

shall be just, fair and reasonable. The Council shall have the power to hear and determine what are just, fair and reasonable rates, fares and charges and to fix and limit such rates, fares and charges and for that purpose may make valuations of the property of any person or corporation engaged in the operation of a public utility within the City. To that end they shall make and enforce regulations providing that at the time of construction or acquisition of any plant or property rendering a public service and of any improvement or additions thereto the person or corporation having charge thereof shall record with the Recorder a description of all property which such person or corporation shall intend to present for such valuation and all later improvements when made, together with full information as to the cost thereof and vouchers supporting the same, to the end that a complete record of all property to be valued under this section shall be at all times available.

***110. Report Required Quarterly:**
Every person or corporation operating a public utility within the City rendering service to be paid for wholly or in part by the users of such service shall keep full and correct books and accounts and make stated quarterly reports in writing to the Council, verified by such person or an officer of the corporation, which shall contain an accurate statement in summarized form as well as in detail of all receipts from all sources and all expenditures for all purposes together with a full statement of all assets and debts including stock and bond issues as well as such other information as to the cost and profits of said service, and the financial condition of such grantee as the Council may require. Such reports shall be public and a summary thereof shall be printed as a part of the annual report of the Recorder, and the Council may inspect or examine, or cause to be inspected or examined, at all reasonable hours, any and all books of accounts and vouchers of such grantee.

Every failure or neglect on the part of the grantee or holder of a franchise to keep books of account or to make reports under this section shall be deemed an offense and the Council may by ordinance provide for the punishment of every such violation, failure or neglect by fine and imprisonment, or both, of the persons or person whose duty it shall be to keep such books of account and make such reports.

The enumeration in this chapter of any particular or special power or duty shall be construed as additional and supplementary to any and all other powers residing in or otherwise conferred upon the City of Beaverton.

***111. Council May Make Rules To Govern:**

The Council shall have power to make all orders, rules and regulations necessary or appropriate to carry into effect the powers granted by this Charter and the laws of the State of Oregon, and make the same effective by penalties and forfeitures, and upon failure by any franchise holder to comply with the provisions or any requirement of this Charter, or any ordinance enacted thereunder for a period of thirty days after notice, the Council shall have power to declare by ordinance a forfeiture of the franchise under which any person or corporation so failing to comply is operating a public utility within the City of Beaverton.

Every such order, rule or regulation of the Council shall take effect at a time to be therein specified, and shall continue in force until modified or abrogated by the Council or modified, suspended or set aside by the decree or judgement of a court of competent jurisdiction.

Whenever any person or corporation against whom any rule, order or regulation is directed, as provided by the foregoing subdivision shall believe an order to be unjust or unreasonable, he or it may test its justice or reasonableness by a proper action in the courts commenced within thirty days after service of any such order, rule or regulation, and in such action such further order may be entered in the premises as shall be warranted by the facts developed upon the trial and the law applicable thereto.

***112. Franchise Must Be Subject To Charter Provisions:**

Every franchise hereafter granted shall be expressly subject to all the provisions of the foregoing sections and the power to control and regulation as authorized by such sections cannot be limited, divested or granted away. Subject to the initiative and referendum such power of control and regulation shall be exercised by the Council and may be exercised by the Council through its agents.

***112½. Council May Levy Privilege Tax:**

Sec. 1 The City Council is hereby authorized to levy and collect from every privately owned public utility operating within such city without a franchise, for the period of one year, a privilege tax for the use of the public streets, alleys, and highways in said city, in an amount of not less than five percent annually, of the gross earning revenue of such utility currently within the boundary of the City of Beaverton. Should such utility fail or neglect to pay such tax the city may begin any suit or action or proceeding in any court of the State of Oregon to collect the same.

Sec. 2 That all poles, posts, towers, wires, conduits, mains, pipes, rails, tracks, ties, railways, pole lines, telegraph, telephone or electric transmission lines, or structures or equipment of any kind, placed in, on, upon, over, under or beneath any public highway, street or alley of the City of Beaverton, under or by virtue of any grant, privilege or franchise, shall be removed by the owners or owner of the same within one year after the expiration of the grant, privilege or franchise, which permitted the erection or installation of the same, unless further time be granted by the City, and if not removed within one year after the termination or expiration of the franchise or such further time as may be granted by the City, all and every part thereof shall be forfeited and escheated to the City, and where any such franchise has expired prior hereto or prior to the time this act shall take effect, then the time for removal shall run from the date this act becomes effective.

