

AGENDA

REGULAR CITY COUNCIL MEETING

June 10, 2013

5:30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. Certificate of Recognition to Jim Wilcox
 - B. Certificate of Recognition to Doug Leash
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.
7. CITY MANAGER REPORT
8. CITY ATTORNEY REPORT
9. CITY COUNCIL REPORTS

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles"

10. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

- A. Approval of May 13, 2013 Regular City Council Meeting Minutes
- B. Approval of May 6, 2013 Town Hall Meeting Minutes
- C. Approval of May 21, 2013 Special City Council Meeting Minutes

11. PUBLIC HEARINGS

- A. Public Hearing to Receive Testimony Regarding Proposed Uses of State Shared Revenue [**Agenda Staff Report #13-035**]
 - 1. Resolution No. 13-018 Electing to Receive State Revenues for Fiscal Year 2013-14
- B. Public Hearing to Receive Testimony Regarding Proposed 2013-14 Fiscal Year Budget [**Agenda Staff Report #13-038**]
 - 1. Resolution No. 13-019 Adopting the 2013-14 Fiscal Year Budget for the City of The Dalles, Making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget

12. ACTION ITEMS

- A. Approval of Five Year Airport Management Agreement With Aeronautical Management Inc. [**Agenda Staff Report #13-037**]
- B. Resolution No. 13-020 Providing Worker's Compensation Insurance Coverage for City of The Dalles Police Reserve Volunteers [**Agenda Staff Report #13-036**]
- C. Resolution No. 13-021 Providing Worker's Compensation Insurance Coverage for City of The Dalles Volunteers [**Agenda Staff Report #13-036**]
- D. Approval of New Management Analyst/Legal Counsel Position [**Agenda Staff Report #13-040**]
- E. Approval of Annual Insurance Renewals [**Agenda Staff Report #13-041**]

13. DISCUSSION ITEMS

- A. Discussion Regarding Funding of Street Maintenance Program [**Agenda Staff Report #13-039**]

14. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk

_____

CERTIFICATE OF RECOGNITION

issued to

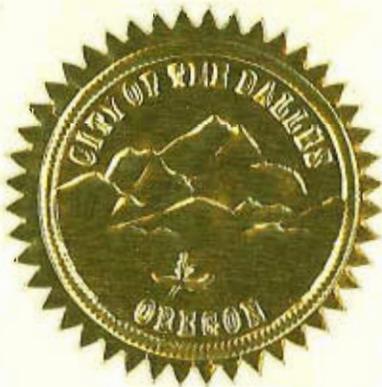
Jim Wilcox

This Certificate is issued in recognition of your 2013 Distinguished Service Award by the Oregon Association of Realtors.

Your award deserves special recognition and you are commended for your work within your professional association and for the many contributions you make in our community.

On behalf of the City Council and the citizens of The Dalles, please accept our sincere congratulations for receiving the prestigious Distinguished Service Award and our thanks for your civic contributions to our community.

Dated this 10th day of June, 2013.



Stephen E. Lawrence, Mayor

Attest:

Julie Krueger, MMC, City Clerk

CERTIFICATE OF APPRECIATION

issued to

Doug Leash

This Certificate is issued in grateful appreciation of your faithful, creative and persistent work as a leader, worker and genius behind the rehabilitation and preservation of St. Peter's Landmark.

The community owes you a debt of gratitude beyond its ability to pay. Your work as decorator, painter, plumber, groundskeeper, bookkeeper, grant writer and inspirational leader over the years is a hallmark of volunteerism and an incredible example to us all.

On behalf of the City Council and the citizens of The Dalles, please accept our sincerest appreciation and thanks for your selfless dedication and work to preserve, protect and sustain St. Peter's Landmark so that it can be enjoyed by generations for years to come.

Dated this 10th day of June, 2013.



Stephen E. Lawrence, Mayor

Attest:

Julie Krueger, MMC, City Clerk



CITY of THE DALLES

313 COURT STREET
THE DALLES, OR 97058

PH. (541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 10, 2013	Consent Agenda 10, A - C	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk 

THRU: Nolan K. Young, City Manager

DATE: May 23, 2013

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

A. **ITEM:** Approval of May 13, 2013 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the May 13, 2013 regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the May 13, 2013 regular City Council meeting.

B. **ITEM:** Approval of May 6, 2013 Town Hall Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the May 6, 2013 town hall meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the May 6, 2013 town hall meeting.

C. **ITEM:** Approval of May 21, 2013 special City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the May 21, 2013 special City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the May 21, 2013 special City Council meeting.

MINUTES

REGULAR COUNCIL MEETING
OF
MAY 13, 2013
5:30 P.M.
THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Tim McGlothlin, Linda Miller

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Administrative Fellow Garrett Chrostek, Finance Director Kate Mast, Police Chief Jay Waterbury, Planning Director Dick Gassman, Engineer Dale McCabe

CALL TO ORDER

Mayor Lawrence called the meeting to order at 5:30 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; all Councilors present.

PLEDGE OF ALLEGIANCE

Mayor Lawrence invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Lawrence asked to add an Proclamation to the Agenda for Kids to Parks Day.

MINUTES (Continued)
Regular Council Meeting
May 13, 2013
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It was moved by Spatz and seconded by Dick to add the Proclamation to the agenda. The motion carried unanimously.

It was moved by Wood and seconded by Miller to approve the agenda as amended. The motion carried unanimously.

PRESENTATIONS/PROCLAMATIONS

Parenting Education Awareness Week Proclamation

Mayor Lawrence read a proclamation, declaring the week of May 19 through 25, 2013, as Parenting Education Awareness Week. Rebekah Stewart received the Proclamation on behalf of The Next Door Inc. She spoke about the need for young parents to take classes and to learn to be effective parents.

Kids to Parks Day Proclamation

Mayor Lawrence read a Proclamation, declaring May 18, 2013 as Kids to Parks Day in the Dalles. Christina Vergori, representing Child Care Partners, was in attendance to receive the Proclamation.

AUDIENCE PARTICIPATION

None.

CITY MANAGER REPORT

City Manager Young reported that notice had been received regarding the award of the housing rehabilitation grant funding.

CITY ATTORNEY REPORT

City Attorney Parker reported on his attendance at the City Attorney's conference and said he was watching legislation regarding telephone franchise fees.

Parker said he was proposing to issue citations for yard sale sign offenders after their first offense. He said the Codes Enforcement Officer would begin picking up illegally placed signs on Fridays and letters would go out, letting people know where they could place advertising.

Parker said press releases had also been sent to the media to explain where signs could be placed. He said one person had been cited into court, but the case was lost because he couldn't produce a witness who saw the person nailing the signs to the utility poles.

Councilor McGlothlin said he supported yard sales, but that it was not proper for people to post signs on someone else's property. He said people needed to be good stewards and remove their signs, and only place them on authorized sign boards. McGlothlin said repeat offenders should be fined or cited and that it was important to keep the City clean. He suggested adding a community sign board on the east side of the community.

CITY COUNCIL REPORTS

Councilor Wood said she had attended the QLife Agency meeting and another one was scheduled for the following week. She said she would be attending the Council of Governments meeting on May 28.

Councilor McGlothlin said he attended the Airport Board meeting and said the bids for the business park were ready to go out. He said the runway project was on track and the management agreement was prepared for renewal. McGlothlin said the Traffic Safety Commission was scheduled for May 15.

Councilor Dick said he attended the QLife Agency meeting. He said the budget process had gone well and it was a very successful program.

Councilor Spatz said he had attended the Gorge Gravity Games and had enjoyed the event. He expressed appreciation for City staff, especially Izetta Grossman, who had done so much to help with the project.

Mayor Lawrence said he had attended the Regional Solutions Conference, attended the City's Budget Committee meetings, toured the Orchard View Farms new processing plant, attended the opening of La Cabana Restaurant, presided over the Town Hall meeting, met with John Arens from Mid Columbia Council of Governments, attended the opening of the new dialysis center, attended the Community Outreach Team meeting and participated in the Gorge Gravity Games.

Councilor Wood asked if the Riverfront Trail project was nearing completion. City Manager Young said they were working on environmental and archaeological issues as they completed the design phase. He said the project was expected to be completed in 2014 and they were planning to end the trail at Highway 197 because of right of way issues.

MINUTES (Continued)
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CONSENT AGENDA

It was moved by Wood and seconded by Spatz to approve the Consent Agenda as presented. The motion carried unanimously.

Items approved by Consent Agenda were: 1) approval of April 22, 2013 regular City Council meeting minutes; 2) approval of April 22, 2013 Wastewater Treatment Plant Tour; 3) Resolution No. 13-017 concurring with the Mayor's appointments to various committees; and 4) authorization for City Clerk to endorse OLCC new outlet application for Skipper's.

ACTION ITEMS

Approval of Dog Control Agreement With Home at Last Humane Society

Administrative Fellow Garrett Chrostek reviewed the staff report.

It was moved by Wood and seconded by McGlothlin to approve the agreement with Home at Last Human Society for dog control services. The motion carried unanimously.

Approval of QLife Agency Fiscal Year 2013-14 Work Scope and Budget

City Manager Young reviewed the staff report. He explained that QLife had the resources to retire its debt in the next two years, so the budget was approved without the \$50,000 enterprise zone funds.

Mayor Lawrence said he had been very impressed with the professional and concise information.

It was moved by Wood and seconded by Dick to approve the fiscal year 2013-14 QLife budget and work scope without the \$50,000 Enterprise Zone fees. The motion carried unanimously.

Approval of Amendment to Distribution of Enterprise Zone Fee from Design, LLC

Councilor Spatz declared a conflict of interest because of his professional association with the college. He excused himself from the discussion and moved to the audience.

City Manager Young reviewed the staff report, noting Wasco County had approved the change in distribution last week.

Dan Spatz said he had a personal concern regarding the process used to amend the distribution of the enterprise funds. He said the original terms of the agreement had included funding to the

college to provide a work force program. He said the renewable energy program had over 200 graduates and was an economic boost for the local economy. Spatz said private discussions had not included input from the college and he felt the college representatives should have been included as a partner. He said the partnerships needed to be based on trust among the partners.

Mayor Lawrence said the agreement said the distribution of the fees was to be decided by the City and the County. He said the sponsors did meet and the college was represented. He said Dr. Toda did discuss the programs and that the City and County agreed to provide funding for an additional two years. He said the agreement could be negotiated annually.

Rodger Nichols questioned why the discussions had not been done in a public forum. Mayor Lawrence said it was negotiations between the City and County. City Manager Young said it was his responsibility as City Manager to work with the City's partners and the proper process had been followed. He said the matter was on the agenda for Council discussion and said the information had been placed on the City's website and was included in the proposed budget. He said the budget information paper had also been posted on the website for public review.

Councilor McGlothlin asked how the funds had been used by the college. City Manager Young said they were used for program development and to hire an instructor to teach related courses.

Dan Ericksen, 3240 Knob Hill, The Dalles, said he had been involved, as County Commissioner, in the original negotiations. He said the County had received a generous portion of the fees, and the college had received funding because it was important to provide employment related education for economic development. Ericksen said the college should have been included in discussions earlier because he believed they had anticipated receiving the funds when they developed their budget.

Mayor Lawrence asked if the original negotiations had been done in public hearings. Ericksen said the negotiations had taken place among staff representatives, with the agreement being approved by the public bodies. Ericksen said the reduced funding for the college should be delayed for a year to allow them to properly budget for the decrease.

Councilor McGlothlin suggested the decision be delayed to allow more time for the proposed adjustments and to have additional information presented. City Manager Young asked what additional information was needed in order to make a decision. McGlothlin suggested additional negotiations and further discussion at the January Council goal setting.

Councilor Miller asked why the agreement had not been reviewed in the past. City Manager Young said there had not been a request to review the distribution until this year. He said the QLife Agency was now able to pay their debt without assistance from the funds, so it could be given up now.

Dan Ericksen said when the agreement was developed, all the funding requests were long term. He said he agreed there were good reasons to re-evaluate the distribution, but the college should have been included in the discussions earlier in the process.

City Manager Young said the college had been made aware in early April and information had been requested of them regarding their use of the funds. Young said a decision should be made at this meeting, prior to adoption of the City's budget in June.

Robb Van Cleave, 200 River Road, The Dalles, said the college had been a good partner and did comply with the requirements for the use of the funds. He asked that the agreement be amended to allow funding for the college for an additional four years, instead of two years, as currently proposed.

It was moved by Wood and seconded by Dick to approve the amendment to distribution of enterprise zone fees from Design, LLC, as identified in "Exhibit B" and to give consideration to extending the college portion of funding for an additional two years beyond the current proposal. The motion carried, McGlothlin voting no; Spatz abstaining.

Approval of Exempt Employee Compensation Package for Fiscal year 2013-14

City Manager Young reviewed the staff report.

Mayor Lawrence asked if a salary increase for the Judge was included. City Manager Young said this proposal was only for the non-union employees and did not include the three contract employees, hired by the City Council. Young said the Council would have an opportunity to review those positions when the performance evaluations would be conducted next week.

It was moved by Wood and seconded by Spatz to approve an exempt employee compensation package for fiscal year 2013-14 that includes a 2% cost of living adjustment, effective July 1, 2013, and increases the City's contribution toward employee insurance premiums no more than 8%. The motion carried unanimously.

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DISCUSSION ITEMS

Discussion Regarding Potential Wastewater Systems Development Charge Increases

Public Works Director Anderson reviewed the staff report. It was noted the current rates had been established in 2006 and they were not at the maximum level allowed. There was discussion regarding how units were defined within the ordinance.

There was discussion regarding the use of the SDC's and whether those funds could be used for some of the project costs associated with the expansion of the wastewater treatment plant.

Following discussion, the Council reached consensus to make no changes to the SDC rates at this time.

OTHER BUSINESS

Mayor Lawrence asked when the Council would receive an update on the Granada Block Redevelopment Project. City Manager Young said the Developer had provided information regarding their parking needs and would soon have additional information regarding the proposed demolition process.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:35 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

Stephen E. Lawrence, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

MINUTES

TOWN HALL MEETING
OF
MAY 6, 2013
5:30 P.M.
MID COLUMBIA SENIOR CENTER
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Tim McGlothlin, Linda Miller

COUNCIL ABSENT: Dan Spatz

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Police Chief Jay Waterbury, Planning Director Dick Gassman, Administrative Fellow Garrett Chrostek, Engineer Dale McCabe, Transportation Manager Bill Barrier

CALL TO ORDER

Mayor Lawrence called the meeting to order at 5:30 p.m.

PRESENTATION REGARDING INFILL DEVELOPMENT

Administrative Fellow Garrett Chrostek reviewed the staff report, noting the purpose of the meeting was to address associated issues with residential infill. He highlighted the issues of the level of improvements required, reimbursement districts, local improvement district (LID) priority plan, uniform local improvement rates, and street maintenance. Chrostek noted the alternatives listed in the staff report were just ideas, not recommendations.

PUBLIC COMMENT

April Moore, John L. Scott Real Estate, said development fees put in place by the City encumbered development. She said current housing stock was bad, but new development didn't

occur because people were stopped by the high fees. She said a portion of East 12th Street had been vacated outside the city limits a few years ago and the people who had paid for future improvements had to go to City Council to get their money refunded even after staff had said there would be no development in the area for 50 to 100 years. She said people were not treated fairly regarding the fees. Moore said some people who put in manufactured homes didn't have to pay the fees, while other people did have to pay development fees. Moore said she had a client with property on East Second Street and he could not afford to develop his property because the City would require sidewalks and it was too expensive. She said it would cost approximately \$100,000 in fees to develop the property.

Mayor Lawrence asked Ms. Moore if she was referring to systems development charges. Moore said that was correct.

City Manager Young said it would be a pre-assessment charge. He said developers would either install the improvements at the time they developed a property or would pay into a fund and the improvements would be put in at a later time.

Chrostek noted the \$351 per lineal foot cost was for full improvements, including water, street, storm and sanitary sewer. He said if some of those improvements were already in place, the cost would be lower.

Heather McCloud, 920 Richmond Street, The Dalles, asked if she would be subject to pay development fees if she sold her property.

City Manager Young said fees would not be assessed if a property was partitioned, but if the partitioned property was then developed, the assessment would be made.

Mrs. McCloud said the development fees would be approximately \$63,000 which was more than the value of the property. She said it would be difficult to sell a partitioned parcel because no one would want to pay the development fees or would ask that the price be reduced to pay for them. McCloud said she believed being forced to sign a non-remonstrance agreement was a violation of her Second Amendment rights to free speech because signing the document would not allow her to object to an LID project in the future.

Steve Stroud, 3004 East 12th Street, The Dalles, said he had been involved in the vacation of East 12th Street. He said staff had agreed to return \$10,000 to the property owners, but the owners had to approach City Council to get the remaining \$8,000 back. Mr. Stroud said the City should not try to establish a "one system fits all" approach. He said the City needed to be able to think

creatively and to recognize there would be different circumstances for every development. He said the City didn't contribute to the development costs and property owners were not allowed to hire private contractors to install the improvements, which would be about one-third the cost to the property owner.

Councilor Wood noted that if the engineering was done, property owners did have the option of paying a contract to install the improvements. She said it had always been the responsibility of a property owner to install new improvements and once completed, the City maintained them.

Mr. Stroud said many cities did not have or require full street improvements.

Randy Hager, 2804 East 10th Street, The Dalles, expressed concern that only a few people received notice of the meeting by mail. He said the entire community should have been mailed notices about the meeting. Hager said he had learned that the law required only that cities have a plan for development, but not that it had to be a specific way. He noted the Comprehensive Plan said social, economic and environmental costs should be minimized. He said the City Council was not speaking to the citizens or they would know that no one wanted the unaffordable improvement costs imposed by the City. He said he had a friend who had to turn his property back to the original owner because he could not afford to pay for the required improvements. Hager said the costs were too high and said that non-remonstrance agreements were not used by most cities. He said staff had made a policy to require them and would not back away from that policy. Hager said he had joined a group who met with State legislators to clarify local improvement district language to allow for the sale of property to not be a trigger for paying improvement assessments. He said the people they had met with were surprised the Council didn't support the citizens. Hager urged the City Council to recognize the process being used was not a good plan.

Jerry Johnson, 3102 East 13th Street, The Dalles, said he was concerned that the City Council had the ability to make land use decisions for his property, outside the City limits, while he had no City Council representation.

City Manager Young said the City and Wasco County had an agreement which was put in place many years ago that established properties within the Urban Growth Boundary would have City land use laws applied because they would be in the City at some time in the future.

Mr. Johnson said the rules said that annexation would be done only after development was completed. He questioned why streets were not brought up to City standards before annexations occurred. He said people who lived outside the city limits had paid for the roads that were in place through their taxes and should not have to pay additional money so it could be improved to a different standard.

Councilor Wood noted that the roads did not meet City standards because they often didn't have storm water systems in place. She said property owners had always paid for those improvements, and once installed, the City paid to maintain them.

Johnson said everyone in the City should pay for the cost of the improvements, not just people being annexed or developing their property. He said he didn't feel he had a voice, or representation since the City administered the land use regulations, but he didn't live in the City.

John Pereira, 2815 East 10th Street, The Dalles, said the City had not followed through with proposed changes to the policy and was unhappy that citizens had to go to the State to get assistance with their issues. He questioned why the meeting information was not sent to everyone in the community who might be affected by the policies.

Colleen Tenold Sauter, The Dalles, said she had been very involved in the procedures for improvements when she was installing manufactured homes in her subdivision. She said she had paid approximately \$56,000 for improvements, such as sidewalks that dead ended. Tenold asked how the \$351 per foot cost compared to private contractor bids.

City Manager Young said the \$351 figure was developed based on contracts the City had for various projects. He said private contractors could probably install improvements at a lower amount because they may not be subject to prevailing wage requirements as the City was.

Public Works Director Anderson confirmed the rate was established using comparable rates from recent projects in 2007. He said it also included contingency and engineering costs. He noted the information had been updated in 2008, but the Council declined to increase the fee due to the poor economy.

Ms. Sauter suggested the City investigate changes to the budget that would change Public Works from capital improvement projects to a maintenance program, which would save money. She said another cost savings measure would be to stop paying for plans on the proposed Urban Growth Boundary expansion, saying the money already spent for plans, contained outdated information by the time it could be used.

Richard Havig, 3015 East 12th Street, The Dalles, asked how many LID's had been requested by property owners, or if they were all initiated by the City.

