



AGENDA

CANBY CITY COUNCIL REGULAR MEETING

September 7, 2011

7:30 PM

Council Chambers

155 NW 2nd Avenue

Mayor Randy Carson

Council President Walt Daniels

Councilor Richard Ares

Councilor Tim Dale

Councilor Traci Hensley

Councilor Brian Hodson

Councilor Greg Parker

CITY COUNCIL REGULAR MEETING

1. **CALL TO ORDER – 6:00 PM – City Hall Conference Room – The Council will immediately go into Executive Session the Work Session following at 6:30 PM (City Hall Conference Room) and the Regular Session following at 7:30 PM (in the Council Chambers).**
 2. **EXECUTIVE SESSION: ORS 192.660(2)(h) Pending Litigation**
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WORK SESSION

6:30 P.M.

City Hall Conference Room

182 N Holly

This Work Session will be attended by the Mayor and City Council to discuss a plan for replacement of the retiring City Attorney. Pg. 1

3. **OPENING CEREMONIES (7:30 PM - Council Chambers)**
 - A. Pledge of Allegiance and Moment of Silence
 - B. POW/MIA Recognition Day Proclamation Pg. 3
 - C. Presentation on Commercial Food Waste Recycling Program
 - D. Presentation by Laura Sattler Regarding Formation of Arts Commission Pg. 4
4. **COMMUNICATIONS**
5. **CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS**

(This is an opportunity for visitors to address the City Council on items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Each citizen will be given 3 minutes to give testimony. Citizens are first required to fill out a testimony/comment card prior to speaking and hand it to the City Recorder. These forms are available by the sign-in podium. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter.)
6. **MAYOR'S BUSINESS**

7. COUNCILOR COMMENTS & LIAISON REPORTS

8. CONSENT AGENDA

(This section allows the City Council to consider routine items that require no discussion and can be approved in one comprehensive motion. An item may be discussed if it is pulled from the consent agenda to New Business.)

- A. Approval of Minutes of the August 10, 2011 City Council Work Session
- B. Approval of Minutes of the August 17, 2011 City Council Regular Meeting
- C. Appointment to Bike and Pedestrian Committee Pg. 6

9. RESOLUTIONS & ORDINANCES

- A. Res. 1114, Approving a Government Obligation Contract Dated August 22, 2011 Between Kansas State Bank of Manhattan and the City of Canby Pg. 7
- B. Ord. 1350, Authorizing a Contract with Canby Excavating, Inc. in the Amount of \$559,979 for the NW 3rd, NW 4th, N Grant, and N Holly Street Reconstruction Project Pg. 28

10. NEW BUSINESS

11. CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS

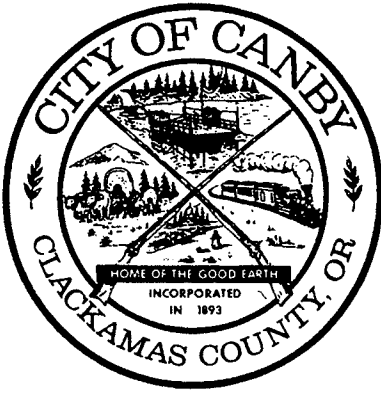
12. CITIZEN INPUT

13. ACTION REVIEW

14. EXECUTIVE SESSION: ORS 192.660(2)(h) Pending Litigation

15. ADJOURN

*The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Kim Scheafer at 503.266.4021 ext. 233. A copy of this Agenda can be found on the City's web page at www.ci.canby.or.us. City Council and Planning Commission Meetings are broadcast live and can be viewed on OCTS Channel 5. For a schedule of the playback times, please call 503.263.6287.



City of Canby

Office of the City Attorney

August 10, 2011

Memo to: Mayor/City Council

From: John H. Kelley, City Attorney 

Re: Selection of City Attorney

We have scheduled a work shop session at 6:30PM on September 7, 2011 to discuss a plan for replacement of the retiring City Attorney. I believe most of you know I plan to retire (at age 65) effective April 1, 2012. I have talked with a few of you about how you want to replace me and we believe we should get a plan in place sooner rather than later.

I think the most economical solution would be to find someone to come in as a full time employee handling both civil and criminal matters. I think you could probably get someone in the same basic pay range as what you are paying me now. However, the difficulty will be in finding the person that does **both** civil and criminal. Not too many of them out there these days with more and more people tending to join firms and specialize in a single particular area of the law.

There are a few City Attorneys that might be interested and available, and there might be some deputy City Attorneys that might apply. Amanda could put an advertisement together and I could post it on the City Attorney and County Counsel list serves.

The other option available is to split the duties and hire a prosecutor as either an in-house employee, or independent contractor, for a price competitive with other municipal courts and then contract the civil side with a firm that specializes in municipal law.

I did a brief informal survey of local muni courts and the salary range for prosecutors varies from a low of \$40/hr to a high of \$150/hr with the median at about \$75/hr. Hourly

Page 1 of 2

rates for municipal lawyers on the civil side likewise vary, but average close to \$200 plus per hour for service.

The advantage to having a municipal firm is that you can cover nearly all areas of the law that you might have a need for from that one firm. However, you pay for that service.

Mull these options over during the next few weeks and we'll talk on September 7th.



Office of the Mayor

Proclamation

POW/MIA RECOGNITION DAY

WHEREAS, The United States of America has participated in many wars, calling upon its sons and daughters to fight for their country; and

WHEREAS, American men and women have been held captive by hostile powers during their military service; and

WHEREAS, Many American prisoners of war were subjected to harsh and inhumane treatment by their captors which often resulted in death; and

WHEREAS, Americans are still listed as missing and unaccounted for, and the families and friends of these missing Americans, as well as their fellow veterans, still endure uncertainty concerning their fate; and

WHEREAS, The sacrifices of Americans still missing are deserving of national recognition and support for continuing priority efforts to determine their fate; and

WHEREAS, the City of Canby is proud to join with other cities in the State of Oregon and nation in honoring those still missing.

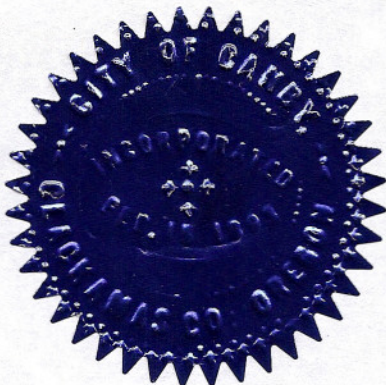
NOW, THEREFORE, I, Randy Carson, Mayor of the City of Canby, hereby proclaim September 17, 2011 as:

POW/MIA Recognition Day in Canby

and encourage all citizens to join in this observance.

Given unto my hand this 7th day of September, 2011.