Sec. 3 Any and all franchises, privileges or permits for the use of the public highways, streets or alleys hereafter granted by the City shall not be granted for a longer term than three (3) years, and shall be subject to the provisions of section 2 of this act.

***113. Limiting Indebtedness To Be Incurred:**

No indebtedness shall be incurred for the acquisition of any public utility under the provisions of this Charter which, together with the existing bonded indebtedness of the city, shall exceed at any one time ten per centum of the assessed value of all real and personal property in the city, but in estimating such bonded indebtedness, all bonds given for the acquisition or construction of a public properties and utilities, the interest on which bonds is paid out of the earnings of said public utilities or properties, shall be excluded, provided that whenever and for so long as such utility or undertaking fails to produce a sufficient revenue to pay all costs of operation and administration (including interest on the city bonds issued therefor and the cost of insurance against loss by fire, accidents and injuries to persons) and an annual amount sufficient to pay at or before maturity all bonds issued on account of said undertaking, all such bonds outstanding shall be included in determining the limitation of the city's power to incur indebtedness, unless the principal and interest thereof be payable exclusively from the receipts of such undertaking. The Recorder shall annually report to the Council in detail the amount of revenue from each undertaking and whether there is any, and if so, what deficit in meeting the requirements above set forth. Provided further, that this act shall not effect the right of the city to issue bonds heretofore legally voted and authorized nor the right to refund bonds now outstanding to the extent that sinking funds shall not be available at maturity to retire such bonds.

ARTICLE II. FRANCHISES.

- *114. Franchise Is Property.
- *115. Council May Authorize Industrial Tracks, Tracts Of Land.
- *116. Method Of Granting Franchise.
- *117. When Franchise Takes Effect.
- *118. Franchise Conditions—Specific.
- *119. Written Acceptance To Be Filed.
- *120. Council May Impose Further Conditions.
- *121. Conditions And Restrictions On Franchise.
- *122. Consent Of Council Necessary To Transfer Franchise.
- *123. Statement Required Within Ninety Days.
- *124. Forfeited Franchises.
- *125. Abandonment Restricted.

***114. Franchise Is Property:**

Every franchise granted under this Charter or now in effect under the Charter of 1893 shall be taken and deemed as property and shall be subject to taxation as property.

***115. Council May Authorize Industrial Tracks, Tracts Of Land:**

The Council shall have power on application or assent in writing of the owners of a majority part in extent of the lots of tracts of land fronting on each side of a street, or that portion of a street on which it is desired to construct railways, tracks for spurs, sidings or switches, to grant revocable permits for the use of streets for that purpose, and where the city is the owner of any parcel of land that may be suitable for any business enterprise, manufacturing purposes, or other activities, and where by the donation of any such parcel or tract of land would procure for the city such aforesaid enterprise or activities, then in the judgement of the Council, said parcel or tract of land may be donated by said Council to such enterprise.

Provided further, that no such donation shall be granted unless a good and sufficient agreement be entered into by the parties that said enterprises and activities will be entered into at a specified time, and said time limit shall not exceed one year.

***116. Method Of Granting Franchises:**

Every franchise shall be embodied in an ordinance, which shall contain all the terms and conditions of the proposed grant, and shall be filed with the Recorder. Thereupon such proposed ordinance shall be published in full, once in the City Official Newspaper, and posted in six conspicuous places within the city. A notice shall also be prepared that an application for a franchise has been made, giving the name of the applicant, the summarized contents of the franchise and requesting any person having objections to said proposed franchise or provisions thereof to file the same in writing with the Recorder within twenty days from the publication of said notice. If the request is made therefor, the Council shall fix a time for hearing upon said objections and give reasonable notice thereof of the time fixed for said hearing which shall be not less than five days. All such notices and publications shall be at the expense of the applicant or applicants for such franchises.

Such ordinances shall not come up for first reading until after the expiration of the said twenty days.

If such ordinance be amended, it shall be re-published in the city official newspaper in full as amended.

No such ordinance granting a franchise shall be put on final passage within thirty days after the first reading nor within twenty days after any amendment thereto, and the affirmative vote of every member of the Council present shall be required to pass the same.