City Manager Young said for the past 16 years, only commercial LID's had been completed and said no residential LID's had been applied for. He said non-remonstrance agreements helped to allow for residential development and to put needed improvements in place.

MINUTES (Continued)
Town Hall Meeting
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Mr. Havig said he believed 100% of property owners would object to an LID and said the requirement to sign non-remonstrance agreements was forcing the improvements on people.

Young said, as an example, the Thompson Street LID had approximately 50% of property owners who objected to the project.

Havig said the cost per foot for improvements should be reduced by half. He asked if the assessments were based on lineal feet. City Manager Young said it was based on the amount of assessments.

Mr. Havig said storm sewers were not needed everywhere and that ditches could serve the community. He said the requirement for a 32 foot street was ridiculous.

Bob Perkins, 2845 East 10th Street, The Dalles, said his property had streets on both the front and back sides and it would cost approximately \$87,750 in improvement fees. He asked if he would be required to disclose the potential cost for future improvements if he sold his property.

City Manager Young said if the property was partitioned, the proposed assessments for improvements would show up in the title search, but that the property could be sold without being partitioned.

April Moore said that if a property owner had received any kind of notice from the governing body that there could be a future assessment for improvements, the property owner was required by law to disclose the information.

Mr. Havig said one non-remonstrance was not recorded by the City for a period of three years. He said he didn't think it was a legal document since it was not recorded in a timely manner.

Mayor Lawrence asked staff to describe how the issue of recording documents had been corrected. Administrative Fellow Chrostek said there had been a question as to what documents could be recorded with the County Clerk, but that had been resolved. He said once resolved, the Council had made a decision that if the ownership had not changed on a property, the City would proceed with recording the non-remonstrance agreements, and if a property had sold, the agreement would not be filed.

City Manager Young said if an LID was approved and constructed, everyone in the District would pay their share, regardless of whether they had a non-remonstrance agreement filed. He said the agreement was just saying the owner would not object to the LID when it was proposed in the future, to complete improvements.

MINUTES (Continued)
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In response to an audience question, City Manager Young said if a property had streets on both front and back, the policy was to only assess for frontage along one street.

Randy Hager said for the past several years, there had been many misconceptions and illegal decisions made. He said the community at large needed to have access to free legal counsel, and that it should not be limited to City staff and the Council. He said the task force appointed in 2007 had recommended the City abandon non-remonstrance agreements, but the recommendation was not respected.

ADJOURNMENT

The meeting adjourned at 7:10 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

Stephen E. Lawrence, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

MINUTES

SPECIAL COUNCIL MEETING
OF
MAY 21, 2012
NOON

SECOND FLOOR CONFERENCE ROOM
CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Tim McGlothlin, Linda Miller

COUNCIL ABSENT: Dan Spatz

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker,
Municipal Judge Tom Peachey

CALL TO ORDER

The meeting was called to order by Mayor Lawrence at 12:08 p.m.

APPROVAL OF AGENDA

It was moved by Wood and seconded Dick to approve the agenda as presented. The motion carried unanimously, Spatz absent.

EXECUTIVE SESSION

Mayor Lawrence recessed the meeting to Executive Session at 12:10 in accordance with ORS 192.660 (2) (I) to review and evaluate the employment related performance of the City Manager, City Attorney, and Municipal Judge.

MINUTES (Continued)
Special Council Meeting
May 21, 2013
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Council met in Executive Session from 12:10 p.m. to 1:06 p.m. and from 2:05 p.m. to 2:30 p.m. for the City Manager's evaluation; 1:07 p.m. to 1:53 p.m. for the Municipal Judge's evaluation; and from 2:49 p.m. to 3:28 p.m. for the City Attorney's evaluation.

Reconvene to Open Session

The following motions were made following the Executive Session evaluations:

It was moved by McGlothlin and seconded by Wood to have the City purchase a cell enabled iPad for the City Manager, increase his cell phone allowance to \$100.00 per month, and to grant a 2% cost of living adjustment, effective July 1, 2013. The motion carried unanimously, Spatz absent.

It was moved by Dick and seconded by McGlothlin to raise the salary of the Municipal Judge by 10%, effective July 1, 2013. The motion carried unanimously, Spatz absent.

It was moved by Wood and seconded by Dick to approve a 2% cost of living adjustment for the City Attorney, effective July 1, 2013. The motion carried unanimously, Spatz absent.

ADJOURNMENT

Being no further business, the meeting adjourned at 3:31 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED: _____

Stephen E. Lawrence, Mayor

ATTEST: _____

Julie Krueger, MMC, City Clerk



CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97068

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 10, 2013	Public Hearings 11, A, 1	13-035

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

THRU: Nolan K. Young, City Manager *ny*

DATE: May 20, 2013

ISSUE: Public Hearing on Proposed Uses of State Revenue Sharing funds for FY13/14 and consideration of Resolution No. 13-018 declaring the City's election to receive State Revenues.

BACKGROUND: State Revenue Sharing Law, ORS 221.770, requires cities to pass a resolution each year stating that they elect to receive State Revenue Sharing money during the next fiscal year. The law mandates public hearings be held by each city, and a certification of these hearings is required. The required hearings are to be held: 1) before the Budget Committee to consider possible uses of the funds; and 2) before the City Council on the uses of the funds proposed by the Budget Committee or anyone else.

The City of The Dalles has traditionally used State Revenue Sharing funds to support activities in the General Fund. The Budget Committee held a Public Hearing on April 29, 2013, to consider possible uses of the funds, and then voted to recommend to the Council that they continue to use those funds to support the General Fund in FY13/14.

A Public Hearing on the proposed uses of State Revenue Sharing funds is scheduled before the City Council on June 10, 2013. The required Resolution (#13-018) electing to receive State Revenue Sharing funds in FY13/14 is included as an action item on the same agenda. The draft Resolution is not required to designate the uses of the funds, but only states the City's election to receive them.

BUDGET IMPLICATIONS: The budget for FY13/14, as approved by the Budget Committee, already includes the anticipated State Revenue Sharing funds as General Fund revenue.

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to adopt Resolution No. 13-018 declaring the City's election to receive State revenues for Fiscal Year 2013/2014.*
- B. City Council could elect to not adopt Resolution No. 13-018, or could elect to assign the uses of State Revenue Sharing funds to a different purpose than proposed. Either decision would require changes to the proposed budget for FY13/14.

RESOLUTION NO. 13-018

A RESOLUTION DECLARING THE CITY OF THE DALLES' ELECTION TO RECEIVE STATE REVENUES FOR FISCAL YEAR 2013-2014

WHEREAS, State Revenue Sharing Law, ORS 221.770, requires cities to annually pass a resolution requesting State Revenue Sharing money; and

WHEREAS, the City's Budget Committee held the required Public Hearing on April 29, 2013, to consider possible uses of State Revenue Sharing funds in FY13/14; and

WHEREAS, the City Council held the required Public Hearing on June 10, 2013, to consider the uses of State Revenue Sharing funds in FY13/14 as proposed by the Budget Committee and others;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF THE DALLES, OREGON, AS FOLLOWS:

Section 1. Election to Receive State Revenues in FY13/14. Pursuant to ORS 221.770, the City hereby elects to receive State Revenues for the Fiscal Year 2013/2014.

Section 2. Effective Date. This Resolution shall be considered effective as of July 1, 2013.

Section 3. Expiration Date. This Resolution shall expire upon receipt and acceptance of the Audit for FY13/14.

PASSED AND ADOPTED THIS 10th DAY OF JUNE, 2013

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 10th DAY OF JUNE, 2013

SIGNED: _____ ATTEST: _____

Stephen E. Lawrence, Mayor

Julie Krueger, MMC, City Clerk
.....

I certify that a Public Hearing before the City of The Dalles Budget Committee was held on April 29, 2013, and a Public Hearing was held before the City of The Dalles City Council on June 10, 2013, giving citizens an opportunity to comment on use of State Revenue Sharing.

CERTIFIED BY:

Julie Krueger, MMC, City Clerk
Resolution No. 13-018
Page 1 of 1



CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 10, 2013	Public Hearings 11, B, 1	13-038

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

THRU: Nolan K. Young, City Manager *nyj*

DATE: May 28, 2013

ISSUE: Public Hearing to Receive Testimony Regarding the Approved 2013-2014 Fiscal Budget and Changes Proposed by Staff, and Resolution No. 13-019 Adopting the FY13/14 Budget for the City of The Dalles.

BACKGROUND: The City Budget Committee reviewed the proposed budget on April 29 and 30, 2013. They approved the budget, with some changes, on April 30, 2013. The City Council will hold the required Public Hearing on June 10, 2013. Oregon Budget Law allows a governing body, prior to final adoption, to make changes to a Fund approved by the Budget Committee in amounts up to \$5,000 or 10% of the operating portion of that Fund, whichever is greater. If the changes are greater than the limit allows, another Public Hearing must be held, with the required published notices, prior to adoption.

BUDGET IMPLICATIONS: An error was discovered in the Medical Insurance line item of the Planning Department in the General Fund (001), and can be corrected by reducing that line item by \$7,970 and increasing the General Fund Contingency by the same amount.

The Council will be asked at their June 10 meeting to consider a proposal to add a new full-time position that would be allocated half-time to the Economic Development Department as the Economic Development Specialist and half-time to the Legal/Judicial Department as the Assistant Prosecutor. The approved budget includes a one-year full-time intern that would be reduced to a four month intern with no benefits in the City Manager/Economic Development Department. This can be accomplished with no changes to the total of that department, but it has been included in the list of changes because the line items within that Personnel Category will change and we wish to document City Council approval for those changes. The other half of the new position will be in the Personnel category line items of the Judicial portion of the Legal/Judicial Department. The approved budget contains \$39,600 for the Prosecuting Attorney in the Materials and Services category. Staff proposes reducing that amount to \$5,639 to cover

July and part of August that we will continue to use the contract prosecuting attorney. That covers the additional Personnel costs, leaving the total Legal/Judicial Department with the same total as the approved budget for that Department.

The Library has proposed moving \$9,265 from the Reserved for Future Expenditures line item to the Buildings and Grounds line item in order to purchase a new security camera system for the Library building and parking lots (BIP 13-029).

A WiFi project that was expected to be completed by June 30, 2013, will run over into the next fiscal year, so staff proposes to add \$20,000 to the Special Grants Fund (018) Beginning Balance and allocate those funds to the WiFi Project Capital Outlay line item. In addition, a portion of the funds (\$25,000) for the planning consultant work on the UGB project in Fund 018, will not be spent in FY12/13, and so should be rolled over into the FY13/14 Beginning Balance to continue that work.

Due to a staffing shortage caused by an extended absence, the Water Treatment Division of the Water Fund proposes to add a six-month intern to their Personnel Category in the amount of \$14,071 (BIP 13-030). The fund will be balanced by reducing the Contingency by the same amount.

In the Water Capital Reserve Fund, an additional \$50,000 is proposed to be added to the Beginning Fund Balance and then allocated to the Engineering Services line item in Materials and Services, to complete the work on the Water Management Conservation Plan.

After receiving the insurance estimates for FY13/14, it was determined that we underestimated the Wastewater Fund Liability Insurance line item. Staff believes that this is due to only sewer line miles being reported in the past, whereas for the coming year the number of miles of stormwater lines was added to the total. In addition, the GIS system provides more accurate data than was available in the past. Staff proposes to correct this issue by adding \$9,800 to the Liability Insurance line item and reducing Contingency by the same amount.

All of these proposed changes are shown in the table on page 3 of this staff report.

At this time none of the proposed changes exceed the 10% limit, so Council may approve those changes listed and adopt the proposed resolution on June 10, 2013, without another hearing.

ALTERNATIVES:

A. Staff Recommendation: Make two (2) motions:

- 1. *Move to approve the proposed changes to the budget approved by the Budget Committee.***

AND

- 2. *Move to adopt Resolution No. 13-019 Adopting the Fiscal Year 2013-2014 Budget for the City of The Dalles, making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget.***

- B.** City Council could elect to make more changes to the approved budget and direct staff to include those changes in the adopting resolution. If any such changes were to be greater than the limit allows, a second Public Hearing on June 24th would be required. In that case, the Council could move to approve those proposed changes to the budget that are within the \$5,000 or 10% limit, and to hold a public hearing on June 24, 2013, on the proposed changes that exceed that limit.

If any other changes come to light before the Council meeting on June 10th, staff will present those during the Public Hearing on the approved budget.

001 General Fund			Approved Budget	Change	Amended Budget
	Description	Line Item #			
Exp	Planning - Medical Insurance	001-1100-417.21-10	85,024	(7,970)	77,054
Exp	City Mgr/Eco Development Dept	Personnel Category	345,323	-	345,323
Exp	Legal/Judicial Dept - New Position	Personnel Category	339,335	33,961	373,296
Exp	Legal/Judicial Dept - New Position	Materials & Services	137,510	(33,961)	103,549
Exp	Contingency	001-9500-490.88-00	624,525	7,970	632,495
Fund Net Change				-	
004 Library Fund			Approved Budget	Change	Amended Budget
	Description	Line Item #			
Exp	Materials & Services	004-2100-455.43-10	19,125	9,265	28,390
Exp	Reserved for Future Expenditures	004-9500-455.88-01	256,687	(9,265)	247,422
Fund Net Change				-	
018 Special Grants Fund			Approved Budget	Change	Amended Budget
	Description	Line Item #			
Rev	Beginning Balance	018-0000-300.00-00	3,228,633	45,000	3,273,633
Exp	UGB/NSA Boundary Amendment	018-2627-415.39-00	-	25,000	25,000
Exp	WiFi Project - Capital Outlay	018-4700-415.75-10	-	20,000	20,000
Fund Net Change				45,000	
051 Water Utility Fund - Water Treatment Division			Approved Budget	Change	Amended Budget
	Description	Line Item #			
Exp	Water Treatment Division	Personnel Category	808,693	14,071	822,764
Exp	Contingency	051-9500-510.89-00	23,316	(14,071)	9,245
Fund Net Change				-	
053 Water Capital Reserve Fund			Approved Budget	Change	Amended Budget
	Description	Line Item #			
Rev	Beginning Balance	053-0000-300.00-00	873,103	50,000	923,103
Exp	Engineering Svc - M&S	053-5300-510.34-10	-	50,000	50,000
Fund Net Change				50,000	
055 Wastewater Fund			Approved Budget	Change	Amended Budget
	Description	Line Item #			
Exp	Liability Insurance - M&S	055-5500-550.52-10	31,912	9,800	41,712
Exp	Contingency	055-9500-550.88-00	26,060	(9,800)	16,260
Fund Net Change				-	
Net Change to Total City Budget				95,000	

RESOLUTION NO. 13-019

A RESOLUTION ADOPTING THE FISCAL YEAR 2013-2014 BUDGET FOR THE CITY OF THE DALLES, MAKING APPROPRIATIONS, AUTHORIZING EXPENDITURES, LEVYING TAXES, AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTION AS NECESSARY TO CARRY OUT THE ADOPTED BUDGET

WHEREAS, the City Budget Committee has reviewed and acted on the proposed City budget, and, on April 30, 2013, approved and recommended a balanced budget to the City Council; and

WHEREAS, in accordance with State Law, the City held a Public Hearing on the approved budget on June 10, 2013; and

WHEREAS, the City Council has amended the budget previously approved by the Budget Committee, as permitted by ORS 294.435; and

WHEREAS, the City Council wishes to adopt the approved budget with amendments and carry out the programs identified in the budget;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. Clerical Changes. The City Council hereby authorizes City staff to make the necessary clerical changes to the amended budget.

Section 2. Adoption of the Budget. The City Council of the City of The Dalles, Oregon, hereby adopts the budget for Fiscal Year 2013-2014 in the total of \$53,138,676, now on file in the office of the City Finance Director.

Section 3. Setting Appropriations. The amounts for the Fiscal Year beginning July 1, 2013 and for the purposes shown are hereby appropriated as follows:

GENERAL FUND (001)	
City Council	236,598
City Clerk	142,931
City Manager / Economic Development	386,338
Legal / Judicial	476,845
Finance / Utility Billing	521,991
Personnel	9,650
Planning Department	481,170
Police	3,335,390
Technology	216,392
City Hall / Transportation Center	275,670
Code Enforcement	80,102
Animal Control	77,136

Special Payments	370,030
Interfund Transfers	108,230
Contingency	632,495
TOTAL GENERAL FUND (001) *	7,350,968
LIBRARY FUND (004)	
Personnel Services	640,573
Materials & Services	331,027
Capital Outlay	58,600
Interfund Transfers	38,621
Contingency	106,648
TOTAL LIBRARY FUND (004)	1,175,469
STREET FUND (005)	
Personnel Services	685,705
Materials & Services	533,032
Capital Outlay	427,050
Interfund Transfers	538,269
Contingency	32,967
TOTAL STREET FUND (005)	2,217,023
PUBLIC WORKS RESERVE FUND (009)	
Capital Outlay	512,965
TOTAL PUBLIC WORKS RESERVE FUND (009)	512,965
UNEMPLOYMENT RESERVE FUND (010)	
Personnel Services	55,242
TOTAL PUBLIC WORKS RESERVE FUND (010)	55,242
COMMUNITY BENEVOLENCE FUND - VIETNAM MEMORIAL (011)	
Materials & Services	15,500
TOTAL PUBLIC WORKS RESERVE FUND (011)	15,500
TRANSPORTATION SYSTEM RESERVE FUND	
Capital Outlay	1,238,059
Interfund Transfers	-
TOTAL TRANSPORTATION SYSTEM RESERVE FUND (013)	1,238,059
SPECIAL GRANTS FUND (018)	
Materials & Services	225,000
Capital Outlay	12,518,520
Interfund Transfers	3,500
TOTAL SPECIAL GRANTS FUND (018)	12,747,020

STATE OFFICE BUILDING FUND (021)	
Personnel Services	56,117
Materials & Services	153,013
Contingency	45,360
TOTAL STATE OFFICE BUILDING FUND (021)	254,490
SPECIAL ASSESSMENTS FUND (036)	
Materials & Services	33,000
Capital Outlay	93,098
Interfund Transfers	116,513
TOTAL SPECIAL ASSESSMENTS FUND (036)	242,611
CAPITAL PROJECTS FUND (037)	
Materials & Services	5,000
Capital Outlay	323,966
Debt Service	79,997
Interfund Transfers	48,500
TOTAL CAPITAL PROJECTS FUND (037)	457,463
WATER REVENUE BOND FUND (041)	
Debt Service	562,005
Contingency	400,000
TOTAL WATER REVENUE BOND FUND (041)	962,005
FFCO 2008 BOND FUND (043)	
Debt Service	304,130
TOTAL FFCO 2008 BOND FUND (043)	304,130
2009 FFCO BOND FUND (044)	
Debt Service	948,763
TOTAL 2009 FFCO BOND FUND (044)	948,763
WATER FUND (51)	
WATER TREATMENT	
Personnel Services	822,764
Materials & Services	481,648
TOTAL WATER TREATMENT	1,304,412
WATER DISTRIBUTION	
Personnel Services	1,150,428
Materials & Services	564,115
TOTAL WATER DISTRIBUTION	1,714,543
Capital Outlay	291,000
Interfund Transfers	2,011,463
Contingency	9,245
TOTAL WATER FUND (051)	5,330,663

WATER CAPITAL RESERVE FUND (053)	
Materials & Services	50,000
Capital Outlay	953,703
Debt Service	233,952
Interfund Transfers	995,788
Contingency	-
TOTAL WATER CAPITAL RESERVE FUND (053)	2,233,443
WASTEWATER FUND (055)	
Personnel Services	1,110,713
Materials & Services	1,564,615
Capital Outlay	97,500
Interfund Transfers	2,817,380
Contingency	16,260
TOTAL WASTEWATER FUND (055)	5,606,468
SEWER CAPITAL RESERVE FUND (056)	
Materials & Services	-
Capital Outlay	2,280,102
Interfund Transfers	7,229
TOTAL WASTEWATER CAPITAL RESERVE FUND (056)	2,287,331
SEWER PLANT CONSTRUCTION FUND (057)	
Materials & Services	-
Capital Outlay	4,006,480
Interfund Transfers	556,185
TOTAL SEWER PLAN CONSTRUCTION FUND (057)	4,562,665
SEWER DEBT SERVICE FUND (058)	
Debt Service	556,185
Contingency	223,096
TOTAL SEWER DEBT SERVICE FUND (058)	779,281
AIRPORT FUND (061)	
Materials & Services	228,822
Capital Outlay	1,815,000
Contingency	102,213
TOTAL AIRPORT FUND (061)	2,146,035
AIRPORT DEBT SERVICE FUND (062)	
Debt Service	144,036
TOTAL AIRPORT DEBT SERVICE FUND (062)	144,036
TOTAL ALL FUNDS	51,562,365

TOTAL ALL FUNDS **51,562,365**

* An Unappropriated Ending Fund Balance has been set for the General Fund in the amount of: **783,585**

** An Unappropriated Ending Fund Balance has been set for the Library Fund in the amount of: **792,726**

TOTAL ADOPTED BUDGET **53,138,676**

Section 4. Authority of City Manager. The City Council hereby authorizes the City Manager to take such action as is necessary and consistent with State Statutes and City Ordinances, including, but not limited to, entering into contracts to carry out the programs, projects and services identified in the adopted budget.

