

City Council

Mayor
Brian Dalton

Council President
Jim Fairchild

Councilor
Kelly Gabliks

Councilor
Micky Garus

Councilor
Bill Hahn

Councilor
Mike Holland

Councilor
Jackie Lawson

Councilor
Kevin Marshall

Councilor
LaVonne Wilson

Councilor
Ken Woods, Jr.

City Staff

City Manager
Ron Foggin

City Attorney
Lane Shetterly

Community
Development/
Operations Director
Jason Locke

Finance Director
Cecilia Ward

Fire Chief
Fred Hertel

Police Chief
Tom Simpson

Director of Engineering
& Environmental
Services
Fred Braun

City Recorder
Emily Gagner

Recording Secretary
Jeremy Teal

Dallas City Council Agenda

Mayor Brian Dalton, Presiding

Monday, August 1, 2016

7:00 pm

Dallas City Hall

187 SE Court St.

Dallas, OR 97338

All persons addressing the Council will please use the table at the front of the Council. All testimony is electronically recorded. If you wish to speak on any agenda item, please sign in on the provided card.

AGENDA ITEM	RECOMMENDED ACTION
1. ROLL CALL	
2. PLEDGE OF ALLEGIANCE	
3. COUNCILOR REGOGNITION	
4. EMPLOYEE RECOGNITION/INTRODUCTION	
5. COMMENTS FROM AUDIENCE <i>This time is provided for citizens to comment on municipal issues and any agenda items other than public hearings. The Mayor may place time restrictions on comments. Please supply 14 copies of the material brought to the meeting for distribution.</i>	
6. PUBLIC HEARINGS <i>Public comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.</i>	
7. CONSENT AGENDA <i>The following items are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which case the item will be removed from the Consent Agenda and considered separately.</i>	
a. Approve minutes of July 18, 2016 City Council meeting	PG. 3
8. ITEMS REMOVED FROM CONSENT AGENDA	
9. REPORTS OR COMMENTS FROM MAYOR AND COUNCIL MEMBERS	
a. General Comments from the Councilors and Mayor	
b. Report of the July 25, 2016, Administration Committee meeting (Councilor Gabliks, Chair)	PG. 6
c. Report of the July 25, 2016, Building and Grounds Committee meeting (Councilor Marshall, Chair)	PG. 27
10. REPORTS FROM CITY MANAGER AND STAFF	
a. Pacific Power presentation	



Our Vision

Our vision is to foster an environment in which Dallas residents can take advantage of a vital, growing, and diversified community that provides a high quality of life.

Our Mission

The mission of the City of Dallas is to maintain a safe, livable environment by providing open government with effective, efficient, and accountable service delivery.

Our Motto

Commitment to the Community.
People Serving People.

City Hall

Dallas City Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the City Manager's Office, 503-831-3502 or TDD 503-623-7355.

- b. Stormwater Systems Development Charges
- c. Council goal update
- d. Other

Motion
Information

11. FIRST READING OF ORDINANCE

12. SECOND READING OF ORDINANCE

PG. 29

a. Ordinance No. 1797: An Ordinance relating to Cable System services in the City of Dallas, and granting to Falcon Cable Systems II, LP, doing business as Charter Communications, a non-exclusive franchise to construct, operate and maintain a Cable System within the City; creating new provisions; and, repealing Ordinance No. 1654, the existing franchise dated July 18, 2005, and all provisions of the City Code or ordinances in conflict herewith.

Roll Call Vote

b. Ordinance No. 1798: An Ordinance amending provisions of the Dallas Sign Code.

PG. 48

Roll Call Vote

13. RESOLUTIONS

14. OTHER BUSINESS

15. ADJOURNMENT

These minutes are supplemented by electronic recordings of the meeting, which may be reviewed upon request to the City Recorder. Audio files from City Council meetings from July 18, 2016, forward can be found online at <http://www.dallasor.gov/archive> under the corresponding agenda date. Staff reports, resolutions, ordinances, and other documents related to this meeting are also available at that site in the "Council Agendas" archive.

DALLAS CITY COUNCIL	Monday, July 18, 2016
<p>The Dallas City Council met in regular session on Monday, July 18, 2016, at 7:00 p.m. in the Civic Center of City Hall with Mayor Brian Dalton presiding.</p>	
<p>Council:</p> <p>Council members present: Council President Jim Fairchild, Councilor Kelly Gabliks, Councilor Micky Garus, Councilor Bill Hahn, Councilor Mike Holland, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor LaVonne Wilson, and Councilor Ken Woods, Jr</p>	
<p>Staff:</p> <p>Also present were: City Manager Ron Foggin, City Attorney Lane Shetterly, Fire Chief Fred Hertel, Lt. Jerry Mott, Environmental & Engineering Services Director Fred Braun, Community Development and Operation Director Jason Locke, Finance Director Cecilia Ward, City Recorder/HR Manager Emily Gagner, and Recording Secretary Jeremy Teal.</p>	
<p>Pledge of Allegiance:</p> <p>Mayor Dalton led the Pledge of Allegiance.</p>	

AGENDA	ACTION
<p>1:03 SELECTION TO FILL VACANT COUNCIL SEAT</p>	<p>Mayor Dalton explained the Council had interviewed the eight Council candidates at the Council workshop prior to the meeting. He noted that all eight candidates were very strong.</p> <p>Councilor Marshall voted for Mike Holland Councilor Wilson voted for Mike Holland Councilor Garus voted for Paul Trahan Council President Fairchild voted for Mike Holland Councilor Lawson voted for Paul Trahan Councilor Woods voted for Mike Holland Councilor Gabliks voted for Mike Holland Councilor Hahn voted for Mike Holland</p> <p>Mayor Dalton announced Michael Holland had been selected as the new City Councilor. The vote was carried with a vote of 6-2.</p>
<p>EMPLOYEE INTRODUCTION</p>	<p>There were none.</p>
<p>7:21 COMMENTS FROM THE AUDIENCE</p>	<p>Rich Rohde, 915 SW Hunter St., read a statement regarding the Charter internet/cable outage, a copy of which is attached to these minutes and incorporated herein.</p>
<p>PUBLIC HEARINGS</p>	<p>There were none.</p>

<p>10:57 CONSENT AGENDA</p> <p>Item approved by the Consent Agenda: June 20, 2016, City Council meeting minutes</p>	<p>It was moved by Councilor Gabliks <i>to approve the Consent Agenda as submitted</i>. The motion was duly seconded and carried with a vote of 9-0.</p>
<p>ITEMS REMOVED FROM CONSENT AGENDA</p>	<p>There were none.</p>
<p>11:28 REPORTS OR COMMENTS FROM THE MAYOR AND COUNCIL MEMBERS</p>	<p>Councilor Lawson suggested allowing the painting of blue strips on curbs to support law enforcement. Mr. Foggin agreed to bring it to the committee.</p>
<p>15:12 REPORTS FROM CITY MANAGER AND STAFF</p>	
<p>ECONOMIC DEVELOPMENT COMMISSION APPOINTMENTS</p>	<p>It was moved by Councilor Lawson to approve the Mayor's appointment of Bob Brannigan to the EDC, and appoint Councilor LaVonne Wilson to serve on the EDC for a 3-year term. The motion was duly seconded and carried with a vote of 9-0.</p>
<p>LOC PRIORITIES</p>	<p>Mr. Foggin thanked the Council for their participation and noted the top priorities would be accumulated by the LOC.</p>
<p>JUNE FINANCIALS</p>	<p>Mr. Foggin noted these were the year end financials and a few things were still trickling in. He applauded the department heads for their cognizant use of their budgets.</p>
<p>COUNCIL GOAL UPDATE</p>	<p>Mr. Foggin declared the July Tuesday on the Square event a success and noted the next one in August would be a Cruise In. He stated the bridge for the park trail was being built and would tentatively be ready for use in the fall.</p>
<p>OTHER</p>	<p>Mr. Foggin noted the election packets were available from the City Recorder's office.</p>
<p>28:50 FIRST READING OF ORDINANCE Ordinance No. 1797: An Ordinance relating to Cable System services in the City of Dallas, and granting to Falcon Cable Systems II, LP, doing business as Charter Communications, a non-exclusive franchise to construct, operate and maintain a Cable System within the City; creating new provisions; and, repealing Ordinance No. 1654, the existing franchise dated July 18, 2005, and all provisions of the City Code or ordinances in conflict herewith.</p>	<p>Mr. Shetterly stated this was the accumulation of the last 4 years of negotiation that led to this franchise agreement. He noted he would be skeptical of Dallas negotiating a better contract by themselves. He explained that internet services were not included in this agreement, as this only covered tv services. He stated the City had the authority to collect fees for internet services outside the franchise agreement. He noted the City could impose a franchise fee through an ordinance, but it was somewhat beneficial to the City to have the franchise agreement.</p> <p>Mayor Dalton declared Ordinance No. 1797 to have passed its first reading.</p>

<p>Ordinance No. 1798: An Ordinance amending provisions of the Dallas Sign Code.</p>	<p>Mayor Dalton declared Ordinance No. 1798 to have passed its first reading.</p>
<p>SECOND READING OF ORDINANCE</p>	<p>There were none.</p>
<p>RESOLUTIONS</p>	<p>There were none.</p>
<p>RECESS</p>	<p>Mayor Dalton recessed the Council meeting at 7:47 p.m.</p>
<p>EXECUTIVE SESSION</p>	<p>Mayor Dalton declared the EXECUTIVE SESSION open at 8:08 p.m. as authorized under ORS 192.660(2)(e), to conduct deliberations with persons designated by the governing body to negotiate real property transactions.</p>
<p>50:57 RADIO SHACK PROPERTY PURCHASE</p>	<p>Mayor Dalton reconvened the Council meeting at 8:13 p.m.</p> <p>It was moved by Councilor Holland that the purchase of the real property located at 988 SE Jefferson St., Dallas, from Richard and Sharon Solhein, at the price and according to the terms shown in the Sale Agreement and Earnest Money Receipt presented to the city council be approved and the City Manager be authorized to execute all necessary and appropriate agreements and documents to conclude the purchase; and that a copy of the Sale Agreement and Earnest Money Receipt presented to the council be made a part of the minutes of this meeting. The motion was duly seconded and carried with a vote of 9-0.</p>
<p>OTHER</p>	
<p>ADJOURNMENT</p>	<p>There being no further business, the meeting adjourned at 8:15 p.m.</p>
<p>Read and approved this _____ day of _____ 2016.</p> <p style="text-align: center;">_____</p> <p>ATTEST: Mayor</p> <p>_____</p> <p style="text-align: center;">City Manager</p>	

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Members Present: Chair Kelly Gabliks, Jim Fairchild, Bill Hahn, Jackie Lawson, and Kevin Marshall.

Also Present: Mayor Brian Dalton, City Manager Ron Foggin, City Attorney Lane Shetterly, Community Development/Operations Director Jason Locke, Finance Director Cecilia Ward, and Recording Secretary Jeremy Teal.

Chair Gabliks called the meeting to order at 4:12 p.m.

BUSINESS REGISTRATION DISCUSSION

Mr. Locke reported the poll from the Dallas Chamber resulted in a 2 to 1 in favor of the business registration and suggested recommending it to the full Council.

Councilor Lawson stated she hoped there would be website for enlisted members.

It was moved by Councilor Lawson to forward the Business Registration to the full Council. The motion was duly seconded and carried with a vote of 5-0.

AQUATIC CENTER FUNDING DISCUSSION

Mr. Locke gave a brief Powerpoint presentation regarding the history of the aquatic center including revenues and expenditures. He noted the next meeting he would present of ideas for additional funding and new funding possibilities for the aquatic center.

