party in any administrative or judicial proceeding involving such a dispute.

e. The Contractor shall pay all contributions or amounts due the Industrial Accident Fund and the State Unemployment Compensation Fund from the Contractor or Subcontractor incurred in the performance of the Contract. The Contractor shall be responsible for any lien or claim filed against the City on account of any labor or material furnished. The Contractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

f. If Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the Contractor or a subcontractor by any person in connection with the Contract as such claim becomes due, the proper officer(s) representing the City may pay the claim and charge the amount of the payment against funds due or to become due Contractor under this Contract. Payment of claims in this manner shall not relieve the Contractor from obligation with respect to any unpaid claims.

21. Inspection and Acceptance

Inspection and acceptance of all work required under this Contract shall be performed by the City. The Contractor shall be advised of the acceptance or of any deficiencies in the deliverable items.

22. Liquidated Damages

Does not apply.

23. Indemnity and Hold Harmless

a. Except for the professional negligent acts covered by paragraph 23.b., Contractor shall defend, save, hold harmless, and indemnify the City, its officers, agents, and employees from all claims, suits, or actions of whatsoever nature resulting from or arising out of the activities of Contractor or its officers, employees, subcontractors, or agents under this Contract.

b. Contractor shall defend, save, hold harmless, and indemnify the City, its officers, agents, and employees from all claims, suits, or actions arising out of the professional negligent acts, errors, or omissions of Contractor or its officers, employees, subcontractors, or agents under this Contract.

24. Insurance

Contractor shall procure and maintain at its own expense, during the life of this Contract, property and personal injury liability insurance in the amount of $1,000,000.00. All such insurance shall be subject to the approval of the City for adequacy of protection and shall include a provision preventing cancellation without ten (10) day's prior notice to the City in writing. Contractor must provide the City with a certificate of insurance evidencing the insurance within five (5) days from Contractor's execution of this Contract. The certificate of insurance must include the following language: "The City of Keizer, its officers, agents, contractors, and employees are named as additional insured."

25. Bonds

Does not apply.

26. One Year Maintenance and Warranty

Does not apply.

27. Waiver

The failure of the City to enforce any provision of this Contract shall not constitute a waiver by the City of that or any other provision.

28. Errors

The Contractor shall perform such additional work as may be necessary to correct errors in the work required under this Contract without undue delays and without additional cost.

29. Governing Law

The provisions of this Contract shall be construed in accordance with the laws of the State of Oregon and ordinances of the City of Keizer, Oregon. Any action or suits involving any question arising under this Contract must be brought in the appropriate court in Marion County, Oregon.

Provided, however, if the claim must be brought in a federal forum, then it shall be brought and conducted in the United States District Court for the District of Oregon.

30. Severability

If any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular term or provision held invalid.

31. Attorney's Fees

If a suit or action is filed to enforce any of the terms of this Contract, the prevailing party shall be entitled to recover from the other party, in addition to costs and disbursements provided by statute, any sum which a court, including any appellate court, may adjudge reasonable as attorney's fees.

32. Merger Clause

THIS CONTRACT AND ATTACHED EXHIBITS CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS CONTRACT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS CONTRACT. BY ITS SIGNATURE, CONTRACTOR ACKNOWLEDGES IT HAS READ AND UNDERSTANDS THIS CONTRACT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

CITY OF KEIZER
STATEMENT OF JANITORIAL SERVICES

Keizer Community Center & City Hall—two day per week service on Monday and Wednesday

NO	TASK DESCRIPTION						
		2/wk	1/wk	1/mo	2/yr	4/yr	As needed
1	Clean all restroom and locker room surfaces/ Clean and disinfect baby diaper changing tables	X					
2	Clean all restroom and locker room sinks and mirrors & showers	X					
3	Clean toilets and urinals	X					
4	Descale toilet and urinals			X			
5	Sweep and wet mop restroom floors	X					
6	Refill/clean paper dispensers	X					
7	Refill/clean soap dispensers	X					
8	Vacuum heavy traffic carpeted areas	X					
9	Vacuum carpet in general use areas		X				
10	Sweep/dust mop hard surface floors	X					
11	Damp mop all hard surface floors	X					
12	Clean interior floor mats		X				
13	Remove Trash and debris	X					
14	Spot clean						X
15	Spot clean carpet and upholstery as required						X
16	Dust furniture		X				
17	Dust building surfaces			X			
18	Clean drinking fountains	X					
19	Clean and disinfect tables/counter tops in the kitchen/break rooms/conference rooms, lobbies and break room and kitchen sinks	X					
20	Arrange furniture						X
21	Clean entrance glass	X					
22	Spot clean interior window glass						X
23	Empty ash receptacles						X
24	Sweep exterior entrances	X					
25	Clean exterior entrance mats		X				

NO	TASK DESCRIPTION						
		2/wk	1/wk	1/mo	2/yr	4/yr	As needed
26	Building security	X					
27	Vacuum community center hall		X				
28	Cleaning windows in community center hall						X*
29	Mop fitness room			X			

* Only upon request of the City

CITY OF KEIZER
STATEMENT OF JANITORIAL SERVICES

Keizer Police Department—2 day per week service on Tuesday and Thursday

NO	TASK DESCRIPTION						
		2/wk	1/wk	1/mo	2/mo	2/yr	As needed
1	Clean all restroom and locker room surfaces	X					
2	Clean all restroom and locker room sinks and mirrors	X					
3	Clean toilets and urinals	X					
4	Descale toilet and urinals			X			
5	Sweep and wet mop restroom floors	X					
6	Refill/clean paper dispensers	X					
7	Refill/clean soap dispensers	X					
8	Vacuum heavy traffic carpeted areas	X					
9	Vacuum carpet in general use areas		X				
10	Sweep/dust mop hard surface floors	X					
11	Damp mop all hard surface floors	X					
12	Clean interior floor mats		X				
13	Remove Trash and debris	X					
14	Spot clean						X
15	Spot clean carpet and upholstery as required						X
16	Dust furniture		X				
17	Dust building surfaces			X			
18	Clean drinking fountains	X					
19	Clean and disinfect tables/counter tops in the kitchen/break rooms/conference rooms, lobbies and break room and kitchen sinks	X					
20	Arrange furniture						X
21	Clean entrance glass	X					
22	Spot clean interior window glass						X
23	Empty ash receptacles						X
24	Sweep exterior entrances	X					
25	Clean exterior entrance mats		X				

NO	TASK DESCRIPTION						
		2/wk	1/wk	1/mo	2/mo	2/yr	As needed
26	Building security	X					
27	Evidence processing area				X		
28	DUII/holding cell area						X*

* Only upon request of the City

CITY OF KEIZER
STATEMENT OF JANITORIAL SERVICES

Keizer Public Works - Clean on Friday

NO	TASK DESCRIPTION			
		1/ wk	1/ mo	As Req'd
1	CLEAN RESTROOM SURFACES	X		
2	CLEAN RESTROOM SINKS AND MIRRORS	X		
3	CLEAN TOILETS AND URINALS	X		
4	DESCALE TOILETS AND URINALS		X	
5	SWEEP AND WET MOP RESTROOM FLOORS	X		
6	REFILL/CLEAN PAPER DISPENSERS	X		
7	REFILL/CLEAN SOAP DISPENSERS	X		
	Note: The only area downstairs that gets cleaned is the restroom and refilling the paper towel dispenser by counter on the North end downstairs.			
8	CLEAN ALL ENTRANCE GLASS/LOBBY WINDOWS/INTERIOR WINDOWS	X		
9	CLEAN AND SANITIZE COUNTERS—MOVING ITEMS ON COUNTER IF NECESSARY	X		
10	CLEAN AND SANITIZE ALL DESKTOPS AND TABLES—MOVING AS MANY ITEMS AS POSSIBLE WITHOUT DISTURBING PAPER WORK	X		
11	DUST ALL SURFACES—WORKSTATIONS, COMPUTER SCREENS, PHONES, PRINTERS, KEYBOARDS, WINDOW FRAMES AND SILLS, SHELVES, BOOKCASES ETC.			X
12	DUST AIR VENTS		X	
13	DUST TOPS OF LIGHT FIXTURES		X	
14	CLEAN EXTERIOR OF APPLIANCES SUCH AS REFRIGERATORS AND MICROWAVES	X		
15	EMPTY TRASH RECEPTACLES AND RELACE LINERS	X		
16	EMPTY ASH RECEPTACLES/SAND URNS			X
17	DETAIL VACUUM ALL CARPETED SURFACES	X		
18	VACUUM INTERIOR FLOOR MATS	X		
19	DUST MOP AND WET MOP ALL HARD FLOORS AND STAIRS. NOTE: DO NOT MOP CONCRETE DOWNSTAIRS	X		
20	CLEAN SINKS AND COUTERS IN BREAK/LUNCH ROOMS	X		
21	CLEAN DRINKING FOUNTAINS	X		
22	ARRANGE FURNITURE			X

NO	TASK DESCRIPTION			
		1/ wk	1/ mo	As Req'd
23	BUILDING SECURITY CHECK (LIGHTING, EQUIPMENT, DOORS AND WINDOWS)	X		
24	SANITIZE TELEPHONE HANDSETS		X	
	PERIODICS TASKS			
25	HIGH DUST			X

A. The City provides all consumable products such as--
   1. Paper towels, toilet tissue, wax liners, hand soap, seat covers, trash can liners, light bulbs and tubes, paper cups, air fresheners, and batteries.
B. Contractor does not pick up any recycle material.
C. Contractor does not wash dishes

Department of Administrative Services
Request for Price Approval

For City of Keizer ____________________, Contract #__________________
(Product or Service)

Total Price: $5,446.90 __________, per Month ______ (month, year, each, doz.)

Requesting Agency: City of Keizer, OR ____________________

Requesting QRF: ,Willamette Valley Rehabilitation Center ________________

Agency and QRF agree the proposed price and supporting documentation meets the requirements of OAR 125-055-0030.

______________________________, date:__________________
Authorized Agency Signature

______________________________, phone #__________________
Email Address

______________________________, date: 4-15-15
Authorized QRF Signature

rfisher@wvrc.org ____________________, phone #541-258-8121 ext. 226
Email Address

DAS/SPO has reviewed the submitted documentation supporting the price offered by the QRF and approves the price for procurement of the above stated product or service in accordance with OAR 125-055-0030.

______________________________, date: __________________
DAS QRF Coordinator

CITY OF KEIZER

JANITORIAL PRICING SCHEDULE

Revised 4-14-15 increasing costs at all sites to a total of $5,446.90 per month

1. Custodial services for the Police Department:
   a. Two days per week on Tuesday and Thursday
   b. Doesn’t include periodics
   c. Cost per month = $2112.97

2. Custodial services for the City Hall and Community Center
   a. Two days per week on Monday and Wednesday
   b. Doesn’t include periodics
   c. Cost per month = $3063.15
      i. City Hall = $2,701.70
      ii. CC = $361.45

3. Custodial service for Public Works
   a. One day per week service on Friday
   b. Cost per month = $270.78

EXHIBIT “A”

Public Works High Dusting $17.62 per request

Public Works empty trash receptacles $5.34 per request

Public Works arrange furniture $5.23 per request

Public Works dust all surfaces $93.46 per request

City Hall & Community Center upholstery spot cleaning $8.97 per chair

City Hall & Community Center spot clean carpets $8.97 per request

City Hall & Community Center spot clean interior glass $17.75 per request

City Hall & Community Center spot clean $8.67 per request

City Hall & Community Center empty ash receptacles $5.34 per request

City Hall & Community Center Clean Hall interior window glass $204.89 per request

City Hall & Community Center arrange furniture $10.45 per request

Police Department spot clean upholstery $8.97 per chair

Police Department spot clean interior glass $17.75 per request

Police Department spot clean carpets $8.97 per request

Police Department spot clean $8.67 per request

Police Department empty ash receptacles $5.34 per request

Police Department arrange furniture $10.45 per request

Police Department clean DUII holding Cell $112.56 per request

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:____________

TO: **MAYOR CLARK AND COUNCIL MEMBERS**

THROUGH: **CHRISTOPHER C. EPPLEY, CITY MANAGER**

FROM: **E. SHANNON JOHNSON, CITY ATTORNEY**

SUBJECT: **ELECTRONIC RECORDS MANAGEMENT SERVICES FOR KEIZER POLICE DEPARTMENT DATA**

The City entered into an agreement with Kentucky Underground Storage, Inc. to maintain storage facilities to be used by the City Recorder's office and Keizer Police Department. The Police Department data had to be removed from Kentucky Underground Storage as a result of an audit performed by Criminal Justice Information Services (CJIS). The State of Oregon Secretary of State Department has electronic records management services that meets the requirements outlined by CJIS. The Police Department has an opportunity to enter into an agreement with the State for electronic records management services.

To participate in the State of Oregon's electronic records management services, the City must enter into the Intergovernmental Agreement with the State of Oregon and the Subscription Services Contract with Chaves Consulting, Inc. Both documents are attached to the Resolutions provided herewith.

The cost to the City is approximately $370.00 per month and is planned in the 2015/2016 budget. Staff indicates that entering into the agreements will meet with the requirements of CJIS and will protect its electronic data.

RECOMMENDATION:

Adopt the attached Resolutions as follows:

1. Resolution Authorizing the City Manager to Enter Into Intergovernmental Agreement for Electronic Records Management Services with Oregon Secretary of State.
2. Resolution Authorizing the City Manager to Enter Into Subscription Services Contract with Chaves Consulting, Inc. (Master Software Agreement – Electronic Records).

Please contact me if you have any questions in this regard. Thank you.

ESJ/tmh

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AUTHORIZING THE CITY MANAGER TO ENTER INTO INTERGOVERNMENTAL AGREEMENT FOR ELECTRONIC RECORDS MANAGEMENT SERVICES WITH OREGON SECRETARY OF STATE

WHEREAS, ORS Chapter 190 provides for intergovernmental agreements;

WHEREAS, the City of Keizer Police Department and the State of Oregon by and through its Office of the Secretary of State wish to enter into that certain Intergovernmental Agreement for electronic records management services;

WHEREAS, the City Council of the City of Keizer has considered this matter and wishes to move forward with such agreement;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that the City Manager is authorized to enter into the Intergovernmental Agreement for Electronic Records Management Services attached hereto and by this reference incorporated herein on behalf of the City.

BE IT FURTHER RESOLVED that the City Manager is authorized to take the necessary steps to implement the service described in such Agreement.

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-390-3700

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately on the date of its passage.

PASSED this __________ day of _________________, 2015.

SIGNED this __________ day of _________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-390-3700

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

ROBERT TAYLOR
DEPUTY SECRETARY OF STATE

ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR
800 Summer Street NE
Salem, Oregon 97310
(503) 373-0701
Facsimile (503) 378-4118

INTERGOVERNMENTAL AGREEMENT # 165-150056-15
For
Electronic Records Management Services
between
Oregon Secretary of State and Keizer Police Department

This Interagency Agreement (the "Agreement") is made and entered into between the State of Oregon, acting through its Office of the Secretary of State ("SOS ") and Keizer Police Department ("Entity") (each a "Party", collectively, the "Parties"). This Agreement is effective on the date this Agreement is fully executed and approved by an authorized representative of each Party as indicated by signature below (the "Commencement Date").

RECITALS

Under ORS 192.015, the legislature designated SOS as public records administrator of the state, with the responsibility "*...to obtain and maintain uniformity in the application, operation and interpretation of the public records laws.*" Further to this designation, "[t]he State Archivist may grant to public officials of the state or any political subdivision specific or continuing authorization for the retention or disposition of public records that are in their custody." (ORS 192.105(1))

In order to effectively carry out the above-stated duties and assist state agencies and local governments in the shared responsibility of public records retention and disposal, SOS has determined that the effective management of public records must address information that is primarily contained in or derived from electronic formats. ORS 192.001 to 192.105 gives the State Archivist the authority to conduct an electronic records management system ("ERMS") services program.

The State Archivist has developed services for managing electronic records (including e-mail) that include a uniform, non-technical records classification specification (file structure and records classification). SOS has established a statewide agreement with a service provider for ongoing ERMS services, including provision of a central repository to house electronic records that allows for the consistent and proper management, access and final disposition of electronic records. These additional services are available to state agencies and local governments through a separate contract between each participating entity and the Oregon Records Management Solution (ORMS) service provider. The Entity may enter into a contract with the ORMS service provider under the cooperative purchasing provisions of the contract and state law. For those agencies and local government bodies that implement the ORMS under the statewide agreement, it is the goal of the State Archivist, through interagency agreements, to provide archival consulting and implementation services to participating state agencies and local government entities that incorporate improved and consistent record management practices and comply with the Secretary of State's public records administration requirements.

AGREEMENT

SECTION 1. TERM AND RENEWAL

The initial term of this Agreement begins on the Commencement Date and ends on June 30, 2016 (the "Initial Term"). Thereafter, this Agreement shall automatically renew each year for a one-year term beginning on July 1 of a calendar year and ending on June 30 of the following calendar year ("Extension Term"; the Initial Term together with the Extension Term shall be hereinafter collectively referred to as the "Term"), unless either Party provides written notice to the other Party of its intent not to renew this Agreement at least six months prior to the expiration of the current Term.

SECTION 2. SERVICES; OBLIGATIONS; OPTING OUT

2.1 Services.

2.1.1 SOS shall make consulting services ("Consulting Services") available to the Entity as set forth in this Agreement. As used in this Agreement "ORMS Services" means the Oregon Records Management Solution that incorporates Hewlett Packard's TRIM software and is provided under separate contract between the Entity and the third party provider ("ORMS Provider") under statewide agreement with SOS. The parties mutually agree that, a service level agreement (SLA) which describes the minimum levels of system performance, availability, operation, reliability and continuity will be made part of Agreement as an addendum and remain in effect during the use of the ORMS. SOS will work with the individuals identified in Appendix A in order to provide the services and obligations provided in this Agreement.

2.1.2 SOS shall provide the Entity with the following services, including those described in Appendix B

a. Record Classification and Retention Consulting;
b. File Structure Consulting;
c. Preparation for use of the ORMS; and
d. Training for the Entity personnel related to the ORMS and record management.

2.1.3 In providing Consulting Services, SOS shall:

a. Provide appropriately trained staff to fulfill its obligations under this Agreement;
b. Use reasonable efforts to ensure that levels of service quality, responsiveness and dependability are maintained; and
c. Make revisions to the SOS internal incident-resolution escalation process to the extent SOS determines such revisions are necessary to fulfill its obligations under this Agreement.

Provision of Consulting Services is subject to the Entity's timely response to requests for critical information necessary to resolve issues.

2.2 The Entity's Obligations. The Entity shall:

a. Negotiate to enter into an agreement with the ORMS service provider using the HP TRIM solution through the cooperative purchasing provisions of the State agreement as allowed under state law;
b. Incorporate, with SOS assistance, the record structure work provided by SOS that is required to use the ORMS;

c. Appoint an authorized representative upon signing and notify SOS immediately of any change in authority;

d. Designate a Entity employee to participate as necessary as a representative on a change advisory board made up of SOS personnel and representatives from the participating city, county and state entities which shall be responsible for reviewing requested enhancements to the ORMS, and making recommendations for implementation of such enhancements to the ORMS Provider;

e. Act as a pilot participant and agree to aid in further developing a model for the statewide rollout of the ORMS related to public records management; and

f. Respond in a timely manner to SOS requests for critical information necessary to resolve issues.

Nothing in this Agreement shall be construed to require SOS to perform any record management activities that the Entity is required to perform pursuant to state or federal law.

2.3 Opting Out.

2.3.1 The Entity may, at its sole discretion and at any time during the Term, discontinue use of Consulting Services by sending 3 months prior written notice to SOS of its intention to discontinue such use (such action shall be referred to in this Agreement as "Opting Out," or the Entity's "Opt Out"). The Entity shall specify in its notice the date on which it will Opt Out ("Opt Out date"), which shall not be earlier than 3 months following the date of the Entity Opt Out notice. Following notification the Entity's desire to Opt Out, SOS shall have no obligation to provide Consulting Services under this Agreement after the Opt Out date has occurred. Opting Out shall terminate this Agreement as provided in Section 7.

2.3.2 If the Entity chooses to Opt Out, then:

a. SOS shall have no responsibility for any of the Entity's costs for Opting Out;

b. SOS shall have no obligation after the Opt Out date to develop or maintain the Entity's interface to the system employed under the ORMS that allows the Entity to use another application to manage records within the Entity's own systems, however, SOS shall reasonably cooperate with and assist the Entity in developing such interfaces;

c. SOS shall allow the Entity to export records, and shall provide reasonable cooperation and assistance to the Entity in completing such export, however SOS shall have no obligation to provide the Entity with any data that resides in the system employed under the ORMS in any particular format; and

d. The Entity shall continue to maintain records in accordance with Oregon record retention laws.

SECTION 3. TREATMENT OF DATA

Each Party shall comply with applicable state laws governing the use and disclosure of public records. Each Party shall be responsible for responding to any public records request it receives, to the extent that it has access to the information requested, including responsibility for evaluating and appropriately handling the confidentiality of the information.

SECTION 4. FEES

There shall be no charge to the Entity by SOS for the Consulting Services described in this agreement during the Initial Term.

If fees will be charged during any subsequent or renewal term, SOS shall notify the Entity of the total anticipated fees in January of the fiscal year preceding the fiscal year in which such fees will be due.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 The Entity. The Entity represents and warrants to SOS as follows:

5.1.1 The Entity is a unit of state government as defined under ORS 190.003, duly organized and validly existing under the laws of the State of Oregon. The Entity has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder.

5.1.2 The making and performance by the Entity of this Agreement: (a) have been duly authorized by all necessary action of the Entity; (b) does not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of the Entity's charter or other organizational document; and (c) does not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which the Entity is a party or by which the Entity or any of its properties may be bound or affected.

5.1.3 No authorization, consent, license, approval of, filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by the Entity of this Agreement.

5.1.4 This Agreement has been duly executed and delivered by the Entity and constitutes a legal, valid and binding obligation of the Entity, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.

5.2 By SOS. SOS represents and warrants to the Entity as follows:

5.2.1 SOS is an agency of the State of Oregon duly organized and validly existing under the laws of the State of Oregon. SOS has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder.

5.2.2 The making and performance by SOS of this Agreement: (1) has been duly authorized by all necessary action of the State; (2) does not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of any other organizational document' and (3) does not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which SOS is a party or by which SOS or any of its properties may be bound or affected.

5.2.3 No authorization, consent, license, approval of, filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by SOS of this Agreement.

5.2.4 This Agreement has been duly executed and delivered by SOS and constitutes a legal, valid and binding obligation of SOS, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.

6. DEFAULT

A Party shall be in default under this Agreement if:

a. The Party fails to perform, observe or discharge any of its covenants, agreements or obligations set forth herein; or
b. Any representation, warranty or statement made herein by the Party is untrue in any material respect when made and is made in bad faith.

7. TERMINATION

7.1 By Entity. The Entity may terminate this Agreement:

a. Immediately upon written notice to SOS, or at such later date as the Entity may establish in such notice, if the Entity fails to receive funding, appropriations, limitations or such other expenditure authority at levels sufficient to enable it to meet its contract obligations under this Agreement. In the event the Entity reasonably believes it must terminate this Agreement pursuant to this section, the Entity shall provide notice to SOS as soon as possible of its intent to terminate this Agreement. When possible, the Entity shall provide such notice to SOS 6 months prior to the effective date of the termination;
b. Immediately upon written notice to SOS if federal or state laws, regulations, or guidelines are modified or interpreted in such a way that the Entity's performance of its obligations under this Agreement is prohibited;
c. Upon breach of this Agreement by SOS and failure by SOS to cure the breach within 30 calendar days after written notice from the Entity specifying the breach; or
d. By Opting Out as provided in Section 2.3.

7.2 By SOS. SOS may terminate this Agreement:

a. Immediately upon written notice to the Entity or at such later date as SOS may establish in such notice, if SOS fails to receive funding, appropriations, limitations or other expenditure authority at levels sufficient to continue to provide the Services.
b. Immediately upon written notice to the Entity, if federal or state laws, regulations, or guidelines are modified or interpreted in such a way that SOS's performance of Consulting Services under this Agreement is prohibited.
c. Upon breach of this Agreement by the Entity and failure by the Entity to cure the breach within 30 calendar days after written notice from SOS specifying the breach.

7.3 By Either Party. Either Party may terminate this Agreement, for any or no reason, upon six month's written notice to the other Party.

7.4 Remedies. Termination of this Agreement shall not affect any other remedies and rights which a Party may have under this Agreement, in law or in equity.

8. INDEMNITY

The Parties shall (consistent with ORS chapter 180) defend, save, hold harmless, and indemnify one another, including all officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature resulting from or arising out of any negligent acts or omissions under this Agreement. SOS's liability under this Section is limited to the extent permitted by Article XI, Section 7 of the Oregon Constitution and subject to the terms, conditions and limitations of the Oregon Tort Claims Act (ORS 30.260 - 30.300). The Entity's liability under this Section is limited to the extent provided by any applicable provisions of the Oregon Constitution and the Oregon Tort Claims Act. The Entity shall carry appropriate insurance to cover the indemnity requirement. Neither the Entity nor any attorney engaged by the Entity or any other entity shall defend the claim, suit or action in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without first receiving from the Oregon Attorney General, in a form and manner determined appropriate by the Attorney General, authority to act as legal counsel for the State of Oregon. Nor shall the Entity or any other entity settle any claim, action or suit on behalf of the State of Oregon without the approval of the Attorney General. The State of Oregon may, at its election and expense, assume its own defense and settlement in the event that the State of Oregon determines that Grantee is prohibited from defending the State of Oregon, or is not adequately defending the State of Oregon's interests, or that an important government principle is at issue and the State of Oregon desires to assume its own defense.

9. OWNERSHIP OF WORK PRODUCT

All Work Product created solely by SOS pursuant to or in connection with this Agreement, including derivative works and compilations, and whether or not such Work Product is considered a work made for hire or an employment to invent, shall be the exclusive property of SOS. All Work Product created solely by the Entity pursuant to or in connection with this Agreement, including derivative works and compilations, and whether or not such Work Product is considered a work made for hire or an employment to invent, shall be the exclusive property of the Entity. All Work Product created jointly by the Entity and SOS pursuant to or in connection with this Agreement, including derivative works and compilations, and whether or not such Work Product is considered a work made for hire or an employment to invent, shall be the joint property of SOS and the Entity, "Work Product" means every invention, discovery, work of authorship including academic programs or course curricula, trade secret or other tangible or intangible item and all intellectual property rights therein that a Party may produce pursuant or in connection with this Agreement. As to Work Product created solely by SOS pursuant to this Agreement, the Parties agree that such original works of authorship are "work made for hire" of which SOS is the author within the meaning of the United States Copyright Act. If for any reason the original Work Product created pursuant to this Agreement is not "work made for hire," SOS hereby irrevocably retains any and all of its rights, title, and interest in all original Work Product created by SOS, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. The Entity forever waives any and all rights relating to original Work Product created pursuant to this Agreement, including without limitation, any and all rights arising under 17 USC §106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

10. GENERAL PROVISIONS

10.1 Notices. Notices shall be in writing and either delivered personally or sent by registered or certified mail, postage prepaid, by internationally recognized air courier or by facsimile or electronic means which provides for confirmation and acknowledgment of receipt. Notices sent to any Party under this Agreement shall be sent to the Party's Authorized Representative. "Authorized Representative" means (i) with respect to v, the person that is designated in Appendix A; and (ii) with respect to SOS, the Director of the Archives Division of the Office of the Oregon Secretary of State or the person that the Director of the Archives Division designates. Each Party may change its address for receiving notice or its Authorized Representative at any time upon notice given in accordance with this Section. Notices shall be deemed given upon delivery or, in the case of facsimile or electronic transmission, when acknowledgment and confirmation of receipt is received electronically, provided that a printed copy of such acknowledgment and confirmation is forwarded on the date received, by another means provided for in this Section.

10.2 Force Majeure. Neither Party shall be liable for a delay or failure to perform due to causes beyond its control including, but not limited to, a labor dispute, strike, lock-out, civil commotion or like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, or through act of God or causes beyond the reasonable control of Parties, provided such cause is not due to the willful act or neglect of SOS or the Entity.

10.3 Independent Status. The Entity shall have no right to, and shall not, control the manner or determine the method of accomplishing Consulting Services. Neither SOS nor SOS's staff are employees or agents of the Entity, nor are the Entity or the Entity's staff employees or agents of SOS for any purpose whatsoever. Neither Party nor its staff shall, under any circumstances, have any authority to act for or to bind the other Party, or to sign the name of the other Party, or to otherwise represent that it is in any way responsible for the other Party's acts or omissions.

10.4 Governing Law; Venue; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to principles of conflict of law. Any claim, action, suit or proceeding, (collectively, "Claim") between SOS (or any other agency or department of the State of Oregon) and the Entity that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court of the District of Oregon. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. The Entity, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

10.5 Severability; Waiver. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected. The rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provisions held to be invalid. The failure by a Party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision.

10.6 Survival. All rights and obligations shall cease upon termination or expiration of this Agreement except for the rights and obligations set forth in the following sections: Section 4 (Payment); Section 5 (Representations and Warranties); Section 8 (Indemnity); Section 9 (Work Product); Section 10.4 (Governing Law; Venue; Consent to Jurisdiction); Section 10.6 (Survival); Section 10.8 (Records); and Section 10.9 (Entire Agreement; Amendments).

10.7 Compliance with Law. Both Parties shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to this Agreement.

10.8 Records. Each Party shall maintain financial records relating to this Agreement in accordance with generally accepted accounting principles to clearly document the Party's performance. Additionally, each Party shall maintain any other records pertinent to this Agreement in such a manner as to clearly document the Party's performance of its duties under this Agreement. SOS, the Entity, and the federal government and their duly authorized representatives shall have access to such financial records and other books, documents, papers, plans, records of shipments and payments and writings of the Parties that are pertinent to this Agreement, whether in paper, electronic or other form, to perform examinations and audits and make excerpts and transcripts. The Entity and SOS shall retain and keep accessible all such financial records, books, documents, papers, plans, records of shipments and payments and writings for a minimum of six (6) years, or such longer period as may be required by applicable law, following final payment and termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.

10.9 Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No amendment, waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such amendment, waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the day, month and year noted below.

THE STATE OF OREGON, acting through its OFFICE OF THE SECRETARY OF STATE

By: ________________________________

Title: ______________________________

Date: ______________________________

Address and Fax for Notices: Oregon Secretary of State
Attn: Linda Lichty
255 Capitol St NE, Suite 180
Salem, OR 97310
Phone # 503-986-2241
Fax #503-378-4991

Keizer Police Department

By:_________________________________

Title: ______________________________

Date: ______________________________

Address and Fax for Notices **MUST** be filled in:

Contact: ______________________________

Address: ______________________________

____

Phone number: ______________________________

Fax Number: ______________________________

Appendix A
Keizer Police Department (Entity)

The Entity will use the ORMS

Annual Payment to SOS for the Initial Term (as that term is defined in Section 2.1): $0

The Entity Contact Information:

Title	Name	Phone	email
Project Management and Records Contact			
IT Contact			

Appendix B
Supported Services

Record Classification: SOS shall assist the Entity with classification of all appropriate records as determined jointly by SOS and the Entity

Retention Services: SOS shall specify and recommend record retention schedules and SOS shall assist the Entity with applying the Entity Records Retention Schedule to electronic records in the ORMS.

File Structure: SOS will work with the Entity to develop and implement a file structure that best fits the needs of the Entity and the use of the ORMS. SOS shall assist the Entity to help ensure that file structures are in place to effectively implement the ORMS.

ORMS Preparation: SOS shall ensure the Entity records and structures are in order to effectively begin using the ORMS.

Training Services: SOS shall provide all necessary training to ensure a successful migration to the new records management system.

Final Acceptance: SOS will work with the Entity for final user acceptance which meets success criteria outlined by both parties.

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AUTHORIZING THE CITY MANAGER TO ENTER INTO SUBSCRIPTION SERVICES CONTRACT WITH CHAVES CONSULTING, INC. (MASTER SOFTWARE AGREEMENT – ELECTRONIC RECORDS)

WHEREAS, it is necessary for the Police Department to participate in an electronic records management system that meets CJIS' requirements;

WHEREAS, it has been determined procurement through the Oregon Cooperative Procurement Program (ORCPP) is in the best interests of the City by eliminating the expense of the bidding, evaluation, and negotiating process;

WHEREAS, Chaves Consulting, Inc. is one of the participating programs available through the State of Oregon;

WHEREAS, the City Council has considered this matter and wishes to move forward with such agreement;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that the City Manager is authorized to enter into the Subscription Services Contract with Chaves Consulting, Inc. attached hereto and by this reference incorporated herein.

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this ___________ day of __________________, 2015.