***117. When Franchise Takes Effect:**

No franchise shall take effect until sixty days after its passage unless it shall receive a majority of the votes cast thereon at a referendum election held for that purpose within a less time. The filing of a petition for

referendum shall defer the taking effect of a franchise until after the election. A petition signed by 100 registered voters shall be sufficient to call a referendum upon any franchise ordinance.

***118. Franchise Conditions—Specific:**

(a) All franchises shall state the boundary of the district or districts within which they shall be exercised.

(b) The amount and manner of payment of the compensation to be paid by the grantee for the right.

The Council shall make an estimate of the cash value of any franchise upon the filing of the application, or an estimate of what it may consider fair compensation to the City for such franchise, and the same shall be entered upon the minutes of the proceedings of the Council and published with the published copy of the franchise.

In lieu of a money valuation the Council may at its option declare what will be a reasonable reduction of fares, rates or charges, either at the beginning or progressively from time to time, to be made by the grantee in compensation for the grant.

(c) The time of beginning the construction or other work thereunder, the estimated total cost of such work, the monthly or yearly sums of money to be expended covering certain streets or portions of streets, the time within which the work under such franchise shall be completed upon such streets or portions of streets, respectively.

(d) Every grant of a franchise which provides for or permits the changing of rates, fares or charges shall contain a provision fixing the maximum that the holder can collect for services rendered by virtue of said franchise and the operation of the plant or property thereunder; subject, however, to the power of regulation prescribed in Section III of this Charter.

Rates, however, shall always be uniform to all persons of like classes, under similar circumstances and conditions.

***119. Written Acceptance To Be Filed:**

Every grantee of a franchise, right or privilege shall within thirty days after the ordinance granting the same shall be enforced, file in the office of the Recorder a written acceptance of the same, and a failure on the part of the grantee to file such written acceptance within the time specified shall be deemed an abandonment and rejection of the rights and privileges conferred, and the ordinance granting the same shall thereupon be null and void; such acceptance shall be unqualified and shall be construed to be an acceptance of all the terms, conditions and restrictions contained in the ordinance granting the same.

***120. Council May Impose Further Conditions:**

The enumeration and specification of particular matters which must be included in every franchise granted shall not be construed to impair the right of the City to insert in such franchise such other and further conditions and restrictions as the Council may deem proper for the public welfare.

***121. Conditions And Restrictions On Franchises:**

Every franchise granted by the City shall be subject to the conditions and restrictions hereinafter provided, to-wit:

(a) That the City may in any lawful manner and upon the payment of a fair valuation lawfully ascertained, purchase, condemn, acquire, take over and hold the property and plant of the grantee in whole or in part; if such purchase or taking over be at the expiration of the term of the franchise such valuation shall not include any sum for the value of the franchise or grant under which such plant and property is being operated.

(b) That upon payment by the City of Beaverton of a fair valuation, as above stated, the plant and property so acquired shall become the property of the City without formal execution of any instrument of conveyance, provided, however, the City may at its option compel the execution to it of an instrument of transfer and conveyance.

(c) That upon the acquisition of any such plant or property the right of the holder of any such franchise pursuant to which such plant or property was operated shall cease and determine, and the acquisition by the City of any such property or plant shall operate to divest the holder of any such franchise of all right, title and interest therein.

(d) No franchise shall be granted without fair compensation to the City therefor, either by way of direct payment or by reduction of rates, fares or charges, and in addition to the other forms of compensation to be therein provided, the grantee may be required to pay annually to the City such part of its gross receipts as may be fixed in the grant of said franchise. This provision shall not exempt the holder of the franchise from any lawful taxation upon its property nor from any license, charge or imposition not levied on account of such use.

(e) Such compensation shall not include any remuneration for the franchise or rights conferred by the City, except that the new user may be required to pay a ratable part of any tax or public charge imposed upon the original grantee by reason of said franchise, in addition to such other payment to the City as the Council may deem equitable.

(f) Failure or neglect upon the part of any holder of a franchise to do the work in the manner and within the time required by the Council, shall constitute an offense punishable by a fine of not less than Ten Dollars nor more than One Hundred Dollars for each and every day such refusal or neglect shall continue.

***122. Consent Of Council Necessary To Transfer Franchise:**

No franchise shall be sublet or assigned, nor shall any of the rights or privileges thereby granted or authorized be leased, assigned, sold or transferred without the consent of the City expressed by ordinance which shall be subject as other ordinances to the referendum.