ALLOWING ALCOHOL IN THE CITY PARKS

Mr. Foggin noted this proposal would not allow someone to take a six pack into the park and drink it, but would allow vendors interested in being involved with events to have beer gardens in the parks. He stated he wanted the parks to remain family friendly, but have alcohol at certain events. He mentioned there was no clear rule for it in the City code.

Mr. Shetterly stated no consumption would be allowed unless the vendor was OLCC licensed. He noted the decision was to allow alcohol in the parks or eliminate it and draft an ordinance.

Mr. Foggin stated an OLCC license would be allowed in the parks a with special event license with a fenced area and security for safety. He noted he was not recommending consumption. He mentioned he could bring information back to the committee outlining what other cities were doing.

Council President Fairchild, Councilor Marshall, Councilor Lawson, and Councilor Hahn were all in favor of moving forward and bringing the information back to the committee. Councilor Gabliks noted she was against alcohol in the parks.

FINANCE DIRECTOR'S REPORT

Ms. Ward noted the 2016 auditing process would begin on August 8.

HUMAN RESOURCES DIRECTOR'S REPORT

Mr. Foggin gave the Human Resources report.

OTHER

ADJOURNMENT

There was no other business and the meeting was adjourned at 5:38 p.m.



AGENDA

July 25, 2016

4:00 PM

Council Chambers
Dallas City Hall
187 SE Court St
Dallas, OR 97338

- A. Call to order
- B. Business Registration discussion
- C. Aquatic Center funding discussion
- D. Allowing alcohol in City Parks
- E. City Manager's Report
 - Finance
 - Human Resources
- F. Other
- G. Adjournment





Community Development/Operations Department

Memo

To: Admin Committee
From: Jason Locke, Community Development/Operations Director 
Date: July 25, 2016
Re: Business Registration Discussion cont.

Attached please find latest version of the Business registration Ordinance, an Info sheet and the results of the Chamber of Commerce polling done at our request.

Recommendation: Move the Business Registration Ordinance to the full Council for review and approval.

Business Registration

7.650 Purpose and scope.

(1) Sections 7.650 through 7.664, are enacted to help assure the public health and welfare as well as compliance with the Dallas City Code and Dallas Development Code.

(2) The registration fees authorized by this chapter shall be independent and separate from any license or permit fees, now or hereafter, required of any person to engage in any business by the Dallas City Council or other governmental or regulatory body. All such businesses remain subject to the regulatory provisions of any city ordinances or other regulations, now or hereafter, in effect and the business engaged therein is liable for the payment of any license or other fees therein established or authorized.

(3) Nothing in this chapter shall be construed to apply to any person transacting and carrying on any business within the city which is exempt from regulation by virtue of the Constitutions or laws either of the United States or Oregon.

(4) The levy or collection of a registration fee upon any business shall not be construed to be a license or permit to the person or business engaged in such business to engage in activity or business to the extent it is deemed to be unlawful under state or federal law, or any city ordinance.

7.652 Definitions.

For the purposes of sections 7.650 through 7.664:

(1) "Business" means:

(a) A profession, trade, service, occupation, and every other kind of entity or activity carried on for profit or livelihood; and

(b) A charitable, religious, educational, civic or eleemosynary entity or activity;

that is operated or conducted by a person in or on any structure, building, lot, or other premises, located within the city limits

(2) "Employee" means any person, other than a bona fide independent contractor or leased employee, working for, within or under the control, direction or supervision of a business, including common law and statutory wage-earning, commission and salaried

employees, executive and common employees, agents, sales representatives, sole proprietors, partners, corporate officers and any and all persons associated directly with the business, whether full or part-time.

(3) "License" or "business license" means the document issued by the city granting the privilege to carry on a particular business or pursue a certain occupation within the city and which is separate from the business registration provisions contained in this chapter.

(4) "Owner" means the person having a controlling interest in a business, including a shareholder of a corporation, member of a limited liability company, partner, limited partner, trustee of a business trust or other similar status. For the purpose of this subsection, "controlling interest" means a capital interest of 25 percent or greater in the business.

(5) "Person" means all domestic and foreign corporations, associations, syndicates, partnerships of every kind, joint ventures, societies and individuals transacting and carrying on any business in the city.

(6) "Transfer" includes a transfer of greater than a one-half ownership in a business, by sale, gift, inheritance, foreclosure of a security interest or otherwise, but does not include a change in business location.

7.654 Registration and payment required - Exemptions - Registration year.

(1) Except as provided in subsections (2) and (3) of this section, every business, as defined in section 7.652(1), must file a business registration on a form prescribed by the City Manager or the City Manager's designee and pay the required fee as may be established by resolution of the City Council.

(2) A business or activity described in this subsection must file a business registration, but shall not be required to pay a registration fee. Businesses and activities qualified for a fee exemption under this subsection are:

(a) Charitable, religious, educational, civic or eleemosynary organizations that are exempt from taxation under the Internal Revenue Code;

(b) Businesses franchised by and paying a franchise fee to the city;

(c) Businesses exempt from the payment of municipal license fees pursuant to state or federal law;

(d) Suppliers and those engaged solely in wholesale sales to local businesses;

(e) Any person involved in the home delivery of newspapers, groceries, or other goods purchased or provided outside the city.

(3) The following business or activities shall be exempt from any requirement to register or pay a registration fee under the provisions of sections 7.650 through 7.664:

(a) Fairs, festivals, and public entertainment events operated by charitable, religious, educational, civic or eleemosynary organizations that are exempt from taxation under the Internal Revenue Code.

(b) Home based businesses and occupations as described in Dallas Development Code section 2.2.120(E).

(c) Contractors, consultants or others who do not normally conduct business from or in, or otherwise occupy, a particular site, location or structure within the city limits.

(d) Those other businesses or business related activities that, due to their minimal activities may be declared exempt by the City Manager, or their designee.

(e) Itinerant merchants as defined in section 7.850.

(f) Federal, state, and local government entities and agencies.

(4) (a) All businesses required to register under this subsection that are in operation as of January 1, 2017, must file a business registration by not later than January 31, 2017.

(b) All businesses required to register under this subsection that commence operation after January 1, 2017, shall file a business registration prior to commencing business activities.

(5) All businesses registered under this section that remain in business as of January 1 each year, must file a renewal of their business registration on a form prescribed by the City Manager or the City Manager's designee and pay a renewal fee, unless exempt under Section 7.654(2), in an amount established by resolution of the City Council by not later than the immediately following January 31 each year.

(6) In the event of a transfer of a business, or if a business changes the physical location of the business within the city, the business shall file a transfer of business registration or change of location within 30 days after such transfer or change of location and pay the fee established by resolution of the city council, unless exempt under Section 7.654(2).

7.656 Owner and Agent responsibilities. The individual owners and the individuals in charge of operating or managing a business for which registration is required shall be jointly and severally liable with the business for the registration of the business and payment of any registration fee required under section 7.654, and for any penalties imposed for failure to register or pay the fee or to comply with the provisions of this chapter.

7.658 Multiple businesses at same location– Branch offices.

(1) If more than one business is carried on at the same location and is operated under the same ownership, but is operated under more than one business name, one registration may be filed, provided that each business is clearly identified and all required information is included in the single registration.

(2) Each branch establishment or separate location of a business shall, for the purposes of sections 7.650 through 7.664, be treated as a separate business subject to the registration and fee, if any, required in this chapter. Warehouses used incidentally with a registered business shall not be deemed to be a separate place of business or branch establishment.

7.660 Application procedure

(1) All business registrations, transfer of registrations, changes of location and registration renewals shall be processed by the City Manager, or the City Manager's designee.

(2) The business registration, transfer of registration, change of location and renewal required under section 7.654 shall contain such information as may be required by the City Manager to determine the ownership, location, activities and management of the business, including the storage of dangerous or hazardous materials, and any other information required by the City Manager.

(3) Business registrations shall remain on file with the Dallas City Clerk and data shall be provided to the Dallas Fire Department and Police Department.

7.662 Incomplete or false registration information – Penalty for delinquent filing.

(1) It shall be unlawful for any person to fail, refuse or neglect to comply with the provisions of this chapter, or to provide any false information in a business registration, registration renewal, transfer of registration or registration of change of physical location.

(2) In the event a business files a registration or renewal or transfer or change of physical location, or fails to pay the required fee for such filing, after the due date for such filing, but within 60 days after the due date, the business shall pay a penalty in the amount of \$25. The penalty provided under this subsection shall be in addition to any registration fee the business may be required to pay.

(3) In the event a business fails to file a registration or renewal or transfer or change of physical location within 60 days after the due date, or fails to pay the required fee for such filing, such failure to file or pay the required fee shall be a civil infraction, and each day that the delinquency in filing or payment continues shall be deemed a separate infraction.

(4) Nothing contained in this chapter shall be construed as vesting any right to the amount of any license or other or additional taxes or fees, and the fees provided for in this chapter may be increased or decreased and additional or other fees provided for and levied in any and all instances at any time by the city.

7.664 Violation does not exempt payment of fee

(1) The conviction of any person for violation of any of the provisions of sections 7.650 through 7.664 shall not relieve such person from paying any fee or penalty for which such person is liable. Nor shall the payment of any such fee prevent any prosecution for the violation of any of the provisions of this chapter.



Business Registration Info

The City Council is considering a business registration program for Dallas. This is not a license program. The purpose of the program generally is to determine the ownership, location, activities and management of the business, including the storage of dangerous or hazardous materials.

“Business” means:

- (a) A profession, trade, service, occupation, and every other kind of entity or activity carried on for profit or livelihood; and
- (b) A charitable, religious, educational, civic or eleemosynary entity or activity;

that is operated or conducted by a person in or on any structure, building, lot, or other premises, located within the city limits

3 Categories of Registration

- Registration and fee (most for profit businesses)
- Registration and fee exemption (most non profits, churches, etc)
- No registration required (Itinerant merchants, wholesalers, government entities, home occupations, etc)

The proposed registration program would go into effect on January 1, 2017.

Proposed registration fees:

\$25 for new business

\$10 annual renewal (\$25 if the renewal was late)

1st year free for existing businesses

Please contact the City at 503.831.3565 for questions or more info.

Results from the Chamber of Commerce poll

From: Chelsea Pope [mailto:dacc.chelsea@gmail.com]

Sent: Monday, June 06, 2016 11:25 AM

To: Jason Locke

Cc: Robert L. Brannigan; Giusti, Joel; Rick Young

Subject: Biz Reg

I wanted to give you an update from the survey link regarding business registration...

It was sent to 446 eMail and we had 116 people open the eNews, with 17 members voting...

- 11 for YES
- 6 for NO
- Several comments about making the fee the same regardless of it being non profit status).

We also put it on our facebook page where it had 173 views and 6 votes (non chamber members)... 4 for YES and 2 for NO

Jason - do you want me to send it out again?



Community Development/Operations Department

Memo

To: Admin Committee
From: Jason Locke, Community Development/Operations Director
Date: July 25, 2016
Re: Aquatic Center

Attached please find Part 1 of the report discussing Aquatic Center funding.

Report to the Dallas Administrative Committee

Regarding the Dallas Aquatic Center:

Part 1: History, Financial Information, and Comparable Facilities

Introduction

The Dallas Aquatic Center was completed in 2000, after a successful General Obligation Bond vote in 1998 for an amount not to exceed \$5.7 million (approximately \$1.00/\$1000). An accompanying 4-year Operating Levy (at \$.50/\$1000) did not pass. The City Council had to move ahead and construct the facility, as the construction bond had passed. The facility was, at the time, a state of the art facility that had 5 pools, party rooms, and an outdoor patio.

