

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 15, 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. EMPLOYEE RECOGNITION/INTRODUCTION | |
| 4. 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> | |
| 5. 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> | |
| 6. 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> | |
| <ul style="list-style-type: none"> a. Approve minutes of August 1, 2016 City Council meeting Page 3 b. Cancel the September 6, 2016, Dallas City Council meeting Page 6 | |
| 7. ITEMS REMOVED FROM CONSENT AGENDA | |
| 8. REPORTS OR COMMENTS FROM MAYOR AND COUNCIL MEMBERS | |
| <ul style="list-style-type: none"> a. General Comments from the Councilors and Mayor | |
| 9. REPORTS FROM CITY MANAGER AND STAFF | |
| <ul style="list-style-type: none"> a. Council goal update b. Other | Information |



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.

| | | |
|------------|---|----------------|
| 10. | FIRST READING OF ORDINANCE | |
| | a. <u>Ordinance No. 1799</u> : An Ordinance adopting a business registration program; and amending Chapter 7 of the Dallas City Code. Page 7 (ord p. 42) | First Reading |
| 11. | SECOND READING OF ORDINANCE | |
| 12. | RESOLUTIONS | |
| | a. <u>Resolution No. 3349</u> : A Resolution authorizing the transfer of budgetary funds. Page 48 | Roll Call Vote |
| | b. <u>Resolution No. 3350</u> : A Resolution adopting and appropriating a Supplemental Budget for Fiscal Year 2016-2017. Page 50 | Roll Call Vote |
| | c. <u>Resolution No. 3351</u> : A Resolution adopting an investment policy for the City of Dallas. Page 52 | Roll Call Vote |
| 13. | OTHER BUSINESS | |
| 14. | 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 August 1, 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, August 1, 2016 |
| The Dallas City Council met in regular session on Monday, August 1, 2016, at 7:00 p.m. in the Civic Center of City Hall with Mayor Brian Dalton presiding. | |
| Council: 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 | |
| Staff: Also present were: City Manager Ron Foggin, City Attorney Lane Shetterly, Fire Chief Fred Hertel, Police Chief Tom Simpson, Environmental & Engineering Services Director Fred Braun, Finance Director Cecilia Ward, City Recorder/HR Manager Emily Gagner, and Recording Secretary Jeremy Teal. | |
| Pledge of Allegiance: Mayor Dalton led the Pledge of Allegiance. | |

| AGENDA | ACTION |
|---|--|
| 1:03 COUNCILOR RECOGNITION | Council President Fairchild recognized Murray Stewart for his years of service on the Council. |
| 7:21 EMPLOYEE INTRODUCTION | Chief Simpson introduced Officer Brittney Crocker and Officer Kyle Buchholz and administered their oath of office. |
| COMMENTS FROM THE AUDIENCE | There were none. |
| PUBLIC HEARINGS | There were none. |
| 10:57 CONSENT AGENDA Item approved by the Consent Agenda: July 18, 2016, City Council meeting minutes | 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. |
| ITEMS REMOVED FROM CONSENT AGENDA | There were none. |
| 11:28 REPORTS OR COMMENTS FROM THE MAYOR AND COUNCIL MEMBERS REPORT OF THE JULY 25, 2016 ADMINISTRATION COMMITTEE | Councilor Gabliks reported the committee discussed the business registration, the aquatic center funding, the alcohol in the parks issue, and the Finance and Human Resources Directors reports. |

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|---|--|
| <p>REPORT OF THE JULY 25, 2016 BUILDING & GROUNDS COMMITTEE</p> | <p>Councilor Marshall reported the committee discussed the Community Development and Parks Department reports.</p> <p>There was discussion regarding pickleball courts and restrooms at the Lyle Ball Fields.</p> |
| <p>15:12 REPORTS FROM CITY MANAGER AND STAFF</p> | |
| <p>PACIFIC POWER PRESENTATION</p> | <p>Doris Johnston gave a brief PowerPoint presentation for the new paperless billing option Pacific Power offered.</p> |
| <p>STORMWATER SYSTEMS DEVELOPMENT CHARGES</p> | <p>Mr. Braun discussed the recommendation from the Utility Rate Advisory Committee regarding Systems Development Charges.</p> <p>It was moved by Councilor Hahn to proceed with the update to the Stormwater Systems Development Charges, in accordance with Appendix F of the adopted 2016 Stormwater Master Plan and in conformance with state law with the stormwater SDCs to be annually indexed to the ENR (Engineering News-Record) Construction Cost Index. The motion was duly seconded and carried with a vote of 9-0.</p> |
| <p>COUNCIL GOAL UPDATE</p> | <p>Mr. Foggin noted one strategy from the Council was to market the 2030 Vision. He stated the staff reports, the website, and Facebook all referenced the vision. He mentioned the School District and the Chamber of Commerce were on board with the vision.</p> <p>Mr. Foggin noted that staff and the new intern were working on a Youth Citizen Academy.</p> |
| <p>OTHER</p> | <p>Chief Simpson reported that National Night Out was on Tuesday, August 2.</p> |
| <p>FIRST READING OF ORDINANCE</p> | |
| <p>28:50 SECOND READING OF ORDINANCE</p> <p>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>Councilor Holland voiced his opinion on the problematic franchise agreement. Mr. Shetterly assured him this would likely be the best the City would receive, but the City could collect the franchise fee via ordinance without an agreement.</p> <p>A roll call vote was taken and Mayor Dalton declared Ordinance No. 1797 to have PASSED BY A VOTE of 9-0 with Council President 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. voting YES.</p> |

| | |
|---|---|
| <p>Ordinance No. 1798: An Ordinance amending provisions of the Dallas Sign Code.</p> | <p>A roll call vote was taken and Mayor Dalton declared Ordinance No. 1798 to have PASSED BY A VOTE of 9-0 with Council President 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. voting YES.</p> |
| <p>RESOLUTIONS</p> | <p>There were none.</p> |

| | |
|---------------------------------|---|
| <p>RECESS</p> | <p>Mayor Dalton recessed the Council meeting at 8:03 p.m.</p> |
| <p>EXECUTIVE SESSION</p> | <p>Mayor Dalton declared the EXECUTIVE SESSION open at 8:03 p.m. as authorized under ORS 192.660(2)(h), to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.</p> |
| <p>OTHER</p> | |
| <p>ADJOURNMENT</p> | <p>Mayor Dalton reconvened the Council meeting at 8:14 p.m. There being no further business, the meeting adjourned at 8:14 p.m.</p> |

Read and approved this _____ day of _____ 2016.

ATTEST:

 Mayor

 City Manager

DALLAS CITY COUNCIL REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

| | | |
|----------------------------------|---|---|
| <i>City of Dallas</i> | Agenda Item No. 6 b | Topic: Cancel Sept 6, 2016 City Council Meeting |
| Prepared By: Emily Gagner | Meeting Date: August 15, 2016 | Attachments: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Approved By: Ron Foggin | | |

RECOMMENDED MOTION:

With approval of the consent agenda, Council would be authorizing the cancellation of the September 6, 2016, City Council meeting, with the understanding that if any urgent issues arise, the meeting will be held.

