

# Notice of Public Meeting City Council Meeting

## AGENDA

### CITY COUNCIL - CITY OF FALLS CITY, OREGON

Meeting Location: 320 N Main Street, Falls City, Oregon 97344

Thursday June 9, 2016 6:00 p.m.

Posted on June 3, 2016

- 1) **Call to Order**  
A) Roll Call: Julee Bishop \_\_\_\_ Dennis Sickles \_\_\_\_ Lori Jean Sickles \_\_\_\_ Jennifer Drill \_\_\_\_  
Tony Meier \_\_\_\_ Gerald Melin \_\_\_\_ Terry Ungricht, Mayor \_\_\_\_
- 2) **Pledge of Allegiance**
- 3) **Motion to Adopt the Entire Agenda**
- 4) **Consent Agenda: Motion Action Approving Consent Agenda Items**  
A. Approval of the Bills .....pages 1-4  
B. Approval of May 12, 2016 Council Meeting Minutes.....pages 5-13
- 5) **Public Comments:** Citizens may address the Council or introduce items for Council consideration on any matters. Council may not be able to provide an immediate answer or response, but may direct staff to follow up on any questions raised. Out of respect to the Council and others in attendance, please limit your comment to five (5) minutes. Please state your name and city of residence for the record.
- 6) **New Business:**  
A. 2016-2017 Budget ..... pages 14-16  
B. Water Master Plan update..... pages 17-18  
C. Resolution 09-2016, agreement with Oregon Emergency Management..... pages 19-31  
D. Resolution 10-2016, IFA grant.....pages 32-38  
E. Resolution 11-2016, Volunteer insurance coverage..... pages 39-43  
F. Resolution 12-2016, Auditor contract ..... pages 44-50  
G. Wagner Trust Fund ..... pages 51-56  
H. Resolution 13-2016, Land use contract..... pages 57-61
- 7) **Correspondence, Comments, and Ex-Officio Reports**  
A. Mayor Report..... pages 62-63  
B. Council Reports  
    Polk County Sheriff Garton's report.....pages  
    Fire Department Monthly Report.....pages  
    Public Works Department Monthly Report .....pages 64-65  
    Library Monthly Report .....pages N/A
- 8) **Council Announcements**  
A. Next regular City Council meeting July 14, 2016 at 6:00 p.m.
- 9) **Adjourn**

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**City of Falls City  
Paid Bills Report  
As of May 9, 2016**

	Date	Memo	Account	Class	Amount
<b>Buhler &amp; Meyer CPA's LLP</b>					
	05/09/2016	April	Accounts Payable		-322.40
	05/09/2016	35% Adm'n, April	Professional Services	01 GENERAL FUND:01.01 Administrative	112.84
	05/09/2016	5% Court	Professional Services	01 GENERAL FUND:01.04 Municipal Court	16.12
	05/09/2016	10% Street	Professional Services	11 STREET FUND	32.24
	05/09/2016	15% Sewer	Professional Services	13 SEWER FUND	48.36
	05/09/2016	35% Water	Professional Services	20 WATER OPERATING FUND	112.84
<b>Total Buhler &amp; Meyer CPA's LLP</b>					0.00
<b>Dallas Auto Parts</b>					
	05/09/2016	Statement 04.30	Accounts Payable		-281.13
	05/09/2016	Statement 04.30	Vehicle Maintenance/Repair	13 SEWER FUND	155.13
	05/09/2016	Statement 04.30	Vehicle Maintenance/Repair	20 WATER OPERATING FUND	126.00
<b>Total Dallas Auto Parts</b>					0.00
<b>Edge Analytical</b>					
	05/09/2016	16-10052	Accounts Payable		-33.00
	05/09/2016	16-10052	Lab Analysis Services	20 WATER OPERATING FUND	33.00
<b>Total Edge Analytical</b>					0.00
<b>Falls City Fire Association</b>					
	05/09/2016	May Donation	Accounts Payable		-916.66
	05/09/2016	May Donation to Falls City Fire Associa	Point System	01 GENERAL FUND:01.07 Fire Department	916.66
<b>Total Falls City Fire Association</b>					0.00
<b>HBH Consulting Engineering</b>					
	05/09/2016	March and April	Accounts Payable		-7,946.76
	05/09/2016	March and April	Professional Services	20 WATER OPERATING FUND	7,946.76
<b>Total HBH Consulting Engineering</b>					0.00
<b>L &amp; L Equipment</b>					
	05/09/2016	INV 0119324, 0119947	Accounts Payable		-23.95
	05/09/2016	INV 0119324, 0119947	Equipment Maintenance/Repair	20 WATER OPERATING FUND	23.95
<b>Total L &amp; L Equipment</b>					0.00
<b>Net Assets Corporation</b>					
	05/09/2016	66-201604	Accounts Payable		-11.00
	05/09/2016	50% Lien service -66-201604	Professional Services	13 SEWER FUND	5.50
	05/09/2016	50% Lien service -66-201604	Professional Services	20 WATER OPERATING FUND	5.50
<b>Total Net Assets Corporation</b>					0.00
<b>Sharon Volk Grene</b>					
	05/09/2016	Bound Tree reimbursement	Accounts Payable		-74.58
	05/09/2016	Reimburse expense, Bound Tree	Medical Supplies	01 GENERAL FUND:01.07 Fire Department	74.58
<b>Total Sharon Volk Grene</b>					0.00
<b>Surplus Cashier</b>					
	05/09/2016	ARK42088	Accounts Payable		-240.00
	05/09/2016	ARK42088	Council Approved Projects	01 GENERAL FUND:01.02 City Council	240.00
<b>Total Surplus Cashier</b>					0.00
<b>Terry Ungricht</b>					
	05/09/2016	April Expenses	Accounts Payable		-231.35
	05/09/2016	April Expenses	Travel/Meeting Expense	01 GENERAL FUND:01.01 Administrative	231.35
<b>Total Terry Ungricht</b>					0.00
<b>CenturyLink</b>					
	05/15/2016	multiple phone bills May	Accounts Payable		-424.12
	05/15/2016	May	Telephone	01 GENERAL FUND:01.01 Administrative	187.03
	05/15/2016	May	Telephone	20 WATER OPERATING FUND	64.59
	05/15/2016	May	Telephone	01 GENERAL FUND:01.07 Fire Department	172.50
<b>Total CenturyLink</b>					0.00
<b>Daily Journal of Commerce, Inc.</b>					
	05/15/2016	742735912	Accounts Payable		-171.60
	05/15/2016	City Engineer RFP, 742735912	Legal/Public Notices	20 WATER OPERATING FUND	171.60

City of Falls City  
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	Date	Memo	Account	Class	Amount
<b>Total Daily Journal of Commerce, Inc.</b>					
<b>Department of Environmental Quality</b>					
	05/15/2016	Wagner wastewater recert	Accounts Payable		0.00
	05/15/2016	Wagner wastewater recert	Permits	13 SEWER FUND	-160.00
					160.00
					0.00
<b>Total Department of Environmental Quality</b>					
	05/15/2016	16-10254	Accounts Payable		-20.00
	05/15/2016	16-10254	Lab Analysis Services	20 WATER OPERATING FUND	20.00
					0.00
<b>Total Edge Analytical</b>					
<b>Itemizer Observer</b>					
	05/15/2016	26074	Accounts Payable		-55.25
	05/15/2016	26074 City Engineer RFP	Professional Services	01 GENERAL FUND:01 Administrative	55.25
					0.00
<b>Total Itemizer Observer</b>					
<b>Mid Williamette Valley COG</b>					
	05/15/2016	1516345	Accounts Payable		-956.83
	05/15/2016	Inv. 1516345 COG Land Use	Professional Services	01 GENERAL FUND:01 Administrative	956.83
					0.00
<b>Total Mid Williamette Valley COG</b>					
<b>Pacific Power</b>					
	05/15/2016	multiple accounts, 21091561-006 2	Accounts Payable		-1,741.04
	05/15/2016	May	Power/Heat	01 GENERAL FUND:01 Fire Department	552.48
	05/15/2016	May	Power/Heat	01 GENERAL FUND:01 Administrative	118.07
	05/15/2016	May	Power/Heat	01 GENERAL FUND:01 Parks	65.12
	05/15/2016	May	Power/Heat	13 SEWER FUND	327.16
	05/15/2016	May	Street Lights	11 STREET FUND	621.41
	05/15/2016	May	Power/Heat	20 WATER OPERATING FUND	56.80
					0.00
<b>Total Pacific Power</b>					
<b>Petro Card</b>					
	05/15/2016	C056481	Accounts Payable		-93.42
	05/15/2016	20% C056481	Vehicle Operation	11 STREET FUND	18.68
	05/15/2016	20% C056481	Vehicle Operation	13 SEWER FUND	18.68
	05/15/2016	60% C056481	Vehicle Operation	20 WATER OPERATING FUND	56.06
					0.00
<b>Total Petro Card</b>					
<b>Sharon Volk Grane</b>					
	05/15/2016	reimbursement	Accounts Payable		-4.98
	05/15/2016	Reimburse expense, cpr lamination	Medical Supplies	01 GENERAL FUND:01 Fire Department	4.98
					0.00
<b>Total Sharon Volk Grane</b>					
<b>Speer Hoyt LLC</b>					
	05/15/2016	35042	Accounts Payable		-494.00
	05/15/2016	INV. 35042	Attorney/Special Council	01 GENERAL FUND:01 Administrative	494.00
					0.00
<b>Total Speer Hoyt LLC</b>					
<b>Xerox Corporation</b>					
	05/15/2016	084546372	Accounts Payable		-318.34
	05/15/2016	65% Use, Inv 084546372	Operational Supplies	01 GENERAL FUND:01 Administrative	206.92
	05/15/2016	10% Use	Operational Supplies	11 STREET FUND	31.83
	05/15/2016	10% Use	Operational Supplies	13 SEWER FUND	31.83
	05/15/2016	15% Use	Operational Supplies	20 WATER OPERATING FUND	47.76
					0.00
<b>Total Xerox Corporation</b>					
<b>Consumers Power Inc</b>					
	05/21/2016	Account # 1155301	Accounts Payable		-177.21
	05/21/2016	May Power	Power/Heat	20 WATER OPERATING FUND	177.21
					0.00
<b>Total Consumers Power Inc</b>					
<b>Department of Environmental Quality</b>					
	05/21/2016	Inv#W017WSC-0231	Accounts Payable		-80.00
	05/21/2016	Wastewater operator certificate, inv#WQ Permits		13 SEWER FUND	80.00
					0.00
<b>Total Department of Environmental Quality</b>					

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	Date	Memo	Account	Class	Amount
Edge Analytical	05/21/2016	16-10249	Accounts Payable		-198.00
	05/21/2016	16-10249	Lab Analysis Services	13 SEWER FUND	198.00
					0.00
Total Edge Analytical					0.00
Falls City School District #57	05/21/2016	Library	Accounts Payable	01 GENERAL FUND:01.05 Library	-16,120.18
	05/21/2016	Librarian 01/1/2016 - 6/30/2016	Professional Services		16,120.18
					0.00
Total Falls City School District #57					-16,120.18
Ferguson Waterworks	05/21/2016	Account: 50936   Invoice: 0517820, 0518	Accounts Payable	20 WATER OPERATING FUND	-988.05
	05/21/2016	Invoice: 0517820, 0518445	Maintenance Supplies		988.05
					0.00
Total Ferguson Waterworks					-988.05
Karl Wagner	05/21/2016	Bark, Dust, 77.05 mileage, 30.00 bark	Accounts Payable	01 GENERAL FUND:01.03 Parks	-107.05
	05/21/2016	Bark, Dust, 77.05 mileage, 30.00 bark	Maintenance Supplies		107.05
					0.00
Total Karl Wagner					-107.05
King's Pumping Service	05/21/2016	12700	Accounts Payable	13 SEWER FUND	-458.00
	05/21/2016	Inv. 12700	Professional Services		458.00
					0.00
Total King's Pumping Service					-458.00
Pitney Bowes Global Financial Services LL	05/21/2016	Acct# 8158702, Inv 3300385255	Accounts Payable	13 SEWER FUND	-196.80
	05/21/2016	May 35% Inv 3300385255	Postage & Freight	20 WATER OPERATING FUND	68.88
	05/21/2016	May 50%	Postage & Freight	01 GENERAL FUND:01.01 Administrative	98.40
	05/21/2016	May 15%	Postage & Freight		29.52
					0.00
Total Pitney Bowes Global Financial Services LL					-196.80
US Bank Visa	05/21/2016	Account Number: 4798 5312 1498 1146	Accounts Payable	01 GENERAL FUND:01.01 Administrative	-1,127.81
	05/21/2016	quick book renewal, postage	Office Supplies		169.86
	05/21/2016	supplies	Equipment Maintenance/Repair	01 GENERAL FUND:01.03 Parks	48.39
	05/21/2016	supplies	Maintenance Supplies	13 SEWER FUND	117.86
	05/21/2016	supplies	Maintenance Supplies	11 STREET FUND	123.79
	05/21/2016	quick book renewal, supplies	Maintenance Supplies	20 WATER OPERATING FUND	667.91
					0.00
Total US Bank Visa					-1,127.81
Valley Electric Company, LLC	05/21/2016	May statement	Accounts Payable	19 CITY UTILITY RESERVE FUND	-5,664.06
	05/21/2016	Circulation tank, pump wiring, panel upgr	Equipment Maintenance/Repair		5,664.06
					0.00
Total Valley Electric Company, LLC					-5,664.06
CenturyLink Business Services	06/01/2016	June 1373022335	Accounts Payable	01 GENERAL FUND:01.01 Administrative	-5.10
	06/01/2016	May1373022335-85%	Telephone		4.34
	06/01/2016	May 1373022335-15%	Telephone	20 WATER OPERATING FUND	0.76
					0.00
Total CenturyLink Business Services					-5.10
CUSI	06/01/2016	M13101	Accounts Payable	20 WATER OPERATING FUND	-995.00
	06/01/2016	M 13101, annual tech support	Computer Software Maintenance		995.00
					0.00
Total CUSI					-995.00
Deisman Trucking & Excavation	06/01/2016	659428	Accounts Payable	20 WATER OPERATING FUND	-602.43
	06/01/2016	INV#659428, main breaks	System Maintenance/Repair		602.43
					0.00
Total Deisman Trucking & Excavation					-602.43
Edge Analytical	06/01/2016	16-11550	Accounts Payable	13 SEWER FUND	-120.00
	06/01/2016	16-11550	Lab Analysis Services		120.00
					0.00
Total Edge Analytical					-120.00

City of Falls City  
**Paid Bills Report**  
 As of May 9, 2016

	Date	Memo	Account	Class	Amount
<b>Falls City Fire Association</b>					
	06/01/2016	June Donation, last invoice	Accounts Payable	01 GENERAL FUND.01 07 Fire Department	-916.66
<b>Total Falls City Fire Association</b>	06/01/2016	June Donation to Falls City Fire Assoc& Point System			916.66
<b>H.D Fowler Company</b>					
	06/01/2016	hrv M214296	Accounts Payable	13 SEWER FUND	-394.05
<b>Total H.D Fowler Company</b>	06/01/2016	hrv M214296	Maintenance Supplies		394.05
<b>Hach Company</b>					
	06/01/2016	9947217, 9941465, 9947840	Accounts Payable	20 WATER OPERATING FUND	-26,854.84
<b>Total Hach Company</b>	06/01/2016	9947840, 9947217	Professional Services	19 CITY UTILITY RESERVE FUND	4,746.52
	06/01/2016	9941465	Water Projects		22,108.32
<b>Itemizer Observer</b>					
	06/01/2016	26118	Accounts Payable		0.00
<b>Total Itemizer Observer</b>	06/01/2016	26118, LB-1	Professional Services	01 GENERAL FUND.01 01 Administrative	-216.75
<b>Petro Card</b>					
	06/01/2016	C061497	Accounts Payable	11 STREET FUND	0.00
	06/01/2016	20%, C061497	Vehicle Operation		-239.94
	06/01/2016	20%, C061497	Vehicle Operation	13 SEWER FUND	47.98
	06/01/2016	60%, C061497	Vehicle Operation	20 WATER OPERATING FUND	143.95
<b>Total Petro Card</b>					0.00
<b>TOTAL</b>					0.00

City of Falls City  
City Council Regular Meeting  
Meeting Minutes  
Thursday May 12, 2016  
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

**Council Present:** Mayor Terry Ungricht, Lori Jean Sickles, Jennifer Drill, Tony Meier, Gerald Melin, Dennis Sickles, Julee Bishop

**Staff Present:** Domenica Protheroe, City Clerk; Don Poe, Public Works Lead Worker

Mayor Ungricht called the meeting to order at 6:00 PM.

