

City of Falls City  
City Council Regular Meeting Minutes  
July 13, 2017 6:00 PM  
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

**Council Present:** Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn

**Staff Present:** JoHanna Birr, City Clerk and Don Poe, Public Works Lead

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

**1) Roll Call**

Clerk Birr took roll call. Lori Jean Sickles arrived at 6:03 pm. Jennifer Drill's absence was pre-excused.

**2) Pledge of Allegiance**

Mayor Ungricht led the pledge.

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

A motion was made by Councilor D. Sickles and seconded by Councilor Meier to adopt the entire agenda. Motion carried 4-0-0. Ayes: Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

**4) Consent Agenda**

A motion was made by Councilor Meier and seconded by Councilor d. Sickles to adopt the Consent Agenda with the addition of items J; IGA Extension with Polk County on FEMA Project, K; USDA Water Loan Refinance.

Motion carried 4-0-0. Ayes: Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn. (Exhibit A)

**5) Public Comments**

Kirby Frink, Falls City resident and owner of Frink's General Store expressed his opposition to the planned partial N. Main Street closure during the Great American Solar Eclipse during August 2017. Mr. Frink felt it would adversely affect his store sales if the front of his lot was not accessible to motor traffic. Mayor Ungricht thanked Mr. Frink for his valid points and more discussion would be made under Item I.

Wesley Richardson of Falls City requested Council approval for a noise variance for his annual overnight birthday party at his home. Noise would consist of conversing, fire pit, swimming pool and may have band inside his shop. Council agreed unanimously granting permission, as there have not been any complaints over the years.

Laura Britton, resident and co-owner of the Boondocks clarified the location of the partial street closure and that Frink's General Store would still be accessible to customers. (Item I)

**6) New Business**

**A. Resolution 16-27 Small City Allotment Grant**

This would fund paving on 5<sup>th</sup> Street beginning at intersection of Mitchell Street running north 925 feet to the intersection of Fair Oaks street. This would greatly improve the approach to the Fair Oaks intersection where the pavement is worn, cracked and forming potholes. This is a high traffic street and repaving this area would reduce safety concerns.

A motion was made by Councilor D. Sickles and seconded by Councilor Lauder that the City of Falls City approve Resolution 16-2017, A resolution of the City of Falls City approving the application for the Special City Allotment. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

**B. Resolution 17-2017 A Resolution Declaring Support of Arbor Day and Setting an Annual Date to Celebrate Arbor Day in Falls City, Oregon**

Arbor Day shall be celebrated the second weekend in September in conjunction with the Annual Solve clean up event. Hot dogs and hamburgers are usually cooked for volunteers.

A motion was made by Councilor Lauder and seconded by Councilor Flynn that the City Council of the City of Falls City approve resolution 17-2017 a resolution declaring support of Arbor Day and setting an annual date to celebrate Arbor Day in Falls City, Oregon. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

**C. Ordinance 544-2017 Council serving as Planning Commission- 1<sup>st</sup> Reading by Title**

Normally, a Planning Commission would do research and recommendations to Council for a decision on land use matters. Ordinance 544-2017 would reintroduce original language of Ordinance 530 into the Municipal Code Chapter 32.0108- Planning Commission. This portion was inadvertently repealed with the adoption of Ordinance 538-2014. Adoption of Ord. 544-2017 provides added safety to Council with no sitting Planning Commission. The 2<sup>nd</sup> reading will take place at the next regular Council meeting in August.

A motion was made by Councilor Flynn and seconded by Councilor Meier that the City Council of the City of Falls City read the Ordinance 544-2017 for the first time by title only. Ordinance 544-2017 An ordinance amending Falls City Municipal Code section 32.01, relating to the City Planning Commission: Declaring an emergency. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

**D. Parks Master Plan Funding Strategies**

Mayor Ungricht asked for Council's thoughts and discussion on the addition of a Utility Fee or Maintenance fee to the Utility bills. These fees cannot be part of a lien and must be separate according to guidelines. Other cities have a voluntary payment option, employ an operational levy, special use fees or transient taxes.

Councilor L. Sickles explained the fee funding would be allocated to the Parks in addition to the Parks Budget. Councilor L. Sickles felt a fee of \$1.00 - \$3.00 per month was reasonable for development and other improvements in the parks.

Currently the city spends a fixed cost of approximately \$8,500.00 to run the parks at a basic minimum. For example, additional \$3.00 fee would bring \$13,824.00 to the Parks annually. He envisions that money to be for playground equipment and other added feature to enhance the parks. Mayor Ungricht added that this funding stream demonstrates community effort to improve our parks and would give points when applying for grants.

Councilors Meier, Lauder and Flynn felt a fee added onto the utility bill would give the users the impression the fee was mandatory and add confusion to users paying their bill. Councilor L. Sickles pointed out that the parks are the City's main draw for bringing in tourism and residents need a place to go and enjoy. She said we have to take care of our parks if we want people coming into town.

Councilor L. Sickles shared Park and Recreation Committee will hold the Parks Master Plan Open House in August. Clerk Birr passed an invitation flyer to Council to view. (Exhibit B) The Open House will give Committee a chance to seek public input and ask opinions on several matters. Councilors also on the Park and Recreation Committee can report to Council.

It was clarified that Council was not voting for a fee, but to give opinion on this portion of the Park Master Plan in place. Committee members do not want to add this option to the Plan if Council is against it.

Councilors also on the Park and Recreation Committee can report to Committee.

**E. 2017/2018 Insurance Costs**

Informational only: Insurance costs have fallen \$2,467.68 due to no claims in 4 years.