***123. Statement Required Within Ninety Days:**

Within ninety days after this Charter shall take effect, the holder of any franchise shall file with the Auditor a full and correct statement of the franchise, rights and privileges owned or claimed to be owned by him or it, and shall designate the same by the numbers and titles of the ordinances by which such franchises were granted, and any holder of any franchise, on failure to do so, shall be guilty of an offense punishable by a fine of not less than Ten Dollars and not more than One Hundred Dollars per day while such refusal or neglect continue. The holder of every franchise, and the Grantee of every franchise hereafter granted, on sale, transfer, mortgage or lease being made of such franchise, shall within sixty days thereafter file with the Recorder a copy of the deed, agreement, mortgage, lease, or other written instrument evidencing such sale, transfer or lease, certified and sworn to as correct by the grantee, in person, if an individual, or by the president or secretary or authorized agent, if a corporation.

Every sale, transfer, mortgage or lease, of such franchise, whether voluntary or involuntary, shall be deemed void and of no effect unless the grantee shall, within the sixty days after the same shall have been made, file such certified copy as required by this section and consented to as provided in Section 122 of this Charter, also unless the Council agrees to such sale by an ordinance expressly passed for that purpose, as provided by Section 122.

The Recorder shall file all such documents and shall make and keep an index of the same in a book to be kept by him for that purpose, which book shall be a part of the public records of the City.

***124. Forfeited Franchises:**

All franchises or privileges heretofore granted by the City which are not in actual use or enjoyment or which the grantee thereof has not in good faith commenced to exercise within the time required by the terms thereof are hereby declared forfeited and of no validity. This Charter shall in no way validate any contract, privilege or franchise not heretofore a legal and valid obligation of the City.

***125. Abandonment Restricted:**

No abandonment, non-user or failure to comply with the terms of the franchise shall release the holder from any of the obligations thereof without the consent of the City expressed by ordinance which shall be subject to the referendum. Notwithstanding such abandonment the provisions of the franchise may be enforced, but upon abandonment, non-user, or failure to comply with any of the terms of the franchise, the City may by ordinance declare a forfeiture, whereupon all rights of the holders of the franchise shall immediately be divested without a further act upon the part of the City, and in case of a franchise for occupancy of streets, the holder shall be required notwithstanding such forfeiture, to remove its structures or property from the streets and restore the streets to such condition as the Council may require or as may be stipulated in the grant; and upon failure to do so the City may perform the work and collect the cost thereof from the holder of the franchise. The cost thereof shall be a lien upon all the plant and property of the holder of the franchise, prior to any other lien except that of City assessments or general tax, and the City may collect the same as a city assessment or in any other lawful manner.

CHAPTER VII. WAYS AND MEANS—FINANCE

- *126. Public Money And Accounting.
- *127. Estimate For Budget.
- *128. Annual Budget.
- *129. Annual Estimate For Tax Levy.
- *130. Fiscal Year.
- *131. Amount Of Taxation—Limit.
- *132. Transfer Of Money From One Fund To Another.
- *133. Reversion Of Balance To General Fund. Investments.
- *134. Expenditures Of Money.

***126. Public Money And Accounting:**

The Council shall have direct control of the revenues of the City except as otherwise provided by ordinance. The Council shall by ordinance provide a system for the collection, custody and disbursements of all public moneys, not inconsistent with the provisions of this Charter, and shall by ordinance provide a system of accounting for the city, which shall be so planned as to enable a clear and intelligent statement to be made of the financial affairs of the City from time to time as provided by this Charter. Such system shall be assimilated, as nearly as may be, to what is known as the uniform system of municipal accounting.

***127. Estimate For Budget:**

The budget committee as appointed by the Mayor, will, on or before the first Monday in October of each year certify to the Council the amount of money necessary to be raised by taxation during the ensuing year to meet payments of interest, sinking funds, and principal of bonded indebtedness, and also the estimated amount of revenue from all sources other than tax levy. The above shall be in detail and specific.

***128. Annual Budget:**

On or before the first Monday in November, the Council shall make a complete budget of revenue and expenditures for the ensuing year, and when completed and approved, shall file the same with the Recorder and publish in three conspicuous places with at least one publication in the City official newspaper,

***129. Annual Estimate For Tax Levy:**

When said budget has been approved, the Council, by ordinance, shall estimate and declare the necessary amount of money to be raised by the general taxes and shall levy the necessary tax therefor which shall be certified by the Recorder to the assessor and Clerk of Washington County. The tax levy as certified up to the County clerk and assessor shall be in one sum and shall be headed "City of Beaverton Tax". Neither the county nor its officers shall receive fees or compensation for collecting such taxes.