Randy Carson
Mayor



**A RESOLUTION CREATING AND ESTABLISHING AN ARTS COMMISSION
WITHIN THE CITY OF CANBY AND TO BE KNOWN AND DESIGNATED AS THE
CANBY ARTS COMMISSION**

WHEREAS, there is hereby created and established a Commission to be known as the Arts Commission, which shall advise and assist City Council on matters relating to the advancement of the arts (*and humanities/culture/heritage*) within the City of Canby.

WHEREAS, it is recognized that there is a need in the City of Canby for such a Commission, now therefore,

IT IS HEREBY RESOLVED BY THE CANBY CITY COUNCIL:

Section 1. Duties and Responsibilities of the Commission. The Arts Commission shall have the following powers and duties:

- A. It may make recommendations to the City Administrator and the Budget Committee regarding potential funding, if any, for promotion of the arts (*and humanities/culture/heritage*) in Canby.
- B. It may advise the City Council and the City Administrator regarding the quality, condition and value of all proposed gifts or bequests to the City of an artistic nature.
- C. It may advise City Council and the City Administrator regarding the purchase by the City of items of an artistic nature, and regarding the participation in or sponsoring by the City of artistic performances, programs or other cultural endeavors.
- D. It may advise the City Council and the City Administrator on the design and location of statuary and other works of art which are or may become the property of the City.
- E. It may survey the cultural resources available to the citizens of the City, identify related needs, and recommend programs and activities designed to meet these needs.
- F. It may seek donations, offers of services, and grants to further its projects and activities and those of the City.

Section 2. Organization of the Commission

- A. The Arts Commission shall consist of nine (9) members who shall be appointed by the City Council upon recommendation of the Commission Chair and Council Liaison.
- B. Of the initial members, one-third (3) shall be appointed for an initial term of three (3) years, one-third (3) members shall be appointed for an initial term of two (2) years, and one-third (3) members shall be appointed for an initial term of one (1) year.
- C. Thereafter, all appointments shall be for three (3) year terms, except for appointments to fill any vacancies, which shall be for the remainder of the unexpired term.
- D. Any member failing to attend three (3) consecutive meetings without approval of the Commission Chair, may be removed by the City Council and a new member appointed to complete the unexpired term.

Section 3. Meetings; bylaws; quorum; officers; minutes.

- A. The Arts Commission shall hold regular and such special meetings as it deems necessary. Such meetings shall be open to the public.
- B. The Commission shall make and adopt such bylaws, rules and regulations for its own operation as it may deem necessary and expedient, provided that such shall not be inconsistent with any provision of the Canby Municipal Code.
- C. A majority of the members of the commission in office shall constitute a quorum, and no action of the commission shall be valid unless authorized by a majority vote of those present at a meeting.
- D. The Commission shall, during a meeting in October each year, choose one (1) of its members to be Chair for a term of one (1) year or until the Chair's successor is chosen and qualified. The Commission may create and fill from among its members such other offices as it may determine to be necessary.
- E. The Commission shall keep and file copies of its Minutes with the City Recorder.

ADOPTED this day of September, 2011, by the Canby City Council.

Randy Carson
Mayor

ATTEST:

Kimberly Scheafer, CMC
City Recorder

**CITY OF CANBY
APPLICATION
BOARD/COMMITTEES/COMMISSIONS/COUNCIL**

Instructions: By using either your tab key or arrow keys, navigate to each field and type in your information. When complete, save the document to your computer and either mail, fax or email to the addresses listed below.

Date: Aug 1, 2011

Name: Jayne Cravens

Occupation: Consultant

Home Address:

Employer: Self

Position: Consultant

Daytime Phone:

Evening Phone:

E-Mail Address:

For which position are you applying? Bicycle & Pedestrian Advisory Committee

What are your community interests (committees, organizations, special activities)? Bicycle & pedestrian access and safety, mass transit access, green spaces and small town development

Experience and educational background: MSc in Development Management from Open University (in the U.K.), BA in Journalism from Western Kentucky University. Professional and volunteering credentials detailed at my web site, www.coyotecom munications.com, and at LinkedIn.com

Reason for your interest in this position: My primary means of transportation is by bicycle.

List any other City or County positions on which you serve or have served:

Information on any special membership requirements:

Referred by (if applicable): Your web site

Feel free to attach a copy of your resume and use additional sheets if necessary

THANK YOU FOR YOUR WILLINGNESS TO SERVE CANBY

Please return to: **City of Canby**
Attn: City Recorder
182 N Holly Street
PO Box 930
Canby, OR 97013

Phone: 503.266.4021 Fax: 503.266.7961 Email: scheaferk@ci.canby.or.us

Note: Please be advised that this information may be made available to anyone upon a public records request and may be viewable on the City's web site.

12-4-07

RESOLUTION NO. 1114

A RESOLUTION APPROVING A GOVERNMENT OBLIGATION CONTRACT DATED AUGUST 22, 2011 BETWEEN KANSAS STATE BANK OF MANHATTAN AND THE CITY OF CANBY TO FINANCE THE PURCHASE OF SEWER CAMERA EQUIPMENT.

WHEREAS, previously the City Council through Ordinance No. 1348, has determined that a true and real need exists for the acquisition of sewer camera inspection equipment described in Exhibit "A" of the Government Obligation Contract dated as of August 22, 2011 between the City of Canby (Obligor) and Kansas State Bank of Manhattan (Obligee); and

WHEREAS, The City Council has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such equipment, and the City Council hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the City Administrator to execute and deliver the Contract on Obligor's behalf with such changes thereto as such person(s) deem appropriate, and any related documents, including any Escrow Contract, necessary to the consummation of the transaction contemplated by the Contract.

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Canby, as follows:

1. The Canby City Administrator is hereby authorized and directed to enter into a contract, a copy of which is attached hereto as Exhibit "A" and by this reference incorporated herein, with the Kansas State Bank of Manhattan on behalf of the City of Canby in order to finance the purchase of sewer camera inspection equipment from EnviroSight LLC of Randolph, New Jersey.

This Resolution shall take effect on September 7, 2011.

ADOPTED this 7th day of September, 2011, by the Canby City Council.

Randy Carson
Mayor

ATTEST:

Kimberly Scheafer, CMC
City Recorder



Sent Via Email: potterl@ci.canby.or.us

August 23, 2011

Lisa Potter
City of Canby, Oregon

Re: Financing for New Supervision 140 Package Sewer Camera System with Options, City of Canby, Oregon

Dear Ms. Potter:

Please find the enclosed documentation for your review and completion. A Documentation Instruction sheet has been included as a guide to assist you with the process. Please review the Documentation Instruction sheet and Conditions to Funding referenced therein. If you have questions, please feel free to call us.

The interest rate you have been quoted is valid through **September 2, 2011**.

For your convenience, we have listed the documentation we require before: October 22, 2011. Please review the Documentation Instructions for further detail.

- ☐ *The Contract WITH ALL EXHIBITS EXECUTED CORRECTLY*
 - ☐ *8038 IRS Form*
 - ☐ *Insurance Requirements Form*
 - ☐ *Obligor Acknowledgement*
-

Please note that a documentation fee of \$350.00 will be due from the Obligor if this transaction is not funded. This fee is for credit analysis, drafting of the contract, overnight services and expenses incurred in processing this Contract. This fee will NOT be charged if the transaction is funded by Obligee.