SIGNED this ___________ day of __________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

EXHIBIT D
SUBSCRIPTION SERVICES CONTRACT

This Subscription Services Contract Number ORMS – 0___ ("Contract") is effective July JULY, 1ST, 2015 ("Contract Effective Date") between Chaves Consulting, Inc. ("Contractor") and City of Keizer (Authorized Purchaser").

THIS CONTRACT IS ENTERED INTO PURSUANT TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486 (the "MSA") AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN. THE TERMS AND CONDITIONS OF THE MSA APPLY TO THIS CONTRACT AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING TERMS AND CONDITIONS, EXPRESS OR IMPLIED. A COPY OF THE MSA IS ATTACHED TO AND INCORPORATED HEREIN AS ATTACHMENT 1.

Authorized Purchaser Contact information:

Authorized Purchaser: **CITY OF KEIZER**

Contact Name: **LT. LANCE INMAN**

Address: **930 CHEMAWA RD NE**
KEIZER, OR 97303

Phone: **503-856-3475**

Email Address: **INMANL@KEIZER.ORG**

Invoices shall be sent to:

Authorizer Purchaser: **CITY OF KEIZER**

Contact Name: **ACCOUNTS PAYABLE**

Address: **930 CHEMAWA RD NE**
KEIZER, OR 97303

Phone: **503-856-3422**

Email Address: **SERGENTK@KEIZER.ORG**

1. Subscription Services

The Contractor will provide to the Authorized Purchaser all required services listed in Exhibit B which includes: access to and use of the HP TRIM application, software and data hosting and storage, and helpdesk support services. The State Archives Division will provide the training for using HP TRIM. The Contractor may provide training to other software integrations.

Services shall be deemed to commence on the date that: (1) the Authorized Purchaser has access either to the ORMS HP TRIM production or quality assurance (QA) environment, to data hosting, storage and helpdesk support; and (2) the Authorized Purchaser's initial Users have been provided Phase 1 initial implementation training as specified in the ORMS Training Plan.

2. Role of State Archives Division

The State Archives Division will work with Authorized Purchaser in order to set milestones such as the number of initial Users, projected total end users upon full Authorized Purchaser implementation, and due date for full implementation.

In the event that Authorized Purchaser is not able to meet a specific milestone date, the Authorized Purchaser shall notify both the State Archives Division and Contractor.

The notification must be given in writing before the proposed milestone date stating the reason the date cannot be met and Authorized Purchaser will not be subject to any penalty charges.

3. Subscription Fee and Payment Schedule

Authorized Purchaser agrees to a minimum of 10 Users per month. Authorized Purchaser agrees to payment option 1 option below:

Payment option #1:

Authorized Purchaser shall pay Contractor a monthly fee based on the number of Users for Authorized Purchaser. The rate per User per month is specified in the following table:

Number of Users	Cost per Month per User	Monthly Rebate Per User
2,000	$37.02	$8.76
3,000	$37.02	$8.76
4,000	$29.74	$4.87
5,000	$26.66	$2.92
6,000	$24.06	
7,000	$21.61	
8,000	$19.62	
9,000	$18.81	
10,000	$17.53	
11,000	$16.55	
12,000	$15.71	
13,000	$14.68	
14,000	$14.02	
15,000	$13.55	
16,000	$12.54	
17,000	$11.96	
18,000	$11.44	
19,000	$10.99	
20,000	$10.54	

Or

Payment option #2:

Authorized Purchaser may purchase a minimum of 300 Users at the rate of $24.06 per User per month.

Payment option #2 pricing is available to Authorized Purchasers with an executed Contract on or before October 1, 2015 with accepted Deliverables on or before December 31, 2015. Authorized Purchasers shall make payment for minimum of 300 Users upon Acceptance of Deliverables as per Section 3.5 and 5.3 in Exhibit A of the Master Services Agreement. Acceptance of Deliverables occurring after December 31, 2015 will be subject to payment option #1 pricing.

For the purpose of establishing the User cost per month for payment option #1, the number of Users is the cumulative number of users of all Authorized Purchasers that have executed a subscription services contract with Contractor pursuant to the MSA.

Rebates: The first 5,000 Users will begin receiving a rebate (in the form of reduced monthly billings) when the total number of combined Users exceeds 20,000. The number of months that the Authorized Purchasers will receive the rebate will be equal to the number of months that the initial Users paid the higher rate. The amount of the rebate is specified in the table in Section 3 of this Contract. Authorized Purchasers that select payment Option #2 are not eligible for rebates as described in this paragraph.

The initial invoice shall be issued on the 1st day of the month immediately following the Acceptance of Initial Deliverables described in Section 5 of this Contract.

Invoices shall be issued on the 1st day of the month of the current calendar month in which the Subscription Services will be provided. All undisputed, timely and valid invoices are due in full 15 days after receipt by Authorized Purchaser.

Default by Non-Payment: Authorized Purchaser shall not delay payment of monthly User fees based on a dispute or claim relating to Non-Subscription Services.

If Authorized Purchaser fails to pay Contractor any amount pursuant to the terms of the Contract and fails to cure such failure within 45 business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice, Authorized Purchaser shall be in default under Exhibit A, Section 10.2 of the MSA (Attachment 1).

4. Additional Users

During the term of this Contract, Authorized Purchaser may add additional Users at any time. The monthly installment fee for payment option #1 will be set according to the table in Section 3 for each additional User commencing on the day the additional Users are specified by Authorized Purchaser. Additional Users under payment option #2 shall be invoiced according to the rate in Section 3.

5. Authorized Purchaser Acceptance

Contractor shall commence the Services and provide Deliverables as set forth in the Contract. Within ten (10) business days after the commencement of Services, Contractor shall provide Authorized Purchaser with an Acceptance of Initial Deliverables Question and Answer Form that is reasonably constructed to test the ability of the Subscription Services and associated software applications, as implemented by Contractor, to produce the results and other Deliverables specified in this Contract. The Authorized Purchaser shall complete and return this form to Contractor within ten (10) business days as initial acceptance of Deliverables to date; a non-response shall be deemed as an acceptance of initial Deliverables.

Authorized Purchaser may accept the proposed acceptance test as recommended or modify it as Authorized Purchaser deems reasonable. Contractor shall provide Authorized Purchaser with access to the Subscription Services on or before the commencement date described in Section 1 of this Contract and the implementation schedule agreed to by Authorized Purchaser, the State Archives Division and Contractor. On the transition date, Contractor shall assume responsibility for providing ongoing Subscription Services.

Upon the conclusion of any consecutive forty-five (45) day period of production processing from the transition date as specified in Section 10 of this Contract, when all Service Levels have been met successfully, the Subscription Services shall be deemed accepted in full. Authorized Purchaser will acknowledge completion of this milestone by written notification to Contractor. Nothing contained in this Section 5 or any other provision of this Contract shall be deemed to prevent Authorized Purchaser from using any portion of the Subscription Services in a live environment for productive processing, and any such use shall not alter, amend or modify any of Contractor's obligations pursuant to the Contract.

6. Period of Performance

The period of performance of this Contract shall commence on the Contract Effective Date and shall continue for a period of 12 months plus the interim period between the effective date and the date of acceptance (the "Initial Period"). Thereafter, unless Authorized Purchaser notifies Contractor in writing, this Contract shall automatically be renewed annually for additional 12-month periods (each a "Renewal Period") up to a maximum total term of ten years.

Authorized Purchaser may terminate this Contract by providing Contractor with a notice of termination sixty (60) days prior to the termination date.

7. Consulting, Implementation, Training and/or Support Services

Contractor shall provide the consulting, implementation, training and/or support services related to the Subscription Services as set forth in Section 5 of the MSA.

8. Security Procedures

Contractor shall define certain policies and procedures that it shall have in place in order to provide the level of security associated with the Subscription Services and with the Service Levels set forth in Section 12. These policies and procedures shall be updated by Contractor from time to time to reflect updated Department of Administrative Services Security Standards, emerging technologies, business practices and Internet-related issues. Contractor shall provide written notice to Authorized Purchaser of any changes made to its security policies and procedures within ten (10) days of such changes, and updated policies and procedures shall be distributed through ORMS Support (Helpdesk).

9. Specifications and Minimum Technical Requirements

Contractor warrants that the minimum technical requirements for access to and operation of the Software are updated and available upon Authorized Purchaser request

If future releases of the Software require use of newer versions of any client application or change in any client application configuration, Contractor shall provide 15 - 45 days (depending on the kind of change and its impact) written notice to Authorized Purchaser prior to the general release of that Software Version.

By the conclusion of the Initial Period Contractor and the Secretary of State's Office shall implement the ORMS Advisory Board (Board). The Board shall consist of representatives of the Secretary of State's Office, State Archives Division, Contractor and selected representatives of Authorized Purchasers. The Board shall review recommendations, discuss and agree on the priority, implementation and timing of requested changes to the HP TRIM application.

10. Transition

Contractor and the State Archives Division shall assist in developing a transition plan that is approved by Authorized Purchaser. Subscription Services shall be transitioned and in production, as accepted by Authorized Purchaser, within thirty (30) calendar days from the Schedule Effective Date.

11. Transition Remedy

In the event that Contractor fails to meet the date for the completion of the transition into production of the Subscription Services, Contractor shall credit Authorized Purchaser one percent (1%) of the monthly Service fees for every business day the transition is late. If Contractor misses the target date by more than thirty days (30) days, Contractor shall be deemed to be in material breach of the Agreement.

If Authorized Purchaser does not meet its obligations as identified in the transition plan provided by Contractor and Authorized Purchaser is the sole cause of a delay in the project, the transition milestone target dates shall be extended for the same amount of time as the delay. Contractor shall promptly notify the Authorized Purchaser Program Manager, in writing, of any delay in the project schedule as a result of Authorized Purchaser's failure to meet any of its obligations identified above. If Contractor fails to notify Authorized Purchaser of any such Authorized Purchaser failure to meet its obligations, Authorized Purchaser shall be conclusively presumed under the Contract to have met its obligations, and consequently, Contractor shall not be entitled to rely on such delay to excuse it from meeting the milestone target dates.

12. Service Levels and Remedies

12.1 Security Service Level.

Contractor represents and warrants that Contractor shall provide Record Security as specified in Exhibit B, Section e. of the MSA.

The required security processes may include, but are not limited to, the following:

(i) Contractor shall have staff on duty and at its site 24x7 and capable of identifying, categorizing, and responding to a security incident.

(ii) Contractor shall notify Authorized Purchaser of any new potential security vulnerability within four (4) hours of discovery. This notification shall include the probable risks associated with the vulnerability.

(iii) Contractor shall implement a security fix across the application within four (4) hours of approval from Authorized Purchaser.

(iv) Contractor shall notify the Authorized Purchaser Program Manager within fifteen (15) minutes if Contractor believes that an attack is in process.

(v) Contractor shall shut down ALL access to the Software or any component of it associated with the Subscription Services within fifteen (15) minutes upon request of the Authorized Purchaser Program Manager or officer of Authorized Purchaser.

(vi) Contractor shall assist Authorized Purchaser in preparing written responses to audit requirements or findings without charge.

(vii) After both the conclusion of the pilot period and the total number of active users remains at a minimum of 2,000 or more users per Section 8a of the MSA, Contractor must conduct and pass a SAS 70 Type II Audit every twelve (12) months during the term of this Contract. The first audit shall be performed by an independent CPA firm within twelve (12) months of the state meeting its commitment to the 2,000 user minimum; subsequent annual audit reviews shall be performed by the Contractor according to the auditor's recommended process and results shall be provide to the State and, upon request, to Authorized Purchasers. Failure by Contractor to pass the audit or to provide the audit results to Authorized Purchaser within fifteen (15) days after receiving the results from the auditor shall constitute a material breach of the MSA.

12.2 Record Retrieval Time Service Level.

Contractor represents and warrants that Contractor shall provide Record Retrieval Delivery Time Levels in the HP TRIM server environment as set forth in Exhibit B, Section f. of the MSA, as amended. Record retrieval delivery time shall be measured at the server end between the ORMS workgroup server and database at Synergy Data Center, as described in Amendment #001 to the Master Agreement #0486 at Section 9.

Contractor represents and warrants that the above performance Service Levels shall be valid with up to 20,000 Users using the application at any given time.

If the Record Retrieval Delivery Time Level of 3 minutes or less falls below 95% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table in Exhibit B, Section f. of the MSA, as amended.

12.3 Subscription Services Availability Service Level.

Contractor represents and warrants that the Subscription Services shall be available as specified in Exhibit B, Section f. of the MSA, as amended.

Service Availability shall be measured on a 7 x 24 basis (7 days a week, 24 hours per day).

If the Subscription Services availability percentage falls below 99.7% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table below that represents the then-current cumulative number of all Authorized Purchaser Users.

A. Scale based on 20,000 users or more.

Availability Percentage	Percentage of Credit
99.60% to 99.69%	10%
99.50% to 99.59%	20%
99.0% to 99.49%	30%
97.0% to 98.99%	50%
Below 97.00%	75%

B. Scale based on 19,999 users or less.

Availability Percentage	Percentage of Credit
99.00% to 99.69%	10%
98.50% to 98.99%	20%
98.00% to 98.49%	30%
97.00% to 97.99%	50%
Below 97.0%	75%

12.4 Performance and Availability Scalability.

Contractor represents and warrants that the performance and availability Service Levels in Sections 12.2 and 12.3 above shall be valid and applicable with a concurrent User increase of up to 20,000 Users.

12.5 Notifications to Authorized Purchaser.

Contractor shall provide proactive notifications to Authorized Purchaser regarding scheduled system-maintenance downtime and system upgrades and enhancements. Contractor shall provide Authorized Purchaser with at least seven (7) calendar days' prior written notice of any scheduled outages; such notices shall include the date of the outage and the start and stop times of the outage.

Scheduled upgrades and enhancements shall be provided between the hours of 8:00 p.m. and 6:00 a.m. Monday through Friday, or during weekends and/or Federal holidays, with the exception of emergency security patches.

12.6 Additional Environment.

Contractor will provide an additional environment at no additional charge for Authorized Purchaser's testing and/or training purposes, without limitation. Authorized Purchaser agrees not to use the additional environment for production purposes.

12.7 Support and Error Resolution.

Contractor shall establish and maintain the organization and processes necessary to provide support and error-resolution services to Authorized Purchaser. Contractor shall provide support and error-resolution services on a twenty-four (24) hours a day, seven (7) days a week basis. Authorized Purchaser's HP TRIM Users shall contact the ORMS Support Desk, which shall be staffed by on-site, on-duty Support staff during regular business hours from 7:00 a.m. to 5:00 p.m. Monday through Friday, excluding weekends and Federal holidays. Outside of regular business hours, Users may call the ORMS Support Desk and leave a message for on-call staff, who shall respond according to the priority levels specified in this Section.

Upon receipt of telephone or written notice from the Authorized Purchaser specifying a problem, and upon receipt of such additional information as Contractor may request, Contractor shall respond as described below to resolve reported and reproducible errors in the Subscription Services or SaaS Software, so that the application operates as specified in this Contract. Contractor shall determine the priority level in accordance with the following protocols:

(i) SEVERITY 1 – CRITICAL BUSINESS IMPACT. The production use of the Subscription Services is stopped or so severely impacted that the Authorized Purchaser cannot reasonably continue work; requires round-the-clock attention until the problem is resolved (a "Severity 1 Error").

a. Contractor shall begin work on the error within fifteen (15) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(ii) SEVERITY 2 – SIGNIFICANT BUSINESS IMPACT. A high-impact problem is affecting Service Levels and/or materially impacting Authorized Purchaser's use of the Subscription Services. Problem resolution shall be initiated within sixty (60) minutes, and the resolution of these problems requires serious and sustained attention during normal business hours (8:00 am to 5:00 pm, Pacific time, Monday through Friday, exclusive of State holidays) until the problems are circumvented or corrected (a "Severity 2 Error").

a. Contractor shall begin work on the error within sixty (60) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(iii) SEVERITY 3 – SOME BUSINESS IMPACT. This includes problems of general work-queue type and that do not come within the definitions of Severity 1 Error or Severity 2 Error. These problems shall be addressed after Severity 1 Errors and Severity 2 Errors have been corrected and may be pursued during normal business hours on a resources-available basis (a "Severity 3 Error").

a. Contractor shall begin work on the error within one (1) day of notification; and

b. Contractor shall engage development staff to provide a workaround and to resolve the problem as soon as possible after notification by Authorized Purchaser.

(iv) SEVERITY 4 – MINIMUM BUSINESS IMPACT. Authorized Purchaser requests information, an enhancement, or documentation clarification regarding the Subscription Services or SaaS Software but there is no impact on the operation of the Subscription Services or SaaS Software. The implementation or production use of the Subscription Services or SaaS Software is continuing and there is no work being impeded at the time (a

"Severity 4 Error").

a. Contractor shall provide a response regarding the requested information or documentation clarification within two (2) days of notification by Authorized Purchaser; and

b. Contractor shall consider enhancements for inclusion in a subsequent update to the Subscription Services, SaaS Software or Documentation.

13. Termination and Transition Assistance

Authorized Purchaser may terminate this Contract as provided in Exhibit A, Section 12, of the MSA.

Contractor may terminate this Contract as provided in Exhibit A, Section 12.3, of the MSA.

BY EXECUTING THIS CONTRACT, THE PARTIES AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

AUTHORIZED PURCHASER	CONTRACTOR
By:_________________________________	By:_________________________________
Name: ______________________	Name: Richard T. Chaves________
Title:________________________________	Title: President, Chaves Consulting_______
Date:________________________________	Date: _________________________

SECRETARY OF STATE
CONTRACT ADMINISTRATOR

By:_________________________________ Date: _________________________________

ATTACHMENT 1

MASTER SOFTWARE AS A SERVICE AGREEMENT

Adobe Acrobat
Document

Click on Icon to open PDF copy of Agreement

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

BARRY PACK
DEPUTY SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

255 Capitol Street NE, Suite 180
Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

MASTER SOFTWARE AS A SERVICE AGREEMENT

Agreement Number: 0486

This Master Software as a Service Agreement ("Agreement") is between the State of Oregon (the "State"), by and through the Secretary of State of the State of Oregon ("the Secretary" or "SOS"), acting under a delegation of procurement authority from the Oregon Department of Administrative Services, State Procurement Office ("DAS SPO"), and on behalf of contracting agencies of the State of Oregon, local contracting agencies, and members of the Oregon Cooperative Purchasing Program, and _Chaves Consulting, Inc., an Oregon corporation ("Contractor"). This Agreement is effective on the date that it has been fully executed by the parties and approved as required by law ("Effective Date").

The parties agree as follows:

1. Purpose. This Agreement:

(i) Identifies the process through which Contractor and State and local contracting agencies and members of the Oregon Cooperative Purchasing Program will establish subsequent contracts for the provision of hosted electronic records management system services and related services under this Agreement;

(ii) Sets forth the general terms and conditions that will apply to contracts pursuant to which Contractor will provide services; and

(iii) Is not, by itself, a binding contract for the provision of services by Contractor and does not guarantee that any contracts will be executed.

2. Agreement Documents. This Agreement consists of this document and the following Exhibits, each of which is attached to and incorporated into this Agreement:

(i) Exhibit A – Terms and Conditions
(ii) Exhibit B – Schedule of Services and Compensation
(iii) Exhibit C – Insurance
(iv) Exhibit D –Subscription Services Contract
(iv) Exhibit E – Non-Subscription Services Contract
(v) Exhibit F – VCAF Report
(vii) Exhibit G – Contractor Data and Tax Certification
(vii) Exhibit H – Certification Statement for Independent Contractor

(vii) Exhibit I – Request for Proposal, RFP #102-1752-10
(viii) Exhibit J – Contractor's Proposal

Any conflict among the provisions of the Agreement shall be resolved according to the following descending order of precedence: (a) the terms and conditions of this Agreement, less its Exhibits; (b) Exhibit I; (c) Exhibit A; (c) Exhibit B; (d) the Contract; (e) Exhibits C, F, G, H, and J.

3. Application of Provisions. The provisions of Exhibits A, B, C, G, and H of the Agreement apply to and are incorporated into each Contract for services executed between Contractor and an Authorized Purchaser as provided in Section 4. "Authorized Purchaser" means a contracting agency, including a local contracting agency, as those terms are defined in ORS 279A.010, or any member of ORCPP that enters into a Contract with Contractor under the terms and conditions of the Master Agreement. "Contract" means the executed agreement between Authorized Purchaser and Contractor entered into pursuant to the terms and conditions of the Agreement, including its exhibits, and substantially in either of the forms attached to the Agreement as Exhibit D or Exhibit E. "ORCPP" means the Oregon Cooperative Purchasing Program, which recognizes certain agencies and organizations within the state of Oregon as authorized to purchase the goods and services available under certain price agreements entered into by the State.

4. Contracts.

a. An Authorized Purchaser may enter into a binding and enforceable contract for Contractor's services by executing a contract substantially in the form attached hereto as Exhibit D or Exhibit E, based upon the type of service required. Each Contract shall create a separate contract between Agency and Contractor. Each Contract so executed shall be substantially in the form attached as Exhibit D or Exhibit E.

b. Each Contract is enforceable in accordance with its terms and shall be independent of all other such Contracts. Each Contract shall specify the services that Contractor will provide and shall make the terms and conditions of Exhibit A applicable to the provision of such services. Contractor shall not accept any Contract that does not comply with these requirements.

5. Services. The services that Contractor agrees to make available under Contracts are listed in Exhibit B and are described as Subscription Services and Non-subscription Services (collectively, the "Services"). Contractor agrees to perform the Services as more specifically described under each Contract.

6. Compensation. Contractor shall be compensated for completing Services based on the rates set forth in Exhibit B. The assessment of VCAF is in addition to, and not a part of, the prices for Services set forth in the Contract.

7. Administrative Fees and Volume Sales Reports.

a. Definitions. The following definitions apply to this section:

(i) "VCAF Report" means the quarterly report substantially in the form attached hereto as Exhibit F.

(ii) "Vendor Collected Administrative Fee" or "VCAF" means a charge that is assessed to ordering entities that purchase from statewide contracts or price agreements. The fee is collected by the Contractor. The charge is set by the State as a percentage of reported sales that are made to authorized purchasers under the resulting contracts and is collected and rebated quarterly to the State by the Contractor. The VCAF fee under this Agreement is 2 % of each sale.

b. Administrative Fees/Payment. Within (30) calendar/business days after the end of each quarter during the term of this Agreement, Contractor shall pay to the State of Oregon, Secretary of State VCAF in an amount equal to two Percent (2 %) of Contractor's total sales made to Authorized Purchasers. CONTRACTORS MAY NOT REFLECT THE VCAF FEE AS A SEPARATE LINE ITEM CHARGE TO AUTHORIZED PURCHASERS. CONTRACTOR'S RATES SHALL REFLECT ALL CHARGES TO AUTHORIZED PURCHASERS. For the purposes of this Agreement, quarters end March 31, June 30, September 30, and December 31. The State will invoice Contractor for the VCAF on a State generated invoice from the volume sales report generated by the Contractor. Contractor is responsible for timely reporting and payment, regardless of the entity that actually reports or makes VCAF payment to the State. No VCAF will be charged during the pilot period.

c. Volume Sales Reports. Contractor shall submit a Volume Sales Report, due by the 15th day following the end of each calendar quarter during the term of the Agreement, which contains: (i) complete and accurate details of the net receipts for the relevant quarterly period; (ii) Contractor's corresponding calculation of the VCAF due to the State for that period; and (iii) such other information as the State may reasonably request. Contractor shall send a Volume Sales Report each quarter, whether or not there are reportable sales or VCAF due to the State.

d. Volume Sales Report Information. Contractor shall provide the following information on the Volume Sales Report:

- Agreement item number
- Authorized Purchaser
- Contract number
- Date ordered
- Quantity of each item ordered with Contractor's item #'s and description
- Unit price and extended total
- Manufacturer or provider of each product or service ordered
- Total dollar amount for ending quarter

e. Volume Sales Report Format. Contractor shall provide Volume Sales Reports in a format approved by the State. Reports CD or by e-mail are preferred; however, hard copy reports are acceptable. Excel or Lotus spreadsheet formats are preferred. All other report formats must be approved by the State's Agreement administrator prior to submission of the first report.

f. Report Receipt/Acceptance. The State's receipt or acceptance of any of the reports furnished pursuant to this Agreement, or any sums paid hereunder, shall not preclude the State from challenging the validity thereof at any time. THE STATE RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT IF VOLUME SALES REPORTS ARE NOT RECEIVED AS SCHEDULED.

g. Payment of VCAF. Upon receipt of the invoice from the State, as directed by the Agreement administrator, Contractor shall remit payment in the form of a check to the State for the amount indicated on the invoice. Contractor shall contact the Contract Administrator if no invoice is received within thirty (30) days after sending the Volume Sales Report to the State. Failure to submit Volume Sales Report does not release Contractor from requirement to timely remit the required VCAF.

h. Interest. Any payments Contractor makes or causes to be made after the due date as indicated on the invoice shall accrue interest at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until such overdue amount shall have been paid in full. The State's right to interest on late payments shall not preclude the State from exercising any of its other rights or remedies pursuant to this Agreement or otherwise with regards to Contractor's failure to make timely remittances.

i. Audit. The State, as its own expense (except as provided herein), shall have the right during regular business hours, at Contractor's premises, and upon reasonable notice, by itself or by a person authorized by it, to audit Contractor's records and other pertinent data, to determine and verify the figures reported in any Volume Sales Report furnished by Contractor. In the event that any such audit reveals underpayment of the VCAF, Contractor shall forthwith pay the amount of deficiency, together with interest thereon at the rate provided in this Section. At the State's request, Contractor shall pay the reasonable cost of an audit, but only if such audit reveals that an underpayment may exist as determined by the State.

8. Term of Agreement; Amendments.

a. The initial term of this Agreement shall be thru the pilot project or December 31, 2013, whichever occurs first. Following the initial term and upon agreement of the parties, this Agreement may be assigned to DAS SPO and extended for a term of two (2) years, after which the Agreement may be extended annually for additional terms, provided, however, that the maximum duration of this Agreement, including all additional terms, shall be ten (10) years.

It is anticipated that the State will secure a minimum of 2,000 users for the pilot phase of this Agreement. In the event the State fails to achieve a minimum base of 2,000 Users by December 31, 2010 the parties may mutually agree to terminate the Agreement or extend the period of time to achieve 2,000 users. In the event the user base of 2,000 Users drops below 2,000 Users the parties shall immediately review the circumstances and mutually determine a new per User price.

At least thirty (30) calendar days before the expiration of a term, the State shall notify Contractor in writing of its intent to extend this Agreement. If both parties elect to extend this Agreement, the terms and conditions set forth in this Agreement shall remain the same during any additional term.

b. The State reserves the right in its sole discretion to extend this Agreement for not more than one calendar month beyond any term or Extension Term. The State shall notify Contractor in writing of the one-month extension at least 30 calendar days before the current term or the Extension Term expires. Contractor may not increase pricing during any one-month extension obtained pursuant to this section. The State may not obtain more than one such extension.

c. No Contracts shall be executed after the termination or expiration of the Agreement. Upon termination or expiration of the Agreement, at the request of any Authorized Purchaser, Contractor shall continue to provide the Products and Services and meet its obligations under any applicable Contract issued prior to expiration or termination of the Agreement unless such Contract is otherwise terminated pursuant to the terms and conditions of the Contract. If Contractor provides any Authorized Purchaser with Services under an existing Contract during a period following the termination or expiration of the Agreement, the terms and conditions and pricing of such Contract shall remain in effect as well as Contractor’s reporting requirements.

d. The parties have determined that during the term of the Agreement or a Contract, the parties may need to modify selected terms, conditions, prices and types of products and services under circumstances related to the following illustrative, although not exhaustive, categories of anticipated amendments:

(i) Amendments required as a result of necessary changes in the State's business process;

(ii) Amendments to change the licensing structure;

(iii) Amendments to change the level of technical support or hosting services offered under the Agreement or purchased by Authorized Purchaser;

(iv) Amendments required as a result of innovations in technology, hardware, and software that are within the overall scope of Services described in the Agreement and that would benefit the State and Authorized Purchasers;

(v) Amendments required as a result of changes in user applications that require additional upgrades which are not required by the software initially provided under the Agreement;

(vi) Amendments to add, delete, or otherwise modify products or Services, or both, within the scope of the RFP and the Agreement;

(vii) Amendments to extend the term of the Agreement;

(viii) Amendments to change pricing;
(ix) Amendments to change the Vendor Collected Administrative Fee (VCAF);
(x) Amendments required as a result of changes in applicable law; or
(xi) Amendments to change the contract administration of the Agreement or Contracts.

9. Termination.

a. The parties may terminate this Agreement at any time by the mutual written consent of both parties.

b. The State may also terminate this Agreement immediately upon notice to Contractor, or at such later date as it may establish in such notice, if federal or state laws, regulations, or guidelines are modified or interpreted in such a way that the purchase of the services offered by Contractor under this Agreement is prohibited or if the State fails to receive funding, appropriations, limitations or other expenditure authority at levels sufficient to administer this Agreement.

c. Upon receipt of written notice of termination, Contractor shall stop performance under this Agreement as directed by the State.

10. Provision of Services.

a. This is not an exclusive agreement and the State reserves the right to engage other contractors to provide the same or similar services.

b. Contractor shall perform, and Authorized Purchaser will pay for, Services only when performed under a Contract. An individual Contract will specify the services for that Contract.

c. Contractor is responsible for completing all Services as defined in the Contract to the satisfaction of Authorized Purchaser.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT.

CONTRACTOR
Authorized Signature: [signature]

Title: PRESIDENT Date: 12/6/2010

Telephone number: 541 523-1029 Facsimile number: 541 523-1031

SECRETARY OF STATE

Authorized Signature: [signature]

Title: STATE ARCHIVIST Date: 12/8/10

Telephone Number: 503-986-2241 Facsimile Number: 503-378-4991

APROVED AS TO LEGAL SUFFICIENCY
BY EMAIL DATED: 11/22/2010

EXHIBIT A

CONTRACT TERMS AND CONDITIONS

1. Application of Provisions. The provisions of this Exhibit A, as well as Exhibits B, C, G, and H of the Agreement apply to the Agreement and also apply to and are incorporated into each Contract executed between Contractor and Authorized Purchaser. When applying the applicable provisions to the Agreement, where appropriate for the context, the references to "Contract" shall mean the Agreement.

2. Definitions. The following definitions apply to the Contract:

"Authorized Purchaser" means a contracting agency, including a local contracting agency, as those terms are defined in ORS 279A.010, or any member of ORCPP that enters into a Contract.

"Authorized Purchaser Data" means all data created by or in any way originating with Authorized Purchaser, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with Authorized Purchaser, whether such data or output is stored on Authorized Purchaser's hardware, Contractor's hardware or exists in any system owned, maintained or otherwise controlled by Authorized Purchaser or by Contractor.

"Authorized Purchaser Intellectual Property" means any intellectual property that is owned by Authorized Purchaser. Authorized Purchaser Intellectual Property includes any derivative works and compilations of any Authorized Purchaser Intellectual Property.

"Authorized Representative" means a person representing a party to the Contract who is authorized to make commitments and decisions on behalf of the party regarding the performance of the Contract. Each party's Authorized Representative is the person so identified in the Contract.

"Contract" means the executed agreement between Authorized Purchaser and Contractor entered into pursuant to the terms and conditions of the Agreement, incorporating by reference Exhibits A, B, C, G, and H of the Agreement and substantially in either of the forms attached to the Agreement as Exhibit D or Exhibit E.

"Contractor Intellectual Property" means any intellectual property that is owned by Contractor and contained in or necessary for the use, or optimal use, of the Deliverables. Contractor Intellectual Property includes Documentation, Work Product, and derivative works and compilations of any Contractor Intellectual Property. Contractor Intellectual Property does not include COTS Software.

"COTS Software" means commercial off-the-shelf software that Contractor delivers to Agency pursuant to the provision of Services.

"Deliverables" means the Services, including Work Product, and all Software or other products that Contractor is required to deliver to Authorized Purchaser under the Contract.

"Desktop Specification" means Contractor's recommended minimum technical specifications required to access and utilize the SaaS Software specified in the Contract and in accordance with the Contract's service levels.

"Documentation" means all documents, including documents that are Deliverables described in the Contract and includes, but is not limited to, any and all operator's and user's manuals, training materials, guides, commentary, listings, requirements traceability matrices and other materials for use in conjunction with and for the operation of products and Services that are to be delivered by Contractor under the Contract.

"Non-subscription Services" means the services provided to Authorized Purchaser by Contractor under the Contract that are not included in the definition of Subscription Services. Non-subscription Services shall include, but not be limited to, consulting, implementation, customization and other services provided to Authorized Purchaser by Contractor under this Agreement, together with all documentation provided by or otherwise required of Contractor for any of the consulting, implementation, customization or other services it provides.