The initial opening and operation of the pool were far from trouble free. The first few years found the City having to deal with many issues, including major leaks, poor management, and a problematic pricing structure. And since the City did not have a Parks and Recreation Department, the Community Development Department was tasked with operating the facility.

In the ensuing years, costs for operating the facility generally went up, while revenue fluctuated. Since 2008, the goal has been to be at 60-65% of revenue/expenditure. The adopted budget for Fiscal Year 16/17 is \$853,000, with revenue projected at \$465,000. The R/E ratio is 54.5%, requiring a subsidy of \$388,000.

As part of the budget process, the Council approved a motion to study the feasibility of removing the Aquatic Center from the General Fund. This Report endeavors to provide the Administrative Committee, Council, and Public with information and options to assist in whatever decision is ultimately made.

Revenue and Expenditure History

The Table below shows Revenue and Expenditures since 2004. You can see the variation from year to year, as these numbers change based on circumstances. For instance, the difference in expenditures from 2009 to 2010 were the result of the energy efficiency projects that were implemented. Most of the savings came from utilities. Also, attendance was down in 2010-11 (probably due to the recession) so revenue was down as well.

Year	Expenditure	Revenue	% Rev/Exp
2004	730,000	333,000	45.6
2005	789,000	378,000	47.9
2006	796,000	400,000	50.2
2007	910,000	452,000	49.6
2008	963,000	473,000	49.1
2009	882,000	499,000	56.6
2010	730,000	416,000	56.9
2011	751,000	405,000	53.9
2012	713,000	421,000	59
2013	724,000	436,000	60.2
2014	745,000	450,000	60.4
2015	817,000	458,000	56

Expenditures

From an operational standpoint, controlling expenditures has been a top priority. Expenditures are detailed below.

Aquatic Center Expenditures

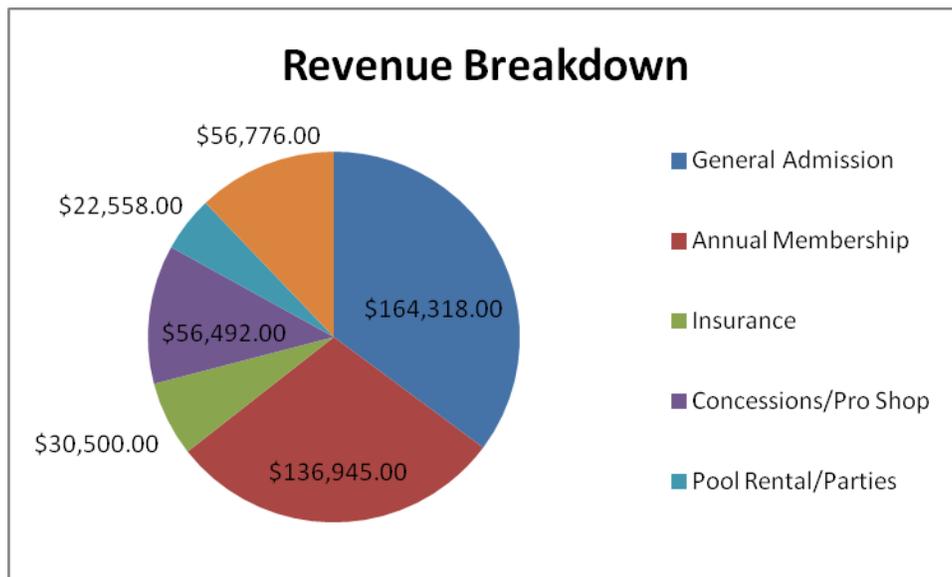
	Actual 2013-14	Actual 2014-15	Amended 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Personnel Services						
Salaries	312,336	350,125	360,000	380,000	380,000	380,000
Overtime	0	428	0	0	0	0
Fringe benefits	106,325	108,583	115,000	105,000	105,000	105,000
Total personnel services	418,661	459,137	475,000	485,000	485,000	485,000
Materials and Services						
Postage	113	81	100	100	100	100
Public notices/advertising	2,170	1,686	3,000	3,000	3,000	3,000
Materials and supplies	5,390	3,840	1,500	1,500	1,500	1,500
Janitor supplies	5,950	6,269	6,000	6,000	6,000	6,000
Pro shop / concessions	29,085	27,715	32,000	32,000	32,000	32,000
Program supplies	3,335	2,383	4,000	4,000	4,000	4,000
Uniforms	0	523	1,000	1,000	1,000	1,000
Chemicals	27,974	27,117	30,000	30,000	30,000	30,000
Repairs & maintenance	35,489	37,817	40,000	40,000	40,000	40,000
Office expense	2,809	1,863	2,000	2,000	2,000	2,000
Electric service	79,504	79,035	82,000	83,000	83,000	83,000
Telecommunications	1,784	1,683	2,000	3,000	3,000	3,000
Gas service	52,832	48,935	58,000	58,000	58,000	58,000
Fleet service total care program	2,000	3,000	3,000	3,000	3,000	3,000
Computer services	2,364	4,788	5,000	7,000	7,000	7,000
Insurance	5,810	32,953	6,000	6,400	6,400	6,400
Professional services	11,969	22,163	17,000	10,000	10,000	10,000
Professional services-ActiveNet	0	0	0	20,000	20,000	20,000
Travel and education	1,602	1,755	2,000	2,000	2,000	2,000
Miscellaneous	6,613	4,726	6,000	6,000	6,000	6,000
Total materials & services	276,794	308,333	300,600	318,000	318,000	318,000
Transfers						
Tsf to Swr SDC-Interfund Loan	50,000	50,000	50,000	50,000	50,000	50,000
Total transfers	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL	745,455	817,469	825,600	853,000	853,000	853,000

Revenue

The Table below shows the Revenue amounts and breakdown for the Fiscal Year 15/16 (these are not final numbers)

Category	Amount	% of Total
General Admission	\$164,318	35.10%
Annual Membership	\$136,945	29.30%
Insurance	\$30,500	6.60%
Concessions/Pro Shop	\$56,492	12%
Pool Rental/Parties	\$22,558	5%
Other (Lessons, events, contracts)	\$56,776	12%
Total	\$467,589	

Approximately 70% of the Aquatic Center Revenue comes from Admissions, Annual Memberships, and Insurance Payments (Silver Fit, Silver Sneakers, etc).



Rates and Fees Background

Admission, Annual Membership, and Facility Rental rates are set by the City Council via Resolution. The last time rates were changed was 2015, and then only to adjust the day use family admission rate. The current rate schedule is attached.

In 2008-9, there was a significant shift in pricing for annual memberships. Since the opening of the facility in 2000, there was an average of less than 200 annual members, based primarily on the pricing structure. In other words, it was expensive. In order to boost annual membership, prices were significantly reduced and the number of members increased. Currently, there are 1100 members. One of the effects of this has been a reduction in general admission revenue and a significant increase in Annual memberships. Another program that has become extremely popular are the Insurance programs (Silver and Fit, Silver Sneakers, etc.). We have set up arrangements with these providers, and the revenue generated has been steadily increasing over the past 4 years, from about \$7000 to \$30,000+ currently. Additionally, overall attendance is increasing by about 5% per year, to over 120,000 this past year. This has put additional pressure on staffing the facility adequately.

Comparable Facilities

In order to look at similar facilities, staff looked at a number of pools around the state to determine which ones may actually be comparable. Pools fall into 4 main categories of ownership:

- 1) *Park and Recreation Districts***
- 2) *YMCA and other Similar Organizations***
- 3) *Schools***
- 4) *Municipal-owned***

It would be difficult to make comparisons with pools in Park and Recreation districts because they have different funding mechanisms and operational characteristics. YMCA pools are funded and operate differently, usually offering numerous other non-pool activities as well. School districts usually have a single pool primarily for student use. Based on that, we have excluded these pools from comparison.

That leaves municipally owned and operated pools, of which there are not many. For this comparison, we will look at indoor, year round facilities only. *(Summer-only outdoor pools, such as Silverton and Stayton, are simply not comparable).

We looked at a total of six other facilities, and will focus in on four of those. The other two, Canby and the Osborne Aquatic Center (Corvallis), are both funded in part by voter-approved operating levies. The following four are funded by revenue that is generated plus general fund money. Keep in mind that all of these facilities are different, both in size, # of pools, and facility offerings.

	Expenditure	Revenue	Difference(subsidy)	R/E %
Astoria	\$601,820	\$422,047	\$179,773	70% **
McMinnville	\$734,356	\$444,425	\$289,931	60.5%
Woodburn	\$568,730	\$290,980	\$277,750	51%
Forest Grove	\$644,746	\$342,000	\$302,746	53%***
Dallas	\$853,000	\$465,000	\$388,000	54.5%

** Astoria does not do food/proshop. Nor is the P&R Director salary attributed to the AC. Plus they put maintenance in Capital Improvements. So the estimate is at least \$60-\$70,000 more that should be in expenditures.

*** Forest Grove pool does not pay for electricity because it is a City-owned electric utility (Would pay about \$60,000/yr more)

Coming up in Part 2:

Options for closing or eliminating the Funding Gap.

RESOLUTION NO. 3324

A Resolution establishing a schedule of rates and fees to be paid by persons using the Dallas Aquatic Center, and repealing Resolution No. 3274.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. The fees and rates charged for persons using the Dallas Aquatic Center are hereby adopted as set forth in Exhibit A, attached hereto and by reference incorporated herein.

Section 2. All other rates, fees and prices not expressly set forth in Exhibit A may be set by the City Manager.

Section 3. This Resolution shall be effective July 1, 2015.

Section 4. Upon the effective date of this resolution, Resolution 3274 is hereby repealed.

Adopted: June 1, 2015
Approved: June 1, 2015

BRIAN W. DALTON, MAYOR

ATTEST:

APPROVED AS TO FORM:

RONALD W. FOGGIN,
CITY MANAGER

LANE P. SHETTERLY,
CITY ATTORNEY

EXHIBIT A

DALLAS AQUATIC CENTER RATES

1) General Admission Day Use Pass

Adult (18-59)	\$5.50
Youth (under 18)	\$4.50
Senior (60 & over)	\$4.50
Family ¹	\$16.00

***Infants 3 and under wading pool use \$1.50*

2) Youth summer only Pass (June-August)

Youth (18 & under) \$100.00

3) 3-month Water Aerobics Pass (unlimited use)

All ages \$75.00

4) Annual Membership

(Includes all lap swims, recreation swims, and unlimited water aerobics, as well as a 20% discount all classes/lessons, 10% discount on room/facility rentals and swimsuits, 5 free passes per year for friends and family, and discounts on special events)

(Residents receive 10% discount on annual pass)

Adult (18-59)	\$250
Youth (under 18)	\$200
Senior (60 & over)	\$200
Two-person	\$375
Family ¹	\$450

¹ "Family" means up to four persons related by blood, marriage or registered domestic partnership who reside together in the same household. In the case of an annual pass, add \$60.00 for each additional family member.

5) 20 coupons (non-expiring)

Adult (18-59)	\$95.00
Youth (under 18)	\$70.00
Senior (60 & over)	\$70.00

6) Facility rental rates

Small room	\$30.00/hour
Large Room	\$60.00/hour

Entire facility (includes both rooms, all pools, lifeguards, and one lead lifeguard for one hour)

<u># of Guests</u>	<u>Rate*</u>
1-40	\$200.00
41-80	\$250.00
81-120	\$300.00
121-160	\$350.00
161-200	\$400.00
201-240	\$450.00

*Add \$75.00 for each additional hour.