**1) Roll Call**

Clerk Protheroe took roll call.

**2) Pledge of Allegiance**

Mayor Ungricht led the pledge.

**3) Motion to adopt the entire Agenda**

A motion was made by Councilor D. Sickles and seconded by Councilor Meier to adopt the entire agenda. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Gerald Melin, Dennis Sickles, Julee Bishop

**4) Consent Agenda**

Councilor Drill questioned the minutes. She stated that the Notice of Violation for 239 Sheldon handed out at the April 14, 2016 City Council meeting had not included the photos. Staff stated that it was possible that the photos had been omitted from her copy of the handout.

A motion was made by Councilor Meier and seconded by Councilor L. Sickles to adopt the Consent Agenda. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Gerald Melin, Dennis Sickles, Julee Bishop.

**5) Public Comments**

Patti Sample of Falls City read aloud two citywide garage sales notices into the record (Exhibit A). She stated she would amend them slightly. Garage sale notice will appear in the City newsletter. Mayor Ungricht suggested that Ms. Sample ask Polk County Itemizer Observer newspaper to include the information in the community section.

**6) New Business**

**A. Contract between Oregon Emergency Management and Falls City**

Mayor Ungricht had met several times with FEMA. Mayor Ungricht asked for approval to sign the contract and stated that he would put the fully executed contract before Council.

Polk County and Falls City will enter a memorandum of understanding (MOU) that will allow Polk County to manage the two plus year FEMA project to replace the Dutch Creek crossing.

A motion was made by Councilor D. Sickles and seconded by Councilor Bishop that the City Council of the City of Falls City approve the Mayor to sign the contract between the Oregon Office of Emergency Management and the City and to apply for funding from Oregon Infrastructure Finance Authority for

funding of the Mitchell Street Dutch Creek crossing. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Gerald Melin, Dennis Sickles, Julee Bishop

**B. Water Master Plan update**

Mayor Ungricht introduced Natalie Jennings, PE, Project Manager, HBH Consulting Engineers, Inc. She provided a copy of her presentation to all in attendance (Exhibit B). Jennings, PE reviewed each slide in the handout. She noted that the Teal Creek intake was difficult to reach and difficult to maintain; HBH will look for a replacement. Existing water system is in good condition and has been well maintained. Divers will inspect the inside of the reservoir during the 2016-2017 budget year. HBH will recommend a second small reservoir. Twenty-three percent (23%) of the distribution piping is asbestos cement pipe that is brittle and the likely cause of many of the water main breaks. HBH will recommend the elimination of dead end lines by looping lines. The State standard for unaccounted water is ten percent (10%); the City is above that and the Water Master Plan will address. Jennings, PE, added that improvements made by the City in the last two years had reduced the amount of unaccounted water. Mayor Ungricht reported that two leaky pump stations had been decommissioned.

HBH had created a water model based on our data. They will evaluate the model to explore alternatives for solving issues. One issue is the water pressure has a wide range throughout the system. The model will be used to explore ways to reduce the water pressure, which will reduce the number of line breaks.

Ms. Jennings invited questions. Councilor Drill wanted to know the standard schedule to flush dead end lines. Ms. Jennings reported that flushing dead end lines was typically based on customer complaints. Council discussed the best practice of replacing water meters every twenty years. A program to replace meters had started but was difficult to fund.

Council thanked Natalie Jennings, PE for her presentation.

**C. Park Master Plan update**

Mayor Ungricht announced that Park and Recreation Committee Chairperson Anzalone had submitted a draft plan to City Hall; staff had begun the review. Clerk Hewitt had tallied the results of the park survey in a spreadsheet.

Mayor Ungricht reviewed options for the Park Master Plan with Council. Council considered the option to create a park master plan adopted under a land use decision and the option of a local plan adopted by ordinance. The differences between the options were a local plan will not allow future Park System Development Charges (SDC) and the plan could be repealed or amended by ordinance. Whereas, a plan adopted through a land use process provided an option for Park SDC's and the plan is locked in long-term by the comprehensive Plan. Mayor Ungricht was opposed to SDC's because of the added workload for staff due to fund and project accounting, and annual reporting. He was also concerned with the management of an SDC fund due to the history of staff turnover.

Park and Recreation Committee Chairperson Janelle Anzalone wanted the plan done right. She had reviewed many professionally prepared plans and found they were filled with fluff. She felt that the Park and Recreation Committee, Clerk Protheroe and herself could create a plan for the community.

A motion was made by Councilor Drill and seconded by Councilor L. Sickles that the City Council of the City of Falls City direct the Parks and Recreation Committee and staff to proceed with a project to create a local

park and recreation facility plan. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Gerald Melin, Dennis Sickles, Julee Bishop

**D. Income Survey**

Mayor Ungricht will seek a not-to-exceed \$6,500 contract for the income survey. This amount represents the entire survey project. He will apply for a \$2,400 grant to help pay for the survey; he thought there was an 80% chance that the City would be awarded this grant. The contract will be paid from the sewer fund. Survey steps included mail survey, phone reminders followed by door to door. The contactor would provide training for door-to-door volunteers. The cost will be less if people reply to the initial mail survey. Staff will ask utility customers for new phone numbers when they pay utility bills in order to prepare for the survey reminder calls. Confidentiality is assured because each survey is coded with a unique four-digit code and only the consultant will possess the master list. The consultant will analyze the results. US Department of Housing and Urban Development (HUD) requires an eighty percent (80%) survey response rate to challenge our rating. We need to encourage residents to respond to the survey. Mayor Ungricht hoped the survey would be completed in time to allow him to apply for a grant by the October deadline.

Mayor Ungricht explained that each year a \$25,000 transfer was budgeted from the Capital Reserve Fund to the sewer fund and another \$25,000 to the water fund. This year the sewer fund will need the \$25,000 because of repairs including the replacement of a \$9,000 pump, \$3,300 pump repair, \$10,000 on the electrical panel and the cost to pump a tank increased to over \$500.00. We are applying band-aids to a system that has reached its life expectancy. An increase of \$1.00 in the monthly rate would only bring in \$177.00/month, which was not enough to pay for such repairs.

Mayor Ungricht referred to the April 14, 2016 memo to City Council titled *Council direction on Infrastructure projects* that was previously distributed to Council. He asked Council to confirm that they would support a substantial rate increase in the future to pay for Phase I [lagoon system]. If Council would not support a future rate increase, then he did not recommend that the city move forward with the sewer project.

He cautioned Council that there was no way to avoid a sewer system upgrade. Either the upgrade would be done by the City, under our terms, or if the system fails, Department of Environmental Quality (DEQ) would replace the system under their terms and they will set the monthly rate estimated at \$90- \$98/month. The current monthly sewer rate is \$46.00.

The first phase of the sewer project will be the lagoon system for existing sewer uses. The lagoons will have additional capacity to support a second phase that will expand coverage to about ninety percent (90%) of the south side of town. The Sewer Facility Plan does not define the second phase; this task would fall to a future Council. The goal is to secure enough land under Phase I to allow the sewer system to serve the entire town at a future date. He recommended grinders for second phase, which would allow the City to pump the sewer tanks, because the cost to pump tanks keeps going up.

DEQ rules for septic systems require space or the tank, drainfield and a replacement drainfield. If a property does not have enough space, DEQ will require homeowners to install a more expensive system such as a sand filter. This is an issue for the south side of town.

Councilor D. Sickles recapped the income survey process. Council discussed multifamily units, including recreation vehicles used as housing. Mayor Ungricht will discuss this concern with the selected consultant.

Mayor Ungricht asked Council if they would support a future sewer rate increase to fix the failing sewer infrastructure. Councilor D. Sickles and Councilor Bishop stated they would. Mayor Ungricht stated he would do his best to keep rates as low as possible. Councilor Bishop did not think that citizens understand the devastation that would occur if DEQ stepped in to fix the system. Mayor Ungricht agreed and reported that the City of Creswell rates are \$98.00/month and their population is larger and they have flat land.

Mayor Ungricht stated that the sewer system was the key for the health of our city for the next generation.

A motion was made by Councilor D. Sickles and seconded by Councilor Bishop that the City Council of the City of Falls City approve the Mayor to sign an agreement to perform an income survey of the wastewater users. Motion carried 6-0-0. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Gerald Melin, Dennis Sickles, Julee Bishop

**E. Leak Adjustment**

Council denied the leak adjustment request because Public Works found no sign of a leak at the property and the resident stated he did not have a leak.

**7) Correspondence, Comments and Ex-Officio Reports**

**A. Mayors Report**

Mayor Ungricht referred to the April 14, 2016 document *title Council direction on infrastructure projects*, distributed at the April City Council Meeting. The goal of the document was to state his opinion. He welcomed discussion, ideas, as well as arguments. He asked Council to tell him if they felt he was going in the wrong direction and to redirect him before work on the sewer system begins.

There was a house fire on Chamberlain Road. Everyone was safe but the structure was lost. Mayor Ungricht encouraged everyone to thank members of the volunteer fire department. Following the fire there were two water main breaks. In one case, the main break blew out the fire hydrant. It would cost \$10,000 to replace. Mayor Ungricht met with Fire Chief Bob Young and they agreed that there was sufficient hydrant coverage without replacing the fire hydrant at this time. They agreed to wait until after the Water Master Plan was adopted.

Mayor Ungricht had appointed Councilor Drill, Guy Mack, Johnathan Ungricht, Don Poe, and Mayor Ungricht to the City Engineer RFP review panel. Eight firms have shown interest.

Water plant controllers/sensors need to be replaced. It will cost \$21,769.00 after a 15% discount, to replace all, or \$18,000 to replace only the failing units. Mayor Ungricht was leaning towards the full replacement for monitoring controllers/sensors. The lifespan of the equipment is ten (10) years. He explained that two controllers are still good, but when they fail the cost to replace will not include a discount. Councilor D. Sickles stated he supported the full replacement.

8

Mayor Ungricht thanked Cliff Lauder for his work on the sewer recirculation pump. Mayor Ungricht was very impressed with the work done. He reminded Council that Mr. Lauder traded the wood for the work.

The \$100,000 allocated to the South Main Street paving project might pay for paving from Bridge Street to past the church located on Lombard and South Main Street providing the City does not need to pay \$5,000 to \$10,000 for an engineering review and stamp. Mayor Ungricht will ask the State to accept the detailed bid sheets as the engineering plan, though this option was unlikely. He will ask the City of Dallas Engineer to sign off on the design.

Public Works had one person out. Mayor Ungricht advised Council that he would explore hiring Cliff Lauder at a minimal wage and on a part-time basis in order to protect him through Workers Compensation. The City has multiple projects that would benefit from Mr. Lauder's experience, including the stormdrain for South Main Street. Cliff Lauder's experience was superior to Mayor Ungricht. Mr. Lauder could oversee some of the big projects on the horizon. Mr. Lauder had expressed interest in the Quick Response Rig as a trade. Mayor Ungricht would explore the idea with the City Attorney and insurance company. Councilor Bishop recognized Cliff Lauder skills and supported the idea.

Mayor Ungricht stressed the importance of the upcoming income survey.

Mayor Ungricht stated he was very impressed with Sheriff Mark Garton.

#### **B. Council Reports**

Councilor Drill thanked Carl (Corky) Wagner, Casey Wagner, Donny Scott, and Don Poe for the bark dust for the parks. She thanked Don Poe and Corky Wagner for mowing the cemeteries.

Councilor Drill did not think the dog bag station test was successful. The dog bags were gone shortly after it was installed. Mayor Ungricht agreed and added that the City would include the dog bag station in the annual report for Total Daily Maximum Load (TDML).

Councilor Drill announced that the Falls City Volunteer Association would not put on a firework show this year but might next year.

Councilor Drill reported on the emergency plan project. Twelve (12) body bags had been purchased from State surplus. Councilor Drill stated the purchase was a lesson learned for all parties involved and she would seek Council's approval, by motion, for future purchases. Mayor Ungricht would price a case of filters for the water filtration system. Council agreed that filters were important.

Councilor Drill requested an update on code enforcements. Mayor Ungricht reported that high weed letters will go out soon and the Bryant Street property had made progress. The number of complaints submitted to City Hall had increased, likely because of the Bryant Street enforcement action. A resolution will go before Council in the future for vacant properties. Staff had not worked on code enforcement or on the draft agreement with neighboring cities because they had been busy. Councilor Drill asked if the City had received any complaints on the tent camp at the subdivision on Chamberlain Rd. Councilor Drill was concerned about their sewage. Mayor Ungricht reported that the City had not received a complaint on the property.

Councilor Drill requested an update on the Library. Mayor Ungricht reported that he would arrange a joint work session with the Falls City School District to discuss the library. He had

reviewed the fund activity in the two Wagner Funds. He believes that the City may owe funds to the library, and he will prepare a report for the joint work session. Mayor Ungricht had reviewed state laws and found the fund would qualify as a standalone fund, which he will create in the future. He assured Council that State Law has a process to close a library that takes at least ninety days.

Councilor Drill wanted to know when the lights would be activated at the Fay Wilson Memorial Park. Mayor Ungricht replied that he had received complaints about the brightness of the lights from area residents last summer, this along with vandalism lead to locking the electrical box. The lights were donated and would be expensive to replace. Lights could be activated for events. Mayor Ungricht asked staff to put this item before the Park and Recreation Committee.

Councilor Melin reported that the Economic Development Committee would meet on the third Tuesday of each month at 2:30 PM. Councilor Melin will serve as the Chairperson and Patty Sample will serve as Secretary. He welcomed ideas for the committee to consider.