**F. 2016/17 Budget Audit**

The City Manager put all bills paid with checks in alphabetical order with totals and breakdowns for each category. Informational only.

**G. Levy Research**

Council discussed pros/cons and best way of adding the 5-year levies to the ballot for voters. The three levies include Streets, Fire Department and Library.

Streets: Gravel roads are maintained year around vs paved streets. Gravel residents are benefiting more annually off the budgeted Street Fund. Paving projects rely on grant funding. Improving paved roads would add safety benefits to residents and improve infrastructure. This is estimated at \$1.00.

Fire Department: The breathing apparatus expires in two years. If not funded, the volunteer fire fighters will not be allowed to enter structure fires. They could only fight fire or maintain a burn from the outside. Not having a fully functioning Fire Department would put residents at a higher safety risk. SW Polk Fire District is negotiating with Dallas to handle all operations. This follows suit to other small volunteer departments in Polk County. Dallas Fire Chief Fred Hertel urged Mayor Ungricht to contract with them or he would pull the equipment stationed at Falls City. Mayor Ungricht did not like the first contract sent for review. The Fire Department is making a wish list and a need list for equipment. Levy is expected to be \$1.60- \$2.00 if combined with Streets.

Library: The Library would require a levy of \$1:30 to maintain open doors at its current level. Mayor Ungricht is saddened by the potential loss of the Library due to lack of City funding. However, citizens pay into Chemeketa and can schedule a mobile book service or use the school library. He is currently working with the County to gain transportation van service to the area. Dallas library could then be utilized for computer terminals.

After lengthy discussion, it was suggested to put Streets and Fire together on one levy and the library on the other by itself.

A motion was made by Cliff Lauder that the City Council of the City of Falls City direct staff to put two levies on the November ballot.

A motion was made by Councilor Flynn and seconded by Councilor Meier that the City Council of the City of Falls City [direct staff] to place on ballot for November 2017 two levies; one for the Fire Department/ Streets and one for the Library to maintain it at current level. [\$1.30 and \$1.90 respectively.] Motion carried 5-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

**H. National Night Out**

This is an annual event in which local law enforcement visit neighborhood block parties. The Fire Department has request to shut 3rd Street between 3pm and 10pm. 100 people are expected to attend. The only conflict with using the Community Center is with the set up time and Lunch program. This will be worked out between the Fire Station and the School. Sheriff Garton visits eight or nine groups that night and will put Falls City on his schedule.

A motion was made by Councilor Lauder and seconded by Councilor Flynn that the City of Falls City Council approve the 3<sup>rd</sup> Street closure for National Night Out Block Party. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

**I. Boondocks eclipse Event**

Laura Britton will be organizing a local event and is seeking permission to close N Main Street from the west side of 2<sup>nd</sup> Street to the east side of 3<sup>rd</sup> Street. She will be partnering with the Breadboard. The Community Center will be open and used as a cooling station. The upper park would be reserved for camping and activities. The City will be reimbursed for the 6 porta potties rented previously for the EDC solar event. Bathroom Showers at the Community center will be off limits.

Councilors agreed they did not feel Frink's General Store would be heavily impacted by the closure and have not seen street closures cause problems.

Councilor L. Sickles abstained and declared herself as one of the owners of the Boondocks. Councilor D. Sickles stated for the record that he is the brother of Councilor L. Sickles.

A motion was made by Councilor Lauder and seconded by Councilor Flynn that the City of Falls City Council approve reserving the Upper Park to the Boondocks and to allow them to organize and charge for camping in the Park between August 19<sup>th</sup> and 21<sup>st</sup>, and to approve the closure of N Main Street from 6am to 12 pm on August 21<sup>st</sup>, with the proper insurance policies to indemnify the City and the proper amount of porta potties to cover the event. Motion carried 4-0-1. Ayes: Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn. Abstain: Lori Jean Sickles

**J. Resolution 19-2017 IDA Extension with Polk County on FEMA Project**

A motion was made by Councilor Lauder and seconded by Councilor Flynn that the City of Falls City Council adopt resolution 19-2017, A resolution authorizing an extension to the intergovernmental agreement between the City of Falls City and Polk County for the management and work on Mitchell street Dutch creek Culvert replacement project. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

**K. Resolution 18-2017 USDA Water Loan Refinance**

Resolution 17-2017 would allow the Mayor to negotiate refinancing on the current loan of \$940,000.00. D.A. Davidson Company- a financial service, is working on a package for the City. Refinancing at a lower percentage rate while keeping the payments the same would eliminate two years from the loan. The USDA loan was the best option for the City in 2000. Five other cities are refinancing their loans at this time.

A motion was made by Councilor D. Sickles and seconded by Councilor Meier that the City of Falls City Council adopt resolution 18-2017, A resolution authorizing issuance and negotiated sale of full faith and credit refunding obligations to refund an outstanding loan; designation an authorized representative, special counsel, underwriter; authorizing the execution and delivery of a financing agreement and trust agreement; and related matters. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

Mayor Ungricht and Councilor Flynn will be attending the Water and Wastewater financial training work shop hosted by Rural Community Assistance Corporation (RCAC) Meeting on July 20, 2017. They will feature an overview of sustainable and effective utility management for small systems and topic specific training sessions on project development and finance, asset management, rates and public education. State and federal agency staff will be available to speak with.

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

**A. Mayors Report**

Mayor Ungricht asked Council to give their thoughts on the Economic Development Committee. The EDC has not had a quorum in 2017 except for one Work Shop in March. Councilor Meier felt the majority of the group had lost interest.