DALLAS CITY COUNCIL

ADMINISTRATIVE SUBCOMMITTEE REPORT

TO: COUNCIL ADMINISTRATIVE SUBCOMMITTEE

<i>City of Dallas</i>	Agenda Item No. D	Topic: Allowing alcohol in City Parks
Prepared By: Emily Gagner	Meeting Date: July 25, 2016	Attachments: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Approved By: Ron Foggin		

RECOMMENDED MOTION:

If the Committee is interested in pursuing allowing alcohol in the parks, direct staff to research the issue and bring recommended processes back to the Committee.

If the Committee does not want to allow alcohol in the parks, move to recommend to the Council to adopt an ordinance prohibiting alcohol in our parks.

BACKGROUND:

The Dallas City Park has always included in its rules a rule prohibiting alcoholic beverages. We were recently approached by a mobile taphouse requesting the ability to sell beer and wine in the park during the car show. I began to research the no alcohol policy, since it is not one of the park rules included in our City Code.

The initial prohibition on park property dates back to 1884 in the deed for the original park land. The deed provided that “the Christian church shall have right to hold religious services thereon, that intoxicating beverages not be sold on the grounds and the town is to fence said premises...” The next instance in our park history file referencing alcoholic beverages is a copy of the 1988 Rules for Park Use, the first of which states, “No alcoholic beverages allowed.”

I discussed this with the City Attorney and he agreed we should bring this to the Council for a decision, as the basis for the prohibition is unclear. If the Committee is interested in allowing alcohol, I would recommend you request staff research the subject. I would advise talking with the police department to see what their concerns may be, as well as discussing liability issues with our Agent of Record. I could find out what other cities do and bring back a recommendation to the next Committee meeting.

If, however, the Committee is not interested in exploring this, I would recommend the Council add the alcohol prohibition to the Dallas City Code section on park rules.

FISCAL IMPACT:

Unknown

DALLAS 2030 VISION IMPACT:

Element 2.i.: Dallas is a key visitor destination, with strong partnerships, that embraces tourism at local farms, wineries/vineyards/craft breweries...

ATTACHMENTS:

None

Building and Grounds Committee
Monday, July 25, 2016

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Members Present: Chair Kevin Marshall, Jim Fairchild, Kelly Gabliks, Bill Hahn, and Jackie Lawson.

Also Present: Mayor Brian Dalton, City Manager Ron Foggin, City Attorney Lane Shetterly, Community Development/Operations Director Jason Locke, Park Supervisor Eric Totten, Fire Chief Fred Hertel, Finance Director Cecilia Ward, and Recording Secretary Jeremy Teal.

Chair Marshall called the meeting to order at 4:00 p.m.

Council President Fairchild arrived at 4:05 pm

COMMUNITY DEVELOPMENT/OPERATIONS DIRECTOR’S REPORT

Mr. Locke stated the Building and Planning departments were keeping quite busy, and the Streets Department was busy with beautification of the downtown.

PARKS SUPERVISOR’S REPORT

Mr. Totten noted the bridge project on the Rickreall Creek Trail would take place in September and the tree trimming and work for the trail was happening now. He stated the Parks Department was working on beautification of the parks and the downtown. He mentioned the LaCreole ball field irrigation project was done and running great.

OTHER

Councilor Lawson had a suggestion to put restrooms at Strader field instead of building pickleball courts.

Mr. Foggin stated the restrooms were suggested for Lyle ball fields and that the Parks Master Plan encouraged recreation for all ages. He noted that some investigative work could be done to determine the capability of doing both the restrooms and the pickleball courts, with the possibly of incorporating some sand volleyball courts. He mentioned that SDC funds had rules attached to them.

Mr. Shetterly stated the SDC funds must be spent under a master plan.

Councilor Lawson asked that the request be sent to the Parks Board.

Mr. Foggin reported the applicants for the Carnegie building had finished with their architect, the financing was being secured, and a budget was being put together.

ADJOURNMENT

There was no other business and the meeting was adjourned at 4:12 p.m.



DALLAS
CITY HALL



Building & Grounds Committee

AGENDA

July 25, 2016

4:00 PM

Council Chambers
Dallas City Hall
187 SE Court St
Dallas, OR 97338

- A. Call to Order
- B. City Manager's Report
 - Community Development
 - Parks
- C. Other
- D. Adjournment

COMMITTEE

Chair Kevin Marshall

Jim Fairchild

Kelly Gabliks

Bill Hahn

Jackie Lawson

WELCOME
TO

DALLAS

DALLAS CITY COUNCIL REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

<i>City of Dallas</i>	Agenda Item No. 12a	Topic: Charter Franchise Agreement
Prepared By: Ron Foggin	Meeting Date: August 1, 2016	Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Approved By: Ron Foggin		

RECOMMENDED ACTION:

It is recommended that the City Council allow the ordinance to pass which will renew the cable franchise agreement for another ten years with Charter Cable.

BACKGROUND:

The City entered into a ten year cable franchise agreement with Charter Communication July 2005. The Charter Cable ten year franchise agreement has expired and needs to be renewed. We have been working on the franchise agreement for almost four years with fifteen small communities. The communities came together to build a franchise agreement that required Charter to treat all the small communities fairly and equally.

SUMMARY TIMELINE:

- First franchise agreement started July 2005
- Work on the revised agreement started in 2012 with 16 small cities
- Franchise agreement expired September 2015 (Provisions in the existing franchise agreement allowed the existing agreement to continue until a new agreement is approved.)

FISCAL IMPACT:

DALLAS 2030 VISION IMPACT:

ATTACHMENTS:

Ordinance No. 1797
Charter Communications Franchise Agreement

ORDINANCE NO. 1797

An Ordinance relating to Cable System services in the City of Dallas, and granting to Falcon Cable Systems II, LP, doing business as Charter Communications, a non-exclusive franchise to construct, operate and maintain a Cable System within the City; creating new provisions; and, repealing Ordinance No. 1654, the existing franchise dated July 18, 2005, and all provisions of the City Code or ordinances in conflict herewith.

BE IT ORDAINED BY THE CITY OF DALLAS:

Section 1. Ordinance No 1654, authorizing the existing franchise between the City of Dallas and Falcon Cable Systems II, LP, doing business as Charter Communications, dated July 18, 2005, and all provisions of the Dallas City Code or ordinances in conflict with this Ordinance are hereby repealed on the effective date of this Ordinance, and the Franchise Agreement attached hereto as Exhibit 1 and by reference incorporated herein is hereby adopted and approved, and that the City Manager be, and he hereby is, authorized to sign said Agreement on behalf of the City.

Section 2. This ordinance shall take effect on September 1, 2016.

Read for the first time on: July 18, 2016
Read for the second time on: August 1, 2016
Adopted by the City Council on: August 1, 2016
Approved by the Mayor on: August 1, 2016

BRIAN W. DALTON, MAYOR

ATTEST:

APPROVED AS TO FORM:

RONALD W. FOGGIN,
CITY MANAGER

LANE P. SHETTERLY
CITY ATTORNEY

EXHIBIT 1

FRANCHISE AGREEMENT
CITY OF DALLAS, OREGON
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FRANCHISE AGREEMENT
City of Dallas, Oregon

This Franchise Agreement (“**Franchise**”) is between the CITY OF Dallas, OREGON, a municipal corporation, hereinafter referred to as “**Grantor**” and Falcon Cable Systems Company II, L.P., d/b/a Charter Communications, hereinafter referred to as “**Grantee.**”

WHEREAS, the Grantor finds that the Grantee has substantially complied with the material terms of the current Franchise under applicable laws, and that the financial, legal and technical ability of the Grantee is sufficient to provide services, facilities and equipment necessary to meet the future cable-related needs of the community, and

WHEREAS, having afforded the public adequate notice and opportunity for comment, Grantor desires to enter into this Franchise with the Grantee for the construction and operation of a Cable System on the terms set forth herein; and

WHEREAS, the Grantor and Grantee have complied with all Federal and State-mandated procedural and substantive requirements pertinent to this franchise renewal;

NOW, THEREFORE, the Grantor and Grantee agree as follows:

Article I. Title & Purpose

Section 1.1 The purpose of this Franchise is to create and renew a binding, enforceable Franchise contract between Grantor and Grantee that establishes the terms and conditions under which Grantee may construct, operate and maintain a Cable System within Dallas, Oregon (hereinafter referred to as “CITY” and/or “GRANTOR”).

Article II. Definitions

Section 2.1 For the purposes of this Franchise Agreement, the following terms, phrases, words and their derivations shall have the meaning defined herein, unless the context clearly indicates that another meaning is intended. Words used in the present tense include the future; words in the plural number include the singular number; and words in the singular number include the plural number. Words used in this Franchise which are not defined hereunder but defined in the Cable Act shall have the meaning specified in the Cable Act definition.

- a. **Affiliate.** As set forth in the Cable Act.
- b. **Cable Act.** The Cable Communications Policy Act of 1984, P.L. 98-549, 47 U.S.C. §521, *et seq.*, as it may be amended, or superseded.
- c. **Cable System, Cable Service and Basic Cable Service.** As set forth in the Cable Act.
- d. **FCC.** The Federal Communications Commission and any successor governmental entity thereto.
- e. **Franchise.** The non-exclusive authorization granted hereunder of a franchise, privilege, permit, license or to otherwise construct, operate and maintain a Cable System within the Service Area.
- f. **Grantee.** Falcon Cable Systems Company II, L.P., d/b/a Charter Communications.

- g. **Grantor.** The City of Dallas, Oregon.
- h. **Gross Revenues.** All amounts derived by the Grantee or any Affiliate, in whatever form and from all sources, from the operation of Grantee's Cable System to provide Cable Services within the Service Area including but not limited to amounts for all Cable Services, premium services, advertising, Franchise Fees, home shopping channels and other such revenue-sharing arrangements, installations, and all leased access payments,. Grantor acknowledges and agrees that Grantee shall maintain its books and records in accordance with Generally Accepted Accounting Principles ("GAAP").

Gross Revenues shall not include, to the extent consistent with GAAP: (1) any taxes, fees or assessments imposed on Subscribers but collected by the Grantee from Subscribers for pass-through to a government agency, including the FCC user fee; (2) bad debt, provided, however, that bad debt recoveries shall be included in Gross Revenues during the period collected or as soon as practicable; (3) credits, refunds and deposits paid to Subscribers; and (4) any Public, Education and Government (PEG) Capital Fee (as described in Section 7.2). Revenues of both Grantee and an Affiliate that represent a transfer of funds between the Grantee and the Affiliate, and that would otherwise constitute Gross Revenues of both the Grantee and the Affiliate, shall be counted only once for purposes of determining Gross Revenues.

If Cable Services and non-Cable Services are bundled together and offered to Subscribers for one price, then in accordance with GAAP, Grantee shall account for the revenue from such packages using the retail rate methodology, which allocates the bundled discount by the proportion of the total retail rate each billing component represents. Grantee shall not allocate revenue between Cable Services and non-Cable Services for the purpose of evading or reducing its Franchise Fee obligations.

- i. **Person.** An individual, partnership, association, organization, corporation, trust or governmental entity.
- j. **Public School.** Any accredited public school operated within the Service Area and limited to elementary, junior high and high school.
- k. **Service Area.** The geographic boundaries of the Grantor as they now exist and any changes thereto, by annexation or other legal means.
- l. **Standard Installation.** Installations of Cable Service to a location within one hundred fifty feet (150') from the existing Cable System.
- m. **State.** The State of Oregon.
- n. **Streets.** The area across, in, over, along, upon and below the surface of public streets, roadways, highways, bridges, boulevards, avenues, lanes, alleys, sidewalks, circles, drives, easements, rights-of-way and similar public ways and extensions and additions thereto, including but not limited to public utility easements, utility strips or rights-of-way dedicated for compatible uses, now or hereafter held by Grantor within the Service Area, which are under the jurisdiction or control of Grantor, and only to the extent Grantor has the right, title, interest and/or authority to grant a franchise to occupy and use such areas for a Cable System and Cable Service.
- o. **Subscriber.** Any Person lawfully receiving any Cable Service from Grantee.