Patty Sample of Falls City wanted to borrow a vendor canopy and table for the garage sale. She planned to set up a welcome station for visitors. She thanked councilors for their service and thanked Mayor Ungricht for giving his time to the City.

8) Council Announcements

9) Adjourn

The meeting adjourned at 7:24 pm.

\_\_\_\_\_ Mayor Terry Ungricht

Attested: \_\_\_\_\_ City Clerk Domenica Protheroe

*Exhibit A*

**CRAIG'S LIST**

**FALLS CITY-ALL CITY GARAGE SALE**

Falls City – Approximately 5 miles SW out of Dallas. Take a right at Falls City turn-off and drive about 4 miles to Falls City. Maps of participants are at Frink's General Store or at our **Welcome Booth** in front of the Community Center on Main Street. Participants will have **GARAGE SALE** signs in front of their home.

Come and visit our beautiful city and enjoy the day searching for unique treasures.

We enjoy you visiting our town and having fun!

**COMMUNITY CALENDAR  
NEWS-REGISTER**

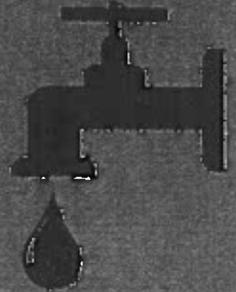
**SATURDAY, JUNE 11**

**FALLS CITY – ALL CITY GARAGE SALE** – Saturday, June 11<sup>th</sup>, 8 am – 4 pm. Approximately 5 miles SW out of Dallas, take Falls City turn off, drive approximately 4 miles to Falls City. For garage sale participants, obtain a map from Frink's General Store or **Welcome Booth** at Community Center on Main Street.

## Falls City Water Master Plan Status Update

## Existing Water System

- 2 Intakes
- Water Treatment Plant (WTP)
- Reservoir
- Distribution System
- 2 Pressure Reducing Valves (PRVs)



*Exhibit B*

## Teal Creek Intake

- Summer water source
- High turbidity in winter
- Fills with sediment annually
- Dangerous access for maintenance

## Glaze Creek Intake

- Winter water source
- Good turbidity year-round
- Low flows in summer

## Existing Water System- WTP



- Slow Sand Filter
- Good condition
- City is on top of O&M maintenance
- Equipment upgrades:
  - Turbidity-this year
  - Chlorine Analyzer- recently

## Reservoir

- Good condition
- A few bullet holes need to be repaired
- Roof needs repainted
- A second reservoir is desired for redundancy
- No automation

Storage Estimates	Current	2018
MDW	140,000	472,579
ADW	160,970	121,434
Operables & Construction (6-14 MGD)	87,500	117,091
Emergency (2x ADW)	320,941	327,868
Fire Reserves (1,100 gpm at 2 hours)	190,000	190,000
Total Storage Needs	479,411	988,972
Total Storage Available	879,458	834,490
Storage Shortfall	348,200	214,482

## Distribution System

Pipe Size	Distribution Piping (ft)	Transmission Piping (ft)	Total Piping (ft)	Percent of Piping
< 4"	10,357		10,357	12.14%
4"	8,382		8,382	9.83%
6"	21,554	2,429	23,983	28.11%
8"	15,034	662	15,696	18.40%
10"	9,103	11,951	21,054	24.68%
12"	4,865	970	5,836	6.84%
<b>Total</b>	<b>69,295</b>	<b>16,013</b>	<b>85,308</b>	<b>100.00%</b>

- 16 miles of pipe
- 23% asbestos cement
- 47 Fire Hydrants
- 2 PRVs

## Demands & Fire Flows



### Demands (GPM)

Demand Type	Current	2035
Max Day	243	327
Max Month	161	217
Average Day	73	98
Winter Day*	56	75
Peak Hour**	365	491

\* Winter = November - February

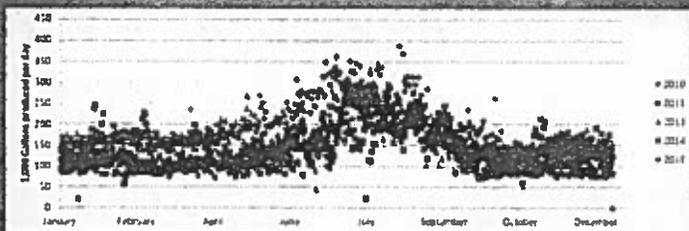
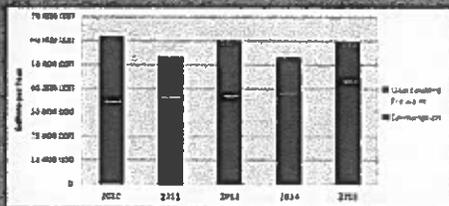
\*\* Assume a typical 1.5 peaking factor from max day

### Fire Flows (GPM)

Type	Demand
Residential Fire Flow	1500
Commercial Fire Flow*	3000

\* Still awaiting info from list, subject to change

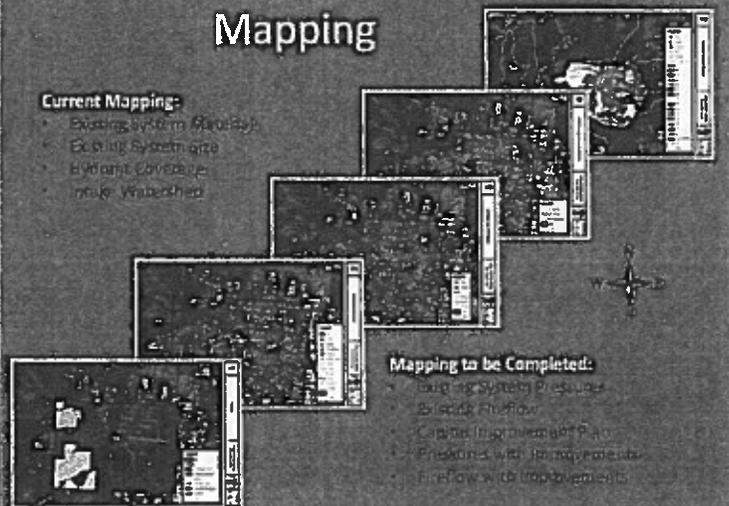
## Production



## Mapping

### Current Mapping:

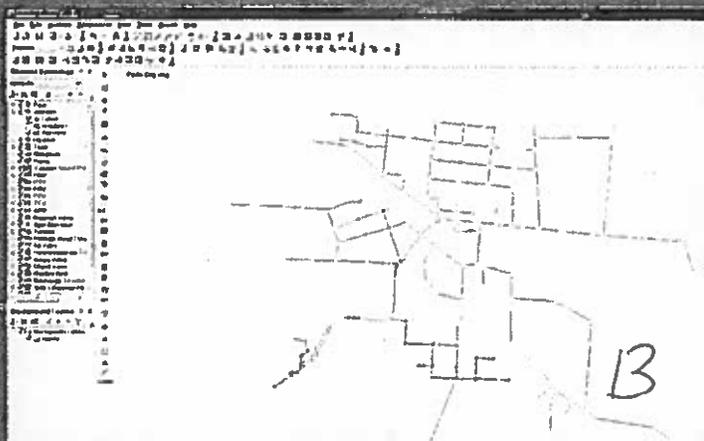
- Existing System Map only
- Existing System pipe
- Hydrant coverage
- In-use Water shed



### Mapping to be Completed:

- Existing System Pressure
- Breaks/Leakflow
- Capital Improvement Plan
- Production with Improvements
- Fireflow with Improvements

## Water Model



## Next steps

- Model evaluation
- Alternatives development
- Capital Improvement Plan
- Rate Study
- Financing Options
- Water-Management and Conservation Plan
- Standard Infrastructure Specifications

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## AGENDA REPORT

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**TO:** COUNCIL  
**FROM:** MAYOR TERRY UNGRICHT  
**SUBJECT:** BUDGET ADOPTION  
**DATE:** 04/24/2016

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### **SUMMARY**

Oregon Local Budget Law requires cities to adopt a balanced budget in order to spend public resources.

### **BACKGROUND**

The Falls City Budget Committee comprised of 7 residents and the City Council including the Mayor met to receive the budget message and deliberate on the proposed budget. The Budget Committee approved the budget and recommended it to the City Council for adoption. As a part of this process cities are required to hold 2 public hearings on State Revenue sharing to receive comments and requests from the public on the use of shared revenues.

### **PREVIOUS COUNCIL ACTION**

The members of the Budget Committee recommended the budget for adoption. As members of the Budget Committee the City held the first State Revenue Sharing public hearing at the Budget Committee Meeting on April 21, 2016.

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

Failure to adopt a budget before July 1, 2016 would render the City unable to operate.

### **STAFF RECOMMENDATION**

Staff recommends the City Council adopt the Fiscal year 2016-2017 budget as recommended by the Budget Committee.

### **EXHIBIT**

Resolution 08-2016 Fiscal Year 2016-2017 Budget

### **PUBLIC HEARING**

This public hearing is an opportunity for any member of the public to comment on or make requests regarding how State Revenue Sharing Funds will be spent in the 2016-2017 Fiscal Year beginning July 1, 2016. State Revenue Sharing funds are a share of certain revenues of the State Oregon that shall be apportioned among and distributed to the cities of this state for general purposes.

I will open the public hearing for State Revenue Sharing at \_\_\_\_\_ pm.

Public Comments:

I will close the public hearing for State revenue sharing at \_\_\_\_\_ pm.

### **PROPOSED MOTION**

I move the City Council of the City of Falls City approve Resolution 08-2016 appropriating taxes at the rate of \$2.9202 per \$1,000 of assessed value and adopt the Fiscal Year 2016-2017 budget in the amount of \$1,919,455.00.

**RESOLUTION 08-2016**

A RESOLUTION OF THE CITY COUNCIL OF FALLS CITY, OREGON DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES, ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND LEVYING TAXES FOR THE CITY OF FALLS CITY, OREGON FOR FISCAL YEAR 2016-2017

Findings:

1. There is a need to elect to receive state revenues in order to receive them.
2. Oregon Local Budget Law requires a budget be adopted in order for the City to expend public funds.
3. The Falls City Budget Committee has approved the budget and referred it to the City Council for adoption.

**NOW THEREFORE, the City of Falls City resolves as follows:**

Section 1. Pursuant to ORS 221.770, the City hereby elects to receive state revenues for fiscal year 2016-2017

Section 2. A public hearing before the Budget Committee was held on June 9, 2016 and a public hearing before the City Council was held on June 9, 2016 giving citizens an opportunity to comment on use of State Revenue Sharing.

Section 3. The City Council adopts the budget approved at the Budget Hearing on April 21, 2016 now on file in the office of the City located at City hall, 299 Mill Street falls City, Oregon in the sum of \$1,919,455.00

Section 4. The City of Falls City hereby imposes the taxes provided for in the adopted budget at the rate of \$2.9202 per \$1,000 of assessed value for operations and that these taxes are hereby imposed and categorized for tax year 2016-2017 upon the assessed value of all taxable property within the district.

Subject to General Government Limitation	Excluded from Limitation
Permanent Rate Levy \$2.9202 per \$1,000	\$0

Section 5. The amounts for the fiscal year beginning July 1, 2016, for all the purposes shown are hereby appropriated as follows:

General Fund	
City Council	\$1,450
Library	\$70,000
Court	\$19,900
Fire	\$162,556
Administration	\$234,400
Parks and Cemeteries	\$13,700
Other/ Debt	\$14,474

15

Water Fund	
Personnel Services	\$93,440
Materials and Services	\$155,062
Capital	\$79,000
Debt	\$65,473
Transfers and Allocations	\$82,000
Contingency	\$68,056
Sanitary Sewer Fund	
Personnel Services	\$83,000
Materials and Services	\$78,400
Capital	\$50,000
Contingency	\$21,849
Street Fund	
Materials and Services	\$142,000
Contingency	\$27,139
Community Development Revolving Loan Fund	
Materials and Services	\$93,433
Wagner Library Reserve Fund 80%	
Transfers and Allocations	\$54,593
Wagner Library Reserve Fund 20%	
Capital	\$34,635
City Utility Reserve Fund	
Capital	\$50,000
Contingency	\$224,895
<b>TOTAL APPROPRIATIONS, All Funds</b>	<b>\$ 1,919,455</b>
Total Reserved, Unappropriated, All Funds	\$ 0
<b>TOTAL ADOPTED BUDGET</b>	<b>\$ 1,919,455</b>

Section 6. The City Mayor/Manager hereby is authorized to certify to the County Clerk and the County Assessor of Polk County, Oregon the tax levy made by this Resolution, which will be filed with the State Treasurer and the Division of Audits of the Secretary of State, and that this is a true copy of the Budget as finally adopted.

Introduced and adopted June 9, 2016:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Terry Ungricht, Mayor/City Manager

Attest:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Domenica Protheroe, City Clerk

16

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## AGENDA REPORT

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**TO:** CITY COUNCIL  
**FROM:** MAYOR UNGRICHT  
**SUBJECT:** WATER MASTER PLAN UPDATE  
**DATE:** 6/1/2016

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### **SUMMARY**

HBH Engineering was at the last meeting with handouts on where we were in the process. HBH requested to be on the agenda to answer any questions Council may have on the project.

### **BACKGROUND**

Council has adopted the contract between Falls City and HBH Engineering for the Master Water Plan. In the contract there were certain times that HBH would attend Council meetings to update Council on the project and to answer questions.

### **PREVIOUS COUNCIL ACTION**

Adopted contract between the City and HBH Engineering for the Master Water Plan.

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

N/A

### **STAFF RECOMMENDATION**

N/A

### **EXHIBIT**

Handout from HBH

### **PROPOSED MOTION**



**System Priorities**

- **Priority 1 (0-10 years)**

- Distribution



- Current pressure range: 13-132 psi
    - Desired pressure range: 30-80 psi
    - Negligible fire flow available (since all connections must have 20 psiper Oregon Administrative Rules); lack of pressure likely causes of main breaks and water hammer in system after fires
    - Rezoning with additional piping (larger initial cost, no long term maintenance)
    - Or
    - Rezoning with pump station (smaller initial costs, ongoing maintenance)
    - Improve river crossings
    - Replace 23% of system that is asbestos cement pipes

- **Priority 2 (11-20 years)**

- Intake Alternatives

- Leave Glaze Creek as-is
    - Move Teal Creek downstream to a different location
    - Install well with surface water interference on Teal Creek
    - Install a backup well at treatment plant



- **Priority 3 (address when needed in 20 year timeframe)**

- Water Treatment Plant

- Repair/seal concrete problem areas
    - Replace chlorine piping



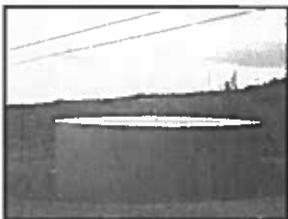
- Distribution System

- Water meter replacement
    - Looping to improve water quality

- **Future Improvements (beyond 20 years)**

- Storage:

- The system has plenty of storage for 20 years



Storage	Current	2035
Total Storage Needs	477,441	580,762
Total Storage Available	835,650	835,650
Storage Surplus	358,209	254,888

- Highest place on North side of City is 150 ft. (65 psi) lower than existing reservoir
    - System already has problems with disinfection by products (caused by lack of turnover in reservoir)
    - Additional reservoir would help with redundancy, but money can be spent better elsewhere such as distribution improvements

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## AGENDA REPORT

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**TO:** CITY COUNCIL  
**FROM:** MAYOR UNGRICHT  
**SUBJECT:** CONTRACT BETWEEN OREGON EMERGENCY MANAGEMENT AND FALLS CITY  
**DATE:** 5/16/2016

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### **SUMMARY**

The December 7, 2015 storm event that washed out Mitchell Street at Dutch Creek was awarded FEMA emergency declaration 4258-DR-OR and the City has applied for funds to repair the crossing.