"ORCPP" means the Oregon Cooperative Purchasing Program, which recognizes certain agencies and organizations within the state of Oregon as authorized to purchase the goods and services available under certain price agreements entered into by the State.

"SaaS Application" and "SaaS Software" mean the Software as Service computer software listed in a Subscription Services Contract to which Contractor has granted Authorized Purchaser access and use as part of the Subscription Services. This includes any customization, other derivative works, upgrades, releases, fixes or patches related to the software that Contractor develops or deploys during the term of the Agreement, together with all Documentation provided by or otherwise required of Contractor for any of the software, customization, other derivative works, upgrades, releases, fixes or patches.

"Service Levels" means the performance specifications for Services performed by Contractor.

"Services" means Non-subscription Services and Subscription Services.

"Software" means the software, including COTS Software and SaaS Software, identified in Exhibit B, and all related Documentation, that the Contractor will deliver to Authorized Purchaser.

"SOS" means the Secretary of State of the State of Oregon.

"State" means the State of Oregon, acting by and through the Department of Administrative Services, State Procurement Office ("DAS SPO") or the Secretary of State of the State of Oregon ("Secretary" or "SOS").

"Subscription Services" means Authorized Purchaser's access to and use, and Contractor's provision, of the SaaS Software and other services in accordance with the terms and conditions set forth in the Contract.

"Third Party Intellectual Property" or "Third Party Products" means any intellectual property owned by parties other than Authorized Purchaser or Contractor and contained in or necessary for the use of the Deliverables. Third Party Intellectual Property includes COTS Software owned by Third Parties, and derivative works and compilations of any Third Party Intellectual Property.

"User" means Authorized Purchaser's employees, agents, consultants, outsourcing companies, contractors and others who are authorized by Authorized Purchaser to access and use the SaaS Software and any part or portion of the Subscription Services or Non-subscription Services in the performance of their duties for Authorized Purchaser.

"User Information" means all information directly or indirectly obtained from Users accessing the SaaS Software where such information is obtained by Contractor or by any of its employees, representatives, agents or any Third Parties having contractual privity with Contractor or who are under Contractor's supervision or control.

"Work Product" means every invention, modification, discovery, design, development, customization, configuration, improvement, process, software program, work of authorship, documentation, formula, datum, technique, know-how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registrable under copyright or similar statutes or subject to analogous protection) that is specifically made, conceived, discovered, or reduced to practice by Contractor or Contractor's subcontractors or agents (either alone or with others) pursuant to the Master Agreement. Notwithstanding anything in the immediately preceding sentence to the contrary, Work Product does not include any Authorized Purchaser Intellectual Property, Contractor Intellectual Property or Third Party Intellectual Property.

3. Services.

3.1 Subscription and Non-Subscription Services.

3.1.1 Contractor shall provide and Authorized Purchaser may acquire the Subscription and Non-subscription Services as described in this Agreement. As part of the Services, Contractor shall manage the recordation of User Information. Such User Information shall be treated as Authorized Purchaser's Confidential Information.

3.1.2 Authorized Purchaser and Contractor shall execute a Contract, in substantially the same form as the sample Contracts attached to this Agreement as Exhibit D or Exhibit E, for Authorized Purchaser's access to and use of the Software, together with any applicable Service Levels, maintenance, support and any other services. The terms and conditions of each Contract shall be independent of, and shall have no impact upon, the provisions of any other Contract.

Each Contract is subject to the Agreement and must include the following mandatory language:

THIS CONTRACT IS ENTERED INTO PURSUANT TO AGREEMENT # 0486 AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN. THE TERMS AND CONDITIONS OF THE AGREEMENT APPLY TO THIS CONTRACT AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING TERMS AND CONDITIONS, EXPRESS OR IMPLIED.

3.2 Delivery. All goods and Software to be supplied by Contractor will be new unless expressly authorized by Authorized Purchaser. Contractor shall deliver goods and Software to Authorized Purchaser F.O.B. to the destination specified in the Contract in accordance with the Delivery Schedule. During the period that goods and Software are in transit, and up until the time that the goods and Software are tendered so as to enable Authorized Purchaser to take delivery, Contractor and its insurers, if any, relieve the Authorized Purchaser and the State of Oregon of the responsibility for all risk of loss of, or damage. Thereafter, all risk of loss of, or damage shall be borne by the Authorized Purchaser.

3.3 Warranties. If applicable, Contractor shall have all third party warranties covering the goods and Software transferred to the Authorized Purchaser at time of delivery at no additional charge. Contractor shall also furnish to the Authorized Purchaser the details of the third party publisher warranties.

3.4 Responsibilities of Authorized Purchaser. If the Contract requires Authorized Purchaser to provide any software, goods or services, and Authorized Purchaser fails to provide the requisite quality or quantity of such software, goods or services, or fails to provide such software, goods or services in a timely manner, Contractor's sole remedy shall be an extension of the applicable delivery dates corresponding to the delay caused by Authorized Purchaser’s failure.

3.5 Acceptance of Services.

3.5.1 Contractor shall commence the Services and provide Deliverables as set forth in the Contract. Unless otherwise provided in the Contract, within ten business days after commencement of the Services, Authorized Purchaser shall perform any acceptance tests to determine whether the Services meet the acceptance criteria designated by Authorized Purchaser. If the acceptance tests establish that the Services conform to the acceptance criteria, then Authorized Purchaser shall issue written notice of acceptance to Contractor, and “final acceptance” shall be deemed to have occurred.

3.5.2 If the Authorized Purchaser determines that the Services do not meet the acceptance criteria, Authorized Purchaser shall notify Contractor in writing of Authorized

Purchaser's rejection of the Services and describe in reasonable detail the basis for rejection. Upon receipt of notice of non-acceptance, Contractor shall, within a 15 calendar day period, modify or improve the Services at Contractor's sole expense to ensure that the Services meet the acceptance criteria, and notify the Authorized Purchaser in writing that it has completed such modifications or improvements and re-tender the Services to Authorized Purchaser. Authorized Purchaser shall thereafter review the modified or improved Services within 15 calendar days of receipt. Failure of the Services to meet the acceptance criteria after the second set of acceptance tests shall constitute a default by Contractor. Upon such default, Authorized Purchaser may either allow Contractor to continue to correct the Services or declare a material breach of the Contract by Contractor.

3.5.3. If the Services are rejected or acceptance is revoked, Contractor shall refund any payments that have been made with regard to the Services and shall (at Contractor's sole cost and expense) remove the Software within seven calendar days of receiving notice of rejection or revocation of acceptance.

3.5.4. No provision of this Section 3.5 precludes Authorized Purchaser from other remedies to which it may be entitled upon rejection or revocation of acceptance.

3.6 Warranty Period.

3.6.1 For a period of one year after final acceptance, Contractor shall, at no additional charge to Authorized Purchaser, furnish such materials and services as shall be necessary to correct any defects in the Services and maintain the Services in good working order. Notwithstanding the expiration of the warranty period, Contractor shall be obligated to cure defects discovered during the warranty period.

4. Contractor's Personnel.

4.1 Authorized Representative; Program Manager. Contractor shall designate an Authorized Representative and Program Manager for the Services. The Authorized Representative and Program Manager shall be familiar with Authorized Purchaser's business operations and objectives as necessary for the provision of the Services and shall be responsible for Contractor's performance of the Services in accordance with the Agreement. The Program Manager shall participate with Authorized Purchaser in periodic review sessions and shall provide Service reports at Authorized Purchaser's request.

4.2 Subcontractors. Contractor shall not use subcontractors to perform the Services unless specifically authorized to do so by Authorized Purchaser. Contractor represents that any assigned employees and authorized subcontractors shall perform the Services in accordance with the Agreement.

5. Compensation.

5.1 Rates. Authorized Purchaser shall pay Contractor according to the rates set forth on Exhibit B for the Services and Software provided under the Contract. The assessment of VCAF, as provided in the Agreement, is in addition to, and not a part of, the prices for Services set forth in the Contract.

5.2 Expenses. Contractor shall not be reimbursed for any expenses incurred by Contractor in the performance of the Services.

5.3 Invoices. Unless otherwise agreed, Authorized Purchaser shall not pay Contractor more than once each month upon Contractor's submission of detailed invoices that set forth the Services accepted by Authorized Purchaser. Such invoices shall comply with the requirements of this Section 5 and shall describe the Deliverables completed and accepted by Authorized Purchaser for which Contractor seeks compensation. Contractor shall request payment only for Deliverables accepted by Authorized Purchaser. The invoices also shall include the total amount invoiced to date by Contractor prior to the current invoice. Contractor shall submit invoices to Authorized Purchaser's Authorized Representative. Authorized Purchaser will have the right to review each such invoice for compliance with the requirements of this Section 5 and any other relevant provisions of the Agreement. All payments to Contractor are subject to ORS 293.462.

5.4 Limit on Payments. No payment will be made for any Services provided before the effective date or after termination of the Agreement or under a specific Contract. Authorized Purchaser's payments are conditioned upon Authorized Purchaser receiving funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow Authorized Purchaser, in the exercise of its reasonable administrative discretion, to meet its payment obligations. Nothing in the Agreement is to be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other law regulating liabilities or monetary obligations of the State of Oregon.

5.5 Price Renegotiation. 60 calendar days prior to the expiration of the Initial Term, and then upon each renewal thereafter, either Contractor or the State may request price renegotiation. This price renegotiation will be conducted in good faith between the parties and may result in a price change being offered to the State for continuing Services and Product offerings. If Contractor and the State reach an agreement during the 60 calendar day re-negotiation period, Contractor will adjust its pricing accordingly for the applicable Extension Term and will continue to provide the Services. If the parties are unable to reach an agreement, the Agreement will terminate subject to an Authorized Purchaser's right to transition the Services.

5.6 No Liability for Non-State Authorized Purchasers. The State bears no liability for Services provided by Contractor to parties who are not Authorized Purchasers or in Contracts entered into between Authorized Purchasers that are not State agencies, and the

State expressly disclaims any such liability. With regard to Authorized Purchasers that are not State agencies, Contractor shall look solely to the respective party for any rights and remedies Contractor may have at law or in equity arising out of the sale and purchase of Services and the resulting contractual relationship, if any, with each such contracting party.

6. Right to Use; Ownership and License in Product or Services.

6.1 Use. Contractor grants Authorized Purchaser an unlimited, transferable, non-exclusive right to access and to use the Subscription Services listed on any SaaS Subscription Schedules and the Non-Subscription Services listed on the Contract.

6.2 License. Contractor retains ownership of all Contractor Intellectual Property that Contractor delivers to Authorized Purchaser pursuant to the Services performed. Contractor grants Authorized Purchaser a license to all other Contractor Intellectual Property. Unless otherwise stated in the Contract, Contractor grants Authorized Purchaser a non-exclusive, irrevocable, royalty-free, world-wide license to use, copy, display, distribute, transmit and prepare derivative works of Contractor Intellectual Property, and to authorize others to do the same on Authorized Purchaser's behalf.

6.3 Work Product. Contractor owns all Work Product. Contractor grants Authorized Purchaser a non-exclusive, irrevocable, royalty-free, world-wide license to use, copy, display, distribute, transmit and prepare derivative works of Work Product, and to authorize others to do the same on Authorized Purchaser's behalf.

6.4 Third Party Intellectual Property. Contractor shall secure on Authorized Purchaser's behalf, in the name of Authorized Purchaser and subject to Authorized Purchaser's approval, a license to Third Party Intellectual Property sufficient to provide the Services and fulfill the business objectives identified in the Agreement or a Contract, and to authorize others to do the same on Authorized Purchaser's behalf

6.5 Authorized Purchaser Data and Intellectual Property. Authorized Purchaser owns all Authorized Purchaser Data and Intellectual Property provided to Contractor pursuant to the Contract. Authorized Purchaser grants Contractor a non-exclusive, royalty-free, world-wide license to use, copy, display, distribute, transmit and prepare derivative works of Authorized Purchaser Intellectual Property and Authorized Purchaser data and background information only to fulfill the purposes of the Contract. Authorized Purchaser's license to Contractor is limited to the term and confidentiality obligations of the Contract.

6.6 No Rights. Except as expressly set forth in the Contract or Agreement, nothing shall be construed as granting to or conferring upon Contractor any right, title, or interest in any intellectual property that is now owned or subsequently owned by Authorized Purchaser. Except as expressly set forth in the Contract or Agreement, shall be construed as granting to or conferring upon Authorized Purchaser any right, title, or interest in any Contractor Intellectual Property that is now owned or subsequently owned by Contractor.

6.7 Competing Services. Subject to the provisions of this Section 6 and Contractor's obligations with respect to Confidential Information, nothing in the Contract or Agreement precludes or limits in any way the right of Contractor to: (i) provide services similar to those contemplated in the Agreement, or consulting or other services of any kind or nature whatsoever to any individual or entity as Contractor in its sole discretion deems appropriate, or (ii) develop for Contractor or for others, deliverables or other materials that are competitive with those produced as a result of the Services provided hereunder, irrespective of their similarity to the Deliverables. The parties, including the State, Contractor and Authorized Purchasers, shall be free to utilize any concepts, processes, know-how, techniques, improvements or other methods it may develop during the course of performance under the Contract free of any use restriction or payment obligation to another party.

7. Confidentiality and Non-Disclosure.

7.1 Confidential Information. Contractor acknowledges that it and its employees or subcontractors may, in the course of performing their responsibilities under the Contract, be exposed to or acquire information that is confidential to Authorized Purchaser or Authorized Purchaser's clients. Any and all information of any form obtained by Contractor or its employees or subcontractors in the performance of the Contract is confidential information of Authorized Purchaser ("Confidential Information"). Contractor shall treat any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor with respect to confidentiality in the same manner as the Confidential Information. Confidential Information does not to include information that (a) is or becomes (other than by disclosure by Contractor) publicly known; (b) is furnished by Authorized Purchaser to others without restrictions similar to those imposed by the Contract; (c) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under the Contract; (d) is obtained from a source other than Authorized Purchaser without the obligation of confidentiality, (e) is disclosed with the written consent of Authorized Purchaser, or; (f) is independently developed by employees or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

7.2 Non-Disclosure. Contractor agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Contractor uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties, or use Confidential Information for any purposes whatsoever other than the provision of Services to Authorized Purchaser hereunder, and to advise each of its employees and subcontractors of their obligations to keep Confidential Information confidential. Contractor shall use commercially reasonable efforts to assist Authorized Purchaser in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Contractor shall advise the State and Authorized Purchaser immediately in the event

Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of the Contract and Contractor will at its expense cooperate with the State and Authorized Purchaser in seeking injunctive or other equitable relief in the name of Authorized Purchaser or Contractor against any such person. Except as directed by Authorized Purchaser, Contractor will not at any time during or after the term of the Contract disclose, directly or indirectly, any Confidential Information to any person, except in accordance with the Contract, and that upon termination of the Contract or at Authorized Purchaser's request, Contractor will turn over to Authorized Purchaser all documents, papers, and other matter in Contractor's possession that embody Confidential Information. Contractor shall ensure the compliance of its employees and subcontractors with this Section 7.

7.3 Identity Theft. In the performance of the Contract, Contractor may have possession or access to documents, records or items that contain "Personal Information" as that term is used in ORS 646A.602(11), including Social Security numbers. Personal Information is a type of Confidential Information that is highly sensitive and subject to additional protection. Therefore, prior to the receipt of, and during the period in which Contractor has possession of or access to, any Personal Information, Contractor shall have in place, a formal written information security program that provides safeguards to protect Personal Information from loss, theft, and disclosure to unauthorized persons, as required by the Oregon Consumer Identity Theft Protection Act, ORS 646A.600-646A.628.

7.3.1 Contractor shall not breach or permit breach of the security of any Personal Information that is contained in any document, record, compilation of information or other item to which Contractor receives access, possession, custody or control under the Contract. Contractor shall not disclose, or otherwise permit access of any nature, to any unauthorized person, of any such Personal Information. Contractor shall not use, distribute or dispose of any Personal Information other than expressly permitted by the State, the Authorized Purchaser, required by applicable law, or required by an order of a tribunal having competent jurisdiction.

7.3.2 Contractor shall report to the State and Authorized Purchaser, as promptly as possible, any breach of security, use, disclosure, theft, loss, or other unauthorized access of any document, record, compilation of information or other item that contains Personal Information to which the Contractor receives access, possession, custody or control in the performance of the Contract.

7.4 Security Policies; NDA. Contractor at all times shall comply with Authorized Purchaser's security policies. Contractor shall upon Authorized Purchaser's request provide a written nondisclosure agreement and obtain such from Contractor's employees or subcontractors performing Services under the Contract.

7.5 Injunctive Relief. Contractor acknowledges that breach of this Section 7, including disclosure of any Confidential Information, will give rise to irreparable injury to Authorized Purchaser that is inadequately compensable in damages. Accordingly, Authorized Purchaser may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Authorized Purchaser and are reasonable in scope and content.

7.6 Publicity. Contractor agrees that news releases and other publicity relating to the subject of the Contract or Agreement will be made only with the prior written consent of the State and Authorized Purchaser.

7.7 Transition Assistance. Upon expiration or termination of all or part of the Subscription Services or Non-subscription Services being provided under the Contract and upon Authorized Purchaser's request and subject to continued payment for so long as Services are maintained, Contractor shall provide the following termination assistance: Contractor shall continue to provide the Subscription Services and Non-subscription Services that were provided by Contractor prior to the expiration or termination and any new services requested by Authorized Purchaser that may be required to facilitate the transfer of the affected Subscription Services and Non-subscription Services to Authorized Purchaser, a Third-Party service provider or other Authorized Purchaser designee, as applicable, including providing to Authorized Purchaser or Third-Party personnel training in the performance of the affected Subscription Services and Non-subscription Services. At no additional cost, Contractor shall provide to Authorized Purchaser and any designated Third-Party service provider: (i) in writing, applicable requirements, standards, policies, operating procedures and other documentation relating to the affected execution environment of the Subscription Services and Non-subscription Services; and (ii) necessary access to the systems and sites from which the affected Subscription Services and Non-subscription Services were provided, subject to Authorized Purchaser's right to review same. Contractor shall provide the termination assistance outlined in this section for a period of up to twelve (12) months, unless otherwise specified in the Contract. Immediately upon expiration or termination of the Agreement or the Contract, Contractor shall provide Authorized Purchaser with a final export of Authorized Purchaser Data in a format specified by Authorized Purchaser and shall certify the destruction of all Authorized Purchaser Data within the possession of Contactor that is solely related to the expired or terminated Subscription Services or Non-subscription Services.

8. Contractor's Representations and Warranties.

8.1 General Representations and Warranties. In addition to all other Contractor representations and warranties in the Contract Contractor also represents and warrants to Authorized Purchaser that:

a) Contractor has the power and authority to enter into and perform the Contract;

b) The Contract, when executed and delivered, will be a valid and binding obligation of Contractor enforceable in accordance with its terms;

c) Contractor will, at all times during the term of the Contract, be qualified to do business in the State of Oregon, professionally competent and duly licensed to perform the Services;

d) Contractor is not in violation of, charged with nor, to the best of Contractor's knowledge, under any investigation with respect to violation of, any provision of any federal, state or local law, ordinance or regulation or any other requirement or order of any governmental or regulatory body or court or arbitrator applicable to provision of the Services, and Contractor's provision of the Services shall not violate any such law, ordinance, regulation or order;

e) Contractor's performance under the Contract creates no potential or actual conflict of interest, as defined by ORS 244, for either Contractor or any Contractor personnel that will perform the Services under the Contract; and

f) The Contractor Data and Tax Certification in the form attached to the Agreement as Exhibit G and the Certification Statement For Independent Contractor in the form attached to the Agreement as Exhibit H are true and accurate as of the Effective Date, and Contractor will notify Authorized Purchaser in writing if any such data or certifications change during the term of the Agreement such that the attached Exhibits G or H, if applicable, are no longer true and accurate.

8.2 Contractor's Performance Warranties. Contractor represents and warrants to Authorized Purchaser that:

a) Contractor has the skill and knowledge possessed by well-informed members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contractor and Contractor's employees and any authorized subcontractors perform the Services described in the Contract in accordance with the highest standards prevalent in the industry or business most closely involved in providing the Services that Contractor is providing to Authorized Purchaser pursuant to the Contract;

b) Through the expiration of the warranty period, all Services delivered by Contractor to Authorized Purchaser shall conform to the acceptance criteria set forth in the Contract and any Documentation provided by Contractor and shall be free from error or defect that materially impairs their use, and shall be free from defects in materials, workmanship and design;

c) Except as otherwise permitted or provided in the Contract, all Services supplied by Contractor to Authorized Purchaser shall be transferred to Authorized Purchaser free and clear of any and all restrictions on or conditions of transfer, modification, licensing, sublicensing, direct or indirect distribution, or assignment, and free and clear of any and all liens, claims, mortgages, security interests, liabilities, and encumbrances of any kind;

d) When used as authorized by the Contract, no Service delivered by Contractor to Authorized Purchaser infringes, nor will Authorized Purchaser's use, duplication, or transfer of such Services infringe, any copyright, patent, trade secret, or other proprietary right of any third party;

e) Except as otherwise set forth in the Contract, any subcontractors performing work for Contractor have assigned all of their rights in the Services to Contractor or Authorized Purchaser and no third party has any right, title or interest in any Services supplied to Authorized Purchaser under the Contract;

f) Contractor will maintain, operate and enforce, prior to the receipt of, and during the period in which Contractor has possession of or access to, any Personal Information, an active and effective information security program to preserve the security and confidentiality of all Personal Information that is contained in any document, record, compilation of information or other item to which Contractor receives access, possession, custody or control; and

g) At the time of delivery and installation of the Software provided through the Contract, the Software shall be free of what are commonly defined as viruses, worms, spyware, and other malicious defects that will hamper performance of the software, collect unlawful personally identifiable information on users, or prevent the software from performing as required under the terms and conditions of the Contract.

9. Indemnities.

9.1 General Indemnity. Contractor shall defend, save, hold harmless, and indemnify the State of Oregon and Authorized Purchaser and their agencies, subdivisions, officers, directors, employees and agents from and against all third party claims, suits, actions, losses, damages, liabilities, statutory penalties, costs and expenses for personal injury, including death, damage to real property and damage to tangible personal property resulting from, arising out of, or relating to the intentional, reckless or negligent acts or omissions of Contractor or its officers, employees, subcontractors, or agents under the Contract; provided that Contractor shall have no obligation to indemnify the State of Oregon or Authorized Purchaser from and against any claims, suits, actions, losses, damages, liabilities, costs and expenses attributable solely to the acts or omissions of the State of Oregon or Authorized Purchaser, and their officers, employees or agents.

9.2 IP Indemnity. In addition to and without limiting the generality of Section 9.1, Contractor expressly agrees to, indemnify, defend and hold the State of Oregon and Authorized Purchaser and their agencies, subdivisions, officers, directors, employees and agents harmless from any and all third party claims, suits, actions, losses, damages, liabilities, statutory penalties, costs and expenses of any nature whatsoever resulting from, arising out of or relating to any claims that the Services or use thereof infringe any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other proprietary right (collectively, “Intellectual Property Rights”) of any third party. If Contractor believes at any time that the Software or Services infringe a third party’s Intellectual Property Rights, Contractor may upon receipt of Authorized Purchaser’s prior written consent, which Authorized Purchaser shall not unreasonably withhold, (i) replace an infringing item with a non-infringing item that meets or exceeds the performance and functionality of the replaced item; or (ii) obtain for Authorized Purchaser the right to continue to use the infringing item; or (iii) modify the infringing item to be non-infringing, provided that, following any replacement or modification made pursuant to the foregoing, the Software continues to function in conformance with the requirements set forth in the Contract. Contractor’s failure or inability to accomplish any of the foregoing shall be deemed a material breach of the Contract, and Authorized Purchaser may pursue any rights and remedies available to it under the Contract, including termination. Contractor shall not be liable under this Article 9.2 for any claim for infringement based solely on the following:

a) Authorized Purchaser’s modification of the Software or Services other than as set forth in the Contract or without the written permission of Contractor;

b) Use of the Software or Services in a manner other than as contemplated by the Contract or as authorized in writing by Contractor; or

c) Use of the Software or Services in combination, operation, or use of with other products in a manner that does not comply with their specifications, not specified by Contractor or of which Contractor has not approved in writing.

9.3 Control of Defense and Settlement. Contractor’s obligation to indemnify Authorized Purchaser as set forth in Sections 9.1 and 9.2 is conditioned on Authorized Purchaser providing to Contractor prompt notification of any claim or potential claim of which Authorized Purchaser becomes aware that may be the subject of those Sections. Contractor shall have control of the defense and settlement of any claim that is subject to Section 9.1 or Section 9.2; however, neither Contractor nor any attorney engaged by Contractor shall defend the claim in the name of the State of Oregon or any Authorized Purchaser of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the approval of the Attorney General, nor shall Contractor settle any claim on behalf of the State of Oregon without the approval of the Attorney General. The State of Oregon may, at its election and expense, assume its own defense and settlement in the event that the State of Oregon determines that Contractor is prohibited from defending the State of Oregon, is not adequately defending the State of Oregon’s interests, or that an important governmental principle is at issue and the State of Oregon desires to assume its own defense.

9.4 Insurance. Contractor shall provide insurance as required by Exhibit C.

10. Events of Default.

10.1 Default by Contractor. Contractor shall be in default under the Contract if:

a) Contractor institutes or has instituted against it insolvency, receivership or bankruptcy proceedings which are not dismissed within 60 days of their commencement, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis; or

b) Contractor no longer holds a license or certificate that is required for Contractor to perform the Services and Contractor has not obtained such license or certificate within 30 business days after delivery of Authorized Purchaser's notice or such longer period as Authorized Purchaser may specify in such notice; or

c) Contractor commits any material breach or default of any covenant, warranty, obligation or certification under the Contract, fails to perform the Services in conformance with the specifications and warranties provided herein, or clearly manifests an intent not to perform future obligations under the Contract, and such breach or default is not cured, or such manifestation of an intent not to perform is not corrected by reasonable written assurances of performance within 30 business days after delivery of Authorized Purchaser's notice or such longer period as Authorized Purchaser may specify in such notice.

10.2 Default by Authorized Purchaser. Authorized Purchaser shall be in default under the Contract if:

a) Authorized Purchaser fails to pay Contractor any amount pursuant to the terms of the Contract and Authorized Purchaser fails to cure such failure within 30 business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice; or

b) Authorized Purchaser commits any material breach or default of any covenant, warranty, or obligation under the Contract, fails to perform its commitments hereunder within the time specified or any extension thereof, and Authorized Purchaser fails to cure such failure within 30 business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice.

11. Remedies for Default.

11.1 Authorized Purchaser's Remedies. In the event Contractor is in default under Section 10.1, Authorized Purchaser may, at its option, pursue any or all of the remedies available to it under the Contract and at law or in equity, which include, without limitation:

a) termination of the Contract under Section 12.2;

b) withholding all monies due for Services that Contractor is obligated but has failed to perform within 30 days after Authorized Purchaser has notified Contractor of the nature of Contractor's default;

c) credits or other remedies for failure to meet Service Levels;

d) with respect to Services for which Authorized Purchaser has paid before acceptance, a return of all moneys previously paid for such Services;

e) initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief; and

f) exercise of its right of setoff.

11.2 Remedies Cumulative. These remedies are cumulative to the extent the remedies are not inconsistent, and Authorized Purchaser may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever. If it is determined for any reason that Contractor was not in default under Section 10.1, the rights and obligations of the parties shall be the same as if the Contract was terminated pursuant to Section 12.1.

11.3 Contractor's Remedies. In the event the State terminates the Agreement or Authorized Purchaser terminates the Contract, as set forth in Section 12.1, or in the event Authorized Purchaser is in default under Section 10.2 and whether or not Contractor elects to exercise its right to terminate the Contract under Section 12.3., Contractor's sole monetary remedy shall be a claim for the unpaid invoices; the percentage of Services completed on each Deliverable up to the not to exceed amount for the Deliverable set forth in the Contract, authorized expenses incurred, less previous amounts paid and any claims which Authorized Purchaser has against Contractor. If previous amounts paid to Contractor exceed the amount due to Contractor under this Section 11.3, Contractor shall pay any excess to Authorized Purchaser upon written demand.

12. Termination; Suspension.

12.1 Authorized Purchaser's Right to Terminate. Authorized Purchaser may, at its sole discretion, terminate the Contract, as follows:

a) Authorized Purchaser may terminate the Contract for its convenience upon 30 days' prior written notice to Contractor.

b) Authorized Purchaser may terminate the Contract if the Authorized Purchaser fails to receive funding, appropriations, limitations or other expenditure authority at levels sufficient to pay for Contractor's services.

c) Authorized Purchaser may terminate the Contract if federal or state laws, regulations, or guidelines are modified or interpreted in such a way that the performance of the Services under the Contract is prohibited or if Authorized Purchaser is prohibited from paying for such Services from the planned funding source.

12.2 Authorized Purchaser's Right to Terminate for Cause. In addition to any other rights and remedies Authorized Purchaser may have under the Contract, Authorized Purchaser may terminate the Contract, in whole or in part, immediately upon Contractor's default under Section 10.1.

12.3 Contractor's Right to Terminate for Cause. Contractor may terminate the Contract upon Authorized Purchaser's default under Section 10.2.

12.4 Return of Property. Upon termination of the Contract for any reason whatsoever, Contractor shall immediately deliver to Authorized Purchaser all of Authorized Purchaser's property (including without imitation Authorized Purchaser's Confidential Information or any Services for which Authorized Purchaser has made payment in whole or in part) that are in the possession or under the control of Contractor in whatever stage of development and form of recordation such Authorized Purchaser property is expressed or embodied at that time.

12.5 Authorized Purchaser's Right to Suspend the Services.

12.5.1 Authorized Purchaser may suspend portions or all of the Services due to the following causes:

a) Contractor's default under section 10.1;

b) Any reason considered to be in the public interest; or

c) For non-appropriation as set forth in section 12.1 and 16.6.

12.5.2 Authorized Purchaser shall notify Contractor in writing of the effective date and time of the suspension and shall notify Contractor in writing to resume Services.

12.5.3 During suspension Contractor is responsible as follows:

a) If the suspension occurs due to the reason set forth in Section 12.5.1(a), Contractor shall continue to provide any unexpired warranty coverage and maintain prepaid Service Levels. No single instance of suspension of performance for Contractor's default under 12.5.1(a) may exceed 180 days.

b) If the suspension occurs due to the reasons set forth in Sections 12.5.1(b) or (c), Contractor shall provide warranty coverage for a period of 90 days following the effective date of suspension for any Deliverables accepted prior to the effective date of suspension. Notwithstanding the foregoing, Contractor shall not be obligated to provide warranty period maintenance and support except to the extent such warranty period maintenance and support has been paid in advance. No single instance of suspension of performance under 12.5.1(b) or 12.5.1(c) may extend beyond 30 days after the end of the biennium during which the suspension occurred.

c) If the Services are recommenced after the suspension Contractor shall complete the Services in every respect as though its prosecution had been continuous and without suspension. Due dates for Services shall be extended by the amount of the period of suspension and a reasonable period for Contractor's remobilization not to exceed 90 calendar days.

13. Independent Contractor; Taxes and Withholding.

13.1 Independent Contractor. Contractor shall perform all Services as an independent contractor. Although Authorized Purchaser reserves the right to evaluate the quality of the completed performance, Authorized Purchaser will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing the Services.

13.2 Declaration and Certification. Contractor by execution of the Contract declares and certifies that (i) its performance of the Services creates no potential or actual conflict of interest as defined by ORS Chapter 244, for Contractor or any Contractor personnel who will perform Services under the Contract, and (ii) in the event that Contractor or its personnel are performing services for the federal government, that no rules or regulations of the agency for which Contractor or its personnel provide services prohibit Contractor or its personnel from providing the Services under the Contract. Contractor also declares and certifies by execution of the Contract that it is not an "officer," "employee," or "agent" of Authorized Purchaser, as those terms are used in ORS 30.265.

13.3 Responsible For Taxes. Contractor shall be responsible for all federal and state taxes applicable to compensation and other payments paid to Contractor under the Contract and, unless Contractor is subject to backup withholding, Authorized Purchaser will not withhold from such compensation and payments any amount to cover Contractor's federal or state tax obligations. Contractor is not eligible for any social security, unemployment insurance, or workers' compensation benefits from compensation or payments paid to Contractor under the Contract, except as a self-employed individual.

14. Compliance Applicable Law.

Contractor shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Contract. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following laws, regulations and executive orders to the extent they are applicable to the Contract: (i) Titles VI and VII of the Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) the Health Insurance Portability and Accountability Act of 1996; (vi) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vii) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (viii) ORS Chapter 659, as amended; (ix) all regulations and administrative rules established pursuant to the foregoing laws; and (x) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. These laws, regulations and executive orders are incorporated by reference herein to the extent that they are applicable to the Contract and required by law to be so incorporated.