Article III. Grant of Franchise

Section 3.1 Grant of Franchise.

- a. Subject to the terms and conditions of this Franchise, Grantor hereby grants to Grantee a non-exclusive authorization to erect, construct, operate and maintain a Cable System within the Streets for a ten (10) year term for the purpose of providing Cable Service within the Service Area.

- b. Nothing in this Franchise shall be construed to authorize, prohibit or condition Grantee from offering any service over its Cable System that is not prohibited by Federal or State Law.
- c. Nothing in this Franchise shall be construed to prohibit Grantor from granting to other Persons rights, privileges or authority the same as, similar to or different from the rights, privileges or authority herein set forth, in the same or other Streets by franchise, permit or otherwise, subject to Section 3.2.

Section 3.2 Equal Protection.

The Grantee acknowledges and agrees that the Grantor may be required by federal law, and reserves the right, to grant one or more additional franchises to provide Cable Service within the Service Area. If any other provider of Cable Services or video services (without regard to the technology used to deliver such services) is lawfully and expressly authorized by the Grantor to use the Streets to provide such services, and if the material obligations applicable to Grantee are more burdensome or less favorable than those imposed on any such competing provider, then upon thirty (30) days prior written notice to the Grantor, the Grantee shall have the right and may choose, to the extent consistent with applicable State and Federal laws and orders and rules adopted pursuant thereto:

- A) to modify this Franchise to the mutual satisfaction of Grantor and Grantee; or
- B) to deem this Franchise expired thirty-six (36) months from the date of the above written notice; or
- C) to terminate this Franchise and take in its place the same franchise agreement of a competing provider of Cable Services or video services authorized by the Grantor

The Grantor and the Grantee agree that any undertakings that relate to the renewal of the Grantee's Franchise with the Grantor shall be subject to the provisions of Section 626 of the Cable Act (47 U.S.C. § 546) or any such successor statute. Nothing in this Franchise shall impair the right of the Grantor or Grantee to seek other remedies available under law.

Section 3.3 Police Powers.

Notwithstanding any other provision of this Franchise, Grantee's rights are subject to the police powers of Grantor to adopt and enforce ordinances necessary for the safety, health and welfare of the public ("Police Powers"). Grantee agrees to comply with all applicable laws, ordinances and regulations adopted under the Police Powers of Grantor. This Franchise is a contract and except as to those changes that are the result of the Grantor's lawful exercise of its Police Powers, the Grantor may not take unilateral action that materially changes the explicit mutual promises in this contract. All changes to this Franchise must be made in writing signed by the Grantee and the Grantor. In the event of any conflict between an explicit mutual promise of this Franchise and an explicit provision of any Grantor ordinance or regulation, this Franchise shall control. Grantee specifically reserves the right to challenge any terms, conditions or provisions of local law if Grantee believes such are in conflict with its contractual rights under this Franchise, or are not a lawful exercise of the Grantor's Police Power. For purposes of this paragraph, a "conflict" shall exist only to the extent the Grantor ordinance or regulation has the effect of limiting the benefits or expanding the obligations of the Grantee that are granted by this Franchise.

Section 3.4 Transfer/Assignment.

Subject to Section 617 of the Cable Act (47 U.S.C. § 537), the Franchise granted hereunder shall not be assigned, other than to an Affiliate of the Grantee, without the prior written consent of the Grantor, and such consent shall not be unreasonably withheld

or delayed. Grantor may condition its consent upon terms and conditions relating to the legal, financial and technical qualifications of the proposed transferee. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or Cable System to secure indebtedness. Within thirty (30) days of receiving a request for transfer as required in the Cable Act and related FCC rules and regulations, the Grantor shall notify the Grantee in writing of any additional information it reasonably requires to determine the legal, financial and technical qualifications of the transferee. If the Grantor has not taken action on the Grantee's request for transfer within one hundred twenty (120) days after receiving such request and all information required by the Grantor pursuant to this Section 3.4, and the Cable Act, consent by the Grantor shall be deemed granted.

Section 3.5 Violations of Franchise; Procedures, Notice & Cure.

- a. If Grantor believes that Grantee has failed to perform any obligation under this Franchise, the Grantor shall first informally discuss the matter with Grantee. If these discussions do not lead to resolution of the problem, Grantor shall follow the procedures set forth herein:
 1. Grantor shall notify Grantee in writing of any alleged violation ("Violation Notice") which notice shall include the exact nature of any alleged violation (the "Violation Notice") and a request for cure of such violation.
 2. Grantee shall have thirty (30) days from the date of receipt of the Violation Notice to respond in writing, indicating that Grantee:
 - a. Has cured the alleged violation, providing reasonable documentation or detailed explanation demonstrating that the alleged violation has been cured;
 - b. Has commenced, or will commence actions to cure the alleged violation, but that the alleged violation cannot reasonably be cured immediately, describing the steps taken or to be taken to cure the alleged violation; or
 - c. Contests the Violation Notice, stating the reasons therefore, and requesting a public hearing in accordance with this Franchise.
 3. In the event that the Grantee notifies the Grantor that it cannot cure the violation within the thirty (30) day cure period, Grantor shall, within thirty (30) days of Grantor's receipt of such notice, determine whether the Grantee's proposed plan and completion date for cure are reasonable. In the event such plan and completion date are found in Grantor's sole discretion to be reasonable, the same may be approved by the Grantor. Grantor may, in its sole discretion, extend Grantee's cure period upon request by Grantee.
 4. In the event that the Grantor contends that the Grantee has failed to cure the violation within the thirty (30) day basic cure period, or within an extended cure period approved by the Grantor pursuant to this Franchise, the Grantor shall set a public hearing to determine whether the Grantee has committed a violation. The public hearing shall be within sixty (60) days of the end of the cure period.
 - a. In the case of any public hearing pursuant to this Section, Grantor shall provide the Grantee at least twenty (20) days prior written notice of such public hearing, which specifies the time, place and purpose of such public hearing. Grantor shall provide general notice of the public hearing in the same manner as it publishes other notices of the Grantor.
 - b. At the public hearing, Grantee shall be provided an opportunity for full participation, including the right to be represented by legal counsel and to state its position on the matter. The public hearing shall be on the record. If Grantee provides the Grantor written notice at least fifteen (15) business days prior to the public hearing, Grantor shall make a written transcript available to the Grantee within ten (10) business days after the public hearing and the cost of the transcript shall be the sole responsibility of the Grantee.

5. Within fifteen (15) days following a public hearing on an alleged violation, Grantor shall issue a written report to Grantee on Grantor's decision and any showing that the Grantee has committed a violation and Grantor shall make written findings of fact relative to its determination, which Notice shall be sent to the Grantee according to this Franchise. If a violation is found, the Grantee may petition for reconsideration before any competent court having jurisdiction over such matters.
6. If, after the public hearing and any subsequent reconsideration, Grantor determines that a violation exists, Grantor may utilize one or more of the following remedies:
 - a. Order Grantee to correct or remedy the violation within a reasonable time frame as Grantor determines; and/or
 - b. Commence an action at law or other equitable remedy available under this Franchise or any applicable law; and/or
 - c. To the extent provided in Section 3.6, Grantor may begin the process of revocation of Franchise in accordance with the provisions contained within this Franchise.

Section 3.6 Revocation of Franchise

- a. Prior to revocation or termination of the Franchise, Grantor shall give written notice to Grantee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Grantee, including one or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Grantee shall have sixty (60) days from such notice to either object in writing and to state its reasons for such objection and provide any explanation or to cure the alleged noncompliance. If the Grantor has not received a satisfactory response from Grantee, it may then seek to revoke the Franchise at a public hearing. The Grantee shall be given at least thirty (30) days prior written notice of such public hearing, specifying the time and place of such hearing and stating its intent to revoke the Franchise.
- b. At the hearing, Grantor shall give Grantee an opportunity to state its position on the matter, present evidence and question witnesses, after which it shall determine whether or not the Franchise shall be revoked. The public hearing shall be on the record and, if Grantee provides the Grantor written notice at least fifteen (15) business days prior to the hearing, Grantor will make a written transcript available to the Grantee within ten (10) business days after the hearing, and the cost of the transcript shall be the sole responsibility of the Grantee. The decision of the Grantor shall be made in writing and shall be delivered to Grantee. Grantee may appeal such determination to an appropriate court. Grantee may continue to operate the Cable System until all legal appeals procedures have been exhausted.
- c. Notwithstanding the above provisions, Grantee does not waive any of its rights under Federal law or regulation.
- d. In the event of a revocation of this Franchise, Grantee shall remove its Cable System from the Streets of Grantor, or abandon the Cable System in place if permitted in writing by the Grantor.

Section 3.7 Minor Violations.

The parties hereby agree that it is not the Grantor's intention to subject the Grantee to penalties, fine, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Service Area, or where strict performance would result in practical difficulties and hardship to the Grantee which outweighs the benefit to be

derived by the Grantor and/or Subscribers. It is in the Grantor's sole discretion to determine when a violation is a good faith error and/or to determine the hardship versus benefit.

Section 3.8 Retention & Inspection of Records.

- a. Subject to the requirements of Section 631 of the Cable Act (47 U.S.C. § 551), all records that are legally permissible for release and that are reasonably necessary to ensure Grantee's compliance with the Franchise shall be made available by Grantee to Grantor or Grantor's representative, who has signed Grantee's Non-Disclosure Agreement, upon advance written notice to examine during normal business hours and on a nondisruptive basis. Such notice shall specifically reference the subsection of the Franchise that is under review so that the Grantee may organize the necessary books and records for easy access by the Grantor. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act. To the extent permitted by law, the Grantor agrees to treat as confidential any books, records or maps that constitute proprietary or confidential information to the extent Grantee makes the Grantor aware of such confidentiality by marking each page as "confidential". If the Grantor believes it must release any such confidential books or records in the course of enforcing this Franchise, or for any other reason including compliance with the Oregon Public Records laws, it shall advise Grantee in advance so that Grantee may take appropriate steps to protect its interests. Until otherwise ordered by a court or agency of competent jurisdiction, including the district attorney, the Grantor agrees that, to the extent permitted by State and Federal law, it shall deny access to any of Grantee's books and records marked confidential, as set forth above, to any Person. Grantor shall have no obligation to pursue or defend an appeal of a decision by a court or agency of competent jurisdiction, including the district attorney, ordering the disclosure of any books and records.
- b. Financial Records. Grantee shall maintain financial records of its Gross Revenues and Grantee fee payments for audit purposes for a period no less than four (4) years.
- c. Service Calls/Complaints. Grantee shall maintain a record of all service calls and/or complaints for a minimum period of one (1) year.
- d. Other Records. Grantee shall maintain a full set of its plans, records and maps detailing the location of its Cable System within the Franchise Service Area.

Article IV. Street Occupancy

Section 4.1 Occupancy.