### **BACKGROUND**

Council has been updated on the status of the FEMA emergency declaration from the December 7, 2015 storm event. Council has directed staff to apply for the funding and to work with the Federal and State Emergency Management Departments on the permanent repair of this crossing.

Council motioned for the Mayor to sign the agreement; this resolution is adopting the agreement between the City and Oregon Emergency Management.

### **PREVIOUS COUNCIL ACTION**

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

Staff is working to limit the costs of this project to the City, but there will be staff time and some unanticipated costs for the project.

### **STAFF RECOMMENDATION**

Pass motion

### **EXHIBIT**

Copy of signed Contract between Oregon Emergency Management and Falls City.

### **PROPOSED MOTION**

I move that the City Council of the City of Falls City adopt resolution 09-2016, a resolution adopting an agreement between the City of Falls City and the Oregon Office of Emergency Management for the management of funds through FEMA declaration 4258-DR-OR.

**RESOLUTION 09-2016**

**A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF FALLS CITY AND THE OREGON OFFICE OF EMERGENCY MANAGEMENT.**

**Findings:**

1. The City of Falls City experienced a storm event on December 7, 2015 that received an emergency declaration from FEMA.
2. The City of Falls City has experienced multiple road wash outs at Dutch Creek crossing on Mitchell Street.
3. The City of Falls City recognizes that it is in the City's best interest to submit the Dutch Creek crossing as an emergency location under FEMA declaration 4258-DR-OR for funding to rebuild the culvert system.
4. The City of Falls City is required to enter into this agreement with Oregon Office of Emergency to receive funds for the project.

**NOW THEREFORE,**

**THE CITY COUNCIL OF THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:**

**Section 1.** That making efficient use of resources is important to Falls City.

**Section 2.** That Falls City Council approves the agreement between the City of Falls City and the Oregon Office of Emergency and allows the Mayor to sign the agreement.

**Section 3.** This Resolution was duly PASSED and ADOPTED by the Falls City Council this \_\_\_\_\_ day of \_\_\_\_\_ 2016, and takes effect upon signing.

AYES \_\_\_\_\_ NAYS \_\_\_\_\_ ABSTAINED \_\_\_\_\_ ABSENT \_\_\_\_\_

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Terry Ungricht, Mayor

Attest:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Domenica Protheroe, City Clerk

20

STATE OF OREGON  
OFFICE OF EMERGENCY MANAGEMENT

MAY 9 2015

INFRASTRUCTURE CONTRACT 4258-DR-OR

1.0 PARTIES TO THIS AGREEMENT

This Agreement is made and entered into by and between the State of Oregon, by and through the Oregon Military Department, Office of Emergency Management, hereinafter referred to as "OEM" and the City of Falls City, a political subdivision of the State of Oregon, hereinafter referred to as the "SUBRECIPIENT". This Agreement shall be effective upon execution by the parties and receipt of any approvals required by law and shall terminate on the earlier of: (i) as provided in Section 17 of this Agreement, (ii) the end of the Agreement Period specified below or (iii) June 30, 2026.

WHEREAS the President of the United States has declared that a major disaster exists in the State of Oregon based on damage resulting from the Severe Winter Storms, Straight-line winds, Flooding, Landslides and Mudslides from December 6-23, 2015 and

WHEREAS OEM is authorized by the 2016 FEMA-State Agreement for the 2015 Severe Winter Storms, Straight-line Winds, Flooding, Landslides, and Mudslides to execute on behalf of the State of Oregon all necessary documents for public assistance, including approval of sub-grants and certification of claims;

THEREFORE, the Parties mutually agree to the following:

2.0 PURPOSE

Federal funding is provided by the Federal Emergency Management Agency (FEMA) and is administered by OEM. Under the authority of Presidential Major Disaster Declaration FEMA 4258-DR-OR ("FEMA Declaration"), OEM is reimbursing the SUBRECIPIENT for those eligible costs and activities necessary for the repair and restoration of public facilities damaged during the period of December 6-23, 2015, in the manner described herein and in accordance with the completed Project Worksheets sheets submitted by SUBRECIPIENT and approved by FEMA and OEM. The parties understand and agree that after the project(s) described in a Project Worksheet is reviewed and approved by FEMA and OEM and determined to be eligible for funding under the FEMA Declaration in terms of an eligible SUBRECIPIENT, project and amount, then the amount(s) set forth in the Project Worksheet will be transferred from FEMA to OEM for disbursement on a reimbursement basis as set forth in this Agreement. For any project(s) that SUBRECIPIENT seeks reimbursement for under the FEMA Declaration, SUBRECIPIENT shall obtain a completed, executed and approved Project Worksheet substantially in the form of the attached Exhibit B.

3.0 TIME OF PERFORMANCE

Activities payable under this Agreement and to be performed by the SUBRECIPIENT under this Agreement shall be those activities which occurred on or subsequent to the incident period defined in the FEMA-State Agreement and shall terminate upon completion of the project(s) approved by federal and state officials, including completion of close out and audit, all as detailed in the applicable FEMA application and Project Worksheet. This period shall be referred to as the "Agreement Period."

21

#### 4.0 CLOSE-OUT

It shall be the responsibility of OEM to issue close-out instructions to the SUBRECIPIENT upon completion of the project(s).

#### 5.0 FUNDING

OEM will administer the disaster assistance program and reimburse any eligible costs for eligible projects to the SUBRECIPIENT which are identified under the auspices of the Presidential Major Disaster Declaration FEMA-4258-DR-OR and in the Project Worksheet. It is understood that no final dollar figure is committed to at the time that this Agreement is executed, but that financial commitments will be made as Project Worksheets are completed in the field and projects are authorized by state and federal officials. Each Project Worksheet that is completed, signed by FEMA and SUBRECIPIENT, and approved by OEM will constitute a new agreement that consists of the terms and conditions set forth in this Agreement and the completed Project Worksheet. OEM's obligation to disburse funds under this Agreement is contingent upon receipt of sufficient funds under the FEMA Declaration and sufficient appropriation, limitation, allotment or other expenditure authorization to make the disbursement.

The parties understand that FEMA will contribute 75 percent of the eligible project costs identified in the Project Worksheet for any eligible project, that a Subrecipient allowance may be made at the end of a project, subject to FEMA approval of documentation submitted by OEM and as provided for in subsection 3 of Section 6.0 of this Agreement, and that no state funds are obligated for contribution under this Agreement.

The SUBRECIPIENT will commit and is responsible for providing the required 25 percent match to any eligible project costs identified in the Project Worksheet.

#### 6.0 PAYMENTS

OEM, using funds granted for the purposes of the Presidential Major Disaster Declaration from FEMA and allocated by FEMA pursuant to the applicable Project Worksheet, shall issue payments to the SUBRECIPIENT as follows:

1. Small Projects:
  - a) Small Projects are eligible for funding up to an amount designated by FEMA as provided in 44 CFR 206.205(a). For FEMA-4258-DR-OR, that amount is \$121,800.
  - b) Payments are made for all small projects to the SUBRECIPIENT upon submission of a State of Oregon Disaster Assistance Payment Request to OEM, and the subsequent approval by OEM.
2. Large Projects
  - a) Large Projects are eligible for funding in excess of the amount allowed for Large Projects, as provided in 44 CFR 206.205(b).
  - b) Partial Payments: Partial payment of funds for costs already incurred on large projects may be made to the SUBRECIPIENT upon submission of a State of Oregon Disaster Assistance Payment Request, with appropriate supporting documentation, to OEM, upon approval by OEM.
  - c) Final Payment: Final payment will be made upon submission by the SUBRECIPIENT of CERTIFICATION OF LARGE PROJECT COST, completion of project(s), completion of all final inspections by OEM, and

final approval by FEMA. Final payment may also be conditioned upon a financial review, if determined necessary by OEM or FEMA. Adjustments to the final payment may be made following any audits conducted by the Oregon Secretary of State's Audits Division or the United States Inspector General's Office.

All payment requests shall be made on a State of Oregon Disaster Assistance Payment Request Form to OEM, which references the appropriate Project Worksheet (PW), and appropriate documentation as required.

3. Funding shall not exceed the total federal contributions eligible for the repair and restoration costs under this Presidential Major Disaster Declaration FEMA-4258-DR-OR and the amount(s) approved in the applicable PW. On Large Projects, OEM reserves the right to make any inspection prior to release of any payment or at any time during the duration of this Agreement.

## 7.0 RECORDS MAINTENANCE

The SUBRECIPIENT shall maintain books, records, documents, and other evidence and accounting procedures and practices, which sufficiently and properly reflect all direct costs of any nature expended in the performance of this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit by OEM personnel, other personnel duly authorized by OEM, the Secretary of State's Audits Division or the United States Inspector General. The SUBRECIPIENT will retain all books, records, documents, and other material relevant to this Agreement for six years after date of final payment, or an extended period as established by FEMA in 2 CFR § 200.333.

## 8.0 PROPERTY/EQUIPMENT MANAGEMENT AND RECORDS CONTROL AND RETENTION OF RECORDS and REPORTING

1. Property/Equipment Management and Records Control. The Subrecipient agrees to comply with all requirements set forth in 2 CFR §200.333 for the active tracking and monitoring of property/equipment. Procedures for managing property/equipment, whether acquired in whole or in part with grant funds, until disposition takes place, will, at a minimum, meet the requirements set forth in 2 CFR §200.313, 314 and 329, and the following requirements:
  - a. All property/equipment purchased under this agreement, whether by the Subrecipient or a subcontractor, will be recorded and maintained in the Subrecipient's property/equipment inventory system.
  - b. The Subrecipient shall maintain property/equipment records that include: a description of the property/equipment, the manufacturer's serial number, model number, or other identification number, the source of the property/equipment, including the, Project Worksheet number, Catalog of Federal Domestic Assistance (CFDA) number, who holds title; the acquisition date; the cost of the property/equipment and the percentage of Federal participation in the cost, the location, use and condition of the property/equipment, and any ultimate disposition data including the date of disposition and sale price of the property/equipment.

- c. A physical inventory of the property/equipment must be taken and the results reconciled with the property/equipment records, at least once every two years.
  - d. A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft of the property/equipment. Any loss, damage or theft shall be investigated.
  - e. Adequate maintenance procedures must be developed to keep the property/equipment in good condition.
  - f. If the Subrecipient is authorized to sell the property/equipment, proper sales procedures must be established to ensure the highest possible return.
  - g. The Subrecipient shall pass on property/equipment management requirements that meet or exceed the requirements outlined above for all subcontractors, consultants and the Subrecipients who receive pass-through funding from this grant agreement.
2. Retention of Property/Equipment Records. Records for property/equipment shall be retained for a period of six years from the date of the disposition or replacement or transfer at the discretion of the awarding agency. Title to all property/equipment and supplies purchased with funds made available under the FEMA Public Assistance program shall vest in the Subrecipient agency that purchased the property/equipment, except as may be provided in 2 CFR §200.313.

## 9.0 AUDITS

If Subrecipient expends \$750,000 or more from all federal funding sources during its fiscal year, Subrecipient must submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with the requirements of Government and Accountability Office's (GAO) Government Auditing Standards, located at <http://www.gao.gov/govaud/ybk01.htm>, and the requirements of Subpart F of 2 C.F.R. Part 200.f. The SUBRECIPIENT is to procure, at its own cost, audit services based on the following guidelines:

As applicable, the SUBRECIPIENT must ensure the audit is performed in accordance with Generally Accepted Accounting Principles and Generally Accepted Government Auditing Standards developed by the Comptroller General; and all state and federal laws and regulations governing the program.

The SUBRECIPIENT must prepare a Schedule of Financial Assistance for federal funds that includes: Grantor name (OEM), program name, federal catalog number (CFDA-97.036), total award amount, beginning balance, current year revenues, current year expenditures and ending balance. With the submission and completion of each Project Worksheet OEM is required by 2 CFR 200.331 (pursuant to FEMA Public Assistance Program Interim Guidance on 2 C.F.R. Part 200) to complete the information set forth in Exhibit A to this Agreement. SUBRECIPIENT shall submit with each Project Worksheet any information requested by OEM that is necessary to accurately complete Exhibit A.

The SUBRECIPIENT shall maintain records and accounts in such a way as to facilitate OEM's audit requirements, and shall ensure that Subcontractors also maintain records which are auditable. The SUBRECIPIENT is responsible for any audit exceptions incurred by itself or by its Subcontractors. OEM reserves the right to recover from the SUBRECIPIENT disallowed costs resulting from the final audit.

The SUBRECIPIENT shall send the audit report to OEM's Project Administrator as soon as it is available, but no later than nine months after the end of the SUBRECIPIENT's fiscal year in which SUBRECIPIENT receives any funds under this Agreement. Responses to previous management findings and disallowed or questioned costs shall be included with the audit report. The SUBRECIPIENT will respond to OEM's requests for information or corrective action concerning audit issues within 30 days of the request.

The SUBRECIPIENT shall include these requirements in any subcontracts.

#### 10.0 RECOVERY OF FUNDS

In the event that the SUBRECIPIENT fails to complete the project(s), fails to expend or is overpaid federal funds in accordance with federal or state disaster assistance laws or programs, or is found by audit or investigation to owe funds to the State or to FEMA, OEM reserves the right to recapture funds in accordance with federal or state laws and requirements. Repayment by the SUBRECIPIENT of funds under this recovery provision shall occur within 30 days of demand. In the event that OEM is required to initiate legal proceedings to enforce this recovery provision, OEM shall be entitled to its costs thereof, including reasonable attorney fees.

The SUBRECIPIENT shall be responsible for pursuing recovery of monies paid under this Agreement in providing disaster assistance against any party that might be liable, and further the SUBRECIPIENT shall cooperate in a reasonable manner with the State and the United States in efforts to recover expenditures under this Agreement.

In the event the SUBRECIPIENT obtains recovery from a responsible party, the SUBRECIPIENT shall first be reimbursed its reasonable costs of litigation from such recovered funds. The SUBRECIPIENT shall pay to the state the proportionate federal share of all project funds recovered in excess of costs of litigation.

#### 11.0 CONFLICT OF INTEREST

The SUBRECIPIENT will prohibit any employee, governing body, contractor, subcontractor or organization from participating if the employee or entity has an actual or potential conflict of interest that a public official would have under ORS Chapter 244. In addition, SUBRECIPIENT must disclose in a timely manner and in writing to OEM, all violations of Federal criminal law involving fraud, bribery, or gratuity potentially affecting the funds provided under this Agreement as provided in 2 CFR § 200.113.

#### 12.0 POLITICAL ACTIVITY

No portion of the funds provided herein shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot measure.