A motion was made by Councilor D. Sickles and seconded by Councilor L. Sickles that the City of Falls City Council dissolve the Economic Development Committee for lack of interest. Motion carried 5-0-0. Ayes: Lori Jean Sickles, Tony Meier, Cliff Lauder, Dennis Sickles, Charlie Flynn.

The City Recorder position closes on the July 28, 2017. Applications and interested parties are handled by Council of Governments (COG). The Public Works position has been narrowed to two applicants. Don Poe, Public Works Lead will assist with the interview and hiring process. The Code Enforcement position has a candidate. He will be hired if he is still interested after attending a court case on code enforcement. His first 90-day role will be to review files and set procedures. Developing cases would then follow.

A new sand filter is needed at the water treatment plant, but due to regulations, the only qualifying sand is located in California. The City of Banks attempted to self-wash and reuse their sand and in the process, it malfunctioned and shut down the entire city's utility. To replace the 20-year-old sand could cost the City upwards of \$50,000.00.

OWRD has concerns with the Master Water Plan's Curtailment Plan process. The engineer is working that out. The Berry Creek water rights have been approved through 2043.

The CDBG has no money currently. The City's best hope for Sewer project funding is that the CDBG would make a continuing resolution and keep funding the same as last year. This would allow the City to have a chance at funding.

## **8) Council Announcements**

Councilor Lauder would like to put a few native plants in the North Falls Park (Michael Harding Park) during the Arbor Day Celebration in September. Councilor Lauder asked Mayor Ungricht to make a list of items he could use help with and urged Council members to help on whatever skill level or desire they possessed.

Councilor Flynn announced he is almost finished with the Community Center audit.

### **Sheriff's Report**

Sheriff Garton announced Paws for a Cause in honor of Randy Whitaker taking place the entire month of July. Donation items are dog related and may be dropped off at the Sheriff's Office, the County Fairgrounds or at the County Courthouse.

Mayor Ungricht and Sheriff Garton have been discussing some issues and Sheriff Garton asked Council what the top 3-4 issues the City would like he and his staff to enforce. Council agreed that Curfews, abandoned cars on public streets, use of Parks after hours, noise violations and public intoxication in parks. They will be focusing on Municipal Chapters 90 and 130. Mayor Ungricht and Sheriff Garton will work on an agreement to send the City Attorney for review and approval.

Sheriff Garton has been attending meeting with a couple of groups regarding the Eclipse and strategizing emergency plans. The State has issued warnings that roads may be blocked or at least congested. Traffic and response time of first responders to calls can only be estimated, as there is no way of knowing the population flux during the event. An inadequate number of ambulances could be a

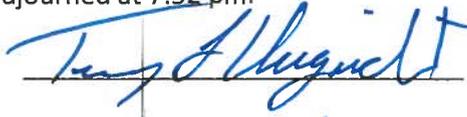
problem. He is working with the West Valley hospital to formulate a plan. Airlift is an only option if a patient is upgraded to Salem Hospital and roads are closed.

**Library Report**

None

**9) Adjourn**

The meeting adjourned at 7:52 pm.



Mayor Terry Ungricht

Attested:



City Clerk JoHanna Birr

*I have copies for Council Exhibit A*

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## AGENDA REPORT

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**To:** City Council  
**From:** Mayor Terry Ungricht  
**Subject:** IGA extension with Polk County on FEMA project  
**Date:** July 11, 2017

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### Summary

Falls City has been working on the FEMA emergency declaration to repair Dutch Creek Culverts. Falls City entered into an IGA with Polk County to manage the project.

### BACKGROUND

Falls City was awarded an Emergency declaration from FEMA from the December 7, 2015 storm event that washed out the culverts on Dutch Creek on Mitchell Street.

The Falls City Council adopted resolution 16-2016 adopting a contract, #16-137, between the City and Polk County for the County to manage the FEMA project. The contract is set to expire on August 3, 2017, this resolution will extend the life of the contract through August 31, 2019.

### Previous Council Action

Adopted Resolution 16-2016 adopting contract 16-137

### ALTERNATIVES/FINANCIAL IMPLICATIONS

N/A

### STAFF RECOMMENDATION

Pass Resolution accepting the extension.

### EXHIBITS

Contract amendment  
Resolution 16-2016  
IGA between the City and Polk County.

### PROPOSED MOTIONS

I move that the City Council of the City of Falls City adopt resolution 19-2017, A RESOLUTION AUTHORIZING AN EXTENSION TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FALLS CITY AND POLK COUNTY FOR THE MANAGEMENT AND WORK ON MITCHELL STREET DUTCH CREEK CULVERT REPLACEMENT PROJECT.

## RESOLUTION 19 - 2017

A RESOLUTION AUTHORIZING AN EXTENSION TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FALLS CITY AND POLK COUNTY FOR THE MANAGEMENT AND WORK ON MITCHELL STREET DUTCH CREEK CULVERT REPLACEMENT PROJECT.

### FINDINGS:

1. The City of Falls City and Polk County have agreed that the Dutch Creek culvert system on Mitchell Street is in need of replacement for the benefit of the County and City.
2. The City has been awarded funding through the Federal Emergency Management Administration, FEMA, and Oregon Infrastructure Finance Authority to cover the costs of the project.
3. The contract between Falls City and Polk County adopted under Resolution 16-2016 expires August 3, 2017 and the work will not be completed.
4. This Resolution will extend the life of contract 16-137 through August 31, 2019.

NOW THEREFORE;

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

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

Section 2. This Resolution was duly PASSED and ADOPTED by the Falls City Council this Thirteenth day of July, 2017, and takes effect upon signing by the Mayor.