Section 5. Imposing and Categorizing the Tax. The City Council of the City of The Dalles, Oregon, hereby imposes the taxes provided for in this adopted budget in the General Fund at the rate of \$3.0155 per \$1,000 of assessed value for operations, and that these taxes are hereby imposed and categorized for tax year 2013-2014 upon the assessed value of all taxable property within the City of The Dalles as of 12:01 AM, July 1, 2013.

Subject to General Government

	Limitation	Excluded from Limitation
General Fund - Tax Base	\$ 2,851,308	0
Category Total	\$ 2,851,308	0
TOTAL TAX IMPOSED	\$ 3.0155 per 1,000 of assessed value	

Section 6. Certifying the Tax Levy. The City Finance Director shall certify to the County Clerk and County Assessor, the tax levy made by this Resolution, and shall file with them and to the State of Oregon, copies of the budget as finally adopted.

PASSED AND ADOPTED THIS 10th DAY OF JUNE, 2013

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 10th DAY OF JUNE, 2013

SIGNED:

ATTEST:

Stephen E. Lawrence, Mayor

Julie Krueger, MMC, City Clerk



AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
May 13, 2013	Action Item 12, A	13-037

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager *ny*

DATE: April 22, 2013

ISSUE: Recommendation from Columbia Gorge Regional Airport Board to approve a three year Airport Management Agreement with Aeronautical Management Inc.

BACKGROUND: The Columbia Gorge Regional Airport is jointly owned and operated by Klickitat County and the City of The Dalles. Through the Intergovernmental Agreement, an Airport Board has been created. The management of the airport has been provided by Aeronautical Management Inc (AMI) for the last eight years. Their current three-year agreement expires on June 30, 2013.

The Airport Board is recommending that the Klickitat County Commission and The Dalles City Council authorize the signature of a new five-year agreement with AMI, with an additional three year extension. Attached is a copy of the minutes of the Board meeting and the proposed agreement with work scope.

A five-year agreement is proposed because it will coincide with the end of the current Fixed Base Operator agreement that the City and County have with Gorge Aviation Services. This will give the City and County an opportunity to review how they wish to receive both those services in the future.

Changes in the proposed agreement include:

Section 2.1.1

- The monthly base fee starts at \$98,400.

Section 4.6

- The primary providers of service will be Chuck Covert, and Rolf Anderson. If they wish to add any additional team members or assign any subcontracting services the Board must approve that action.

The agreement calls for AMI to provide at least 2,000 hours per year to perform the scope of work (Exhibit A). The Scope of Work has no proposed changes:

BUDGET IMPLICATIONS: The annual amount for the contract (\$98, 400) is included in the proposed budget for FY 2013-14

COUNCIL ALTERNATIVES:

1. **Staff Recommendation:** Authorize the City Manager to sign the Airport Management Agreement for the Columbia Gorge Regional Airport as presented contingent upon approval by Klickitat County Commission.
2. Amend and then authorize signature of the agreement.
3. Postpone action to allow for further research in working with the Airport Board.

**Minutes of the Board of Directors
Of the Regional Airport Authority**
April 19, 2013
Airport Terminal – Dallesport, Washington

CALL TO ORDER

Chairman Jim Wilcox called the meeting to order at 7:01 a.m.

ROLL CALL

Members present: Jim Wilcox, Dave Griffith, Dave Sauter, Tim McGlothlin, Terry Trapp and Norm Deo. Absent: Debra Turner. Staff members present: Chuck Covert, Rolf Anderson of AMI, Nolan Young City of The Dalles and Denny Newell of Klickitat County.

APPROVAL OF AGENDA

The Agenda was approved unanimously as presented.

APPROVAL OF MINUTES

The January 18, 2013, minutes were approved as corrected [under Action items 3013 corrected to 2013 and in the 2nd paragraph of Action Items, last line, remove the word “and”].

PUBLIC COMMENTS

There were no Public Comments.

BOARD MEMBER COMMENTS

There were no Board Member Comments.

DISCUSSION ITEMS

Runway 31-13 Work Update: AMI reported that they met with Precision Approach Engineering (“PAE”) concerning the design of the taxiway work that is scheduled for 2013. PAE is confident of the Airport having sufficient funds to complete the two taxiway extensions along the north end of the runway. In addition the FAA has indicated the airport will be able to receive approximately \$500,000 in additional funds for the rehabilitation of taxiway A3 to A4. The cultural and wetland studies have been completed for those areas and both studies have been submitted

to the governing agencies. Currently the airport's long term capital improvement program has a schedule to replace the five way intersection of A2 and runways 7-25 and 13-31 starting in 2014, however, the Airport is receiving some indication from the FAA that funds may be available to start that work earlier. The FAA has asked that the cultural and wetland studies for that area be completed. The project should go out for bids in mid-summer with work to be done during approximately the same time as last year. We have learned from the FAA that in the future all construction on the airport, including the business park, hangars, etc., be reported to the FAA so any cumulative impacts can be analyzed by the FAA.

Business Park Update: Dave Sauter reported that he and Denny Newell attended the CERB meeting on March 21, 2013. The revised site plan was presented and CERB approved all of the changes that have been made and no contract modification is needed. The Business Park as planned is still within scale and scope of what was always planned. It is expected the Business Park will be ready to go out to bid in early May 2013 with construction starting in July. Dave Griffith suggested that some signs and other fencing be considered to help promote the new business park.

Water District Update: AMI reported that new reservoir has been completed and the documents for the pump station are expected to be ready for bid in May 2013. The Water District has approached the Airport about the fact that the Water District will need to routinely back flush its filter system, with about 5,000 gallons, and needs a place to dispose of that clean water. The Water District is talking with Airport about whether the Airport could take that water. We will continue to discuss the issue but have made it clear to the Water District that the Airport cannot end up with any standing water on the ground.

Property Tax Update: AMI reported that it has learned that the Klickitat Prosecutor has determined that the Airport must pay one-half of the property taxes based on the Airport ownership. The current tax bill (one half) totals \$8,304.11 as reflected by the "corrected" tax bills just received by the Airport. A change to eliminate this tax apparently will need a change in the legislation in Olympia. AMI will meet with Dave Sauter to discuss plans to address this issue at the next Washington State Legislative session.

ACTION ITEMS

Consideration of the Airport Management Agreement: Nolan Young presented the revised Airport Management Agreement. He noted that the main changes were the new term, the fact that AMI will now be represented by Chuck Covert and Rolf Anderson and the change that any determination of default will require the consent of both the County and the City. Nolan also suggested that AMI receive a small increase in compensation as they have only received CPI increases over the past eight years. Nolan noted that the length of this new contract will coincide with the term of the current FBO agreement. It was discussed that the new business park will fall under this new contract and will be the responsibility of AMI similar to

leasing the hangars and other buildings. Jim Wilcox stated that he strongly supports AMI and what they have done at the Airport and supports that base compensation and supports continuing the agreement. However, he believes 10% is too high for new leases as there needs to be room to pay brokers that may bring tenants to the Airport. Mr. Wilcox wants to make sure the incentive payment structure is legal and appropriate. Mr. Wilcox stated he agreed with the incentive compensation but wants it to be done in a legal manner. Mr. Wilcox also stated he wants to make sure there is a procedure in place for paying commercial brokers that may bring tenants, especially into the non-aviation portion of the new business park. He stated a 10% incentive is appropriate for small leases but may be excessive for a really big leses and there needs to be room in the 10% for paying commercial brokers for tenants they may bring to the Airport. Nolan Young noted that this is the third contract the Airport has signed with AMI and the payment terms have been consistent throughout. Mr. Young also noted that the payment arrangement had been reviewed legally before the first agreement was executed. There was a general discussion about the success of commercial brokers with the Port of The Dalles and the Port of Klickitat. Mr. Young noted that in the beginning of the Airport's relationship with AMI one of strong considerations was to have strong entrepreneur type personalities with an incentive to make the Airport a success. Mr. Wilcox noted his prior involvement in funding the construction of the "D" hangar and wanted to make sure there were incentives for commercial brokers in the future. Mr. Wilcox suggested the Airport Board consider a separate policy to handle the potential of future proposals from commercial brokers in the future. Mr. Wilcox suggested these issues be considered and discussed. Mr. Deo suggested that Nolan Young and Dave Sauter meet with AMI and discuss these issues and bring the Agreement back to the next Board meeting. That suggestion was adopted by the Board and AMI was asked to meet with Dave Sauter and Nolan Young and to put these issues on the next Airport Agenda as an Action item.

Mr. Wilcox requested that the May 17, 2013 meeting be rescheduled due to a conflict in his schedule. It was decided to hold the next meeting on May 10, 2013.

MANAGER REPORT AMI

February Budget Report: All of the year-to-date expenses are as expected except the telephone which is being addressed. AMI is dealing with Gorge Net about recurring problems with the phone system at the Airport. After thorough discussion and upon a motion duly made and seconded, the Board unanimously approved the March budget report. AMI reported it had the trees topped and removed that were in the safety area for runway 13. Approximately 130 trees were removed or topped. AMI reported on the fuel sales to date this year. The sales are slightly improved from last year. AMI also reported on the two legislative bills pending at the Oregon Legislative session. It appears the while the House bill, which deals primarily with privacy issues, was voted out of committee, the Senate bill will not make it out of committee. AMI also attended the Aviation Cluster meeting and has been asked to

assist the Oregon Department of Aviation in making a Power Point presentation about the economic value of airports in all of the communities.

NEXT REGULAR MEETING

May 10, 2013.

ADJOURNMENT

Chairman Wilcox adjourned the meeting at 8:18 a.m.

Jim Wilcox, Chairman

**Minutes of the Board of Directors
Of the Regional Airport Authority**
May 8, 2013
Airport Terminal – Dallesport, Washington

CALL TO ORDER

Chairman Jim Wilcox called the meeting to order at 7:00 a.m.

ROLL CALL

Members present: Jim Wilcox, Dave Griffith, Dave Sauter, Tim McGlothlin and Debra Turner. Absent: Terry Trapp and Norm Deo. Staff members present: Chuck Covert, Rolf Anderson of AMI, Nolan Young City of The Dalles and Denny Newell of Klickitat County.

APPROVAL OF AGENDA

The Agenda was approved unanimously as presented.

APPROVAL OF MINUTES

The April 19, 2013, minutes were approved as presented.

PUBLIC COMMENTS

There were no Public Comments.

BOARD MEMBER COMMENTS

There were no Board Member Comments.

DISCUSSION ITEMS

Business Park Update: AMI reported that the plans have been completed and Klickitat County is working on the contract documents. It is hoped that project will be ready to bid by the end of May 2013. Mr. Sauter suggested that the roads in the business park be dedicated to Klickitat County through an easement, since their ownership cannot be transferred to Klickitat County. Once they are transferred through an easement the County will provide maintenance on those roads. AMI was asked to confirm that an easement will be acceptable to the FAA, and if it is, to work with the County and City to handle these easements prior to the bid documents being completed. After thorough discussion and upon a motion duly made and

seconded, the Board unanimously approved a recommendation that the Airport work with the City and County to prepare an easement between the County and Airport for public access to the roads in the business park. Mr. Wilcox requested that AMI schedule a ground breaking for the start of construction work on the Business Park.

Emergency Response Plan: AMI reported that it was working with the Klickitat County Fire Department to create a draft of an Emergency Response Plan. In turn Klickitat County is working with the City of The Dalles Fire Department on that plan as the two departments have a standing agreement on working cooperatively at the Airport since both the County and the City each own the Airport. AMI expects to bring that plan to the Board at its next meeting.

Runway 31-13 Work Update: AMI reported that they met with Precision Approach Engineering ("PAE") and the design work is being finalized along with the contract documents. It appears that the contract will be ready to be advertised for bids toward the end of May 2013.

ACTION ITEMS

Consideration of the Airport Management Agreement: Mr. Wilcox noted that the revisions included in the draft of the Agreement presented to the Board today have addressed his concerns. Mr. Wilcox suggested that in the "Scope of Work" document under the section on marketing and development having AMI work cooperatively with the Port of Klickitat, the Port of The Dalles and MCEDD be added. After thorough discussion and upon a motion duly made and seconded, the Board unanimously approved a recommendation the County and City adopt the Airport Management Agreement as now drafted with the inclusion in the Scope of Work the responsibility of working with the Port of Klickitat, the Port of The Dalles and MCEDD.

MANAGER REPORT AMI

April Budget Report: All of the year-to-date expenses are as expected except the telephone, electricity and property taxes. These items are being addressed in the next year's budget. AMI continues to work with Gorge Net about recurring problems with the internet and phone system at the Airport. The phones are not currently working at the Airport. Mr. McGlothlin noted that the equipment at the Airport was not commercial grade and the connectivity to the micro dish is failing at times in the winds. After thorough discussion and upon a motion duly made and seconded, the Board unanimously approved the April budget report.

NEXT REGULAR MEETING

June 21, 2013.

ADJOURNMENT

Chairman Wilcox adjourned the meeting at 7:35 a.m.

Jim Wilcox, Chairman

AIRPORT MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into by and between the CITY OF THE DALLES, an Oregon municipal corporation, hereinafter referred to as "CITY," and KLICKITAT COUNTY, a municipal corporation of the State of Washington, hereinafter referred to as "COUNTY," and AERONAUTICAL MANAGEMENT, INC., an Oregon corporation, hereinafter referred to as "CONTRACTOR," for the provision of services by CONTRACTOR to CITY and COUNTY for performing the duties of Airport management of the Columbia Regional Airport located in Dallesport, Washington.

IN CONSIDERATION of the mutual covenants and promises between the parties hereto, it is hereby agreed that the Contractor shall furnish management services for the Columbia Gorge Regional Airport (CGRA) and the City and County shall make payment for the same, all in accordance with the terms and conditions set forth in this Agreement, including all attachments and addenda which are appended hereto by mutual agreement of the parties.

CITY and COUNTY and CONTRACTOR agree as follows:

1. CONTRACTOR'S DUTIES

1.1 The Contractor agrees to perform the following management services in support of the CGRA Board in its obligation to operate the Airport on behalf of the City and County consistent with the Joint Operating Agreement between the City of The Dalles and Klickitat County dated November 1, 2002, a copy of which is attached as Exhibit B. It is understood that Contractor shall perform approximately 2,000 hours per year in the performance of the duties required under this Agreement.

1.2 Within the time of 2,000 hours per year, the Contractor shall work to perform the

functions and duties listed on Exhibit "A", which is attached hereto and included by reference. Such duties may be modified or changed during the term of this Agreement upon the prior written consent of the City and County with input from the Contractor.

2. CITY AND COUNTY DUTIES

2.1 In accordance with the terms and conditions of this agreement, the City and County shall, as part of the operational cost of CGRA, compensate the Contractor for its management services outlined in Article 1 herein as follows:

2.1.1 The City and County shall pay to Contractor the sum of \$8,200 per month ("monthly fee"), effective July 1, 2013, and additional compensation in accordance with the following schedule:

- a) For the rental of any hangar not identified in Exhibit C, an amount equal to ten percent (10%) of the monthly rental amount established in the lease agreement, from the date of execution of the lease agreement, for a period not to exceed three years, subject to the following provisions:
 1. Payments for additional compensation shall be made to the Contractor only after the monthly rental payment has been received by the City and County.
 2. If the rental agreement for the hangar is terminated prior to the scheduled expiration of the lease agreement, the obligation to pay additional compensation to the Contractor shall end with the termination of the lease agreement.
- b) For development generated primarily or solely as a result of the Contractor's efforts, excluding the proposed Sundoon golf course project, but including leasing of hangars associated with the development, an

amount equal to ten percent (10%) of the rental or compensation received by the City and County, for a period equivalent to the initial ten (10) years of the development agreement. For a development including the leasing of hangars, Contractor shall receive additional compensation only as provided in this subsection, and shall not be entitled to any additional compensation under Section 2.1.1(a) for the leasing of hangars. In the event a development agreement described in this subsection is subject to the provisions of the policy set forth in Exhibit D, then the amount of additional compensation described in this subsection shall be reduced from ten percent (10%) to seven percent (7%) of the rental or compensation received by the City and County, with the amount of three percent (3%) to be used to pay the broker's commission.

- c) For the transfer of a property interest in Airport property except the Meadows property (refer to attached legal description for Tract 2) and Bluff property (refer to attached legal description for Tract 3) during the term of this Agreement and any extension of this Agreement, an amount equal to ten percent (10%) of the compensation received by the City and County for the transfer of the property interest. In the event that either the Meadows property or the Bluff Property is not sold to the developer of the Sundoon Project, and the Contractor negotiates a lease agreement or sale of either one or both of the properties at the request of the City and County, then the Contractor shall be entitled to receive an amount equal to ten percent (10%) of the rental amount paid during the first ten years of any lease agreement, or ten percent (10%) of the amount of the

compensation paid for the purchase of the Bluff or Meadows property. In the event a transaction for the transfer of a property interest as described in this subsection is subject to the provisions of the policy set forth in Exhibit D, then the amount of additional compensation described in this subsection shall be reduced from ten percent (10%) to seven percent (7%) of the total purchase price received by the City and County, with the amount of three percent (3%) to be used to pay the broker's commission.

Leases for all land and facilities listed in Exhibit "C" are excluded from the provisions of Section 2.1.1(a). The intent of Section 2.1.1 is to provide an incentive to the Contractor for development which they generate at the Airport. Lease extensions (which will be broadly interpreted in its meaning) will not be considered new lease agreements eligible for the ten percent (10%) additional compensation. The parties acknowledge and agree that the hangar leases which have one year terms subject to the annual renewal are subject to the provision for additional compensation set forth in Section 2.1.1(a).

Payments are to be made to the Contractor only after the lease payment or the compensation for the property interest has been received by the City and County, and such payments are subject to any licensing requirements of the State of Washington which may be needed for Contractor to be eligible to receive the additional compensation. The payment of the monthly fee shall be due by the 10th of each month for the following month, with the final payment to be made on the 10th of the month following termination of this Agreement, except for any additional compensation that may continue beyond the end of this Agreement as provided for in Section 2.1.2.

2.1.2 Upon termination of this Agreement by the City and County for any reason other than gross negligence, a wrongful intentional act, or breach of this Agreement committed

by the Contractor (which breach is not remedied pursuant to this Agreement), the Contractor shall be paid monthly an amount equal to ten percent (10%) of the monthly rent or ten percent (10%) of the compensation for the transfer of a property interest, as defined in Section 2.1.1, for money received from the remaining period of eligible leases, development agreements, or property interest transfers, subject to the reduction of compensation to pay for the broker's commission as set forth in Section 2.1.1. In the case of the hangar leases which have one year terms subject to annual renewal, the obligation to pay the additional compensation shall end when that lease agreement is scheduled to expire at the end of the one year term, and shall not continue even if the hangar lease is renewed by the City and County.

2.1.3 If the Contractor chooses to terminate this Agreement, as allowed for in section 4.7 of this Agreement, the obligation to pay additional compensation shall be terminated.

2.1.4 Beginning on July 1, 2014, the monthly fee as specified in 2.1.1 above shall increase each July 1 of each successive year by the amount of increase in the Consumer Price Index CPI" during the previous 12 months as measured by the United States Department of Labor as measured for All Urban Consumers.

2.1.5 City and County will provide and pay for as allowed by budget constraints, office space, office equipment, including but not limited to a desk, work table, conference table and chairs, sufficient locking file cabinets, fax machines, telephone with digital voice mail, internet connection and copy machine all to be located at the airport, aviation radios and other reasonable office supplies to allow Contractor to perform the management services set forth in this Agreement. In addition, City and County, with Contractor's input, will establish a budget as allowed under Exhibit B and pay for reasonable expenses incurred by Contractor in traveling to activities directly related to the performance of Contractor's duties under this contract.