25

### 13.0 ASSIGNMENT

This Agreement, and any claim arising under this Agreement, is not assignable or delegable by the SUBRECIPIENT either in whole or in part.

### 14.0 SUBCONTRACTS FOR ENGINEERING SERVICES

In the event that the SUBRECIPIENT subcontracts for engineering services, the SUBRECIPIENT shall require that the engineering firm be covered by errors and omissions insurance in an amount not less than the amount of the firm's subcontract. If the firm is unable to obtain errors and omissions insurance, the firm shall post a bond with the SUBRECIPIENT for the benefit of the SUBRECIPIENT of not less than the amount of its subcontract. Such insurance or bond shall remain in effect for the entire term of the subcontract. The subcontract shall provide that cancellation or lapse of the bond or insurance during the term of the subcontract shall constitute a material breach of the subcontract and cause for subcontract termination. The SUBRECIPIENT shall cause the subcontractor to provide it with a 30 day notice of cancellation issued by the insurance company.

### 15.0 APPEALS

Consistent with the Code of Federal Regulations, 44 CFR 206.206, the SUBRECIPIENT may appeal any determination previously made related to the federal assistance for the SUBRECIPIENT. The SUBRECIPIENT's appeal shall be made in writing and submitted to OEM within 60 days after receipt of notice of the action which is being appealed. The appeal shall contain documented justification supporting the SUBRECIPIENT's position.

Upon receipt of a SUBRECIPIENT's appeal, OEM will review the material submitted, make such additional investigations as necessary, and shall forward the appeal with a written recommendation to FEMA within 60 days. Within 90 days following receipt of the appeal, FEMA shall advise OEM, in writing, as to the disposition of the appeal or the need for additional information. If the decision is to grant the appeal, then FEMA will take the appropriate implementing action.

### 16.0 GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "Claim") between OEM and SUBRECIPIENT that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon provided, however, if the Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively with the United States District Court for the District of Oregon. SUBRECIPIENT, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

### 17.0 TERMINATION

1. Except as otherwise provided in this Agreement, either party may terminate this Agreement (which includes the applicable Project Worksheet(s)) upon giving thirty (30) days written notice to the other party. In the event of termination of this

26

Agreement, each party shall be liable only for project costs and allowable expenses incurred by the other party, prior to the effective date of termination.

2. OEM may terminate all or part of this Agreement or may change the project specifications set forth in a Project Worksheet if there is a reduction in federal funds which are the basis for this Agreement, and OEM approves the reduction.
3. OEM may terminate this Agreement, in whole or in part, immediately upon written notice to SUBRECIPIENT, or at such later date as OEM may establish in such notice, if SUBRECIPIENT commits any material breach or default of any covenant, warranty, obligation or certification under this Agreement. In its notice, OEM may permit SUBRECIPIENT an opportunity to cure the breach, default or Failure in such time and on such terms as OEM may specify in such notice.

## 18.0 WAIVERS

The failure of OEM to exercise, and any delay in exercising, any right, power, or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any further exercise thereof or the exercise of any other such right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

## 19.0 INDEMNIFICATION

To the extent permitted by any constitutional and statutory limitations applicable to SUBRECIPIENT, including, but not limited to, provisions relating to debt limits, tort claims limits and workers' compensation, the SUBRECIPIENT shall, as required by ORS 401.145(2), indemnify, defend, save and hold harmless the United States and its agencies, officers, employees, agents and members, and the State of Oregon and its agencies, officers, employees, agents and members, from and against all claims, damages, losses, expenses, suits or actions of any nature arising out of or resulting from the activities of SUBRECIPIENT, its agencies, officers, employees, agents, members, contractors or subcontractors under this Agreement.

## 20.0 SUBRECIPIENT ASSURANCES

SUBRECIPIENT represents and warrants to OEM as follows:

1. SUBRECIPIENT is political subdivision of the State of Oregon. SUBRECIPIENT has full power, authority and legal right to execute and deliver this Agreement and incur and perform its obligations hereunder.
2. This Agreement has been duly authorized, executed and delivered on behalf of Subrecipient and constitutes the legal, valid and binding obligation of Subrecipient, enforceable in accordance with its terms.
3. The SUBRECIPIENT hereby assures and certifies that it will comply with all applicable state and federal laws and regulations, including, but not limited to, the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC §§ 5121-5206 (Public Law 93-288, as amended; hereafter "Stafford Act"); 44 CFR Parts 7, 17, 18 and 206, and Subchapters B, C and D; 2 CFR Part 200 (including Appendix II); the Oregon State Public Assistance Administrative Plan DR4258; Wages, Hours and Records Laws (ORS Chapter 652) Conditions

of Employment Laws (ORS Chapter 643) and Unemployment Insurance Laws (ORS Chapter 657).

4. The emergency or disaster relief work for which federal assistance is requested herein does not or will not duplicate benefits received for the same loss from any other source.
5. The SUBRECIPIENT will operate and maintain the facilities being restored using funds provided under this Agreement in accordance with the minimum standards as may be required or prescribed by the applicable federal, state and local agencies for the maintenance and operation of such facilities.
6. The SUBRECIPIENT will, for any repairs or construction financed herewith, comply with applicable standards of safety, decency and sanitation and in conformity with applicable codes, specifications and standards, and will evaluate the hazards in areas in which the proceeds of the grant are to be used and take appropriate action to mitigate such hazards, including safe land use and construction practices. SUBRECIPIENT will, prior to the start of any construction activity, ensure that all applicable federal, state and local permits and clearances are obtained including FEMA compliance with the National Environmental Policy Act, the National Historic Preservation Act, the Endangered Species Act and all other federal and state environmental laws.
7. The SUBRECIPIENT will not enter into a contract with a contractor who is on the General Services Administration (GSA) List of Parties Excluded from Federal Procurement or Non-procurement Programs.
8. The SUBRECIPIENT will comply with minimum wage and maximum hours provision of the Federal Fair Labor Standards Act.
9. The SUBRECIPIENT shall comply with all applicable federal and state non-discrimination laws, regulations, and policies. No person shall, on the grounds of age, race, color, sex, religion, national origin, marital status, or disability (physical or mental) be denied the benefits of, or otherwise be subjected to discrimination under any project, program, or activity, funded, in whole or in part, under this Agreement (as required by Executive Orders 11246, 11375, 41 CFR Part 60-1.4(b), the provisions of which are incorporated herein by reference). A violation of this provision is a material breach and cause for termination under Section 17.0 of this Agreement.
10. The SUBRECIPIENT shall utilize certified minority-owned and women-owned businesses (MWBE's) to the maximum extent possible in the performance of this Agreement.
11. Reserved
12. The SUBRECIPIENT and its contractors, subcontractors and other employers providing work, labor or materials as a result of the application are subject employers under the Oregon Workers' Compensation Law. All employers, including SUBRECIPIENT, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its

Subcontractors complies with these requirements. This shall include Employer's Liability Insurance with coverage limits of not less than \$100,000 for each accident.

13. Reserved

14. Reserved

15. Subrecipients will comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5).

16. Notice of awarding agency requirements and regulations pertaining to reporting. – Reporting requirements: The Subrecipient will submit a Quarterly Project Status Report (OEM Form) on all Large projects to OEM on a 3-month interval. OEM will submit quarterly progress reports to FEMA that will contain the status of all large projects that have not received final payment. The first quarterly report will be submitted on a quarterly schedule mutually agreed upon between FEMA and OEM. Quarterly reports after that date will be due in OEM by July 15, October 15, January 15 and April 15.

17. Subrecipient will comply with all applicable standards, orders or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Air Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

18. Subrecipient shall comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conversation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

#### 21.0 OWNERSHIP OF PROJECT/CAPITAL FACILITIES

OEM makes no claim to any capital facilities or real property improved or constructed with funds under this Agreement, and by this grant of funds does not and will not acquire any ownership interest or title to such property of the SUBRECIPIENT.

#### 22.0 ACKNOWLEDGMENTS

The SUBRECIPIENT shall include language which acknowledges the funding contribution of the Federal Emergency Management Agency (FEMA) to the project in any release or other publication developed or modified for, or referring to the project.

#### 23.0 INSURANCE

The SUBRECIPIENT will comply with the insurance requirements of the Stafford Act, as amended, and obtain and maintain any other insurance as may be reasonable, adequate, and necessary to protect against further loss to any property which was replaced, restored, repaired or constructed with this assistance.

24.0 SEVERABILITY

If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions and applications of this Agreement shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.

25.0 HEADINGS

The section headings in this Agreement are included for convenience only, do not give full notice of the terms of any portion of this Agreement and are not relevant to the interpretation of any provision of this Agreement.

26.0 AGREEMENT ADMINISTRATION

The Parties' representatives for purposes of this Agreement are:

For SUBRECIPIENT:

NAME *TERRY UNGRICH*  
TITLE *MAYOR/MANAGER City of Falls City*  
ADDRESS *299 Mill St. Falls City, OR 97344*  
CITY *FALLS CITY*  
Phone: *(503) 787-4000*  
Fax: *(503) 787-3023*

For OEM:

Clint Fella  
Alternate Governor's Authorized Representative  
Office of Emergency Management  
P. O. Box 14370  
Salem, OR 97309-5062  
Phone: (503)378-2911, ext 22227  
Fax: 503-373-7833

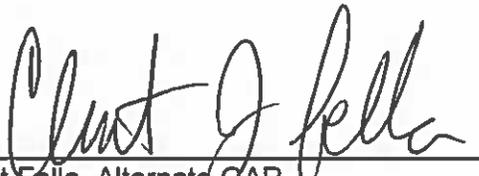
Notices under this Agreement shall be given in writing by personal delivery, facsimile, email or by regular or certified mail to the person identified in this Section, or to such other person or at such other address as either party may hereafter indicate pursuant to this section. Any notice delivered personally shall be deemed received upon delivery. Notice by facsimile shall be deemed given when receipt of the transmission is generated by the transmitting machine. Notice by email is deemed received upon a return email or other acknowledgment of receipt by the receiver, and notice by certified or registered mail is deemed received on the date the receipt is signed or delivery is refused by the addressee.

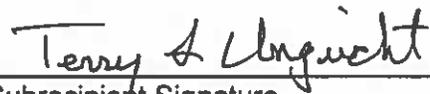
27.0 ENTIRE AGREEMENT

This Agreement, when combined with one or more completed Project Worksheets, sets forth the entire agreement between the parties with respect to the subject matter hereof. Except for the completion of Project Worksheets, any additional terms and conditions imposed by the Federal Emergency Management Agency or OEM will be incorporated into a written amendment to this Agreement. Commitments, warranties, representations and understandings or agreements not contained, or referred to, in this Agreement with

completed Project Worksheets or written amendment hereto shall not be binding on either party. Except as may be expressly provided herein, no alteration of any of the terms or conditions of this Agreement will be effective without the written consent of both parties.

IN WITNESS WHEREOF, OEM and the SUBRECIPIENT have executed this Agreement as of the date and year written below.

  
Clint Fella, Alternate OAR  
Office of Emergency Management  
Date:

  
Subrecipient Signature  
Printed Name: TERRY L. LINGRICHT  
Title: MAYOR/MANAGER  
Date: 05/04/2016

APPROVED  
FOR LEGAL SUFFICIENCY

SUBRECIPIENT - PLEASE PRINT THE  
FOLLOWING TO EXPEDITE PROCESSING

Cynthia Byrnes  
Assistant Attorney General  
By Email  
DATE:

Federal Tax ID No. (TIN): 93-6002162

DUNS #: 039043695

Organization: City of Falls City

Office of Emergency Management  
P. O. Box 14370  
Salem, OR 97309-5062  
CFDA: 97-036

Address: 299 Mill St. Falls City, OR 97344

Phone: (503) 787-3631

31

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## AGENDA REPORT

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**TO:** CITY COUNCIL  
**FROM:** MAYOR TERRY UNGRICHT  
**SUBJECT:** IFA FINANCING CONTRACT  
**DATE:** 05/16/2016

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### **SUMMARY**

Falls City applied for funding to help with the income survey of the City's wastewater users.

### **BACKGROUND**

Staff has been working the Oregon Infrastructure Finance Authority for permission to perform an income survey of our wastewater users. During conversations with IFA we identified help with the financing of the survey.

Staff estimates the cost of the survey to run around \$6000.00, this funding source, if accepted by Council, will reimburse the City up to \$2,360.00, lowering the City's expenses down to around \$3700.00.

### **PREVIOUS COUNCIL/COMMITTEE ACTION**

City staff has reported on applying for funding.

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

This will reduce our portion of funding the income survey.

### **STAFF RECCOMENDATION**

Accept Resolution entering into agreement.

### **EXHIBIT**

Exhibit A – IFA Financing Contract

### **PROPOSED MOTIONS**

I move the City Council of the City of Falls City approve Resolution 10-2016 A Resolution entering into a Finance Contract with the State of Oregon Infrastructure Finance Authority for a grant of \$2,360.00 to be used towards an income survey.

**RESOLUTION 10 - 2016**

A RESOLUTION AUTHORIZING A CONTRACT BETWEEN THE CITY OF FALLS CITY AND THE STATE OF OREGON INFRASTRUCTURE FINANCE AUTHORITY.

**FINDINGS:**

1. The City of Falls City desires to accept a contract with the Infrastructure Finance Authority to help with funding an income survey for the users of the city's wastewater system.

NOW THEREFORE;

THE COMMON COUNCIL OF THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1. The contract, which is attached hereto and incorporated herein by this reference is hereby approved and adopted by this Resolution.

Section 2. This Resolution was duly PASSED and ADOPTED by the Falls City Council this Ninth (9) day of September, 2016, and takes affect upon signing by the Mayor.

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Terry Ungricht, Mayor

Attest:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Domenica Protheroe, City Clerk

**INTERGOVERNMENTAL GRANT AGREEMENT No. C2016099**

**Title: 2016 Income Survey Reimbursement Contract**

As authorized by ORS 190.110 and 285A.098(1)(c) and (d), this Grant Agreement (“Agreement”) is between the State of Oregon acting by and through its Oregon Infrastructure Finance Authority (“IFA”) and the City of Falls City (“City”). IFA and City (each a “party” and together the “parties”) may be contacted at the address(es) or number(s) below:

IFA Contact		City Contact	
Project Contact:	Ed Tabor	Project Contact:	Terry Ungricht
Title:	Finance Officer	Title:	Mayor / Manager
Address:	775 Summer Street NE Suite 200 Salem OR 97301-1280	Address:	299 Mill Street Falls City OR 97344-9800
Phone:	503-986-0139	Phone:	503-787-3631
Email:	<a href="mailto:edward.tabor@oregon.gov">edward.tabor@oregon.gov</a>	Email:	<a href="mailto:mayorungricht@fallscityoregon.gov">mayorungricht@fallscityoregon.gov</a>

- 1. Effective Date and Duration.** This Agreement becomes effective on the date every party has signed it, and in the case of IFA, IFA has obtained the approval of the Oregon Department of Justice (“Effective Date”). Unless amended, terminated or extended, this Agreement expires when City’s completed performance has been accepted by IFA or 31 October 2016, whichever occurs first.
- 2. Grant Award, Payment Terms.** IFA will make grant payments to City up to \$2,360, to be disbursed to City following execution of this Agreement and in accord with the schedule and requirements in Exhibit A.
- 3. Amendments.** Unless otherwise expressly provided in this Agreement, the terms of this Agreement may only be extended or amended by written instrument signed by both parties.
- 4. Representations, Warranties.** City represents and warrants to IFA that:

City is a municipality duly organized and validly existing under Oregon law. City has the power and authority to enter into and perform this Agreement.