BACKGROUND:

We do not anticipate any agenda items for the September 6 Council meeting. For this reason, we are requesting the Council cancel the September 6, 2016, City Council meeting. As always, if something comes up, we can schedule an emergency meeting.

FISCAL IMPACT:

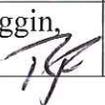
None

ATTACHMENTS:

None

DALLAS CITY COUNCIL REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

| | | |
|---|---|---|
| <i>City of Dallas</i> | Agenda Item No. 10a | Topic: Ordinance 1799 |
| Prepared By: Jason Locke, Community Development/ Operations Director  | Meeting Date: August 15, 2016 | Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Approved By: Ron Foggin, City Manager  | | |

RECOMMENDED ACTION: Move Ordinance 1799 to a second reading.

BACKGROUND: After discussing this matter for approximately 8 months, the Administrative Committee has recommended that the Council adopt the Business Registration Ordinance. The Ordinance is attached and ready for second reading. A separate Resolution establishing the fees will be provided at the next meeting.

SUMMARY TIMELINE:

- September 2015: Discussion started in at the Administrative Committee
- November 2015-March 2015: Continued discussion and refinement of a Business Registration not a license
- March 2015: City Council Workshop to discuss Business Registration
- May/June 2016: Chamber of Commerce online survey about registration program
- July 2016: Admin Committee recommends Business Registration Ordinance to full Council

DALLAS 2030 VISION IMPACT:

Element 2.a of the Vision 2030 strategy- Explore options for a business registration program for all businesses in the community

FISCAL IMPACT: Approximately \$6000 for the purchase of software from Tyler, and staff time for outreach and information/application delivery.

ATTACHMENTS:

- Ordinance 1799
- Admin Committee packets and minutes from September 28, 2015 to July 25, 2016
- Council Workshop packet from March 7, 2016



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 and 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: March 28, 2016
Re: Business Registration Discussion cont.

Attached please find a revised Business Registration Ordinance, for Committee discussion. Note that changes are highlighted in yellow, based on the conversations by the Council.

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.

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(1) "Business" means:

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(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

- Exempt - Direct

(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) —“Exemption certificate” means the document granted by the city in lieu of a business registration for businesses, occupations and activities qualifying under the provisions of section _____.

(4) “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.

(5) "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.

(6) “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.

(7) “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.

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(2) A business or activity described in this subsection must file a business registration, but shall not be required to pay a registration fee. A business or activity exempt under this subsection must complete and exemption certificate at the time it files its initial business registration, as provided in subsection (1) of this section, and annually thereafter with each renewal registration required under subsection (5) of this section. 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;

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(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.

good (b) Home-based businesses and occupations as described in Dallas Development Code section 4.9.020. *adding 192.4B*

(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.

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(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 ~~by not later than 30 days after commencing business activities.~~

prior to

(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).

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(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) — No transfer of a business registration shall be made without written application for the transfer being made with the City. An entry of such transfer shall be made by the City Manager, or their designee, in the business registration record for which the city shall charge and receive a fee as established by resolution of the city council.

(4) — An application for an initial business registration or a change in address due to the physical relocation of a currently registered business shall be accompanied by the payment of an application fee as established by resolution of the city council.

(5) — No business registration or renewal, or transfer or change of physical location shall be accepted without the payment of the required fee or if the registration is incomplete or contains inaccurate information.

→ (6) ~~Approved~~ 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.

(2) The city shall be entitled to the award of reasonable attorneys' fees in the event the City Manager deems it necessary to enforce the requirements imposed by this chapter.



Community Development/Operations Department

Memo

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

At your last meeting, the Committee directed staff to prepare a draft version of a business registration ordinance based on the City of Lebanon ordinance. That draft is attached, and with only minor changes in formatting and name changes. This draft could be used as a starting point for continued discussion by the Committee on this matter.

I am also attaching the previous memo which provides some background on this matter.



Community Development/Operations Department

Memo

To: Admin Committee
From: Jason Locke, Community Development/Operations Director
Date: November 23, 2015
Re: Business Registration Discussion

At your last meeting, the Committee began discussing two fundamental questions:

- 1) **Why a business registration and/or license?** What do you want to regulate or achieve through a program? Is there an issue or issues that you feel necessitate a registration and/or license? Is there a clear benefit to the public, city, and businesses?
- 2) **What is the purpose?** Is it to raise revenue? Is it to regulate the conduct of business? Is it to ensure that businesses are complying with applicable city ordinances, state and federal laws? Is it to know who is doing business within the boundaries of the City? To obtain contact info? To gather and maintain economic data at the City level?

In order to move forward, it is important that there are clear, unambiguous answers to questions. The "WHY" of it will play a big role in the ultimate decision to move forward.

Based on this previous discussion, the Committee expressed the following:

- There are benefits from a registration program including business owner contact information, legitimacy of the business via a registration process, know who is doing business in the City, should it be voluntary or mandatory.

In order to more fully explore the available options, we are attaching 2 cities Ordinances and applications for the Committee to review and discuss.

The Madras Ordinance is a full-blown business license process that has detailed standards, review criteria, and appeal rights.

The Lebanon Ordinance is a business registration tool, contains no real criteria for issuance, and has few standards.

Both ordinances contain exemptions for certain activities (ie: Non-profits, wholesale delivery, etc).

These Ordinances represent two ends of the spectrum, and should be reviewed so that a discussion can occur as to which direction, if any, the Committee wishes to proceed in.

Again, the Committee should determine what the benefits and drawbacks of any program would be, within the context of the following options:

- 1) Don't do anything, no license or registration required.
- 2) Don't do anything, and publicize the fact that we don't require a license as evidence of being business friendly.
- 3) Business Registration (lite version)
- 4) Business License (full on program)

Staff would recommend that prior to moving forward on any option, we prepare a pros and cons analysis, and involve the business community in the process. This would be crucial, especially for Option 2 or 3.

**CHAPTER 5.02 BUSINESS
REGISTRATION**

Sections:

5.02.010 Purpose and scope.

5.02.020 Definitions.

5.02.030 Registration and payment required – Exemptions – Registration year.

5.02.040 Registration fee imposed.

5.02.050 Businesses not operating from a facility within the city – Multiple businesses at same location – Branch offices – Professional offices.

5.02.060 Application procedure – Registration transfer.

5.02.070 Falsifying application information – Penalty for delinquent filing.

5.02.080 Violation does not exempt payment of fee – Attorneys' fees.

5.02.090 Penalty

5.02.010 Purpose and scope.

A) This chapter is enacted to help assure the public health and welfare as well as compliance with the Dallas City Code and Dallas Development Code.

B) 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.

C) 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 taxation or regulation by virtue of the Constitutions or laws either of the United States or Oregon.

