

Data & Statistics

Current Postage Rate	\$	0.50
Current Postage Handling Fee per Letter	\$	0.085
Accounting Specialist Billable Hourly Rate	\$	38.85
Accounting Supervisor Billable Hourly Rate	\$	59.02
Finance Director Billable Hourly Rate	\$	80.52
Delinquent Properties as of July 1, 2018		79
Total Delinquent Property Principle	\$	13,951.69
Current Properties Included for new EID		180
Number of Unique Owners for new EID		121
Estimated First Year EID Billing	\$	38,699.45

Albany Downtown Association (ADA) Current Invoice Amount

Public Meeting Notice Advertisements		
Advertisement 1 Cost	\$	208.80
Advertisement 2 Cost (Estimated)		208.80
First Notice OF EID Letter		
Postage ¹		
(270 properties @ \$0.50 each)		N/A
Postage Handling Fee ¹		
(270 properties @ \$0.085 each)		N/A
Black & White Copy Charge		
(270 properties @ \$0.05 each)		13.50
Second Notice of EID Letter		
Postage		
(210 properties @ \$0.50 each)		105.00
Postage Handling Fee		
(210 properties @ \$0.085 each)		17.85
Black & White Copy Charge		
(210 properties @ \$0.05 each)		10.50
Total ²	\$	564.45

1. Postage and Handling Fee are not applicable for the current billing as the ADA picked up the mailings and reimbursed the City \$37.00 for excess stamps that the City already had in its possession.
2. All items listed above are typically billed to the ADA from the City at the inception or renewal of the EID.

Items Not Billed to the Albany Downtown Association (ADA)

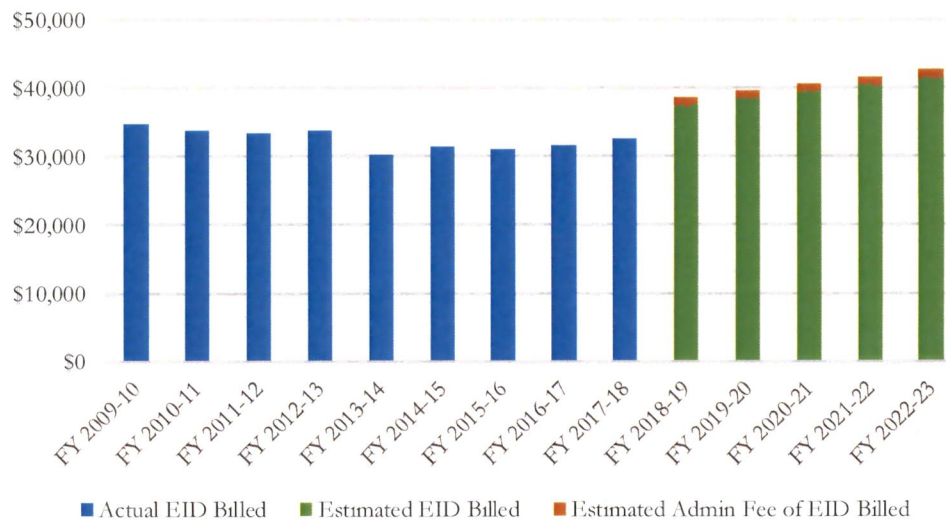
Initial Setup of EID ^{1,6} (24 hours/year @ \$38.85/hour x one-time)	\$ 932.40
Annual Setup of EID ^{2,6} (24 hours/year @ \$38.85/hour x 5 years)	4,662.00
Annual Billing Postage (121 mailings @ \$0.50 each x 5 years)	302.50
Annual Billing Postage Handling Fee (121 mailings @ \$0.085 each x 5 years)	51.43
Monthly Processes ^{3,6} (36 hours/year @ \$38.85/hour x 5 years)	6,993.00
Monthly Postage (79 delinquent mailings/month @ \$0.50 each x 5 years)	2,370.00
Monthly Postage Handling Fee (79 delinquent mailings/month @ \$0.085 each x 5 years)	402.90
Finance Director Time ⁴ (\$80.52/hour)	N/A
Accounting Supervisor Time ⁵ (\$59.02/hour)	N/A
Total for 5-year EID	\$ 15,714.23
Annualized Amount for EID	\$ 3,142.85
Annualized % of Estimated Billing	8.12%