Approved:

\_\_\_\_\_  
Date

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

Attest:

\_\_\_\_\_  
Date

\_\_\_\_\_  
JoHanna Birr, City Clerk



# POLK COUNTY

820 S.W. ASH STREET \* DALLAS, OREGON 97338-2112  
(503) 623-9287 \* FAX (503) 623-0897

**PUBLIC WORKS**

## Contract Amendment

This amendment to Polk County Contract No. 16-137 dated 08/03/2016 between Polk County and City of Falls City, shall extend the existing contract duration for an additional two (2) years.

This shall be effective from the date last signed and shall remain in effect until 08/31/2019, unless otherwise terminated in accordance with the provisions of the contract.

Approved for City

Accepted for County

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

**RESOLUTION 16 - 2016**

A RESOLUTION AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE City OF FALLS CITY AND POLK COUNTY FOR THE MANAGEMENT AND WORK ON MITCHELL STREET DUTCH CREEK CULVERT REPLACEMENT PROJECT.

**FINDINGS:**

1. The City of Falls City and Polk County have agreed that the Dutch Creek culvert system on Mitchell Street is in need of replacement for the benefit of the County and City.
2. The City has been awarded funding through the Federal Emergency Management Administration, FEMA, and Oregon Infrastructure Finance Authority to cover the costs of the project.
3. The County has the experience to complete a project of this size and regulatory requirements.

NOW THEREFORE;

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

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

Section 2. This Resolution was duly PASSED and ADOPTED by the Falls City Council this Fourteenth day of July, 2016, and takes affect upon signing by the Mayor.

Approved:

7-19-2016  
Date

  
Terry Ungricht, Mayor

Attest:

7/27/2016  
Date

  
Domenica Protheroe, City Clerk

## INTERGOVERNMENTAL AGREEMENT

This Agreement is entered into between Polk County, Oregon, hereinafter referred to as COUNTY, and City of Falls City, hereinafter referred to as CITY.

### RECITALS

WHEREAS CITY and COUNTY desire to work cooperatively to replace the Dutch Creek crossing on Mitchell Street (CITY jurisdiction) that provides access to Black Rock Road (COUNTY jurisdiction); and

WHEREAS the replacement of the Dutch Creek crossing (PROJECT) shall repair damage to the existing culvert and road bed;

Therefore, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

### ARTICLE I - SCOPE OF WORK

COUNTY agrees to perform for CITY the following services:

#### Project Management

This task consists of providing engineering and construction management services for the PROJECT. COUNTY will provide CITY with a monthly progress report that includes project status, updated schedule for completion, estimated amount spent-to-date and estimated final cost.

#### Funding Management

The COUNTY shall act as representative to FEMA and IFA for the CITY, filling out forms and submitting backup documentation for funding procurement.

#### Contracting

The COUNTY shall act as the contracting agency for the entire PROJECT including but not limited to preliminary design, permitting, right-of-way acquisition, plan preparation, construction management, inspection, and construction. This task includes the preparation of solicitation documents for bids and/or proposals.

#### Survey/Design Services

The COUNTY shall select and manage a consultant to perform topographical and feature survey, design alternative analysis and preparation of design drawings and specifications for construction. COUNTY shall provide draft and final design drawings to CITY for review and comment. Design standards for the roadway will conform to Polk County design standards.

#### Permitting

The COUNTY shall ensure that necessary permits are obtained for the PROJECT.

#### Right-of-Way Acquisition

The COUNTY shall obtain all right-of-way, access permits, construction easements and property owner agreements necessary to complete for PROJECT on behalf of the CITY.

#### Construction

This task includes site preparation, replacement of existing stream crossing, disposal of existing structures, road widening, raising road grade (if required), and environmental mitigation (if required).

Project Financing

The COUNTY shall provide project financing until the CITY receives reimbursements from funding agencies.

CITY agrees to perform the following services:

Project Coordination

The CITY shall coordinate with the COUNTY in a timely manner for the execution of COUNTY responsibilities under this agreement.

Services Coordination

The CITY shall coordinate agreements with and notification to service providers such as postal, school and emergency services.

Payment

The CITY shall make prompt payments to COUNTY within 14 days of receipt of reimbursement from funding agencies or receipt of invoice from COUNTY, whichever occurs later.

ARTICLE II - AGREEMENT PERIOD

This Agreement shall become effective on the date of last signature and shall remain in effect for one year from the date of PROJECT completion. Performance may be extended for additional periods by written mutual consent between the parties. Any extension after termination shall be retroactive to the date of termination.

ARTICLE III – CONSIDERATION

CITY agrees to pay COUNTY for costs incurred by COUNTY under this Agreement.

ARTICLE IV - NOTICE

Any notice provided for under this Agreement shall be sufficient if in writing and delivered to the following addressee:

COUNTY:

Todd Whitaker, Public Works Director  
Polk County Public Works  
820 SW Ash Street  
Dallas, Oregon 97338  
Phone: (503) 623-9287

CITY:

Terry Ungricht, Mayor  
City of Falls City  
299 Mill Street  
Falls City, OR 97344  
Phone: (503) 787-3631

ARTICLE V - INDEMNIFICATION

To the extent permitted by Oregon Law (ORS 30.260 through 30.300) and the Oregon Constitution, Article XI, Section 7, CITY shall indemnify COUNTY against any liability for damage to life or property

arising from CITY'S actions under this Agreement provided, however, CITY shall not be required to indemnify COUNTY for any such liability arising out of the wrongful or negligent acts of employees or agents of COUNTY.