3. GENERAL PROVISIONS

3.1 All work performed pursuant to this Agreement shall be performed according to the terms and conditions of this Agreement. Nothing in this Agreement shall be interpreted in a manner that prevents Contractor from performing other work or from receiving additional compensation for work performed for the City of The Dalles and/or Klickitat County, or other parties related to CGRA; provided that the performance of such other work does not interfere with Contractor's performance of its duties and responsibilities under this Agreement.

3.2 This Agreement and any attachments represent the entire and integrated agreement between the City, County, and the Contractor and supersede all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended by written instrument signed by the City, County, and the Contractor. Amendments shall automatically become part of the Supporting Documents, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

3.3 This Agreement shall be governed by the laws of the State of Washington. Any proceeding to enforce the provisions of this agreement shall be filed in a court of competent jurisdiction in Klickitat County, Washington.

3.4 Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the other's employees and agents.

3.5 In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

3.6 No oral order, objection, claim, or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing signed by the City, County, and the Contractor. No evidence of modification or waiver other than evidence of any such written notice, waiver, or modification shall be introduced in any proceeding.

3.7 In the performance of the work, duties, and obligations required of Contractor under this Agreement, it is mutually understood and agreed that Contractor is at all times acting and performing as an independent contractor. No relationship of employer/employee is created by this Agreement. City and County shall neither have nor exercise any control over the methods by which the Contractor shall perform its work and functions. The sole interest and responsibility of the City and County is to assure that the services covered by this Agreement shall be performed and rendered in a competent, efficient and satisfactory manner. The Contractor shall not have claims under this Agreement or otherwise against the City and County for vacation pay, sick leave, retirement benefits, Social Security benefits, Workmen's Compensation benefits, unemployment or other employee benefits of any kind.

4. SPECIAL PROVISIONS

The CITY, COUNTY, and CONTRACTOR agree that:

4.1 The initial term of this agreement shall be for five years and shall commence on July 1, 2013, and continue until June 30, 2018. This Agreement may be extended for an additional term of three years beginning July 1, 2018, provided the parties are able to mutually agree upon all terms for an extension of this Agreement. In the event the parties are not able to mutually agree upon the terms of an extension, this Agreement shall expire effective June 30, 2018, unless the Agreement is terminated sooner pursuant to the provisions of this Agreement.

4.2. Notices relating to this Agreement shall be given:

- A. To the CITY: Nolan Young
City Manager
313 Court Street
The Dalles, Oregon 97058

- B. To the COUNTY: Chairman
Klickitat County
Board of County Commissioners
205 S. Columbus Avenue
Room 103, MS-CH-04
Goldendale, WA 98620

- C. To the CONTRACTOR: Aeronautical Management, Inc.
P.O. Box 557
The Dalles, OR 97058

4.3 **MEDIATION**

Any party aggrieved by a breach of the provisions of this Agreement may bring an action at law or a suit in equity to obtain redress, including specific performance, injunctive relief, or any other available equitable remedy. However, the parties hereto agree that except for a suit in equity to maintain the status quo until all issues involving this Agreement are resolved between them, no party will bring an action at law until that party has made a good faith effort to mediate any issues with the other parties hereto. Time and strict performance are of the essence of this Agreement. Such remedies shall be cumulative and not exclusive, and shall be in addition to any other remedy, which the parties may have.

4.4 **NOTICE OF DEFAULT**

If the County or City believes that Contractor has failed to properly perform any of the Contractor's obligations under this Agreement and Contractor is in default of this Agreement, City or County shall provide 30 days written notice to Contractor specifying the nature of the default with reasonable particularity. If Contractor is in default and the default is of such a nature that it cannot be completely remedied within the 30-day period, Contractor shall be

deemed to have remedied the default if Contractor begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

4.5 INDEMNIFICATION AND INSURANCE

4.5.1 Contractor shall defend, indemnify and hold harmless the City, County, their officers employees, and volunteers, from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries caused by the sole negligence of the County or the City. Damages caused by the Contractor in the performance of this Agreement due to Contractor's sole negligence or gross negligence are the sole responsibility of the Contractor who will indemnify, defend and hold harmless the City and County for such damages, costs and defense costs.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115 or comparative negligence as determined by a court, that in the event of liability for damages arising out of bodily injury to person or damages to property causing or resulting from concurrent negligence of the Contractor and the City or the County, or their officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitute the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration of the termination of this Agreement.

4.5.2 City and County agree to defend, indemnify and hold harmless the Contractor, its agents, officers and employees against all suits or claims that may be based on any injury to persons or property that is the result of a negligent act or an act of willful conduct of the City or

County, or their agents, officers or employees. City and County agree to defend, indemnify and hold harmless the Contractor, its agents, officers and employees against a suit or claim arising from or related to an action or decision of the Contractor which has been approved or ratified by the Board, the City, or the County.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115 or comparative negligence as determined by a court, that in the event of liability for damages arising out of bodily injury to person or damages to property causing or resulting from concurrent negligence of the Contractor and the City or the County, or their officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitute the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration of the termination of this Agreement.

4.5.3 City and County agree to include the Contractor as an additional named insured under the insurance policy providing liability coverage for the airport operations.

4.6 ASSIGNMENT CLAUSE

The Contractor cannot assign or sub-contract the services covered by this Agreement unless approved by the City and County. It is understood that the team assigned to this Agreement by Aeronautical Management, Inc. shall be Chuck Covert, and Rolf Anderson. The members of this team will not change unless consented to by the City and County, which consent shall not be unreasonably withheld.

4.7 TERMINATION OF CONTRACT

4.7.1 This Agreement may be terminated by the City and County for cause for

Contractor's failure to cure a default under Section 4.4 upon thirty (30) days written notice to Contractor. This Agreement may be terminated by the City and County for the City and County's convenience upon six (6) months advance written notice to Contractor.

4.7.2 The Contractor may terminate this Agreement for its convenience upon giving six (6) months advance written notice to the City and County. City and County reserve the right to allow Contractor to terminate this Agreement upon less than six (6) months advance written notice.

4.7.3 After receiving notice of termination under the provisions of Section 4.7.1 and except as otherwise directed by the City and County, the Contractor shall: (a) Stop work under the agreement on the date and to the extent specified in the notice; (b) place no further orders or subcontracts for materials, services, or facilities except as necessary to complete such portion of the work not terminated; (c) Assign to the City and County to the extent directed by the City and County all rights, titles, and interest of the Contractor which arise from this Agreement, amendments and subcontracts and the City and County shall have the right to settle or pay any and all claims arising under these contract amendments and subcontracts; (d) settle all outstanding liabilities and claims arising out of any orders or subcontracts with the approval or ratification of the City and County to the extent the City and County may require approval or ratification of which shall be final; (e) transfer to the City and County and deliver as directed by the City and County any property which if the Agreement had been completed would have been required to be furnished to the City and County; (f) complete performance of such part of the work which has not been terminated by the City and County; and (g) take such action as may be necessary or as the City and County may direct for the protection and preservation of property relating to the Agreement which is in the possession of Contractor and in which the City and County has or may acquire an interest.

IN WITNESS WHEREOF the parties have caused this Agreement to be signed by their
duly authorized representatives as of this _____ day of _____, 2013.

CITY OF THE DALLES

BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington

By: _____
Nolan K. Young, City Manager

Dave Sauter, Chairman

Attest: _____
Julie Krueger, MMC, City Clerk

Rex F. Johnston, Commissioner

Approved as to form:

Jim Sizemore, Commissioner

Gene E. Parker, City Attorney

Attest: _____
Crystal McEwen, Clerk of the Board

AERONAUTICAL MANAGEMENT, INC.

Approved as to form:

By: _____
Rolf Anderson

Prosecuting Attorney

Chuck Covert

LEGAL DESCRIPTION

for

Tract #2 – Meadows Property

A tract of land lying in the East 1/2 of the Northwest 1/4 of Section 35, Township 2 North, Range 13 East, Willamette Meridian, Klickitat County, Washington, being more particularly described as follows:

Commencing at the Northeast corner of said East 1/2; thence along the East line of said East 1/2, South $00^{\circ}22'14''$ West 650.59 feet to the true point of beginning of this description; thence leaving said East line, North $85^{\circ}55'46''$ West 314.77 feet; thence South $26^{\circ}27'26''$ West 179.59 feet; thence South $24^{\circ}52'11''$ East 171.07 feet; thence South $02^{\circ}24'04''$ East 430.20 feet; thence South $46^{\circ}40'45''$ West 220.77 feet; thence South $15^{\circ}42'48''$ East 474.34 feet; thence South $16^{\circ}57'09''$ West 586.83 feet; thence South $73^{\circ}02'51''$ East 167.60 feet to the intersection with the Northerly right-of-way line of Dallesport County Road; thence along said Northerly right-of-way line, North $26^{\circ}55'16''$ East 300.55 feet; thence on a 326.48 foot radius curve to the right, through a central angle of $47^{\circ}05'00''$ a distance of 268.29 feet (the long chord of which bears North $50^{\circ}27'46''$ East 260.80 feet) to the intersection with said East line; thence leaving said Northerly right-of-way line, along said East line, North $00^{\circ}22'14''$ East 1,507.77 feet to the true point of beginning of this description.

Contains 14.62 acres.

LEGAL DESCRIPTION

for

Tract #3 – Bluff Property

A tract of land lying in the East 1/2 of the Southeast 114 of Section 34 and in the Southwest 114 of Section 35, Township 2 North, Range 13 East Willamette Meridian, Klickitat County, Washington, being more particularly described as follows.

Commencing at the Northwest corner of said Southwest 114; thence along the West line of said Southwest 1/4, South 00°10'46" West 1,169.39 feet to the true point of beginning of this description; thence leaving said West line, South 61°21'44" West 264.38 feet; thence South 87°38'00" West 237.92 feet; thence South 02°22'00" East 214.06 feet to the intersection with the Northerly right-of-way line of Dallesport County Road; thence along said Northerly right-of-way line, North 87°49'18" East 951.64 feet; thence on a 914.93 foot radius curve to the left, through a central angle of 22°50'01" a distance of 364.62 feet (the long chord of which bears North 76°24'18" East 362.21 feet); thence North 64°59'17" East 829.50 feet; thence on a 914.93 foot radius curve to the left, through a central angle of 12°00'13" a distance of 191.68 feet (the long chord of which bears North 58°59'11" East 191.33 feet); thence leaving said Northerly right-of-way line, North 58°29'05" West 341.27 feet; thence North 39°15'09" West 128.82 feet; thence South 84°17'21" West 163.96 feet; thence North 66°41'42" West 433.51 feet; thence South 89°41'31" West 130.43 feet; thence South 22°29'26" West 383.28 feet; thence South 61°21'44" West 623.25 feet to the intersection with said West line and true point of beginning of this description.

Contains 24.21 acres.

Scope of Work

(July 1, 2013)

Title: Airport Management Team

Employer: Columbia Gorge Regional Airport

Duties and Responsibilities:

(Airport refers to Columbia Gorge Regional Airport)

(Board refers to the seven-member Columbia Gorge Regional Airport Board)

(Managers refers to Aeronautical Management, Inc.)

(City Representative refers to The Dalles City Manager or Manager's Designee)

(County Representative refers to the Klickitat County Commissioner on the Board or their Designee)

Section 1: Administrative Structure and Responsibilities

The Managers work under the general direction of the Board. The Managers also work in coordination with the City and County representatives who have general contract oversight of the Airport's Intergovernmental Agreement, Airport Management Agreement, and FBO Contract.

Section 2: Airport Operations

- A) The Managers will make themselves available as is reasonable, for contact by the public either by phone or in person at the airport office. The Manager's presence at the airport will be significant enough to avail the Managers opportunities to assess the condition of the airport and to conduct airport business. It is assumed that there will be some presence on site most business days.
- B) The Managers will monitor airport operation and activities, which includes but is not limited to, NOTAMS, weather information systems, bird control, animal incursions, and other safety issues.

Section 3: Budget

- A) The Managers will assist in the preparation of the Airport budget and be responsible for monitoring revenues, expenditures, and obligations. The Manager

Exhibit "A"

will also adhere to the Purchasing Policy Document as provided by the City of The Dalles.

Section 4: Regulatory Agencies

- A) The Managers will use the FAA, Oregon Aeronautics, and Washington Aeronautics as a resource to ensure activities at the Airport are in compliance with regulations. These resources will be used, if available, for development, maintenance and any projects that will enhance Airport operations.
- B) The Managers will monitor State and Federal legislative activity pertaining to the Airport and become involved as directed by the Board.

Section 5: Maintenance and Construction

- A) The Managers will be the project manager on all construction projects at the Airport unless otherwise directed by the Board. This will include bid preparation and subsequent compliance by the contractor.
- B) The Managers will be responsible for maintaining Airport property under his control which may include, but is not limited to fences, gates, airport lighting, structures, fueling systems, signs, painted markings, weather information systems, vegetation, and wind direction indicators is maintained by appropriate entities subject to the Airport budget.
- C) The Managers will be responsible for conducting inspections of runways, taxiways, drainage systems, signs, markings, and airport lighting for evidence of deterioration, functionality, and safety issues.

Section 6: Leases

- A) The Managers will negotiate and administer Airport leases and review them for compliance. The Manager will be the primary contact between the Airport and the Fixed Base Operator (FBO), which may include receiving the FBO's report and incorporating it into the Manager's monthly report to the Board.

Section 7: Marketing and Development

- A) The Managers will implement a marketing plan when it is adopted by the Board and will promote growth at the Airport through marketing and development strategies as directed by the Board. In such work the Manager will cooperate with, and use, the resources of Klickitat County Economic Development Office, the City of The Dalles Community Development Department office, the Port of The Dalles, the Klickitat County Port, and the Mid-Columbia Economic Development District to achieve the desired goal of airport growth.

Exhibit "A"

- B) The Managers will also review and implement the Airport Master Plan/Airport Layout Plan.
- C) The Managers will pursue grant opportunities and prepare grant applications.
- D) The Managers will work to broaden political, technical, and financial support for the Airport.

Section 8: Administration

- A) The Managers shall be responsible for having minutes taken at all Board Meetings and maintaining record of all Board activities, including but not limited to Agendas, notice of meetings, minutes, and correspondence.
- B) The Managers will be responsible for maintaining Airport records and filing systems and all other administrative functions pertaining to the Manager's office.
- C) The Managers will work with the City of The Dalles Finance Manager on financial issues and transactions.
- D) The Managers will attend Board meetings and provide a monthly report to the Board on Airport activities.
- E) The Managers in consultation with the Board Chair, the City and County representatives will be responsible for preparing the Agenda for the Airport Board meeting and will provide a report on action and discussion items as required.
- F) The Managers will attend meetings and conferences pertaining to management and operation of Airport and be reimbursed for reasonable expenses incurred in such travel.

Section 9: Emergencies

- A) The Managers will be notified of all accidents on airport property and keep appropriate records.
- B) The Managers will be notified of incidents involving acts of nature or any other damage to airport property and make appropriate decisions or recommendations as to the continued safe use of the Airport.
- C) In the case of accidents involving serious injury or fatalities, the Managers will be immediately notified and respond if necessary to provide assistance to the emergency agencies, as well as obtain preliminary information.

Section 10: Work Schedule

- A) The Managers will work a schedule that best meets the needs of the Airport as approved by the Board.

Section 11: Special Assignments

- A) The Managers from time to time may be assigned additional tasks or responsibilities that can be accomplished within the time allotted under the contract.

COLUMBIA GORGE REGIONAL/THE DALLES AIRPORT

JOINT OPERATING AGREEMENT

BETWEEN

THE CITY OF THE DALLES, OREGON

AND

KLICKITAT COUNTY, WASHINGTON

NOVEMBER 1, 2002

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COLUMBIA GORGE REGIONAL/THE DALLES AIRPORT
JOINT OPERATING AGREEMENT

This Columbia Gorge Regional/The Dalles Airport Joint Operating Agreement (“Agreement”) is effective the 1st day of November, 2002 (“Effective Date”) by and between the City of The Dalles, a municipal corporation of the State of Oregon, (“City”), and Klickitat County, a municipal corporation of the State of Washington (“County”). The City and County are collectively referred to as the “Parties.” The Parties agree as follows:

1. RECITALS.

- 1.1 The City currently owns the Columbia Gorge Regional/The Dalles Airport (“Airport”) located in Klickitat County, Washington.
- 1.2 The City operated the Airport until the City and the County entered into that certain Intergovernmental Agreement for Cooperative Action to Establish a Regional Management Authority For Columbia Gorge Regional/The Dalles Airport, dated June 21, 1999 (“Interim Joint Operating Agreement”).
- 1.3 The Interim Joint Operating Agreement established a board for the operation of the Airport, which includes City and County representatives. The Interim Joint Operating Agreement provided that the Board would operate the Airport, for 18 months on a trial basis.
- 1.4 The Parties have determined that it is in the best interests of the public to continue to provide for the operation of the Airport through a regional board and to provide for joint ownership of the Airport, consistent with this Agreement.

1.5 The purpose of the Agreement is to help ensure that the Airport becomes a self-sufficient catalyst for economic growth in the near term.

1.6 The Parties intend to share equally in the costs and benefits of the Airport, consistent with this Agreement.

2. AIRPORT. The Airport presently consists of the real property, described on Exhibit A to this Agreement, as well as the personal property and property rights used in connection with or associated with such real property. The Airport does not include that portion of the original airport land that is being proposed for a golf course, as described in Exhibit B to this Agreement, subject to the terms of this Agreement.

3. OWNERSHIP. The City currently owns the Airport, but the Parties have agreed that they should jointly own in equal shares all real and personal Airport property. Thus, the County and the City shall each own a one-half undivided interest in all real and personal property comprising the Airport (including without limitation facilities and privileges related to the Airport and any real or personal property acquired during the Term). In addition, the Parties shall each have a one-half interest in the revenue received by or derived from the Airport. Within thirty (30) days after the Effective Date, the City shall initiate the process to, and begin preparation of, the documents necessary to transfer the City's interest in the property to Klickitat County, for no additional consideration. Such property shall be transferred to County, consistent with this Agreement, within 90 days of the Effective Date. Following the transfer, the County and City shall each be liable for one-half of all current liabilities associated with the operation, maintenance or improvement of the Airport, and the County and City shall each be liable for one-half of future costs related to operating, maintaining, or improving the Airport for the Agreement Term.

4. UTILITIES.

The Parties shall share equally in expenses for Airport utilities.

5. INTERIM JOINT OPERATING AGREEMENT. This Agreement replaces and supercedes the Interim Joint Operating Agreement.

6. REGIONAL BOARD. The Regional Board ("Board") created under the Interim Joint Operating Agreement shall continue to operate the Airport on behalf of the City and County, consistent with this Agreement.

7. BOARD MEMBERSHIP. The Board shall consist of seven (7) members. The City and the County each have the authority to appoint the Board members for three positions on the Board. One of the City's appointees shall be a member of the City Council, and one of the County's appointees shall be a member of the Klickitat County Board of Commissioners. The other members of the Board shall appoint the seventh Board member ("Board-appointed member"). The first Board-appointment member shall be appointed within sixty (60) days of the Effective Date, for a term expiring December 31, 2003; subsequent appointments of the Board-appointed member shall be for a two-year term. Members of the Board shall serve without compensation. Board members may receive, from Airport funds, reimbursement for reasonable and actual expenses incurred in the course of official business, including necessary travel, consistent with applicable law and procedures approved by the City and County.

8. BOARD VACANCIES AND QUALIFICATIONS. The applicable appointing authority, (i.e., the City, the County, or the Board) shall fill vacancies on the Board. The City and County may establish their own procedures for making appointments to the Board, including provisions for removal of appointees to the Board, and provisions for the length of the terms to be served by the appointees. Notwithstanding the foregoing, Board positions terminate upon the termination

or expiration of this Agreement. In the event of a vacancy, a new appointee shall serve only the unexpired term of the previous Board member. All Board members shall be residents of the City or the County; provided, however, that the terms of the Board member who is a member of the City Council or the Board of County Commissioners shall immediately terminate if such member no longer holds a position on the City Council or the Board of County Commissioners, as applicable. Board members may serve more than one term. In making appointments, the City and the County shall each endeavor to ensure that its appointees are qualified by reason of education and/or experience in matters pertaining to aviation and industrial development.