1. Initial Setup of EID includes, but is not limited to: pulling the property data for owners and properties; reconciling the data for owners and properties; review of public notices, letters and ordinance; formatting data to put into letter format; folding and stuffing mailings
2. Annual Setup of EID includes, but is not limited to: setting up a new annual district in the financial system; setting up any new customers for newer owners in the financial system; setting up a new annual assessment in the financial system; review of data entry; initial billing of the EID.
3. Monthly Processes include but are not limited to: billing of delinquents; cash receipting; reporting of EID receipts, requisition entry and purchase order creation for remittance to the ADA; invoicing and check writing for remittance to the ADA; billing inquiries from customers; folding and stuffing mailings; monthly reconciliation of assessments.
4. Finance Director Time includes but is not limited to: reviewing public notices, letters and ordinance; fields questions from property owners; general supervision of the EID in accordance with the City's accounts receivable practices. Time spent on the EID is relatively minimal. However, the City recognizes that there is time spent, but chooses not to recognize the allotted time for EID involvement.
5. Accounting Supervisor Time includes but is not limited to: reviewing public notices, letters and ordinance; fields questions from property owners; general supervision of the EID in accordance with the City's accounts receivable practices; review of monthly assessment reconciliation; programs advanced spreadsheet and mail merge functions. Time spent on the EID is relatively minimal. However, the City recognizes that there is time spent, but chooses not to recognize the allotted time for EID involvement.
6. These are annualized estimates of the Accounting Specialists' time associated with the EID. Estimations are estimated based on previous knowledge of the process. Time in previous years was not tracked by the City.

Other Oregon Cities with EID's

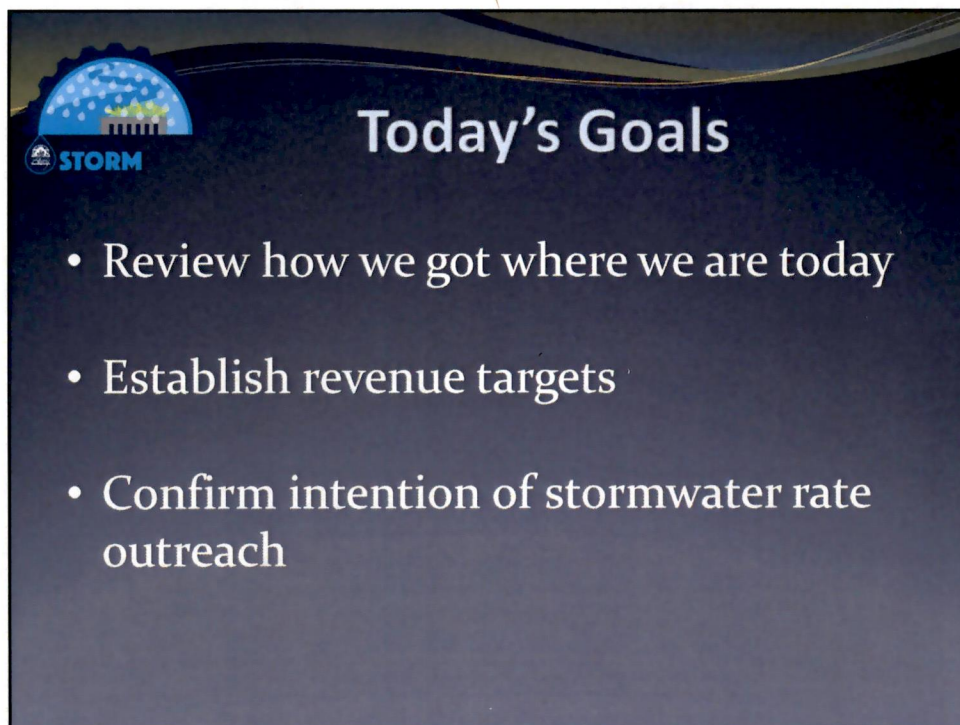
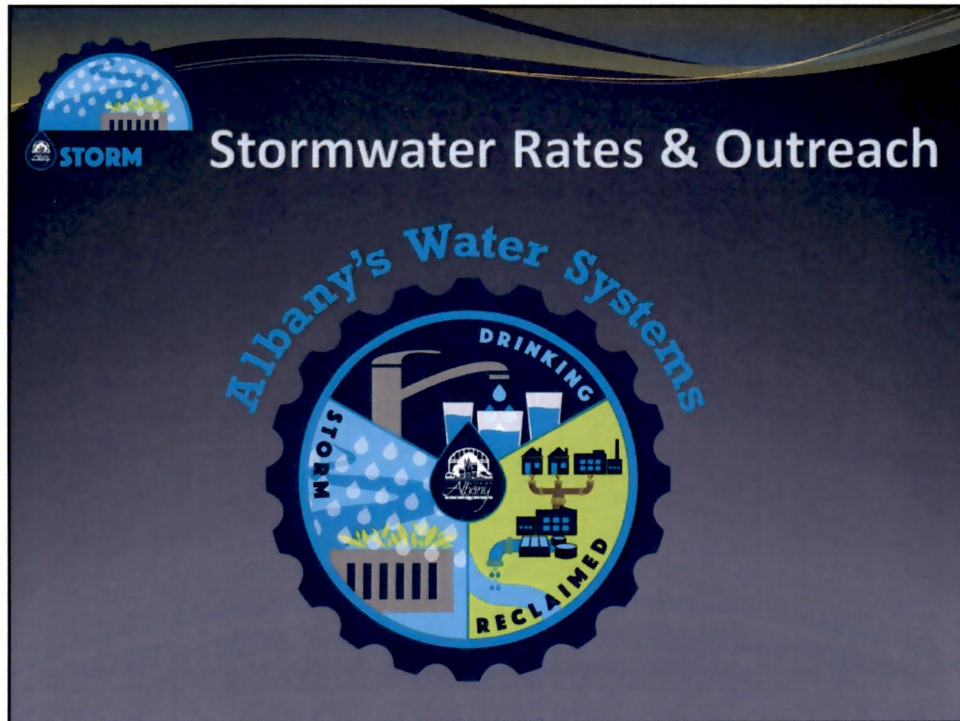
City	Admin Fee Charged (Yes or No)	Responses/Notes
Bend	No	No response was given by city staff, but the State confirmed no administrative fee is charged.
Corvallis	Yes	Flat \$3,585 annual fee charged to their downtown association for the work provided on EID's; contracts are signed with the details.
Cottage Grove	No	In earlier years Cottage Grove would do more work on EID's, but in recent years they are doing less work; their downtown association completely handles all their own accounting and record keeping now.
Hillsboro	No	Finance prepares the invoices for the EID and the Economic Development Project Manager includes a letter with the invoice.
McMinnville	No	The City of McMinnville confirmed that they do not charge an administrative fee for their approximate \$70,000 in EID assessments annually.
Oregon City	No	The current EID will not be renewed in the coming fiscal year; no response was given by city staff, but the State confirmed no administrative fee is charged.
Portland	Yes	City Code Chapter 3.122, actual terms of administration for specific programs are put into a contract; no specific details were shared.