The making and performance by City of this Agreement (a) has been duly authorized by all necessary action of City, (b) does not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of City’s charter or other organizational document and (c) does not and will not result in the breach of, or constitute a default of, or require any consent under, any other agreement or instrument to which City is party or by which City may be bound or affected. No further authorization, consent, license, approval of, or filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by City of this Agreement.

This Agreement has been duly executed and delivered by City and constitutes a legal, valid and binding obligation of City enforceable in accordance with its terms.

- 5. Records Maintenance; Access.** Contractor will maintain all fiscal records relating to this Contract in accordance with generally accepted accounting principles. In addition, Contractor will maintain any other records pertinent to this Contract in such a manner as to clearly document Contractor’s performance. Contractor acknowledges and agrees that IFA and the Oregon Secretary of State’s

Office and their duly authorized representatives have access to such fiscal records and other books, documents, papers, plans and writings of Contractor that are pertinent to this Contract to perform examinations and audits and make excerpts, transcripts or copies. Contractor will retain and keep accessible all such fiscal records, books, documents, papers, plans, and writings for a minimum of six (6) years, or such longer period as may be required by applicable law, following final payment and termination of this Contract, or until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever date is later.

6. **Termination.** This Agreement may be terminated immediately by mutual written consent of both parties, or by either party 30 days after the other party receives written notice. All duties and obligations of both parties under this Agreement cease at that time except outstanding accounting and reporting obligations. Under any event of termination, City shall return, or cause the return of, any funds disbursed by IFA which are not spent or obligated for the purpose of this Agreement, within 30 days of termination.

7. **City Defaults and IFA Remedies.** City will be in default upon the occurrence of any of the following events:

City fails to perform, observe or discharge any of its covenants, agreements or obligations under this Agreement.

Any representation, warranty or statement made by City in this Agreement or in any documents or reports relied upon by IFA to measure the delivery of services, the expenditure of funds or the performance by City is untrue in any material respect when made.

City (a) applies for or consents to the appointment of, or taking of possession by, a receiver, custodian, trustee, or liquidator of itself or all of its property, (b) is adjudicated bankrupt or insolvent, or liquidated or dissolved.

In the event City is in breach, IFA may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to: (a) immediate termination of this Agreement, notwithstanding Section 7, (b) requiring repayment of the grant and all interest earned by City on those grant funds, (c) reducing or withholding payment for obligations or duties that City failed to deliver within any scheduled completion dates or has performed inadequately or defectively, (d) requiring City to perform, at City's expense, additional work necessary to satisfy its performance obligations or meet performance standards under this Agreement, (e) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief, or (f) exercise of its right of recovery of overpayments under this Agreement or setoff, or both. These remedies are cumulative to the extent the remedies are not inconsistent, and IFA may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.

8. **IFA Default and City Remedy.** IFA will be in default if it fails to pay City pursuant to the terms of this Agreement, and IFA fails to cure within 30 business days after receipt of City's notice, or such longer period of cure as City may specify in such notice. City's remedy will be limited to injunction, special action, action for specific performance, or other available equitable remedy for performance of Agency's obligations.

9. **Funds Available and Authorized, Non-appropriation.** IFA has sufficient funds currently available and authorized for expenditure to finance the costs of this Agreement within IFA's biennial appropriation or limitation. Payment of funds by IFA is contingent on IFA receiving appropriations, limitations, allotments or other expenditure authority sufficient to allow IFA, in the exercise of its reasonable administrative discretion, to continue to make payments in accordance with the terms of

this Agreement, and notwithstanding anything in the Agreement, occurrence of such contingency does not constitute an event of default.

10. **Notices.** Except where otherwise expressly provided in this Agreement, any notices to be given hereunder shall be given in writing by personal delivery, mail (postage prepaid), or email at the address set forth on page 1 of this Agreement, or to such other addresses either party may hereafter indicate. Any notice so addressed and mailed will be deemed to be given five (5) days after mailing. Any notice by personal delivery shall be deemed to be given when actually delivered. Any such notice delivered by email will be effective on the day the transmitting machine generates a receipt of successful transmission, if transmission was during the normal business hours of the City, or on the next business day, if transmission was outside the normal business hours of the City. To be effective against a party, any such notice transmitted by email must be confirmed by telephone notice to that party.
11. **Indemnification of IFA.** *To the extent authorized by law, City shall defend (subject to ORS chapter 180), indemnify, save and hold harmless IFA and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and attorneys' fees incurred related to any actual or alleged act or omission by City, or its employees, agents or contractors; however, the provisions of this section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.*
12. **Disclaimer of Warranties; Limitation of Liability.** City agrees that:
  - (1) IFA makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any authorized use of these grant funds, or any other warranty or representation.
  - (2) In no event are IFA or its agents liable or responsible for any direct, indirect, incidental, special, consequential or punitive damages in connection with or arising out of this Agreement or the existence, furnishing, functioning or City's use of these grant funds.
13. **Successors in Interest.** The provisions of this Agreement are binding upon and inure to the benefit of the parties, and their authorized successors and assigns.
14. **Third-party Beneficiaries.** IFA and City are the only parties to this Agreement and entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or may be construed to give any direct or indirect benefit or right to third persons unless such third persons are individually identified by name and expressly described as intended beneficiaries of this Agreement.
15. **Choice of Law; Designation of Forum; Federal Forum.** The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county).

Notwithstanding the paragraph above, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

16. **Merger Clause.** This Agreement constitutes the entire agreement between the parties on the subject matter hereof. No waiver or consent regarding any of the terms of this Agreement will bind either party unless in writing and signed by the party against whom such waiver or consent is sought to be enforced. Such waiver or consent will be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. All parties, by the signature below of their authorized representatives, hereby acknowledge that they have read this Agreement, understand it and agree to be bound by its terms and conditions.
17. **Severability.** The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the parties are to be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
18. **Survival.** All rights and obligations cease upon termination or expiration of this Agreement, except for such Sections that by their terms are meant to survive. Termination will not prejudice any rights or obligations accrued to the parties prior to termination.
19. **Time of the Essence; Force Majeure.** Time is of the essence in the performance of each and every obligation and duty under this Agreement. Neither Party is responsible for any failure to perform or any delay in performance of any obligations under this Agreement caused by fire, civil unrest, labor unrest, natural causes, or war which is beyond that Party's reasonable control.
20. **Neutral Construction.** This Agreement has been negotiated with each party having the opportunity to consult with legal counsel and will be construed without regard to which party drafted all or part of this Agreement.
21. **Counterparts.** This Agreement may be executed in several counterparts, all of which when taken together constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of the Agreement so executed constitutes an original.



STATE OF OREGON  
acting by and through its  
Oregon Infrastructure Authority



CITY OF FALLS CITY

By: \_\_\_\_\_  
Robert Ault, Manager  
Program Services Division

By: \_\_\_\_\_  
Terry Ungricht, Mayor / Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:  
Not Required per OAR 137-045-0030

## EXHIBIT A - INTERGOVERNMENTAL AGREEMENT No. C2016099

### Background, Purpose

The City currently does not qualify for a Community Development Block Grant based on current American Communities Survey data regarding low-to-moderate income households or the lack of such data. The City has requested financial assistance to conduct an income survey to challenge the ACS data and/or to establish an accurate LMI data figure. With IFA assistance, the City will be able to afford to conduct the survey, with the intention of providing proof their community is above 51% LMI and thus above the eligible qualifying threshold for CDBG funding.

### Disbursement of Funds, Conditions / Activities / Deliverables

The IFA will reimburse City up to 100% of actual and necessary, direct expenses to conduct an income survey of its residents, or \$2,360, whichever is less. Reimbursement is subject to the following conditions:

1. The City must provide a copy of a third-party contract (and any other agreements) related to the Income Survey. The contract must include methodology development, conducting the actual survey, and tabulation and reporting of the results of the survey.
2. Prior to conducting the survey, the City must provide, and IFA must approve, the survey methodology, survey document, survey interviewer script and any and all outreach, publicity, advertising materials. For potential water and waste water projects, the City must also include a map of the services connections of the proposed project to identify the proposed project service area. The City must also provide, for IFA approval, any additional information that IFA reasonably requests.
3. The City must conduct the survey as described in the methodology.
4. The City must submit the tabulation and/or results of the survey.
5. The City is encouraged to describe planned expenses to IFA before paying for or incurring costs. The City must submit documentation of the expenses of the income survey for IFA's review and acceptance. All expenses are subject to IFA's approval, in its sole discretion.
6. The IFA must determine that the results of the survey meet US HUD standards for income surveys, which determination will not be unreasonably withheld.

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## AGENDA REPORT

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**TO:** COUNCIL  
**FROM:** MAYOR TERRY UNGRICHT  
**SUBJECT:** RESOLUTION 11-2016, VOLUNTEER COVERAGE  
**DATE:** 05/19/2016

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### **SUMMARY**

The City of Falls City carries workers compensation coverage for citizens that serve on City Government and for citizens that volunteer for events.

### **BACKGROUND**

During review of the City of Falls City insurance coverage with City/County Insurances Services (CIS) it was noted that Falls City has not updated the volunteer resolution dictating insurance coverage. CIS asked the City to review volunteer events and update the Resolution.

### **PREVIOUS COUNCIL ACTION**

The City of Falls City passed Resolution 2012-09.

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

N/A

### **STAFF RECCOMENDATION**

Staff recommends the City Council adopt the Resolution 12-2016

### **EXHIBIT**

Resolution 2012-09

### **PROPOSED MOTION**

I move the City Council of the City of Falls City approve Resolution 11-2016, a resolution updating volunteer insurance coverage and listing volunteer events.

**RESOLUTION NO. 11-2016**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FALLS CITY EXTENDING WORKERS' COMPENSATION COVERAGE TO VOLUNTEERS OF THE CITY OF FALLS CITY, AND REPEALING PRIOR RESOLUTIONS.**

WHEREAS, the City of Falls City elects the following:

Pursuant to ORS 656.031, workers' compensation coverage will be provided to the classes of volunteers listed in this resolution, noted on CIS payroll schedule, and verified at audit:

**Section 1. Public Safety Volunteers**

An assumed monthly wage \$1500.00 will be used for public safety volunteers in the following volunteer positions:

- a. Firefighter
- b. Emergency medical personnel
- c. Ambulance drivers

**Section 2. Volunteer boards, commissions, and councils for the performance of administrative duties.**

An aggregate assumed annual wage of \$2,500 will be used per each volunteer board, commission, or council for the performance of administrative duties. The covered bodies are:

- a. City Council
- b. Planning Commission
- c. Historic Landmarks Commission
- d. Public Works Committee
- e. Parks and Recreation Committee
- f. Budget Committee
- g. Economic Development Committee

**Section 3. Manual labor by elected officials.**

An assumed monthly wage of \$800 per month will be used for public officials for the performance of non-administrative duties other than those covered in paragraph 2 above:

List duties:

- a. Flagging
- b. Assist Public Works Employees
- c. Monthly set up of Council Chambers
- d. Assist with the City Wide Spring Clean Event
- e. Inspect of street signs

40

- f. Cleanup of the historic jail building

#### Section 4. Non-public safety volunteers

All non-public safety volunteers listed below will track their hours and Oregon minimum wage will serve as assumed wage for both premium and benefits calculations. CIS will assign the appropriate classification code according to the type of volunteer work being performed:

- a. Parks and recreation
- b. Public works

#### Section 5. Public Events

Volunteers at the following public events will be covered under workers' compensation coverage using verified hourly Oregon minimum wage as basis for premium and/or benefit calculation:

- a. City Wide Spring Clean
- b. 3<sup>rd</sup> of July Celebration
- c. Annual Easter Egg Hunt
- d. Annual SOLVE Cleanup Event

#### Section 6. Community Service Volunteers/Inmates

Court-mandated community service workers/inmates on work release may be covered for workers' compensation benefits by the sentencing court. Coverage will be determined prior to work inception and stipulated to in writing between the City of Falls City and the respective sentencing court. The sentencing court will keep track of their hours and have their assumed payroll reported in Class Code 7720V using Oregon minimum wage

#### 4. Other Volunteers

Volunteer exposures not addressed here will have workers' compensation coverage if, prior to the onset of the work provided that City of Falls City:

- a. Provides at least two weeks' advance written notice to CIS underwriting requesting the coverage
- b. CIS approves the coverage and date of coverage
- c. CIS provides written confirmation of coverage

City of Falls City agrees to maintain verifiable rosters for all volunteers including volunteer name, date of service, and hours of service and make them available at the time of a claim or audit to verify coverage.

**Section 8.** Resolution 2012-09 is repealed on the effective date of this resolution.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Falls City to provide workers' compensation insurance coverage as indicated above.

41

ADOPTED BY THE FALLS CITY COUNCIL ON THIS 9<sup>th</sup> day of June, 2016.

VOTE:            AYE\_\_\_\_            NAY\_\_\_\_            ABSTAIN\_\_\_\_            ABSENT\_\_\_\_

\_\_\_\_\_  
Terry Ungricht, Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Domenica Protheroe, City Clerk

\_\_\_\_\_  
Date

42

RESOLUTION NO. 2012-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FALLS CITY EXTENDING WORKERS' COMPENSATION COVERAGE TO VOLUNTEERS OF THE CITY OF FALLS CITY.

WHEREAS, the City of Falls City elects the following:

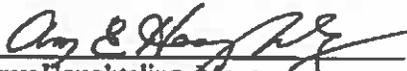
Pursuant to ORS 656.031, workers' compensation coverage will be provided to the classes of volunteers listed in this resolution and noted on CIS payroll schedule.

1. An assumed monthly wage of \$1500.00 will be used for public safety volunteers;
2. An aggregate assumed annual wages of \$2500.00 will be used per volunteer board, commission and/or council for the performance of administrative duties;
3. Non-public safety volunteers will keep track of their hours and have their assumed payroll reported in the correct class code listed on the CIS Payroll Schedule for the type of work being performed using the Oregon minimum wage;
4. Court-mandated community service workers/inmates on work release may be covered for workers' compensation benefits by the sentencing court. Coverage will be determined prior to work inception and stipulated to in writing between the City of Falls City and the respective sentencing court. The sentencing court will keep track of their hours and have their assumed payroll reported in Class Code 7720V using Oregon minimum wage;
5. A roster of active volunteers will be kept monthly for reporting purposes. It is acknowledged that CIS may request copies of these rosters during year-end audit; and
6. Unanticipated volunteer projects or exposure not addressed herein will be added onto the City of Falls City coverage agreement (1) by endorsement, (2) with advance notice to CIS, and (3) allowing two weeks for processing. It is hereby acknowledged that coverage of this type cannot be backdated.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Falls City to provide workers' compensation insurance coverage as indicated above.