D) 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 therein to engage in activity or business to the extent it is deemed to be unlawful by the laws of the United States, the state of Oregon, or the city.

5.02.020 Definitions.

As used in this chapter:

“Business” means profession, trade, occupation, and every other kind of calling carried on for profit or livelihood which is operated, in whole or in part, in or on any structure, building, lot, or other premises, located within the city limits.

“Employee” means any person working for, within or under the auspices of a

business, other than a bona fide independent contractor or leased employee, 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.

“Exemption certificate” means the document granted by the city in lieu of a business registration for businesses, occupations and activities qualifying under the provisions of Dallas City Code (Section 5.02.030(B)).

“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.

“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.

“Transfer” means to transfer the name or ownership of a business, but does not include a change in business location.

5.02.030 Registration and payment required – Exemptions – Registration year.

A) Except as provided in LMC 5.02.010(B & C), any person operating or carrying on any business as defined in 5.02.020 shall obtain a business registration and pay the required fee as established by the Dallas City Council

B) In lieu of the business registration fee described in this chapter, an Exemption Certificate shall be granted without charge to the businesses and activities described below provided they use, operate from, or otherwise occupy, a particular structure, building or lot located within the City of Dallas. All exempt businesses or activities must complete and file an annual renewal exemption certificate application with the City Manager, or their designee. Businesses and activities qualified under this provision include:

1. Religious, educational and charitable organizations specifically exempt from taxation under the Federal Internal Revenue Code;
2. Businesses franchised by and paying a franchise fee to the city;
3. Businesses exempt from the payment of municipal license fees pursuant to Oregon or federal law;
4. Suppliers and those engaged solely in wholesale sales to local businesses;
5. Any person involved in the home delivery of newspapers, groceries, or other goods purchased outside the city.

C) The following business or professional activities shall be exempt from any requirement to register or obtain an Exemption Certificate under the provisions of this chapter:

1. Fairs, festivals, and public entertainment events by nonprofit organizations. As used in this chapter, a "nonprofit organization" means an organization with tax exempt status as granted under applicable federal laws.

2. Home based businesses and occupations as described in DDC

3. 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.

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

5. Itinerant merchants as defined in DCC *****

D) Registration Year.

1. The Business Registration Exemption Certificate year shall commence on January 31, 2017, and shall be renewable on or before that date annually thereafter. For businesses applying for an initial business registration or exemption certificate after said date, the registration year shall commence on the date the registration is accepted by the city and shall be renewed annually on or before January 31 of each succeeding year thereafter.

2. The registration fee shall be due and payable on the 31 day of January and shall be deemed to be delinquent if not paid by January 31 of that year. Registration fees are not refundable nor subject to proration.

5.04.040 Registration fee imposed – Agent responsibilities.

A) Each business operating within the city shall pay to the city on or before the 31st day of January of each calendar year a business registration fee as established by resolution of the Dallas City Council.

B) The agent(s) of a nonresident person engaged in a business for which registration is required shall be liable for the payment of the registration fee for the business and for the penalties for failure to pay the fee or to comply with the provisions of this chapter to the same extent and with the like effect as if such agent(s) were themselves persons engaged in business for which a license is required.

5.02.050 Multiple businesses at same location– Branch offices – Professional offices.

A) If more than one business takes place at the same location and is

operated under the same ownership, but is operated under more than one business name, one application may be filed, provided each business is clearly identified and all relevant information is included in the unified application.

B) Each branch establishment of a business or location of a business conducted by any person shall, for the purposes hereof, be treated as a separate business subject to the registration provided for in this chapter. Warehouses used incidentally with a duly registered business shall not be deemed to be a separate place of business or branch establishment.

5.02.060 Application procedure – Registration transfer.

A) All Business Registration renewals and Exemption Certificate applications shall be processed by the City Manager, or their designee, upon written application and not otherwise carrying on any business, as defined in 5.02.020, shall obtain a Business Registration and pay the required fee as established by the Dallas City Council.

B) The application for such registration, or renewal thereof, shall contain such information as the city deems appropriate to determine the ownership, location, activities, and management of the business.

C) No transfer of a business registration shall be made without written application for the transfer being made with the City. An entry of such transfer shall be made by the City Manager, or their designee, in the business registration record for which the city shall charge and receive a fee as established by resolution of the city council.

D) An application for an initial business registration or a change in address due to the physical relocation of a currently registered business shall be accompanied by the payment of an application fee as established by resolution of the city council. This fee shall be in addition to the business registration fee provided for by 5.02.040. No such application shall be accepted, unless all information contained therein is provided and the full fee is paid.

E) Approved business registrations shall remain on file with the Dallas City Clerk and data shall be provided to the Dallas Fire Department and Police Department.

5.02.070 Falsifying application information – Penalty for delinquent filing.

A) It is unlawful for any person to fail, refuse or neglect to comply with the provisions of this chapter.

B) In the event a business fails or neglects to register and pay the appropriate fee(s) before they become delinquent, the City Clerk, or their designee, shall collect, in addition thereto, an additional charge of ten percent of

the annual fee which shall be payable for each month or portion thereof that a business fails to pay the prescribed fee.

C) Nothing contained in this chapter shall be construed as vesting any right to the amount of any license or other/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.

5.02.080 Violation does not exempt payment of fee – Attorneys' fees.

A) The conviction of any person for violation of any of the provisions of this chapter shall not relieve such person from paying any fee or penalty on any fee for which such person is liable. Nor shall the payment of any such fee prevent any prosecution in the city court of any complaint for the violation of any of the provisions of this chapter.

B) The city shall be entitled to the award of reasonable attorneys' fees in the event the City Manager deems it necessary to enforce the requirements imposed by this chapter.

5.02.090 Penalty

A violation of any provision of this chapter shall be punishable by a fine of up to \$500. Each day of violation shall constitute a separate violation for purposes of this chapter.

Administrative Committee
Monday, November 23, 2015

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

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

Chair Gabliks called the meeting to order at 4:06 p.m.

CITY MANAGER’S REPORTS

FINANCE

Ms. Ward reported the auditors had completed their field work and were working on the final document.

HUMAN RESOURCES

Ms. Gagner reported the City lost 1 paramedic and 3 lifeguards, but hired 4 paramedics, 1 part time library assistant, 1 parks employee, and 1 code services specialist. She noted the police officer and planner I positions would close on November 20. She stated she had revised the sick leave policy for all paid employees to comply with Senate Bill 454.

BUSINESS REGISTRATION DISCUSSION

There was discussion regarding the proposed business registration. Chair Gabliks asked each member to be prepared at the next meeting to answer questions, that included whether it would be a registration or license, what information would be included, who would be exempt, and if there would be any fees. She noted the consensus was toward registration.

OTHER

ADJOURNMENT

There was no other business and the meeting was adjourned at 4:45 p.m.