Albany EID Billing History & Outlook



Fiscal Year	EID Billed	Estimated Admin Fee
FY 2009-10	\$34,756.91	\$0.00
FY 2010-11	\$33,870.22	\$0.00
FY 2011-12	\$33,316.13	\$0.00
FY 2012-13	\$33,799.88	\$0.00
FY 2013-14	\$30,298.86	\$0.00
FY 2014-15	\$31,465.33	\$0.00
FY 2015-16	\$31,108.43	\$0.00
FY 2016-17	\$31,571.78	\$0.00
FY 2017-18	\$32,511.68	\$0.00
FY 2018-19*	\$38,699.45	\$1,160.98
FY 2019-20*	\$39,666.94	\$1,190.01
FY 2020-21*	\$40,658.61	\$1,219.76
FY 2021-22*	\$41,675.08	\$1,250.25
FY 2022-23*	\$42,716.96	\$1,281.51

*The EID Billed in the future years are estimated based on current remonstrances and a future 2.5% growth over the life of the continued EID. Corresponding Estimated Admin Fee is based on the recommended 3% rate to charge EID receipts. The Estimated Admin Fee is assuming that all EID amounts billed within the current year will be remitted.





Service Delivery


Utility Payments  Services Provided

Currently SW funding only supports basic Operations and Maintenance Services:

- Cleaning and inspecting SW lines
- Reactive system maintenance
- Minor regulatory compliance (1200-Z permit, TMDL compliance)


SW Services that are not funded:

- Installation of SW facilities with associated street projects
- Perpetual life replacement (PLR) program
- NPDES MS₄ Permit requirements
- Capacity-increasing projects





SW Facilities as Part of Street Projects

- Stormwater facilities (pipes, water quality facilities, etc) are installed or improved with every major street project