- a. Nothing in this Franchise shall be construed to prevent any public work of the Grantor or other utility occupying the Streets of the Grantor.
- b. Safety. Grantee shall at all times employ the standard of care attendant to the risks involved and shall use commonly accepted methods and devices preventing failures and accidents which are likely to cause damage.
- c. Damage or Disturbance. Grantee shall, at its own expense and promptly after discovery or notice from Grantor or other Person, restore any damage or disturbance caused to the Streets as a result of its operation, construction or maintenance of its Cable System to a condition at least as good as the condition of the Street immediately prior to such damage or disturbance.
- d. Existing Poles & Conduits. Grantee shall utilize existing poles, manholes, conduits and other like facilities whenever possible. Grantee may not construct or install new, different, or additional conduits or other underground or underground-related facilities within the Street without obtaining all legally required permits of the Grantor. Grantee may install in the Streets new or additional poles necessary for its Cable System in areas where there are no existing underground cable, telephone or electric facilities upon separate written permission from the Grantor.

- e. Underground Construction. The facilities of the Grantee shall be installed underground in those areas of the Service Area where existing telephone and electric services (other than high voltage electric lines) are both underground at the time of system construction, or where there is insufficient space on existing poles for Grantee's facilities. Grantee shall, in cases of new Street construction where all other utilities (except high voltage electric lines) are required by Grantor to be placed underground, place its facilities underground. Grantee shall install its facilities prior to the completion of any new or to be reconstructed or resurfaced Streets to avoid damage to the newly constructed/reconstructed Streets when Grantor has afforded reasonable advance notice.
- f. Minimum Interference. All transmission lines, equipment and structures of Grantee's Cable System shall be installed and located so as to cause reasonably minimum interference with the rights and appearance and reasonable convenience of property owners who adjoin any Street and at all times shall be kept and maintained in a safe condition and in good order and repair.
- g. Vegetation Removal. Grantee may trim or remove any vegetation within the Streets, at its expense, as may be necessary to protect its wires and facilities, subject to any permit required by Grantor and local codes and ordinances.

Section 4.2 Work by Grantor; Cable System Relocation

- a. Relocation for Grantor. Grantee shall, at its own expense, temporarily or permanently disconnect, relocate or remove any portion of its Cable System, including relocation from aerial to underground locations, when required by Grantor by reason of Street construction, widening or repair, including sidewalks; traffic conditions; public safety; Street vacations; installation or repair of public facilities or utilities, or any other public purpose as determined by the Grantor pursuant to its police power. In the event of a request for a permanent relocation, disconnection or removal, Grantor shall advise Grantee in writing as soon as reasonably possible, but not less than forty-five (45) days prior to the date for relocation, disconnection or removal. In the event of a request for a temporary relocation, disconnection or removal, Grantor shall give Grantee no less than ten (10) business days advance written notice.
- b. Failure to Remove or Relocate. Should Grantee fail to remove or relocate any facilities as required in this Section 4.2, the Grantor may cause such work to be done by a qualified contractor and the costs thereof, including reasonable costs and expenses incurred due to Grantee's delay, shall be paid by Grantee, subject to any reimbursement required in Section 4.2d.
- c. Relocation for a Third Party. The Grantee shall, on the request of any Person holding a lawful permit issued by the Grantor, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Street as necessary any property of the Grantee, provided that the expense of such is paid by the permit holder and the Grantee is given reasonable advance written notice to prepare for such changes. The Grantee may require such payment in advance. For purposes of this subsection, "reasonable advance written notice" shall be no less than ten (10) business days in the event of a temporary relocation and no less than one hundred twenty (120) days for a permanent relocation.
- d. Reimbursement of Costs. If Grantor reimburses any Person that owns facilities in the Streets used to provide services in competition with Grantee's services provided pursuant to this Franchise for the cost of any of the foregoing, to the extent Grantee is required by the Grantor to relocate for the same project, the Grantor shall reimburse the Grantee in the same manner. If any Federal, State, and/or other funds become available for relocating purposes concerning a qualifying public project, and if such funds are available to Cable Operators, the Grantor will assist the Grantee with the application for such funds to the extent Grantor assists other utilities that own facilities in the Streets used to provide services in competition with Grantee's services provided pursuant to this Franchise with the application for such funds.

Notwithstanding the immediately preceding sentence, the Grantor has no obligation to seek or locate Federal, State, and/or other funds for relocating purposes.

Section 4.3 Construction & Technical Standards

- a. Grantee shall obtain all legally required permits and pay all required permit fees before commencing any work requiring a permit, including the opening or disturbance of any Street within the Service Area.
- b. Grantee shall adhere to the terms of the permits and all Grantor codes, ordinances, rules and regulations currently or hereafter applicable to Grantor Streets and/or construction, operation or maintenance of the Cable System within the Service Area, provided that such codes are of general applicability pursuant to Grantor's Police Powers.
- c. Grantee shall be responsible for ensuring that its Cable System is designed, installed and operated in accordance with good engineering practices and to meet the technical standards adopted by the FCC relating to Cable Systems contained in Part 76 of the FCC's rules and regulations as same may be amended. Grantee shall be at all times prepared to show, on advanced request by an authorized representative of the Grantor, that its Cable System complies with those applicable rules.
- d. Grantee shall conduct complete performance tests of the Cable System required by the FCC, and shall maintain the resulting test data on file for the duration of time required by the FCC. The test data shall be made available for inspection by the Grantor, upon advance notice.

Article V. Franchise Fees

Section 5.1 Franchise Fees

- a. Grantee shall pay to Grantor an annual Franchise Fee in an amount equal to five percent (5%) of Grantee's annual Gross Revenues. Payment of the Franchise Fee shall be made on a quarterly basis, within forty-five (45) days of the close of each calendar quarter. If agreed to in writing by the Grantor, which agreement may be revoked upon thirty (30) days notice by the Grantor, payment shall be transmitted by electronic funds transfer to a bank account designated by Grantor. Each franchise fee payment shall be followed, within forty five (45) days, by a report from Grantee showing the basis for the computation of the Franchise Fees paid during that period.
- b. The payment of the Franchise Fee shall be in addition to taxes or fees of general applicability owed to Grantor by Grantee that is not included as a Franchise Fee under Federal law.
- c. No acceptance of any payment by Grantor shall be construed as a release or as an accord and satisfaction of any claim the Grantor may have for additional sums payable as Franchise Fees under this Franchise, or of any tax or other fee owed to Grantor by Grantee.
- d. The payment period and the collection of Franchise Fees that are to be paid to the Grantor pursuant to the Franchise shall commence sixty (60) days after the effective date of the Franchise. Grantee shall continue to pay Franchise Fees under the former agreement (Grantor Ordinance No. 1654) in the interim period.
- e. In the event the Cable Act is amended to modify the current cap on Franchise Fees to an amount other than five percent (5%) of Gross Revenues required here, Grantee agrees to and shall pay the new maximum amount consistent with federal law. Such increased fee shall take effect on the next available billing cycle in which the higher fee may be placed on Subscribers' bills.
- f. In the event that a Franchise Fee payment or recomputation amount is not made by the Grantee to the Grantor on or before the due date, or is underpaid, Grantee shall pay an interest charge, computed from such due date, at the annual rate equal to the lesser of (i) the commercial prime interest rate of the Grantor's primary depository

bank during the period such unpaid amount is owed or (ii) nine percent (9%) per annum, but in no event less than five percent (5%).

Section 5.2 Audit of Franchise Fees

- a. Grantor may review and/or audit Grantee's records to ensure the correct calculation of Gross Revenues and application of Franchise Fees payable under this Franchise. Grantee shall provide such records to Grantor or its designee in the Service Area, subject to Grantor and/or designee signing an agreed upon Non-Disclosure Agreement, upon thirty (30) days prior written request at no charge to the Grantor.
- b. In the event that any Franchise Fee is underpaid, Grantee shall pay interest as required in this Franchise. The period of limitation for recovery of any Franchise Fee payable hereunder shall be four (4) years from the date on which payment was due. Subject to applicable law, if the audit discloses an underpayment by an amount in excess of five thousand dollars (\$5,000), Grantee will reimburse Grantor for reasonable audit costs.

Article VI. Service

Section 6.1 Nondiscrimination; Privacy

- a. Grantee shall not deny service, deny access or otherwise discriminate against Subscribers, channel users or general citizens on the basis of race, color, religion, national origin, age, sex or any other basis precluded by law.
- b. Grantee shall fully comply with the privacy rights of Subscribers as contained in Section 631 of the Cable Act.

Section 6.2 Extension of Cable Service

- a. The Grantee shall make Cable Service distributed over the Cable System available to every residence within the Service Area where there is a minimum density of at least thirty (30) residences per linear strand mile of cable as measured from Grantee's closest trunk line or distribution cable that is capable of delivering Cable Service as of the date of such request for service. If such residence is located within one hundred fifty (150) feet of Grantee's trunk line or distribution cable, the Cable Service will be provided at Grantee's published rate for Standard Installations. Notwithstanding the foregoing, the Grantee shall have the right, but not the obligation, to extend the Cable System into any portion of the Service Area where another operator is providing Cable Service and into any annexed area which is not contiguous to the present Service Area of the Grantee as long as said circumstance does not constitute a violation under the Cable Act to assure that access to Cable Services is not denied to any group of potential residential cable Subscribers because of the income of those residents.
- b. No Subscriber shall be refused service arbitrarily. However, if an area does not meet the density requirements of Section 6.2 above, the Grantee shall only be required to extend the Cable System to Subscriber/Customer(s) in that area if the Subscribers are willing to pay the capital costs of extending the Cable System. The Grantee may require that payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance. Subscribers shall also be responsible for any installation charges to extend the Cable System from the tap to the residence. However, the connection charge shall not exceed Grantee's actual costs for the distance exceeding one hundred fifty (150) feet for each potential Subscriber, and each potential Subscriber shall only be required to pay their proportionate share of construction costs related to the provision of Cable Services to their property.

Section 6.3 Customer Service

- a. Customer Service Standards. Grantee shall comply with customer service standards required by the FCC as set forth in Part 76 of Title 47 of the Code of Federal Regulations.
- b. Continuous Service.
It shall be the right of all Subscribers to continue receiving Cable Service insofar as their financial and other obligations to Grantee are honored, subject to the terms and conditions of this Franchise.

Section 6.4 Subscriber Bills and Notices

Grantee shall comply with the notice requirements in Subpart T of Part 76 of the FCC's rules and regulations, as such may be amended from time to time.

Section 6.5 Rate Regulation

Grantor shall have the right to exercise rate regulation to the extent authorized by law, or to refrain from exercising such regulation for any period of time, in Grantor's sole discretion. If and when exercising rate regulation, Grantor shall abide by the terms and conditions set forth by the FCC.

Section 6.6 Annexation by Grantor

The Grantor shall promptly provide written notice to the Grantee of its annexation of any territory which is being provided Cable Service by the Grantee, which notice shall include each site address to be annexed as recorded on county assessment and tax rolls. Such annexed area will be subject to the provisions of this Franchise upon written notice from the Grantor. Any identified Subscriber addresses shall be included in Grantee franchise fee calculations within thirty (30) days after Grantee's receipt of the annexation notice. All notices due under this Section shall be sent by certified mail, return receipt requested to the addresses set forth in Section 9. Upon request and if reasonably available, Grantor will also provide addresses and maps of annexed areas in a digital format. In any audit of Franchise Fees due under this Agreement, Grantee shall not be liable for Franchise Fees on annexed areas unless and until Grantor has provided the notice by certified mail that meets the standards set forth in this Section.

Section 6.7 Emergency Alert System

Grantee agrees at all times to comply with Federal and State EAS rules as required in 47 C.F.R. Part 11 or as amended.