15. Dispute Resolution.

15.1 Litigation – State Agencies. Any claim, action, suit, or proceeding (collectively, "Claim") between a Authorized Purchaser that is a State agency and Contractor that arises from or relates to the Contract shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. CONTRACTOR BY EXECUTION OF THIS MASTER AGREEMENT HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF THE COURTS REFERENCED IN THIS SECTION 15.1. In no event shall this Section 15.1 be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

15.2 Litigation – Non-State Authorized Purchasers. Any Claim between a non-State agency Authorized Purchaser and Contractor that arises from or relates to the Contract shall be brought and conducted solely and exclusively within the state court for the county of the residence of the Authorized Purchaser; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. CONTRACTOR BY EXECUTION OF THIS MASTER AGREEMENT HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF THE COURTS REFERENCED IN THIS SECTION 15.2. In no event shall this Section 15.2 be construed as a waiver by the State of Oregon or any non-State Authorized Purchaser of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

15.3 Governing Law. The Contract shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflict of laws.

16. Miscellaneous Provisions.

16.1 Recycling. Contractor shall, to the maximum extent economically feasible in the performance of the Contract, use recycle paper (as defined in ORS 279A.010 (1) (gg)), recycle PETE products (as defined in ORS 279A.010 (1) (hh)), and other recycled plastic resin products and recycled products (”recycled product” is defined in ORS 279A.010(1)(ii).

16.2 Subcontracts and Assignment. Contractor shall not enter into any subcontracts for any of the Services required by the Contract or assign or transfer any of its interest in the Contract without Authorized Purchaser’s prior written consent. Any proposed use of a subcontractor which is located outside the United States or use of subcontract labor or facilities located outside the United States must be called to the specific attention of Authorized Purchaser. Authorized Purchaser’s consent to any subcontract shall not relieve Contractor of any of its duties or obligations under the Contract.

16.3 Successors and Assigns. The provisions of the Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns, if any.

16.4 No Third-Party Beneficiaries. The State, Authorized Purchaser and Contractor are the only parties to the Agreement and the Contract and are the only parties entitled to enforce their terms. Nothing in the Contract gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of the Contract.

16.5 Funds Available and Authorized. Contractor shall not be compensated for Services performed under the Contract by any other Authorized Purchaser or department of the State of Oregon. Authorized Purchaser believes it has sufficient funds currently available and authorized for expenditure to finance the costs of the Contract within Authorized Purchaser’s biennial appropriation or limitation. Contractor understands and agrees that Authorized Purchaser’s payment of amounts under the Contract is contingent on Authorized Purchaser receiving appropriations, limitations, or other expenditure authority sufficient to allow Authorized Purchaser, in the exercise of its reasonable administrative discretion, to continue to make payments under the Contract.

16.6 Records Maintenance; Access. Contractor shall maintain all financial records and other records relating to its performance under the Contract in accordance with generally accepted accounting principles and in such a manner as to clearly document Contractor's performance. Contractor acknowledges and agrees that Authorized Purchaser, the State and the federal government and their duly authorized representatives shall have reasonable access, at their own cost and expense and only following reasonable notice to Contractor, to such records, in paper or electronic form, to perform examinations and audits and make excerpts and transcripts. Contractor shall retain and keep accessible all such records for a minimum of six years, or such longer period as may be required by applicable law, following termination of the Contract, or until the conclusion of any audit, controversy, or litigation arising out of or related to the Contract, whichever date is later.

16.7 Foreign Contractor. If Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State, Corporation Division, all information required by those agencies relative to the Contract. Contractor shall demonstrate its legal capacity to perform the Services under the Contract in the State of Oregon before entering into the Contract.

16.8 Survival. All rights and obligations shall cease upon termination or expiration of the Contract except for the rights and obligations and declarations set forth in Articles V, VI, VII, VIII, IX, XII, XIV and XVI, and Sections 5, 6, 7, 8, 9, 11, 13.3, 15, 16.3, 16.4, 16.6, 16.8, 16.17, 16.18, and 16.20.

16.9 Time is of the Essence. Contractor agrees that time is of the essence in its performance under the Contract.

16.10 Force Majeure. Neither Authorized Purchaser nor Contractor shall be liable to the other for any failure or delay of performance of any obligations hereunder when such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control, including without limitation acts of God, acts of civil or military authority, fires, floods, earthquakes or other natural disasters, war, riots or strikes. Contractor shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under the Contract.

16.11 Notices. Except as otherwise expressly provided in the Contract, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery of, facsimile transmission of, or mailing the same, postage prepaid, to Contractor or Authorized Purchaser at the address or number set forth in the Contract, or to such other addresses or numbers as either party may hereafter indicate pursuant to this Section 16.11. Any communication or notice so addressed and mailed shall be deemed to be given five (5) calendar days after mailing. Any communication or notice delivered by facsimile shall be deemed to be given when the transmitting machine generates receipt of the transmission. To be effective against Authorized Purchaser, such facsimile transmission must be confirmed by telephone notice to the Authorized Purchaser Authorized Representative. Any communication or notice by personal delivery shall be deemed to be given when actually received by the appropriate Authorized Representative.

16.12 Severability. The parties agree that if any term or provision of the Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

16.13 Counterparts. The Contract may be executed in several counterparts, all of which when taken together shall constitute one contract binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of the Contract so executed shall constitute an original.

16.14 Amendments. The Contract may be amended, modified, or supplemented only by a written amendment signed by Authorized Purchaser and Contractor that has been approved by DOJ, if required by applicable law. Any amendment that provides for additional Services may only provide for Services directly related to the scope of Services and Products described in the Agreement, and no amendment shall be effective until all requisite signatures and approvals are obtained.

16.15 Disclosure of Social Security Number. Contractor must provide Contractor's Social Security number unless Contractor provides a federal tax identification number. This number is requested pursuant to ORS 305.385 and OAR 150-305.100. Social Security numbers provided pursuant to this authority will be used for the administration of state, federal and local tax laws.

16.16 Waiver. The failure of either party to enforce any provision of the Contract or the waiver of any violation or nonperformance of the Contract in one instance shall not constitute a waiver by the party of that or any other provision nor shall it be deemed to be a waiver of any subsequent violation or nonperformance. No waiver, consent, modification, or change of terms of the Contract shall bind either party unless in writing and signed by both parties and all necessary State of Oregon approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given.

16.17 Disaster Recovery; Backup. Notwithstanding the provisions of section 16.10, Contractor shall be responsible for providing disaster recovery services if Contractor experiences or suffers a disaster; Contactor shall take all necessary steps to ensure that Authorized Purchaser shall not be denied access to the Services for more than twenty four (24) hours in the event there is a disaster to Contractor data, Authorized Purchaser Data or Contractor Intellectual Property necessary to provide the Subscription Services and the Non-subscription Services. Contactor shall maintain the capability to resume provision of the Services from an alternative location and via an alternative telecommunications route in the event of a disaster that renders Contractor's data center unusable or unavailable. If Contractor fails to restore the Subscription Services and the

Non-subscription Services within twenty four (24) hours of the initial disruption to service, or Contractor declares more than two (2) disasters in any twelve (12) month period, Authorized Purchaser may declare Contractor to be in default of the Contract and Authorized Purchaser may seek alternate services, which would have otherwise been provided under the Contract, from another source. Contractor shall reimburse Authorized Purchaser for all costs reasonably incurred by Authorized Purchaser in obtaining such alternative services, with payment to be made within thirty (30) days of Authorized Purchaser's written request for such payments.

Contractor shall provide off-site storage on a weekly basis of all backup disks, data or materials of any type whatsoever produced in whole or in part in connection with or related to the performance by Contractor of its obligations under the Contract (including without limitation discs, tapes, other storage media, work papers and partial drafts of documentation code).

16.18 Integration. The Contract including the Agreement and its Exhibits constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements or representations, oral or written, not specified herein regarding the Contract.

16.19 No Partnership. The Contract is not intended, and shall not be construed, to create a partnership or joint venture between Authorized Purchaser and Contractor. Nothing in the Contract shall be construed to make Authorized Purchaser and Contractor partners or joint venture participants.

EXHIBIT B

SCHEDULE OF SERVICES AND COMPENSATION

Description of Service

a. Provide secure electronic records management application and hosting and secure transport. Service shall include use of the HP TRIM DoD5015.2 continually compliant software. (The compliant software must be hosted on Contractor's maintained redundant, load balanced, and high-availability infrastructure in an appropriately hardened and secured data center environment that meets the standards of a Tier Two Data Center). All data storage shall be managed such that corrupt data can be recovered in less than 2 hours, and backed up and transported securely to a secure offsite location for disaster recovery. Missing data can be recovered in less than 24 hours, and backed up and transported securely to a secure offsite location for disaster recovery.

b. Services shall meet the general requirements listed below and must address attachment size or any other known limits.

The standard Services listed below shall be included in the per user price. Contractor may provide and list additional options.

Standard Service to include:

- Use of HP TRIM ERMS licensed software
- ERMS Application configuration and administration set up
- Integration with GroupWise, Outlook and SharePoint
- Project Management
- 24X7 Helpdesk support
- User and administrative training
- User documentation
- Hosting with acceptable storage
- Direct billing to Authorized Purchaser
- Acceptable Service Levels
- Work with the Secretary of State's Business Services Division for fee distribution to the Archives Division for their services in retention schedule preparation, classification structure development and initial application use training, which is in addition to the services now provided for paper records.

Suggested Additional Services:

- Additional application integration
- Additional Project Management
- Additional hosting

- Additional user training
- Additional Help Desk Services

Hosting Solution provides:

A Tier II or higher Data Center, including, at a minimum:

- Physical, electronic and biometric security which meets the Oregon Department of Administrative Services Standards
- Acceptable availability and scalability for up to 100,000 users
- Windows application servers
- Redundancy built at all levels
- Adequate HVAC cooling to scale to statewide service
- Redundant ISP's with acceptable connectivity and speed
- Freeway and airport accessibility
- 24X7 infrastructure monitoring and support
- Located in a no flood zone
- The data center must be located in a an area that is projected to experience a less than 20% peak ground acceleration as indicated on the Oregon Department of Geology and Mineral Industries 'Earthquake Hazard Maps for Oregon http://www.oregongeology.com/sub/publications/gms/gms100.pdf

Solution must also include:

- A costing model which provides economy of scale to lower subscription fees with increased number of users.

PROPOSED SaaS AND PROPOSERS ABILITY TO EXECUTE

- The SaaS proposed must be able to manage across multiple repositories.
- The SaaS proposed must be scalable to 100,000 + users.
- The SaaS proposed must be able to be integrated with Novell GroupWise and Microsoft Outlook mail systems as well as Sharepoint.
- The SaaS proposed must support and be compatible with the State's classification and scheduling system and record retention laws.
- The software component of the proposed solution, which will manage electronic records, must be HP TRIM certified against DoD5015.2 and remain certified through the life of the contract.
- The preferred server technology is Windows Application Server, Microsoft or Oracle data base and integration with Microsoft office.

c. Migration Support/Implementation Plan

Contractor shall provide a proven set of migration processes and tools to convert existing documents and email to the ERMS SaaS services. The existing Authorized Purchaser's email services include but are not limited to GroupWise, Lotus Notes, hosted Exchange server, and POP3-based emails.

Contractor shall implement its transition plan for the first pilot agency with at least 1,000 users and 25 offices located across the State including a high level project schedule and roll-out plan. Contractor shall work with the Secretary's Archivist to bring in future agencies once the pilot is successful.

Contractor shall provide optional additional migration services as requested by Authorized Purchaser.

d. Authorized Purchaser Administrative Capability

Contractor shall include administrative access to Authorized Purchaser with the following minimum features:

- Authorized Purchaser's administrator(s) responsible for account administration (Move/Add/Change)
- Authorized Purchaser's administrator(s) can request assistance in using the ERMS tool and recovering documents if necessary
- Ad hoc per-user volume & storage usage reporting
- Authorized Purchaser's aggregate storage allocation & current consumption reporting
- Administrative abilities shall be able to be segregated by Authorized Purchaser

d. Archival and E-Discovery

Contractor shall meet the State's Archival and Retention rules (http://arcweb.sos.state.or.us/rules/OARS_100/OAR_166/166_tofc.html). Services shall include retention and e-discovery capability.

e. Record Security

In recognition of the sensitive nature of the information handled by Authorized Purchasers, Contractor shall ensure Authorized Purchaser's records are transported, stored, and accessed in a secure manner. Contractor shall abide by the following:
State's Security Plan and Standards:
(http://www.oregon.gov/DAS/EISPD/ESO/SW_Plan_Standards.shtml
State Information Security Policies:
http://www.oregon.gov/DAS/EISPD/ESO/Policies.shtml
http://www.oregon.gov/DAS/EISPD/ESO/Policies.shtml#Policy_Set
Oregon ID Theft Act:
http://www.oregon.gov/DAS/EISPD/ESO/IDTheft.shtml

At Authorized Purchaser's request, segregated data storage will be provided.

[Describe measures taken to ensure records transported by and stored on Contractor's servers remains unaltered from its original form.]

Requirements include the following at a minimum:

- Transport of records between Contractor hosting site must be strongly encrypted
- All Authorized Purchaser's access to records at Contractor's site must be strongly encrypted
- Authorized Purchaser's access to records at Contractor's shall be strongly authenticated (e.g. secure token, certificate, PIN, etc.)
  - Prefer to use Authorized Purchaser's domain authentication.
- Access to records at Contractor's only from strongly authenticated users as defined in Enterprise Information Security Standard for the State of Oregon 1.1 "Authentication Standards". Authorized Purchaser's records are protected from unauthorized access from:
  - Contractor's other hosted customers and clients
  - Contractor's business partners and contractors of customers and clients
  - Contractor's administrative personnel
  - Internet users, general public
  - Unauthorized agency employees, contractors, and business partners
  - Unauthorized State of Oregon employees, contractors and business partners

f. Service Level and Remedies.

Service availability shall be a minimum of 99.99% measured on a monthly basis.
Record retrieval delivery time shall be three minutes or less, 95%, measured on a monthly basis.
Provide 24 hours per day / 7 days per week / 365 days per year service support.
Remedies:

Measure	Performance (Monthly)	Remedy (Credit) per Month
Availability	99.99%	Monthly Fee x # of affected seats
Record Retrieval Time	95%	Monthly Fee x # of affected seats

Contractor shall provide a Statement of Compliance with the Service Level and Remedies identified above.

g. Other Requirements.

Reporting

Contractor shall at a minimum provide the following reports:

Usage reports, e.g., who (Agency) is using the ERMS system (sizes, frequencies, etc.)

Storage reports, e.g., who is using what kind of storage.

Status reports, e.g., to measure if service meets SLA.

Billing-related reports, e.g., fee per usage by Agency, departments, etc.

The frequency of reports will be determined by the Secretary and each Authorized Purchaser.

Training

Contractor shall provide at a minimum the following training and associated materials:

Issue escalation related training such as using Proposer's defect tracking system, escalation process, etc.

Billing-related training, e.g., ordering of additional services, resolve billing questions, etc

Support

Contractor shall provide a clearly defined support process that includes at a minimum the following:

1. Support triage model
2. Support request status
3. Service upgrade roadmap
4. User panel
5. Escalation process
6. Personal distribution list capability
7. Contact List
8. Disaster/business continuity capability
9. Migration planning and services, tools, training
10. Overview of Proposer's business (Length of time offering requested services, number and churn rate of clients, migration references)
11. Proposer's operational processes (ISOxxxx, ITIL, etc)
    a. Configuration & change management
    b. Network security administration

c. System administration
d. External certification/auditing for infrastructure and ERMS DoD 5015.2 compliance

12. Virus protection (including process to keep current in perpetuity)
13. email clients and other applications supported
14. Browsers supported (for remote access & administrative access)
15. Description of datacenter(s), type classification, geographic redundancy, certifications, square footage, ownership, number servers, etc
16. Service Performance
    a. SLA & nonperformance penalties
    b. Operational Key Performance Metrics (Network/server utilization, etc)
17. Authorized Purchaser authentication required for access to accounts
18. Service termination
    a. Clearly defined service termination process
    b. Record protection plan
19. Help Desk
20. Information security incident response process

Pricing

Number of Users	Cost per Month per User	Monthly Rebate
2,000	$37.02	$8.76
3,000	$37.02	$8.76
4,000	$29.74	$4.87
5,000	$26.66	$2.92
6,000	$24.06	
7,000	$21.61	
8,000	$19.62	
9,000	$18.81	
10,000	$17.53	
11,000	$16.55	
12,000	$15.71	
13,000	$14.68	
14,000	$14.02	
15,000	$13.55	
16,000	$12.54	
17,000	$11.96	
18,000	$11.44	
19,000	$10.99	
20,000	$10.54	

EXHIBIT C

INSURANCE

A. REQUIRED INSURANCE. Contractor shall obtain at Contractor's expense the insurance specified in this Exhibit C prior to performing under the Agreement or any Contract and shall maintain it in full force and at its own expense throughout the duration of the Agreement and any Contract and all warranty periods. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in State and that are acceptable to the State.

i. WORKERS COMPENSATION. All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements.

ii. PROFESSIONAL LIABILITY

☒ **Required by State** ☐ **Not required by State**

Professional Liability. Contractor shall obtain and maintain at its own expenses for the duration of the Agreement and any Contract. Professional Liability Insurance with a combined single limit, or the equivalent, as set forth below. This is to cover damages caused by error, omission or negligent acts related to the professional services to be provided under the Agreement and any Contract. Full limits can be obtained by the purchase of one primary policy or a primary and excess policy as needed to provide the full policy limits. Such policy shall include coverage for losses arising from the breach of information security or cyber liability (including Technology Errors & Omissions, Network Security and Privacy Liability and Media Liability), whether combined with the Professional Liability policy or placed as a separate policy, but carrying the same limits of liability. Such coverage shall insure damage caused by error, omission, or negligent acts, including all prior acts without limitation, related to the professional services to be provided under the Agreement and any Contract. The Policy shall be amended to include Independent Contractors providing Professional Services on behalf of or at the direction of Contractor. The definition of Contractual Liability shall be amended to state that liability under a contract of professional services is covered. Further, coverage shall be afforded for fraudulent acts, misappropriation of trade secrets, internet professional services, computer attacks, personal injury, regulatory actions, known wrongful acts, contractual liability, privacy policy, and insured versus insured.

☒ <u>Per occurrence limit for any single claimant</u>:

July 1, 2010 to June 30, 2011:	$1,700,000.
July 1, 2011 to June 30, 2012:	$1,800,000.

July 1, 2012 to June 30, 2013:	$1,900,000.
July 1, 2013 to June 30, 2014:	$2,000,000.
July 1, 2014 to June 30, 2015:	$2,100,000.

July 1, 2015 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, sections 3 and 5 (Senate Bill 311).

Per occurrence limit for any number of claimants
.

July 1, 2010 to June 30, 2011:	$3,700,000.
July 1, 2011 to June 30, 2012:	$3,900,000.
July 1, 2012 to June 30, 2013:	$4,100,000.
July 1, 2013 to June 30, 2014:	$4,300,000.
July 1, 2014 to June 30, 2015:	$4,500,000.

July 1, 2015 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, sections 3 and 5 (Senate Bill 311).

iii. COMMERCIAL GENERAL LIABILITY.

☒ **Required by the State** ☐ **Not required by the State**

Commercial General Liability. Commercial General Liability Insurance covering bodily injury, death and property damage in a form and with coverages that are satisfactory to the State. This insurance shall include personal injury liability, products and completed operations. Coverage shall be written on an occurrence basis. Contractor shall provide proof of insurance of not less than the following amounts as determined by the State:

☒ Per occurrence limit for any single claimant:

July 1, 2010 to June 30, 2011:	$1,600,000.
July 1, 2011 to June 30, 2012:	$1,700,000.
July 1, 2012 to June 30, 2013:	$1,800,000.
July 1, 2013 to June 30, 2014:	$1,900,000.
July 1, 2014 to June 30, 2015:	$2,000,000.

July 1, 2015 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).

Per occurrence limit for any number of claimants:

July 1, 2010 to June 30, 2011:	$3,200,000.
July 1, 2011 to June 30, 2012:	$3,400,000.
July 1, 2012 to June 30, 2013:	$3,600,000.
July 1, 2013 to June 30, 2014:	$3,800,000.
July 1, 2014 to June 30, 2015:	$4,000,000.

July 1, 2015 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).

AND

Property Damage:

☒ Per occurrence limit for any single claimant:

From January 1, 2010, and every year thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 5 (Senate Bill 311).

Per occurrence limit for any number of claimants:

From January 1, 2010, and every year thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, 5 (Senate Bill 311).

iv. AUTOMOBILE LIABILITY INSURANCE: AUTOMOBILE LIABILITY.

☒ **Required by the State** ☐ **Not required by the State**

Automobile Liability. Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for "Commercial General Liability" and "Automobile Liability"). Contractor shall provide proof of insurance of not less than the following amounts as determined by the State:

☒ Per occurrence limit for any single claimant:

July 1, 2010 to June 30, 2011:	$1,600,000.
July 1, 2011 to June 30, 2012:	$1,700,000.
July 1, 2012 to June 30, 2013:	$1,800,000.
July 1, 2013 to June 30, 2014:	$1,900,000.
July 1, 2014 to June 30, 2015:	$2,000,000.

July 1, 2015 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).

Per occurrence limit for any number of claimants:

July 1, 2010 to June 30, 2011:	$3,200,000.
July 1, 2011 to June 30, 2012:	$3,400,000.
July 1, 2012 to June 30, 2013:	$3,600,000.
July 1, 2013 to June 30, 2014:	$3,800,000.
July 1, 2014 to June 30, 2015:	$4,000,000.

July 1, 2015 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).

AND

Property Damage:

☒ Per occurrence limit for any single claimant:

From January 1, 2010, and every year thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 5 (Senate Bill 311).

Per occurrence limit for any number of claimants:

From January 1, 2010, and every year thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 5 (Senate Bill 311).

v. EMPLOYERS' LIABILITY.

☐ **Required by the State** ☒ **Not required by the State**

If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall obtain employers' liability insurance coverage. Contractor shall provide proof of insurance of not less than the following amounts as determined by the State:

☐ $*(the State to enter amount)* Per occurrence limit for any single claimant; and
$*(the State to enter amount)* Per occurrence limit for any number of claimants

OR

☐ Per occurrence limit for any single claimant:

July 1, 2010 to June 30, 2011:	$1,600,000.
July 1, 2011 to June 30, 2012:	$1,700,000.
July 1, 2012 to June 30, 2013:	$1,800,000.
July 1, 2013 to June 30, 2014:	$1,900,000.
July 1, 2014 to June 30, 2015:	$2,000,000.

July 1, 2015 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).

Per occurrence limit for any number of claimants:

July 1, 2010 to June 30, 2011:	$3,200,000.
July 1, 2011 to June 30, 2012:	$3,400,000.

July 1, 2012 to June 30, 2013:	$3,600,000.
July 1, 2013 to June 30, 2014:	$3,800,000.
July 1, 2014 to June 30, 2015:	$4,000,000.

July 1, 2015 and thereafter, the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).

vi. POLLUTION LIABILITY.

☐ **Required by the State** ☒ **Not required by the State**

Pollution Liability Insurance covering Contractor’s liability for bodily injury, property damage and environmental damage resulting from either sudden or gradual accidental pollution and related cleanup costs incurred by Contractor, all arising out of the Goods delivered or Services (including transportation risk) performed under the Agreement or any Contract. Combined single limit per occurrence shall not be less than ______.
Annual aggregate limit shall not be less than _______.

B. ADDITIONAL INSURED.

The Commercial General Liability insurance and Automobile Liability insurance required under the Agreement shall include the State of Oregon, its officers, employees and agents as Additional Insureds but only with respect to Contractor's activities to be performed under the Agreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

C. “TAIL" COVERAGE.

If any of the required professional liability insurance is on a "claims made" basis, Contractor shall either maintain either “tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous “claims made” coverage is on or before the Effective Date of the Agreement, for a minimum of 24 months following the later of (i) Contractor’s completion and the Authorized Purchaser’s acceptance of all Services required under any Contract, or, (ii) The expiration of all warranty periods provided under any Contract. Notwithstanding the foregoing 24-month requirement, if Contractor elects to maintain “tail” coverage and if the maximum time period “tail” coverage reasonably available in the marketplace is less than the 24-month period described above, then Contractor shall maintain “tail” coverage for the maximum time period that “tail” coverage is reasonably available in the marketplace for the coverage required under the Agreement. Contractor shall provide to the State, upon request, certification of the coverage required under this section.

D. NOTICE OF CANCELLATION OR CHANGE.

There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without sixty (60) days' written notice from this Contractor or its insurer(s) to the State. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of the Agreement and the Contract and shall be grounds for immediate termination of the Agreement or any Contract by the State or an Authorized Purchaser.

E. CERTIFICATE(S) OF INSURANCE.

Contractor shall provide to the State Certificate(s) of Insurance for all required insurance before performing any Services required under any Contract. The Certificate(s) must specify all entities and individuals who are endorsed on the policy as Additional Insured (or Loss Payees). Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

EXHIBIT D

SUBSCRIPTION SERVICES CONTRACT

This Subscription Services Contract Number ___ ("Contract") is effective __________________ ("Contract Effective Date") between ____________________ ("Contractor") and _______________________________ ("Authorized Purchaser").

THIS CONTRACT IS ENTERED INTO PURSUANT TO AGREEMENT # 0486_AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN. THE TERMS AND CONDITIONS OF THE AGREEMENT APPLY TO THIS CONTRACT AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING TERMS AND CONDITIONS, EXPRESS OR IMPLIED.

1. Subscription Services.

The Contractor will provide to the Authorized Purchaser all required services listed in Exhibit B which includes: access to and use of the HP TRIM application, software and data hosting and storage, and helpdesk support services. The Archives Division will provide the training for using HP TRIM. The Contractor may provide training to other software integrations.

2. Subscription Fee and Payment Schedule.

Based on the total monthly fee and number of Users listed below, Authorized Purchaser shall pay Contractor _______________ payable in ______________________ monthly installments commencing upon Authorized Purchaser's acceptance of the Subscription Services and as further specified in Section 3, below.

[Insert a chart setting out software applications, whether maintenance, support and upgrade protection are included or separate, number of users (or other basis for charges), periodic fee for each line item, the fee payment schedule, the term for each line item and any other considerations or limitations.]

Monthly Fee ($) Per User	Number of Users

Invoices shall be issued on the _____________________ day of the month following the calendar month in which the Subscription Services were provided. All undisputed, timely and valid invoices are due in full ___ days after receipt by Authorized Purchaser. The initial pricing in this Contract is and shall remain valid for the Initial Period, defined in Section 6 below, and through the second

(2nd) Renewal Period, defined in Section 6 below.

Invoices shall be provided to the Authorized Purchaser in electronic or paper format as follows:

Authorized Purchaser Name:
Contact Name:
Address:

Phone:
Email Address:

3. Additional Users.

During the term of this Contract, Authorized Purchaser may add additional Users, above the initial number of Users specified in Section 2, to the Subscription Services by executing an amendment to this Contract. Based on the amendment, the monthly installment fee will increase based on the table below for each additional User for the remaining term of the Initial Period and through the second (2nd) Renewal Period commencing on the day the additional Users are specified by Authorized Purchaser.

Monthly Fee ($) Per User	Number of Additional Users
	<50
	50 to 100
	101 to 250
	251 to 500
	>501

4. Authorized Purchaser Acceptance.

Contractor shall, during or before the initial implementation phase, develop and recommend to Authorized Purchaser an acceptance test that is reasonably constructed to test the ability of the Subscription Services and associated Software Applications, as implemented by Contractor, to produce the results and other Deliverables specified in this Contract. Authorized Purchaser may accept the proposed acceptance test as recommended or modify it as Authorized Purchaser deems reasonable. Contractor shall provide Authorized Purchaser with access to the Subscription Services on or before _______. On the transition date, Contractor shall assume responsibility for providing ongoing Subscription Services.

Upon the conclusion of any consecutive forty-five (45) day period of production processing from the transition date, when all Service Levels set out below have been met successfully, the Subscription Services shall be deemed accepted, and Authorized Purchaser will notify Contractor in writing. Nothing contained in this Section 4 or any other provision of this Contract shall be deemed to prevent Authorized Purchaser from using any portion of the Subscription Services in a live environment for productive processing, and any such use shall not alter, amend or modify any of Contractor's obligations pursuant to the Contract.

5. Period of Performance.

The period of performance of this Contract shall commence on the Contract Effective Date and shall continue for a period of ________ months plus the interim period between the effective date and the date of acceptance (the "Initial Period"). Thereafter, Authorized Purchaser may renew this Contract twice for additional periods (each a "Renewal Period"), subject to the terms of the Agreement.

Authorized Purchaser may terminate this Contract by providing Contractor with a notice of termination sixty (60) days prior to the termination date.

6. Consulting, Implementation, Training and/or Support Services.

Contractor shall provide the consulting, implementation, training and/or support services related to the Subscription Services as set forth in Section 2.

7. Security Procedures.

Contractor shall define certain policies and procedures that it shall have in place in order to provide the level of security associated with the Subscription Services and with the Service Levels set forth in Section 11. These policies and procedures shall be updated by Contractor from time to time to reflect emerging technologies, business practices and Internet-related issues. Contractor shall attach a copy of these policies and procedures to this Contract as Attachment 1. Contractor shall provide written notice to Authorized Purchaser of any changes made to its security polices and procedures within ten (10) days of such changes, and Attachment 1 shall be updated accordingly.

8. Desktop Specifications.

Contractor warrants that the minimum technical requirements for access to and operation of the Software are: __________________. If future releases of the Software require use of newer versions of these web browsers, Contractor will provide a minimum of one hundred and eighty (180) days' written notice to Authorized Purchaser prior to the general release of that Software version.

Additional technical requirements for complete operation of all functionality of the Software include: _______________.

9. Transition.

Contractor shall provide a transition plan that is approved by Authorized Purchaser. Subscription Services shall be transitioned and in production, as accepted by Authorized Purchaser, within __________ calendar days from the Schedule Effective Date.

10. Transition Remedy.

In the event that Contractor fails to meet the date for the completion of the transition into production of the Subscription Services, Contractor shall credit Authorized Purchaser one percent (1%) of the monthly Service fees for every business day the transition is late. If Contractor misses the target date by more than thirty days (30) days, Contractor shall be deemed to be in material breach of the Agreement.

If Authorized Purchaser does not meet its obligations as identified in the transition plan provided by Contractor and Authorized Purchaser is the sole cause of a delay in the project, the transition milestone target dates shall be extended for the same amount of time as the delay. Contractor shall promptly notify the Authorized Purchaser Program Manager, in writing, of any delay in the project schedule as a result of Authorized Purchaser's failure to meet any of its obligations identified above. If Contractor fails to notify Authorized Purchaser of any such Authorized Purchaser failure to meet its obligations, Authorized Purchaser shall be conclusively presumed under the Contract to have met its obligations, and consequently, Contractor shall not be entitled to rely on such delay to excuse it from meeting the milestone target dates.

11. Service Levels and Remedies.

11.1 Security Service Level.

The required security processes may include, but are not limited to, the following:

(i) Contractor shall have staff on duty and at its site 24x7 and capable of identifying, categorizing, and responding to a security incident.

(ii) Contractor shall notify Authorized Purchaser of any new potential security vulnerability within four (4) hours of discovery. This notification shall include the probable risks associated with the vulnerability.

(iii) Contractor shall implement a security fix across the application within four (4) hours of approval from Authorized Purchaser.

(iv) Contractor shall notify the Authorized Purchaser Program Manager within fifteen (15) minutes if Contractor believes that an attack is in process.

(v) Contractor shall shut down ALL access to the Software or any component of it associated with the Subscription Services within fifteen (15) minutes upon request of the Authorized Purchaser Program Manager or officer of Authorized Purchaser.

(vi) Contractor shall assist Authorized Purchaser in preparing written responses to audit requirements or findings without charge.

(vii) Contractor represents and warrants that it has successfully passed a SAS 70 Type II Audit within the past twelve (12) months and shall provide the documented audit results to Authorized Purchaser no later than fifteen (15) days after execution of this Contract.

(viii) Contractor must conduct and pass a SAS 70 Type II Audit every twelve (12) months during the term of this Contract. Failure by Contractor to pass the audit or to provide the audit results to Authorized Purchaser within fifteen (15) days after receiving the results from the auditor shall constitute a material breach of the Agreement.

11.2 <u>System Response Time Service Level</u>.

Contractor represents and warrants that ninety-five percent (95%) of all transactions shall process at no more than one (1) second; no single transaction shall take longer than five (5) seconds to process. Authorized Purchaser retains the option of using a third party service to validate the performance of Contractor's response times.