PASSED AND ADOPTED by the Council of the City of Falls City this 10 day of May, 2012 by the following vote. AYES 5 NAYS 0 ABSTAINED 0 ABSENT 1

APPROVED by the Mayor this 10 day of May, 2012.

  
Amy Houghtaling, Mayor

ATTEST   
Domenica Protheroe, City Clerk

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## AGENDA REPORT

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**TO:** CITY COUNCIL  
**FROM:** MAYOR TERRY UNGRICHT  
**SUBJECT:** 2016 AUDIT CONTRACT  
**DATE:** 05/26/2016

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### **SUMMARY**

Falls City performs a yearly budget audit; this resolution will accept the contract between the City and Grove, Mueller, and Swank, PC for the 2016 Audit.

### **BACKGROUND**

Falls City uses Grove, Mueller, and Swank, PC as our yearly Auditor and the City is in the process of setting up the procedures and time for the 2016 Audit.

Staff has changed the procedures of retaining contracts; we now process all contracts with a resolution, this allows Council to be aware of all agreements, this will allow future Managers to be able to easily find past agreements/contracts, and help protect the City with State records retention regulations.

### **PREVIOUS COUNCIL/COMMITTEE ACTION**

N/A.

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

Not to exceed \$12,750.00, 2015 Audit costs were \$12,500.00 for 2015.

### **STAFF RECCOMENDATION**

Accept Resolution entering into agreement.

### **EXHIBIT**

Exhibit A – letter from auditor to Council

Exhibit B- Agreement

### **PROPOSED MOTIONS**

I move the City Council of the City of Falls City approve Resolution 12-2016 A Resolution entering into a Contract with Grove, Mueller, and Swank, PC for the 2016 Financial Audit.

**RESOLUTION 12 - 2016**

A RESOLUTION AUTHORIZING A CONTRACT BETWEEN THE CITY OF FALLS CITY AND GROVE, MUELLER, & SWANK, PC FOR THE YEARLY FINANCIAL AUDIT.

**FINDINGS:**

1. The City of Falls City desires to accept a contract with Grove, Mueller, and Swank, PC to perform the 2016 Financial Audit.

NOW THEREFORE;

THE COMMON COUNCIL OF THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1. The contract, which is attached hereto and incorporated herein by this reference is hereby approved and adopted by this Resolution.

Section 2. This Resolution was duly PASSED and ADOPTED by the Falls City Council this Ninth (9) day of September, 2016, and takes affect upon signing by the Mayor.

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Terry Ungricht, Mayor

Attest:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Domenica Protheroe, City Clerk



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

May 23, 2016

City Council  
City of Falls City  
299 Mill Street  
Falls City, Oregon 97344

We are pleased to confirm our understanding of the services we are to provide the City of Falls City (hereafter referred to as the City) for the year ending June 30, 2016. We will audit the modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ending June 30, 2016.

We have also been engaged to report on supplementary information, including certain schedules required by the State of Oregon, that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Combining fund statements
- 2) Individual fund budgetary schedules
- 3) Other financial schedules

Management's discussion and analysis accompanying the financial statements is considered other information and will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information.

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the City Council. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. Additionally, we will perform tests over the City's compliance with the Minimum Standards for Audits of Oregon Municipal Corporations. In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations we will prepare and sign the Summary of Revenues and Expenditures. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will also assist in preparing the financial statements of the City in conformity with the modified cash basis of accounting based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in

our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements and all accompanying information in conformity with the modified cash basis of accounting. You are responsible for including all informative disclosures that are appropriate for the modified cash basis of accounting. Those disclosures will include (1) a description of the modified cash basis of accounting, including a summary of significant accounting policies, and how the modified cash basis of accounting differs from GAAP; (2) informative disclosures similar to those required by GAAP; and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the modified cash basis of accounting. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the modified cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

**Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

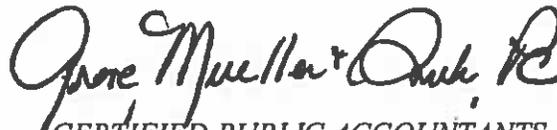
The audit documentation for this engagement is the property of Grove Mueller & Swank, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to authorized personnel or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grove, Mueller & Swank, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Devan W. Esch, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. To ensure that Grove, Mueller & Swank, P.C.'s independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fee for these services will not exceed \$12,750. Our invoices for these fees will be rendered as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you before we incur the additional costs.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

  
CERTIFIED PUBLIC ACCOUNTANTS

**RESPONSE:**

This letter correctly sets forth the understanding of the City of Falls City.

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Date

City of Falls City  
CONTRACT FOR SERVICES

THIS CONTRACT, made this 23<sup>rd</sup> day of May 2016, in accordance with the requirements of Oregon Revised Statutes 297.405 through 297.740 between Grove, Mueller & Swank, P.C., Certified Public Accountants of Salem, Oregon, and City of Falls City (the City), provides as follows:

It hereby is agreed that Grove, Mueller & Swank, P.C. shall conduct an audit of the accounts and fiscal affairs of the City, for the year beginning July 1, 2015, and ending June 30, 2016, in accordance with the Minimum Standards for Audits of Municipal Corporations as prescribed by law. The audit shall be undertaken in order to express an opinion upon the financial statements of the City, and to determine if the City has complied substantially with appropriate legal provisions.

Grove, Mueller & Swank, P.C. agrees that the services contracted to perform under this contract shall be rendered by or under personal supervision and that the work will be faithfully performed with care and diligence.

It is understood and agreed that, should unusual conditions arise or be encountered during the course of the audit whereby the services of Grove, Mueller & Swank, P.C. are necessary beyond the extent of the work contemplated, written notification of such unusual conditions shall be delivered to the City, who shall instruct in writing Grove, Mueller & Swank, P.C. concerning such additional services.

The audit shall be started as soon after this contract is executed as is agreeable to the parties hereto and shall be completed and a written report thereon delivered within a reasonable time, but not later than six months, after the close of the audit period covered by this contract (unless agreed to by both parties). Adequate copies of such report shall be delivered to the City, and its form and content shall be in accordance with and not less than that required by the Minimum Standards for Audits of Oregon Municipal Corporations.

It is understood and agreed that the City, is responsible for such financial statements as may be necessary to fully disclose and fairly present the results of operations for the period under audit and the financial condition at the end of that period.

In consideration of the faithful performance of the conditions, covenants, and undertakings herein set forth City of Falls City, hereby agrees to pay Grove, Mueller & Swank, P.C. the fee as described in the audit engagement letter dated May 23, 2016 and the City, hereby affirms that proper provision for the payment of such fee has been or will be duly made and that funds for the payment thereof are or will be made legally available.

  
\_\_\_\_\_  
Devan W. Esch  
Grove, Mueller & Swank, P.C.

\_\_\_\_\_  
Terry Ungricht, Mayor  
City of Falls City

5-24-2016  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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## AGENDA REPORT

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**TO:** COUNCIL  
**FROM:** MAYOR TERRY UNGRICHT  
**SUBJECT:** WAGNER TRUST FUND  
**DATE:** 05/18/2016

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### **SUMMARY**

Working on the 2016-17 budget some discrepancies on the balance of the Wagner Trust Fund came up.

### **BACKGROUND**

The Wagner Trust was terminated on March 13, 2014 to help fund the Public Library while the Library Board, City Council, and Falls City School Board looked for ways to keep the library open. The Library Board was tasked to work with other area Communities to set up a Library District that would self-fund Public Libraries.

Unfortunately, while there was interest from different Cities in working together to form a Library District the other Cities have withdrawn their interest. The Library Board is looking into setting up a District with in the Falls City School District boundaries. While I was drafting up the 2016-17 Budget it came to my attention that the City had possibly transferred more funds from the Wagner Fund then was spent out. The Exhibit explains where we are at in the fund and what I would like to set up for the next budget to protect these funds into the future.

### **PREVIOUS COUNCIL ACTION**

Motioned to petition the court to terminate the Wagner Trust. Joint meeting that resulted in the Wagner Library operating agreement with the Falls City School District.

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

Audit results in the city using General Fund revenue to pay \$22,442.52 of the contracted Librarian fees for 2016-17.

### **STAFF RECCOMENDATION**

N/A

### **EXHIBIT**

- 1) Letter on Wagner Trust Fund.
- 2) Resolution and agreement setting up Wagner Library Contract.

## WAGNER TRUST FUND

The Wagner Trust was terminated by Court Order on March 13, 2014 at 8:30 pm. There was an appeal of this court order so balance of funds was frozen until the appeal was heard. Money was held out of trust to fund the termination and appeal.

On June 18, 2014 there was a partial release of funds to the City of \$85,000.00, there was some funds held over until all legal costs were paid out. On September 4, 2014 there was the balance of the funds released to the City of \$29,708.62, this total closed out the Trust Fund. (Exhibit 1)

So there was a total of \$114,708.62 released to the City from the Trust, \$91,767 to the 80% fund and \$22,941.62 to the 20% fund.

Falls City received the trust funds during the transition from City Administer Mathieson who put the 2014-15 budget together before the release of funds, so the 14-15 figures were a best guess estimate. We then had an interim Manager that put the numbers together for the 2015-16 budget and was not familiar with all costs and terms of the fund. I noticed a problem when putting the 2016-17 budget together and went with the audited numbers until the 2016 audit, which is scheduled for the first part of August. I will recommend that we set this fund up in the 2017-18 budget as a special revenue fund; this will allow the combining of the 20% and 80% fund and to pay for Library services straight out of the fund, rather than transferring to the General fund. This will allow future managers to know exactly where the money can be spent and give an accurate accounting of the money spent for Library services. This will also allow for the protection of the library funds if Council and the School Board decide to temporarily close the Library, it will keep the funds targeted for re-opening a Library if the citizens do not accept funding a Library District, or if the Library Board decides not to pursue a Library District.

The June 2013 (before the closing of the fund) audited figures for 2012/2013 Budget year showed actual balances of \$96,385 and \$10,603 in each fund. In the 2014 Audit (after money had been released) the funds showed balances of \$168,258 and \$28,571. If the audited balance from 2013 is added to the released amount; 80% fund,  $96,385 + 91,767 = 188,152$ , 20% fund,  $10,603 + 22,941.62 = 33,544$ . The audited figures for 2015 shows a balance of 124,773 and 34,635.

So with no spending factored in, we are showing -\$63,419 in the 80% and +\$1091 to the 20% at the start of the 2016-17 budget year. Spending for the 2014-2015 budget year was 14,550.52 and spending for 2015-2016 budget year there is \$49,776.33 spent out to the School for a total of \$ 64,326.85. Subtracting the \$64,326.85 money spent in 2014-15 and 2015-16 from what should be in the fund,  $188,152 - 64,326.85 = 123,825.15 - 1091$ , credited to the 20%

=122,734.15, a difference of 2,038.85 to the starting balance of 124,773 of the 2015-16 budget document.

The starting balance should have been \$126,811.85 for the 2015-16 budget minus the spending for 15-16, \$49,776.33, giving a starting fund figure for 2016-17 of \$77,035.52 versus the 54,593 shown. The City owes the library fund \$22,442.52. The City will pay the first \$22,442.52 out of the General fund. Depending on the costs of librarian for this budget year, and paying the first \$22,442.52 out of the General, the starting figure for 2017-18 will be correct.

To recap, starting fund balance for the 80% fund should have been \$77,035.52 and the 20% fund stays at the 34,635. Combining the funds and setting up a special revenue fund for the 2017-18 budget will have a starting fund balance of  $\$77,035.52 + 34,635 = \$111,670.52$  minus funds spent this budget year above the \$22,442.52 owed.

**RESOLUTION 17-2014**

A RESOLUTION ADOPTING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FALLS CITY AND THE FALLS CITY SCHOOL DISTRICT FOR LIBRARY SERVICES.

**FINDINGS:**

1. The City of Falls City desires to continue to provide library services to the community.
2. The Falls City School District is willing to provide management for library services.
3. It is in the best interest in the community to partner with the Falls City School District to maintain library services and seek solutions for the future of the library.

NOW THEREFORE,

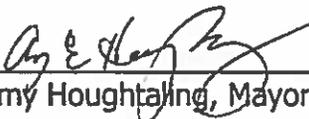
THE COMMON COUNCIL OF THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1. The intergovernmental agreement between the City of Falls City and the Falls City School District for Library Services, which is attached hereto and incorporated herein by this reference is hereby approved and adopted by this Resolution.

Section 2. This Resolution was duly PASSED and ADOPTED by the Falls City Council this fourteenth (14) day of August 2014, and takes effect upon signing by the Mayor.

Approved:

8/14/14  
Date

  
\_\_\_\_\_  
Amy Houghtaling, Mayor

Attest:  
8/14/14  
Date

  
\_\_\_\_\_  
Amber Mathiesen  
City Administrator/Recorder

## INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement is made between the Falls City School District, hereinafter FCSD or District, and the City of Falls City, hereinafter City, under ORS 190.010, to collaborate in the operation of a community library and to collaborate to form a library district based on a mutual understanding that this benefits the Falls City community. The intent is that within the term of this Agreement, a library district will be formed that will fully support the community library.

### FCSD and City hereby agree to the following:

1. Both parties will mutually agree on all applications for grants for the support and operation of the library.
2. Representatives from both parties will be involved in the hiring process for a FCSD employee to run the community library.
3. This Agreement is valid until five (5) years from the date of the signature of the documents, unless it is terminated earlier by the terms of the Agreement. If the library district is not formed within five (5) years from the date of this Agreement, the parties may agree to negotiate a new agreement.
4. The parties will establish a community library committee of up to eight (8) community members to serve as an advisory committee to City, FCSD and the community. The committee will have two (2) members appointed by FCSD and two (2) members appointed by City. Up to four (4) community members will be selected through the following process: applications will be submitted for the advisory board, FCSD and City will review the applications and jointly appoint the members.

### Duties and Responsibilities of FCSD:

1. FCSD will assist in the formation of a library district.
2. FCSD will hire a school district employee for a .8 position. City will be allowed feedback in the employee review process. The District will provide .55 of the employee's time to fill the community library position, and the remaining .25 of the employee's time will be in a District position. The District will maintain full rights and obligations as the employer in both positions.
3. FCSD will present the library job description to both the FCSD Board and the City Council, and both boards must approve the job description.
4. The FCSD Superintendent and/or his/her designee will supervise the library.
5. FCSD will provide space, utilities, insurance and custodial services for the term of this Agreement, or until termination of the Agreement.

54

6. FCSD will provide library reports to the FCSD Board and to the City.

**Duties and Responsibilities of City:**

1. The City will pay FCSD for .55 FTE of the school district employee's position. The 2014-15 rate will be \$28,534 which includes benefits. This amount will be paid in advance by no later than July 15 each year for the term of the Agreement. The rate each year will be adjusted based on the FCSD costs for the employee. If the Agreement is terminated prior to the end of the FCSD fiscal year, FCSD will return to City a pro-rated amount for the remainder of the year.

2. The City will pay for its share of the costs related to forming the library district from the Wagner Funds Trust subject to City Administrator approval.