- These facilities are paid for out of street funds, not stormwater funds.
- Annual average cost estimate is \$400,000/year




Perpetual Life Replacement

- ~50% of system assessed
- **\$2M/year** for 10 years to repair what we know of
- Extrapolate to full system = **\$4M/year**
- Set funding target and grow over 10 years (or some other interval) to meet this goal


MS4 Permit Responsibilities

- Currently DEQ is reviewing public comment
- No indication the permit will be revised significantly
- DEQ is committed to issuing this permit this year
- Implementation of a reasonable permit will cost at least **\$300,000/year** more than current funding
- Implementation of the full draft permit staff reviewed will cost **\$1M/year** more than current funding
 - Full implementation for new permittees is not required until the 5th year of the permit cycle (2023)




Capacity-Increasing Projects

- Stormwater master plan is in development
 - Identifies current capacity limitations and identifies projects to improve capacity of the system
 - Does not include perpetual life replacement projects
 - Can be used to set stormwater SDCs
- Expected completion date in early 2020




Selecting a Funding Target

- What is the preferred level of service?
- Options include:
 - Inflation only, status quo for everything else
 - Inflation plus one or more of the previously discussed service-level funding targets
 - Select a number of years to reach this target



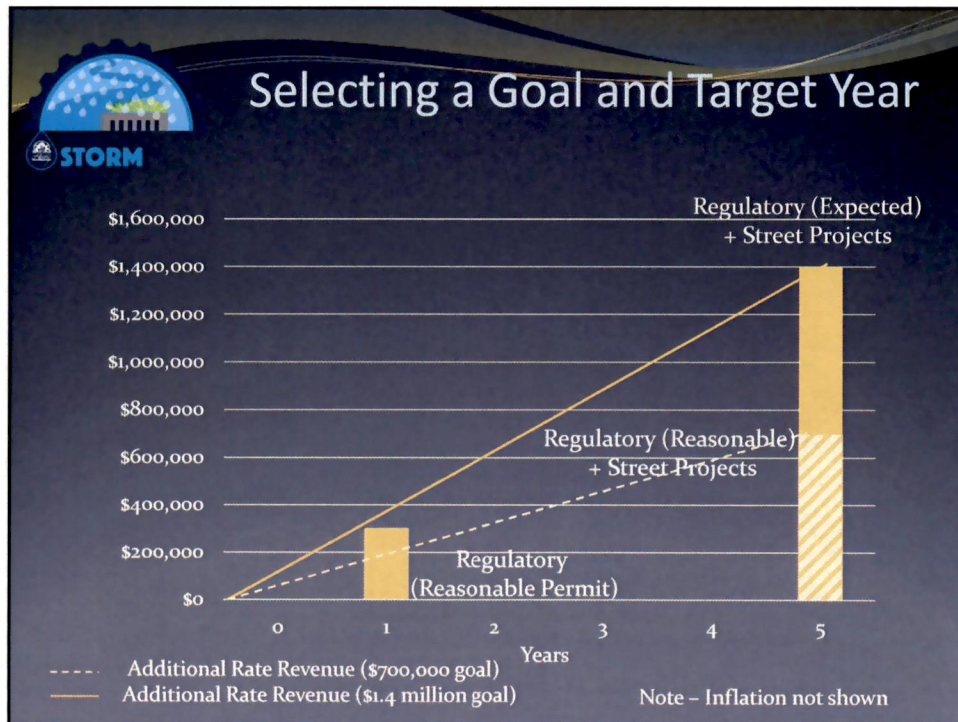
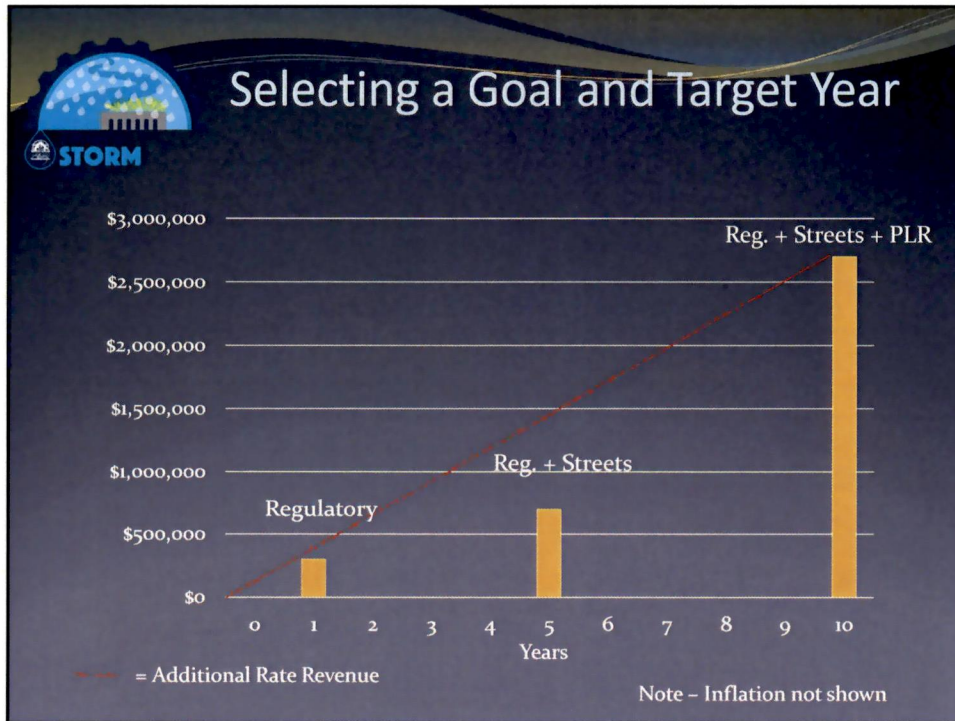
Additional Funding Needs