If Contractor's system response times fall below the warranted level for two (2) or more consecutive weeks, Authorized Purchaser shall receive service credits in the amount of twenty five percent (25 %) of the Subscription Services fees for that month. If Contractor's system response times fall below the warranted level for six (6) out of eight (8) consecutive weeks, Contractor shall be considered to be in default, and Authorized Purchaser may terminate the Agreement without penalty.

Contractor represents and warrants that the above performance Service Levels shall be valid with up to 100,000 Users using the application at any given time.

11.3 Subscription Services Availability Service Level.

Contractor agrees that the Subscription Services shall be available to Authorized Purchaser at least 99.7% of the time each calendar month, measured on a 7 x 24 basis (7 days a week, 24 hours per day).

If the Subscription Services availability percentage falls below 99.7% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table below.

Availability Percentage	Percentage of Credit
99.60% to 99.69%	10%
99.50% to 99.59%	20%
99.0% to 99.49%	30%
97.0% to 98.99%	50%
Below 97.00%	75%

11.4 Performance and Availability Scalability.

Contractor represents and warrants that the performance and availability Service Levels shall be valid and applicable with a concurrent User increase of up to _______ Users.

11.5 Notifications to Authorized Purchaser.

Contractor shall provide proactive notifications to Authorized Purchaser regarding scheduled system-maintenance downtime and system upgrades and enhancements. Contractor shall provide Authorized Purchaser with at least seven (7) calendar days' prior written notice of any scheduled outages; such notices shall include the date of the outage and the start and stop times of the outage.

11.6 Additional Environment.

Contractor will provide an additional environment at no additional charge for Authorized Purchaser's testing and/or training purposes, without limitation. Authorized Purchaser agrees not to use the additional environment for production purposes.

11.7 Support and Error Resolution.

Contractor shall establish and maintain the organization and processes necessary to provide support and error-resolution services to Authorized Purchaser. Contractor shall provide support and error-resolution services on a twenty-four (24) hours a day, seven (7) days a week basis via telephone from 8:00 a.m. to 6:00 p.m. in all time zones , with ninety-eight percent (98%) of calls picked up within two (2) rings, and pager service in all other hours, with a call back within five (5) minutes.

Upon receipt of telephone or written notice from the Authorized Purchaser specifying a problem, and upon receipt of such additional information as Contractor may request, Contractor shall respond as described below to resolve reported and reproducible errors in the Subscription Services or SaaS Software, so that the application operates as specified in this Contract. Contractor shall determine the priority level in accordance with the following protocols:

(i) SEVERITY 1 – CRITICAL BUSINESS IMPACT. The production use of the Subscription Services is stopped or so severely impacted that the Authorized Purchaser cannot reasonably continue work; requires round-the-clock attention until the problem is resolved (a "Severity 1 Error").

a. Contractor shall begin work on the error within fifteen (15) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(ii) SEVERITY 2 – SIGNIFICANT BUSINESS IMPACT. A high-impact problem is affecting Service Levels and/or materially impacting Authorized Purchaser's use of the Subscription Services. Problem resolution shall be initiated within sixty (60) minutes, and the resolution of these problems requires serious and sustained attention during normal business hours (8:00 am to 5:00 pm, Pacific time, Monday through Friday, exclusive of State holidays) until the problems are circumvented or corrected (a "Severity 2 Error").

a. Contractor shall begin work on the error within sixty (60) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(iii) SEVERITY 3 – SOME BUSINESS IMPACT. This includes problems of general work-queue type and that do not come within the definitions of Severity 1 Error or Severity 2 Error. These problems shall be addressed after Severity 1 Errors and Severity 2 Errors have been corrected and may be pursued during normal business hours on a resources-available basis (a "Severity 3 Error").

a. Contractor shall begin work on the error within one (1) day of notification; and

b. Contractor shall engage development staff to provide a workaround and to resolve the problem as soon as possible after notification by Authorized Purchaser.

(iv) SEVERITY 4 – MINIMUM BUSINESS IMPACT. Authorized Purchaser requests information, an enhancement, or documentation clarification regarding the Subscription Services or SaaS Software but there is no impact on the operation of the Subscription Services or SaaS Software. The implementation or production use of the Subscription Services or SaaS Software is continuing and there is no work being impeded at the time (a "Severity 4 Error").

a. Contractor shall provide a response regarding the requested information or documentation clarification within two (2) days of notification by Authorized Purchaser; and

b. Contractor shall consider enhancements for inclusion in a subsequent update to the Subscription Services, SaaS Software or Documentation.

12. Termination and Transition Assistance.

If this Contract is terminated, the procedure shall be charted as follows:

Date of Termination	Amount(s) due and owing as of this date	Termination Assistance begins/ends on _____

BY EXECUTING THIS CONTRACT, THE PARTIES AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

AUTHORIZED PURCHASER	CONTRACTOR
By:___________________________	By:___________________________
Name:_________________________	Name:_________________________
Title:__________________________	Title:__________________________
Date:__________________________	Date:__________________________

EXHIBIT E

NON-SUBSCRIPTION SERVICES CONTRACT

This Non-Subscription Services Contract Number ___ ("Contract") is effective _________________ ("Contract Effective Date") between ___________________ ("Contractor") and ______________________________ ("Authorized Purchaser").

THIS CONTRACT IS ENTERED INTO PURSUANT TO AGREEMENT # 0486 AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN. THE TERMS AND CONDITIONS OF THE AGREEMENT APPLY TO THIS CONTRACT AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING TERMS AND CONDITIONS, EXPRESS OR IMPLIED.

This Contract addresses the specific terms and conditions relating to the Non-subscription Services to be provided by Contractor:

1. Services to be performed:

   1.1. Description of Non-subscription Services – *All services in addition to those listed in Exhibit B section b « Standard Services ».*

   1.2. Contractor's Responsibilities and Tasks

   1.3. Transition Process, Timeline and Milestones

   1.4. Deliverables and Due Dates

   1.5. Acceptance Specifications

   1.6. Service Levels - Set forth any Service Levels applicable to the Non-subscription Services

   1.7. Duration of Project or Ongoing Services

2. Term of the Contract:

3. Sites to be Supported:

4. Pricing: Specify pricing for all Non-subscription Services incorporating all pricing options as appropriate.

5. Reports to be Provided:

6. Invoicing Requirements:

7. Authorized Purchaser Responsibilities:

8. Other Specifications:

9. Project Managers: - All contact persons

Authorized Purchaser Project Manager	Contractor Project Manager
Name:	Name:
Phone Number:	Phone Number:
E-mail:	E-mail:
Address:	Address:

BY EXECUTING THIS CONTRACT, THE PARTIES AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

CONTRACTOR	AUTHORIZED PURCHASER
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________
Date:_____________________________	Date:_____________________________

EXHIBIT F

VCAF REPORT

EXHIBIT G

CONTRACTOR DATA AND TAX CERTIFICATION

Certification: The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury: (a) the number shown on this form is Contractor's correct taxpayer identification; (b) Contractor is not subject to backup withholding because (i) Contractor is exempt from backup withholding, (ii) Contractor has not been notified by the IRS that Contractor is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified Contractor that Contractor is no longer subject to backup withholding; (c) s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws, including, without limitation, those tax laws listed in ORS 305.380(4), namely ORS Chapters 118, 314, 316, 317, 318, 320, 321 and 323 and Sections 10 to 20, Chapter 533, Oregon Laws 1981, as amended by Chapter 16, Oregon Laws 1982 (first special session); the elderly rental assistance program under ORS 310.630 to 310.706; and any local taxes administered by the Oregon Department of Revenue under ORS 305.620; (d) Contractor is an independent contractor as defined in ORS 670.600; and (e) the supplied Contractor data is true and accurate.

Federal Tax Number ______________________

Oregon Tax Number ______________________

Contractor Signature_______________________ Date_____________

EXHIBIT H

CERTIFICATION STATEMENT FOR INDEPENDENT CONTRACTOR

(Contractor completes if Contractor is not a corporation or is a professional corporation.)

Contractor certifies he/she meets the following standards:

1. I am registered under ORS chapter 701 to provide labor or services for which such registration is required.

2. I have filed federal and state income tax returns in the name of my business or a business Schedule C as part of the personal income tax return, for the previous year, or expect to file federal and state income tax returns, for labor or services performed as an independent contractor in the previous year.

3. I will furnish the tools or equipment necessary for the contracted labor or services.

4. I have the authority to hire and fire employees who perform the labor or services.

5. I represent to the public that the labor or services are to be provided by my independently established business as four (4) or more of the following circumstances exist. (Please check four or more of the following:)

A. The labor or services are primarily carried out at a location that is separate from my residence or is primarily carried out in a specific portion of my residence, which is set aside as the location of the business.
B. Commercial advertising or business cards are purchased for the business, or I have a trade association membership.
C. Telephone listing is used for the business that is separate from the personal residence listing.
D. Labor or services are performed only pursuant to written contracts.
E. Labor or services are performed for two or more different persons within a period of one year.
F. I assume financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be provided.

Contractor Signature ________________________________Date____________________

EXHIBIT I

REQUEST FOR PROPOSAL
RFP #102-1752-10

EXHIBIT J

CONTRACTOR'S PROPOSAL

[Include price proposal]

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

BARRY PACK
DEPUTY SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

255 Capitol Street NE, Suite 180
Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

AMENDMENT #1 TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486

This is Amendment No. 1 to Master Software as a Service Agreement #0486 dated December 8, 2010 (the "Agreement") between the STATE OF OREGON, acting by and through the Office of the Secretary of State ("the Secretary" or "SOS") and Chaves Consulting, Inc. (the "Contractor"). This Amendment is effective upon the date it is fully executed and approved in accordance with applicable law.

The Agreement is amended as follows (deleted language has a strike through and new language is in bold print and underlined).

AMENDMENT

1. The last sentence of Section 2 is amended as follows:

   Any conflict among the provisions of the Agreement shall be resolved according to the following descending order of precedence: (a) the terms and conditions of this Agreement, less its Exhibits; (b) Exhibit I; (c) Exhibit A; ~~(c)~~ **<u>(d)</u>** Exhibit B; ~~(d)~~ **<u>(e)</u>** the contract; ~~(e)~~ **<u>(f)</u>** Exhibits C, F, G, H, and J.

2. The third sentence of Section 5.4 of Exhibit A is amended as follows:

   Nothing in the agreement is to be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other law regulating liabilities or monetary obligations of the State of Oregon **<u>or Authorized Purchasers that are not contracting agencies of the State of Oregon.</u>**

3. The second sentence of Section 6.6 of Exhibit A is amended as follows:

   Except as expressly set forth in the Contract or Agreement, **<u>nothing</u>** shall be construed as granting to or conferring upon Authorized Purchaser any right, title, or interest in any Contractor Intellectual Property that is now owned or subsequently owned by Contractor.

4. The first sentence of Section 7.2 of Exhibit A is amended as follows:

   Contractor agrees to hold Confidential Information in strict confidence, using at least the same degree of care that the Contractor uses in maintaining the confidentiality of its own confidential information **<u>and in no event less than a reasonable degree of care,</u>** and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties, or use Confidential Information for any purposes whatsoever other than the provision of Services to Authorized Purchaser hereunder, and to advise each of its employees and subcontractors of their obligations to keep Confidential Information confidential.

5. The third sentence of Section 7.3 of Exhibit A is replaced with the following:

   ~~Therefore prior to the receipt of, and during the period in which Contractor has possession of or access to, any Personal Information,~~ **<u>By the end of the Pilot Period, and in no event more than 12 months from the commencement of Services as defined in Exhibit A, Section 2, Contractor shall finalize</u>** a formal written information security program that provides safeguards to protect Personal Information form loss, theft, and disclosure to unauthorized persons, as required by Oregon Consumer Identity Theft Protection Act, ORS 646A.600-646A.628.

6. The last sentence of Section 9.3 of Exhibit A is amended as follows:

   The State of Oregon **or an Authorized Purchaser that is not a contracting agency of the State of Oregon (collectively "Indemnified Party")** may at its election and expense, assume its own defense and settlement in the event that the ~~State of Oregon~~ **Indemnified Party** determines that Contractor is prohibited from defending the ~~State of Oregon~~ **Indemnified Party** is not adequately defending the ~~State of Oregon's~~ **Indemnified Party's** interests, or that an important governmental principle is at issue and the ~~State of Oregon~~ **Indemnified Party** desires to assume its own defense.

7. Section 16.8 of Exhibit A is amended as follows:

   All rights and obligations shall cease upon termination or expiration of the Contract except for the rights and obligations and declarations set forth in Articles V, VI, VII, IX, XII, XIV, and XVI, and Sections 5, 6,7, 8,9,11,13.3, 15, 16.3,16.4, 16.6, 16.8, 16.17, 16.18 , and ~~16.20~~**16.19.**

8. The first sentence of Section f of Exhibit B is replaced with the following:

   Service availability shall be a minimum of ~~99.99%~~ **99.7%** measured on a monthly basis. **Correspondingly, the "99.99%" performance measure in the box under "Performance (Monthly)" is replaced with "99.7%".**

9. The following sentence is added between the second and third sentences of Section f of Exhibit B:

   Record retrieval delivery time shall be measured at the server end between the ORMS workgroup server and database at Synergy Data Center.

Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury that s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws including without limitation a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323;, and the elderly rental assistance program under ORS 310.630 to 310.706; and any other local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR

By: [signature]

President
Title

03/14/2012
Date

SECRETARY OF STATE

By: [signature]

State Archivist
Title

4/2/12
Date

APPROVED AS TO LEGAL SUFFICIENCY:

As per Email dated 3/02/12
Assistant Attorney General Date

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

BARRY PACK
DEPUTY SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

255 Capitol Street NE, Suite 180
Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

AMENDMENT #2 TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486

1. This agreement between the STATE OF OREGON, acting by and through the Office of the Secretary of State, ("the Secretary" or "SOS"), and Chaves Consulting, Inc. ("Contractor"), is an amendment to the Service Agreement between the Secretary and the Contractor numbered #0486 and entered into on December 8, 2010 (the "Contract").

2. This is amendment #2 to the above referenced Service Agreement (Deleted language has a strike through and the new language is in bold print and underlined).

3. Section 6. Compensation. Contractor shall be compensated for completing Services based on the rates set forth in Exhibit B **<u>for Subscription Services.</u>** The assessment of VCAF is in addition to, and not part of, the prices for Services set forth in the Contract.

4. Paragraph 4 on Page 6 of Exhibit J, Contractor's Proposal. The next table in this narrative deals with the Additional Services. It includes the RFP suggested Additional Services as well as other Additional Services that may be requested.

Description of Additional Services	~~Cost of Explanation~~
Additional Application Integration	~~$150.00 per hour~~
Additional Project Management	~~$150.00 per hour~~
Additional User Training	~~$100.00 per hour~~
Additional Help Desk Services	~~$60.00 per hour~~
Additional Data Migration Services	~~$100.00 per hour~~

Should an agency request any of the Additional Services listed in the above table, CCI will negotiate an estimated number of hours prior to the provision of services at the ~~hourly rates stated above~~ **<u>negotiated hourly rate agreed upon by both the Contractor and the agency</u>**. This will help simplify budgeting of Additional Services by agencies.

5. Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury that s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws including without limitation a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323;, and the elderly rental assistance program under ORS 310.630 to 310.706; and any other local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR(S)

By: Richard T. [signature]

PRESIDENT

Title

07/17/2012

Date

STATE OF OREGON by and through
the OFFICE OF THE SECRETRY OF STATE

By: [signature]

Title State Archivist

7/23/12

Date

ORIGINAL

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

BRIAN SHIPLEY
DEPUTY SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

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Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

AMENDMENT #3 TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486

This is Amendment No. 3 to Master Software as a Service Agreement #0486 dated December 8, 2010 (the "Agreement") between the STATE OF OREGON, acting by and through the Office of the Secretary of State ("the Secretary" or "SOS") and Chaves Consulting, Inc. (the "Contractor"). This Amendment is effective upon the date it is fully executed and approved in accordance with applicable law.

The Agreement is amended as follows:

Exhibit D, Subscription Services Contract is replaced in its entirety with the attached Exhibit D.

Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury that s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws including without limitation a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323;, and the elderly rental assistance program under ORS 310.630 to 310.706; and any other local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR

By: [signature]

President
Title

4/12/13
Date

STATE OF OREGON by and through the OFFICE OF THE SECRETARY OF STATE

By: [signature]

State Archivist
Title

4/16/13
Date

APPROVED AS TO LEGAL SUFFICIENCY:

By email dated 4/10/13
Assistant Attorney General Date

EXHIBIT D
SUBSCRIPTION SERVICES CONTRACT

This Subscription Services Contract Number ORMS – 0___ (“Contract”) is effective ____________, _____, 201_ (“Contract Effective Date”) between Chaves Consulting, Inc. (“Contractor”) and **[Agency]** (“Authorized Purchaser”).

THIS CONTRACT IS ENTERED INTO PURSUANT TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486 (the “MSA”) AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN. THE TERMS AND CONDITIONS OF THE MSA APPLY TO THIS CONTRACT AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING TERMS AND CONDITIONS, EXPRESS OR IMPLIED. A COPY OF THE MSA IS ATTACHED TO AND INCORPORATED HEREIN AS ATTACHMENT 1.

Authorized Purchaser Contact information:

Agency: ______________________________

Contact Name: ______________________________

Address: ______________________________

____

Phone: ______________________________

Email Address: ______________________________

1. Subscription Services

The Contractor will provide to the Authorized Purchaser all required services listed in Exhibit B which includes: access to and use of the HP TRIM application, software and data hosting and storage, and helpdesk support services. The State Archives Division will provide the training for using HP TRIM. The Contractor may provide training to other software integrations.

Services shall be deemed to commence on the date that: (1) the Authorized Purchaser has access either to the ORMS HP TRIM production or quality assurance (QA) environment, to data hosting, storage and helpdesk support; and (2) the Authorized Purchaser’s initial Users have been provided Phase 1 initial implementation training as specified in the ORMS Training Plan.

2. Role of State Archives Division

The State Archives Division will work with Authorized Purchaser in order to set milestones such as the number of initial Users, projected total end users upon full Authorized Purchaser implementation, and due date for full implementation. The milestones agreed upon by the Authorized Purchaser with the assistance of the State Archives Division shall be incorporated as Attachment #2 to this Contract.

The projected full implementation date shall be confirmed in writing by Authorized Purchaser and by representatives of the State Archives Division and Contractor within 5 business days of the kickoff meeting and incorporated in Attachment #2.

Contractor shall, during or before the initial implementation phase, develop and provide to Authorized Purchaser an Acceptance Test Implementation Survey that is reasonably constructed to test the ability of the Subscription Services and associated software applications, as implemented by Contractor, to produce the results and other Deliverables specified in this Contract.

In the event that Authorized Purchaser is not able to meet a specific milestone date, the Authorized Purchaser shall notify both the State Archives Division and Contractor.

The notification must be given in writing before the proposed milestone date stating the reason the date cannot be met and Authorized Purchaser will not be subject to any penalty charges.

3. Subscription Fee and Payment Schedule

Authorized Purchaser shall pay Contractor a monthly fee based on the number of Users for Authorized Purchaser. The rate per User per month is specified in the following table:

Number of Users	Cost per Month per User	Monthly Rebate Per User
2,000	$37.02	$8.76
3,000	$37.02	$8.76
4,000	$29.74	$4.87
5,000	$26.66	$2.92
6,000	$24.06	
7,000	$21.61	
8,000	$19.62	
9,000	$18.81	
10,000	$17.53	
11,000	$16.55	
12,000	$15.71	
13,000	$14.68	
14,000	$14.02	
15,000	$13.55	
16,000	$12.54	
17,000	$11.96	
18,000	$11.44	
19,000	$10.99	
20,000	$10.54	

The initial pricing in this Contract shall remain valid for the period defined in Section 6 of this Contract.

For the purpose of establishing the User cost per month, the number of Users is the cumulative number of users of all Authorized Purchasers that have executed a subscription services contract with Contractor pursuant to the MSA.

Rebates: The first 5,000 Users will begin receiving a rebate (in the form of reduced monthly billings) when the total number of combined Users exceeds 20,000. The number of months that the Authorized Purchasers will receive the rebate will be equal to the number of months that the initial Users paid the higher rate. The amount of the rebate is specified in the table in Section 4 of this Contract.

The initial invoice shall be issued on the 1st day of the month immediately following the Acceptance of Initial Deliverables described in Section 5 of this Contract.

Invoices shall be issued on the 1st day of the month of the current calendar month in which the Subscription Services will be provided. All undisputed, timely and valid invoices are due in full 15 days after receipt by Authorized Purchaser.

Default by Non-Payment: Authorized Purchaser shall not delay payment of monthly User fees based on a dispute or claim relating to Non-Subscription Services.

If Authorized Purchaser fails to pay Contractor any amount pursuant to the terms of the Contract and fails to cure such failure within 45 business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice, Authorized Purchaser shall be in default under Exhibit A, Section 10.2 of the MSA (Attachment 1).

4. Additional Users

During the term of this Contract, Authorized Purchaser may add additional Users at any time. The monthly installment fee will be set according to the table in Section 3 for each additional User commencing on the day the additional Users are specified by Authorized Purchaser.

5. Authorized Purchaser Acceptance

Contractor shall commence the Services and provide Deliverables as set forth in the Contract. Within ten (10) business days after the commencement of Services, Contractor shall provide Authorized Purchaser with an Acceptance of Initial Deliverables Question and Answer Form. The Authorized Purchaser shall complete and return this form to Contractor within ten (10) business days as initial acceptance of Deliverables to date; a non-response shall be deemed as an acceptance of initial Deliverables.

Authorized Purchaser may accept the proposed acceptance test as recommended or modify it as Authorized Purchaser deems reasonable. Contractor shall provide Authorized Purchaser with access to the Subscription Services on or before the commencement date described in Section 1 of this Contract and the implementation schedule agreed to by Authorized Purchaser, the State Archives Division and Contractor. On the transition date, Contractor shall assume responsibility for providing ongoing Subscription Services.

Upon the conclusion of any consecutive forty-five (45) day period of production processing from the transition date as specified in Section 10 of this Contract, when all Service Levels set out the Attachment #2 have been met successfully, the Subscription Services shall be deemed accepted in full. Authorized Purchaser will acknowledge completion of this milestone by written notification to Contractor. Nothing contained in this Section 5 or any other provision of this Contract shall be deemed to prevent Authorized Purchaser from using any portion of the Subscription Services in a live environment for productive processing, and any such use shall not alter, amend or modify any of Contractor's obligations pursuant to the Contract.

6. Period of Performance

The period of performance of this Contract shall commence on the Contract Effective Date and shall continue for a period of 12 months plus the interim period between the effective date and the date of acceptance (the "Initial Period"). Thereafter, unless Authorized Purchaser notifies Contractor in writing, this Contract shall automatically be renewed annually for additional 12-month periods (each a "Renewal Period") up to a maximum total term of ten years.

Authorized Purchaser may terminate this Contract by providing Contractor with a notice of termination sixty (60) days prior to the termination date.

7. Consulting, Implementation, Training and/or Support Services

Contractor shall provide the consulting, implementation, training and/or support services related to the Subscription Services as set forth in Section 5 of the MSA.

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Contractor shall define certain policies and procedures that it shall have in place in order to provide the level of security associated with the Subscription Services and with the Service Levels set forth in Section 12. These policies and procedures shall be updated by Contractor from time to time to reflect updated Department of Administrative Services Security Standards, emerging technologies, business practices and Internet-related issues. Contractor shall provide written notice to Authorized Purchaser of any changes made to its security policies and procedures within ten (10) days of such changes, and updated policies and procedures shall be distributed through ORMS Support (Helpdesk).

9. Specifications and Minimum Technical Requirements

Contractor warrants that the minimum technical requirements for access to and operation of the Software are:

HP TRIM 7.1 Recommended minimum requirements:
HP TRIM *client and thin client (32-bit):*
Operating systems:

- Windows XP Service Pack 3
- Windows Vista SP1 (32-bit) - Windows Vista Home Edition not supported
- Windows 7 (32-bit) - Windows 7 Home Edition not supported

Processor: Business class processor
Memory: 1GB RAM
Disk space: 1GB free space
Display: Graphics device capable of displaying a resolution of 1024x768 or higher

HP TRIM client and thin client (64-bit):
Operating system: Windows 7 (64-bit) - Windows 7 Home Edition not supported
Processor: Business class processor
Memory: 1GB RAM
Disk space: 1GB free space
Display: Graphics device capable of displaying a resolution of 1024x768 or higher

If future releases of the Software require use of newer versions of any client application or change in any client application configuration, Contractor shall provide 15 - 45 days (depending on the kind of change and its impact) written notice to Authorized Purchaser prior to the general release of that Software Version.

By the conclusion of the Initial Period Contractor and the Secretary of State's Office shall implement the ORMS HP TRIM software Change Control Board (CCB). The CCB shall consist of representatives of the Secretary of State's Office, State Archives Division, Contractor and selected representatives of Authorized Purchasers. The CCB shall review recommendations, discuss and agree on the priority, implementation and timing of requested changes to the HP TRIM application.

10. Transition

Contractor and the State Archives Division shall assist in developing a transition plan that is approved by Authorized Purchaser. Subscription Services shall be transitioned and in production, as accepted by Authorized Purchaser, within thirty (30) calendar days from the Schedule Effective Date.

11. Transition Remedy

In the event that Contractor fails to meet the date for the completion of the transition into production of the Subscription Services, Contractor shall credit Authorized Purchaser one percent (1%) of the monthly Service fees for every business day the transition is late. If Contractor misses the target date by more than thirty days (30) days, Contractor shall be deemed to be in material breach of the Agreement.

If Authorized Purchaser does not meet its obligations as identified in the transition plan provided by Contractor and Authorized Purchaser is the sole cause of a delay in the project, the transition milestone target dates shall be extended for the same amount of time as the delay. Contractor shall promptly notify the Authorized Purchaser Program Manager, in writing, of any delay in the project schedule as a result of Authorized Purchaser's failure to meet any of its obligations identified above. If Contractor fails to notify Authorized Purchaser of any such Authorized Purchaser failure to meet its obligations, Authorized Purchaser shall be conclusively presumed under the Contract to have met its obligations, and consequently, Contractor shall not be entitled to rely on such delay to excuse it from meeting the milestone target dates.

12. Service Levels and Remedies

12.1 Security Service Level.

Contractor represents and warrants that Contractor shall provide Record Security as specified in Exhibit B, Section e. of the MSA.

The required security processes may include, but are not limited to, the following:

(i) Contractor shall have staff on duty and at its site 24x7 and capable of identifying, categorizing, and responding to a security incident.

(ii) Contractor shall notify Authorized Purchaser of any new potential security vulnerability within four (4) hours of discovery. This notification shall include the probable risks associated with the vulnerability.

(iii) Contractor shall implement a security fix across the application within four (4) hours of approval from Authorized Purchaser.

(iv) Contractor shall notify the Authorized Purchaser Program Manager within fifteen (15) minutes if Contractor believes that an attack is in process.

(v) Contractor shall shut down ALL access to the Software or any component of it associated with the Subscription Services within fifteen (15) minutes upon request of the Authorized Purchaser Program Manager or officer of Authorized Purchaser.

(vi) Contractor shall assist Authorized Purchaser in preparing written responses to audit requirements or findings without charge.

(vii) After the conclusion of the pilot period, Contractor must conduct and pass a SAS 70 Type II Audit every twelve (12) months during the term of this Contract. Failure by Contractor to pass the audit or to provide the audit results to Authorized Purchaser within fifteen (15) days after receiving the results from the auditor shall constitute a material breach of the MSA.

12.2 Record Retrieval Time Service Level.

Contractor represents and warrants that Contractor shall provide Record Retrieval Delivery Time Levels in the HP TRIM server environment as set forth in Exhibit B, Section f. of the MSA, as amended. Record retrieval delivery time shall be measured at the server end between the ORMS workgroup server and database at Synergy Data Center, as described in Amendment #001 to the Master Agreement #0486 at Section 9.

Contractor represents and warrants that the above performance Service Levels shall be valid with up to 20,000 Users using the application at any given time.

If the Record Retrieval Delivery Time Level of 3 minutes or less falls below 95% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table in Exhibit B, Section f. of the MSA, as amended.

12.3 Subscription Services Availability Service Level.

Contractor represents and warrants that the Subscription Services shall be available as specified in Exhibit B, Section f. of the MSA, as amended.

Service Availability shall be measured on a 7 x 24 basis (7 days a week, 24 hours per day).

If the Subscription Services availability percentage falls below 99.7% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table below that represents the then-current cumulative number of all Authorized Purchaser Users.

A. Scale based on 20,000 users or more.

Availability Percentage	Percentage of Credit
99.60% to 99.69%	10%
99.50% to 99.59%	20%

99.0% to 99.49%	30%
97.0% to 98.99%	50%
Below 97.00%	75%

B. Scale based on 19,999 users or less.

Availability Percentage	Percentage of Credit
99.00% to 99.69%	10%
98.50% to 98.99%	20%
98.00% to 98.49%	30%
97.00% to 97.99%	50%
Below 97.0%	75%

12.4 Performance and Availability Scalability.

Contractor represents and warrants that the performance and availability Service Levels in Sections 12.2 and 12.3 above shall be valid and applicable with a concurrent User increase of up to 20,000 Users.

12.5 Notifications to Authorized Purchaser.

Contractor shall provide proactive notifications to Authorized Purchaser regarding scheduled system-maintenance downtime and system upgrades and enhancements. Contractor shall provide Authorized Purchaser with at least seven (7) calendar days' prior written notice of any scheduled outages; such notices shall include the date of the outage and the start and stop times of the outage.

Scheduled upgrades and enhancements shall be provided between the hours of 8:00 p.m. and 6:00 a.m. Monday through Friday, or during weekends and/or Federal holidays, with the exception of emergency security patches.

12.6 Additional Environment.

Contractor will provide an additional environment at no additional charge for Authorized Purchaser's testing and/or training purposes, without limitation. Authorized Purchaser agrees not to use the additional environment for production purposes.

12.7 Support and Error Resolution.

Contractor shall establish and maintain the organization and processes necessary to provide support and error-resolution services to Authorized Purchaser. Contractor shall provide support and error-resolution services on a twenty-four (24) hours a day, seven (7) days a week basis. Authorized Purchaser's HP TRIM Users shall contact the ORMS Support Desk, which shall be staffed by on-site, on-duty Support staff during regular business hours from 7:00 a.m. to 5:00 p.m. Monday through Friday, excluding weekends and Federal holidays. Outside of regular business hours, Users may call the ORMS Support Desk and leave a message for on-call staff, who shall respond according to the priority levels specified in this Section.

Upon receipt of telephone or written notice from the Authorized Purchaser specifying a problem, and upon receipt of such additional information as Contractor may request, Contractor shall respond as described below to resolve reported and reproducible errors in the Subscription Services or SaaS Software, so that the application operates as specified in this Contract. Contractor shall determine the priority level in accordance with the following protocols:

(i) SEVERITY 1 – CRITICAL BUSINESS IMPACT. The production use of the Subscription Services is stopped or so severely impacted that the Authorized Purchaser cannot reasonably continue work; requires round-the-clock attention until the problem is resolved (a "Severity 1 Error").

a. Contractor shall begin work on the error within fifteen (15) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(ii) SEVERITY 2 – SIGNIFICANT BUSINESS IMPACT. A high-impact problem is affecting Service Levels and/or materially impacting Authorized Purchaser's use of the Subscription Services. Problem resolution shall be initiated within sixty (60) minutes, and the resolution of these problems requires serious and sustained attention during normal business hours (8:00 am to 5:00 pm, Pacific time, Monday through Friday, exclusive of State holidays) until the problems are circumvented or corrected (a "Severity 2 Error").

a. Contractor shall begin work on the error within sixty (60) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(iii) SEVERITY 3 – SOME BUSINESS IMPACT. This includes problems of general work-queue type and that do not come within the definitions of Severity 1 Error or Severity 2 Error. These problems shall be addressed after Severity 1 Errors and Severity 2 Errors have been corrected and may be pursued during normal business hours on a resources-available basis (a "Severity 3 Error").

a. Contractor shall begin work on the error within one (1) day of notification; and

b. Contractor shall engage development staff to provide a workaround and to resolve the problem as soon as possible after notification by Authorized Purchaser.

(iv) SEVERITY 4 – MINIMUM BUSINESS IMPACT. Authorized Purchaser requests information, an enhancement, or documentation clarification regarding the Subscription Services or SaaS Software but there is no impact on the operation of the Subscription Services or SaaS Software. The implementation or production use of the Subscription Services or SaaS Software is continuing and there is no work being impeded at the time (a "Severity 4 Error").

a. Contractor shall provide a response regarding the requested information or documentation clarification within two (2) days of notification by Authorized Purchaser; and

b. Contractor shall consider enhancements for inclusion in a subsequent update to the Subscription Services, SaaS Software or Documentation.