Community Development/Operations Department

Memo

To: Admin Committee
From: Jason Locke, Community Development/Operations Director *JL*
Date: September 28, 2015
Re: Business Registration Discussion

The City currently requires licenses and/or registration in some form for various types of business activities, including: taxicabs, solicitors, tent and carnival shows, amusement games and places, itinerant merchants, hotels and motels, garage sales, and, through the Development Code, home occupations. The City does not currently have a license or registration requirement in place for other businesses.

It was brought up at the Council goal-setting session to explore the potential for a universal business registration. Before proceeding, it is extremely important for the Committee to discuss two fundamental questions:

- 1) **Why a business registration and/or license?** What do you want to regulate or achieve through a program? Is there an issue or issues that you feel necessitate a registration and/or license? Is there a clear benefit to the public, city, and businesses?
- 2) **What is the purpose?** Is it to raise revenue? Is it to regulate the conduct of business? Is it to ensure that businesses are complying with applicable city ordinances, state and federal laws? Is it to know who is doing business within the boundaries of the City? To obtain contact info? To gather and maintain economic data at the City level? Etc.....

In order to move forward, it is important that there are clear, unambiguous answers to questions. The "WHY" of it will play a big role in the ultimate decision to move forward.

COUNCIL
WORKSHOP

DALLAS CITY COUNCIL
REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

| | | |
|--|-----------------------------|--|
| City of Dallas | Agenda Item No. 3 | Topic: Business Registration Discussion |
| Prepared By: Jason Locke, Community Development/ Operations Director | Meeting Date: March 7, 2016 | Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Approved By: Ron Foggin, City Manager | | |

RECOMMENDED ACTION: For discussion at this time. There will be options presented at the workshop for the Council to determine how to proceed on this matter.

BACKGROUND: The Administration Committee has been discussing this matter for a number of months, and at their January 25, 2016 meeting recommended forwarding it to the full council. The workshop setting will allow the Council to discuss the proposal in detail, and hopefully determine how to proceed. Staff plans on having a detailed Power Point presentation that includes the content of the proposal as well as options on moving forward.

FISCAL IMPACT: None at this time.

ATTACHMENTS:

- 1) Minutes of the January 25, 2016 Administration Committee
- 2) Staff memo dated November 23, 2015
- 3) Updated draft of Business Registration regulations



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

4 Also Present: Mayor Brian Dalton, City Manager Ron Foggin, City Attorney Lane Shelterly, Finance
5 Director Cecilia Ward, Community Development/Operations Director Jason Locke, HR Manager Emily
6 Gagner, and Recording Secretary Jeremy Teal.

7 Chair Gabliks called the meeting to order at 4:02 p.m.

8 Council President Fairchild arrived at 4:26 p.m.

9 **PLANNING COMMISSION INTERVIEWS**

10 The committee interviewed Jim Williams and Andy Groh for the vacant position on the Planning
11 Commission. Mr. Foggin explained additional candidates would be interviewed on February 1, at which
12 time the Committee would make a recommendation to Council.

13 **BUSINESS REGISTRATION**

14 Councilor Gabliks noted the consensus of the committee was toward registration not license.

15 There was discussion regarding the registration form and it was decided that the form would include
16 business name, owner information, emergency contact information, goods and services description, and a
17 statement allowing the information to be public if marked.

18 Mr. Foggin noted a 3rd party program integrated with the City's Tyler accounting software would need to
19 be purchased to handle the business registration adding it would cost between \$5,000 and \$7,000.
20 Councilor Lawson asked if it could just be a pdf that was uploaded to the website for public access. Mr.
21 Foggin indicated that could be a possibility with the software.

22 Councilor Gabliks stated the consensus of the committee was to make registration mandatory, not
23 voluntary.

24 There was discussion regarding the fees involved in the registration. The consensus of the committee was
25 a \$25 registration fee, a \$10 annual renewal fee, and a \$25 renewal fee if turned in late all for new
26 businesses. There was also discussion regarding existing businesses and the fees. The consensus was to
27 not charge the existing businesses for the first year and then implement the renewal and late penalty fee
28 after that time.

29 It was moved by Councilor Marshall to recommend the Council adopt the Business Registration Program
30 with a fee of \$25 for new business, \$10 for the annual renewal, \$25 if the renewal was late, and allowing
31 the first year free for existing businesses. The motion was duly seconded and carried with a vote of 5-0.

32 Councilor Lawson stated that if the list wasn't available to the public she would not be in support of the
33 registration.

34 Mr. Shelterly stated that all the information given would be public record, unless exempt under state law
35 limiting categories of exempt information. He noted State law would govern what could be disclosed.

36 **INVESTMENT POLICY**

37 It was moved by Councilor Lawson to direct staff to prepare a resolution adopting the Investment Policy
38 for City Council approval after submission of the Investment Policy to the Oregon Short Term Fund
39 Board for review and approval. The motion was duly seconded and carried with a vote of 5-0.

40 **FINANCE DIRECTOR'S REPORT**

41 Ms. Ward had nothing to report.



2

Community Development/Operations Department

Memo

To: Admin Committee
From: Jason Locke, Community Development/Operations Director
Date: November 23, 2015
Re: Business Registration Discussion

At your last meeting, the Committee began discussing two fundamental questions:

- 1) **Why a business registration and/or license?** What do you want to regulate or achieve through a program? Is there an issue or issues that you feel necessitate a registration and/or license? Is there a clear benefit to the public, city, and businesses?
- 2) **What is the purpose?** Is it to raise revenue? Is it to regulate the conduct of business? Is it to ensure that businesses are complying with applicable city ordinances, state and federal laws? Is it to know who is doing business within the boundaries of the City? To obtain contact info? To gather and maintain economic data at the City level?

In order to move forward, it is important that there are clear, unambiguous answers to questions. The "WHY" of it will play a big role in the ultimate decision to move forward.

Based on this previous discussion, the Committee expressed the following:

- There are benefits from a registration program including business owner contact information, legitimacy of the business via a registration process, know who is doing business in the City, should it be voluntary or mandatory.

In order to more fully explore the available options, we are attaching 2 cities Ordinances and applications for the Committee to review and discuss.

The Madras Ordinance is a full-blown business license process that has detailed standards, review criteria, and appeal rights.

The Lebanon Ordinance is a business registration tool, contains no real criteria for issuance, and has few standards.

Both ordinances contain exemptions for certain activities (ie: Non-profits, wholesale delivery, etc).

These Ordinances represent two ends of the spectrum, and should be reviewed so that a discussion can occur as to which direction, if any, the Committee wishes to proceed in.

Again, the Committee should determine what the benefits and drawbacks of any program would be, within the context of the following options:

- 1) Don't do anything, no license or registration required.
- 2) Don't do anything, and publicize the fact that we don't require a license as evidence of being business friendly.
- 3) Business Registration (lite version)
- 4) Business License (full on program)

Staff would recommend that prior to moving forward on any option, we prepare a pros and cons analysis, and involve the business community in the process. This would be crucial, especially for Option 2 or 3.