To the extent permitted by Oregon Law (ORS 30.260 through 30.300) and the Oregon Constitution, Article XI, Section 7, COUNTY agrees to be responsible, assume liability and indemnify CITY for COUNTY'S own wrongful or negligent acts or omissions, or those of its officers, agents, employees or representatives.

#### ARTICLE VI - COMPLIANCE WITH LAWS

This Agreement shall be governed and construed in accordance with the laws of the State of Oregon. Any suit for enforcement shall occur, if in the state courts, in the Polk County Court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the District of Oregon.

#### ARTICLE VII - ASSIGNMENT

Neither party shall assign or transfer any interest in this Agreement, nor assign any claims for money due or to become due during this Agreement, without the prior written approval of the other party.

#### ARTICLE VIII - DISPUTE RESOLUTION

Any disputes under this agreement shall be elevated to the governing body of each jurisdiction by the designated official of each agency if the dispute cannot be resolved at the lowest level. The parties to this agreement agree to utilize mediation services prior to any litigation that may arise from unresolved conflicts or disagreements. Mediation costs shall be shared equally between the parties.

#### ARTICLE IX - TERMINATION

This agreement may be terminated in the following manner:

##### Insufficient Funding

Either party has the right to terminate this agreement if the estimated PROJECT cost exceeds available funding. A 30-day Notice shall be given to each party's designated official to exercise this option. Costs incurred by the COUNTY that are ineligible for funding shall not be reimbursed by the CITY.

##### Mutual Consent

This agreement may be terminated by the mutual consent of the COUNTY and CITY at any time. A 15-day Notice shall be given to each party's designated official to exercise this option. Costs incurred by the COUNTY that are ineligible for funding shall not be reimbursed by the CITY.

##### For Cause

This agreement may be terminated for cause by either party.

THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS AGREEMENT. NO AMENDMENT, CONSENT, OR WAIVER OF TERMS OF THIS AGREEMENT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY ALL PARTIES. ANY SUCH AMENDMENT, CONSENT, OR WAIVER SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. SPONSOR, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, ACKNOWLEDGES HAVING READ AND UNDERSTOOD THE AGREEMENT AND SPONSOR AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth herein by their duly authorized representatives.

CITY OF FALLS CITY, OREGON

POLK COUNTY, OREGON

Name: TERRY L. UNGRICHT

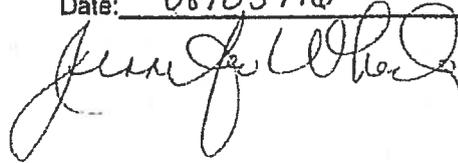
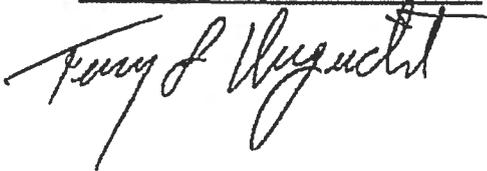
Name: Jennifer Wheeler

Title: MAYOR / MANAGER

Title: Chair. Board of Commissioners

Date: 7-15-2016

Date: 08/03/16



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## AGENDA REPORT

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**To:** City Council  
**From:** Mayor Terry Ungricht  
**Subject:** USDA Water loan refinance  
**Date:** July 12, 2017

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### **Summary**

Falls City was contacted by D.A. Davidson about an opportunity to refinance the water debt carried by USDA. Council motioned to have the Manager investigate the bond issuance.

### **BACKGROUND**

Falls City Council motioned for me to look into a refinance bond offer being issued to small Oregon City's too buy out City debt issued by USDA with a new bond issuance. I reported to Council that we would save around \$120,000 off our current debt over the life of the bond. Council directed me to pursue the offer.

This resolution would allow the Manager to sign the Bond offering. I elected to use the savings to buy down the terms of the debt, so instead of 23 years of the \$65,473 payments we would be down to 21 years. We will not know the actual savings until the bonds are issued, interest rates on bonds change daily.

### **Previous Council Action**

Directed staff to research the bond offering.

### **ALTERNATIVES/FINANCIAL IMPLICATIONS**

Safe an estimated \$120,000 over the life of the current USDA bond.

### **STAFF RECOMMENDATION**

N/A

### **EXHIBITS**

Resolution 18-2017  
Finance schedule

### **PROPOSED MOTIONS**

I move that the City Council of the City of Falls City adopt resolution 18-2017, **A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF FULL FAITH AND CREDIT REFUNDING OBLIGATIONS TO REFUND AN OUTSTANDING LOAN; DESIGNATING AN AUTHORIZED REPRESENTATIVE, SPECIAL COUNSEL, AND UNDERWRITER; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT AND TRUST AGREEMENT; AND RELATED MATTERS.**

**RESOLUTION NO. 18-2017**

**A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF FULL FAITH AND CREDIT REFUNDING OBLIGATIONS TO REFUND AN OUTSTANDING LOAN; DESIGNATING AN AUTHORIZED REPRESENTATIVE, SPECIAL COUNSEL, AND UNDERWRITER; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT AND TRUST AGREEMENT; AND RELATED MATTERS.**

**WHEREAS**, the City of Falls City, Polk County, Oregon (the “City”) is authorized pursuant to the Constitution and laws of the State of Oregon, namely, Oregon Revised Statutes Sections 271.390, 287A.315 and 287A.360, to (1) enter into financing agreements to finance and refinance real and personal property the City determines is needed, (2) pledge its full faith and credit and taxing power in connection with such financing agreements, and (3) pay the costs of issuance of such financing agreements; and