13. Termination and Transition Assistance

Authorized Purchaser may terminate this Contract as provided in Exhibit A, Section 12, of the MSA.

Contractor may terminate this Contract as provided in Exhibit A, Section 12.3, of the MSA.

BY EXECUTING THIS CONTRACT, THE PARTIES AGREE TO BE BOUND BY ITS

TERMS AND CONDITIONS.

AUTHORIZED PURCHASER	CONTRACTOR
By:____________________________	By:____________________________
Name: ________________________	Name: Richard T. Chaves
Title:__________________________	Title: President, Chaves Consulting
Date:__________________________	Date: ________________________

[The remainder of this page is intentionally left blank.]

ATTACHMENT 1

MASTER SOFTWARE AS A SERVICE AGREEMENT

Adobe Acrobat
Document

Click on Icon to open PDF copy of Agreement

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

BRIAN SHIPLEY
DEPUTY SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

255 Capitol Street NE, Suite 180
Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

AMENDMENT #4 TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486

This is Amendment No. 4 to Master Software as a Service Agreement #0486 dated December 8, 2010 (the "Agreement") between the STATE OF OREGON, acting by and through the Office of the Secretary of State ("the Secretary" or "SOS") and Chaves Consulting, Inc. (the "Contractor"). This Amendment is effective upon the date it is fully executed and approved in accordance with applicable law.

The Agreement is amended as follows:

Exhibit D, Subscription Services Contract Section 3 Subscription Fee and Payment Schedule, paragraph 4,

Rebates: The first 5,000 Users will begin receiving a rebate (in the form of reduced monthly billings) when the total number of combined Users exceeds 20,000. The number of months that the Authorized Purchasers will receive the rebate will be equal to the number of months that the initial Users paid the higher rate. The amount of the rebate is specified in the table in Section **3** of this Contract.

Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury that s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws including without limitation a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323;, and the elderly rental assistance program under ORS 310.630 to 310.706; and any other local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR

By: [signature]

President
Title

May 14, 2013
Date

STATE OF OREGON by and through the OFFICE OF THE SECRETARY OF STATE

By: [signature]

STATE ARCHIVIST
Title

6/3/13
Date

EXHIBIT D
SUBSCRIPTION SERVICES CONTRACT

This Subscription Services Contract Number ORMS – 0___ ("Contract") is effective June ___, 2013 ("Contract Effective Date") between Chaves Consulting, Inc. ("Contractor") and **[Agency]** ("Authorized Purchaser").

THIS CONTRACT IS ENTERED INTO PURSUANT TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486 (the "MSA") AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN. THE TERMS AND CONDITIONS OF THE MSA APPLY TO THIS CONTRACT AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING TERMS AND CONDITIONS, EXPRESS OR IMPLIED. A COPY OF THE MSA IS ATTACHED TO AND INCORPORATED HEREIN AS ATTACHMENT 1.

Authorized Purchaser Contact information:

Agency: ______________________________

Contact Name: ______________________________

Address: ______________________________

____

Phone: ______________________________

Email Address: ______________________________

Invoices shall be sent to:

Agency: ______________________________

Contact Name: ______________________________

Address: ______________________________

____

Phone: ______________________________

Email Address: ______________________________

1. Subscription Services

The Contractor will provide to the Authorized Purchaser all required services listed in Exhibit B which includes: access to and use of the HP TRIM application, software and data hosting and storage, and helpdesk support services. The State Archives Division will provide the training for using HP TRIM. The Contractor may provide training to other software integrations.

Services shall be deemed to commence on the date that: (1) the Authorized Purchaser has access either to the ORMS HP TRIM production or quality assurance (QA) environment, to data hosting, storage and helpdesk support; and (2) the Authorized Purchaser's initial Users have been provided Phase 1 initial implementation training as specified in the ORMS Training Plan.

2. Role of State Archives Division

The State Archives Division will work with Authorized Purchaser in order to set milestones such as the number of initial Users, projected total end users upon full Authorized Purchaser implementation, and due date for full implementation. The milestones agreed upon by the Authorized Purchaser with the assistance of the State Archives Division shall be incorporated as Attachment #2 to this Contract.

The projected full implementation date shall be confirmed in writing by Authorized Purchaser and by representatives of the State Archives Division and Contractor within 5 business days of the kickoff meeting and incorporated in Attachment #2.

Contractor shall, during or before the initial implementation phase, develop and provide to Authorized Purchaser an Acceptance Test Implementation Survey that is reasonably constructed to test the ability of the Subscription Services and associated software applications, as implemented by Contractor, to produce the results and other Deliverables specified in this Contract.

In the event that Authorized Purchaser is not able to meet a specific milestone date, the Authorized Purchaser shall notify both the State Archives Division and Contractor.

The notification must be given in writing before the proposed milestone date stating the reason the date cannot be met and Authorized Purchaser will not be subject to any penalty charges.

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Memory: 1GB RAM
Disk space: 1GB free space
Display: Graphics device capable of displaying a resolution of 1024x768 or higher

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12. Service Levels and Remedies

12.1 Security Service Level.

Contractor represents and warrants that Contractor shall provide Record Security as specified in Exhibit B, Section e. of the MSA.

The required security processes may include, but are not limited to, the following:

(i) Contractor shall have staff on duty and at its site 24x7 and capable of identifying, categorizing, and responding to a security incident.

(ii) Contractor shall notify Authorized Purchaser of any new potential security vulnerability within four (4) hours of discovery. This notification shall include the probable risks associated with the vulnerability.

(iii) Contractor shall implement a security fix across the application within four (4) hours of approval from Authorized Purchaser.

(iv) Contractor shall notify the Authorized Purchaser Program Manager within fifteen (15) minutes if Contractor believes that an attack is in process.

(v) Contractor shall shut down ALL access to the Software or any component of it associated with the Subscription Services within fifteen (15) minutes upon request of the Authorized Purchaser Program Manager or officer of Authorized Purchaser.

(vi) Contractor shall assist Authorized Purchaser in preparing written responses to audit requirements or findings without charge.

(vii) After the conclusion of the pilot period, Contractor must conduct and pass a SAS 70 Type II Audit every twelve (12) months during the term of this Contract. Failure by Contractor to pass the audit or to provide the audit results to Authorized Purchaser within fifteen (15) days after receiving the results from the auditor shall constitute a material breach of the MSA.

12.2 Record Retrieval Time Service Level.

Contractor represents and warrants that Contractor shall provide Record Retrieval Delivery Time Levels in the HP TRIM server environment as set forth in Exhibit B, Section f. of the MSA, as amended. Record retrieval delivery time shall be measured at the server end between the ORMS workgroup server and database at Synergy Data Center, as described in Amendment #001 to the Master Agreement #0486 at Section 9.

Contractor represents and warrants that the above performance Service Levels shall be valid with up to 20,000 Users using the application at any given time.

If the Record Retrieval Delivery Time Level of 3 minutes or less falls below 95% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table in Exhibit B, Section f. of the MSA, as amended.

12.3 Subscription Services Availability Service Level.

Contractor represents and warrants that the Subscription Services shall be available as specified in Exhibit B, Section f. of the MSA, as amended.

Service Availability shall be measured on a 7 x 24 basis (7 days a week, 24 hours per day).

If the Subscription Services availability percentage falls below 99.7% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table below that represents the then-current cumulative number of all Authorized Purchaser Users.

A. Scale based on 20,000 users or more.

Availability Percentage	Percentage of Credit
99.60% to 99.69%	10%
99.50% to 99.59%	20%
99.0% to 99.49%	30%
97.0% to 98.99%	50%
Below 97.00%	75%

B. Scale based on 19,999 users or less.

Availability Percentage	Percentage of Credit
99.00% to 99.69%	10%
98.50% to 98.99%	20%
98.00% to 98.49%	30%
97.00% to 97.99%	50%
Below 97.0%	75%

12.4 Performance and Availability Scalability.

Contractor represents and warrants that the performance and availability Service Levels in Sections 12.2 and 12.3 above shall be valid and applicable with a concurrent User increase of up to 20,000 Users.

12.5 Notifications to Authorized Purchaser.

Contractor shall provide proactive notifications to Authorized Purchaser regarding scheduled system-maintenance downtime and system upgrades and enhancements. Contractor shall provide Authorized Purchaser with at least seven (7) calendar days' prior written notice of any scheduled outages; such notices shall include the date of the outage and the start and stop times of the outage.

Scheduled upgrades and enhancements shall be provided between the hours of 8:00 p.m. and 6:00 a.m. Monday through Friday, or during weekends and/or Federal holidays, with the exception of emergency security patches.

12.6 Additional Environment.

Contractor will provide an additional environment at no additional charge for Authorized Purchaser's testing and/or training purposes, without limitation. Authorized Purchaser agrees not to use the additional environment for production purposes.

12.7 Support and Error Resolution.

Contractor shall establish and maintain the organization and processes necessary to provide support and error-resolution services to Authorized Purchaser. Contractor shall provide support and error-resolution services on a twenty-four (24) hours a day, seven (7) days a week basis. Authorized Purchaser's HP TRIM Users shall contact the ORMS Support Desk, which shall be staffed by on-site, on-duty Support staff during regular business hours from 7:00 a.m. to 5:00 p.m. Monday through Friday, excluding weekends and Federal holidays. Outside of regular business hours, Users may call the ORMS Support Desk and leave a message for on-call staff, who shall respond according to the priority levels specified in this Section.

Upon receipt of telephone or written notice from the Authorized Purchaser specifying a problem, and upon receipt of such additional information as Contractor may request, Contractor shall respond as described below to resolve reported and reproducible errors in the Subscription Services or SaaS Software, so that the application operates as specified in this Contract. Contractor shall determine the priority level in accordance with the following protocols:

(i) SEVERITY 1 – CRITICAL BUSINESS IMPACT. The production use of the Subscription Services is stopped or so severely impacted that the Authorized Purchaser cannot reasonably continue work; requires round-the-clock attention until the problem is resolved (a "Severity 1 Error").

a. Contractor shall begin work on the error within fifteen (15) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(ii) SEVERITY 2 – SIGNIFICANT BUSINESS IMPACT. A high-impact problem is affecting Service Levels and/or materially impacting Authorized Purchaser's use of the Subscription Services. Problem resolution shall be initiated within sixty (60) minutes, and the resolution of these problems requires serious and sustained attention during normal business hours (8:00 am to 5:00 pm, Pacific time, Monday through Friday, exclusive of State holidays) until the problems are circumvented or corrected (a "Severity 2 Error").

a. Contractor shall begin work on the error within sixty (60) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(iii) SEVERITY 3 – SOME BUSINESS IMPACT. This includes problems of general work-queue type and that do not come within the definitions of Severity 1 Error or Severity 2 Error. These problems shall be addressed after Severity 1 Errors and Severity 2 Errors have been corrected and may be pursued during normal business hours on a resources-available basis (a "Severity 3 Error").

a. Contractor shall begin work on the error within one (1) day of notification; and

b. Contractor shall engage development staff to provide a workaround and to resolve the problem as soon as possible after notification by Authorized Purchaser.

(iv) SEVERITY 4 – MINIMUM BUSINESS IMPACT. Authorized Purchaser requests information, an enhancement, or documentation clarification regarding the Subscription Services or SaaS Software but there is no impact on the operation of the Subscription Services or SaaS Software. The implementation or production use of the Subscription Services or SaaS Software is continuing and there is no work being impeded at the time (a "Severity 4 Error").

a. Contractor shall provide a response regarding the requested information or documentation clarification within two (2) days of notification by Authorized Purchaser; and

b. Contractor shall consider enhancements for inclusion in a subsequent update to the Subscription Services, SaaS Software or Documentation.

13. Termination and Transition Assistance

Authorized Purchaser may terminate this Contract as provided in Exhibit A, Section 12, of the MSA.

Contractor may terminate this Contract as provided in Exhibit A, Section 12.3, of the MSA.

BY EXECUTING THIS CONTRACT, THE PARTIES AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

AUTHORIZED PURCHASER	CONTRACTOR
By:____________________________	By:____________________________
Name: ________________________	Name: Richard T. Chaves_________
Title:__________________________	Title: President, Chaves Consulting_
Date:__________________________	Date: ________________________

[The remainder of this page is intentionally left blank.]

ATTACHMENT 1

MASTER SOFTWARE AS A SERVICE AGREEMENT

Adobe Acrobat
Document

Click on Icon to open PDF copy of Agreement

Attachment # 2

Oregon Records Management Solution

Subscription Services Agreement # (State & CCI numbers)_

Please do *not* fill this form out now.

Welcome aboard ORMS! Please complete this form with the State Archives Division at the agency's kickoff meeting. Setting and achieving implementation goals assists the agency to progress forward to full implementation. **Thanks in advance; timely implementation benefits *all* Authorized Purchasers.**

Monthly per user cost drops as the number of statewide users increases.

Agencies' commitment to progress assists State Archives' to allocate records managers' set up and training time among ORMS agencies. It also helps the Contractor's IT team to allocate technical resources, software licenses, data storage and to enhance services.

Authorized Purchaser Name: ____

Number of Initial Authorized Purchaser Users: _______

MILESTONES

1. Kickoff Meeting with State Archives Division occurred on _________________ at which time this Attachment #2 was completed and signed.

2. Projected Total Number of Users upon Full Implementation: ______

   a. Milestones between Initial Users and Full Implementation, if applicable, as agreed between Authorized Purchaser and State Archives Division:

      i. Onboard ______ users by: _______________[date]

      ii. Onboard ______ users by: _______________[date]

      iii. Onboard ______ users by: _______________ [date]

      iv. Other milestone(s), if any (If *not* applicable, please indicate): ___________

      ____

      ____

      ____

      ____

      ____

      ____

      ____

On behalf of Authorized Purchaser, I understand and agree that Authorized Purchaser shall pay Contractor the monthly fee for the Projected Total Number of Users, or actual number of Users, whichever is greater, beginning on the above Full Implementation date, even if Authorized Purchaser is still completing on-boarding of all projected Users.

AUTHORIZED PURCHASER

By:____________________________

Name:_________________________

Title:___________________________

Date:__________________________

Milestones confirmed by:

OR SOS ARCHIVES DIVISION

By:____________________________

Name:__________________________

Title:____________________________

Date:___________________________

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

255 Capitol Street NE, Suite 180
Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

AMENDMENT #5 TO MASTER SOFTWATE AS A SERVICE AGREEMENT #0486

1. This agreement between the STATE OF OREGON, acting by and through the Office of the Secretary of State, (the "Secretary" or "SOS"), and Chaves Consulting, Inc. (the Contractor), is an amendment to the agreement between the Division and the Contractor numbered 0486 and entered into on December 6, 2010 (the "Contract").

2. This is amendment #5 to the above referenced contract. (Deleted language has a strike through and the new language is in bold print and underlined).

3. **This amendment extends the expiration date to December 31, 2015.**

4. **The following language is added to Exhibit B Schedule of Services and Compensation:**

   Pricing:
   Small agency Implementation Option: If an Authorized Purchaser with fewer than 10 total users wants to participate in the Oregon Records Management Solution (ORMS), upfront costs may apply. Applicable upfront/set up costs to implement Subscription (Standard) Services may be invoiced to the Authorized Purchaser for work including but not limited to: establishing secure connectivity to the ORMS Data Store hosted at Synergy Data Center, setting up user authentication for software and system configuration, training and other services. Upfront billable services will be agreed to by all parties involved prior to the provision of those services.

5. Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury that s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws including without limitation a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323;, and the elderly rental assistance program under ORS 310.630 to 310.706; and any other local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR(S)

By:

President
Title

11/14/13
Date

STATE OF OREGON by and through the OFFICE OF THE SECRETARY OF STATE

By:

State Archives
Title

11/15/13
Date

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

255 Capitol Street NE, Suite 180
Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

AMENDMENT #6 TO PERSONAL MATER SOFTWARE AS A SERVICE AGREEMENT #0486

1. This agreement between the STATE OF OREGON, acting by and through the Office of the Secretary of State, (the "Secretary" or "SOS") and Chaves Consulting, Inc. (Contractor), is an amendment to the agreement between the Division and the Contractor entered into on December 8, 2010 (Contract).

2. This is amendment #6 to the above referenced contract (deleted language has a strike through and the new language is in bold print and underlined):

3. Section 5 Compensation

   5.5 Price Renegotiation. 60 calendar days prior to the expiration of the Initial Term, and then upon each renewal thereafter, either Contractor or the State may request price renegotiation. This price renegotiation will be conducted in good faith between the parties and may result in a price change being offered to the State for continuing Services and Product offerings. If Contractor and the State reach an agreement during the 60 calendar day re-negotiation period, Contractor will adjust its pricing accordingly for the applicable Extension Term and will continue to provide the Services. If the parties are unable to reach an agreement, the Agreement will terminate subject to an Authorized Purchaser's right to transition the Services.

   Exception: If an increase in price is requested by the Contractor, due to increases in third party COTS software and annual maintenance costs increase, prior to the price renegotiation period, it is the sole discretion of the Authorized Purchaser as to whether they shall accept and pay this increase.

4. Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury that s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws including without limitation a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323;, and the elderly rental assistance program under ORS 310.630 to 310.706; and any other local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR(S)

By: [signature]

PRESIDENT, CCI

Title

03/07/2014

Date

STATE OF OREGON by and through
THE OFFICE OF THE SECRETRARY OF
STATE

By: [signature]

State Archivist

Title

3/10/14

Date

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

ROBERT TAYLOR
DEPUTY SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

255 Capitol Street NE, Suite 180
Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

AMENDMENT #7 TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486

This is Amendment No. 7 to Master Software as a Service Agreement #0486 dated December 8, 2010 (the "Agreement") between the STATE OF OREGON, acting by and through the Office of the Secretary of State ("the Secretary" or "SOS") and Chaves Consulting, Inc. (the "Contractor"). This Amendment is effective upon the date it is fully executed and approved in accordance with applicable law.

The Agreement is amended as follows:

Exhibit D, Subscription Services Contract is replaced in its entirety with the attached Exhibit D.

Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury that s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws including without limitation a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323;, and the elderly rental assistance program under ORS 310.630 to 310.706; and any other local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR

By: Richard T. Chaves

PRESIDENT
Title

08/20/2014
Date

STATE OF OREGON by and through the OFFICE OF THE SECRETARY OF STATE

By: [signature]

STATE ARCHIVIST
Title

8/26/14
Date

EXHIBIT D
SUBSCRIPTION SERVICES CONTRACT

This Subscription Services Contract Number ORMS – 0___ ("Contract") is effective ___________, _____, 201_ ("Contract Effective Date") between Chaves Consulting, Inc. ("Contractor") and **[Agency]** ("Authorized Purchaser").

THIS CONTRACT IS ENTERED INTO PURSUANT TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486 (the "MSA") AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN. THE TERMS AND CONDITIONS OF THE MSA APPLY TO THIS CONTRACT AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING TERMS AND CONDITIONS, EXPRESS OR IMPLIED. A COPY OF THE MSA IS ATTACHED TO AND INCORPORATED HEREIN AS ATTACHMENT 1.

Authorized Purchaser Contact information:

Agency: ______________________

Contact Name: ______________________

Address: ______________________

____

Phone: ______________________

Email Address: ______________________

Invoices shall be sent to:

Agency: ______________________

Contact Name: ______________________

Address: ______________________

____

Phone: ______________________

Email Address: ______________________

1. Subscription Services

The Contractor will provide to the Authorized Purchaser all required services listed in Exhibit B which includes: access to and use of the HP TRIM application, software and data hosting and storage, and helpdesk support services. The State Archives Division will provide the training for using HP TRIM. The Contractor may provide training to other software integrations.

Services shall be deemed to commence on the date that: (1) the Authorized Purchaser has access either to the ORMS HP TRIM production or quality assurance (QA) environment, to data hosting, storage and helpdesk support; and (2) the Authorized Purchaser's initial Users have been provided Phase 1 initial implementation training as specified in the ORMS Training Plan.

2. Role of State Archives Division

The State Archives Division will work with Authorized Purchaser in order to set milestones such as the number of initial Users, projected total end users upon full Authorized Purchaser implementation, and due date for full implementation. The milestones agreed upon by the Authorized Purchaser with the assistance of the State Archives Division shall be incorporated as Attachment #2 to this Contract.

The projected full implementation date shall be confirmed in writing by Authorized Purchaser and by representatives of the State Archives Division and Contractor within 5 business days of the kickoff meeting and incorporated in Attachment #2.

In the event that Authorized Purchaser is not able to meet a specific milestone date, the Authorized Purchaser shall notify both the State Archives Division and Contractor.

The notification must be given in writing before the proposed milestone date stating the reason the date cannot be met and Authorized Purchaser will not be subject to any penalty charges.

3. Subscription Fee and Payment Schedule

Authorized Purchaser shall pay Contractor a monthly fee based on the number of Users for Authorized Purchaser. The rate per User per month is specified in the following table:

Number of Users	Cost per Month per User	Monthly Rebate Per User
2,000	$37.02	$8.76
3,000	$37.02	$8.76
4,000	$29.74	$4.87
5,000	$26.66	$2.92
6,000	$24.06	
7,000	$21.61	
8,000	$19.62	
9,000	$18.81	
10,000	$17.53	
11,000	$16.55	
12,000	$15.71	
13,000	$14.68	
14,000	$14.02	
15,000	$13.55	
16,000	$12.54	
17,000	$11.96	
18,000	$11.44	
19,000	$10.99	
20,000	$10.54	

The initial pricing in this Contract shall remain valid for the period defined in Section 6 of this Contract.

For the purpose of establishing the User cost per month, the number of Users is the cumulative number of users of all Authorized Purchasers that have executed a subscription services contract with Contractor pursuant to the MSA.

Rebates: The first 5,000 Users will begin receiving a rebate (in the form of reduced monthly billings) when the total number of combined Users exceeds 20,000. The number of months that the Authorized Purchasers will receive the rebate will be equal to the number of months that the initial Users paid the higher rate. The amount of the rebate is specified in the table in Section 4 of this Contract.

The initial invoice shall be issued on the 1st day of the month immediately following the Acceptance of Initial Deliverables described in Section 5 of this Contract.

Invoices shall be issued on the 1st day of the month of the current calendar month in which the Subscription Services will be provided. All undisputed, timely and valid invoices are due in full 15 days after receipt by Authorized Purchaser.

Default by Non-Payment: Authorized Purchaser shall not delay payment of monthly User fees based on a dispute or claim relating to Non-Subscription Services.

If Authorized Purchaser fails to pay Contractor any amount pursuant to the terms of the Contract and fails to cure such failure within 45 business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice, Authorized Purchaser shall be in default under Exhibit A, Section 10.2 of the MSA (Attachment 1).

4. Additional Users

During the term of this Contract, Authorized Purchaser may add additional Users at any time. The monthly installment fee will be set according to the table in Section 2 for each additional User commencing on the day the additional Users are specified by Authorized Purchaser.

5. Authorized Purchaser Acceptance

Contractor shall commence the Services and provide Deliverables as set forth in the Contract. Within ten (10) business days after the commencement of Services, Contractor shall provide Authorized Purchaser with an Acceptance of Initial Deliverables Question and Answer Form that is reasonably constructed to test the ability of the Subscription Services and associated software applications, as implemented by Contractor, to produce the results and other Deliverables specified in this Contract. The Authorized Purchaser shall complete and return this form to Contractor within ten (10) business days as initial acceptance of Deliverables to date; a non-response shall be deemed as an acceptance of initial Deliverables.

Contractor shall, during or before the initial implementation phase, develop and provide to Authorized Purchaser an Acceptance Test Implementation Survey that is reasonably constructed to test the ability of the Subscription Services and associated software applications, as implemented by Contractor, to produce the results and other Deliverables specified in this Contract.

Authorized Purchaser may accept the proposed acceptance test as recommended or modify it as Authorized Purchaser deems reasonable. Contractor shall provide Authorized Purchaser with access to the Subscription Services on or before the commencement date described in Section 1 of this Contract and the implementation schedule agreed to by Authorized Purchaser, the State Archives Division and Contractor. On the transition date, Contractor shall assume responsibility for providing ongoing Subscription Services.

Upon the conclusion of any consecutive forty-five (45) day period of production processing from the transition date as specified in Section 10 of this Contract, when all Service Levels set out the Attachment #2 have been met successfully, the Subscription Services shall be deemed accepted in full. Authorized Purchaser will acknowledge completion of this milestone by written notification to Contractor. Nothing contained in this Section 5 or any other provision of this Contract shall be deemed to prevent Authorized Purchaser from using any portion of the Subscription Services in a live environment for productive processing, and any such use shall not alter, amend or modify any of Contractor's obligations pursuant to the Contract.

6. Period of Performance

The period of performance of this Contract shall commence on the Contract Effective Date and shall continue for a period of 12 months plus the interim period between the effective date and the date of acceptance (the "Initial Period"). Thereafter, unless Authorized Purchaser notifies Contractor in writing, this Contract shall automatically be renewed annually for additional 12-month periods (each a "Renewal Period") up to a maximum total term of ten years.

Authorized Purchaser may terminate this Contract by providing Contractor with a notice of termination sixty (60) days prior to the termination date.

7. Consulting, Implementation, Training and/or Support Services

Contractor shall provide the consulting, implementation, training and/or support services related to the Subscription Services as set forth in Section 5 of the MSA.

8. Security Procedures

Contractor shall define certain policies and procedures that it shall have in place in order to provide the level of security associated with the Subscription Services and with the Service Levels set forth in Section 12. These policies and procedures shall be updated by Contractor from time to time to reflect updated Department of Administrative Services Security Standards, emerging technologies, business practices and Internet-related issues. Contractor shall provide written notice to Authorized Purchaser of any changes made to its security policies and procedures within ten (10) days of such changes, and updated policies and procedures shall be distributed through ORMS Support (Helpdesk).

9. Specifications and Minimum Technical Requirements

Contractor warrants that the minimum technical requirements for access to and operation of the Software are updated and available upon Authorized Purchaser request

If future releases of the Software require use of newer versions of any client application or change in any client application configuration, Contractor shall provide 15 - 45 days (depending on the kind of change and its impact) written notice to Authorized Purchaser prior to the general release of that Software Version.
By the conclusion of the Initial Period Contractor and the Secretary of State's Office shall implement the ORMS Advisory Board (Board). The Board shall consist of representatives of the Secretary of State's Office, State Archives Division, Contractor and selected representatives of Authorized Purchasers. The Board shall review recommendations, discuss and agree on the priority, implementation and timing of requested changes to the HP TRIM application.

10. Transition

Contractor and the State Archives Division shall assist in developing a transition plan that is approved by Authorized Purchaser. Subscription Services shall be transitioned and in production, as accepted by Authorized Purchaser, within thirty (30) calendar days from the Schedule Effective Date.

11. Transition Remedy

In the event that Contractor fails to meet the date for the completion of the transition into production of the Subscription Services, Contractor shall credit Authorized Purchaser one percent (1%) of the monthly Service fees for every business day the transition is late. If Contractor misses the target date by more than thirty days (30) days, Contractor shall be deemed to be in material breach of the Agreement.

If Authorized Purchaser does not meet its obligations as identified in the transition plan provided by Contractor and Authorized Purchaser is the sole cause of a delay in the project, the transition milestone target dates shall be extended for the same amount of time as the delay. Contractor shall promptly notify the Authorized Purchaser Program Manager, in writing, of any delay in the project schedule as a result of Authorized Purchaser's failure to meet any of its obligations identified above. If Contractor fails to notify Authorized Purchaser of any such Authorized Purchaser failure to meet its obligations, Authorized Purchaser shall be conclusively presumed under the Contract to have met its obligations, and consequently, Contractor shall not be entitled to rely on such delay to excuse it from meeting the milestone target dates.

12. Service Levels and Remedies

12.1 <u>Security Service Level</u>.

Contractor represents and warrants that Contractor shall provide Record Security as specified in Exhibit B, Section e. of the MSA.

The required security processes may include, but are not limited to, the following:

(i) Contractor shall have staff on duty and at its site 24x7 and capable of identifying, categorizing, and responding to a security incident.

(ii) Contractor shall notify Authorized Purchaser of any new potential security vulnerability within four (4) hours of discovery. This notification shall include the probable risks associated with the vulnerability.

(iii) Contractor shall implement a security fix across the application within four (4) hours of approval from Authorized Purchaser.

(iv) Contractor shall notify the Authorized Purchaser Program Manager within fifteen (15) minutes if Contractor believes that an attack is in process.

(v) Contractor shall shut down ALL access to the Software or any component of it associated with the Subscription Services within fifteen (15) minutes upon request of the Authorized Purchaser Program Manager or officer of Authorized Purchaser.

(vi) Contractor shall assist Authorized Purchaser in preparing written responses to audit requirements or findings without charge.

(vii) After both the conclusion of the pilot period and the total number of active users remains at a minimum of 2,000 or more users per Section 8a of the MSA, Contractor must conduct and pass a SAS 70 Type II Audit every twelve (12) months during the term of this Contract. The first audit shall be performed by an independent CPA firm within twelve (12) months of the state meeting its commitment to the 2,000 user minimum; subsequent annual audit reviews shall be performed by the Contractor according to the auditor's recommended process and results shall be provide to the State and, upon request, to Authorized Purchasers. Failure by Contractor to pass the audit or to provide the audit results to Authorized Purchaser within fifteen (15) days after receiving the results from the auditor shall constitute a material breach of the MSA.

12.2 Record Retrieval Time Service Level.

Contractor represents and warrants that Contractor shall provide Record Retrieval Delivery Time Levels in the HP TRIM server environment as set forth in Exhibit B, Section f. of the MSA, as amended. Record retrieval delivery time shall be measured at the server end between the ORMS workgroup server and database at Synergy Data Center, as described in Amendment #001 to the Master Agreement #0486 at Section 9.

Contractor represents and warrants that the above performance Service Levels shall be valid with up to 20,000 Users using the application at any given time.

If the Record Retrieval Delivery Time Level of 3 minutes or less falls below 95% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table in Exhibit B, Section f. of the MSA, as amended.

12.3 Subscription Services Availability Service Level.
Contractor represents and warrants that the Subscription Services shall be available as specified in Exhibit B, Section f. of the MSA, as amended.

Service Availability shall be measured on a 7 x 24 basis (7 days a week, 24 hours per day).

If the Subscription Services availability percentage falls below 99.7% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table below that represents the then-current cumulative number of all Authorized Purchaser Users.

A. Scale based on 20,000 users or more.

Availability Percentage	Percentage of Credit
99.60% to 99.69%	10%
99.50% to 99.59%	20%
99.0% to 99.49%	30%
97.0% to 98.99%	50%

Below 97.00%	75%

B. Scale based on 19,999 users or less.

Availability Percentage	Percentage of Credit
99.00% to 99.69%	10%
98.50% to 98.99%	20%
98.00% to 98.49%	30%
97.00% to 97.99%	50%
Below 97.0%	75%

12.4 Performance and Availability Scalability.

Contractor represents and warrants that the performance and availability Service Levels in Sections 12.2 and 12.3 above shall be valid and applicable with a concurrent User increase of up to 20,000 Users.

12.5 Notifications to Authorized Purchaser.

Contractor shall provide proactive notifications to Authorized Purchaser regarding scheduled system-maintenance downtime and system upgrades and enhancements. Contractor shall provide Authorized Purchaser with at least seven (7) calendar days' prior written notice of any scheduled outages; such notices shall include the date of the outage and the start and stop times of the outage.

Scheduled upgrades and enhancements shall be provided between the hours of 8:00 p.m. and 6:00 a.m. Monday through Friday, or during weekends and/or Federal holidays, with the exception of emergency security patches.

12.6 Additional Environment.

Contractor will provide an additional environment at no additional charge for Authorized Purchaser's testing and/or training purposes, without limitation. Authorized Purchaser agrees not to use the additional environment for production purposes.

12.7 Support and Error Resolution.

Contractor shall establish and maintain the organization and processes necessary to provide support and error-resolution services to Authorized Purchaser. Contractor shall provide support and error-resolution services on a twenty-four (24) hours a day, seven (7) days a week basis. Authorized Purchaser's HP TRIM Users shall contact the ORMS Support Desk, which shall be staffed by on-site, on-duty Support staff during regular business hours from 7:00 a.m. to 5:00 p.m. Monday through Friday, excluding weekends and Federal holidays. Outside of regular business hours, Users may call the ORMS Support Desk and leave a message for on-call staff, who shall respond according to the priority levels specified in this Section.