Business Registration

7.650 Purpose and scope.

(1) Sections 7.650 through 7.____, 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 therein to engage in activity or business to the extent it is deemed to be unlawful by the laws of the United States, the state of Oregon, or the city.

7.652 Definitions.

For the purposes of sections 7.650 through 7.____:

(1) "Business" means profession, trade, occupation, and every other kind of calling carried on for profit or livelihood which is operated, in whole or in part, in or on any structure, building, lot, or other premises, located within the city limits.

(2) "Employee" means any person working for, within or under the auspices of a business, other than a bona fide independent contractor or leased employee, 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) "Exemption certificate" means the document granted by the city in lieu of a business registration for businesses, occupations and activities qualifying under the provisions of section _____.

- (4) "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.
- (5) "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.
- (6) "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.
- (7) "Transfer" means to transfer the name or ownership of a business, but does not include a change in business location.

7.654 Registration and payment required – Exemptions – Registration year.

- (1) Except as provided in subsection (3) of this section, any person operating or carrying on any business as defined in section 7.652(1) shall 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 person carrying on a business or activity described in this subsection must file a business registration, but shall not be required to pay a registration fee. All exempt businesses or activities must complete and file a fee exemption certification at the time they file their initial business registration and annually thereafter, with their business registration, as provided in subsection (1) of this section. Businesses and activities qualified for a fee exemption under this subsection are:
- (a) Religious, educational and charitable organizations 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 by nonprofit organizations. As used in this chapter, a "nonprofit organization" means an organization with tax exempt status as granted under applicable federal laws.

(b) Home based businesses and occupations as described in Dallas Development Code section 4.9.020.

(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.

(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 by not later than the next following January 31. OR "by not later than ____ days after 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 in an amount established by resolution of the City Council by not later than the immediately following January 31 each year.

(6) If the ownership of a business that is required to register changes ownership or changes the physical location of the business within the city, the person carrying on or operating the business shall file a transfer of business registration or change of location

within 30 days after such transfer or ownership or change of location and pay the fee established by resolution of the city council.

7.656 Owner and Agent responsibilities. The individual owners and individuals in charge of operating or in charge of a business for which registration is required shall be jointly and severally liable with the business for the payment of the registration fee for the business and for any penalties imposed for failure to 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 takes place 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 each business is clearly identified and all relevant information is included in the single registration.

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

7.660 Application procedure - Registration transfer.

(1) All business registrations and renewals shall be processed by the City Manager, or the City manager's designee.

(2) The business registration and or renewal required under section 7.654 shall contain such information as the city deems appropriate to determine the ownership, location, activities, and management of the business, and any other information required by the City Manager.

(3) No transfer of a business registration shall be made without written application for the transfer being made with the City. An entry of such transfer shall be made by the City Manager, or their designee, in the business registration record for which the city shall charge and receive a fee as established by resolution of the city council.

(4) An application for an initial business registration or a change in address due to the physical relocation of a currently registered business shall be accompanied by the payment of an application fee as established by resolution of the city council.

(5) No business registration or renewal, or transfer or change of physical location shall be accepted without the payment of the required fee or if the registration is incomplete or contains inaccurate information.

(6) Approved 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 Falsifying application information - Penalty for delinquent filing.

(1) It is 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 or renewal or transfer or 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, in addition to the required fee, pay a penalty in the amount of \$25.

(3) In the event a business files 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 - Attorneys' fees.

(1) The conviction of any person for violation of any of the provisions of this sections 7.650 through 7.664 shall not relieve such person from paying any fee or penalty on any fee 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.

(2) The city shall be entitled to the award of reasonable attorneys' fees in the event the City Manager deems it necessary to enforce the requirements imposed by this chapter.

ORDINANCE NO. 1799

An Ordinance adopting a business registration program; and amending Chapter 7 of the Dallas City Code.

THE CITY OF DALLAS DOES ORDAIN AS FOLLOWS:

Section 1. The following provisions relating to business registration are hereby adopted, and added to and made a part of Chapter 7 of the Dallas City Code:

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) "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.

(3) "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.

(4) "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.

(5) "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; and
 - (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; and
 - (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 by not later than the first date of the commencement of 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 Registration procedure

(1) All business registrations, transfer of registrations, changes of location and registration renewals and 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

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.

Section 2. This ordinance shall take effect January 1, 2017.

Read for the first time: August 15, 2016
Read for the second time: September 19, 2016
Passed by the City Council: September 19, 2016
Approved by the Mayor: September 19, 2016

BRIAN W. DALTON, MAYOR

ATTEST:

APPROVED AS TO FORM:

RONALD W. FOGGIN,
CITY MANAGER

LANE P. SHETTERLY,
CITY ATTORNEY

DALLAS CITY COUNCIL REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

| | | |
|----------------------------------|---|---|
| <i>City of Dallas</i> | Agenda Item No. 12 a | Topic: Budget Transfer Resolution 3349 |
| Prepared By: Cecilia Ward | Meeting Date: August 15, 2016 | Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Approved By: Ron Foggin | | |

RECOMMENDED ACTION:

Motion to Approve Budget Transfer Resolution 3349

BACKGROUND:

Oregon Budget Law allows for unanticipated changes to the budget throughout the fiscal year. ORS 294.463 allows for appropriation transfers which includes intra-and inter-fund transfers between appropriation categories and contingency transfers. Appropriation transfers require a budget resolution.

Following are the necessary transfers:

Street Fund:

| From: | To: | Purpose: | Amount: |
|-------------|------------------------------|--|------------|
| Contingency | Capital Outlay-Bridge Repair | Unanticipated Monmouth Cutoff Highway bridge repair project | \$ 100,000 |

SUMMARY TIMELINE:

At the 6/20 Council meeting, the Council approved Resolution No. 3347 adopting the 2016-2017 City of Dallas budget making budgeted appropriations, and levying taxes for the fiscal year. After the budget was adopted an unanticipated repair project occurred.

FISCAL IMPACT:

Appropriation impact:

Street Fund:

Decrease Contingency from \$881,000 to 781,000.
Increase Capital Outlay-Bridge Repair from \$0 to \$100,000

DALLAS 2030 VISION IMPACT:

ATTACHMENTS:

Budget Transfer Resolution 3349

RESOLUTION NO. 3349

A Resolution authorizing the transfer of budgetary funds.

WHEREAS, it is necessary to transfer the appropriation authority of \$100,000 from the Street Fund, Operating Contingency, to the Street Fund, Capital Outlay-Bridge Repair, for unanticipated bridge repair;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager be, and he hereby is, authorized and directed to transfer the appropriation authority of \$100,000 from the Street Fund, Operating Contingency, to the Street Fund, Capital Outlay-Bridge Repair,

Section 2. This Resolution shall be effective upon its passage.