- Inflation: approximately \$100,000 per year or 5%
- MS4 permit (reasonable): \$300,000 per year or 15%
- MS4 permit (likely): \$1,000,000 per year or 50%
- Associated street work: \$400,000 per year or 20%
- PLR (50% est.): \$2,000,000 per year or 100%
- PLR (100% est.): \$4,000,000 per year or 200%
- The large percentage and dollar increases are best implemented gradually over years



Selecting a Timeline

- Setting the target year by which we would like to reach the selected funding amount per year is an important piece of the puzzle
 - One option is to set rates to reach a desired funding level in one year (one rate increase)
 - Another option is to select a number of years over which to steadily grow the funding (routine smaller rate increases)
- Staff has typically worked in 5 or 10 year target periods






Selecting a Funding Target

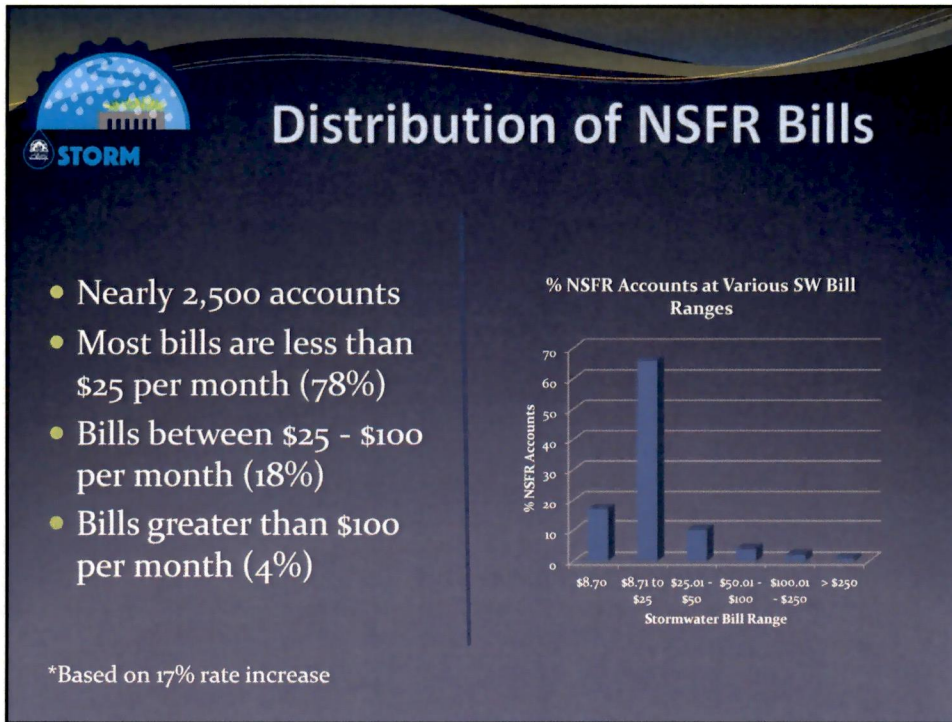
Staff Recommendation

- Annual inflation increase
- Permit: \$300,000 additional in Year 1 and total of \$1 million in Year 5 (additional \$700,000)
- Street work: additional \$400,000 in Year 5
- Total of \$1.4 million above current revenue in year 5 (plus inflation)
- Concerns
 - Risk of pipe failures with no significant pipe replacement funding for several years
 - Will not address existing capacity constraints