Upon receipt of telephone or written notice from the Authorized Purchaser specifying a problem, and upon receipt of such additional information as Contractor may request, Contractor shall respond as described below to resolve reported and reproducible errors in the Subscription Services or SaaS Software, so that the application operates as specified in this Contract. Contractor shall determine the priority level in accordance with the following protocols:

(i) SEVERITY 1 – CRITICAL BUSINESS IMPACT. The production use of the Subscription Services is stopped or so severely impacted that the Authorized Purchaser cannot reasonably continue work; requires round-the-clock attention until the problem is resolved (a "Severity 1 Error").

a. Contractor shall begin work on the error within fifteen (15) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(ii) SEVERITY 2 – SIGNIFICANT BUSINESS IMPACT. A high-impact problem is affecting Service Levels and/or materially impacting Authorized Purchaser's use of the Subscription Services. Problem resolution shall be initiated within sixty (60) minutes, and the resolution of these problems requires serious and sustained attention during normal business hours (8:00 am to 5:00 pm, Pacific time, Monday through Friday, exclusive of State holidays) until the problems are circumvented or corrected (a "Severity 2 Error").

a. Contractor shall begin work on the error within sixty (60) minutes of notification;

b. Contractor shall engage development staff until the problem is circumvented or corrected; and

c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(iii) SEVERITY 3 – SOME BUSINESS IMPACT. This includes problems of general work-queue type and that do not come within the definitions of Severity 1 Error or Severity 2 Error. These problems shall be addressed after Severity 1 Errors and Severity 2 Errors have been corrected and may be pursued during normal business hours on a resources-available basis (a "Severity 3 Error").

a. Contractor shall begin work on the error within one (1) day of notification; and

b. Contractor shall engage development staff to provide a workaround and to resolve the problem as soon as possible after notification by Authorized Purchaser.

(iv) SEVERITY 4 – MINIMUM BUSINESS IMPACT. Authorized Purchaser requests information, an enhancement, or documentation clarification regarding the Subscription

Services or SaaS Software but there is no impact on the operation of the Subscription Services or SaaS Software. The implementation or production use of the Subscription Services or SaaS Software is continuing and there is no work being impeded at the time (a "Severity 4 Error").

a. Contractor shall provide a response regarding the requested information or documentation clarification within two (2) days of notification by Authorized Purchaser; and

b. Contractor shall consider enhancements for inclusion in a subsequent update to the Subscription Services, SaaS Software or Documentation.

13. Termination and Transition Assistance

Authorized Purchaser may terminate this Contract as provided in Exhibit A, Section 12, of the MSA.

Contractor may terminate this Contract as provided in Exhibit A, Section 12.3, of the MSA.

BY EXECUTING THIS CONTRACT, THE PARTIES AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

AUTHORIZED PURCHASER	CONTRACTOR
By:________________	By:________________
Name: ____________	Name: Richard T. Chaves
Title:________________	Title: President, Chaves Consulting
Date:________________	Date: ____________

SECRETARY OF STATE
CONTRACT ADMINISTRATOR

By:________________ Date:________________

ATTACHMENT I

MASTER SOFTWARE AS A SERVICE AGREEMENT

Adobe Acrobat
Document

Click on Icon to open PDF copy of Agreement

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

ROBERT TAYLOR
DEPUTY SECRETARY OF STATE

BUSINESS SERVICES DIVISION
JEFF MORGAN
DIRECTOR

255 Capitol Street NE, Suite 180
Salem, Oregon 97310-1342
Information (503) 986-2204

Facsimile (503) 378-4991

AMENDMENT #8 TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486

This is Amendment No. 8 to Master Software as a Service Agreement #0486 dated December 8, 2010 (the "Agreement") between the STATE OF OREGON, acting by and through the Office of the Secretary of State ("the Secretary" or "SOS") and Chaves Consulting, Inc. (the "Contractor"). This Amendment is effective upon the date it is fully executed and approved in accordance with applicable law.

A. The Agreement is amended as follows (deleted language has a strike through and new language is bolded and underlined):

2. Agreement Documents. This Agreement consists of this document and the following Exhibits, each of which is attached to and incorporated into this Agreement:

(v) Exhibit F – ~~VCAF~~ **Administrative Fee** Report

6. Compensation. Contractor shall be compensated for completing Services based on the rates set forth in Exhibit B for Subscription Services. The assessment of ~~VCAF~~ **an administrative fee** is in addition to, and not a part of, the prices for Services set forth in the Contract.

7. Administrative Fees ~~and Volume Sales Reports.~~
~~a. Definitions. The following definitions apply to this section: (i) "VCAF Report" means the quarterly report substantially in the form attached hereto as Exhibit F. (ii) "Vendor Collected Administrative Fee" or "VCAF" means a charge that is assessed to ordering entities that purchase from statewide contracts or price agreements. The fee is collected by the Contractor. The charge is set by the State as a percentage of reported sales that are made to authorized purchasers under the resulting contracts and is collected and rebated quarterly to the State by the Contractor. The VCAF fee under this Agreement is 2 % of each sale.~~

a~~b.~~ **Administrative Fees/Payment.** Within (30) calendar/business days after the end of each quarter during the term of this Agreement, Contractor shall pay to the State of Oregon, Secretary of State ~~VCAF~~ **an administrative fee** in an amount equal to two Percent (2 %) of Contractor's total sales made to Authorized Purchasers **for Subscription Services Agreements, Exhibit D**. CONTRACTORS MAY NOT REFLECT THE ~~VCAF~~ **ADMINISTRATIVE** FEE AS A SEPARATE LINE ITEM CHARGE TO AUTHORIZED PURCHASERS. CONTRACTOR'S RATES SHALL REFLECT ALL CHARGES TO AUTHORIZED PURCHASERS **FOR SUBSCRIPTION SERVICES AGREEMENTS, EXHIBIT D**. For the purposes of this Agreement, quarters end March 31, June 30, September 30, and December 31. The State will invoice Contractor for the ~~VCAF~~ **administrative fee** on a State generated invoice from the volume sales report generated by the Contractor. Contractor is responsible for timely reporting and payment, regardless of the entity that actually reports or makes ~~VCAF~~ **administrative fee** payment to the State. ~~No VCAF will be charged during the pilot period.~~ **The Contractor shall not be required to submit a Volume Sales Report and the State shall not invoice the administrative fee until 5,000 users have been obtained via the Subscription Services Agreements, Exhibit D.**

~~c~~ **b. Volume Sales Reports.** Contractor shall submit a Volume Sales Report, due by the 15th day following the end of each calendar quarter during the term of the Agreement, which contains: (i) complete and accurate details of the net receipts for the relevant quarterly period; (ii) Contractor's corresponding calculation of the ~~VCAF~~ **administrative fee** due to the State for that period; and (iii) such other information as the State may reasonably request. Contractor shall send a Volume Sales Report each quarter, whether or not there are reportable sales or ~~VCAF~~ **administrative fees** due to the State.

~~d~~-**c**. **Volume Sales Report Information.** Contractor shall provide the following information on the Volume Sales Report:

- Agreement item number
- Authorized Purchaser
- Contract number
- Date ordered
- Quantity of each item ordered with Contractor's item #'s and description
- Unit price and extended total
- Manufacturer or provider of each product or service ordered
- Total dollar amount for ending quarter

~~e~~-**d**. **Volume Sales Report Format.** Contractor shall provide Volume Sales Reports in a format approved by the State. Reports CD or by e-mail are preferred; however, hard copy reports are acceptable. Excel or Lotus spreadsheet formats are preferred. All other report formats must be approved by the State's Agreement administrator prior to submission of the first report.

~~f~~ **e**. **Report Receipt/Acceptance.** The State's receipt or acceptance of any of the reports furnished pursuant to this Agreement, or any sums paid hereunder, shall not preclude the State from challenging the validity thereof at any time. THE STATE RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT IF VOLUME SALES REPORTS ARE NOT RECEIVED AS SCHEDULED.

~~g~~ **f**. **Payment of ~~VCAF~~ Administrative Fee.** Upon receipt of the invoice from the State, as directed by the Agreement administrator, Contractor shall remit payment in the form of a check to the State for the amount indicated on the invoice. Contractor shall contact the Contract Administrator if no invoice is received within thirty (30) days after sending the Volume Sales Report to the State. Failure to submit Volume Sales Report does not release Contractor from requirement to timely remit the required ~~VCAF~~ **administrative fee**.

~~h~~ **g**. **Interest.** Any payments Contractor makes or causes to be made after the due date as indicated on the invoice shall accrue interest at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until such overdue amount shall have been paid in full. The State's right to interest on late payments shall not preclude the State from exercising any of its other rights or remedies pursuant to this Agreement or otherwise with regards to Contractor's failure to make timely remittances.

~~i~~ **h**. **Audit.** The State, as its own expense (except as provided herein), shall have the right during regular business hours, at Contractor's premises, and upon reasonable notice, by itself or by a person authorized by it, to audit Contractor's records and other pertinent data, to determine and verify the figures reported in any Volume Sales Report furnished by Contractor. In the event that any such audit reveals underpayment of the ~~VCAF~~ **administrative fee**, Contractor shall forthwith pay the amount of deficiency, together with interest thereon at the rate provided in this Section. At the State's request, Contractor shall pay the reasonable cost of an audit, but only if such audit reveals that an underpayment may exist as determined by the State.

8. Term of Agreement; Amendments.

d. The parties have determined that during the term of the Agreement or a Contract, the parties may need to modify selected terms, conditions, prices and types of products and services under circumstances related to the following illustrative, although not exhaustive, categories of anticipated amendments:
(ix) Amendments to change the ~~Vendor Collected~~-**administrative fee** ~~(VCAF)~~;

Exhibit A, Contract Terms and Conditions
5. Compensation.
5.1 Rates. Authorized Purchaser shall pay Contractor according to the rates set forth on Exhibit B for the Services and Software provided under the Contract. The assessment of ~~VCAF~~ **an administrative fee**, as

provided in the Agreement, is in addition to, and not a part of, the prices for Services set forth in the Contract.

Exhibit B, Schedule of Services and Compensation

Pricing

Payment option #1:

Number of Users	Cost per Month per User	Monthly Rebate Per User
2,000	$37.02	$8.76
3,000	$37.02	$8.76
4,000	$29.74	$4.87
5,000	$26.66	$2.92
6,000	$24.06	
7,000	$21.61	
8,000	$19.62	
9,000	$18.81	
10,000	$17.53	
11,000	$16.55	
12,000	$15.71	
13,000	$14.68	
14,000	$14.02	
15,000	$13.55	
16,000	$12.54	
17,000	$11.96	
18,000	$11.44	
19,000	$10.99	
20,000	$10.54	

Or

Payment option #2:

Authorized Purchaser may purchase a minimum of 300 Users at the rate of $24.06 per User per month.

Payment option #2 pricing is available to Authorized Purchasers with an executed Contract on or before October 1, 2015 with accepted Deliverables on or before December 31, 2015. Authorized Purchasers shall make payment for a minimum of 300 Users upon Acceptance of Deliverables as per Section 3.5 and 5.3 in Exhibit A of the Master Services Agreement. Acceptance of Deliverables occurring after December 31, 2015 will be subject to payment option #1 pricing.

B. Exhibit D, Subscription Services Contract is replaced in its entirety with the attached Exhibit D.

C. The title to Exhibit F is changed to **EXHIBIT F ~~VCAF~~ ADMINISTRATIVE FEE REPORT**

D. Attachment #2 is deleted effective upon execution of this Amendment.

Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury that s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws including without limitation a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323; and the elderly rental assistance program under ORS 310.630 to 310.706; and any other local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR

By: ______________

President
Title

02/05/2015
Date

STATE OF OREGON by and through the OFFICE OF THE SECRETARY OF STATE

By: ______________

Deputy Secretary of State
Title

2/6/2015
Date

APPROVED AS TO LEGAL SUFFICIENCY:

Glen Driveness (via email) 2/4/15
Assistant Attorney General Date

EXHIBIT D
SUBSCRIPTION SERVICES CONTRACT

This Subscription Services Contract Number ORMS – 0___ ("Contract") is effective ___________, _____, 201_ ("Contract Effective Date") between Chaves Consulting, Inc. ("Contractor") and _________________________(Authorized Purchaser").

THIS CONTRACT IS ENTERED INTO PURSUANT TO MASTER SOFTWARE AS A SERVICE AGREEMENT #0486 (the "MSA") AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH THEREIN. THE TERMS AND CONDITIONS OF THE MSA APPLY TO THIS CONTRACT AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING TERMS AND CONDITIONS, EXPRESS OR IMPLIED. A COPY OF THE MSA IS ATTACHED TO AND INCORPORATED HEREIN AS ATTACHMENT 1.

Authorized Purchaser Contact information:

Authorized Purchaser: ____________________________

Contact Name: ____________________________

Address: ____________________________

____

Phone: ____________________________

Email Address: ____________________________

Invoices shall be sent to:

Authorizer Purchaser: ____________________________

Contact Name: ____________________________

Address: ____________________________

____

Phone: ____________________________

Email Address: ____________________________

1. Subscription Services

The Contractor will provide to the Authorized Purchaser all required services listed in Exhibit B which includes: access to and use of the HP TRIM application, software and data hosting and storage, and helpdesk support services. The State Archives Division will provide the training for using HP TRIM. The Contractor may provide training to other software integrations.

Services shall be deemed to commence on the date that: (1) the Authorized Purchaser has access either to the ORMS HP TRIM production or quality assurance (QA) environment, to data hosting, storage and helpdesk support; and (2) the Authorized Purchaser's initial Users have been provided Phase 1 initial implementation training as specified in the ORMS Training Plan.

2. Role of State Archives Division

The State Archives Division will work with Authorized Purchaser in order to set milestones such as the number of initial Users, projected total end users upon full Authorized Purchaser implementation, and due date for full implementation.

In the event that Authorized Purchaser is not able to meet a specific milestone date, the Authorized Purchaser shall notify both the State Archives Division and Contractor.

The notification must be given in writing before the proposed milestone date stating the reason the date cannot be met and Authorized Purchaser will not be subject to any penalty charges.

3. Subscription Fee and Payment Schedule

Authorized Purchaser agrees to a minimum of ____ Users per month. Authorized Purchaser agrees to payment option ____ option below:

Payment option #1:

Authorized Purchaser shall pay Contractor a monthly fee based on the number of Users for Authorized Purchaser. The rate per User per month is specified in the following table:

Number of Users	Cost per Month per User	Monthly Rebate Per User
2,000	$37.02	$8.76
3,000	$37.02	$8.76
4,000	$29.74	$4.87
5,000	$26.66	$2.92
6,000	$24.06	
7,000	$21.61	
8,000	$19.62	
9,000	$18.81	
10,000	$17.53	
11,000	$16.55	
12,000	$15.71	
13,000	$14.68	
14,000	$14.02	
15,000	$13.55	
16,000	$12.54	
17,000	$11.96	
18,000	$11.44	
19,000	$10.99	
20,000	$10.54	

Or

Payment option #2:

Authorized Purchaser may purchase a minimum of 300 Users at the rate of $24.06 per User per month.

<u>Payment option #2 pricing is available to Authorized Purchasers with an executed Contract on or before October 1, 2015 with accepted Deliverables on or before December 31, 2015. Authorized Purchasers shall make payment for minimum of 300 Users upon Acceptance of Deliverables as per Section 3.5 and 5.3 in Exhibit A of the Master Services Agreement. Acceptance of Deliverables occurring after December 31, 2015 will be subject to payment option #1 pricing.</u>

For the purpose of establishing the User cost per month for payment option #1, the number of Users is the cumulative number of users of all Authorized Purchasers that have executed a subscription services contract with Contractor pursuant to the MSA.

Rebates: The first 5,000 Users will begin receiving a rebate (in the form of reduced monthly billings) when the total number of combined Users exceeds 20,000. The number of months that the Authorized Purchasers will receive the rebate will be equal to the number of months that the initial Users paid the higher rate. The amount of the rebate is specified in the table in Section 4 <u>3</u> of this Contract. **<u>Authorized Purchasers that select payment Option #2 are not eligible for rebates as described in this paragraph.</u>**

The initial invoice shall be issued on the 1st day of the month immediately following the Acceptance of Initial Deliverables described in Section 5 of this Contract.

Invoices shall be issued on the 1st day of the month of the current calendar month in which the Subscription Services will be provided. All undisputed, timely and valid invoices are due in full 15 days after receipt by Authorized Purchaser.

<u>Default by Non-Payment</u>: Authorized Purchaser shall not delay payment of monthly User fees based on a dispute or claim relating to Non-Subscription Services.

If Authorized Purchaser fails to pay Contractor any amount pursuant to the terms of the Contract and fails to cure such failure within 45 business days after delivery of Contractor's notice or such longer period as Contractor may specify in such notice, Authorized Purchaser shall be in default under Exhibit A, Section 10.2 of the MSA (Attachment 1).

4. Additional Users

During the term of this Contract, Authorized Purchaser may add additional Users at any time. The monthly installment fee for payment option #1 will be set according to the table in Section 3 for each additional User commencing on the day the additional Users are specified by Authorized Purchaser. Additional Users under payment option #2 shall be invoiced according to the rate in Section 3.

5. Authorized Purchaser Acceptance

Contractor shall commence the Services and provide Deliverables as set forth in the Contract. Within ten (10) business days after the commencement of Services, Contractor shall provide Authorized Purchaser with an Acceptance of Initial Deliverables Question and Answer Form that is reasonably constructed to test the ability of the Subscription Services and associated software applications, as implemented by Contractor, to produce the results and other Deliverables specified in this Contract. The Authorized Purchaser shall complete and return this form to Contractor within ten (10) business days as initial acceptance of Deliverables to date; a non-response shall be deemed as an acceptance of initial Deliverables.

Authorized Purchaser may accept the proposed acceptance test as recommended or modify it as Authorized Purchaser deems reasonable. Contractor shall provide Authorized Purchaser with access to the Subscription Services on or before the commencement date described in Section 1 of this Contract and the implementation schedule agreed to by Authorized Purchaser, the State Archives Division and Contractor. On the transition date, Contractor shall assume responsibility for providing ongoing Subscription Services.

Upon the conclusion of any consecutive forty-five (45) day period of production processing from the transition date as specified in Section 10 of this Contract, when all Service Levels have been met successfully, the Subscription Services shall be deemed accepted in full. Authorized Purchaser will acknowledge completion of this milestone by written notification to Contractor. Nothing contained in this Section 5 or any other provision of this Contract shall be deemed to prevent Authorized Purchaser from using any portion of the Subscription Services in a live environment for productive processing, and any such use shall not alter, amend or modify any of Contractor's obligations pursuant to the Contract.

6. Period of Performance

The period of performance of this Contract shall commence on the Contract Effective Date and shall continue for a period of 12 months plus the interim period between the effective date and the date of acceptance (the "Initial Period"). Thereafter, unless Authorized Purchaser notifies Contractor in writing, this Contract shall automatically be renewed annually for additional 12-month periods (each a "Renewal Period") up to a maximum total term of ten years.

Authorized Purchaser may terminate this Contract by providing Contractor with a notice of termination sixty (60) days prior to the termination date.

7. Consulting, Implementation, Training and/or Support Services

Contractor shall provide the consulting, implementation, training and/or support services related to the Subscription Services as set forth in Section 5 of the MSA.

8. Security Procedures

Contractor shall define certain policies and procedures that it shall have in place in order to provide the level of security associated with the Subscription Services and with the Service Levels set forth in Section 12. These policies and procedures shall be updated by Contractor from time to time to reflect updated Department of Administrative Services Security Standards, emerging technologies, business practices and Internet-related issues. Contractor shall provide written notice to Authorized Purchaser of any changes made to its security policies and procedures within ten (10) days of such changes, and updated policies and procedures shall be distributed through ORMS Support (Helpdesk).

9. Specifications and Minimum Technical Requirements

Contractor warrants that the minimum technical requirements for access to and operation of the Software are updated and available upon Authorized Purchaser request

If future releases of the Software require use of newer versions of any client application or change in any client application configuration, Contractor shall provide 15 - 45 days (depending on the kind of change and its impact) written notice to Authorized Purchaser prior to the general release of that Software Version.

By the conclusion of the Initial Period Contractor and the Secretary of State's Office shall implement the ORMS Advisory Board (Board). The Board shall consist of representatives of the Secretary of State's Office, State Archives Division, Contractor and selected representatives of Authorized Purchasers. The Board shall review recommendations, discuss and agree on the priority, implementation and timing of requested changes to the HP TRIM application.

10. Transition

Contractor and the State Archives Division shall assist in developing a transition plan that is approved by Authorized Purchaser. Subscription Services shall be transitioned and in production, as accepted by Authorized Purchaser, within thirty (30) calendar days from the Schedule Effective Date.

11. Transition Remedy

In the event that Contractor fails to meet the date for the completion of the transition into production of the Subscription Services, Contractor shall credit Authorized Purchaser one percent (1%) of the monthly Service fees for every business day the transition is late. If Contractor misses the target date by more than thirty days (30) days, Contractor shall be deemed to be in material breach of the Agreement.

If Authorized Purchaser does not meet its obligations as identified in the transition plan provided by Contractor and Authorized Purchaser is the sole cause of a delay in the project, the transition milestone target dates shall be extended for the same amount of time as the delay. Contractor shall promptly notify the Authorized Purchaser Program Manager, in writing, of any delay in the project schedule as a result of Authorized Purchaser's failure to meet any of its obligations identified above. If Contractor fails to notify Authorized Purchaser of any such Authorized Purchaser failure to meet its obligations, Authorized Purchaser shall be conclusively presumed under the Contract to have met its obligations, and consequently, Contractor shall not be entitled to rely on such delay to excuse it from meeting the milestone target dates.

12. Service Levels and Remedies

12.1 <u>Security Service Level</u>.

Contractor represents and warrants that Contractor shall provide Record Security as specified in Exhibit B, Section e. of the MSA.

The required security processes may include, but are not limited to, the following:

(i) Contractor shall have staff on duty and at its site 24x7 and capable of identifying, categorizing, and responding to a security incident.

(ii) Contractor shall notify Authorized Purchaser of any new potential security vulnerability within four (4) hours of discovery. This notification shall include the probable risks associated with the vulnerability.

(iii) Contractor shall implement a security fix across the application within four (4) hours of approval from Authorized Purchaser.

(iv) Contractor shall notify the Authorized Purchaser Program Manager within fifteen (15) minutes if Contractor believes that an attack is in process.

(v) Contractor shall shut down ALL access to the Software or any component of it associated with the Subscription Services within fifteen (15) minutes upon request of the Authorized Purchaser Program Manager or officer of Authorized Purchaser.

(vi) Contractor shall assist Authorized Purchaser in preparing written responses to audit requirements or findings without charge.

(vii) After both the conclusion of the pilot period and the total number of active users remains at a minimum of 2,000 or more users per Section 8a of the MSA, Contractor must conduct and pass a SAS 70 Type II Audit every twelve (12) months during the term of this Contract. The first audit shall be performed by an independent CPA firm within twelve (12) months of the state meeting its commitment to the 2,000 user minimum; subsequent annual audit reviews shall be performed by the Contractor according to the auditor's recommended process and results shall be provide to the State and, upon request, to Authorized Purchasers. Failure by Contractor to pass the audit or to provide the audit results to Authorized Purchaser within fifteen (15) days after receiving the results from the auditor shall constitute a material breach of the MSA.

12.2 Record Retrieval Time Service Level.

Contractor represents and warrants that Contractor shall provide Record Retrieval Delivery Time Levels in the HP TRIM server environment as set forth in Exhibit B, Section f. of the MSA, as amended. Record retrieval delivery time shall be measured at the server end between the ORMS workgroup server and database at Synergy Data Center, as described in Amendment #001 to the Master Agreement #0486 at Section 9.

Contractor represents and warrants that the above performance Service Levels shall be valid with up to 20,000 Users using the application at any given time.

If the Record Retrieval Delivery Time Level of 3 minutes or less falls below 95% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table in Exhibit B, Section f. of the MSA, as amended.

12.3 Subscription Services Availability Service Level.

Contractor represents and warrants that the Subscription Services shall be available as specified in Exhibit B, Section f. of the MSA, as amended.

Service Availability shall be measured on a 7 x 24 basis (7 days a week, 24 hours per day).

If the Subscription Services availability percentage falls below 99.7% in any month, Authorized Purchaser shall be entitled to a credit on that month's bill for Subscription Services according to the table below that represents the then-current cumulative number of all Authorized Purchaser Users.

A. Scale based on 20,000 users or more.

Availability Percentage	Percentage of Credit
99.60% to 99.69%	10%
99.50% to 99.59%	20%

99.0% to 99.49%	30%
97.0% to 98.99%	50%
Below 97.00%	75%

B. Scale based on 19,999 users or less.

Availability Percentage	Percentage of Credit
99.00% to 99.69%	10%
98.50% to 98.99%	20%
98.00% to 98.49%	30%
97.00% to 97.99%	50%
Below 97.0%	75%

12.4 Performance and Availability Scalability.

Contractor represents and warrants that the performance and availability Service Levels in Sections 12.2 and 12.3 above shall be valid and applicable with a concurrent User increase of up to 20,000 Users.

12.5 Notifications to Authorized Purchaser.

Contractor shall provide proactive notifications to Authorized Purchaser regarding scheduled system-maintenance downtime and system upgrades and enhancements. Contractor shall provide Authorized Purchaser with at least seven (7) calendar days' prior written notice of any scheduled outages; such notices shall include the date of the outage and the start and stop times of the outage.

Scheduled upgrades and enhancements shall be provided between the hours of 8:00 p.m. and 6:00 a.m. Monday through Friday, or during weekends and/or Federal holidays, with the exception of emergency security patches.

12.6 Additional Environment.

Contractor will provide an additional environment at no additional charge for Authorized Purchaser's testing and/or training purposes, without limitation. Authorized Purchaser agrees not to use the additional environment for production purposes.

12.7 Support and Error Resolution.

Contractor shall establish and maintain the organization and processes necessary to provide support and error-resolution services to Authorized Purchaser. Contractor shall provide support and error-resolution services on a twenty-four (24) hours a day, seven (7) days a week basis.

Authorized Purchaser's HP TRIM Users shall contact the ORMS Support Desk, which shall be staffed by on-site, on-duty Support staff during regular business hours from 7:00 a.m. to 5:00 p.m. Monday through Friday, excluding weekends and Federal holidays. Outside of regular business hours, Users may call the ORMS Support Desk and leave a message for on-call staff, who shall respond according to the priority levels specified in this Section.

Upon receipt of telephone or written notice from the Authorized Purchaser specifying a problem, and upon receipt of such additional information as Contractor may request, Contractor shall respond as described below to resolve reported and reproducible errors in the Subscription Services or SaaS Software, so that the application operates as specified in this Contract. Contractor shall determine the priority level in accordance with the following protocols:

(i) SEVERITY 1 – CRITICAL BUSINESS IMPACT. The production use of the Subscription Services is stopped or so severely impacted that the Authorized Purchaser cannot reasonably continue work; requires round-the-clock attention until the problem is resolved (a "Severity 1 Error").

   a. Contractor shall begin work on the error within fifteen (15) minutes of notification;

   b. Contractor shall engage development staff until the problem is circumvented or corrected; and

   c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(ii) SEVERITY 2 – SIGNIFICANT BUSINESS IMPACT. A high-impact problem is affecting Service Levels and/or materially impacting Authorized Purchaser's use of the Subscription Services. Problem resolution shall be initiated within sixty (60) minutes, and the resolution of these problems requires serious and sustained attention during normal business hours (8:00 am to 5:00 pm, Pacific time, Monday through Friday, exclusive of State holidays) until the problems are circumvented or corrected (a "Severity 2 Error").

   a. Contractor shall begin work on the error within sixty (60) minutes of notification;

   b. Contractor shall engage development staff until the problem is circumvented or corrected; and

   c. Contractor shall provide Authorized Purchaser with ongoing communication on the status of the problem resolution.

(iii) SEVERITY 3 – SOME BUSINESS IMPACT. This includes problems of general work-queue type and that do not come within the definitions of Severity 1 Error or Severity 2 Error. These problems shall be addressed after Severity 1 Errors and Severity 2 Errors have been corrected and may be pursued during normal business hours on a resources-available basis (a "Severity 3 Error").

   a. Contractor shall begin work on the error within one (1) day of notification; and

   b. Contractor shall engage development staff to provide a workaround and to resolve the problem as soon as possible after notification by Authorized Purchaser.

(iv) SEVERITY 4 – MINIMUM BUSINESS IMPACT. Authorized Purchaser requests information, an enhancement, or documentation clarification regarding the Subscription Services or SaaS Software but there is no impact on the operation of the Subscription Services or SaaS Software. The implementation or production use of the Subscription Services or SaaS Software is continuing and there is no work being impeded at the time (a "Severity 4 Error").

a. Contractor shall provide a response regarding the requested information or documentation clarification within two (2) days of notification by Authorized Purchaser; and

b. Contractor shall consider enhancements for inclusion in a subsequent update to the Subscription Services, SaaS Software or Documentation.

13. Termination and Transition Assistance

Authorized Purchaser may terminate this Contract as provided in Exhibit A, Section 12, of the MSA.

Contractor may terminate this Contract as provided in Exhibit A, Section 12.3, of the MSA.

BY EXECUTING THIS CONTRACT, THE PARTIES AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

AUTHORIZED PURCHASER	CONTRACTOR
By:______________________	By:______________________
Name: ______________	Name: Richard T. Chaves
Title:______________________	Title: President, Chaves Consulting
Date:______________________	Date: ______________

SECRETARY OF STATE
CONTRACT ADMINISTRATOR

By:______________________ Date: ______________________

ATTACHMENT 1

MASTER SOFTWARE AS A SERVICE AGREEMENT

Adobe Acrobat
Document

Click on Icon to open PDF copy of Agreement

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:_________________

TO: **MAYOR CLARK AND CITY COUNCIL MEMBERS**

THROUGH: **CHRIS EPPLEY**
CITY MANAGER

FROM: **BILL LAWYER**
PUBLIC WORKS DIRECTOR

SUBJECT: **PLACEMENT OF VARIABLE MESSAGE BOARD FOR BIG TOY PROJECT**

DATE: **May 26, 2015**

BACKGROUND:

The general coordinator for the Big Toy project has requested permission to place two variable message boards on the northwest corner of River Road N and Chemawa Road N directing volunteers and other interested citizens to the project at Keizer Rapids Park. These signs would be placed on June 9th 2015 and removed on June 15th 2015. The management company for the property has approved the signs being set up on the private property during this time period. The Keizer Development Code Section 2.308.05 D, requires City Council approval for placement of signs for special events or activities.

FISCAL IMPACT:

There is no fiscal impact associated with the approval of this request. The signs are being donated for the project and the donation includes setting them up and removing them.

RECOMMENDATION:

Staff recommends the City Council approve the attached resolution authorizing the placement of these signs.

Please contact me with any questions or concerns.

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AUTHORIZING SIGNS SUBJECT TO CONDITIONS FOR BIG TOY COMMUNITY BUILD PROJECT

WHEREAS, the Keizer Development Code provides pursuant to Section 2.308.05(D) that the City Council may by resolution authorize signage for special events or activities;

WHEREAS, the Keizer Development Code also provides that the Council may set forth the reasonable types of uses, zones and time restrictions;

WHEREAS, the General Coordinator for the Big Toy Community Build Project has requested the City authorize placement of temporary variable message signs to promote the Big Toy Community Build Project;

WHEREAS, the City Council has considered this matter and finds that it is appropriate to grant the request with certain restrictions necessary to protect the health, safety and welfare of the public;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that signage for the Big Toy Community Build Project is hereby allowed pursuant to the design, restrictions

Keizer City Attorney

930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

and conditions as set forth in the attached Exhibit "A" which is incorporated herein by this reference.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately on the date of its passage.

PASSED this __________ day of _________________, 2015.

SIGNED this __________ day of _________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

EXHIBIT "A"

Design, Restrictions and Conditions

The City Council approves the proposed signage for the Big Toy Community Build Project as follows:

1. The Big Toy Community Build Project may have two temporary variable (electronic) message signs advertising the event. The location of such signage shall be on the northwest corner of River Road North and Chemawa Road North. Such temporary variable message signs may be placed no earlier than June 9, 2015 and must be removed no later than June 15, 2015.

2. Other directional signs (non-electronic) for the Big Toy Community Build Project may be placed along Chemawa Road. No signs may be placed without the property owner's permission. Such temporary directional signs may be placed no earlier than June 9, 2015 and must be removed no later than June 15, 2015.

3. The signs shall be placed to ensure there shall be no traffic interference or distraction, and if deemed to be a hazard by the Community Development Director, shall be removed immediately upon notice.

4. No other signs are allowed.

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:____________

TO: MAYOR CLARK AND COUNCIL MEMBERS

THROUGH: CHRISTOPHER C. EPPLEY, CITY MANAGER

FROM: E. SHANNON JOHNSON, CITY ATTORNEY

SUBJECT: RESOLUTION AUTHORIZING CHIEF OF POLICE TO SIGN SALEM-KEIZER YOUTH SERVICES TEAM MEMORANDUM OF AGREEMENT

The City of Keizer Police Department previously entered into an agreement with other governmental units for the purposes of creating an intergovernmental entity to provide a coordinated community-based delivery system of crisis intervention, counseling, consultation and referral, and training to youths, their families and communities, and to promote cooperation and understanding among the parties. Such agreement expires June 30, 2015. The Police Department now desires to enter into another agreement for the same purpose that has an expiration date of June 30, 2020. Because the agreements term is over two years, Council authorization is required.