Adopted: August 15, 2016
Approved: August 15, 2016

BRIAN W. DALTON, MAYOR

ATTEST:

APPROVED AS TO FORM:

RONALD W. FOGGIN,
CITY MANAGER

LANE P. SHETTERLY,
CITY ATTORNEY

DALLAS CITY COUNCIL REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

| | | |
|----------------------------------|---|---|
| <i>City of Dallas</i> | Agenda Item No. 12 b | Topic: Supplemental Budget Resolution 3350 |
| Prepared By: Cecilia Ward | Meeting Date: August 15, 2016 | Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Approved By: Ron Foggin | | |

RECOMMENDED ACTION:

Motion to approve Supplemental Budget Resolution 3350

BACKGROUND:

Oregon Budget Law allows for unanticipated changes to the budget throughout the fiscal year. A supplemental budget, under ORS 294.471 and 294.473, is required when new appropriation authority is needed. A supplemental budget requires a budget resolution.

If the proposed supplemental budget will change any fund's expenditures by more than 10 percent or will create a new appropriation category, then a public hearing must be held and public comment taken before adoption of the supplemental budget.

Following are the necessary appropriation authority changes (less than 10%):

Trust Fund:

| <i>Revenue</i> | | Budget Resource | |
|--|--|--------------------|-----------|
| | | Original | Revised |
| Beginning Balance-Delbert Hunter Arboretum | Add Arboretum Trust to Fiscal Year 2016-2017 | \$ 0 | \$ 5,750 |
| Delbert Hunter Arboretum | | \$ 0 | \$ 4,250 |
| <i>Expenditures</i> | | Budget Requirement | |
| | | Original | Revised |
| Delbert Hunter Arboretum | Add Arboretum Trust to Fiscal Year 2016-2017 | \$ 0 | \$ 10,000 |

SUMMARY TIMELINE:

At the 6/20 Council meeting, the Council approved Resolution No. 3347 adopting the 2016-2017 City of Dallas budget making budgeted appropriations, and levying taxes for the fiscal year. After the budget was adopted it was realized that the Delbert Hunter Arboretum trust was not included in the 2016-2017 budget.

FISCAL IMPACT:

- Trust - Increase Beginning Balance-Delbert Hunter Arboretum from \$0 to \$5,750
- Increase Delbert Hunter Arboretum Revenue from \$0 to \$4,250
- Increase Delbert Hunter Arboretum Expenditure from \$0 to \$10,000

ATTACHMENTS:

Supplemental Budget Resolution 3350

RESOLUTION NO. 3350

A Resolution adopting and appropriating a Supplemental Budget for Fiscal Year 2016-2017.

WHEREAS, Oregon Local Budget Law, under ORS 294.471 and ORS 294.473, provides that certain occurrences or conditions that were not known at the time the budget was prepared may require a change in the adopted budget and that a supplemental budget is required to pay the additional expenses and spend the extra revenue; NOW, THEREFORE:

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

Section 1. That the City Council of the City of Dallas hereby adopts the supplemental budget for the fiscal year beginning July 1, 2016, and that the amounts shown below are hereby appropriated for the purposes indicated within the Fund listed:

| <u>Fund</u> | <u>2016-17 Budget Resources</u> | <u>2016-17 Budget Requirements</u> |
|--------------------------------|-------------------------------------|--|
| <i>Trust:</i> | | |
| Delbert Hunter Arboretum Trust | 10,000 | |
| Delbert Hunter Arboretum Trust | | 10,000 |
| Revised Total Resources | 294,000 | |
| Revised Total Requirements | | 294,000 |

Comments: Add Delbert Hunter Arboretum trust to FY 16-17 budget.

Section 2. This resolution shall be effective upon its passage.

Adopted: August 15, 2016
Approved: August 15, 2016

BRIAN W. DALTON, MAYOR

ATTEST:

APPROVED AS TO FORM:

RONALD W. FOGGIN,
CITY MANAGER

LANE P. SHETTERLY,
CITY ATTORNEY

DALLAS CITY COUNCIL REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

| | | |
|----------------------------------|---|---|
| <i>City of Dallas</i> | Agenda Item No. 12 c | Topic: Resolution 3351 adopting an investment policy |
| Prepared By: Cecilia Ward | Meeting Date: August 15, 2016 | Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Approved By: Ron Foggin | | |

RECOMMENDED ACTION:

Motion to approve Resolution 3351 adopting an investment policy.

BACKGROUND:

The City of Dallas has not adopted a formal investment policy. GFOA recommends, as a best practice, that all governing bodies adopt a comprehensive written investment policy and review and update its policies, if necessary on an annual basis. By presenting the policy for formal approval, the policy becomes an established part of the government entity’s operations, rather than simply serving as an internal guideline.

ORS 294.135 states: an investment made by a custodial officer under ORS [294.035\(Investment of funds of political subdivisions\)](#) (3)(a) to (f), (h) and (i) or [294.125 \(Investment of funds authorized by order of governing body\)](#) may not exceed a maturity of 18 months or the date of anticipated use of the funds by the county, municipality, school district or other political subdivision to which the funds belong, whichever period is shorter. However; the custodial officer may make investments having a maturity longer than 18 months when the governing body of the county, municipality, school district or other political subdivision to which the funds belong has adopted a written investment policy that, prior to adoption, was submitted to the Oregon Short Term Fund Board for review and comment to the governing body, that includes guidelines concerning maximum investment maturity dates and that provides by its terms for readoption not less than annually.

SUMMARY TIMELINE:

The Administrative Committee met 01/25/16 and discussed the City adopting an investment policy. A motion was made at that time to direct staff to prepare a resolution adopting the Investment Policy for City Council approval after submission to the Oregon Short Term Fund Board for review and approval. On 03/03/16 staff email a draft investment policy to the OSTF Board. Staff received an email from a member of the OSTF Board informing us they will review the policy and place us on the OSTF Board agenda 04/14/16 meeting. On 04/14/16 staff joined the OSTF Board meeting via conference call in which questions were asked and comments were discussed. Staff was informed that a formal letter regarding the review would be sent to the City Council and staff within the next few months. A letter dated 06/21/16 was sent and distributed to each council member. Staff has updated the investment policy with the comments and recommendations from the OSTF Board.

FISCAL IMPACT:

NA

DALLAS 2030 VISION IMPACT:

Element 1.f.: Dallas citizens of all ages are proud of their city and involved in its civic affairs, engaged in important community issues & invested in their city's future.

Strategy – Continue to improve transparency in providing financial information.

ATTACHMENTS:

Resolution 3351

City of Dallas Investment Policy

RESOLUTION NO. 3351

A Resolution adopting an investment policy for the City of Dallas

WHEREAS, municipal governments have a responsibility to invest public funds in a manner that provides timely availability of cash for intended expenditures, safety of the principal invested, and optimum yield; and

WHEREAS, ORS 294.035 provides that a custodial officer of a public body may invest certain municipal funds in approved investments; and

WHEREAS, ORS 294.135 provides that a custodial officer may make investments having a maturity longer than 18 months when the governing body of the county, municipality, school district or other political subdivision to which the funds belong has adopted a written investment policy that includes guidelines concerning maximum investment maturity dates and that provides by its terms for readoption not less than annually; and

WHEREAS, ORS Section 294.135 (1)(a) requires that, prior to adoption, the written investment policy must be submitted to the Oregon Short Term Fund Board (OSTFB) for review and comment to the governing body; and

WHEREAS, the City of Dallas Investment Policy has been submitted to the OSTFB for review and comment and has found that the statutory policy review requirement has been satisfied;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City of Dallas Investment Policy attached hereto and by this reference incorporated herein be, and it hereby is, adopted as the City of Dallas Investment Policy.

Section 2. This Resolution shall be effective upon its passage.

Adopted: August 15, 2016
Approved: August 15, 2016

BRIAN W. DALTON, MAYOR

ATTEST:

APPROVED AS TO FORM:

RONALD W. FOGGIN,
CITY MANAGER

LANE P. SHETTERLY,
CITY ATTORNEY

City of Dallas Investment Policy

Section 1. Purpose

The City of Dallas, Oregon (hereinafter referred to as the City) was incorporated in 1874 and operates under the city manager-council form of government. Policy-making and legislative authority are vested in the City Council, consisting of the mayor and nine other members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the city, and for appointing the heads of the various departments.

The City is located in the foothills of the Oregon Coast Range, with close proximity to the state capital, a large metropolitan area, and extensive recreational opportunities relating to the Coast Range mountains and Pacific Ocean beaches. It is the county seat and largest city in Polk County. The certified population estimate at July 1, 2015, for the City was 15,040.

The average monthly balance of funds invested in the City’s general portfolio, excluding proceeds from bond issues, is approximately \$10 million. The highest balances in the portfolio occur between November and January after property taxes are collected.

The purpose of this Investment Policy is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management and investment of the funds of the City.

Section 2. Governing Authority

It is the policy of the City of Dallas that the administration of its funds and the investment of those funds shall be handled with the highest public trust. Investments shall be made in a manner that will assure security and principal. Parameters will be set to limit maturities and increase diversification of the portfolio while meeting the daily cash flow needs of the City and conforming with Oregon Revised Statutes and applicable federal law. The receipt of a market rate of return will be secondary to safety and liquidity. It is the intent of the City to be in complete compliance with local, state, and federal law. The earnings from investments will be used in a manner that best serves the public trust and interests of the City.

Section 3. Scope

This policy applies to activities of the City of Dallas (the City) with regard to investing the financial assets of all funds. Funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the state of Oregon.

The City commingles its daily cash into one pooled investment fund for investment purposes of efficiency and maximum investment opportunity.

Section 4. Objectives

The primary objectives, in priority order, of investment activities shall be:

City of Dallas Investment Policy

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet operating requirements that are reasonably anticipated.
3. Attainment of a market value rate of return throughout budgetary and economic cycles.
4. Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.
5. Conformance with federal, state and other legal requirements.

Section 5. Delegation of Authority

The ultimate responsibility and authority for the investment of City funds resides with the City Council. The Finance Director, acting on behalf of the City Council, is designated as the Investment Officer of the City and is responsible for investment management decisions and activities. The Investment Officer shall invest City funds in accordance with ORS Chapter 294, Public Financial Administration, and with this Investment Policy. The Council is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. This Policy shall constitute a "written order" from City Council per ORS 294.035. The Investment Officer, with the consent of the City Manager, may further delegate the authority to invest City funds to additional City Finance personnel.

The City may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the City's resources. External service providers shall be subject to Oregon Revised Statutes and the provisions of this Investment Policy. All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment advisers may be hired on a non-discretionary basis. All investment transactions by approved investment adviser must be pre-approved in writing by the Investment Officer and compliant with this Investment Policy.

Section 6. Standards of Care

1. Governing Body

The City Council will retain ultimate fiduciary responsibility for invested funds. The governing body will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.085 and 294.155.

2. Indemnification for Investment Decisions

Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

3. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

The "prudent person" standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the

City of Dallas Investment Policy

management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

4. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Dallas. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

Section 7. Transaction Counterparties, Investment Advisers and Depositories

1. Broker/Dealers

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives.

The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

- i. Broker/Dealer firms must meet the following minimum criteria:
 - A. Be registered with the Securities and Exchange Commission (SEC)
 - B. Be registered with the Financial Industry Regulatory Authority (FINRA)
 - C. Provide most recent audited financials
 - D. Provide FINRA Focus Report filings

- ii. Approved broker/dealer employees who execute transactions with the City of Dallas must meet the following minimum criteria:
 - A. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - B. Be licensed by the state of Oregon;
 - C. Provide certification (in writing) of having read, understood, and agreed to comply with the most current version of this investment policy.

- iii. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Factors to consider would be:
 - A. Pending investigations by securities regulators
 - B. Significant changes in net capital
 - C. Pending customer arbitration cases

City of Dallas Investment Policy

D. Regulatory enforcement actions

2. Direct Issuers

Obligations that are permitted for purchase by this policy may be purchased directly from the issuer.

3. Investment Advisers

A list will be maintained of approved advisers selected by conducting a process of due diligence.

- i. The following items are required for all approved Investment Advisers:
 - A. The investment adviser firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon (*Note: Investment adviser firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon*).
 - B. All investment adviser firm representatives conducting investment transactions on behalf of the City of Dallas must be registered representatives with FINRA.
 - C. All investment adviser firm representatives conducting investment transactions on behalf of the City of Dallas must be licensed by the state of Oregon.
 - D. Certification, by all of the adviser representatives conducting investment transactions on behalf of this entity, of having read, understood and agreed to comply with this investment policy.
- ii. A periodic (at least annual) review of all investment advisers under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. Factors to consider would be:
 - A. Pending investigations by securities regulators
 - B. Significant changes in net capital
 - C. Pending customer arbitration cases
 - D. Regulatory enforcement actions

4. Depositories

All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

Section 8. Competitive Transactions

1. The Investment Officer shall obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
2. In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.
3. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue

City of Dallas Investment Policy

price. However, the Investment Officer is encouraged to document quotations on comparable securities.

4. If an investment adviser provides investment management services, the adviser must retain documentation of competitive pricing execution on each transaction and provide upon request.

Section 9. Administration and Operations

1. Delivery vs. Payment

All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in the City of Dallas' safekeeping institution prior to the release of funds.

2. Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the City. All securities will be evidenced by safekeeping receipts in the City's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

3. Internal Controls

The Investment Officer and City Council are jointly responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this Investment Policy and, protected from loss, theft or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the City Council.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points at a minimum:

- i. Compliance with Investment Policy
- ii. Control of collusion
- iii. Separation of transaction authority from accounting and record keeping
- iv. Custodial safekeeping
- v. Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary
- vi. Clear delegation of authority to subordinate staff members
- vii. Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form
- viii. Dual authorizations of wire and automated clearing house (ACH) transfers
- ix. Staff training
- x. Review, maintenance and monitoring of security procedures both manual and automated

An external auditor shall provide an annual independent review to assure compliance with Oregon state law and City of Dallas policies and procedures.

City of Dallas Investment Policy

Section 10. Suitable and Authorized Investments

1. Permitted Investments

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), 294.040 (Restriction on investments under ORS 294.035), ORS 294.052 (Definitions; investment by municipality of proceeds of bonds), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), and ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

Section 11. List of Authorized Investments

The City will diversify investments across maturities, security types and institutions to avoid incurring unreasonable risks.

- **US Treasury Obligations:** U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the timely payment of principal and interest.
- **US Agency Obligations:** Obligations of US federal agencies and Instrumentalities or U.S. Government sponsored enterprises (GSE).
- **Oregon Short Term Fund** (State of Oregon Local Government Investment Pool)
- **Oregon Local Government Intermediate Fund**
- **Corporate Indebtedness:**
 1. Commercial Paper issued under the authority of section 3(a)2 or 3(a)3 of the Securities Act of 1933.
 2. Corporate Bonds.
- **Municipal Debt:** Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions. Lawfully issued debt obligations of the States of California, Idaho, and Washington and the political subdivisions of those states.
- **Qualified Institution:** Time Deposits/Savings Accounts/Certificates of Deposit

The City will diversify the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in overinvesting in specific instruments, individual financial institutions or maturities.

Maximum %

Instrument Diversification: of Portfolio*

U.S. Treasury Obligations 100%

U.S. Agency and Federal Instrumentality Securities: 100%, no minimum rating, 33% maximum

Corporate Indebtedness

Corporate Debt:

Maximum % Holdings (Total CP & Bonds); 15%*

Corporate Commercial Paper:

Maximum % Holdings: 15%*

Maximum % Holdings Per Issuer: 2.5%**

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Minimum Ratings: A1/P1/F1

Corporate Bonds:

Maximum % Holdings: 10%*

Maximum % Holdings Per Issuer: 2.5%**

Minimum Ratings: Aa/AA/AA

*35% Maximum per ORS 294.035(D)

**5% Maximum per ORS 294.035(D)

Municipal Bonds: 10%, minimum rating A/A2 for Oregon, AA/Aa for California/Idaho/Washington

Oregon Local Government Investment Pool(*up to Statutory limit*) 100%

Oregon Local Government Intermediate Fund 20%

Time Certificates of Deposit 25%

Repurchase Agreements 100%

- i. ORS 294.035 (3)(j) requires repurchase agreement collateral to be limited in maturity to three years and priced according to percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board.
 - ii. ORS 294.135 (2) limits the maximum term of any repurchase agreement to 90 days.
 - iii. On March 12, 1996, the OSTF Board adopted the following margins:
 - A. US Treasury Securities: 102%
 - B. US Agency Discount and Coupon Securities: 102%
 - C. Mortgage Backed and Other*: 103%
- *Limited to those securities described in ORS 294.035(1)

Approval of Permitted Investments

If additional types of securities are considered for investment, per Oregon state statute, they will not be eligible for investment until this Policy has been amended and the amended version adopted by the City of Dallas.

Section 12. Investment Parameters

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by the following guidelines:

Diversification It is the policy of the City of Dallas to diversify its investments. Where appropriate, exposures will be limited by security type; maturity; issuance, issuer, and security type, Allowed security types and Investment exposure limitations are detailed in the table below.

Investment Credit Ratings Sources Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations (NRSRO): Moody's Investors Service; Standard & Poor's; and Fitch Ratings Service as detailed in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.

Portfolio Credit Rating The minimum weighted average credit rating of the portfolio's rated investments shall be Aa/AA/AA by Moody's Investors Service; Standard & Poor's; and Fitch Ratings Service respectively.

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Determining a Security’s Rating A single rating will be determined for each investment by utilizing the lowest security level rating available for the security from Standard and Poor’s, Moody’s Investor Services and Fitch Ratings respectively.

Liquidity risk is the risk that an investment may not be easily marketable or redeemable. The following strategies will be employed to mitigate liquidity risks:

Liquidity - Operating Expenditures

The value of at least 25% of funds available for investing or [three/six/twelve] months of budgeted operating expenditures will be invested in the Oregon Short Term Fund or investments maturing in less than [30/60/90] days to provide sufficient liquidity for expected disbursements.

Maturity Buckets

- Under 60 days > 25% or six months Estimated Operating Expenditures
- Under 1 year > 50%
- Under 3 years > 100%

Issuance Size

Larger issuance sizes enhance liquidity as there are likely to be a greater number of investors. Issuance sizes above a minimum amount qualify a corporate or municipal debt bond issuance for index eligibility. Index eligible bonds have a significantly larger investor base which improves liquidity.

Limiting investment in a specific debt issuance improves secondary market liquidity by assuring there are other owners of the issuance.

Issue Type / Maximum % of Issuance* (Par)

- US Agency Securities / 50%
- Corporate Debt (Total)
- Corporate Commercial Paper / 100%
- Corporate Bonds / 25%
- Municipal Bonds / 25%

*The par amount issued under a single CUSIP.

Interest Rate Risk

Longer-term investments have the potential to achieve higher returns but are also likely to exhibit higher market value volatility due to the changes in the general level of interest rates over the life of the investment(s). Interest rate risk will be mitigated by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. Certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the interest rate risk profile of the portfolio differently in different interest rate environments.

Maximum Investment Maturity The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy.

Average Portfolio Maturity The maximum portfolio average maturity (measured with stated

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final maturity) shall be 2.5 years.

Prohibited Investments

Private placement or “144A” securities are not allowed. “144A” securities include commercial paper issued under section 4(2)144A (also known as “4(2)A”) of the Securities Act of 1933.

US agency mortgage-backed securities such as those securities by FNMA and FHLMC are not allowed.

The City of Dallas shall not lend securities nor directly participate in a securities lending program.

Section 13. Investment of Proceeds from Debt Issuance, Reserves, Capital Improvement Funds

1. Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy and the applicable bond covenants and tax laws.
 - i. Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and are maturity matched with outflows. Consequently, funds within the scope of ORS 294.052 are not subject to this policy’s liquidity risk constraints within section IX (2).
2. Investment of Reserve or Capital Improvement Funds
 - i. Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities exceeding three years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the governing body of the City, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

Section 14. Reporting

The Investment Officer shall prepare and submit a report at least quarterly to the City Council containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program.

Minimum quarterly reporting requirements for total portfolio:

- Earnings Yield
- Holdings Report
- Transactions Report
- Weighted Average Maturity or Duration

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- Compliance Report

When comparing performance, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.

Section 15. Policy Maintenance and Considerations

1. Review

The investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

The annual report should also serve as a venue to suggest policies and improvements to the investment program, and shall include an investment plan for the coming year.

2. Exemptions

Any investment held prior to the adoption of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested as provided by this policy.

Section 16. Policy Adoption and Amendments

This investment policy and any modifications to this policy must be formally approved in writing by the City Council.