9. EXISTING REGULATIONS. Except as otherwise expressly provided herein, all existing rules, regulations, contracts, offices, and actions previously adopted or approved by the City and County, or the Parties acting jointly and not in conflict with this Agreement, are unaffected and shall remain in full force and effect unless and until superceded or amended in writing consistent with this Agreement.

10. MANAGEMENT. Subject to this Agreement, other applicable agreements, and applicable laws and regulations, including without limitation, Federal Aviation Administration (“FAA”) regulations, the Board shall have all of the powers granted under chapter 14.08 RCW, as it may be amended from time to time, to manage, improve, maintain, equip and operate the Airport and its facilities. Notwithstanding the foregoing, the Board’s authority is at all times subject to such restrictions and requirements as the City and County may mutually determine from time to time, as well as the limitations set forth herein.

11. LIMITATIONS ON BOARD AUTHORITY.

11.1 The Board shall not have the authority to divest any real property without prior written approval of the Parties.

- 11.2 Any agreements with a duration of two (2) years or more proposed by the Board shall require approval by the Parties before those agreements can take effect.
- 11.3 The Board shall not have authority with respect to Airport properties subject to prior agreements between the City and Wasco County, Oregon.
- 11.4 The Board cannot independently exercise the power of eminent domain; the City and County must exercise eminent domain power jointly.
- 11.5 Joint City and County ordinances must adopt police regulations governing conduct and use of the Airport to be enforced through judicial proceedings. The Airport Board may adopt reasonable rules and regulations for the control and management of the Airport not requiring judicial enforcement.
- 11.6 Contracts for public works and other procurement must satisfy the legal and procedural requirements of the County and City.
- 11.7 The employment, terms of employment, and termination of the Airport Director and other executive-level personnel must be jointly approved by the City and County.
- 11.8 Capital improvements of Airport property, for aeronautical, commercial, and industrial purposes, shall be in accordance with an Airport Master Plan jointly adopted by the Board, City, and County, and approved by the FAA.
- 11.9 The Board may not acquire real or personal property with a value of more than \$10,000 without prior approval of the City and County.

12. RESPONSIBILITIES OF THE BOARD. The Board shall:

- 12.1 Establish and maintain schedule of regular monthly public meetings which will be held in accordance with open public meeting laws of the State of Washington.

- 12.2 Adopt such procedural rules, including selection of officers, as are necessary to carry out the business of the Board.
 - 12.3 Establish procedures to ensure that all disbursements from the Enterprise Fund will be made by order of the Board in accordance with rules and regulations prescribed by the City and the County.
 - 12.4 Develop and maintain an Airport Master Plan addressing capital and other improvements to the Airport.
 - 12.5 Establish and present to the City and County for approval a five-year Capital Plan for preserving and improving the Airport.
 - 12.6 Prepare and recommend to the County and City, for approval, an annual operating budget for the Airport in accordance with this Agreement.
 - 12.7 Develop a long-term marketing plan for the Airport, and aggressively pursue creation of sources of revenue capable of making the Airport self-sufficient.
 - 12.8 Pursue sources of funding for implementing marketing plan proposals, including infrastructure improvements.
 - 12.9 Develop land and facility lease policies.
 - 12.10 Expend all funds in strict compliance with the approved annual Budget and applicable law.
13. QUARTERLY REPORTS. The Board shall prepare a full and complete report of the activities, income, and disbursements related to the Airport, and such other information as the City or County may request, which reports shall be submitted to the City and County on a quarterly basis. The report shall also include information indicating income received and

disbursements made, the amounts contributed by the City and the County, and reflect any profit or loss for the Airport operation.

14. ENTERPRISE FUND AND FINANCES.

14.1 An Enterprise Fund ("Enterprise Fund") has been established under the authority of the City for the purpose of advancing funding necessary to carry out the provisions of this Agreement. The County and City will deposit all budgeted money related to maintenance, operation, and capital improvements at the Airport into the Enterprise Fund. Deposits will be made in two equal quarterly payments by July 15th and January 15th of each year. In addition, all revenue received from the ownership, control, and operation of the Airport and the Golf Course (described in Section 25), shall be deposited into the Enterprise Fund. The City Finance Director shall be, ex officio, the Treasurer for the Board and the Airport through December 31, 2005. Consistent with RCW 14.08.200(11), the Parties shall obtain a bond to protect the finances of the Airport and the Enterprise Fund. After that time, by joint agreement, either party may serve as Treasurer for four year terms; if the Parties cannot agree, the City Finance Director shall remain the Treasurer of the Board and the Airport. The Treasurer's term expires upon the termination or expiration of this Agreement.

14.2

14.2.1 As specified in the annual budget, and except as required by law or other contract, Airport revenues and other money in the Enterprise Fund shall be applied to the following purposes, in the order listed.

- (a) Maintenance and operation expenses, including salaries and other personnel costs;
- (b) Debt service;
- (c) Jointly agreed upon capital improvements to the airport facility;
- (d) Accumulation of reserve funds;
- (e) Early redemption of revenue bonds or other Airport indebtedness.

In the event that reserve funds exceed two years projected operating costs and the projected costs of the adopted five year Capital Improvement Plan at the time of budget adoption, the City and County may by joint resolution provide for the repayment to each of them of one-half of the excess proceeds, up to the total unreimbursed amount the particular party has paid into the Enterprise Fund to date (not including Airport or Golf Course revenues).

14.2.2 Real property taxes assessed against the Airport property described in Exhibit A shall qualify as maintenance and operation expenses under Section 14.2.1. Real property taxes assessed against the Golf Course Property described in Exhibit B shall not qualify as maintenance and operation expenses, and these taxes shall be paid to Klickitat County directly.

15. FISCAL YEAR. The Board's fiscal year shall correspond with the fiscal year of the party acting as Treasurer.

16. BUDGET. Annually, the City and County shall determine the maximum total amount to be expended by the Board in the following calendar year (the "expenditure limit"). The Parties shall submit the expenditure limit to the Board on or before February 1 (September 1, if County is Treasurer) each year. If the City and County do not provide expenditure limit to the Board by February 1 (September 1, if County is Treasurer) in any year, the maximum total amount that the Board may spend in the following year shall be the authorized total budget amount for the current year, minus any complete grant programs and projects and complete capital improvement projects. The Board shall submit a proposed budget to the City and County for their joint approval by March 1 (October 1, if County is Treasurer) of each year, and the County and the City shall jointly approve the budget (with or without modifications) by June 15 (December 15, if County is Treasurer) of each year. If the County and City have not jointly approved the Airport budget by June 15 (December 15, if County is Treasurer) in any year, the budget submitted by the Board is deemed approved, up to the total maximum amount that the Board is authorized to expend in the budget year.

17. BONDS - INDEBTEDNESS.

17.1 The Board does not have independent authority to issue bonds. In addition, the Board shall not incur any liability in excess of \$10,000 or with a date of maturity of more than one year from the date of the obligation without prior written approval of the City and County.

17.2 The City and County may, by mutual legislation, and consistent with applicable law authorize the issuance and sale of revenue bonds or other obligations (collectively, "bonds") payable from Airport revenues, the proceeds of which are to be used exclusively for Airport purposes. After the adoption of necessary

legislation by both the City and the County, the bonds shall be authorized by and issued in the name of the County or the City, as determined pursuant to a separate agreement to be entered into in connection with each bond issue to provide funds for the Airport. The Parties shall specify in that agreement, among other things, responsibility for repayment of the particular bonds.

17.3 Either of the Parties may also issue general obligation debt for Airport purposes, for projects authorized by law. If general obligation debt is proposed to be issued, the Parties shall adopt a joint resolution evidencing the intent to incur such debt. Each party shall separately authorize its portion of the total debt in the manner required by law for each party, respectively. All Airport funds shall be administered and accounted for in accordance with the rules, regulations, and principles established and approved by the applicable state budget law and audit requirements, subject only to controlling federal audit requirements.

18. TAXES. Lessees and tenants leasing property at the Airport, and entities or individuals operating a business at the Airport, shall be responsible for paying any applicable leasehold excise, business and occupation, real or personal property taxes, or other taxes imposed by the State of Washington, Klickitat County, or other government entity with jurisdiction which the lessee or tenant is obligated to pay by law or pursuant to a lease agreement. The City shall pay to Klickitat County the portion of real property taxes allocated to the Airport property, due to the City's one half interest in the Airport property. The County shall apply those funds, consistent with applicable law. The City and County shall each pay one-half of the amount of any other taxes or governmental assessments due, consistent with applicable law.

19. TERM. This Agreement shall take effect on the Effective Date and, unless earlier terminated as provided herein, shall continue for automatically renewing terms of one year each.

20. TERMINATION. The Parties may terminate this Agreement by mutual agreement on such terms as they determine are appropriate. If required by federal law, the party terminating shall also provide notice to the FAA, consistent with applicable law. The Agreement shall terminate at the end of the calendar year for which proper termination notice was provided.

20.1 Mutual Termination.

20.1.1 If a mutual termination occurs prior to 2018, during a time when grant assurances may require the repayment of FAA or other grant funds received by the City for grants obtained prior to the Effective Date, the City has agreed to sell its entire one-half interest in the Airport assets, and apply the proceeds from the sale for any required repayment of the grant funds. If revenue obtained from the City of the City's share of the Airport assets is not sufficient to repay the amount of funds owing, the County agrees to sell its one-half interest in the Airport assets and apply the proceeds from that sale toward the required repayment of grant funds. If after the sale of assets by both the City and County, there is still an obligation owed for repayment of grant funds, the City shall be solely responsible for paying the balance of that liability.

20.1.2 For liabilities other than the potential repayment of existing FAA or other grant funds, the parties shall commence negotiations to distribute assets and assumption of those liabilities, with the goal of dividing the assets and liabilities of the Airport on an equitable basis. If it becomes necessary to

engage independent appraisal or arbitration services to determine the amount and nature of payments between the Parties, the Parties shall share such costs on an equal basis.

20.1.3 If the Parties are unable to agree upon a distribution of Airport assets and the assumption or payoff of Airport liabilities, consistent with this Agreement, within ninety (90) days after the date the Parties agree to termination, or at any subsequent time with respect to other distributions, either party may petition the Klickitat County Superior Court to allocate and distribute the assets and liabilities, consistent with this Agreement. In such case, each party shall bear its own costs, attorney fees, expert witness fees, and other costs. The order of the Superior Court may be appealed by either party to the appropriate court. This procedure will also apply to a mutual termination which may occur after the year 2018, when the obligation to repay the FAA grant funds has expired.

20.2 Termination by One Party.

20.2.1 Either party may terminate this Agreement by giving the other party at least ninety (90) days' written notice prior to the end of any calendar year. If required by federal law, the party terminating shall also provide notice to the FAA, consistent with applicable law.

20.2.2 In the event one party provides notice of termination, and the non-terminating party elects to continue the operation of the Airport, the terminating party shall convey to the non-terminating party, by appropriate instrument without consideration, all of the terminating party's interest in

the real and personal property related to the Airport. The non-terminating party shall also assume Airport liabilities of the terminating party, incurred pursuant to this Agreement.

20.2.3 In the event the non-terminating party elects to discontinue the operation of the Airport at any time within a five-year period after the date the terminating party conveyed all of its interest in the real and personal property at the Airport to the non-terminating party and the non-terminating party assumed liabilities as described in the previous sentence, this Agreement shall be considered to have been terminated jointly, and the Parties shall then commence negotiations to equally distribute the then-existing assets and liabilities of the Airport, with the understanding that a) if the decision of the non-terminating party to discontinue operation of the Airport occurs prior to 2018 when the existing FAA or other grant assurance obligation is still in effect, the Parties agree that the assets of the Airport shall be sold and the revenue be applied to repay the grant funds owed; and, b) that in the event the sale of the Airport assets is not sufficient to repay the grant funds, the City shall be solely responsible for the balance of the grant funds owed.

20.2.4 In the event the Parties are unable to agree upon a division of assets and liabilities within ninety (90) days after the date of delivery of the termination notice, or any subsequent time with respect to other distributions, then either party shall have the right to petition the Klickitat County Superior Court to allocate and distribute the assets and liabilities,

consistent with this Agreement. In such case, each party shall bear its own costs, attorney fees, expert witness fees, and other costs. The order of the Superior Court may be appealed by either party to the appropriate court. This procedure will also apply to a termination which may occur under 20.2.3.

21. VENUE AND GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Washington; venue shall be in Klickitat County Superior Court.

22. NO THIRD PARTY BENEFICIARIES. This Agreement is not intended and shall not be construed to create any rights in third Parties.

23. APPROVALS. In any circumstance in which Board actions require the approval of the City and County, the Board shall make a written request for such approval to the representative of each party designated by such party. The City and County shall each duly act on the request within twenty-one (21) days and shall each respond to the Board in writing.

24. AMENDMENT. This Agreement constitutes the entire understanding between the Parties with respect to its subject matter and may only be amended with a writing executed by both Parties.

25. GOLF COURSE PROPERTY.

25.1 Subject to the terms of this Agreement, the City shall own property previously designated for a golf course as described in Exhibit B ("Golf Course Property").

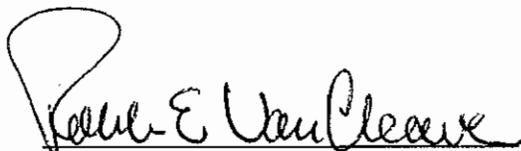
25.2 If construction of the golf course is not started within five years of the Effective Date of this Agreement or is not completed within eight years after the Effective Date of this Agreement, the City shall convey a one-half, undivided interest in the

Golf Course Property to the County, and the Golf Course Property shall be deemed to be part of Airport property owned jointly by the Parties, in addition to the property described in Exhibit A.

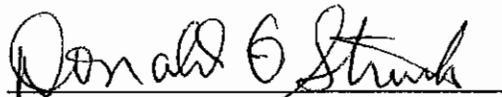
25.3 All revenue derived by the City from the golf course in excess of the City's reasonable expenses related to the golf course shall be considered operating revenue of the Airport and shall be deposited into the Enterprise Fund.

25.4 Within ninety (90) days of the Effective Date of this agreement, the City shall subdivide the Airport Property into the parcels as described in Exhibit "A" and Exhibit "B".

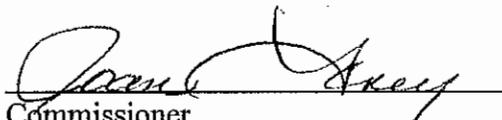
CITY OF THE DALLES


City Manager MAYOR

BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington


Chairman


Commissioner


Commissioner

ATTEST:


City Clerk

Approved as to form:


City Attorney

ATTEST:

By 
Auditor Clerk of the Board

Approved as to form:


Prosecuting Attorney

EXHIBIT "A" - LEGAL DESCRIPTION

IN COUNTY OF KLIKITAT, STATE OF WASHINGTON

**Lots 1, 14, 15 and 16, NORTH DALLES FRUIT AND GARDEN TRACTS,
according to the recorded plat thereof:**

**The South Half of the South Half of The Southwest Quarter of Section 26;
AND the Southeast Quarter of the Southeast Quarter of Section 27, Township 2 North,
Range 13 East, W.M.**

EXCEPT the Northeast Quarter of the Southeast Quarter of the Southeast Quarter;

**The Southwest Quarter of the Southeast Quarter;
The Southeast Quarter of the Southwest Quarter; and
The South Half of the Southwest Quarter of the Southwest Quarter of Section 27,
Township 2 North, Range 13 East, W.M.;**

**The West Half of the West Half of the Northeast Quarter;
The West Half of the Northwest Quarter of the Southeast Quarter;
The North Half of the Northwest Quarter;
The Southeast Quarter of the Northwest Quarter;
The Northeast Quarter of the Southwest Quarter;
Portions of the Southwest Quarter of the Northwest Quarter, the Northwest Quarter of
the Southwest Quarter and Government Lots 2, 3 and 4 described as follows:**

**Beginning at the Intersection of the South line of the Northwest Quarter of the
Northwest Quarter with the Northerly extension of the East line of County Road No.
30, which point is 980 feet, more or less, East of the Southwest corner of the
Northwest Quarter of the Northwest Quarter;
Running thence South 0°7' West a distance of 2550 feet, more or less, to a point in
the East line of County Road No. 30, which point is opposite and 30 feet distant from
station 25193.85 of survey of said county road;
Thence South 0°07' West 680.6 feet to point indicated on U.S. Engineer's "Boundary
Survey of Dalles Airport" as "Southwest corner equals Angle Point No. 1";
Thence tracing the line of the top of the bluff North of Columbia River South 85°46'
East 973 feet to "Angle Point No. 2";
Thence North 85°35' East 1361 feet to "Angle Point No. 3";
Thence South 72°49' East to a point midway between the East and West lines of
Government Lot 2;
Thence North on a line midway between said East and West lines to the North line of
said Government Lot 2;
Thence West along said North line to the Northwest corner of said Government Lot
2;
Thence West along the North line of Government Lot 3, 1331.1 feet to the Northwest
corner of said Government Lot 3;
Thence North along the West line of the Northeast Quarter of the Southwest Quarter
to the Northwest corner of said Northeast Quarter of the Southwest Quarter;
Thence North along the West line of the Southeast Quarter of the Northwest Quarter
1321.3 feet to the Northwest corner of said Southeast Quarter of the Northwest
Quarter;
Thence West along the North line of the Southwest Quarter of the Northwest Quarter
351 feet, more or less, to the point of beginning; ALL in Section 34, Township 2
North, Range 13 East, W.M.,
Page 9**

EXCEPTING therefrom the following:

(a) That portion of the Southwest Quarter of the Northwest Quarter of said Section 34 lying South of the North line of Harrison Street as shown on Plat of Grand Dalles (now vacated) and West of original road leading from Rockland Ferry Landing (known also as Old Dalles-Goldendale Road);

(b) Tract conveyed to Willam Seufart by deeds recorded in Volume 80 of Deeds, page 243, and Volume 80 of Deeds, page 343, records of said county, described as follows:

**A Tract of land near the center of said Section 34, 200 feet from North to South and 200 feet from East to West;
there is a well that has been drilled in the center of said tract of land and the said tract of land is 100 feet in all directions measuring from the center of said well;
also the well and the water thereof;**

(c) County Roads.

**The East Half of the East Half; and
The East Half of the West Half of the East Half of Section 34, Township 2 North, Range 13 East, W.M., lying North of the North line of the right of way of the Spokane, Portland & Seattle Railway;**

The West Half of Section 35, Township 2 North, Range 13 East, W.M., lying North of the North line of the right of way of the Spokane, Portland & Seattle Railway.

EXCEPT the following:

A triangular tract lying in the East Half of the Southwest Quarter of the Southeast Quarter of said Section 34, which tract is bounded on the South by the North line of the right of way of the Spokane, Portland & Seattle Railway, on the West by the West line of the East Half of the Southwest Quarter of the Southeast Quarter of said Section 34, and on the North by a line running North 72°49' West from a point in the North line of the right of way of the Spokane, Portland & Seattle Railway, which point is opposite and 90 feet distant from Station 488+71.7 of the survey of said Spokane, Portland & Seattle Railway;

EXCEPTING from all parcels:

- 1. Any County Road.**
- 2. Any portion lying Southerly of the Northerly line of the Spokane, Portland & Seattle Railway.**
- 3. Any portion lying Easterly of the Westerly line of Highway 197.**
- 4. Any portion lying Westerly of the Easterly line of County Road No. 92191 known as Dallesport Road.**

November 14, 2002

SCHEDULE A

Order No.:
W-31484

Effective Date of Commitment
October 23, 2002 at 8:00 a.m.

Prepared For: Copy To:
City of The Dalles
308 Union Street
The Dalles, OR 97058
Attention: Gene Parker

1. Policy or Policies to be issued:	Amount	Premium	Tax
(a) ALTA Owners Policy Form B Standard	To follow	Later	

Proposed Insured:

Klickitat County

2. The estate or interest in the land described or referred to in this Commitment and covered herein is a **Fee Simple**.

3. Title to said estate or interest in said land is at the effective date vested in:

City of The Dalles, also shown of record as, Dalles City, Oregon, a municipal corporation

4. The land referred to in this Commitment is described as follows:

SEE EXHIBIT ONE, ATTACHED.

PACIFIC NORTHWEST TITLE
Insurance Company, Inc.

ALTA COMMITMENT

SCHEDULE B

I. The following are the requirements to be complied with:

A. Instruments necessary to create the estate or interest to be insured must be properly executed and duly filed for record.

B. Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.

II. Schedule B of the Policy or Policies to be issued (as set forth in Schedule A) will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

A. Defects, liens, encumbrances, adverse claims or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

B GENERAL EXCEPTIONS:

1. Rights or claims of parties in possession not shown by the public records.
2. Public or private easements, or claims of easements, not shown by the public records.
3. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished imposed by law and not shown by the public records, or Lien under the Workmen's Compensation Act not shown by the public records.
5. Rights of use, control or regulation by the United States of America, in the exercise of powers over navigation; any prohibition or limitation on the use, occupancy or improvement of the land resulting from the rights of the public or riparian owners to use any water which may cover the land.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
7. Any service, installation, connection, maintenance or construction charges for sewer, water, electricity or garbage removal.
8. General taxes not now payable or matters relating to special assessments and special levies, if any, preceding the same becoming a lien.
9. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes.

C. SPECIAL EXCEPTIONS:

SEE FOLLOWING PAGE(S)

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

Order No.: W-31484

1. General taxes for the second half 2002, which will become delinquent October 31, 2002, as follows:

Amount : \$9,119.30
Parcel no. : 02-13-3400-0008/00

NOTE: The first half 2002 taxes paid.

2. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : A well, and rights related thereto
Recorded : January 30, 1940
Auditor's no. : 5648
Affects : as set forth in said instrument

3. Assessments, if any, for the North Dalles Irrigation District.

4. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Road purposes
Recorded : June 15, 1941
Auditor's no. : 13162

5. Any matters set forth on the U.S. Engineer's "Boundary Survey of the Dalles Airport" as disclosed in a deed

Recorded : August 23, 1941
Auditor's no. : 14196

6. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Power lines and appurtenant rights
Recorded : April 5, 1943
Auditor's no. : 21344
In favor of : The Pacific Power & Light Co. which deed recites:
reserving however the right to cross a corner of such
land (Shown in said deed) with the power line of the
Pacific Power & Light Co. and the right to maintain
tow poles thereon.

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

Order No.: W-31484

7. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Power lines and poles and rights appurtenant thereto
Recorded : June 5, 1944
Auditor's no. : 25225
In favor of : Pacific Telephone and Telegraph Company, a California corporation
Affects : Reference is made to the record for particulars

8. A lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor : Dalles City, Oregon, a municipal corporation
Lessee : The United States of America
Recorded : May 5, 1945
Auditor's no. : 27799

9. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Public road and related rights
Recorded : May 20, 1955
Auditor's no. : 70323 and amended by Auditor's no. 72405
In favor of : Klickitat County
Affects : Reference is made to the record for particulars

10. Easement and right of way for electric transmission line or system, together with appurtenances and related rights in favor of Public Utility District No. 1, Klickitat County

Recorded : September 4, 1973
Auditor's no. : 146603
Affects : Tract 14, 15 and 16 of the North Dalles Fruit and Garden Tracts, in Sections 27 and 28, Township 2 North, Range 13 East, W.M.
: The Southeast Quarter of the Southwest Quarter of the Southwest Quarter of the Southeast Quarter AND the Northwest Quarter of the Southeast Quarter of the Southeast Quarter of Section 27, Township 2 North, Range 13 East, W.M.
: An easement within the confines of the existing 60 foot county roadway along the North side of the property and extending to the East boundary of said property.

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

Order No.: W-31484

11. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Navigation easements as described in said instrument
Recorded : March 15, 1978
Auditor's no. : 165019
Recorded : April 10, 1978
Auditor's no. : 165392
Recorded : April 17, 1978
Auditor's no. : 165500
Recorded : May 3, 1978
Auditor's no. : 165753
Affects : reference is made to the record for particulars

12. The right to restrict or prohibit certain structures, trees, or other objects or uses as more fully set out in the instruments described in Item 13 above. Reference is made to the record for particulars.

13. An agreement dated May 23, 1979 between Public Utility District No. 1 of Klickitat County and The City of The Dalles, wherein PUD No. 1 agrees to subordinate certain of its easements to the City's flight path easements as described in the agreement

Recorded : June 5, 1979
Auditor's no. : 172108

14. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : An electric distribution line to serve the Runway End
Identification Light system at the City of The Dalles
Municipal Airport
Recorded : October 1, 1979
Auditor's no. : 174031
In favor of : Public Utility District No. 1 of Klickitat County, a
municipal corporation

15. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Power lines and related rights
Recorded : May 26, 1982
Auditor's no. : 186146
In favor of : Public Utility District No. 1 of Klickitat County, a
Municipal corporation
Affects : Said easement to be 20 feet in width, 10 feet on each
side of centerline as shown on the sketch attached to
said deed

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

Order No.: W-31484

16. A lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor : City of The Dalles, a municipal corporation
Lessee : Fliteline Systems, a general partnership
Recorded : February 1, 1995
Auditor's no. : 245448

17. Matters set forth on Binding Site Plan No. 94-05

Recorded : May 16, 1995
Auditor's no. : 247103

18. Various Instruments and matters related to The Dalles Airport Condominiums.

19. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : Public utility easement
Recorded : August 8, 2002
Auditor's no. : 1025105
In favor of : Klickitat County, a municipal corporation
Affects : A strip of land 30 feet in width, lying 15 feet on
: either side of the following described line:
: Commencing at the West 1/4 corner of Section 34;
: Township 2 North, Range 13 East, W.M.
: Thence North 30°54'52" East 1,239.51 feet to the true
: Point of Beginning, said True Point of Beginning lies
: on the northeasterly right-of-way line of Dallesport
: County Road;
: Thence North 77°10'56" East 340.53 feet;
: Thence South 75°01'11" East 321.53 feet, and there
: terminating, said point bears South 38°26'06" East
: 2,019.93 feet from the Northwest corner of said
: Section 34.

20. Easement affecting the portion of said premises and for the purposes herein stated, and any incidental purposes.

For : utility easement and related rights
Recorded : October 25, 2001
Auditor's no. : 1026471
In favor of : United Telephone Company of the Northwest, an Oregon
: corporation, d.b.a. instruments suceswors and assigns Affects : A ten fo

21. Any unrecorded leases, agreements, interest or other matters which may be disclosed by an inspection of said land or the records of the City of The Dalles in relation to the Airport
Page 7

**PACIFIC NORTHWEST TITLE
Insurance Company, Inc.**

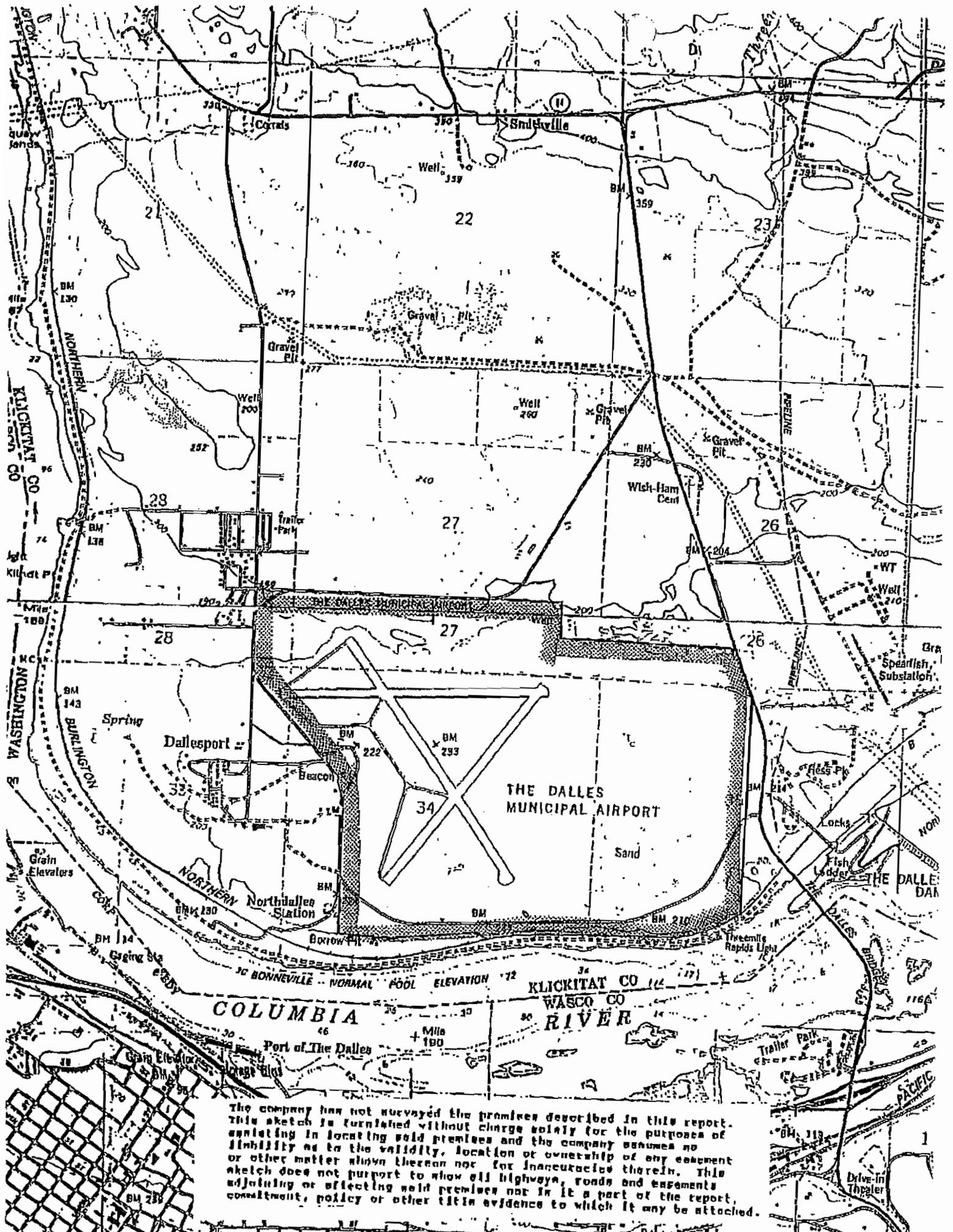
Order No.: W-31484

and its facilities.

NOTE 1: Investigation should be made to determine if there are any service, installation, maintenance or construction charges for sewer, water, garbage or electricity.

NOTE 2: In the event the transaction fails to close and this commitment is cancelled, a fee will be charged (minimum \$100.00) to comply with the state insurance code and the filed schedule of this company.

... END SCHEDULE B ...



The company has not surveyed the premises described in this report. This sketch is furnished without charge solely for the purpose of assisting in locating said premises and the company assumes no liability as to the validity, location or ownership of any easement or other matter shown thereon nor for inaccuracies therein. This sketch does not purport to show all highways, roads and easements adjoining or affecting said premises nor is it a part of the report, consultant, policy or other title evidence to which it may be attached.




 scale NTS
 date 10.21.02

EXHIBIT "B"

THE DALLESPORT PROPERTY BOUNDARY


 JOHN FOUGHT
 DESIGN

FIRST AMENDMENT TO
JOINT OPERATING AGREEMENT FOR
THE COLUMBIA GORGE REGIONAL AIRPORT

WHEREAS, the City of The Dalles, a municipal corporation of the State of Oregon, hereinafter referred to as "CITY", and Klickitat County, a municipal corporation of the State of Washington, hereinafter referred to as "COUNTY", entered into a Joint Operating Agreement for the Columbia Gorge Regional Airport in Dallesport, Washington, with an effective date of November 1, 2002, hereinafter referred to as "Joint Operating Agreement"; and

WHEREAS, the Regional Airport Board has submitted a request to the CITY and COUNTY to consider an amendment to Paragraph 8 of the Joint Operating Agreement which sets forth the provisions concerning vacancies and qualifications for the members of the Regional Airport Board; and

WHEREAS, the CITY and COUNTY have considered the amendment requested by the Regional Airport Board, and have voted to approve the requested amendment;

NOW, THEREFORE, in consideration of the terms and conditions set forth in this First Amendment, it is mutually agreed as follows:

Section 1. Paragraph 8 of the Joint Operating Agreement shall be revised to read as follows:

8. BOARD VACANCIES AND QUALIFICATIONS. The applicable appointing authority, (i.e., the City, the County, or the Board) shall fill vacancies on the Board. The City and County may establish their own procedures for making appointments to the Board, including provisions for removal of appointees to the Board, and provisions for the length of the terms to be served by the appointees. Notwithstanding the foregoing, Board positions terminate upon the termination or expiration of this Agreement. In the event of a vacancy, a new appointee shall serve only the unexpired term of the previous

Board member. All Board members shall be residents of the City or the County, except that one of the City's appointees may reside outside the City limits in Wasco County, and the 7th member of the Board may reside in either Wasco or Klickitat County; provided, however, that the terms of any Board member who is a member of the City Council or the Board of County Commissioners shall be subject to the rules of the governing body and any term shall immediately terminate if such member no longer holds a position on the City Council or the Board of County Commissioners, as applicable. Board members may serve more than one term. In making appointments, the City and the County shall endeavor to ensure that its appointees are qualified by reason of education and/or experience in matters pertaining to aviation and industrial development.

Section 2. Except as modified by this First Amendment, the terms and conditions of the Joint Operating Agreement shall remain in full force and effect.

Dated this 15th day of December, 2003.

CITY OF THE DALLES

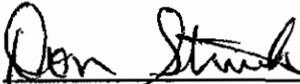
BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington



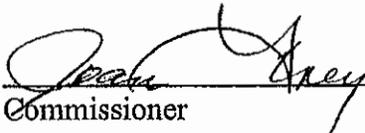
Nolan K. Young, City Manager



Chairman



Commissioner



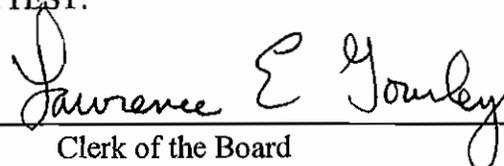
Commissioner

ATTEST:



Julie Krueger, CMC/AAE, City Clerk

ATTEST:

By 

Clerk of the Board

Approved as to Form:



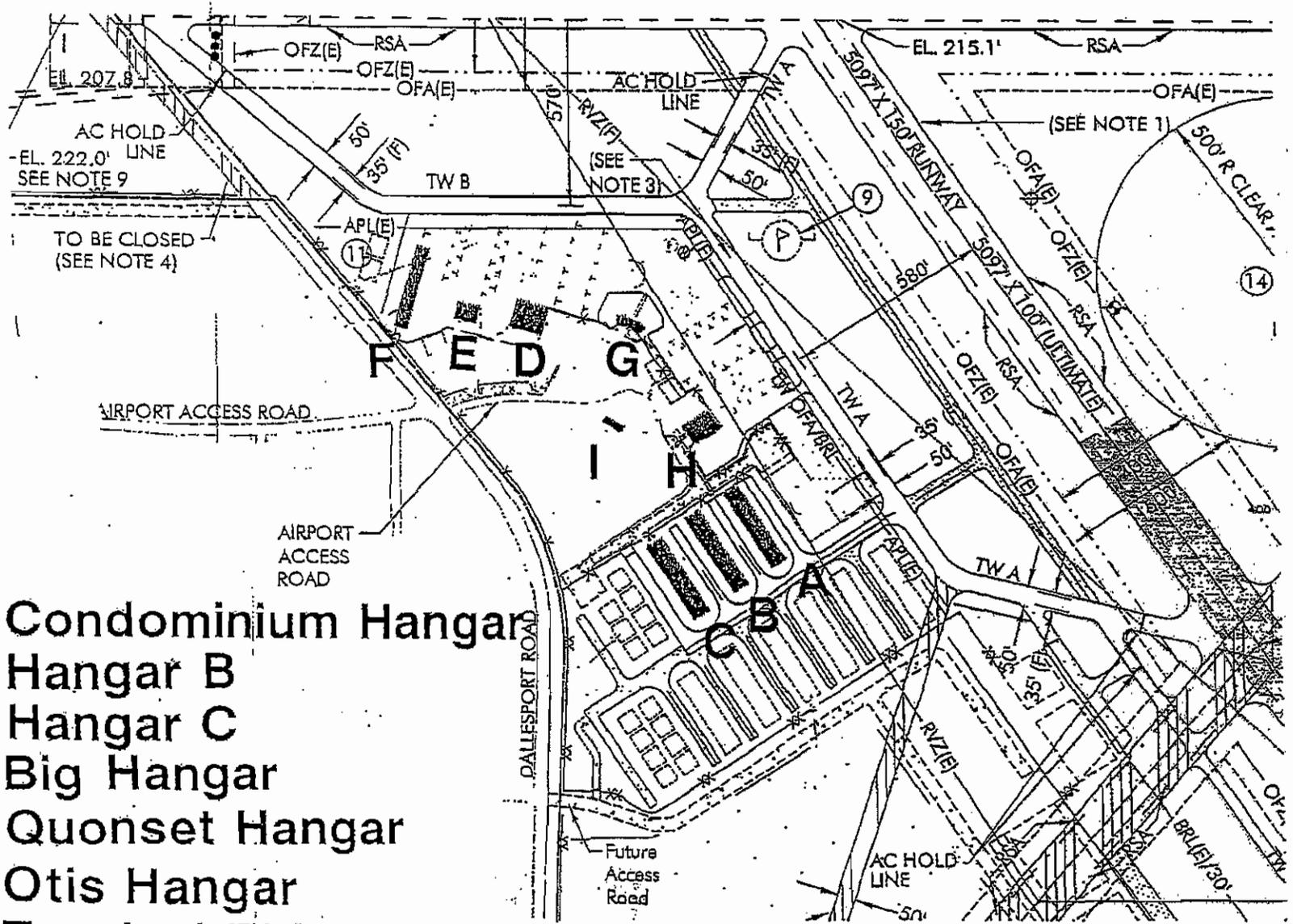
Gene Parker, City Attorney

Approved as to Form:

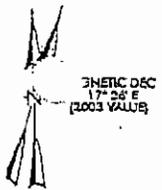


Prosecuting Attorney

Exhibit "C"



- A Condominium Hangar
- B Hangar B
- C Hangar C
- D Big Hangar
- E Quonset Hangar
- F Otis Hangar
- G Terminal Bldg
- H Shearer Hangar
- I Manufactured Home



0 200 400
SCALE OF FEET
SCALE: 1" = 200'

COLUMBIA GORGE REGIONAL AIRPORT		DRAWING NO.
AIRPORT TERMINAL AREA		SHEET NO.



CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 10, 2013	Action Items 12, B and C	13-036

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

THRU: Nolan K. Young, City Manager *nyj*

DATE: May 20, 2013

ISSUE: Approval of Resolutions No. 13-020 Providing Workers' Compensation insurance coverage for City of The Dalles Police Reserve Volunteers, and Resolution No. 13-021 Providing Workers' Compensation Insurance Coverage for City of The Dalles Volunteers.

BACKGROUND: The City has provided Workers' Compensation coverage for many years for the Police Reserves volunteers and the Library volunteers. This year staff contacted SAIF about adding coverage for any volunteer Dam Tour Shuttle Drivers the City might use. SAIF informed us that, according to ORS 656.031, the City Council must pass a resolution designating each specific type of volunteer for which they wish to provide coverage.

During this process SAIF searched their records and were unable to find any City of The Dalles resolutions for the Library or Police reserves. They did find a letter dated 1991 asking for coverage for the Police Reserves, but that does not meet the requirement for a resolution.

In order to comply with the ORS requirement, the City Council must determine what classes of volunteers they wish to cover and document those by adopting resolutions, which will be sent to SAIF along with a letter requesting coverage for the designated classes. A SAIF representative has recommended that we have a separate resolution for the Police Reserves because the City has traditionally designated that they be covered under an "assumed wage" of \$800 per month. The City has the option of designating the amount of the assumed wage, so the Council could lower or increase this amount, although I was told that the \$800 level is used most often.

The “assumed wage” for the other classes of volunteers has traditionally been assigned by SAIF as the State minimum wage.

In order to anticipate any other classes of volunteers that the Council may wish to cover in the near future, we have added “Administrative – Clerical” volunteers and “Administrative – Field Rep” volunteers, to the Library and Dam Tour Shuttle Driver volunteers. The two Administrative classes would cover any volunteers doing clerical or field work, such as out of office work that an intern might be assigned. Public Works does not use volunteers as a general rule.