RECOMMENDATION:

Adopt the attached Resolution Authorizing the Keizer Police Department Chief of Police to Enter into Salem-Keizer Youth Services Team Memorandum of Agreement.

Please contact me if you have any questions in this regard. Thank you.

ESJ/tmh

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AUTHORIZING THE KEIZER POLICE DEPARTMENT CHIEF OF POLICE TO ENTER INTO SALEM-KEIZER YOUTH SERVICES TEAM MEMORANDUM OF AGREEMENT

WHEREAS, the Keizer Policy Department of the City of Keizer previously entered into a Salem-Keizer Youth Services Team Memorandum of Agreement in 2010;

WHEREAS, such agreement expires June 30, 2015;

WHEREAS, the parties desire to enter into an agreement that expires June 30, 2020;

WHEREAS, the City Council of the City of Keizer has considered this matter and wishes to move forward with the agreement;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that the Keizer Police Department Chief of Police is hereby authorized to execute the attached Salem-Keizer Youth Services Team Memorandum of Agreement.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this __________ day of _________________, 2015.

SIGNED this __________ day of _________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-390-3700

SALEM-KEIZER YOUTH SERVICES TEAM
MEMORANDUM OF AGREEMENT

This MEMORANDUM OF AGREEMENT is entered into this ____ day of May 2015, by and between the following governing bodies or agencies through their agents:

Salem-Keizer School District 24J
Marion County Juvenile Department
Polk County Juvenile Department
Marion County Health Department
Polk County Mental Health Department
Department of Human Services, Marion and Polk Branch
Department of Human Services, Self Sufficiency, Marion and Polk Branch
Salem Police Department (City of Salem)
Keizer Police Department
Marion County Sheriff's Office
Oregon Youth Authority
Polk County Service Integration

WHEREAS, the parties desire to set forth in writing the working relationship among themselves to operate the Salem-Keizer Youth Services Team, hereinafter referred to as "YST." It is recognized that YST is distinct from Polk County Service Integration although there are overlapping goals and objectives as both entities serve to meet the needs of students in a collaborative effort under the umbrella of YST**.**

NOW THEREFORE, the Parties hereto agree as follows:

1. **YOUTH SERVICES TEAM:** The purpose of the Salem-Keizer Youth Services Team is to provide a coordinated community-based delivery system of crisis intervention, counseling, consultation and referral, and training to youths, their families and communities, and to promote cooperation and understanding among the Parties. **No** decision of the Salem Area Youth Services Team or its Policy Board will obligate or bind in any way whatsoever the governing body of any of the Parties.

2. **POLICY BOARD:** An interagency Policy Board, hereinafter called "Board," has been established and includes representatives from all Parties. By-laws have been developed and approved which detail the activities of the Board. The Board has administrative and guideline development responsibilities within the overall policy constraints of each member agency.

3. **TEAM PERSONNEL:** Salem-Keizer School District; Marion County Juvenile Department; Polk County Juvenile Department; Marion County Health Department; Polk County Mental Health Department; Department of Human Services, Self Sufficiency, Marion and Polk Branch; Salem Police Department; Keizer Police Department; Marion County Sheriff's Office; and Polk County Service Integration will provide a staff person(s) to the individual Youth Services Team. Department of Human Services/Child Welfare, Marion and Polk Branch staff, and Oregon Youth Authority will be available on an on-call basis.

4 **MATERIALS AND SERVICES:** Salem-Keizer School District; Marion County Juvenile Department; Polk County Juvenile Department; Marion County Health Department; Polk County Mental Health Department; Department of Human Services, Marion and Polk Branch; Department of Human Services, Self Sufficiency, Marion and Polk Branch; Salem Police Department; Keizer Police Department; Marion County Sheriff's Office; Oregon Youth Authority; and Polk County Service Integration will provide staff personnel and any materials and services associated with those staff positions. Each of these member agencies will also provide materials and in-kind services as necessary for the successful operation of the Board when such materials and services are approved by the member agencies.

5. **DATA COLLECTION/EVALUATION:** Parties will utilize the data collection forms developed by the Board for the purpose of recording and evaluating YST activities and services delivery. Parties will insure that confidentiality of records will be maintained at all times.

6. **CONFIDENTIALITY OF STUDENT INFORMATION:** The Parties to this Memorandum of Agreement acknowledge that the Salem-Keizer School District may disclose certain personally identifiable student information when the disclosure of that information relates to a court's or juvenile justice agency's ability to serve the needs of the student prior to the student's adjudication under ORS Chapter 419C. The Parties hereby certify that if any of their employees or agents receives personally identifiable student information, the Parties' agents or employees shall not disclose that information to a third party other than another court, juvenile justice agency, or a person or organization providing direct services to the student on behalf of a juvenile justice agency. The Parties certify

that their employees and agents will not use or disclose any individually identifiable health information about specific individuals in a manner that would violate state or Federal privacy laws including but not limited to 42 CFR Part 2, 45 CFR Parts 160 and 164 the Health Insurance Portability and Accountability Act, and FERPA.

7. **EFFECTIVE DATE AND TERMINATION:** This Memorandum of Agreement shall be effective as of the date of the last signature set forth below through and including June 30, 2020. Any Party may withdraw from this Memorandum of Agreement upon thirty (30) days written notice to the Policy Board chairperson. This Memorandum of Agreement shall be reviewed by the Policy Board by June 30 of each year it is in effect. Any amendments to this Memorandum of Agreement shall be approved by all the Parties in writing.

____
Keizer Police Department   Date

BY-LAWS
SALEM-KEIZER YOUTH SERVICES TEAM
POLICY BOARD

ARTICLE I: NAME

This organization shall be known as the Salem-Keizer Youth Services Team Policy Board. Hereafter it shall be referred to as the "Board" in these By-Laws.

ARTICLE II: PURPOSE

A) The purpose of the Salem-Keizer Youth Services Team is to provide a coordinated community based delivery system of crisis intervention, counseling, consultation and referral, and training to youth, their family and community, and to promote cooperation and understanding between the different agencies. The system is directed toward aiding in prevention and early intervention of social, individual, family problems, and delinquency in the Salem area. This is a cooperative agreement pursuant to ORS Chapter 190. No decision of the Salem-Keizer Youth Services Team Policy Board will obligate or bind the governing bodies of the member agencies.

B) The purpose of the Policy Board is to develop and implement policies and procedures for the operation of the Salem-Keizer Youth Services Team.

The Board monitors the actions of the YST specific to the determined objectives and evaluates effectiveness.

ARTICLE III: MEMBERSHIP

SECTION A. COMPOSITION:

The membership of the Board shall consist of representatives of participating agencies in the Salem-Keizer Youth Services Team program, and persons from units of government, public agencies, private agencies, and other persons designated by the Policy Board to serve and assist the project in fulfilling its goals. Voting members shall include the following:

1. A representative from each of the police departments including Marion County Sheriff's Office, Salem Police Department, and Keizer Police Department.
2. A representative from Marion County Juvenile Department.
3. A representative from Department of Human Services, Marion and Polk Branch.
4. A representative from Marion County Health Department.
5. A minimum of one representative from the community.
6. A representative from Salem-Keizer School District.
7. A representative from Department of Human Services, Self Sufficiency, Marion and Polk Branch.
8. A representative from Oregon Youth Authority.
9. A representative from Polk County Service Integration.

A representative from each YST school team shall attend as a non-voting representative.

SECTION B. APPOINTMENT:

Members of the Board shall be appointed by the participating agencies to serve for one (1) year. A member may be reappointed. The maximum number shall be set by the Board. The agency representative should be from a management level and capable of speaking for the agency.

SECTION C. APPOINTMENT OF NEW MEMBERS:

Additional members may be appointed upon recommendation of the Board and/or participating agencies. Ex-officio members may be appointed at the Board's decision.

SECTION D. TERMINATION:

The Board shall recommend to the appointing authority removal of any member whom the Policy Board believes is no longer eligible for membership. More than three consecutive absences without good cause may cause the Board to recommend removal. Resignations shall be submitted to the Chairperson of the Board and forwarded to the appointing authority.

SECTION E. MEETINGS:

A minimum of one meeting per quarter will be held at such places that may be designated by the Policy Board and/or Chairperson. Notice of meeting times, places, agendas shall be sent to members seven (7) days prior to each meeting. Follow-up meetings with times and dates will be announced at the end of each meeting.

SECTION F. SPECIAL MEETINGS:

Special meetings may be held upon call of the Chairperson and/or a petition of one-half of the current members with three (3) days notice being given.

SECTION G. QUORUM:

A majority of the appointed membership shall constitute a quorum which shall be sufficient to conduct any business of this Board, including the election of officers.

SECTION H. DECISION MAKING PROCESS:

The preferred process for decision making is by reaching group consensus in an effort to reach the best decisions possible in a timely manner. This process is in no way meant to discourage discussion or stifle the opinions of members. *Consensus is defined as the ability to support the final version.*

The Chair will ask for consensus. If consensus is not reached, the Chair will decide when to survey members present. Eighty percent (80%) agreement of members present will carry the decision.

SECTION I. VOTING:

Each member with voting privileges will have one vote equal to that of all other members.

SECTION J. MINUTES OF MEETING:

Minutes shall be recorded and shall be distributed to each member of the Board no less than seven (7) days prior to the next regularly scheduled meeting of the Board.

ARTICLE IV: OFFICERS

SECTION A. ELECTION OF OFFICERS

The Board at their June meeting or next regularly scheduled meeting, should a June meeting not be held, shall elect from the Board membership a Chairperson, Vice-Chairperson, and secretary if desired, to serve for terms of one (1) year. The Chairperson may not serve as Chairperson of the Board for more than two years.

SECTION B. DUTIES OF OFFICERS

The Chairperson shall preside at all meetings of the Board when in attendance. In his/her absence, the Vice-Chairperson shall preside. In the absence of either the Chairperson or Vice-Chairperson, the Board will elect a Chairperson pro-tem to conduct appropriate business for that meeting.

ARTICLE V: SPECIAL COMMITTEES

The Board may authorize the Chairperson to appoint special committees and sub-committees from time to time giving consideration to balanced representation on each to deal with specific problems or issues. All such appointed committees are required to report their information and/or recommendations to the Board. All appointments shall be reviewed annually. The Chair, at his or her discretion, may join any appointed committee.

COUNCIL MEETING: June 1, 2015

TO: **MAYOR CLARK AND CITY COUNCIL MEMBERS**

THROUGH: **CHRIS EPPLEY**
CITY MANAGER

FROM: **NATE BROWN**
COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: **TRANSPORTATION AND GROWTH MANAGEMENT GRANT APPLICATION**

BACKGROUND:

The Oregon Transportation and Growth Management (TGM) program has encouraged the City of Keizer to apply for a grant to incorporate transportation planning as a fundamental part of the growth plan of the City. The City Council must formally adopt a resolution directing submittal of the application.

Staff intends to seek funding for the study of transportation issues related to different scenarios regarding the choices faced by the city in its quest to resolve the housing and commercial lands supply deficits. Though the city's adopted TSP is fairly recent (2008), the recent work to comply with periodic review has created a need to amend this plan. This amendment would be part of the effort of this grant project.

This project would require retaining a consultant that could provide analysis, modeling, and engineering estimates for infrastructure improvements. The amount requested would be $200,000 and is the amount staff seeks to receive Council authorization. The City obligation would be 12.0% of that amount, or $24,000 which would be accomplished through staff time and associated costs of publication, advertising and notice.

The attached description discusses the intent of what this project would create and study (Attachment 1).

The deadline for submitting an application is Friday, June 12, 2015.

RECOMMENDATION:

Adopt the attached Resolution authorizing the Community Development Director to apply for a TGM grant in the amount of $200,000 to study and document the impacts of alternate scenarios of city growth.

Attachment 1

Addressing Land Inventory Deficits through Assessment and Regulatory Changes

Through the work of periodic review, Keizer has documented an established deficit in all land use types. In order to meet this issue and realize the common goals expressed in the TGM program, Keizer seeks to identify responsible solutions through a balance of increased density, housing type mix, and employment and housing land supply. In order to accomplish this, an analysis of relative impacts to the types of decisions faced by policy makers (UGB expansion, regulatory revisions etc.) is sought. This analysis must recognize the complex nature of the Salem/Keizer shared UGB, and incorporate the new HNA/EOA work completed by Salem. This work must identify realistic options and their relative costs/benefits as related to the objectives of the Comprehensive Plan. From there, a palate of solutions would be generated which would lay out relative costs, effectiveness, and overall importance of a variety of scenarios, and which would integrate transportation planning and land use planning. It is anticipated that this work will provide a "road map" that will guide policy makers in making responsible, goal oriented decisions related to future growth.

The expected products of this effort would be:

1. An analysis of what the identified land deficits mean in terms of area, potential expansion areas and costs, as they are related to transportation infrastructure, and the scale of increased density impacts--together with an identification of relative impacts these various approaches will have on the existing infrastructure and community fabric.

2. Creation of a “Regulatory tool-kit” which would outline a variety of ambitions to increase a mix of housing types, work places, and an increase of quality of life.

3. Synthesis of an implementation plan to change the regulatory structure and remove barriers to compact development and mixed use development through utilizing the TGM Direct Community Assistance Programs to implement the above actions list.

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AUTHORIZING THE COMMUNITY DEVELOPMENT DIRECTOR TO APPLY FOR A TRANSPORTATION AND GROWTH MANAGEMENT GRANT

WHEREAS, Transportation and Growth Management Grant applications have been recently requested for assistance for transportation planning projects;

WHEREAS, the City of Keizer desired to participate in this grant program to the greatest extent possible;

WHEREAS, the City of Keizer anticipates that if awarded the grant, the City will benefit from the expected products such as:

1. An analysis of what the identified land deficits mean in terms of area, potential expansion areas and costs, as they are related to transportation infrastructure, and the scale of increased density impacts--together with an identification of relative impacts these various approaches will have on the existing infrastructure and community fabric;
2. Creation of a “Regulatory tool-kit” which would outline a variety ambitions to increase a mix of housing types, work places, and an increase of quality of life.
3. Synthesis of an implementation plan to change the regulatory structure and remove barriers to compact development and mixed use development through utilizing the TGM Direct Community Assistance Programs to implement the above actions list.

Keizer City Attorney

930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

WHEREAS, the City of Keizer hereby certifies that the estimated costs will be approximately $200,000;

WHEREAS, the City of Keizer hereby certifies that the City match will be approximately 12% of the total project cost and that it be in the form of soft match such as staff time and associated costs of publication, advertising and notice;

WHEREAS, deadline for submitting the application expires on June 12, 2015;

WHEREAS, the authority to sign the application must be authorized by the City Council;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that the Community Development Director is authorized to apply for a Transportation and Growth Management Grant.

BE IT FURTHER RESOLVED that should local match be required, such funds are authorized from the Community Development Program in General Fund.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this ___________ day of __________________, 2015.
SIGNED this ___________ day of __________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

CITY COUNCIL MEETING: June 1, 2015

AGENDA ITEM NUMBER:____________

TO: **MAYOR CLARK AND COUNCIL MEMBERS**

THROUGH: **CHRISTOPHER C. EPPLEY, CITY MANAGER**

FROM: **E. SHANNON JOHNSON, CITY ATTORNEY**

SUBJECT: **RESOLUTION AUTHORIZING CITY MANAGER TO ENTER INTO FIRST AMENDMENT TO AGREEMENT WITH KENTUCKY UNDERGROUND STORAGE**

The City has a contract with Kentucky Underground Storage, Inc. for online document storage. The City removed the Police Department data that was stored with Kentucky Underground Storage, Inc. as a result of an audit performed by Criminal Justice Information Services (CJIS). With the removal of the Police Department data, the remaining data being stored with Kentucky Underground Storage was simply too small to continue storing it at the same rate. Therefore, Kentucky Underground Storage has requested an amendment to the consideration paid for the services rendered.

The current agreement has a rate of $8.50 per GB per calendar month for storage of 0 – 50 GB, $8.30 per GB per calendar month for storage of 51 – 75 GB, and $8.10 per GB per calendar month for storage of 75 – 100 GB. The current agreement does not have a minimum. The amendment is increasing the rate from $8.50 per GB to $10.00 per GB per calendar month for storage 15 GB minimum and $4.00 per GB per calendar month for storage of any quantity over 15 GB. The amendment is adding the minimum 15 GB.

While the overall cost to Kentucky Underground Storage will go down, the new price is an increase per GB and the City will incur additional charges by adding another vendor for the storage of the Police Department data. Staff believes it is fair to enter into the amendment because a vendor should not be penalized simply because it is unable to comply with the new requirements set forth by CJIS.

RECOMMENDATION:

Adopt the attached Resolution Authorizing the City Manager to Enter into First Amendment to Web Development and Maintenance Agreement with Kentucky Underground Storage, Inc.

Please contact me if you have any questions in this regard. Thank you.

ESJ/tmh

CITY COUNCIL, CITY OF KEIZER, STATE OF OREGON

Resolution R2015-_____

AUTHORIZING THE CITY MANAGER TO ENTER INTO FIRST AMENDMENT TO WEB DEVELOPMENT AND MAINTENANCE AGREEMENT WITH KENTUCKY UNDERGROUND STORAGE, INC.

WHEREAS, the City of Keizer and Kentucky Underground Storage, Inc. entered into a Web Development and Maintenance Agreement effective September 4, 2014;

WHEREAS, Kentucky Underground Storage, Inc. has requested an amendment to the existing Agreement to amend the consideration paid for services rendered;

WHEREAS, the City has reviewed the request and wishes to amend the Agreement;

NOW, THEREFORE,

BE IT RESOLVED by the City Council of the City of Keizer that the City Manager is authorized to sign the First Amendment to Web Development and Maintenance Agreement attached hereto on behalf of the City.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon the date of its passage.

PASSED this __________ day of _________________, 2015.
SIGNED this __________ day of _________________, 2015.

____
Mayor

____
City Recorder

Keizer City Attorney
930 Chemawa Road NE
PO Box 21000
Keizer, Oregon 97307
503-856-3433

FIRST AMENDMENT TO WEB DEVELOPMENT AND MAINTENANCE AGREEMENT

PARTIES: City of Keizer, an Oregon Municipal corporation (hereinafter "City of Keizer")

Kentucky Underground Storage, Inc., a Kentucky Corporation (hereinafter "KUSI")

RECITALS:

A. City of Keizer and KUSI entered into that certain Web Development and Maintenance Agreement dated September 4, 2014 (hereinafter "Agreement").

B. City of Keizer and KUSI wish to enter into a first amendment to the existing Agreement to amend the compensation paid to KUSI.

NOW THEREFORE, the parties agree as follows:

AGREEMENT:

1. Section 2.a. of the Agreement dated September 4, 2014 is hereby amended to read as follows:

a. RETAINED SERVICES. City of Keizer agrees to compensate KUSI for services listed hereunder, in accordance with the following schedule:

$10.00 per GB per calendar month for storage 15 GB Minimum.
$4.00 per GB per calendar month for storage of any quantity over 15 GB.

2. Except as specifically modified herein, all remaining terms, conditions, obligations and duties set forth in the Agreement shall remain in full force and effect.

CITY OF KEIZER

By: ________________________
Christopher C. Eppley,
City Manager

Dated:______________________

KENTUCKY UNDERGROUND STORAGE, INC.

By: ___________________________
Daryl Husovitz,
Chief Operating Officer

Dated:___________________________

APPROVED AS TO FORM:

____
Keizer City Attorney

MINUTES
KEIZER CITY COUNCIL
Monday, May 4, 2015
Keizer Civic Center, Council Chambers
Keizer, Oregon

CALL TO ORDER

Mayor Clark called the meeting to order at 7:00 pm. Roll Call was taken as follows:

Present:	**Staff:**
Cathy Clark, Mayor	Chris Eppley, City Manager
Dennis Koho, Council President	Shannon Johnson, City Attorney
Marlene Quinn, Councilor	Nate Brown, Community Development Director
Kim Freeman, Councilor	Bill Lawyer, Public Works Director
Roland Herrera, Councilor	John Teague, Police Chief
Amy Ripp, Councilor	Tracy Davis, City Recorder
Ryan Edsall, Youth Councilor	

Absent:
Brandon Smith, Councilor

FLAG SALUTE

Mayor Clark led the pledge of allegiance.

SPECIAL ORDERS OF BUSINESS

Community Development Director Nate Brown introduced the new Code Enforcement Officer, Benjamin Crosby, noting that he had been with the City for 3 weeks and was already responding to many issues and making a good presence in the city. Mr. Crosby added that he had worked for the City of Salem for nine years in code enforcement and that he appreciated the warm welcome he had received in Keizer.

Jill Bonney-Hill and *Sherrie Gottfried* representing the Keizer Points of Interest Committee thanked the American Legion for the flag poles they installed at Pfc. Ryan J. Hill Memorial Park and stated that the committee had discussed the request to change the kiosks in the park and has recommended to Council that the kiosks remain unchanged. However, the committee is amenable to an additional recognition of Oregon's fallen soldiers at the park.

COMMITTEE REPORTS

a. <u>RESOLUTION</u> – Amending the Keizer Public

City Attorney Shannon Johnson explained that the Volunteer Coordinating Committee had received an application from a youth wishing to serve as Youth Liaison to the Keizer Public Arts Commission. This resolution changes the membership of the Commission to include that position.

Arts Commission (KPAC); Amending Resolution No. R2015-2552

Councilor Koho moved to adopt a Resolution Amending the Keizer Public Arts Commission (KPAC); Amending Resolution No. R2015-2552. Councilor Quinn seconded. Motion passed as follows:

AYES: Clark, Koho, Quinn, Freeman, Ripp and Herrera (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Smith (1)

b. Volunteer Coordinating Committee Recommendation for Appointment to
- **Keizer Festivals Advisory Board, 2015/16**
- **Youth Councilor**
- **Keizer Art Commission Youth Liaison**

City Manager, Chris Eppley, reported that The Volunteer Coordinating Committee reviewed applications and interviewed candidates for openings on the Keizer Festival Advisory Board, Keizer Youth Councilor position, and a Youth Liaison to the Keizer Public Arts Commission. The Committee recommends the following applicants for appointments:

- Keizer Festivals Advisory Board – Jeff Lewis – Position #1, term expiring May 31, 2018
- Keizer Youth Councilor 2015/15 - Siri Scales - September 1, 2015 thru June 30, 2016
- Keizer Arts Commission Youth Liaison – Emily Brito - September 1, 2015 thru June 30, 2016

Councilor Koho moved that the Keizer City Council accept the recommendation of the Volunteer Coordinating Committee to appoint the applicants as outlined. Councilor Quinn seconded. Motion passed as follows:

AYES: Clark, Koho, Quinn, Freeman, Ripp and Herrera (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Smith (1)

Siri Scales attended the meeting and briefly introduced herself.

PUBLIC TESTIMONY

Danielle Bethell, Salem, and *Bob Zielinski,* Marion County, reported that they have been working on the McNary turf project and requested that the City waive the cost of the Erosion Control Permit ($1,000). Mr. Zielinski explained that all efforts will be accomplished by hand to avoid damage to the drainage system and provided construction details. Mr. Johnson noted that if the fee is waived there are no funds to offset staff labor. Public Works Director Bill Lawyer noted that staff time should be minimal.

Councilor Koho moved to suspend the rules to consider this issue. Councilor Quinn seconded. Motion passed as follows:

AYES: Clark, Koho, Quinn, Freeman, Ripp and Herrera (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Smith (1)

Councilor Koho moved to waive the fees as requested. Councilor Quinn seconded. Motion passed as follows:

AYES: Clark, Koho, Quinn, Freeman, Ripp and Herrera (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Smith (1)

PUBLIC HEARINGS

a. Utility License Fee for Sewer Utilities

Joe Egli, Keizer, announced that the City of Keizer is a sponsor of the Iris Festival and he gave Council a sponsorship basket as a token of appreciation. He added that Councilors will be given VIP bands to wear, reviewed avenues available for volunteering and listed significant events.

b. RESOLUTION – Relating to Municipal Court Fees

Mr. Johnson explained that after putting the notice in the paper some technical issues came up. Staff is requesting that this issue be continued to June 1. Council agreed by consensus to address this at the June 1 meeting.

c. RESOLUTION – Relating to Municipal Court Fees

Mr. Johnson explained that this is a housekeeping measure and that court fees are published on a comprehensive list of fees. The court has authority to set fees, but he felt they should be officially approved by Council.

Mayor Clark opened the Public Hearing. Hearing no testimony Mayor Clark closed the Public Hearing.

Councilor Koho moved that the Keizer City Council adopt a Resolution Relating to Municipal Court Fees. Councilor Quinn seconded. Motion passed as follows:

AYES: Clark, Koho, Quinn, Freeman, Ripp and Herrera (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Smith (1)

d. Keizer Development Code Amendment (Veterinary Services in MU Zone)

Community Development Director Nate Brown explained that this amendment will allow veterinary services in the mixed use zone which are currently not allowed. He provided background information relating to this matter noting that the Planning Commission has recommended this allowance under limited circumstances to ensure compatibility with neighbors.

Mayor Clark opened the Public Hearing.

Dr. Leanne Eggert and John Eggert, Keizer, explained that they are the owners of Creekside Veterinary Clinic and they have grown out of the current facility. The proposed new location in a mixed use zone (not residential) would benefit clients, their business and the community.

Hearing no further testimony, Mayor Clark closed the Public Hearing.

Councilor Koho moved to direct staff to prepare an ordinance with the necessary findings to adopt the proposed revisions. Councilor Quinn seconded. Motion passed as follows:

AYES: Clark, Koho, Quinn, Freeman, Ripp and Herrera (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Smith (1)

ADMINISTRATIVE ACTION

a. Municipal Judge Services Evaluation Process

Mr. Johnson explained that it has been suggested that Council representatives evaluate municipal judge services annually rather than every other year. The current resolution states that evaluation will occur at least once every two years.

Mayor Clark expressed her preference for annual review in order to maintain a good relationship and connection with the City's Municipal Court system. Councilor Freeman voiced support and suggested a 6-month interval. Discussion followed regarding various options.

Council supported annual informal check-ins with a formal meeting at the discretion of the Council.

Mr. Johnson noted that he would bring back a new resolution reflecting this direction.

CONSENT CALENDAR

a. Report on Disbursement of Keizer Police Department Community Services and Community Response Petty Cash Funds
b. Approval of April 20, 2015 Regular Session Minutes

Councilor Koho moved for approval of the Consent Calendar. Councilor Quinn seconded. Motion passed unanimously as follows:

AYES: Clark, Koho, Quinn, Freeman, Ripp and Herrera (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Smith (1)

COUNCIL LIAISON REPORTS

Councilor Herrera reviewed meetings/activities he had attended including the Mid-Valley Literacy function, Young Life, Youth Leadership, Community Conversation at the Police Academy, Gustav's grand opening and the Rotary event which he attended as part of the Independence Roundtable.

Councilor Quinn reviewed actions taken at the Festivals Advisory Board meeting, and reported on other functions she had attended including Young Life and the Gustav's grand opening.

Councilor Koho reported that he had attended the City/Fire District lunch and noted that they would be facing major turnover, he completed Community Emergency Response Team training, and will be attending

Planning Commission next week for Councilor Smith.

Councilor Ripp announced meetings she had attended including the Public Arts Commission, Festivals Advisory Board, Chamber, Keizer Network of Women, Keizer Chamber Foundation, and Traffic/Bikeways Committee meetings. She also attended ribbon cuttings for Gustav's and Love Love Teriyaki.

Councilor Freeman urged everyone to volunteer for the Big Toy build coming up in June and announced the upcoming Claggett Creek Watershed Council event at Keizer Rapids Park and the West Keizer Neighborhood Association meeting.

Youth Councilor Edsall announced that the Prom went well, Teacher Appreciation Week and Spring Fling are underway, students are preparing for finals and Graduation is on June 5.

Mayor Clark voiced appreciation to Elizabeth Sagmiller for her efforts in working with Julia Genth from Lindau, Germany; all staff for making Ben Crosby feel welcome; Councilor Herrera for covering the Youth Leadership event; Haggen for keeping Albertson's employees on the job; and Keizer Chamber for hosting the Community Conversations. She reviewed ribbon cuttings including AKS Engineering, and Gustav's; and the celebration at Keizer Heritage Center and Library. She noted that Art Burr was awarded the "Library Champion" award which was instituted this year and concluded her report announcing the upcoming Keizer Art Association Mad Hatter Tea and the Turnaround Awards.

OTHER BUSINESS

Chief Teague announced that a job was offered to Juan Perez last week; he will start May 18. This is a lateral move for him.

Community Development Director Nate Brown advised Council that the next Planning Commission meeting will deal with significant changes in infill. He urged that everyone participate.

WRITTEN COMMUNICATIONS

None

AGENDA INPUT

May 11, 2015
5:45 p.m. – City Council Work Session – Solid Waste Rates

May 18, 2015
7:00 p.m. – City Council Regular Session

2015 Budget Committee Meetings:
- May 5, 2015 – 6:00 p.m.
- May 7, 2015 – 6:00 p.m.
- May 12, 2015 – 6:00 p.m.
- May 19, 2015 – 6:00 p.m. (if necessary)

ADJOURNMENT Mayor Clark adjourned the meeting at 8:20 p.m.

MAYOR: APPROVED:

Cathy Clark	Debbie Lockhart, Deputy City Recorder

COUNCIL MEMBERS

Councilor #1 – Dennis Koho	Councilor #4 – Roland Herrera
Councilor #2 – Kim Freeman	Councilor #5 – Amy Ripp
	~ Absent ~
Councilor #3 – Marlene Quinn	Councilor #6 – Brandon Smith

Minutes approved:_________________

MINUTES
KEIZER CITY COUNCIL
SPECIAL SESSION
Monday, May 11, 2015
Keizer Civic Center, Council Chambers
Keizer, Oregon

CALL TO ORDER

Mayor Clark called the meeting to order at 5:47 pm. Roll Call was taken as follows:

Present:
Cathy Clark, Mayor
Dennis Koho, Council President
Marlene Quinn, Councilor
Kim Freeman, Councilor
Roland Herrera, Councilor
Amy Ripp, Councilor
Ryan Edsall, Youth Councilor

Absent:
Brandon Smith, Councilor

Staff:
Chris Eppley, City Manager
Shannon Johnson, City Attorney
Bill Lawyer, Public Works Director
Tracy Davis, City Recorder

PUBLIC HEARING
a. Solid Waste and Recycling Services and Rates

City Manager Chris Eppley explained that representatives from the two waste hauling companies serving Keizer have asked for 5% rate increase noting that they have not increased rates in 5 years. He added that the 5% increase is one option; other options include a small increase of rates every year and/or weekly yard debris and/or recycling pickup.

Mayor Clark opened the Public Hearing.

John Sullivan, Albany, Oregon, and *Todd Irvine* General Manager for Mid Valley Recycling, provided explanation on the proposed options noting that they have not had an increase since September 2010. They explained that option A provides no increase in service levels but a 5% increase in rates, Option B provides weekly organics collection with a 13.2% rate increase, and Option C provides weekly organics and recycle collection with a 24.1% increase.

Mr. Sullivan and Mr. Irvine then fielded questions regarding the rate increase, the CPI, rate increases for other cities, multi-family dwelling service and rates, increases in volume of debris related to street sweeping due to lack of space in the yard debris bins, increased costs, maintenance, and rates in general.

Jacque Moir, Keizer, voiced strong support for weekly service for all carts.

Mayor Clark closed the Public Hearing and the Record.

Councilor Koho moved to direct staff to prepare an Order adjusting rates in accordance with Option B. Councilor Quinn seconded.

Mayor Clark urged that the Order include the requirement of a report on the annual return on investment. Mr. Johnson noted that the haulers have always been very cooperative and he assumed that they would like the CPI to be automatic but he would check the ordinance to see if a public hearing for approval is required. Mayor Clark suggested a CPI with a cap triggering a public hearing.

Motion passed unanimously as follows:

AYES: Clark, Koho, Quinn, Freeman, Ripp and Herrera (6)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Smith (1)

OTHER BUSINESS

None

ADJOURNMENT

Mayor Clark adjourned the meeting at 6:25 p.m.

MAYOR:	APPROVED:
Cathy Clark	Debbie Lockhart, Deputy City Recorder

COUNCIL MEMBERS

Councilor #1 – Dennis Koho	Councilor #4 – Roland Herrera
Councilor #2 – Kim Freeman	Councilor #5 – Amy Ripp
Councilor #3 – Marlene Quinn	~ Absent ~ Councilor #6 – Brandon Smith

Minutes approved:_________________