If you have any questions regarding the above documentation, please feel free to contact me.

Sincerely,

Andrea Parsons
Documentation Manager

Manhattan's Hometown Community Bank

1010 Westloop Place • P.O. Box 69 • Manhattan, Kansas 66505-0069
785.587.4000 • fax 785.587.4010 • www.kansasstatebank.com

OPTIONAL

*As an additional payment option for Obligor, we are now providing the option of ACH (Automatic Clearing House). By completing this form, Obligor is authorizing Obligee to withdraw said payment amount on said date.

Debit Authorization

I hereby authorize Kansas State Bank Government Finance Department to initiate debit entries to the account indicated below at the financial institution named below and to debit the same to such account for:

Contract Number	Payment Amount \$22,718.32	Frequency of Payments Annual <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly <input type="checkbox"/>
Beginning <u> </u> Month <u> </u> Year		Day of Month (please choose one) 1 st <input type="checkbox"/> 5 th <input type="checkbox"/> 15 th <input type="checkbox"/> 20 th <input type="checkbox"/>

I acknowledge that the origination of ACH transactions to this account must comply with the provisions of U.S. law.

Financial Institution Name		Branch		
Address	City	State	Zip	
Routing Number		Account Number		

Type of Account ☐ Checking ☐ Savings

This authority is to remain in full force and effect until Kansas State Bank has received written notification from any authorized signer of the account of its termination in such time and manner as to afford Kansas State Bank a reasonable opportunity to act on it.

Obligor Name on Contract	
City of Canby, Oregon	
Signature and Title	Printed Signature and Title
Tax ID Number	Date

PLEASE ATTACH COPY OF A VOIDED CHECK TO THIS FORM!

USA Patriot Act

USA Patriot Act requires identity verification for all new accounts. This means that we may require information from you to allow us to make a proper identification.

Documentation Instructions

The instructions listed below should be followed when completing the enclosed documentation. Documentation completed improperly will delay funding. If you have any questions regarding Conditions to Funding, the instructions or the documentation, please call us.

I. GOVERNMENT OBLIGATION CONTRACT

☐ **The Contract**

- ✓ Sign and type name and title

☐ **Exhibit A, Description of Equipment**

- ✓ Type complete equipment description, (if unavailable, leave blank)
- ✓ Type the location where the equipment will be located after delivery/installation.

☐ **Exhibit B, Payment Schedule**

- ✓ Sign and type name and title

☐ **Exhibit C, Acceptance of Obligation**

- ✓ Sign and type name and title

☐ **Exhibit D, Obligor Resolution**

- ✓ Type in the date of the meeting in which the purchase was approved.
- ✓ Print or type the name and title of the individual(s) who is authorized to execute the Contract
- ✓ **The secretary, chairman or other authorized board member of the Obligor must sign the resolution where indicated.**
- ✓ **A third individual must attest the Resolution where indicated.**

☐ **Exhibit E, Officers Certificate**

- ✓ Fill in all of the blanks necessary
- ✓ Sign and type name and title

☐ **Exhibit F, Certificate of Acceptance**

- ✓ **PLEASE KEEP THE ACCEPTANCE CERTIFICATE UNTIL YOU RECEIVE THE EQUIPMENT. WE WILL THEN NEED THE ORIGINAL AT THAT TIME.**

☐ **Exhibit G, Void Payment Request Form**

- ✓ Sign and type name and title

☐ **Exhibit G, Payment Request Form**

PLEASE KEEP THE PAYMENT REQUEST FORM UNTIL YOU NEED TO REQUEST FUNDS FROM THE VENDOR PAYABLE ACCOUNT

☐ **Bank Qualified Certificate**

- ✓ Sign and type name and title

II. 8038 - IRS FORM

- ✓ In Box 2, type employer identification number
- ✓ If completing 8038-G IRS Form, please review section VI, Misc. and complete any applicable blanks
- ✓ Sign and type name and title

III. CERTIFICATE OF INSURANCE

- ✓ **Complete the memo attached stating your insurance company and phone number.**

Conditions to Funding

If, for any reason: (i) the required documentation is not returned by October 22, 2011, is incomplete, or has unresolved issues relating thereto, or (ii) on, or prior to the return of the documentation, there is a change of circumstance which adversely affects the expectations, rights or security of the Obligee or its assignees; then Obligee or its assignees reserve the right to adjust the quoted interest rate or withdraw/void its offer to fund this transaction in its entirety.

All documentation should be returned to:

Kansas State Bank of Manhattan, 1680 Charles Place, Manhattan, Kansas 66502

GOVERNMENT OBLIGATION CONTRACT**Obligor**

City of Canby, Oregon
182 N. Holly Street
Canby, Oregon 97013

Obligee

Kansas State Bank of Manhattan
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

Dated as of August 22, 2011

This Government Obligation Contract dated as of the date listed above is between Obligor and Obligor listed directly above. Obligor desires to finance the purchase of the Equipment described in Exhibit "A" to Obligor and Obligor desires to finance the purchase of the Equipment from Obligor subject to the terms and conditions of this Contract which are set forth below.

I. Definitions:

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Additional Schedule" refers to the proper execution of additional Schedules to Exhibit A, Exhibit B, Exhibit C and Exhibit D as well as other exhibits or documents that may be required by the Obligor all of which relate to financing of additional Equipment.

"Budget Year" means the Obligor's fiscal year.

"Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.

"Contract" means this Government Obligation Contract, all Exhibits, and all documents relied upon by Obligor prior to the execution of this Contract.

"Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit "B".

"Contract Term" means the Original Term and all Renewal Terms.

"Equipment" means all of the items of Equipment listed on Exhibit "A" and all replacements, restorations, modifications and improvements.

"Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations of on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

"Legally Available Funds" means funds that the governing body of Obligor duly appropriates or are otherwise legally available for the purpose of making Contract Payments under this Contract, including monies held in the Vendor Payable Account to the extent that such monies are used to prepay Contract Payments or Purchase Option Price.

"Obligor" means the entity originally listed above as Obligor or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment from Obligor under the provisions of this Contract.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.

"Partial Prepayment Date" means the first Contract Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Obligor has accepted all the Equipment and all of the equipment has been paid for from the Vendor Payable Account.

"Purchase Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Equipment in Obligor, subject to the security interest granted to and retained by Obligor as set forth in this Contract, and otherwise incurred in connection with the financing of this Equipment.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year.

"State" means the state in which Obligor is located.

"Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.

"Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Contract.