BUDGET IMPLICATIONS: We do not anticipate any changes will be needed to the approved budget. We have already included the Police Reserves and Library volunteers in our estimates for Workers’ Compensation in the budget for FY13/14. We already have one volunteer shuttle driver for this year and hope to have two or three more, but we have included the cost of Workers Comp for any paid shuttle drivers in the approved budget, which will cover them whether paid or unpaid. We do not anticipate having any Administrative volunteers in the coming year.

ALTERNATIVES:

- A. **Staff Recommendation:** Make two (2) Motions as follows:
 - I. *Move to adopt Resolution No. 13-020 Providing Workers’ Compensation Insurance Coverage for City of The Dalles Police Reserve Volunteers.*
 - II. *Move to adopt Resolution No. 13-021 Providing Workers’ Compensation Insurance Coverage for City of The Dalles Volunteers.*
- B. Reduce or increase the assumed wage for Police Volunteers and/or add or reduce the classes of volunteers designated to be covered by Workers’ Compensation and adopt the Resolutions.
- C. Do not adopt the resolutions and discontinue the current coverage for Library and Police Reserve volunteers as of July 1, 2013. If this option is chosen, we would not be able to provide coverage for any volunteer Dam Tour Shuttle Drivers.

RESOLUTION NO. 13-020

**A RESOLUTION PROVIDING WORKERS' COMPENSATION INSURANCE
COVERAGE FOR CITY OF THE DALLES POLICE RESERVE VOLUNTEERS**

WHEREAS, the City of The Dalles wishes to protect its Police Reserve Volunteers from loss of income as a result of injuries arising out of or in the scope of their services to the City of The Dalles; and

WHEREAS, ORS 656.031 provides that in order to provide coverage for the Police Reserve Volunteers, the City must elect to provide such coverage by submitting a written application to its workers' compensation insurer which includes a resolution of the City's governing body declaring its intent to cover volunteer personnel;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS
FOLLOWS:**

Section 1. The City Council hereby elects, pursuant to ORS 656.031 and ORS 656.041, to provide Workers' Compensation Insurance to the City of The Dalles Police Reserves at an assumed payroll rate of \$800 per month.

Section 2. The Police Reserves shall be reported under SAIF Class 8411 AG.

Section 2. This Resolution shall be effective upon adoption by the City Council and approval by the Mayor.

PASSED AND ADOPTED THIS 10TH DAY OF JUNE, 2013

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR 10TH DAY OF JUNE, 2013

SIGNED:

ATTEST:

Stephen E. Lawrence, Mayor

Julie Krueger, MMC, City Clerk

RESOLUTION NO. 13-021

**A RESOLUTION PROVIDING WORKERS' COMPENSATION INSURANCE
COVERAGE FOR CERTAIN CITY OF THE DALLES VOLUNTEERS**

WHEREAS, the City of The Dalles wishes to protect certain Volunteers from loss of income as a result of injuries arising out of or in the scope of their services to the City of The Dalles; and

WHEREAS, ORS 656.031 provides that in order to provide coverage for the designated Volunteers, the City must elect to provide such coverage by submitting a written application to its workers' compensation insurer which includes a resolution of the City's governing body declaring its intent to cover the designated volunteers;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. The City Council hereby elects, pursuant to ORS 656.031 and ORS 656.041, to provide Workers' Compensation Insurance to the following volunteer classes of City of The Dalles:

- A. 8810 AD – Library Volunteers
- B. 8810 – Administrative Volunteers – Clerical
- C. 8742 – Administrative Volunteers – Field Representatives
- D. 7382 – The Dalles Dam Shuttle Drivers

Section 2. The assumed wage for each of these classes shall be set by the insurer.

Section 3. This Resolution shall be effective upon adoption by the City Council and approval by the Mayor.

PASSED AND ADOPTED THIS 10TH DAY OF JUNE, 2013

Voting Yes, Councilors: _____
 Voting No, Councilors: _____
 Absent, Councilors: _____
 Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR 10TH DAY OF JUNE, 2013

SIGNED: _____ ATTEST: _____

 Stephen E. Lawrence, Mayor Julie Krueger, MMC, City Clerk



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 10, 2013	Action Item 12, D	13-040

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager *NKY*

DATE: May 17, 2013

ISSUE: Consideration of placing a new Management Analyst/Assistant Legal Counsel Position in Range L of the Exempt Employee Pay Plan

BACKGROUND: Section 22 (6) (7) calls for the City Manager to organize and reorganize the departmental structure of the City government. Section 28 calls for City Council to prescribe the compensation of City personnel. This includes the setting of salary for any proposed new positions.

Needs: There are two current needs that the City has, that are prompting the City Manager to recommend the position of Management Analyst/Assistant Legal Counsel.

1. Management Analyst: When the City Manager's Department took over Economic Development we accomplished this with the use of our Administrative Fellow. This has worked well for the current year, in part because of the unique skill set of the person we have in that position. Because the Fellowship is only one year long, there would be constant turn over which creates some lack of continuity, and additional training each year. The Fellowship provides a good resource for the City Manager's office, but limits the level of tasks and increases the level of training needed each year.
2. Assistant Legal Counsel: Prior to 2008 the City Attorney acted as the City Prosecutor for Municipal Court. The City Manager proposed to hire a contract prosecutor to allow the City Attorney to meet other legal needs of the City and to assume management of the Codes Enforcement Division. At the time, we anticipated costs of only \$1800 per month based on the number of hours that it was currently taking him to accomplish this work. (See attached BIP 08-021). In 2011 the salary of the prosecutor was increased to \$3,000/month due to the amount of hours the work was requiring. A recent analysis was done that showed based on the hours being put

into the position and what similar cities are compensating, that a salary closer to \$5,000/month (\$60,000/year) would be more appropriate. The current budget does include a 10% increase of the monthly amount to \$3,900/month.

Proposal: The City Manager is requesting that the City Council create a new position of Management Analyst/Assistant Legal Counsel. The City currently has on staff in the Administrative Fellow position, an individual who is an Oregon State Bar licensed attorney and holds a Masters of Public Administration Degree, who would likely be appointed to this position by the City Manager. Attached is a job description for this position. We would propose still having a four month intern, so that we can continue to do special projects and grow the next generation of public administrators.

This position will allow us to bring the prosecuting attorney function back into the City Attorney's office with him initially handling all prosecution, and over time, training the Assistant Legal Counsel to handle the more routine cases. It is our belief that this new dual position will create more efficiency in the City Manager and City Attorney's offices, as more routine and other assignments can be given to the Management Analyst/Assistant Legal Counsel, freeing up the City Manager and City Attorney for more complex issues. Budget implications will show that this can be done at similar costs to the current system.

If we take the city prosecution in house we would need to cancel the current contract we have for these services. The current contract calls for a 60 day notice to terminate the contract. We would send out that notice on June 11th if the Council chooses to create this new position and handle prosecution in the City Attorney's office. The contract would terminate August 11. It is our desire it to implement this new position on July 1, 2013. We informed our current contract prosecutor of this recommendation on May 17th.

BUDGET IMPLICATIONS: The chart below summaries the costs for this proposal for the first and second year. This proposal saves the city \$6,192 the first year. For the first year, this new position would not get retirement benefits. Over a two year period, with retirement kicking in during the second year, the total savings when compared to the current prosecutor/full year fellow is at least \$1,149.

TABLE 1		
	Current	Proposed
Contract Prosecutor	39,600	-
Admin. Fellow/Intern	44,992	11,383
Management Analyst/Assistant Counsel	-	67,017
Total First Year	84,592	78,400
Two year Total	169,184	168,035
Year 1 savings	-	6,192
Year 2 savings	-	1,149

COUNCIL ALTERNATIVES:

1. Staff recommendation: Move to approve Staff recommendation to create the new position of Management Analyst/Assistant Legal Counsel at Range L of the Exempt Employee pay plan, and direct the City Manager to make the necessary budget amendments, including a four month administrative intern, effective July 1, 2013 and provide notice terminating the current prosecutor contract effective August 11, 2013 and bring the city prosecution services back into the City Attorney's office.
2. Postpone action on this item to allow for further research.
3. Decline to create this new position.



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

BUDGET ISSUE PAPER
CITY OF THE DALLES

BUDGET YEAR AFFECTED	DEPARTMENT(S) AFFECTED	BUDGET DOCUMENT REFERENCE NUMBER
2008-2009	Legal	08-021

To: Budget Committee
From: Gene Parker, City Attorney
Thru: Nolan Young, City Manager
Date: April 11, 2008
ISSUE: Part-time Prosecutor for the Municipal Court

BACKGROUND: At the end of the current fiscal year, the City will be terminating its contract for human resource services with Wasco County. Responsibility for provision of these services is being proposed to be assigned to the General Services Director, which is the City Clerk. The City Clerk currently supervises the Codes Enforcement Officer. Responsibility for supervision of the Codes Enforcement Officer was transferred from the Legal Department to the City Clerk a couple of years ago to address concerns about the increasing workload in the Legal Department. To assist the City Clerk in handling the responsibilities of providing human resource services to the City, responsibility for supervising the Codes Enforcement Officer is proposed to be returned to the Legal Department.

The City Attorney's duties include prosecution of cases in the Municipal Court. The City Attorney is responsible for reviewing and signing criminal complaints, appearing in court for the initial arraignment for defendants, negotiating plea agreements with defense attorneys, working with the Crime Victim's Advocate to assist victims of crime, and prosecuting misdemeanor and violation cases which include trials before the court and jury trials. A review by the City Attorney of court records for 1999 to 2007 shows the City Attorney has prosecuted an average of 5 jury trials a year, with the highest number being 8 trials in a year. The City Attorney estimates the typical jury trial requires 7 to 8 hours including trial preparation and appearance in court. Assuming the number of 8 trials is a fairly representative figure of the number of cases that would go to jury trial in

the Municipal Court, the City Attorney would typically spend 64 hours annually participating in jury trials.

The City Attorney has estimated he spends approximately 15% of his time on work related to the Municipal Court. Based upon the City Attorney's current workload which averages 180 hours per month, that would indicate the City attorney spends an average of 27 hours per month on court related work, which is approximately 7 hours per week. The City Attorney has estimated that establishing a level of 10 hours per week should be sufficient to provide for the performance of prosecutorial duties in the Municipal Court, including the prosecution of jury trials.

Relieving the City Attorney of the duties to prosecute proceedings in the Municipal Court by establishing a part-time prosecutor position would allow the City Attorney to resume responsibility for supervising the Codes Enforcement Officer, and be able to handle the current workload of the Legal Department, which is expected to continue to increase as the City will face a variety of complex issues involving planning and economic development projects, such as the proposed expansion of the Urban Growth Boundary, the construction of a community/cruise ship dock, and the development of the Sunshine Flour Mill site and the Brewery Grade intersection.

BUDGET IMPLICATION: The City currently pays the sum of \$45 per hour for private attorneys to provide indigent defense services for defendants in Municipal Court. The City Attorney has recommended that if the position of part-time prosecutor is established, the City would contract with a local attorney to provide the services at the hourly rate of \$45.00. Based upon the figure of 10 hours per week, the annual costs for the position would be \$21,600. The goal would be to hire an individual who can do a majority of their own clerical work, so that any assistance provided by the Legal Department's clerical staff would be kept to a minimum. The City would not be proposing to provide office space for the person filling the part-time position.

RECOMMENDATION: That the Budget Committee include the proposed position in the 2008-2009 fiscal year budget.



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

POSITION DESCRIPTION

TITLE: Management Analyst/Assistant Legal Counsel
DEPARTMENTS: Economic Development/Legal
REPORTS TO: City Manager/City Attorney
SUPERVISES: Codes Enforcement Officer, Shuttle Drivers and Interns as assigned

DEFINITION: Assist the City Manager with Economic Development activities and Special Projects as assigned and assist the City Attorney with Legal and Judicial duties as assigned.

SUPERVISION RECEIVED: Work is done under the general supervision of the City Manager or the City Attorney as appropriate to the task. The City Manager has primary supervisory responsibility.

ESSENTIAL JOB FUNCTIONS:

1. Perform specific tasks related to Urban Renewal Projects
2. Complete specific administrative and economic development projects as assigned.
3. Write grant applications and manage awarded grants.
4. Work alongside Economic Development Specialist on Specific projects as assigned
5. Complete Legal tasks including research of specific topics and writing legal documents
6. Meet individually or in groups with City elected and appointed officials and employees as need to complete various assignments.
7. Assist City Attorney with Municipal Court Prosecutor duties including handling assigned cases.
8. Manage City's Codes Enforcement Division including providing legal interpretation and general supervision of Division personnel.
9. Manage City's partnership with The Dalles Area Chamber of Commerce and U.S. Corps. Of Engineers in providing Shuttles with Drivers for tours at The Dalles Dam site. Includes seeing that shuttles are maintained in operating condition and those drivers are secured and properly trained and supervised.
10. Serve as Staff Representatives on City Committees and as City Representative on outside committees as assigned.

11. Provide written and oral reports to City Council and other Agencies
12. Prepare and monitor departmental and project budgets.
13. Is a member of the City's Senior Management Teams and as such assists the City Manager and other City Departments in developing administrative programs, policies and work programs.

OTHER JOB FUNCTIONS: Other duties as may be assigned.

WORKING CONDITIONS: Duties are performed primarily in an office setting but include outside activity for travel to meetings and visits to project worksites. Duties will include some evening and early morning meeting attendance.

ABILITY TO:

1. Perform the essential job functions.
2. Ability to work independently.
3. Work with Computers, other office equipment and appropriate software program to research topics and complete reports and accomplish other work assignments.
4. Effective verbal and written communication skills using both technical and non-technical language.
5. Strong interpersonal and dispute resolution skills, including the ability to confront challenging issues and help others work through complex issues.
6. Ability to promote and maintain effective working relationships with coworkers, other government agencies, stakeholders and general public.
7. Ability to maintain confidentiality and exercise discretion and judgment with sensitive and confidential information
8. Attend meetings outside normal work hours.

MINIMUM QUALIFICATIONS REQUIRED:

Law degree from an accredited college or university and licensed to practice law in Oregon at the time of appointment.

OTHER Desired QUALIFICATIONS:

Education: Master in Public Administration Desired.

Experience: One to two years' experience in local government administrative activities or in a legal office.

OTHER LICENSES OR CERTIFICATES:

Valid Driver's License



AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 10, 2013	Action Items 12, E	13-041

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

THRU: Nolan K. Young, City Manager *nyj*

DATE: May 28, 2013

ISSUE: Insurance Renewals for FY13/14 - Report by Jerry Frazier, Oregon Trail Insurance, LLC.

BACKGROUND: Jerry Frazier, Oregon Trail Insurance, LLC, the City's Agent of Record for Property, Auto, Liability, and Workers Compensation Insurance, will be presenting information to the Council on the renewal of those insurances for the upcoming fiscal year.

BUDGET IMPLICATIONS: The approved budget, which the Council will be considering for adoption at the June 10, 2013 Council meeting, does not contain sufficient funds for the renewal of these coverages. This was caused by the addition of the miles of storm drain lines as calculated by the GIS system, that nearly doubled the number of miles used last year from 70 to 139.5. The GIS system is more accurate than the methods used to calculate total number of miles of lines in the past. The proposed change would increase the Wastewater Fund Liability Insurance line item by \$9,800, and reduce the Contingency line item by the same amount.

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to approve the renewal of the City's Insurance coverage as presented.*
- B. Council could decline to approve the proposed renewals and direct Mr. Frazier to pursue alternatives for coverage.



Oregon Trail Insurance, LLC

409 West Fourth Street
The Dalles OR 97058
541-296-2395 Tel
541-296-6143 Fax

May 28, 2013

Mr. Nolan Young, City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

Re: City County Insurance Services Renewal Information - Effective July 1, 2013

Dear Nolan,

Below I have listed several items relative to the July 1 insurance renewals. Documents are attached from City County Insurance Services (CIS) for the next policy year from July 1, 2013 to July 1, 2014.

PROPERTY APPRAISAL: CIS did not "trend the values" for this coming year based on their assessment of current values and building cost indicators.

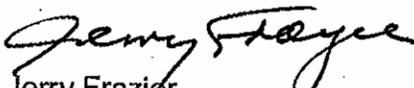
PREMIUM: The overall premium has increased 14.3% with this renewal primarily due to the corrected utility statistics. The property and auto physical damage premiums increased by 9.0% and 10.3%, respectively.

CLAIMS: During the current fiscal year there have been 12 reported claims to CIS with only 4 claims remaining "open" as of April 30, 2013.

Contrary to actions in recent years the CIS Board of Trustees did not authorize any Distribution Credits for the 2013-14 coverage year. The credits available to City of The Dalles were exhausted in the 2012-13 policy year.

We sincerely appreciate the continued very efficient working relationship with the staff at City of The Dalles in the manner various administrative steps are handled - from claims reporting and follow-up to reporting the internal changes (auto, property, payroll, etc.) necessary to keep the schedules and coverage's current with CIS.

Sincerely,


Jerry Frazier

Property and/or Liability Proposal Summary



citycounty insurance services

Member

City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent

Oregon Trail Insurance
409 W 4th
The Dalles, OR 97058

Member Number	Effective Date	Termination Date	Proposal Date
10212	7/1/2013	7/1/2014	5/23/2013

Coverage	Description	Amount	Total Due
General Liability (Standard Plan)	Contribution	Limit: \$5,000,000 \$116,599.24	
	Multi-Line Credit	(\$3,497.98)	
	Bonus Program Credits (0)*	\$0.00	\$113,101.26
Auto Liability	Contribution	\$18,037.40	
	Multi-Line Credit	(\$541.12)	\$17,496.28
Auto Physical Damage	Contribution	\$14,511.29	
	Multi-Line Credit	(\$435.34)	\$14,075.95
Property	Contribution	\$96,985.00	
	Multi-Line Credit	(\$2,909.85)	\$94,075.15
Optional Excess Quake	Contribution	Not Purchased	\$0.00
Optional Excess Flood	Contribution	Not Purchased	\$0.00
Optional Excess Crime	Contribution	Not Purchased	\$0.00
Optional Excess Cyber Liability	Contribution	Not Purchased	\$0.00
Difference in Conditions	Contribution	Not Purchased	\$0.00
Summary	Contribution	\$246,142.93	
	Multi-Line Credit	(\$7,384.29)	
	Bonus Program Credit	\$0.00	

This is not an invoice. Information Only

Total Due: \$268,758.64

CIS Liability Coverage Proposal



citycounty insurance services

CIS
1212 Court St NE
Salem, OR 97301

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record:
Oregon Trail Insurance
409 W 4th
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage Forms for terms, conditions and limitations of coverage

Coverage Period: 7/1/2013 to 7/1/2014	5/23/2013			
Coverage*	Per Occurrence Limit*	Annual Aggregate*	Per Occurrence Deductible / SIR*	Agg/Retro Deductible
Public Entity Liability Coverage (including Auto Liability) as described in CIS General & Auto Liability Coverage Agreement	\$200,000	\$600,000	None	None

Forms Applicable: CIS General & Auto Liability Coverage Agreement - CIS GL/L (7/1/2012)

Coverage*	Per Occurrence Limit*	Annual Aggregate*		
Excess Public Entity Liability Coverage as described in the CIS Excess Liability Coverage Agreement (limits shown are excess of primary coverage limits)	\$4,600,000	\$14,400,000		

Forms Applicable: CIS Excess Liability Coverage Agreement - CIS XS/GL (7/1/2012)

* Refer to the CIS General & Auto Liability Coverage Agreement and CIS Excess Liability Coverage Agreement and endorsements (if any) for detailed coverages, special deductibles, limits, sublimits, exclusions, and conditions that may apply.
Excess Liability Coverage does not provide Uninsured Motorist coverage.