**WHEREAS**, the Charter of the City does not (1) prohibit the City from entering into a financing agreement and pledging its full faith and credit as security for the financing agreement, nor (2) require a non-appropriation clause to be included in the financing agreement; and

**WHEREAS**, on May 25, 2000, the City issued its Revenue Installment Water Bond No. 1 to the United States of America pursuant to a Resolution of the City adopted on May 5, 1997, and a Resolution of the City adopted May 22, 2000, in the aggregate principal amount of \$1,204,650 (the “USDA Loan”) and the proceeds were used to finance capital improvements to the City’s water system (the “Project”); and

**WHEREAS**, the Project is complete and the City determines the Project is needed; and

**WHEREAS**, the USDA Loan is secured by the unobligated net revenues of the water system; and

**WHEREAS**, based on current market conditions, present value savings may be achieved by issuing refunding obligations for the purpose of refunding all or a portion of the USDA Loan and paying the costs of issuance of the refinancing; and

**WHEREAS**, the City may reduce the costs of the refinancing if the City participates in a pooled transaction with other Oregon local governments that wish to refinance loans; and

**WHEREAS**, the pooled transaction does not require the City to pay any portion of another government’s financing agreement; and

**WHEREAS**, the refunding obligations will be issued as full faith and credit obligations of the City, payable from the designated funds available to make the Financing Payments and the general, non-restricted revenues of the City, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon.

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

**Section 1. Definitions.**

Unless the context clearly requires otherwise, capitalized terms not defined in this Section 1 shall have the meanings defined for such terms in the Trust Agreement; and, capitalized terms used in this Resolution which are defined in this Section 1 shall have the following meanings:

“Authorized Representative” means the City of Falls City Mayor/Manger or person designated by the Mayor/Manager to act as Authorized Representative under this Resolution.

“Code” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and judicial decisions promulgated thereunder.

“City” means the City of Falls City, Oregon.

“Financing Agreement” means the City’s financing agreement, which may be evidenced by a note, which is authorized by Section 2 of this Resolution.

“Financing Payments” means amounts, including the principal and interest payments, due under the Financing Agreement.

“Obligations” means the obligations issued by the Trustee under the Trust Agreement which represent undivided ownership interest in the Financing Payments and the financing payments due from other Oregon local governments participating in the pooled program to refund their loans.

“Project” means the capital improvements to the City’s sewer system financed by the USDA Loan.

“Trust Agreement” means the Trust Agreement between the Trustee, the City and other Oregon local governments participating in the pooled program to refund loans.

“Trustee” means the trustee under the Trust Agreement, or its successors.

“USDA” means the United States of America, acting through the United States Department of Agriculture.

“USDA Loan” means the City’s Revenue Installment Water Bond No. 1 in the aggregate principal amount of \$1,204,650 issued to USDA for the financing of the Project executed May 25, 2000, and authorized pursuant to a Resolution of the City adopted on May 5, 1997, and a Resolution of the City adopted May 22, 2000.

**Section 2. Authorization.** The City hereby authorizes the execution and delivery of one or more financing agreements and notes (the “Financing Agreement”) in a form satisfactory to the Authorized Representative, as defined above, in an amount sufficient to refund all or a portion of the USDA Loan and to pay the costs of issuance of the refinancing.

**Section 3. Financing Payments.** The Financing Payments shall be payable from the designated funds which are available to make the Financing Payments and the general, non-restricted revenues of the City, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon. The obligation of the City to make Financing Payments shall be a full faith and credit obligation of the City, and is not subject to appropriation. The Registered Owners of the Obligations shall not have a lien or security interest on the property financed with the proceeds of the Financing Agreement or the Obligations.

**Section 4. Designation of Authorized Representative.** The City hereby authorizes the Authorized Representative to act as the authorized representative on behalf of the City and determine the remaining terms of the Financing Agreement and Obligations pursuant to this Resolution.

**Section 5. Delegation of Final Terms and Sale of Financing Agreement and Obligations and Additional Documents.** The Authorized Representative is authorized, on behalf of the City, to:

- a. Determine whether it is desirable to refinance all, a portion of, or none of the USDA Loan and if the Financing Agreement is issued on a taxable or tax-exempt basis;
- b. Determine the amount, maturity date, capitalized interest (if any), optional and/or mandatory redemption or prepayment provisions, defeasance provisions, interest rates, denominations, serial and term maturities, payment provisions, events of default, remedies, fees, and other terms under which the Financing Agreement and Obligations shall be issued, sold, executed, and delivered;
- c. Negotiate, execute and deliver the Financing Agreement. Subject to the limitations of this Resolution, the Financing Agreement may be in such forms and contain such terms as the Authorized Representative may approve.
- d. Negotiate the terms and approve of the Obligations;
- e. Negotiate, execute and deliver the Trust Agreement which provides for the issuance of the Obligations. Subject to the limitations of this Resolution, the Trust Agreement and the Obligations may be in such form and contain such terms as the Authorized Representative may approve; however, neither the Trust Agreement nor the Obligations may require the City to pay any portion of another government's financing agreement.
- f. Determine which fund or funds are available to pay the Financing Payments;
- g. Deem final and authorize the distribution of a preliminary official statement for the Obligations, authorize the preparation and distribution of a final official statement or other disclosure document for the Obligations, and enter into agreements to provide continuing disclosure for owners of the Obligations;

h. Engage the services of the Trustee, escrow agents, paying agents, financial adviser, verification agents, and any other professionals whose services are desirable for the refinancing;