II. Obligor Warranties

Section 2.01. Obligor represents, warrants and covenants as follows for the benefit of Obligor or its assignees:

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b).
- (b) Obligor is authorized under the Constitution and laws of the State to enter into this Contract, and has used such authority to properly execute and deliver this Contract. Obligor has followed all proper procedures of its governing body in executing this Contract. The Officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract.
- (d) Obligor shall use the Equipment only for essential, traditional government purposes.
- (e) Should the IRS disallow the tax-exempt status of the Interest Portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, then Obligor shall be required to pay additional sums to the Obligor or its assignees so as to bring the after tax yield to the same level as the Obligor or its assignees would attain if the transaction continued to be tax-exempt.
- (f) Should the Obligor cease to be an issuer of tax exempt obligations or if the obligation of Obligor created under this Contract ceases to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligor or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligor or its assignees would attain if the transaction continued to be tax-exempt.
- (g) Obligor has never non-appropriated funds under an Contract similar to this Contract.
- (h) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (i) Upon request by Obligor, Obligor will provide Obligor with current financial statements, reports, budgets or other relevant fiscal information.
- (j) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.
- (k) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit "B" hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that monies can and will lawfully be appropriated and made available for this purpose.
- (l) Obligor hereby represents that lawfully available funds are available to make Contract Payments hereunder and Obligor hereby pledges such lawfully available funds towards this obligation.

III. Acquisition of Equipment, Contract Payments and the Purchase Option Price

Section 3.01. Acquisition, Installation and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. Obligor shall have no liability for any delay in delivery or failure by the supplier to deliver any Equipment or to fill any purchase order. Obligor will pay or cause the supplier to pay all transportation, packing, taxes, duties, insurance, installation, testing and other charges in connection with the delivery, installation and use of the Equipment. As soon as practicable after the receipt of the Equipment, Obligor shall furnish Obligor with an Acceptance Certificate. Execution of the Acceptance Certificate by any employee, official or agent of Obligor having managerial, supervisory or procurement authority with respect to Equipment of the same general type as the Equipment shall constitute acceptance of the Equipment on behalf of the Obligor. By making a Contract Payment after its receipt of the Equipment pursuant to this Contract, Obligor shall be deemed to have accepted the Equipment on the date of such Contract Payment for purposes of this Contract. All Contract Payments paid prior to delivery of the Acceptance Certificate shall be credited to Contract Payments as they become due as shown on the Contract Payment Schedule attached as Exhibit B hereto.

Section 3.02. Contract Payments. Obligor shall pay Contract Payments exclusively to Obligor or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligor or its assignees. The Contract Payments shall be payable solely from Legally Available Funds. The Contract Payments are due as set forth on Exhibit B. Obligor shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Obligor shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. The Contract Payments will be payable without notice or demand at the time and in the Amounts shown on Exhibit B.

Section 3.03. Contract Payments Unconditional. THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION,

SET-OFF OR DEFENSE. Obligor understands and agrees that neither the manufacturer, seller or supplier of any Equipment, nor any salesman or other agent of any such manufacturer, seller or supplier, is an agent of Obligor. No salesman or agent of the manufacturer, seller or supplier of any Equipment is authorized to waive or alter any term or condition of this Contract, and no representation as to Equipment or any other matter by the manufacturer, seller or supplier of any Equipment shall in any way affect Obligor's duty to pay the Contract Payments and perform its other obligations as set forth in this Contract.

Section 3.04. Purchase Option Price. Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Obligor then Obligor will transfer any and all of its rights, title and interest in the Equipment to Obligor.

Section 3.05. Contract Term. The Contract Term of the Contract shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 9.01 below.

Section 3.06. Disclaimer of Warranties. OBLIGEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. OBLIGEE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY OBLIGOR.

IV. Appropriation

Section 4.01. Appropriation. Obligor and Obligor understand and intend that the obligation of Obligor to pay Contract Payments hereunder shall constitute a binding contractual obligation of Obligor for the full Contract Term. Obligor covenants to include all such Contract Payments due hereunder in its annual budgets and to make the necessary annual appropriations for all such Contract Payments.

V. Insurance, Damage, Insufficiency of Proceeds

Section 5.01. Insurance. Obligor shall maintain both casualty insurance and liability insurance at its own expense with respect to the Equipment. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Obligor with a Certificate of Insurance which lists the Obligor and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

(a) Obligor shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Obligor in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Obligor may insure the Equipment under a blanket insurance policy or policies.

(b) The liability insurance shall insure Obligor from liability and property damage in any form and amount satisfactory to Obligor.

(c) Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligor with a certificate and/or other documents which evidences such coverage.

(d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Obligor and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligor or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Obligor or its assignees. Obligor shall furnish to Obligor certificates evidencing such coverage throughout the Contract Term.

Section 5.02. Damage to or Destruction of Equipment. Obligor assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to attain all insurance proceeds. At the option of Obligor, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03. Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Obligor shall, at the option of Obligor, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Obligor.

Section 5.04. Obligor Negligence. Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any state or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Obligor) which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents. Obligor hereby assumes responsibility for and agrees to reimburse Obligor for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Obligor that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, to the maximum extent permitted by law.

VI. Title and Security Interest

Section 6.01. Title. Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Obligor in the event Obligor defaults under Section 9.01. In the Event of Default, Obligor shall execute and deliver to Obligor such documents as Obligor may request to evidence the passage of legal title to the Equipment to Obligor.

Section 6.02. Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, whether now existing or subsequently created, Obligor hereby grants to Obligor a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit "A". Furthermore, Obligor agrees that any and all Equipment listed on any other Exhibit A, whether prior to or subsequent hereto, secures all obligations, debts and liabilities of every kind and character, plus interest thereon, whether now existing or hereafter arising. Obligor agrees that any Equipment listed on Exhibit "A" will remain personal property and will not become a fixture even if attached to real property. The security interest established by this section includes not only additions, attachments, repairs and replacements, to the Equipment but also all proceeds therefrom. Obligor authorizes Obligor to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder.

VII. Assignment

Section 7.01. Assignment by Obligor. All of Obligor's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees (including a Registered Owner for Participation Certificates) by Obligor at any time without the consent of Obligor. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Equipment to or at the direction of Obligor or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02. Assignment by Obligor. None of Obligor's right, title and interest under this Contract and in the Equipment may be assigned by Obligor unless Obligor approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Equipment

Section 8.01. Obligor shall keep the Equipment in good repair and working order. Obligor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes necessary for the installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligor is listed as First Lienholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor shall not during the term of this Contract create, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment except those created by this Contract. Obligor agrees that Obligor or its Assignee may execute such additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligor deems necessary or appropriate to protect Obligor's interest in the Equipment and in this Contract. The Equipment is and shall at all times be and remain personal property. Obligor shall allow Obligor to examine and inspect the Equipment at all reasonable times.

IX. Default

Section 9.01. Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

(a) Failure by Obligor to pay any Contract Payment listed on Exhibit "B" for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit "B".

- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligor that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligor may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligor, unless Obligor agrees in writing to an extension of time. Obligor will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligor under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligor.
- (f) Obligor admits in writing its inability to pay its obligations. Obligor defaults on one or more of its other obligations. Obligor applies or consents to the appointment of a receiver or a custodian to manage its affairs. Obligor makes a general assignment for the benefit of creditors.

Section 9.02. Remedies on Default. Whenever any Event of Default exists, Obligor shall have the right to take one or any combination of the following remedial steps:

- (a) Obligor, with or without terminating this Contract, may collect each installment of Contract Payments as it becomes due and payable with respect to the Equipment in accordance with Exhibit B for the entire Contract Term.
- (b) Obligor, with or without terminating this Contract, may repossess any or all of the Equipment by giving Obligor written notice to deliver the Equipment to the location designated by Obligor. In the event Obligor fails to do so within ten (10) days after receipt of such notice, Obligor may enter upon Obligor's premises where the Equipment is kept and take possession of the Equipment and charge Obligor for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Obligor hereby expressly waives any damages occasioned by such repossession. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Obligor shall pay the applicable Purchase Option Price of the damaged or destroyed Equipment as set forth in the Rental Payment Schedule. Notwithstanding the fact that Obligor has taken possession of the Equipment, Obligor shall continue to be responsible for the Contract Payments with respect thereto as and when such Contract Payments become or would have become due and payable.
- (c) If Obligor, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Obligor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; and (iv) the balance of any Contract Payments with respect thereto as and when such Rental Payment would become due and payable. Any disposition proceeds remaining after the requirements of clauses (i), (ii), (iii), (iv) have been met shall be paid to Obligor.
- (d) Obligor may take any other remedy available at law or in equity with respect to an Event of Default, including (without limitation) those requiring Obligor to perform any of its obligations under this Contract or to pay any moneys due and payable to Obligor, provided Obligor shall have no right to accelerate Contract Payments or otherwise declare any Contract Payments not then in default to be immediately due and payable.

Section 9.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Obligor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04. Return of Equipment and Storage.

- (a) **Surrender.** The Obligor shall, at its own expense, surrender the Equipment to the Obligor in the event of a default or a non-appropriation by delivering the Equipment to the Obligor to a location accessible by common carrier and designated by Obligor. In the case that any of the Equipment consists of software, Obligor shall destroy all intangible items constituting such software and shall deliver to Obligor all tangible items constituting such software. At Obligor's request, Obligor shall also certify in a form acceptable to Obligor that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Obligor and/or the vendor of the software to inspect Obligor's locations to verify compliance with the terms hereto.
- (b) **Delivery:** The Equipment shall be delivered to the location designated by the Obligor by a common carrier unless the Obligor agrees in writing that a common carrier is not needed. When the Equipment is delivered into the custody of a common carrier, the Obligor shall arrange for the shipping of the item and its insurance in transit in accordance with the Obligor's instructions and at the Obligor's sole expense. Obligor, at its expense, shall completely sever and disconnect the Equipment or its component parts from the Obligor's property all without liability to the Obligor. Obligor shall pack or crate the Equipment and all of the component parts of the Equipment carefully and in accordance with any recommendations of the manufacturer. The Obligor shall deliver to the Obligor the plans, specifications, operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and such other documents in the Obligor's possession relating to the maintenance and methods of operation of such Equipment.
- (c) **Condition:** When the Equipment is surrendered to the Obligor it shall be in the condition and repair required to be maintained under this Contract. It will also meet all legal regulatory conditions necessary for the Obligor to sell or lease it to a third party and be free of all liens. If Obligor reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Obligor may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Obligor shall promptly reimburse Obligor for all amounts reasonably expended in connection with the foregoing.
- (d) **Storage:** Upon written request by the Obligor, the Obligor shall provide free storage for the Equipment or any item of the Equipment for a period not to exceed 60 days after the expiration of its Contract Term before returning it to the Obligor. The Obligor shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Obligor shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

X. Vendor Payable Account

Section 10.01. Establishment of Vendor Payable Account. On the date that the Obligor executed this Contract, which is on or after the date that the Obligor executes this Contract, Obligor agrees to (i) make available to Obligor an amount sufficient to pay the total Purchase Price for the Equipment by establishing a separate, non-interest bearing account (the "Vendor Payable Account"), as agent for Obligor's account, with a financial institution that Obligor selects that is acceptable to Obligor (including Obligor or any of its affiliates) and (ii) to deposit an amount equal to such Purchase Price as reflected on Exhibit B in the Vendor Payable Account. Obligor hereby further agrees to make the representations, warranties and covenants relating to the Vendor Payable Account as set forth in Exhibit C attached hereto. Upon Obligor's delivery to Obligor of a Payment Request Form in the form set forth in Exhibit G attached hereto, Obligor authorizes Obligor to withdraw funds from the Vendor Payable Account from time to time to pay the Purchase Price, or a portion thereof, for each item of Equipment as it is delivered to Obligor. The Payment Request Form must be signed by an authorized individual acting on behalf of Obligor. The authorized individual or individuals designated by the Obligor must sign the Payment Request Form Signature Card which will be kept in the possession of the Obligor.

Section 10.02. Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Obligor must either (1) deposit all the down payment funds that the Obligor has committed towards the purchase of the Equipment into the Vendor Payable Account or (2) Obligor must provide written verification to the satisfaction of the Obligor that all the down payment funds Obligor has committed towards the purchase of the Equipment have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request Form. For purposes of this Section, the down payment funds committed towards the Equipment from the Obligor are the down payment funds that were represented to the Obligor at the time this transaction was submitted for credit approval by the Obligor to the Obligor.

Section 10.03. Disbursement upon Non-Appropriation. If an Event of Non-appropriation occurs prior to the Partial Prepayment Date, the amount then on deposit in the Vendor Payable Account shall be retained by the Obligor and Obligor will have no interest therein.

Section 10.04. Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall be applied to pay on such Partial Prepayment Date a portion of the Purchase Option Price then applicable.

Section 10.05. Recalculation of Contract Payments. Upon payment of a portion of the Purchase Option Price as provided in Section 10.04 above, each Contract Payment thereafter shall be reduced by an amount calculated by Obligor based upon a fraction the numerator of which is the Surplus Amount and the denominator of which is the Purchase Option Price on such Partial Prepayment Date. Within 15 days after such Partial Prepayment Date, Obligor shall provide to Obligor a revised Exhibit B to this Contract, which shall take into account such payment of a portion of the Purchase Option Price thereafter and shall be and become thereafter Exhibit B to this Contract. Notwithstanding any other provision of this Section 10, this Contract shall remain in full force and effect with respect to all or the portion of the Equipment accepted by Obligor as provided in this Contract, and the portion of the principal component of Contract Payments remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Contract, including revised Exhibit B hereto which shall be binding and conclusive upon Obligor and Obligor.

XI. Miscellaneous

Section 11.01. Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 11.02. Binding Effect. Obligor acknowledges this Contract is not binding upon the Obligor or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Obligor's satisfaction, and Obligor has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Obligor and Obligor and their respective successors and assigns.