***130. Fiscal Year:**

The fiscal year of the City shall commence on the first day of January and end on the last day of December.

***131. Amount Of Taxation—Limit:**

The amount of taxation shall be limited only as prescribed by the laws of the State of Oregon as pertaining to municipal corporations. Nothing herein contained shall effect any levy made prior to the adoption of this act.

***132. Transfer Of Money From One Fund To Another:**

It shall be lawful to transfer money from the general fund to any other fund of the city and from the bonded indebtedness interest fund to the Improvement Bond Interest Fund, and the Council may provide that money transferred must be returned to the fund from which it was transferred. Moneys transferred from one fund to another fund must be returned to that fund from which it was transferred.

***133. Reversion Of Balances To General Fund. Investments:**

When the necessity for maintaining any fund of the City has ceased to exist and a balance remains in such fund, the Council shall by ordinance so declare, and upon such declaration, such balance shall be forthwith transferred to the general fund, unless other provisions have been previously made for such dispositions; provided further, that nothing herein contained shall prevent the Council from investing any balance from any special or sinking fund in United States Government Bonds, or State of Oregon Bonds. And the Council may sell such bonds at such time or times as in its opinion said funds may be needed.

The Council may provide for loans from the general fund to another fund and without interest, and each loan shall be repaid as soon as is practicable by a transfer from such fund of the amount so loaned.

Pending the investment of any city funds, all city funds on deposit, or moneys to be deposited, shall be deposited in a suitable bank offering to pay the highest rate of interest, and such funds must be secured by United States Government Bonds, State of Oregon Bonds or School District Bonds of Washington County, or such other bonds as may be permitted by the laws of the State of Oregon governing such matters in relation to public funds.

***134. Expenditures Of Money:**

No money shall be expended or payment made from any fund of the City, except assessment funds, until a specific appropriation shall be made therefor and an ordinance making an appropriation of money shall not contain a provision on any other subject.

All demands for interest on the bonded indebtedness of the City and other fixed charges shall be paid as the same mature, or in accordance with the terms of contract.

Any liability or liabilities incurred by the Council to be paid in any fiscal year, which singly or in the aggregate shall be in excess of the revenues for such year shall be null and void.

The Council may by ordinance limit the expenditures of every department of the City government, except interest charges and other charges fixed by contract or by this Charter during each fiscal year, or during any month thereof, and any contracts made, debts created or liability incurred in excess of the amounts authorized by the Council, where the Council may so limit the expenditures of moneys, shall be null and void, and the Council shall not authorize any expenditures during any fiscal year, nor shall any liability or liabilities be incurred by or on account of the City of Beaverton, to be paid in any particular fiscal year (for the payment of which approval of the Council shall be necessary) which singly or in the aggregate shall be in excess of the revenues received during such year, applicable, or made applicable by transfer to the payment of such liability or liabilities. Nothing contained in this Charter shall authorize the enforcement against or collection from said City, on account of any debt, contract or liability, of any sum in excess of the limitations prescribed in this Section.

The City shall issue no warrants or other evidences of indebtedness, except upon special assessment funds, and the payment of judgements against the City, unless there is money in the treasury duly appropriated and applicable to the payment of the same on presentation, and all evidences of indebtedness issued contrary to this provision shall be null and void. Any member of the Council voting to incur any liability or to create any debt in excess of the amount limited and authorized by law, shall be deemed guilty of malfeasance in office, and for such malfeasance such member may be removed from office.

CHAPTER VIII. BOND ISSUES.

- *135. Issue And Sale Of Bonds.
- *136. Previous Bonds Validated.
- *137. Water Bonds.
- *138. Refunding Bonds.
- *139. Bonds May Be Accepted In Payment Of Assessment.
- *139½. Delinquent Special Benefit Assessments—New Application To Pay In Installments—New Bonds.

***135. Issue And Sale Of Bonds:**

No bonds other than bonds for public improvements payable out of assessments upon the property benefited, and sewer bonds if otherwise authorized, shall be issued unless approved by vote of the people at a general or special election at which the question shall be submitted in the same manner as other measures are submitted under the initiative or referendum. This provision shall not apply to bonds heretofore authorized. All bonds of the City of Beaverton shall be sold to the highest responsible bidder.