Coverage	Contribution
General Liability	\$116,599.24
Auto Liability	\$18,037.40
Liability Total	\$134,636.64

To effect coverage, please sign, date and return this form before requested effective date. Fax is acceptable

Accepted by:

Authorized Representative / Agent

Date: _____

Auto Physical Damage Coverage Proposal



citycounty insurance services

CIS
1212 Court St NE
Salem, OR 97301

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record:
Oregon Trail Insurance
409 W 4th
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage Forms for terms, conditions and limitations of coverage

Autos Covered*	Coverage Limit	Comprehensive Deductible	Collision Deductible	Contribution
Scheduled Autos	Per Schedule**	Per Schedule**	Per Schedule**	\$14,511.29
Rented or Leased Autos (60 days or less)	ACV Not to Exceed \$100,000	\$100	\$500	Included
Newly Acquired Autos	Included	\$100	\$500	Included

* This represents only a brief summary of coverages. Please refer to CIS Auto Physical Damage Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

Total Contribution: \$14,511.29

Forms Applicable:

**Current CIS Auto Schedule

To effect coverage, please sign, date and return this form before requested effective date. Fax is acceptable

Accepted by:

Authorized Representative / Agent

Date:

CIS Property Coverage Proposal



citycounty insurance services

CIS
1212 Court St NE
Salem, OR 97301

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Oregon Trail Insurance
408 W 4th
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage Forms for Terms, Conditions, and Limitations of Coverage

Coverage Period: 7/1/2013 to 7/1/2014

5/23/2013

Coverage Limits (Per Occurrence):*	Per current CIS Property Schedule
Building and Contents and PLO	Per current CIS Property Schedule
Mobile Equipment	Per current CIS Mobile Equipment Schedule
Earthquake	\$500,000
Excess Earthquake - Coverage applies only if coverage limit is shown.	None
Flood	\$500,000
Excess Flood - Coverage applies only if coverage limit is shown.	None
Combined Loss of Revenue and Rental Value	\$150,000
Combined Extra Expense and Rental Expense	\$250,000
Property in Transit	\$150,000
Hired, Rented or Borrowed Equipment	\$150,000
Restoration/Reproduction of Books, Records, etc	\$100,000
Electronic Data Restoration/Reproduction	\$250,000
Pollution Cleanup	\$25,000
Crime Coverage	\$50,000
Police Dogs (if scheduled)	\$15,000
Off Premises Service Interruption	\$100,000
Miscellaneous Coverage	\$50,000
Personal Property at Unscheduled Locations	\$15,000
Personal Property of Employees or Volunteers	\$15,000
Unscheduled Fine Arts	\$100,000
Temporary Emergency Shelter Restoration	\$50,000
Difference in Conditions - Earthquake & Flood (if any):	\$0
Extra Items (if any):	

* This represents only a brief summary of coverages. Please refer to the CIS Property Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

Locations Covered: Per current CIS Property Schedule.

Perils Covered: Risks of Direct Physical Loss subject to the terms, conditions and exclusions contained in the coverage forms listed below under Forms Applicable.

Deductibles: \$5,000 Per occurrence except as noted and as follows (if anything):

\$1,000 Per occurrence on scheduled mobile equipment items.

Earthquake and Flood: Special deductibles and restrictions per Section 2 of the CIS Property Coverage Agreement

Total Contribution: \$98,905.00 (Property)

\$0.00 (Excess Earthquake)

Forms Applicable: CIS Property Coverage Agreement - CIS PR (7/1/2012)

To effect coverage, please sign, date and return this form before requested effective date. Fax is acceptable

Accepted by: _____

Date: _____

CIS Equipment Breakdown Coverage Proposal



citycounty insurance services

CIS
1212 Court St NE
Salem, OR 97301

Named Member
City of The Dalles
313 Court St.
The Dalles, OR 97058

Agent of Record
Oregon Trail Insurance
409 W 4th
The Dalles, OR 97058

This Proposal Does Not Bind Coverage
Refer to Coverage forms for terms, conditions, and limitations of coverage.

Coverage Period: 7/1/2013 to 7/1/2014 5/23/2013

Coverage Limits: ^a	
Property Damage	Per current CIS Property Schedule or \$100,000,000, whichever is less.
Rental Value/Rental Expense	Included In Property Damage
Extra Expense	Included In Property Damage
Service Interruption	Included In Property Damage
Drying out following a flood	Included In Property Damage
Course of Construction	Included In Property Damage
Computer Equipment	Included In Property Damage
Portable Equipment	Included In Property Damage
CFC Refrigerants	Included In Property Damage
Hazardous Substance	\$2,000,000
Data Restoration	\$250,000
Perishable Goods	\$2,000,000
Expediting Expense	\$2,000,000
Demolition	\$2,000,000
Ordinance or Law	\$2,000,000
Off Premises Property Damage	\$250,000
Contingent Rental Value/Rental Expense	\$250,000
Newly Acquired Locations	365 Days/Included In Property Damage
Extended Period of Restoration	30 Days

^a This represents only a brief summary of coverages. Please refer to CIS Equipment Breakdown Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

Locations Covered: Per current CIS Property Schedule.
 Deductible: \$1,000 All Coverages; 24 hour waiting period applies for service interruption.
 Contribution: included
 Forms Applicable: Equipment Breakdown Coverage Agreement - CIS BM (7/1/2011)

To effect coverage, please sign, date and return this form before requested effective date. Fax is acceptable

Accepted by: _____

Authorized Representative / Agent

Date: _____



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 10, 2013	Discussion Item 13, A	13-039

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager

DATE: May 22, 2013

ISSUE: Discussion Regarding Funding of Street Maintenance Program

City Council Goal: Goal 4A: Investigate funding options for street projects.

BACKGROUND: The City has varying degrees of responsibility for approximately 88.20 miles of streets within the City limits of the following types:

- Asphalt concrete – 70.38 mi
- Chip seal – 3.24 mi
- Gravel – 10.82 mi
- Unimproved (public roads) – 3.76 mi

In the proposed 2013-14 budget, the Street Fund's (Fund 5) new revenue is supported from four primary funding sources as follows: State Motor Vehicle Shared Revenues (52%), Local 3-cent Gas Tax (28%), Water Fund 3% Surcharge (9%), and the Wastewater Fund 3% Surcharge (9%).

On April 1, 2013 the City Council held a workshop on street maintenance funding issues. Members of the budget committee were invited, and many attended this meeting. At that workshop we discussed how limited resources, over the last decade or more, have created a backlog of maintenance needs.

Since 2002 60% of the City streets have deteriorated from a condition of very good or good to fair or poor. At the workshop we discussed the value of a preventative

maintenance program. However, the back log of streets in fair or poor condition prevents us from adequately implementing a preventative maintenance program without falling further behind on our regular maintenance needs.

Increase Maintenance Options: We have identified two options to address the deteriorated condition of city streets, both of which require additional funding. Attachment A is a list of potential future street funding sources.

1. Increase annual maintenance as funds become available. Under this approach we would adopt one or more of the potential funding sources from Attachment A and each year we would prioritize projects as funds allow.
2. Issue Bonds. This approach would involve selecting a funding source, and using that revenue stream to pay back bonds. Utilizing the upfront money provided by bonds would allow us to catch up on much of the deferred maintenance and allow us to use the current street revenue to implement a strong preventative maintenance program.

Staff recommends Option 2: Issue Bonds. We have identified the following funding source alternatives under this option and listed them in order of staff recommendation.

Alternative 1(Staff recommends) Gas tax increase: The gas tax increase would be implemented January 2, 2014 (earliest allowed). Under this option the Council would place on the November 2013 ballot a 1, 2 or 3 cent gas tax for either a 10, 15 or 20 year term. Attachment B is a schedule for taking a gas tax to the voters.

Table 1 identifies the estimated amount of revenue each level of tax is estimated to raise and the estimated Bond amount for different terms of retirement.

Table 1: Gas Tax Increase

	Annual Revenue	10 year Bond	15 year Bond	20 year Bond
Gas Tax Increase 1 cent	\$ 150,000	\$ 1,200,000	\$ 1,600,000	\$ 2,000,000
Gas Tax Increase 2 cents	300,000	2,400,000	3,300,000	4,000,000
Gas Tax Increase 3 cents	450,000	3,600,000	5,000,000	6,100,000

If the bond amount is over \$3.6 million, we recommend doing the improvements over a five year period and issuing two different bonds. We are concerned about our capacity to do \$6 million worth of improvements in the three years in which bond money is generally required to be spent.

Alternative 2 Cell Phone Tax: Under this option the City would adopt a 7% cellphone tax that could raise about \$180,000 per year. This \$180,000 would allow us to obtain a \$2.5 million, 20 year bond. This small amount would only be able to address a portion of the current problem and would require that we concentrate mainly on primary arterial and collector streets. This could be combined with some other increase to address more needs.

Alternative 3 Electric PUD Franchise fee Increase: Under this option the franchise fee would be increased from 3% to 5%. Table 2 below shows the anticipated revenues and the amount of improvements that could be addressed over a 10, 15 or 20 year bond.

Table 2 Electric PUD Franchise Fee Increase

	Annual Revenue	10 year Bond	15 year Bond	20 year Bond
PUD Franchise Fee Increased to 4 %	230,000	1,800,000	2,500,000	3,100,000
PUD Franchise Fee Increased to 4.5%	345,000	2,800,000	3,700,000	4,600,000
PUD Franchise Fee Increased to 5 %	460,000	3,700,000	5,100,000	6,200,000

Alternative 4 General Obligation Bond (Property Tax): The City could go to the voters at the November election with a \$3 to \$6 million bond for a 10, 15, or 20 year Table 3 shows the anticipated tax assessment per \$1000 of assessed value.

Table 3 Property Tax Increase

Bond Amount	10 year Bond	15 year bond	20 year Bond
3,000,000	0.391	0.285	0.232
4,000,000	0.518	0.380	0.312
5,000,000	0.656	0.476	0.391
6,000,000	0.786	0.571	0.465

We recommend against a property tax approach because of the following reasons:

1. Property tax is the only source some tax districts have to handle Capital Improvement (i.e. Parks & Rec; Schools; College; Fire District). We have tried to not compete for those dollars.
2. Local property taxes are already high.
3. Property tax only charges property owners and no other users of the street system.

Bonded Capital Improvement Projects:

The Public Works Department has developed a preliminary list of proposed street construction projects for the supplemental funding that would be available under the recommended funding strategy of issuing bonds.

We have attached two lists. Attachment C identifies a list of projects. The projects are identified by project name, description, how we propose to perform the work, and cost estimates. The projects are not yet prioritized. If the gas tax increase is approved we will prioritize the list based on condition, traffic load, upgrades needed on underground utilities, and impact on traffic when combined with other projects

The second chart (Attachment D) lists the same projects in the same order identifying street classification, and the 2013 pavement condition rating, along with the cost estimate. Please note from the second chart that the majority of the streets are arterial, or collector streets, with few local streets.

We are still working on a third chart that identifies additional local streets in fair to poor repair category. We anticipate we should be able to do about 60 blocks on these local

streets with a \$6.1 million bond issue. The intent would be that we would work on the remaining list of streets as part of our preventative maintenance program that will be implemented if this funding strategy and approach to street maintenance is adopted by the Council. We will send this list to you prior to the meeting.

Staff Recommendation: Staff recommends that the City Council select a gas tax increase as the appropriate funding mechanism to address the City's street maintenance needs. Staff further recommends that the Council adopt the bond approach supported with a new 3 cent gas tax for either a 20 year (\$6.1 million in bonding improvements). This recommendation includes implementing a strong preventative maintenance program addressing the back log of local access streets, and staying ahead of future maintenance needs for the rest of the street system.

It should be noted that the proposed plan is only for those streets that are currently accepted by the City for maintenance. It does not include local access roads, or existing City streets that have not been brought up to City standards through a Local Improvement District (LID). The City's policy would remain that in order for these streets to be accepted for city maintenance they would need to be brought up to City standards, by the property owners through a LID.

COUNCIL ALTERNATIVES:

1. Staff recommends that the Council hold a discretionary public hearing at their June 24 meeting, to consider the implementation of a 20 year, 3 cent gas tax increase.
2. Look at different amounts and direct staff to pursue another funding source.
3. Take more than one funding source to a public hearing on June 24.

ATTACHMENT A

Potential Future Street Fund Assistance

1. Local 3 Cent Gas Tax: The City's local gas tax raises about \$450,000 for the Street Fund operations (about \$150,000 for each 1 cent of tax). The current rate of 3 cents/gallon was set in the mid-1980's and has not been changed. The Oregon 2009 Transportation Bill prevents the City from increasing its local gas tax rate until after January 2, 2014.
2. Cell Phone Tax: Several Cities have adopted or are considering a Telecom tax that expands the franchise fee charged to the historic telephone provider to new alternative methods, including cellular, wireless, cable and modems. We estimate a 7% cell phone tax could raise about \$180,000 per year.
3. Northern Wasco County PUD Fee: The fee is currently at 3%, where most cities tax the local utilities 5%. Many of utilities subject to a 5% tax are private whereas the PUD is a public utility. One-half of a percent raises approximately \$115,000. This would replace the natural gas funds in the General Fund. If we increase the PUD fee, we may also want to consider increasing the 3% we charge our water and sewer utilities; each one-half percent increase would raise an additional \$44,000 for street maintenance.
4. Dedicated funding for streetlights: Streetlight expenses are proposed to be \$90,953 in FY 2013-14. We could either:
 - a. Transfer funds from the General Fund. Some cities do fund streetlights from the General Fund. We would need either to replace that revenue or decrease General Fund programs.
 - b. Another option for streetlight funding is to operate the street lighting as a utility and add it on to the utility bill, as we have with storm water.
5. NW Natural Gas franchise fee: The General Fund includes \$87,000 per year from this source. If we choose to move the NW Natural Gas franchise fee from the General Fund we would need to replace that revenue stream or reduce General Fund programs.
6. New Chenoweth Water PUD Franchise Fee only: The City has the authority to charge the PUD a franchise fee on revenue derived from services delivered over City annexed Right of Ways. We currently charge our water system a 3% fee. It would seem equitable to charge this PUD the same fee. This would raise approximately \$28,000 per year. The water PUD has been experiencing financial challenges.

GAS TAX Election Schedule

29-May-13	List of projects and funding alternatives sent to City Council
10-Jun-13	Council Discussion of alternatives
24-Jun-13	Council determines if they wish to pursue a gas tax increase; amount and term
22-Jul-13	City Council adopt resolution calling for election
28-Aug-13	Publish notice of ballot title
5-Sep-13	File the measure with county clerk
4-Nov-13	Election
Nov/Dec 2013	Notify all fuel providers
2-Jan-14	Gas Tax implemented

Proposed Street Construction Projects for Supplemental Funding - 5/17/2013

Project Name	Description	Perform In-House or Contract	Estimated Cost
2nd St, Taylor to Lincoln	Strip asphalt, CTB, 6" AC, no concrete X-walks	Full Contract	\$500,000
3rd St, Taylor to Lincoln+ side streets	Full depth profile/grade/pave full width, 10-yr fix	Contract profile, in-house grade/pave	\$200,000
Court St, 5th to 10th	Profile/pave full width	Contract profile, in-house pave	\$90,000
E 10th St, Union to Kelly	Profile/pave full width	Contract profile, in-house pave	\$115,000
W 15th, Trevitt to Liberty Way	Profile/CTB/pave	Contract profile/mill, in-house pave	\$65,000
E 12th, Kelly to Dry Hollow	Profile/pave full width	Contract profile, in-house pave	\$245,000
Cherry Hts, 6th to 10th	Profile/pave curb to curb	Contract profile, in-house pave	\$60,000
Webber, 6th to 10th	Crack seal, armor chip seal	In-house crack seal, County chip seal	\$30,000
2nd St, Lincoln to Webber	Profile/pave full width	Contract profile, in-house pave	\$380,000
W 10th St, Cherry Hts to Walnut	Crack seal, armor chip seal	In-house crack seal, County chip seal	\$55,000
Brewery Gr, Roundie thru 9th St	Profile/pave full width	Contract profile, in-house pave	\$80,000
4th St, Jefferson to 3rd Pl	Crack seal, armor chip seal	In-house crack seal, County chip seal	\$75,000
W Scenic Dr, 17th to CGCC	Armor chip seal	County chip seal	\$95,000
E Scenic Dr, 16th Pl to CGCC	Full depth profile/grade/pave full width (CTB +\$60k)	Contract profile, in-house grade/pave	\$205,000
Col View Hts, E Knoll to Summit Rdg	Hot chip armor seal	Contract seal?	\$50,000
Washington, 3rd to 7th Place	Hot chip single layer	Contract seal?	\$25,000
Trevitt, 3rd Pl to 17th (street cost only)	Full reconstruction including curb/SW, 6" AC, 10" base	Full Contract w/ sanitary/storm upgrade	\$1,800,000
Union, 4th to 14th	Strip asphalt, CTB, 6" AC, curb/sw rehab	Full Contract	\$556,000
Subtotal			\$4,626,000
Other candidate projects yet to consider and update costs:			
W 2nd, Webber to Snipes	Armor chip seal	County chip seal	\$47,500
W 6th, Snipes to City Limits	Armor chip seal	County chip seal	\$75,000
Brentwood Dr, Col Dr to Summit	Profile/pave full width	Contract profile, in-house pave	\$82,000
Harris St, 9th St to Guardrail	Profile/pave full width	Contract profile, in-house pave	\$43,000
Federal St, 7th to 10th	Construct curbs/sw, profile/pave full width	Contract curb/sw, in-house zip/CTB/pave	\$152,000
Old Dufur Rd, Thompson to Richmond	Crack seal, armor chip seal	In-house crack seal, County chip seal	\$40,000
10th St, Dry Hollow to Thompson	Crack seal, armor chip seal	In-house crack seal, County chip seal	\$37,000
10th St, Lewis to Dry Hollow	Zip, CTB, 4" AC	In-house	\$48,000
13th St, Jordan to Washington			
7th St, Pamona to Walnut			
4th St Grade	Reconstruct sw, profile/pave full width	Contract curb/sw/profile, in-house pave	\$72,200
Subtotal			\$596,700
Total			\$5,222,700

Key:

AC: asphalt concrete, also called hot mix asphalt

CTB: Cement Treated Base - milling dry cement into base and wetting rather than excavating full depth and placing base rock. CTB done on E 19th St in 2012.

Profile: grinding and removing old asphalt

Armor chip seal: double layer of chip seal; done on upper Kelly Ave in 2012.

Hot chip seal: new technology that utilizes oil-coated chips and is applied hot with polymer, reduces rock waste & dust; yet to be analyzed for applicability.

TBD: To Be Determined

Proposed Street Construction Projects for Supplemental Funding - 5/17/2013

Project Name	Street Classification (in Condition Rating Report)	2013 Pavement Condition Rating	Estimated Cost
2nd St, Taylor to Lincoln	Arterial	Fair/Poor	\$500,000
3rd St, Taylor to Lincoln + side streets	Arterial	Poor	\$200,000
Court St, 5th to 10th	Arterial	Poor	\$90,000
E 10th St, Union to Kelly	Arterial	Fair/Poor	\$115,000
W 15th, Trevitt to Liberty Way	Local (Fort Dalles Museum)	Very Poor	\$65,000
E 12th, Kelly to Dry Hollow	Arterial	Poor	\$245,000
Cherry Hts, 6th to 10th	Arterial	Fair	\$60,000
Webber, 6th to 10th	Arterial	Poor	\$30,000
2nd St, Lincoln to Webber	Arterial	Fair/Poor	\$380,000
W 10th St, Cherry Hts to Walnut	Arterial	Fair	\$55,000
Brewery Gr, Roundie thru 9th St	Arterial	Fair	\$80,000
4th St, Jefferson to 3rd Pl	Arterial	Poor	\$75,000
W Scenic Dr, 17th to CGCC	Collector	Fair/Poor	\$95,000
E Scenic Dr, 16th Pl to CGCC	Collector	Poor/Very Poor	\$205,000
Col View Dr, E Knoll to Summit Rdg	Collector	Fair	\$50,000
Washington, 3rd to 7th Place	Arterial	Fair	\$25,000
Trevitt, 3rd Pl to 17th (street cost only)	Collector	Poor/Very Poor	\$1,800,000
Old Dufur Rd, Thompson to Richmond	Arterial	Fair	\$40,000
10th St, Dry Hollow to Thompson	Arterial	Fair	\$37,000
10th St, Lewis to Dry Hollow	Arterial	Poor	\$48,000
Union, 4th to 14th	Arterial	Fair/Poor	\$556,000
Subtotal			\$4,751,000
Other candidate projects yet to consider and update costs:			
W 2nd, Webber to Snipes	Arterial	Fair/Poor	\$47,500
W 6th, Snipes to City Limits	Arterial	Fair	\$75,000
Brentwood Dr, Col Dr to Summit	Local	Poor	\$82,000
Harris St, 9th St to Guardrail	Local	Poor/Very Poor	\$43,000
Federal St, 7th to 10th	Local	Very Poor	\$152,000
13th St, Jordan to Washington	Collector	Poor	TBD
7th St, Pamona to Walnut	Collector	Fair/Poor	TBD
4th St Grade	Collector	Fair	\$72,200
Subtotal			\$471,700
Total			\$5,222,700

Key: