

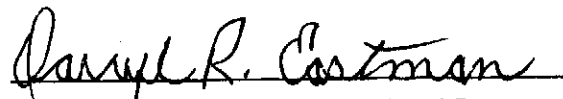
ORDINANCE NO. 130

AN ORDINANCE AMENDING ORDINANCE NUMBER 83, SECTION 6, THE PACIFIC NORTHWEST BELL TELEPHONE COMPANY FRANCHISE ORDINANCE, AND DECLARING AN EMERGENCY. SECTION 6 TO BE AMENDED AS FOLLOWS:

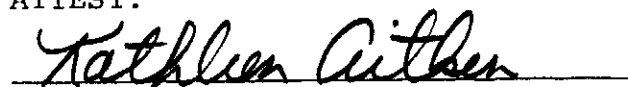
THE PEOPLE OF DUNES CITY DO ORDAIN AS FOLLOWS:

Section 6. In consideration of the rights, privileges, and franchise hereby granted, said Grantee, Pacific Northwest Bell Telephone Company, its successors and assigns, shall pay to the City of Dunes City from and after the effective date of the amendment to this franchise, and until June 30, 1990, annually, three (3%) per annum of its gross local service revenues derived from services within the corporate limits of the City of Dunes City less net uncollectibles and revenue paid directly to the Grantee by the United States of America or any of its agencies. Effective July 1, 1990, and until the franchise's expiration, said Grantee shall pay to the City of Dunes City annually, five (5%) of its gross revenues derived from exchange access services, as defined in ORS 401.710, within the corporate limits of the City of Dunes City less net uncollectibles and revenue paid directly to the Grantee by the United States of America or any of its agencies. The reasonable value of any utility service or the use of any Grantee facilities used or reserved for use by the City without Grantee's prescribed charges shall be credited toward any payment due the City under this provision. Payment of this franchise fee shall be made on or before the fifteenth day of March of each and every year for the calendar year preceding. For the year 1990, payment of said three percent (3%) shall be made only for the period January 1, 1990 to June 30, 1990 and payment of said five (5%) shall be made for the period July 1, 1990 to December 31, 1990. Such payments made by the Grantee will be accepted by the City of Dunes City from the Grantee, also in payment of any license, privilege or occupation tax or fee for revenue or regulation, or any permit or inspection fees or similar charges for street openings, installations, construction or for any other purpose now or hereafter to be imposed by the City of Dunes City upon the Grantee during the term of this franchise.

PASSED AND ADOPTED BY THE DUNES CITY COUNCIL THIS 10th
DAY OF May, 1990.


DARRYL R. EASTMAN, MAYOR

ATTEST:


KATHLEEN AITKEN, CITY RECORDER

U S WEST Communications
528 Cottage, Northeast
Salem, Oregon 97301
503 399-4703

R. Hollis Lasley
Regional Manager

USWEST
COMMUNICATIONS 

March 9, 1990

Ms. Kathleen Aitken
City Recorder
Dunes City
P. O. Box 97
Westlake, Oregon 97493

Dear Kathleen:

During the last Oregon Legislature session HB 3000 was passed, which may have some effect on the franchise fees paid to your city by U S WEST.

The base upon which franchise fees have been paid will be reduced. In order to maintain the same revenue stream, cities will need to raise the franchise fee percentage.

The current franchise fee rate for Dunes City is 3.0%. We estimate, given the new base, a 3.6% rate would generate the same revenue.

In addition, effective July 1, 1990, the entire franchise fee will be reflected on the customer bill.

We are working closely with the League of Oregon Cities staff and other telephone companies to coordinate uniform customer bill language. We expect customer bills to read as follows:

Taxes, Fees, and Surcharges

City	\$x.xx
County	\$x.xx
State	\$x.xx
Federal	\$x.xx
Service assistance program	\$x.xx

We will structure model language to amend the current compensation section of your franchise/ordinance.

If someone other than yourself will be the coordinator of these changes please call me with that person's name and telephone number.

I will be glad to assist you in any way I can with the implementation of the changes. You can reach me on 399-4703.

Sincerely,

Hollis Lasley

MAR 12 1990

U S WEST Communications
528 Cottage, Northeast
Salem, Oregon 97301
503 399-4703

R. Hollis Lasley
Regional Manager



April 10, 1990

Ms. Kathleen Aitken
City Recorder
Dunes City
P. O. Box 97
Westlake, Oregon 97493

Dear Kathleen:

The letter I sent to you in March, 1990, outlined the procedures necessary to amend your franchise/privilege tax with U S WEST Communications to accommodate the provisions of HB 3000.

We have reviewed the wording of your current franchise and have modified the compensation section to reflect the new legislatively mandated franchise/privilege tax base.

The next step is for your city council to insert the rate of compensation and pass an amending ordinance.

Enclosed is the proposed revised compensation section for your city's review and adoption.

In order to ensure proper remuneration to your city we would like to have the revised ordinance approved and adopted by may 15, 1990.

Once approved, please send two certified copies of the ordinance to our franchise office, U S WEST Communications, Room 8 South 7, 421 Southwest Oak Street, Portland, Oregon, 97204.

Please call me on 399-4703 if I can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Hollis Lasley".

APR 11 1990

Enclosure

Section 6. In consideration of the rights, privileges, and franchise hereby granted, said Grantee, Pacific Northwest Bell Telephone Company, its successors and assigns, shall pay to the City of Dunes City from and after the effective date of the amendment to this franchise, and until June 30, 1990, annually, three percent (3%) per annum of its gross local service revenues derived from services within the corporate limits of the City of Dunes City less net uncollectibles and revenue paid directly to the Grantee by the United States of America or any of its agencies. Effective July 1, 1990, and until the franchise's expiration, said Grantee shall pay to the City of Dunes City annually, percent (%) of its gross revenues derived from exchange access services, as defined in ORS 401.710, within the corporate limits of the City of Dunes City less net uncollectibles and revenue paid directly to the Grantee by the United States of America or any of its agencies. The reasonable value of any utility service or the use of any Grantee facilities used or reserved for use by the City without Grantee's prescribed charges shall be credited toward any payment due the City under this provision. Payment of this franchise fee shall be made on or before the fifteenth day of March of each and every year for the calendar year preceding. For the year 1990, payment of said three percent (3%) shall be made only for the period January 1, 1990 to June 30, 1990 and payment of said percent (%) shall be made for the period July 1, 1990 to December 31, 1990. Such payments made by the Grantee will be accepted by the City of Dunes City from the Grantee, also in payment of any license, privilege or occupation tax or fee for revenue or regulation, or any permit or inspection fees or similar charges for street openings, installations, construction or for any other purpose now or hereafter to be imposed by the City of Dunes City upon the Grantee during the term of this franchise.

MEMO: CITY COUNCIL MEMBERS

FROM: KATHLEEN AITKEN

DATE: MAY 4, 1990

RE: ORDINANCE 130, Telephone Franchise Ordinance Fees

We are currently charging the Telephone Company a three (3%) franchise fee to operate within our city limits. In light of the new legislation, HB 3000, we will have to increase our fee to a minimum of 3.6% just to "keep whole" (that is to maintain our current franchise revenue for the next fiscal year).

It would be my recommendation to the City Council that the fee be increased to five percent (5%) beginning July 1, 1990.