Section 11.03. Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04. Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written Contract duly executed by Oblige and Obligor. Furthermore, Oblige reserves the right to charge Obligor a fee, to be determined at that time, as compensation to Oblige for the additional administrative expense resulting from such amendment, addenda, change or modification.

Section 11.05. Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.06. Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 11.07. Master Contract. This Contract can be utilized as a Master Contract. This means that the Oblige and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A, Exhibit B, Exhibit C and Exhibit D as well as other exhibits or documents that may be required by Oblige. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 11.08. Entire Writing. This Contract constitutes the entire writing between Oblige and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, Contracts, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract or the Equipment financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Oblige and will not apply to this Contract.

Oblige and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

CITY OF CANBY, OREGON

KANSAS STATE BANK OF MANHATTAN

Signature

Signature

Typed Name and Title

Typed Name and Title

EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

New Supervision 140 Package Sewer Camera System with Options

Location of Equipment: _____

EXHIBIT B
PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

Date of First Payment:	August 22, 2012
Original Balance:	\$82,880.75
Total Number of Payments:	Four (4)
Number of Payments Per Year:	One (1)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	22-Aug-12	\$22,718.32	\$3,138.70	\$19,579.62	\$63,908.34
2	22-Aug-13	\$22,718.32	\$2,397.22	\$20,321.10	\$43,290.69
3	22-Aug-14	\$22,718.32	\$1,627.66	\$21,090.66	\$21,995.33
4	22-Aug-15	\$22,718.32	\$828.95	\$21,889.37	\$0.00

City of Canby, Oregon

Signature

Typed Name and Title

**Assumes all Contract Payments due to date are paid*

EXHIBIT C

ACCEPTANCE OF OBLIGATION
TO COMMENCE CONTRACT PAYMENTS UNDER EXHIBIT B

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Acceptance of Obligation to commence Contract Payments with respect to the above referenced Contract. I hereby certify that:

1. The Equipment described on Exhibit A has not been delivered, installed or available for use as of the Commencement date of this Contract.
2. Obligor acknowledges that Obligee has agreed to deposit into a Vendor Payable Account an amount sufficient to pay the total purchase price (the "Purchase Price") for the Equipment so identified in such Exhibit A;
3. The principal amount of the Contract Payments in the Exhibit B accurately reflects the Purchase Price;
4. Obligor agrees to execute a Payment Request Form authorizing payment of the Purchase Price, or a portion thereof, for each withdrawal of funds from the Vendor Payable Account.

Notwithstanding that the Equipment has not been delivered to or accepted by Obligor on the date of execution of the Contract, Obligor hereby warrants that:

- (a) Obligor's obligation to commence Contract Payments as set forth in Exhibit B is absolute and unconditional as of the Commencement Date and on each date set forth in Exhibit B thereafter, subject to the terms and conditions of the Contract;
- (b) immediately upon delivery and acceptance of all the Equipment, Obligor will notify Obligee of Obligor's final acceptance of the Equipment by delivering to Obligee the "Acceptance Certificate" in the form set forth in Exhibit F attached to the Contract;
- (c) in the event that any Surplus Amount is on deposit in the Vendor Payable Account when an Event of Non-appropriation under the Contract occurs, then those amounts shall be applied as provided in Section 10 of the Contract;
- (d) regardless of whether Obligor delivers a final Acceptance Certificate, all Contract Payments paid prior to delivery of all the Equipment shall be credited to Contract Payments as they become due under the Contract as set forth in Exhibit B.

City of Canby, Oregon

Signature

Typed Name and Title

EXHIBIT D

OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

At a duly called meeting of the Governing Body of the Obligor (as defined in the Contract) held on _____ the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Obligor as follows:

1. **Determination of Need.** The Governing Body of Obligor has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Government Obligation Contract dated as of August 22, 2011, between City of Canby, Oregon (Obligor) and Kansas State Bank of Manhattan (Obligee).
2. **Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obligor's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Contract, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual(s): _____
(Printed or Typed Name and Title of individual(s) authorized to execute the Contract)

3. **Adoption of Resolution.** The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: _____
(Signature of Secretary, Board Chairman or other member of the Governing Body)

Typed Name & Title _____
(Typed Name and Title of individual who signed directly above)

Attested By: _____
(Signature of one additional person who can witness the passage of this Resolution)

Typed Name & Title: _____
(Typed name of individual who signed directly above)

EXHIBIT E

OFFICERS CERTIFICATE

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Officers Certificate with respect to the above referenced Contract. I hereby certify that:

1. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
2. Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
3. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
4. The governing body of Obligor has approved the authorization, execution and delivery of this Contract on its behalf by the authorized representative of Obligor who signed the Contract.
5. Please list the Source of Funds (Fund Item in Budget) for the Contract Payments that come due under Exhibit B of this Contract.

Sewer Reserves

If the above Source of Funds is solely a grant type fund, then the Obligor, by signing below, hereby authorizes the General Fund of the Obligor as a backup source of funds from which the Contract Payments can be made.

City of Canby, Oregon

Signature

Typed Name and Title

EXHIBIT F

CERTIFICATE OF ACCEPTANCE

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Certificate of Acceptance with respect to the above referenced Contract. I hereby certify that:

1. The Equipment described on Exhibit A has been delivered and installed in accordance with Obligor's specifications.
2. Obligor has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
4. Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
5. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.
6. The governing body of Obligor has approved the authorization, execution and delivery of this Contract on its behalf by the authorized representative of Obligor who signed the Contract.

City of Canby, Oregon

Signature

Typed Name and Title

EXHIBIT G

**PAYMENT REQUEST FORM
VOID
TO BE UTILIZED AS A SIGNATURE CARD ONLY**

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

In accordance with Section 10.01, by executing this Payment Request Form the Obligor hereby represents that the Payee or Payees listed below who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Obligor and that the amounts requested below by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees. The Obligor hereby represents and warrants for all purposes that:

1. Pursuant to the invoice attached hereto, the amount to be disbursed is \$ _____ and this amount is consistent with the Contract between Obligor and Vendor.
2. Payment is to be made to: Payee: _____
3. **Partial Disbursement.** The undersigned certifies that the following documents are attached to this Payment Request Form when there is a request for a partial release of funds from the Vendor Payable Account to pay for a portion of the Equipment: (1) Invoice from the Vendor, (2) copy of the Contract between Obligor and Vendor (if requested by the Obligee), (3) Insurance Certificate (if applicable), (4) front and back copy of the original MSO/Title listing Kansas State Bank and/or its assigns as the first lien holder (if applicable). By executing this Payment Request Form and attaching the documents as required above, the Obligor shall be deemed to have accepted this portion of the Equipment for all purposes under the Contract, including, without limitation, the obligation of Obligor to make the Contract Payments with respect thereto in a proportionate amount of the total Contract Payment.
4. **Final Disbursement.** The undersigned certifies that the following documents are attached to this Payment Request Form when there is a final release of funds from the Vendor Payable Account: (1) Final Vendor Invoice, (2) Signed Acceptance Exhibit F of the Contract, (3) Insurance Certificate, (4) front and back copy of the original MSO/Title listing Kansas State Bank and/or its assigns as first lien holder (if applicable). By executing this Payment Request Form and attaching the documents as required above, the Obligor shall be deemed to have accepted the Equipment for all purposes under the Contract, including, without limitation, the obligation of Obligor to make the Contract Payments with respect thereto.
5. No amount set forth in this Payment Request Form was included in any Payment Request Form previously submitted.
6. Each disbursement hereby requested has been incurred and is a proper charge against the Vendor Payable Account. No amount hereby requested to be disbursed will be paid to Obligor as reimbursement for any expenditure paid by Obligor more than 60 days prior to the date of execution and delivery of the Contract.

By executing this Payment Request Form Obligor certifies that Obligor is the title owner to the Equipment, or a portion thereof, and that in the event that any third party makes a claim to such title that Obligor will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to the Equipment, or a portion thereof, and keep the Contract in full force and effect.

Please forward this document and any correspondence relating to vendor payment to: Kansas State Bank of Manhattan, Attn: Documentation Dept. 1680 Charles Place, Manhattan KS, 66502. Fax: 785-587-4068. Please call 877-587-4054 if you have any questions.

CITY OF CANBY, OREGON

Signature

Typed Name and Title

Signature of additional authorized individual (optional) of Obligor

Signature

Typed Name and Title

EXHIBIT G

PAYMENT REQUEST FORM

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

In accordance with Section 10.01, by executing this Payment Request Form the Obligor hereby represents that the Payee or Payees listed below who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Obligor and that the amounts requested below by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees. The Obligor hereby represents and warrants for all purposes that:

1. Pursuant to the invoice attached hereto, the amount to be disbursed is \$ _____ and this amount is consistent with the Contract between Obligor and Vendor.
2. Payment is to be made to: Payee: _____
3. **Partial Disbursement.** The undersigned certifies that the following documents are attached to this Payment Request Form when there is a request for a partial release of funds from the Vendor Payable Account to pay for a portion of the Equipment: (1) Invoice from the Vendor, (2) copy of the Contract between Obligor and Vendor (if requested by the Obligee), (3) Insurance Certificate (if applicable), (4) front and back copy of the original MSO/Title listing Kansas State Bank and/or its assigns as the first lien holder (if applicable). By executing this Payment Request Form and attaching the documents as required above, the Obligor shall be deemed to have accepted this portion of the Equipment for all purposes under the Contract, including, without limitation, the obligation of Obligor to make the Contract Payments with respect thereto in a proportionate amount of the total Contract Payment.
4. **Final Disbursement.** The undersigned certifies that the following documents are attached to this Payment Request Form when there is a final release of funds from the Vendor Payable Account: (1) Final Vendor Invoice, (2) Signed Acceptance Exhibit F of the Contract, (3) Insurance Certificate, (4) front and back copy of the original MSO/Title listing Kansas State Bank and/or its assigns as first lien holder (if applicable). By executing this Payment Request Form and attaching the documents as required above, the Obligor shall be deemed to have accepted the Equipment for all purposes under the Contract, including, without limitation, the obligation of Obligor to make the Contract Payments with respect thereto.
5. No amount set forth in this Payment Request Form was included in any Payment Request Form previously submitted.
6. Each disbursement hereby requested has been incurred and is a proper charge against the Vendor Payable Account. No amount hereby requested to be disbursed will be paid to Obligor as reimbursement for any expenditure paid by Obligor more than 60 days prior to the date of execution and delivery of the Contract.

By executing this Payment Request Form Obligor certifies that Obligor is the title owner to the Equipment, or a portion thereof, and that in the event that any third party makes a claim to such title that Obligor will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to the Equipment, or a portion thereof, and keep the Contract in full force and effect.

Please forward this document and any correspondence relating to vendor payment to: Kansas State Bank of Manhattan, Attn: Documentation Dept. 1680 Charles Place, Manhattan KS, 66502. Fax: 785-587-4068. Please call 877-587-4054 if you have any questions.

CITY OF CANBY, OREGON

Signature

Typed Name and Title

BANK QUALIFIED CERTIFICATE

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

Whereas, Obligor hereby represents that it is a "Bank Qualified" Issuer for the calendar year in which this Contract is executed by making the following designations with respect to Section 265 of the Internal Revenue Code. (A "Bank Qualified Issuer" is an issuer that issues less than ten million (\$10,000,000) dollars of tax-exempt obligations during the calendar year).

Now, therefor, Obligor hereby designates this Contract as follows:

1. **Designation as Qualified Tax-Exempt Obligation.** Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Obligor hereby specifically designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Obligor hereby represents that the Obligor will not designate more than \$10,000,000 of obligations issued by the Obligor in the calendar year during which the Contract is executed and delivered as such "qualified tax-exempt obligations".
2. **Issuance Limitation.** In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Obligor hereby represents that the Obligor (including all subordinate entities of the Obligor within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Contract is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

City of Canby, Oregon

Signature

Typed Name and Title

OBLIGOR ACKNOWLEDGEMENT

RE: Government Obligation Contract dated as of August 22, 2011, between Kansas State Bank of Manhattan (Obligee) and City of Canby, Oregon (Obligor)

Obligor hereby acknowledges that it has ordered or caused to be ordered the equipment that is the subject of the above-mentioned Contract.

Please complete the below information, attach another page if necessary...

Vendor Name: _____

Phone: _____

Contact Person: _____

Equipment: _____

Amount of Equipment: _____

Vendor Name: _____

Phone: _____

Contact Person: _____

Equipment: _____

Amount of Equipment: _____

Vendor Name: _____

Phone: _____

Contact Person: _____

Equipment: _____

Amount of Equipment: _____

Obligor will immediately notify Obligee if any of the information listed above is changed.

INSURANCE REQUIREMENTS

Pursuant to Article V in the Government Obligation Contract, you have agreed to provide us evidence of insurance covering the property in the Contract. A Certificate of Insurance naming all insured parties and coverages must be determined to us as soon as possible, but no later than the date on which delivery of equipment occurs. If you have not taken possession of the equipment, please write a memo to Kansas State Bank stating your carrier, insurance agent and telephone number to reach them upon delivery.

In the case of self-insurance, the amounts of liability and physical damage coverage are to be listed on some form of certificate supplied by you. In addition, information regarding the nature of your self-insurance program should also be forwarded to us as soon as possible.

INSURANCE REQUIREMENTS:

1. LIABILITY

- ✓ Minimum of \$1,000,000.00 combined single-limit on bodily injury and property damage.
- ✓ Kansas State Bank and/or Its Assigns MUST be listed as additional insured and loss payee.