All legally authorized bonds of the City of Beaverton hereafter issued shall be advertised for sale at least once each week for not less than two successive weeks in the city official newspaper, or if there be no such newspaper, then in a newspaper of general circulation in the County in which the city is located. All bids for such bonds shall be in writing and unless the sale is made to a sinking fund of the City of Beaverton or to the State of Oregon, shall be accompanied by a certified check on a bank doing business in this state, for not less than 2 per cent of the par value of the bonds offered for sale. All bids for such bonds shall be publicly opened at the time and place specified in the advertisement thereof, and the bonds shall be sold to the highest responsible bidder for not less than ninety-five (95) per cent of their par value and the entire amount of accrued interest. In determining the highest bid received the Council shall take into consideration such premiums as are offered and such items of cost as have been or shall be charged by the bidder in connection with the purchase of the bonds. If the bids for such bonds are not satisfactory to the Council, said Council may reject any or all of said bids and readvertise the bonds in the manner and under the conditions hereinabove provided. The provisions of this act shall not apply to bonds issued pursuant to the application to pay assessments in installments under statutory or Charter authority, nor to bonds issued to refund or replace bonds in default as to payment of the principal thereof or the interest thereon.

***136. Previous Bonds Validated:**

All bonds heretofore issued and sold by the Town of Beaverton, now outstanding, are hereby approved and validated.

***137. Water Bonds:**

In order to provide for the enlargement and extension of its water system by the construction of additional pipe lines or conduit, by the purchase or condemnation of necessary land and/or by the purchase or condemnation of existing lines and systems, the Council is hereby authorized and empowered in the name of the City of Beaverton from time to time as may be deemed expedient and necessary to issue and dispose of bonds of the City of Beaverton of the denomination of Five Hundred Dollars, (\$500.00) and, or One Thousand Dollars, (\$1000.00), as the Council may determine, under the seal of the City of Beaverton with interest coupons attached. The amount of the several issues shall be determined by the Council. The bonds shall be signed by the Mayor and countersigned by the Recorder, and each of the coupons shall have the signature of the Mayor and of the Recorder thereon, whereby the City of Beaverton shall be held and considered in substance and effect to undertake and promise, in consideration of the premises, to pay to the bearer of each of said bonds, at the expiration of the time fixed by the Council, which shall not be less than three years nor more than thirty years from the date of such bonds, the sum recited therein in Gold Coin of the United States together with interest thereon in like coin, payable semi-annually, as provided in such coupons. The rate of interest shall not exceed five per cent per annum. The Council shall fix the rate of interest or provide that it shall be fixed by the bid. Competition in bidding shall be on the premium and, or rate of interest as the Council shall designate. The Council shall fix the time of payment and may make the same serial, within the above limits. The bonds issued in pursuance of the authority hereby granted shall be known as "Water Extension Bonds of the City of Beaverton". Said bonds shall be sold to the highest responsible bidder and the Council may at its discretion reject any and all bids tendered therefor and proceed to readvertise and receive bids until a satisfactory bid is received. All advertisements shall be published in not less than two consecutive issues of the City Official Newspaper. All moneys derived from the sale of said bonds shall be credited to a fund to be known as the "Water Construction Fund" and all moneys received from the water rates shall constitute the Water Fund of the City of Beaverton, and both said funds shall be in the care and custody of the City Treasurer of the City of Beaverton and shall be paid out by the Treasurer on warrants signed by the Mayor and countersigned by the Recorder and not otherwise. Money may be transferred by the Council from the Water Fund to the Water Construction Fund, either as a permanent transfer or temporary loan. The revenue from the sale of water is made primarily liable for the payment of the principal and interest of said bonds. The Council shall annually before the first day of the fiscal year, make a written estimate of the probable cost of operation, maintenance, and, or depreciation of the water works, together with interest and sinking funds required for all outstanding indebtedness during the ensuing year and thereupon fix water rates for such year which will insure a sufficient income from the sale of water to pay for such expense and cost. It shall be mandatory upon the part of the Council to set aside an annual amount for a sinking fund for the retirement of the outstanding water bonds which amount shall, with the anticipated accumulations of interest on money or securities in such fund, be sufficient at the time when the various water bonds heretofore or hereafter issued become due to retire the said issues. Said sinking fund