Article VII. Service to Public Buildings; Community Programming

Section 7.1 Service to Public Buildings

Grantee shall provide, without charge, one (1) outlet and equipment for Basic and Expanded Cable Service to all elementary and secondary Public School instructional buildings and public library buildings within the Service Area and located within one hundred twenty-five (125) feet of Grantee's distribution plant. Additionally, upon written request from Grantor, Grantee shall provide, without charge, one (1) activated outlet and equipment of Basic Cable Service to up to five (5) publicly owned or publicly operated buildings, provided that the buildings are located within one hundred twenty-five aerial feet (125') of the existing distribution Cable System that is actively delivering Cable Service, or if the Grantor agrees to pay the additional cost for non-Standard Installation. Nothing in the preceding sentence shall require Grantor to make any request to Grantee to continue to receive, without charge, any Basic Cable Service provided to publicly owned or operated buildings as of the effective date of this Franchise. The Cable Service provided pursuant to this Section shall not be used for commercial purposes and such outlets shall not be located in areas open to the public. The Grantor shall take

reasonable precautions to prevent any inappropriate use of or loss or damage to the Grantee's Cable System.

Section 7.2 Public Education & Government (PEG) Channel

- a. Upon sixty days prior written request to Grantee, Grantee shall provide one (1) channel on the Cable System for use by Grantor for PEG.
- b. The PEG channel(s) shall, to the extent required by law, be placed on Franchisee's lowest cost level of Cable Service available to Subscribers. Throughout the term of the Franchise, all Subscribers shall be able to view the PEG channel(s) without additional equipment, fees or charges, other than equipment, including converters, required of all Subscribers at additional cost to view the non-PEG programming on the Subscriber's selected level of service.
- c. Programming shall be produced in the Service Area, by those who reside in the Service Area or be of interest to Subscribers in the Service Area as reasonably determined by the Grantor.
- d. For a period of two (2) years from the effective date (as provided in Section 11.1), the Grantor shall not be required to maintain any minimum programming on the PEG Channel. Thereafter, the Grantor shall provide at least one (1) hour of local programming on the PEG Channel in any six (6) month period. For the purposes of the above calculation: a) a program may not be repeated more than three (3) times in any consecutive six (6) month period; and b) time allocated to character-generated or similar programming shall not be included. In the event the programming levels set forth herein are not maintained, the Grantee may have the underutilized PEG Channel returned to the Grantee for the Grantee's use. The Grantee may utilize the PEG Channel only after giving the Grantor not less than ninety (90) days notice and the Grantor fails to maintain the minimum programming levels set forth herein during those ninety (90) days. The Grantor may request return of the PEG Channel used by the Grantee at any time, which request for return shall be accompanied by a showing that the Grantor's intended use for the PEG Channel will, or is reasonably likely to, meet the programming requirements set forth in this Section. The Grantee shall, within ninety (90) days of the date of the written request, cease use of and return the PEG Channel to the Grantor.
- e. When the PEG channel(s) required pursuant to this Section is utilized seventy percent (70%) of the time, five (5) days per week, Monday through Friday, for a consecutive twelve (12) hour block during the hours from 11:00 AM to 11:00 PM, during ten (10) consecutive weeks, Grantee shall make available an additional PEG channel upon the same conditions as the original PEG channel within ninety (90) days of a written notice from Grantor. For the purposes of the above percentage calculation: a) a program may not be repeated more than three (3) times in any consecutive ten (10) week period; and b) time allocated to character-generated or similar programming shall be excluded.
- f. Grantee shall not be responsible for operating and managing the PEG channel(s) including approving any or all PEG programming and/or for obtaining any necessary releases from programmers or another Person to show such content on the PEG channel(s). Grantee shall not exercise any editorial control over the PEG channel(s), except as permitted in Section 611(e) of the Cable Act (47 U.S.C. § 531(e)).
- g. Grantor reserves the right to permit a third party to operate and/or manage the PEG channel(s) on Grantor's behalf. The PEG channel(s) shall not be used for commercial purposes, including but not limited to leasing capacity or advertising.
- h. Grantee shall continue to provide all existing connection(s) of the PEG access channel(s) from Grantee's headend to the location designated by Grantor, in place as of the effective date of this Franchise at no cost to Grantor. After the

effective date, any connections to the Grantee's headend to enable transmission of PEG access programming shall be requested in writing by the Grantor and shall be provided by Grantee as soon as reasonably possible. The cost for such connections shall be paid by the Grantor and may be paid for with the PEG fee set forth below. Grantee shall, at no cost to the Grantor, provide and maintain the equipment necessary for transmission of PEG programming to Subscribers on the PEG channel(s). Grantee may recover from Subscribers such equipment costs in accordance with Section 7.2.(i). For the purposes of this subsection, "connections" means the physical connection between the PEG access origination point and the Grantee's headend, including cable, fiber (if used) and conduits. For purposes of this subsection, "equipment" means any equipment necessary to transport the PEG signal from outside the Grantor's building demarcation point to the Grantee's headend, as well as any equipment in the Grantee's headend necessary to transmit the programming to Subscribers, and the maintenance of all the foregoing.

i.

At any time during the term of this Franchise, the Grantor and Grantee may meet to discuss providing capital support for PEG access equipment and facilities as provided in this Section and consistent with federal law [47 U.S.C. §§ 542 (g)]. The provision of PEG capital support from Grantee or its Subscribers is subject to the written agreement between the parties and at the discretion of the Grantee, whose consent shall not be unreasonably denied. PEG funds shall be for the exclusive use of the Grantor and shall not be used for purposes other than as prescribed by federal law. Grantor shall conduct a public proceeding to determine the level of PEG capital support that is reasonable to meet the demonstrated cable-related needs of the community, considering the cost to provide those needs. The Grantor shall notify the Grantee in writing at least thirty (30) days prior to such proceeding and of the amount of capital support requested, not to exceed what is actually needed for capital support and what is practicable considering the number of Subscribers in the Service Area. Grantor shall also provide a business plan to Grantee demonstrating that the Grantor will provide adequate operating support to utilize the equipment purchased. The Grantee shall be permitted to recover such capital costs from Subscribers with individual account records, if allowed by law.

Section 7.3 Access and Community Support Not Franchise Fees

Subject to applicable law, the Grantee agrees that any PEG capital support provided pursuant to this Section shall in no way modify or otherwise affect the Grantee's obligations to pay Franchise Fees to the Grantor. The Grantee agrees that although the sum of Franchise Fees and PEG capital support as set forth in this Section may total more than five percent (5%) of the Grantee's Gross Revenues in any twelve (12) month period, PEG capital support shall not be offset or otherwise credited in any way against any Franchise Fee payments under this Franchise, subject to applicable law. In the event Grantee deducts from any Franchise Fee payment any amounts or costs required in this Section, Grantee shall make best efforts to provide the Grantor written notice at least 30 days prior to implementing the deduction.

Article VIII. Insurance & Indemnification

Section 8.1 Insurance Requirement

a. Grantee shall maintain, throughout the Term of this Franchise, insurance in amounts no less than the following:

Workers Compensation – Statutory Limits

Commercial General Liability: \$2,000,000 per occurrence, Combined Single Liability (CSL); \$2,000,000 General Aggregate

Auto Liability including coverage on all owned, non-owned hired autos: \$1,000,000 per occurrence, CSL

Umbrella Liability: \$2,000,000 per occurrence, CSL

- b. Grantor shall be added as an additional insured arising out of work performed by Charter to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.
- c. Grantee's insurance carrier will endeavor to provide advance written notice of cancellation to the Grantor for any reason other than non-payment of premium. Notice of cancellation to the Grantor may be made by any commercially reasonable means, including mail, electronic mail, or facsimile transmission to the contact name and email address provided by the Grantor. Upon policy expiration or change of insurance carrier, Certificates of Insurance will be provided within thirty (30) days after policy renewal or replacement.
- d. The limits of the insurance as provided herein shall be subject to any changes as to the maximum limits of tort liability imposed on municipalities of the State of Oregon during the term of this Franchise. Upon notice from Grantor of such changes, which must be made in writing and signed by the Grantor and Grantee, the Grantee shall increase the limits required in this Section 8.1 to at least the maximum limits within thirty (30) days.
- e. Grantee shall furnish Grantor with current certificates of insurance within ninety (90) days of the effective date of this Franchise.

Section 8.2 Indemnification

Grantee shall, by acceptance of the Franchise granted herein, defend, indemnify and hold harmless Grantor, its officers, agents and employees, from and against all claims, liabilities, damages and penalties, including but not limited to attorney fees, arising as a result of construction, operation and maintenance of the Cable System within the Service Area, whether or not any act or omission complained of is authorized, allowed, or prohibited by this Franchise, Notwithstanding the foregoing, Grantee shall not be obligated to indemnify the Grantor for claims, damages and penalties caused by the negligence, gross negligence or willful misconduct of Grantor, its officers, agents and employees, including any use of any Public, Education and Government (PEG) channels, funding and facilities. Grantor shall give Grantee written notice within ten (10) days of receipt of any claim or lawsuit subject to this Franchise, and Grantor may retain its own separate counsel at its sole cost and expense.

Article IX. Notices

Section 9.1 Notice to Grantor

Unless otherwise provided by Federal, State or Local law, all notices, reports or demands pursuant to this Franchise shall be in writing and shall be deemed to be sufficiently given upon delivery to a Person at the address set forth below, or by U.S. certified mail, return receipt requested, or by nationally or internationally recognized courier service such as Federal Express. Changes in names and addresses may be made at any time with proper notice.

City of Dallas
187 SE Court Street
Dallas, Oregon 97338

Section 9.2 Notice to Grantee

Unless otherwise provided by Federal, State or Local law, all notices, reports or demands pursuant to this Franchise shall be in writing and shall be deemed to be sufficiently given upon delivery to Persons at the addresses set forth below, or by U.S. certified mail, return receipt requested, or by nationally or internationally recognized courier service such as Federal Express. Changes in names and addresses may be made at any time with proper notice. Grantee shall provide thirty (30) days written notice to Grantor of any changes in rates, programming services or channel positions using any reasonable written means.

Attn: Director, Government Relations
Charter Communications
222 NE Park Plaza Drive, Suite #231
Vancouver, WA 98684

With a copy to:

Attn: Vice President, Government Relations
Charter Communications
12405 Powerscourt Drive
St. Louis, MO 63131

Article X. Miscellaneous Provisions

Section 10.1 Compliance with Local, State & Federal Law.

Grantee shall at all times comply with all applicable State and Federal laws, and local laws pursuant to Section 3.3, Section 4.3.b, or as otherwise expressly provided herein, and the applicable rules and regulations of administrative agencies. Grantor and Grantee reserve all rights they each may possess under law, unless expressly waived herein.

Section 10.2 Severability.

If any Section, term, word, phrase or part of this Franchise, or any other portion thereof, is held invalid by a court of competent jurisdiction, all remaining Sections, terms, words, phrases or other parts shall remain in full force and effect.

Section 10.3 Force Majeure.

In the event either party is prevented or delayed in its performance of any of its obligations under this Franchise by reason of fires, hurricanes, tornadoes, earthquakes or other acts of God, unavoidable casualty, insurrections, war, riot, sabotage, unavailability of materials or supplies, vandalism, strikes, boycotts, lockouts, labor disputes, act or omission or delays by utility companies upon whom that party is dependent for pole attachments or easement use, that party shall not be held in default or noncompliance with the provisions of this Franchise nor shall it suffer any penalty relating thereto. This provision includes, but is not limited to, work delays caused by waiting for utility providers to service or monitor their utility poles to which Grantee's Cable System is attached, as well as documented unavailability of materials and/or qualified labor to perform the work necessary to the extent that such unavailability of materials or labor was reasonably beyond the ability of Grantee to foresee or control.