Impact on SFR Customers


- Average SFR monthly stormwater charge
 - March 1, 2019 (Year 0) \$7.43
 - March 1, 2020 (Year 1) \$8.70
 - March 1, 2021 (Year 2) \$10.18
 - March 1, 2022 (Year 3) \$11.91
 - March 1, 2023 (Year 4) \$13.93
 - March 1, 2024 (Year 5) \$16.30



Sample NSFR Accounts*

• Typical gas station	\$14/month
• City Hall	\$38/month
• Apartment complex	\$84/month
• Large retailers (3)	\$343, \$430, \$545/month
• High school	\$590/month
• Medium manufacturer	\$710/month
• Large care facility	\$985/month
• Large manufacturer	\$1,772/month

*Based on 17% rate increase & sample property type; actual bills will vary based on calculated impervious surface on each property.



NSFR Accounts – Community Comparison

	<u>Albany</u>	<u>Salem</u>	<u>Corvallis</u>	<u>Eugene</u>
Gas Station	\$14	\$28	\$30	\$56
City Hall	\$38	\$83	\$124	\$226
Apartment Complex	\$84	\$187	\$299	\$546
Large Retailer 1	\$343	\$774	\$1,276	\$2,319
Large Retailer 2	\$430	\$972	\$1,611	\$2,927
Large Retailer 3	\$545	\$1,238	\$2,079	\$3,775
High School	\$590	\$1,341	\$2,253	\$4,089
Large Care Facility	\$985	\$2,240	\$3,775	\$6,853
Medium Manufacturer	\$710	\$1,613	\$2,714	\$4,927
Large Manufacturer	\$1,772	\$4,017	\$6,713	\$12,192


*Based on 17% rate increase & sample property type; actual bills will vary based on calculated impervious surface on each property.



Selecting a Funding Target


Discuss

Next Up: Discuss Goals for Outreach





Outreach Goals

- Community outreach can be tailored to try to accomplish a variety of goals
- Staff needs direction to meet your goals
 - Education? Persuasion? Recommendations?
- What role does the Council want to play in outreach?
- What specific groups, if any, do you want staff to target?




The End





2017-18 Average Monthly Utility Bills in Oregon Cities
Single-Family Residential Customers - Stormwater Only Bill (Assumes 13% stormwater rate increase 3/1/18)


Population 2016 PSU	City / District	800 cu ft	
		\$ / mo	Rank
627,395	Portland	\$29.91	1
162,060	Salem	\$15.77	2
19,145	Sherwood	\$15.61	3
60,140	Springfield	\$14.58	4
165,885	Eugene / EWEB	\$14.43	5
37,425	Lake Oswego	\$14.40	6
11,915	Cornelius	\$13.65	7
108,150	Gresham	\$11.32	8
9,250	Independence	\$10.71	9
49,745	Tigard	\$10.25	10
95,385	Beverton	\$10.25	10
34,240	Oregon City	\$9.94	12
23,375	Forest Grove	\$9.25	13
99,340	Hillsboro	\$8.54	14
58,240	Corvallis	\$8.35	15
52,540	Albany	\$7.61	16
22,820	Roseburg	\$7.32	17
37,505	Keizer	\$6.89	18
25,615	West Linn	\$6.78	19
83,500	Bend	\$5.30	20
16,435	Lebanon	\$3.28	21
845	Adair Village	\$2.50	22
4,665	Philomath	\$2.00	23
9,090	Sweet Home	\$1.00	24
24,795	Woodburn	\$0.00	25
33,405	McMinnville	\$0.00	25
9,745	Monmouth	\$0.00	25
36,815	Grants Pass	\$0.00	25
	Average	\$8.56	




2017-18 Average Monthly Utility Bills in Oregon Cities
Single-Family Residential Customers - Total Utility Bill (Assumes 13% stormwater rate increase 3/1/18)

Population 2016 PSU	City / District	800 cu ft	
		\$ / mo	Rank
627,395	Portland	\$188.24	1
9,090	Sweet Home	\$143.35	2
37,425	Lake Oswego	\$142.74	3
16,435	Lebanon	\$140.07	4
845	Adair Village	\$131.33	5
49,745	Tigard	\$125.40	6
11,915	Cornelius	\$122.81	7
19,145	Sherwood	\$120.75	8
4,665	Philomath	\$118.80	9
34,240	Oregon City	\$116.52	10
9,250	Independence	\$114.26	11
52,540	Albany	\$111.25	13
83,500	Bend	\$106.92	13
60,140	Springfield	\$101.24	14
24,795	Woodburn	\$96.25	15
95,385	Beverton	\$94.95	16
99,340	Hillsboro	\$93.66	17
23,375	Forest Grove	\$92.01	18
162,060	Salem	\$91.98	18
33,405	McMinnville	\$89.01	20
108,150	Gresham	\$87.23	21
165,885	Eugene / EWEB	\$87.12	22
25,615	West Linn	\$86.97	23
58,240	Corvallis	\$84.93	24
9,745	Monmouth	\$78.42	25
37,505	Keizer	\$74.60	26
22,820	Roseburg	\$65.71	27
36,815	Grants Pass	\$62.23	28
	Average	\$105.91	

Utility bill calculation includes water, sewer, stormwater and transportation fees, if applicable.
Rates are calculated on 800-cubic feet for residential accounts only. All units calculated in cubic feet.
800 cubic feet is the comparison used by the League of Oregon Cities.



NSFR Property Example



$\frac{26,136 \text{ sq. ft.}}{3,200 \text{ sq. ft./ERU}^*}$

= 8.17 ERUs

Monthly stormwater bill =
base fee (\$5.41) + impervious
surface charge (8.17 ERUs x
\$2.20/ERU) =

\$23.38

TOTAL AREA:
32,670 sq. ft.


IMPERVIOUS AREA:
26,136 sq. ft.



Additional Activities


Polluted runoff & Spill Cleanup





O&M Pipe Inspections - Storm vs. Sanitary


Sanitary	Storm
<ul style="list-style-type: none">• Pipe size: 75% are 8"• Simple layout: lateral, main, MH, force main• All drain to one place: the WRF for treatment	<ul style="list-style-type: none">• Larger pipe: ~60% are 10" - 15"• More structure types: Inlet, CB, detention pipe, outlet, culvert, ditch, swale, planter, pond...• Drain to the different receiving waters, mostly untreated



PLR Capital Cost -Storm vs. Sanitary

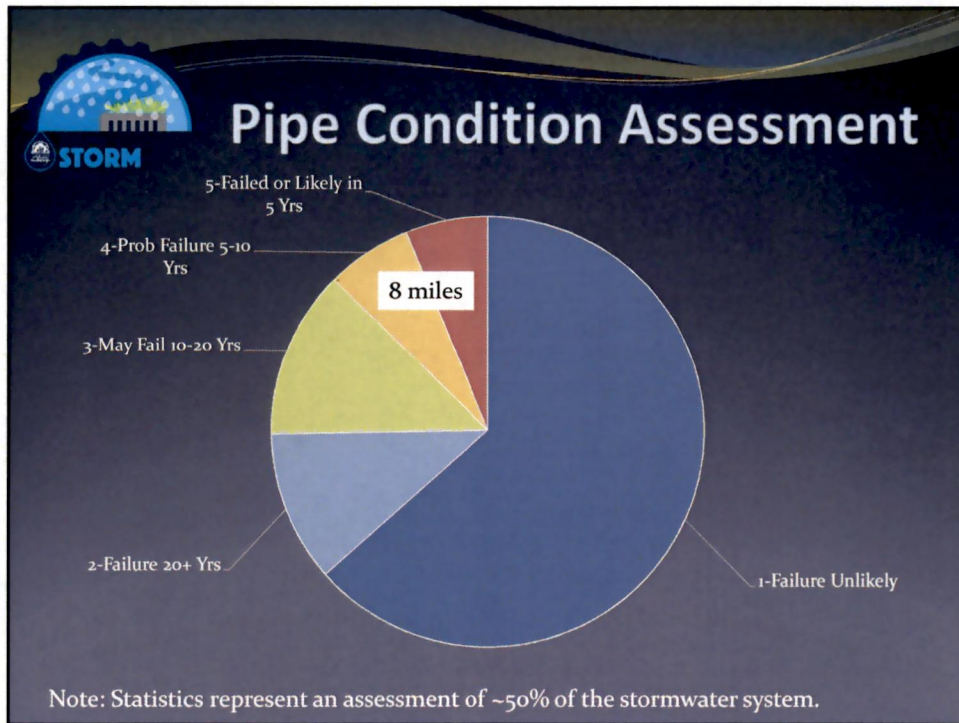
- Sanitary Sewer – Capital Target = \$2.7M/yr.
- Stormwater – PLR Capital Needs*
 - 50% of system = \$2M/yr.
 - 100% of system = \$4M/yr.

*Required annually over a 10-year period



Albany's Stormwater System

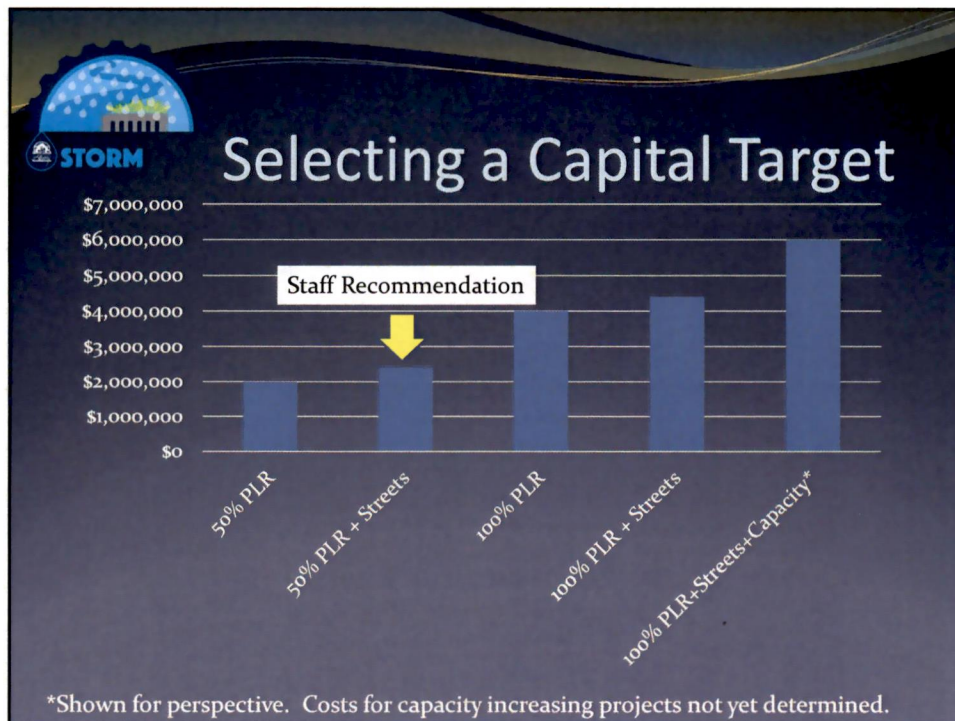
- Both piped and open conveyance
 - 135 miles of stormwater pipes
 - 4,307 catch basins/inlets
 - 2,322 manholes
 - 70+ miles of open ditches/culverts
 - 116 stormwater quality facilities
- Receiving waters include Periwinkle, Oak, Cox, Burkhart Creeks; Calapooia and Willamette Rivers



Estimated Capital Cost

- Capacity
 - \$\$ TBD – SW Master Plan
- PLR/Asset Management (5's, 4's, root lines)*
 - 50% of system = \$2M/yr.
 - 100% of system = \$4M/yr.
- Street Projects
 - Averages ~\$400K/yr.


*Required annually over a 10-year period



STORM

Regulatory Requirements

- In compliance with current regulations
 - No additional costs anticipated for compliance with current regulations
- NEW - DEQ's NPDES MS4 Phase II permit
 - Reviewed in separate presentation
 - Significant concerns over proposed permit requirements
 - DEQ anticipates releasing final permit in 2018
 - Anticipated start date for Albany would be Jan 2019
 - 5-year permit term, renewal required



Cost of Compliance

- DEQ's draft permit conditions
 - Estimated to require additional \$1M/yr. over current budget
- Reasonable DEQ permit
 - Estimated to require additional \$300K/yr. over current budget
 - Assumed for staff's rate recommendation