i. Apply for ratings for the Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancement for the Financing Agreement or the Obligations, including a reserve surety policy, enter into agreements with the providers of credit enhancement, and execute, deliver and acquire related documents, if applicable;

j. Call, defease, redeem and prepay all or a portion of the USDA Loan;

k. Determine whether the Obligations shall be Book-Entry certificates and to take such actions as are necessary to qualify the Obligations for the Book-Entry System of DTC, including the execution of a Blanket Issuer Letter of Representations;

l. Approve, execute and deliver a continuing disclosure certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12) for the Obligations;

m. Approve, execute and deliver a Tax Certificate; and execute and deliver a Certificate specifying the action taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Financing Agreement and Obligations in accordance with this Resolution; and

n. Execute and deliver any other certificates or documents and take any other actions which the Authorized Representative determines are desirable to refinance the USDA Loan in accordance with this Resolution.

**Section 6. Maintenance of Tax-Exempt Status.** The City hereby covenants to use the Financing Agreement and Obligation proceeds and the Projects refinanced with such proceeds in the manner required, and to otherwise comply with all provisions of the Code which are required for interest paid on the Financing Agreement to be excluded from gross income for federal income tax purposes. The City makes the following specific covenants with respect to the Code:

a. The City will not take any action or omit any action if it would cause the Financing Agreement to become arbitrage bonds under Section 148 of the Code.

b. The City shall operate the Projects so that the Financing Agreement does not become “private activity bonds” within the meaning of Section 141 of the Code.

c. The City shall comply with appropriate Code reporting requirements.

d. The City shall pay, when due, all rebates and penalties with respect to the Financing Agreement which are required by Section 148(f) of the Code.

The covenants contained in this Section and any covenants in the closing documents for the Financing Agreement shall constitute contracts with the lenders and shall be enforceable by them. The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Financing Agreement.

**Section 7. Appointment of Escrow Agent.** The Authorized Representative is authorized to enter into an Escrow Deposit Agreement for the establishment of an Escrow Deposit Fund and appoint an Escrow Agent to administer the Escrow Deposit Fund if deemed necessary or desirable.

**Section 8. Appointment of Special Counsel.** The City appoints Mersereau Shannon LLP as special counsel to the City for the Financing Agreement and Obligations.

**Section 9. Appointment of Underwriter.** The City appoints D.A. Davidson & Co. as the underwriter for the issuance of the Obligations.

**Section 10. Continuing Disclosure.** The City covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Agreement to be negotiated with the Underwriter, per section 5(l), above. Notwithstanding any other provision of this Resolution, failure by the City to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any Registered Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and the Continuing Disclosure Certificate.

**Section 11. Preliminary and Final Official Statement.** The City shall prepare or cause to be prepared a preliminary official statement for the Obligations which shall be available for distribution to prospective purchasers. In addition, an official statement shall be prepared and ready for delivery to the purchasers of the Obligations no later than the seventh (7th) business day after the sale of the Obligations. When the City determines that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the City.

**Section 12. Closing of the Sale and Delivery of the Financing Agreement.** The Authorized Representative is authorized to negotiate with the Underwriter as to the terms and conditions of a Purchase Agreement providing for the private negotiated sale of the Financing Agreement. The Authorized Representative is authorized to execute the Purchase Agreement for and on behalf of the City and to execute such additional documents, including a Tax Certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Financing Agreement and the Obligations and redemption of the USDA Loan as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Council of the City.

**Section 13. Effective Date.** This resolution takes effect upon adoption by the City Council.

PASSED by the Council of the City of Falls City this 13th day of July, 2017.

**CITY OF FALLS CITY  
POLK COUNTY, OREGON**

By \_\_\_\_\_  
Mayor

ATTEST:

By \_\_\_\_\_  
City Clerk

## Oregon Cities Full Faith and Credit Refunding Obligations, Series 2017

### Financing Team

Bond Issuer:	City of Lakeside	LS
Bond Issuer:	City of Ione	IO
Bond Issuer:	City of Falls City	FC
Bond Issuer:	City of Rogue River	RR
Bond Counsel:	Mersereau Shannon	BC
Trustee:	U.S. Bank	USB
Underwriter:	D.A. Davidson & Co.	DAD

June						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

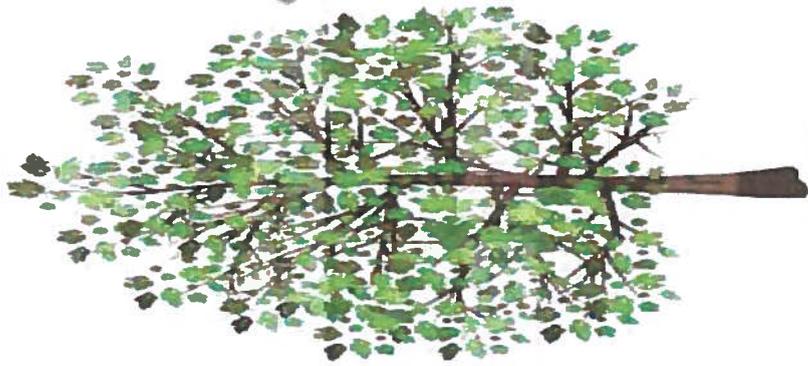
■ Holiday, Financial Markets Closed

■ Critical event

Done	Due Date	Event	Parties
X	Weds, Jun 7	Circulate draft financing schedule and distribution list	DAD
X	Thurs, Jun 8	Kick-off conference call with financing team	Financing Team
X	Mon, Jun 12	Circulate draft Authorizing Resolution for Rogue River	BC
X	Weds, Jun 14	Comments due on draft Rogue River Authorizing Resolution	Financing Team
X	Thurs, Jun 15	Authorizing Resolution submitted to Rogue River City Council	BC
X	Mon, Jun 19	Circulate 1 <sup>st</sup> draft of Preliminary Official Statement ("POS")	DAD/BC
X	Thurs, Jun 22	<b>City of Rogue River approves Authorizing Resolution</b>	RR
X	Mon, July 3	Authorizing Resolution submitted to Ione City Council	BC
X	Thurs, July 6	Authorizing Resolution submitted to Lakeside City Council	BC
X		Authorizing Resolution submitted to Falls City Council	BC
	Tues, July 11	<b>City of Ione approves Authorizing Resolution</b>	IO
	Thurs, July 13	<b>City of Falls City approves Authorizing Resolution</b>	FC
	Thurs, July 13	<b>City of Lakeside approves Authorizing Resolution</b>	LS
	Fri, July 14	File MDAC form 1 with Treasury	DAD
		Comments due on 1 <sup>st</sup> draft POS	Financing Team
	Mon, July 17	Circulate 2 <sup>nd</sup> draft POS with Economic/Financial Appendices	DAD/BC
		Application to Credit Rating Agency submitted	DAD
		Send draft POS and financial information to rating agency	DAD
	Mon, July 24	Comments due on 2 <sup>nd</sup> draft of POS	Financing Team
	Weds, July 25	Substantially final draft POS circulated	DAD/BC
		Send clean copy of draft POS to City Councils	Issuers
	Wk. of July 31	Credit Rating Agency conference call at <i>tbd</i>	Issuers; DAD
		Draft legal appendices for POS distributed	BC
		POS "Due Diligence" Calls with Cities	Issuers; DAD,BC
	Tues, Aug 1	Circulate draft bond purchase agreement and "Deemed Final" letter	DAD
	Mon, Aug 7	End of City Councils review of POS	City councils
		Final comments on POS and appendices due	Financing Team
		Receive credit rating from Credit Rating Agency	Rating Agency
		Executed "Deemed Final" letters delivered to Davidson	Issuers
		Final POS appendices delivered	BC

Done	Due Date	Event	Parties
	Tues, Aug 8	Distribute POS to investors	DAD
	Mon, Aug 14	Pre-pricing Conference Call (between 11 am and 2 pm to be determined)	Issuers; DAD
	Tues, Aug 15	Pricing (Cities to be available throughout the day)	Issuers; DAD
		Sign Bond Purchase Agreement	Issuers; DAD
	Fri, Aug 18	Draft Official Statement circulated	DAD
	Wk. of Aug 21	Print final Official Statement; File MDAC form 2	DAD
		Circulate Memorandum of Bond Delivery with wire instructions	DAD
		Circulate drafts of closing documents	BC
	Weds, Aug 30	Bond Pre-closing at Mersereau Shannon offices	Financing Team
	Thurs, Aug 31	Bond Closing (funds delivered to USDA, interest begins accruing)	Financing Team





www.falls-city.com 31

# Add your voice to the future of our parks!



Check out park concept drawings, draft Master Plan Chapters at the new Parks Master Plan website tab @ [www.fallscityoregon.gov](http://www.fallscityoregon.gov)

Please join us for good food and great conversation

The Master Plan is a 20 year plan for Falls City Parks. Come see concept drawings for Michael Harding Memorial Park, the Falls property, City Hall simple amphitheater, Luckiamute River Trail and pick your priorities big and small. We only received 56 park survey responses and really want to hear from you.

at the  
**FALLS CITY  
PARKS MASTER  
PLAN  
OPEN HOUSE**

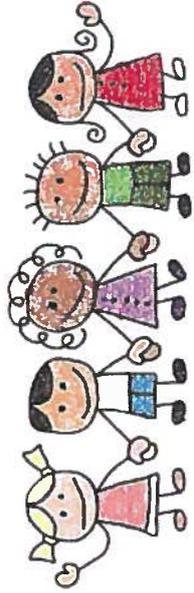


Exhibit B

**Your Invited!**

**Saturday August 26  
@ 11 AM at the  
Community Center  
320 N. Main Street**

# June 2017 Falls City Stats

Exhibit C

Falls City Calls for Service					
	DOA	Domestic Dist	Hit and Run	Susp Activity	
Alarm			Misc Crime	Susp Person	3
Accident	Drug		GSW	Susp Vehicle	7
Animal	1	1	Mental	Theft	1
Area Check	Fight		Noise Comp	Tow	2
Burg	FIR	2	911 call	traffic assist	
Assist Other Agency	4	4	ilpark	Traffic Stops	13
ATL (attempt to locate)	Fire/EMS	7	runaway	Trespass	1
Criminal Misch	Follow up	4	misc cad	Welfare Check	1
Citizen Contact	Found Prop	1	Sex Off	Unclass	
Civil Paper Service	Fraud	8	Shots		
DUII	Gen Disturb	2			
	Harassment	2			

Falls City Calls for Service	84	Of the FC Calls for Service	10	involved crimes
Total Calls for Service (county wide)	2282	FC Cases Cleared by Arrest	2	20.0% clearance
Falls City % of Total Calls	3.7%	Total Arrests in FC	4	3.4% of total arrests

Total Service Calls (Polk County)	2282	Junvenile Arrests	12	(county wide)
Of the calls for service (county wide)	216	Crimes Occ	60.2%	(Falls City)
Cases Cleared by arrest	130	(only true crimes reported here)		
Total Arrests (county wide)	119			