Section 10.4 Descriptive Headings.

The captions to Articles and Sections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

Section 10.5 Legal Action.

The venue of any legal action brought against one party by the other arising out of this Franchise shall be within Polk County, Oregon or the United States District Court for the District of Oregon. This Franchise shall be governed by the laws of the State of Oregon and by federal law.

Section 10.6. Entire Agreement.

This Franchise sets forth the entire Agreement between the parties respecting the subject matter hereof. All agreements, covenants, representations and warranties, express or implied, oral and written, of the parties with regard to the subject matter hereof are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to another with respect to the matter of this Franchise. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties with respect to the subject matter hereof are waived, merged herein and therein and are superseded hereby and thereby.

Section 10.7 Public Notice.

The Grantor shall provide public notice of any public meeting relating to this Franchise or any such grant of additional franchises by the Grantor to any other Person(s) to provide Cable Services consistent with Oregon law relating to public meetings.

Article XI. Term & Renewal

Section 11.1 Effective Date & Term

- a. This Franchise shall take effect and be in full force on September 1, 2016, provided that Grantee returns an executed original version of this Franchise to the Grantor not more than sixty (60) days from the date the Grantor executes this Franchise. If Grantee does not accept this Franchise as required in this Section, the Franchise shall be null and void.
- b. This Franchise shall expire ten (10) years from the effective date, unless extended by the mutual written consent of both parties.
- c. Grantee may seek renewal of this Franchise in accordance with the provisions of Section 626 of the Cable Act, or any such successor statute. In the event of a denial of renewal of this Franchise, Grantee shall remove its Cable System from the Streets of Grantor, or abandon the Cable System in place if permitted in writing by the Grantor.

GRANTOR:

Considered and approved on this _____ day of _____, 2016 (Ordinance No. _____),

On Behalf of the City of Dallas, Oregon

By: _____ Ronald W. Foggin
Signature Printed

Title: City Manager

Date: _____

GRANTEE:

Accepted this _____ day of _____, 2016, subject to applicable Federal, State and local law:

Falcon Cable Systems Company II, L.P.
By: Charter Communications VII, LLC its General Partner
By: Charter Communications Inc., its Manager

By: _____

Printed Name: Mark E. Brown
Title: Vice-President, Government Affairs
Charter Communications

DALLAS CITY COUNCIL REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

<i>City of Dallas</i>	Agenda Item No. 12b	Topic: Ordinance 1798
Prepared By: Jason Locke, Community Development/ Operations Director	Meeting Date: August 1, 2016	Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Approved By: Ron Foggin, City Manager		

RECOMMENDED ACTION: Adopt Ordinance 1789.

BACKGROUND: After holding a Public hearing on proposed revisions to the Dallas Sign Code, the Council directed staff prepare an Ordinance adopting the amendments. The Ordinance is attached and ready for second reading.

FISCAL IMPACT: None

ATTACHMENTS:

Ordinance 1798
Redline version of Amendments w/ Size change

ORDINANCE NO. 1798

An Ordinance amending provisions of the Dallas Sign Code.

THE CITY OF DALLAS DOES ORDAIN AS FOLLOWS:

Section 1. Those amendments to Sections 3.6.050, 3.6.060 A. and B., and 3.6.120 of the Dallas Sign Code within the Dallas Development Code, as set forth on Exhibit A, attached hereto and by reference incorporated herein, are hereby adopted and approved.

Read for the first time: July 18, 2016
Read for the second time: August 1, 2016
Passed by the City Council: August 1, 2016
Approved by the Mayor: August 1, 2016

BRIAN W. DALTON, MAYOR

ATTEST:

APPROVED AS TO FORM:

RONALD W. FOGGIN,
CITY MANAGER

LANE P. SHETTERLY, CITY
ATTORNEY

EXHIBIT A

3.6.050 Prohibited Signs.

The following signs are prohibited:

- A. Hazardous signs.
- B. Signs within or which overhang streets, except as allowed in this chapter.
- C. Portable signs in the following categories:
 - (1) Signs on a vehicle parked on private property, public property or right-of-way, unless the vehicle is used for transport in the normal day-to-day operations of a business, except as provided in section 3.6.040 Q.
 - (2) Signs propped up by or leaning against a motor vehicle when such vehicle is parked in the public right-of-way.
- D. Moving signs.
- E. Balloon signs twenty-four (24) inches in diameter or greater.
- F. Electronic Digital (Video) signs.
- G. Flashing signs, except as provided in 3.6.040Z.
- H. Roof signs.
- I. Signs that appear similar in shape, color, size or copy to traffic control devices.
- J. Off-site signs, except as lawfully exist prior to adoption of this Chapter.
- K. Portable or temporary signs in the right-of-way, unless approved by the City Manager.

3.6.060 Temporary signs.

- A. Temporary signs may be erected and maintained only in compliance with this section.
 - (1) Temporary signs that exceed the applicable area limitations set forth in 3.6.060.B shall not be permitted.
 - (2) Temporary signs that overhang a public right-of-way and that are authorized by a governmental agency are not subject to the provisions of 3.6.060.B, below.
 - (3) With the exception of subsection (2) above, and signs installed or authorized by a governmental agency, no temporary signs are permitted in or over public right-of-way.
 - (4) Temporary and portable signs over four feet tall shall be set back a minimum of five feet from the street side of a

property line. This does not apply to a sign placed within a recessed entryway, provided that no portion of the sign extends over a public sidewalk, or to signs which hang from the face or wall of a building, provided that the sign does not extend more than two inches from the face or wall.

- (5) Temporary signs affixed to a building may be placed no higher than the building's eave, top of wall, or parapet.
- (6) With the exception of subsection (2) above, temporary signs shall not be attached to trees, shrubbery, utility poles or traffic control signs or devices.
- (7) Temporary signs are not counted against the total area of permanent sign allowance.

B. Temporary signage shall be allowed as follows:

* * * * *

(2) Commercial (CG, CN, and CBD) and Industrial (I) Zones:

- a. Temporary signs shall be limited to a total of 48 square feet per business. Except as provided in subsection A(2), above, attachment of a temporary sign to permanent signs or structures, awnings, trees, or utility poles is prohibited. Temporary signs on a site or building may be placed for a period not exceeding 90 days without a permit, but must be legibly dated in permanent marker on the initial date of display in the lower right hand corner of the sign.
- b. In addition to the temporary signs otherwise permitted in this code, a business may have temporary signs in excess of the number and size allowed above, during events as listed below:

Grand opening event: A grand opening is an event of up to 30 days duration within 30 days of issuance of a certificate of occupancy for a new or remodeled structure, or within 30 days of change of business or ownership. No business may have more than one grand opening event per calendar year. The applicant shall notify the city in writing of the beginning and ending dates prior to the grand opening event.

Sale or other events: Two other events per calendar year. The events may not be more than ten consecutive days' duration, and not less than 30 days apart.

* * * * *

3.6.120 Exceptions.

The Planning Official may authorize exceptions from the requirements of this chapter where it can be shown that, owing to special and unusual circumstances related to a specific piece of property, strict application of this chapter would cause an undue or unnecessary hardship; provided that no exception shall be granted for signs prohibited by Section 3.6.050 of this chapter, except for off-site directional signs, for which an exception may be granted. In granting an exception the Planning Official may attach conditions which he/she finds necessary to protect the best interests of the surrounding property or neighborhood or otherwise achieve the purposes of this chapter.

- A. No exception shall be granted unless it can be established that:
 - (1) The request is necessary to prevent a hardship due to factors such as topography, location, surrounding development, lot shape or lot size;
 - (2) The granting of the exception will not result in material damage or prejudice to other property in the vicinity; and
 - (3) The request will not be detrimental to community standards and the appearance of the city.

- B. An exception request shall be made in accordance with Chapter 5.1.050 and processed as a Type II application.

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- A. No exception shall be granted unless it can be established that:
 - (1) The request is necessary to prevent a hardship due to factors such as topography, location, surrounding development, lot shape or lot size;
 - (2) The granting of the exception will not result in material damage or prejudice to other property in the vicinity; and
 - (3) The request will not be detrimental to community standards and the appearance of the city.
- B. An exception request shall be made in accordance with Chapter 5.1.050 and processed as a Type II application.

(Changed review to Planning Official with a Type II Procedure)

3.6.050 Prohibited Signs.

The following signs are prohibited:

- A. Hazardous signs.
- B. Signs that are otherwise permitted but not in compliance with the applicable requirements of this chapter, or in violation of any other provision of the Dallas City Code or Dallas Development Code.
- C. Signs within or which overhang streets, except as allowed in this chapter.
- D. Portable signs in the following categories:
 - (1) Signs on a vehicle parked on private property, public property or right-of-way, unless the vehicle is used for transport in the normal day-to-day operations of a business, except as provided in section 3.6.040 Q.
 - (2) Signs propped up by or leaning against a motor vehicle when such vehicle is parked in the public right-of-way.
- E. Moving signs.
- F. Balloon signs twenty-four (24) inches in diameter or greater.
- G. Electronic Digital (Video) signs.
- H. Flashing signs, except as provided in 3.6.040Z.
- I. Roof signs.
- J. Signs that appear similar in shape, color, size or copy to traffic control devices.
- K. Off-site signs, except as lawfully exist prior to adoption of this Chapter.
- L. Portable or temporary signs in the right-of-way, unless approved by the City Manager.

Temporary Signs – Review size and allocation

3.6.060 Temporary signs.

A. Temporary signs may be erected and maintained only in compliance with this section.

- (1) Temporary signs that exceed the applicable area limitations set forth in 3.6.060.B shall not be permitted.
- (2) Temporary signs that overhang a public right-of-way and that are authorized by a governmental agency are not subject to the provisions of 3.6.060.B, below.
- (3) With the exception of subsection (2) above, and signs installed or authorized by a governmental agency, no temporary signs are permitted in or over public right-of-way.
- (4) Temporary and portable signs over four feet tall shall be set back a minimum of five feet from the street side of a property line. This does not apply to a sign placed within a recessed entryway, provided that no portion of the sign extends over a public sidewalk, or to signs which hang from the face or wall of a building, provided that the sign does not extend more than two inches from the face or wall.
- (5) Temporary signs affixed to a building may be placed no higher than the building's eave, top of wall, or parapet.
- (6) With the exception of subsection (2) above, temporary signs shall not be attached to trees, shrubbery, utility poles or traffic control signs or devices.
- (7) Temporary signs are not counted against the total area of permanent sign allowance.

B (2) Commercial (CG, CN, and CBD) and Industrial (I) Zones:

- a. Temporary signs shall be limited to ~~three (3) per building or two (2) per business in a multi-tenant complex, and shall not exceed sixteen (16) square feet in area per side per sign~~ a total of 60-48 square feet per business. Except as provided in subsection A(2), above, attachment of a temporary sign to permanent signs or structures, awnings, trees, or utility poles is prohibited. Temporary signs on a site or building may be placed for a period not exceeding 90 days without a permit, but must be legibly dated in permanent marker on the initial date of display in the lower right hand corner of the sign.
- b. In addition to the temporary signs otherwise permitted in this code, a business may have temporary signs in excess of the number and size allowed above, during events as listed below:

Grand opening event: A grand opening is an event of up to 30 days duration within 30 days of issuance of a certificate of occupancy for a new or remodeled structure, or within 30 days of change of business or ownership. No business may have more than one grand opening event per calendar year. The applicant shall notify the city in writing of the beginning and ending dates prior to the grand opening event.

Sale or other events: Two other events per calendar year. The events may not be more than ten consecutive days' duration, and not less than 30 days apart.