3. The City will reimburse FCSD for all water and sewer service on a quarterly basis for the Wagner Community Library building. City will make a payment for these service costs to FCSD within 15 days of the end of each quarter.

**Compliance with Applicable Law:** Each party shall comply with federal, state and local laws applicable to public contracts and to the work done under this Agreement, and all regulations and administrative rules established pursuant to those laws.

**Indemnity and Hold Harmless:** To the extent permitted by Article 2, section 7, of the Oregon Constitution, and by the Oregon Tort Claims Act (ORS 30.260, et seq.), the District shall hold harmless the City and the District shall indemnify the City against any liability for damage to persons or property arising out of the negligent acts of the District or its agents or employees; provided, however, that the District shall not be required to indemnify the City for any such liability arising out of the intentional or wrongful acts of the District or its agents or employees or of the City or its agents or employees. Similarly, the City shall hold harmless the District and the City shall indemnify the District against any liability for damage to persons or property arising out of the negligent acts of the City or its agents or employees; provided, however, that the City shall not be required to indemnify the District for any such liability arising out of the intentional or wrongful acts of the City or its agents or employees or of the District or its agents or employees. In addition, the District shall have no liability for any damages or defense costs, including bodily injury, personal injury, or property damage caused by, resulting from, or arising out of the use of a firearm by any City employee, officer, or agent.

**Governing Law:** The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon. Any legal action involving any questions arising under this Agreement must be brought in the Polk County Circuit Court.

**Termination of Agreement:**

1. **No Cause.** Either party may terminate this Agreement in writing with one year's notice.

55

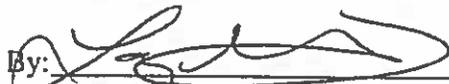
2. For Cause. Either party may terminate this Agreement with 30 days' written notice in writing that the other party has violated the terms of this agreement and a statement of the terms violated.

3. Subject to Available Funding. The City understands and agrees that the District's payment of amounts of money under this Agreement is contingent on the District receiving sufficient revenue to allow the District, in the exercise of its reasonable policy and administrative discretion, to continue to make payments under this Agreement. Likewise, the District understands that the City's payment of amounts of money under this Agreement is contingent on the City receiving sufficient revenue or funds from the Wagner Fund to allow the City, in the exercise of its reasonable policy and administrative discretion, to continue to make payments under this Agreement. Either party may terminate this agreement based on insufficient revenue with 30 days' written notice.

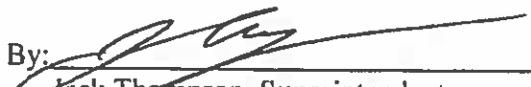
4. Unanticipated Event or Emergency of FCSD. In the event FCSD determines the library space is required by FCSD for additional unanticipated instructional space, or is not available based on an unanticipated event or emergency, it has the right to unilaterally terminate this Agreement with at least ten (10) days' notice. An unanticipated event could be, but is not limited to, a change in building codes, or requirement of state or federal laws that require modification of building space. An emergency could be, but is not limited to, an event such as fire, flood, pipes breaking, weather damage, etc.

**AGREED:**

**Falls City School District**

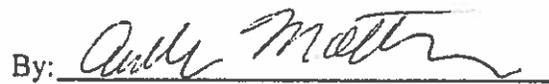
By:   
Larry Stokles, Board Chair

Dated: 8-19-14

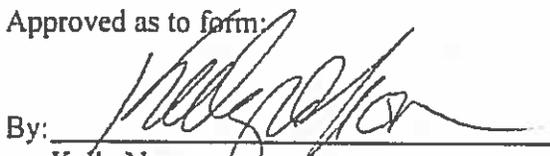
By:   
Jack Thompson, Superintendent

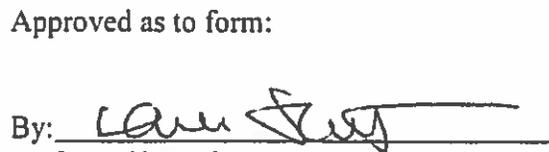
Dated: 8-19-14

**City of Falls City**

By:   
Andy Matton, City Administrator

Dated: 8/25/14

Approved as to form:  
By:   
Kelly Noor  
Attorney for Falls City School District

Approved as to form:  
By:   
Lane Shetterly  
City Attorney

56

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## AGENDA REPORT

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**To:** City Council  
**From:** Mayor Terry Ungricht  
**Subject:** Resolution 13-2016, Contract with MWV-COG  
**Date:** June 1, 2016

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### Summary

Falls City contracts with Mid-Willamette Valley Council of Governments for the City's Land Use planning. The Contract runs from July through June for two years.

### BACKGROUND

Small Cities in Oregon have not had the resources to hire their own Land Use Planners. MWV-COG offers small cities the ability to contract with a professional Land Use Planner, Falls City has taken advantage of this resource for many decades.

The contract calls for a \$2.00 increase from \$77.00 to \$79.00 for land use planning and from \$48.00 to \$50.00 for secretarial duties. With the raise of dues we are being offered a two year contract instead of the usual one year and still offered preparation of grant applications for planning at no cost.

### Previous Council Action

N/A

### ALTERNATIVES/FINANCIAL IMPLICATIONS

This contract creates a way for the City to afford professional land use planning. The cost raises \$2.00 an hour that is usually passed on to the applicant.

### STAFF RECOMMENDATION

Adopt Resolution.

### EXHIBITS

Resolution 13-2016 and attachment A.

### PROPOSED MOTIONS

I move that the City Council of the City of Falls City adopt resolution <sup>13-2016</sup>~~08-2015~~, A RESOLUTION ESTABLISHING A CONTRACT FOR LAND USE PLANNING SERVICES WITH MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS.

57

RESOLUTION 13-2016

A RESOLUTION ESTABLISHING A CONTRACT BETWEEN THE CITY OF FALLS CITY AND MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS ESTABLISHING LAND USE PLANNING SERVICES.

Findings:

1. The City of Falls City does not have a staff person trained in Land Use Planning.
2. The City of Falls City has contracted with Mid-Willamette Valley Council of Governments for planning services in the past.
3. This contract is a two year contract that increases the cost from \$77.00 to \$79.00.

NOW THEREFORE, THE COMMON COUNCIL OF THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:

Section 1. The revised Contract between The City of Falls City and Mid-Willamette Valley Council of Governments for Land Planning Services is adopted to reflect the time period and terms specified under Exhibit A, Land Use Planning Services.

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Terry Ungricht, Mayor

Attest:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Domenica Protheroe, City Clerk

## CONTRACT

### LAND USE PLANNING SERVICES

THIS AGREEMENT is made and entered into this 1st day of July, 2016 by and between the CITY OF Falls City, OREGON, a municipal corporation ("CITY"), and the MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS ("COG"), a voluntary intergovernmental association created by charter and Agreement pursuant to ORS Chapter 190 of which CITY is a member.

### WITNESSETH:

IN CONSIDERATION of the mutual premises and stipulations set out below, the CITY and COG do hereby agree as follows:

#### A. COG Responsibilities

1. COG shall provide an experienced land use planner to assist the CITY in processing land use actions, zone code revisions and other related activities which may be requested by the CITY.
2. COG shall provide to CITY mapping, graphics and document production services related to work requested by CITY under paragraph A.1.
3. COG shall provide monthly billing statements.

#### B. CITY Responsibilities

1. CITY agrees to engage COG as a provider of land use planning consulting services.
2. CITY agrees to pay for land use planning services under paragraph A.1. at a rate of \$79.00 per hour for a land use planner or GIS mapping analyst and \$50.00 per hour for staff support assistance, plus mileage at the IRS mileage rate for travel related to providing said services.
3. CITY agrees to pay the actual cost of mapping, graphics and document production provided under paragraph A.2.
4. CITY shall review, process and pay COG's monthly invoices within 30 days of receipt.
5. CITY shall designate a key contact person through which all requests for services will come and with whom the activities of COG's land use planner will be coordinated.

59

C. COG Services Provided Without Additional Compensation

1. COG shall provide advice and assistance to CITY with grant and loan applications for financing of public improvements at no additional charge except in those instances when such work may be eligible for compensation from the granting agency.
2. COG shall prepare documentation and applications for funding for additional planning projects on behalf of CITY.
3. COG shall refer CITY to other available resources that may be available to address needs of CITY upon request.

D. Termination and Amendment

1. This Agreement shall be terminated on June 30, 2018 unless otherwise agreed to by COG and CITY by amendment to this Agreement.
2. This Agreement may be terminated for convenience by either party upon written notice of 30 calendar days.
3. This Agreement may be amended only by written agreement executed between the parties.

E. Independent Contract

1. The CITY has engaged COG as an independent contractor for the accomplishment of a particular service. Neither party, nor the officers and employees of either party shall be deemed the agents or employees of the other party for any purpose.

F. Limited Warranty

1. CITY agrees to seek and rely exclusively on the advice of its own legal counsel as to the legal sufficiency of the land use planning process and its products. The parties expressly recognize that the review process involves political and legal judgment entirely within the control and authority of the CITY. COG's only obligation is to provide advice from the perspective of land use planning principles, and not legal or political counsel.
2. In no event shall COG be liable for indirect or consequential damages of any nature. In no event, regardless of theory of recovery, shall COG be liable for any damages in excess of the amounts actually paid by CITY to COG under Paragraph B. hereof.

60

3. CITY agrees to provide a representative to present the CITY's viewpoint at public hearings regarding a dispute between the CITY and the County or another city. COG will provide support and information as appropriate (including research and staff reports) to aid the CITY in making its arguments.

IN WITNESS WHEREOF, COG and the CITY have, by approval of their respective governing bodies, caused this Agreement to be executed as of the day and year aforesaid.

**MID-WILLAMETTE VALLEY  
COUNCIL OF GOVERNMENTS**

**CITY OF Falls City**

By: \_\_\_\_\_  
Nancy J. Boyer, Executive Director

By: \_\_\_\_\_

61

**Mayor's Report,  
June 9, 2016 Council Meeting**

The 2016 Audit is scheduled to begin on August 8; staff will be busy working on providing all of the requested information.

I have been in contact with Polk County Public Works and they are offering their services to help in the application process for the FEMA grant. This will be a huge help, they have a lot more experience in the FEMA rules and procedures than I do. It will still be a long process; their offer of help gives me confidence that we will remove the Dutch Crossing as a problem area.

I was working on a source of funding to replace the Dayton Street Bridge, but unfortunately it didn't come through. I will make sure that the bridge is covered in the Master Water Plan for a source of funding; it carries our sewer and water line across the river. Once we have a City Engineer on board I hope to generate more ideas on how to replace this critical structure.

On the City Engineer process; we received six proposals and are hoping to have the review panel meet before this Council meeting. Key word is hope, the holiday, graduation; beginning of summer fun has left everyone scrambling for the time needed to score the proposals. We want to take the proper time to have a solid recommendation for Council to act on.

I have received bids on the South Main Street over-lay, it came in lower than I expected. Staff is working on getting all of the particulars ironed out and hopes to have this scheduled for some time in July or August. We might have an opportunity to have citizens contact the successful bidder if they would like to do their driveways or other paving needs at a cheaper rate while the contractor has equipment on site. Also while the paver is in town I will have them bid out resurfacing the basketball court.

I met with Sheriff Garton about what the Department can do when it comes to our nuisance codes. We felt that it was best if he took a copy and checked for corresponding State laws. They will be able to cite for State violations, but until we set up a court he cannot cite for our code. We had a volunteer with a criminal justice degree help in drafting a document to start negotiations with Dallas on contracting our Court services. I hope to have an update on where we are at the meeting.

Staff has forwarded a list of our wastewater users for PSU to go over. We should be scheduling a meeting to see what other information they will need for us to collect. Once we have a good customer contact list we will set up a meeting on the procedures we will want to do for the income survey. I am still hoping to have this done and approved by IFA and HUD for next year's round of CDBG funding.

## MONTHLY EXPENSE REPORT

### MAYOR UNGRICHT

05/02/2016:	20 Miles, Dallas, Meeting on SW Fire.
05/04/2016:	64 Miles, Corvallis, Edge Lab and Bank.
05/04/2016:	54 miles, Salem, Ferguson Water Works and Bank.
05/05/2016:	25 Miles, Monmouth, Bank.
05/06/2016:	25 Miles, Monmouth, Bank.
05/13/2016:	25 Miles, Monmouth, Bank.
05/17/2016:	25 Miles, Monmouth Bank.
05//20/2016:	45 Miles, Monmouth/Dallas, Bank, DMV.
05/24/2016:	28 Miles, Independence, SIT resource training.
05/26/2016:	25 miles, Monmouth, Bank.
05/27/2016:	20 Miles, Dallas, Polk County Breakfast.
Total miles,	356 x \$0.54 = \$192.24

Public Works Staff Report May, 2016

Monday, 4/25 Clean UV system, preparation for electrical work at the WWTP, did physical shut to city customers.

Tuesday, 4/26 Meter reading.

Wednesday, 4/27 Meter rereads, working with Valley Electric WWTP.

Thursday, 4/28 Went into Dallas parts for mowers and generator, graded roads, W/O shut off 810 Parry Rd.

Friday, 4/29 W/O 942 Parry Rd., 435 Terrace St., leak check 200 Church St., upper park maintenance.

Saturday, 4/30 Called out water main brake on Fairview St. routine water and sewer.

Sunday, 5/1 Routine water and sewer, repair water main brake.

Monday, 5/2 Mowed city grounds, W/O 100 Central Blvd., 500 Woods, leak check

Tuesday, 5/3 Repaired broken water main on Parry Rd.

Wednesday, 5/4 Generator maintenance, Dallas for fuel.

Thursday, 5/5 Water and sewer samples, upper park maintenance.

Friday, 5/6 Dallas, tier repair, State reports waste water.

Saturday, 5/7, Sunday, 5/8 Routine water and sewer.

Monday, 5/9 Cemetery, maintenance.

Tuesday, 5/10 Clean Glaze Cr. Intake, cemetery maintenance.

Wednesday, 5/11 Lower park, bark dust.

Thursday, 5/12 Repair water service, Montgomery St.

Friday, 5/13 Mowed parks, city ground.

Saturday, 5/14, Sunday, 5/15 Routine water and sewer.

Monday, 5/16 upper park maintenance, pump septic tank, 360 South Main, had to replace pump, deliver shut off notices.

Tuesday, 5/17 Meeting with HBH water master plan, 360 South main, had to do some electrical work.

Wednesday, 5/18 Weed eat, around meter boxes.

Thursday, 5/19 Weed eating, did physical shut offs.

Friday, 5/20 upper park maintenance.

Saturday, 5/21, Sunday, 5/22 Routine water and sewer.

Monday, 5/23 Mowing, cemetery, city grounds and parks.

Tuesday, 5/24 Meter reading, town for gas.

Wednesday, 5/25 Meter rereading, rereads.

Thursday, 5/26 High consumption, PR work for city water customers.

Friday, 5/27 Park maintenance, went L and L Equipment mower parts and repair.

Saturday, 5/28, Sunday, 5/29 Routine water and sewer.

Monday, 5/30 Holiday, routine water and sewer.

Tuesday, 5/31 Clean Glaze Cr. Intake, clean Teal Cr. Intake getting ready to switch over to Teal Cr.