2. PHYSICAL DAMAGE

- ✓ All risk coverage to guarantee proceeds sufficient to pay the applicable Purchase Option Price as set forth in Exhibit B of the Contract. Kansas State Bank and/or Its Assigns MUST be listed as additional insured and loss payee.
- ✓ The deductible amounts on the insurance policy should not exceed \$10,000.00.

3. ENDORSEMENT

- ✓ Obligor will receive at least thirty (30) days written notice from Insurer prior to alteration, cancellation or reduction of insurance coverage.

PLEASE FAX THE CERTIFICATE TO US AS SOON AS POSSIBLE AT (785) 587-4068, AND MAIL THE ORIGINAL TO:

Kansas State Bank and/or Its Assigns
P.O. Box 69
Manhattan, Kansas 66505-0069

YOUR ASSISTANCE IS GREATLY APPRECIATED TO COMPLETE THIS TRANSACTION, IF YOU HAVE ANY QUESTIONS, PLEASE GIVE US A CALL AT (877) 587-4054

City of Canby, Oregon

Insurance Company: _____

Agent's Name: _____

Telephone #: _____

Fax #: _____

Address, City, State & Zip: _____

**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**
► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name City of Canby, Oregon	2 Issuer's employer identification number 93 6002130		
3 Number and street (or P.O. box if mail is not delivered to street address) 182 N. Holly Street	Room/suite		
4 City, town, or post office, state, and ZIP code Canby, OR 97013	5 Report number (For IRS Use Only) 5		
6 Name and title of officer or legal representative whom the IRS may call for more information	7 Telephone number of officer or legal representative ()		

Part II Description of Obligations Check one: a single issue <input type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a 82,880 75
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ► 8 / 22 / 2011	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k 82,880 75
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box . . . ► <input checked="" type="checkbox"/>	
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) . . . ► <input type="checkbox"/>	
12 Vendor's or bank's name: Kansas State Bank of Manhattan	
13 Vendor's or bank's employer identification number: 48 0760380	

Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.		
	Issuer's authorized representative	Date	Type or print name and title
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN P01438994
	Firm's name (or yours if self-employed), address, and ZIP code	Baystone Financial, LLC 11115 Ash St., Leawood, KS 66211	EIN 48 1223987 Phone no. (800) 752-3562

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that

an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues.

For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev.Proc. 2002-48, 2002-2 C.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under Section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* below.**Where To File**

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Form 8038-GC Receipt Acknowledgement

If you wish to request an acknowledgement receipt of this return by the IRS you must provide the following:

TO: Honorable Mayor and City Council
CITY OF CANBY
ATTN: Mr. Greg Ellis, City Administrator

FROM: Hassan Ibrahim, P.E.
CURRAN-McLEOD, INC.

DATE: August 31, 2011

ISSUE: 3RD, 4TH, GRANT & HOLLY STREET RECONSTRUCTION
APPROVAL OF CONSTRUCTION CONTRACT ORDINANCE 1350

SYNOPSIS: On August 30, 2011, the City of Canby solicited and received ten bids for the 3rd, 4th, Grant and Holly Street Reconstruction. This staff report is to request Council approval for award of the contract to the low responsive bidder.

RECOMMENDATION:

That the Council approve Ordinance 1350 authorizing the Mayor and City Administrator to execute a contract with Canby Excavating, Inc. in the amount of \$559,979.00 for the 3rd, 4th, Grant and Holly Street Reconstruction; and declaring an emergency.

RATIONALE:

Competitive bids were solicited in compliance with the City of Canby's Rules for Public Purchasing and the requirements of Oregon Revised Statutes. Of the bids received, all were deemed to be responsible and responsive, with Canby Excavating, Inc. submitting the low responsible and responsive bid.

BACKGROUND:

This project was submitted and approved by ODOT to receive funding from the ODOT Fund Exchange Program during the 2009-2011 fiscal year. Additionally, this project is included in the URD Capital Improvement Plan.

FISCAL IMPACT:

The low responsive bid of \$559,979 is a reasonable cost and is within the estimate. Including engineering costs of \$48,000, the total project cost is \$607,979. ODOT Fund Exchange revenues are available for reimbursement up to \$454,636.64. The costs that are beyond the ODOT Fund Exchange balance were anticipated to be paid by the Street Maintenance Fund for the asphalt surfacing, and from the Canby Urban Renewal Agency for park frontage improvements. Total surfacing costs which could be funded through the Street Maintenance Fund, for asphalt paving and striping, is \$152,180. Additionally the URA has budgeted funds up to \$150,000 for the park frontage improvements. A total of \$153,342 will be needed between these two sources, plus any contingencies. The City should determine how costs are distributed between the Street maintenance Fund and Canby Urban Renewal Agency.

ENCLOSURES:

- Ordinance Number 1350
- Exhibit 'A' Construction Contract
- Exhibit 'B' Bid Tabulation

cc: Ms. Kim Scheafer

ORDINANCE NO. 1350

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH CANBY EXCAVATING, INC. IN THE AMOUNT OF \$559,979 FOR THE NW 3RD, NW 4TH, N GRANT & N HOLLY STREET RECONSTRUCTION PROJECT; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Canby has heretofore advertised and received ten (10) bids for the 3rd, 4th, Grant & Holly Street Reconstruction; and

WHEREAS, the notice of call for bids was duly and regularly published in the Oregon Daily Journal of Commerce on August 15, 2011; and

WHEREAS, bids were received and opened on August 30, 2011 at 2:00 pm in the City Hall Conference Room of the City of Canby and the bids were read aloud:

WHEREAS, the bidders are as listed below and a detailed tabulation of all items is attached herein as Exhibit "B" and summarized as follows:

Canby Excavating, Inc.	\$559,979.00
Good Fellows Bros, Inc.	\$599,657.50
M. L. Houck Construction, Co.	\$603,114.00
Dirt & Aggregate Interchange, Inc.	\$621,880.75
Eagle-Elsner, Inc.	\$622,027.50
R&R General Contractors, Inc.	\$625,562.75
Jim Smith Excavating, Inc.	\$648,477.00
Pacific Excavation, Inc.	\$659,850.00
Brown Contracting, Inc.	\$745,390.00
Kodiak Pacific Construction, Inc.	\$774,774.00

WHEREAS, the Canby City Council, acting as the City's Contract Review Board, met on Wednesday, September 7, 2011, and considered the bids and reports and recommendations of the City staff, including the staff recommendation that the low responsive bid be selected; and

WHEREAS, the Canby City Council determined that the low responsive bid was that of Canby Excavating, Inc.; now therefore

THE CITY OF CANBY ORDAINS AS FOLLOWS:

Section 1. The Mayor and/or City Administrator are hereby authorized and directed to make, execute, and declare in the name of the City of Canby and on its behalf, an appropriate contract with Canby Excavating, Inc. for the 3rd, 4th, Grant & Holly Street Reconstruction in the

amount of \$559,979.00. A copy of the contract with Canby Excavating, Inc. is attached hereto and marked as Exhibit "A" and by this reference incorporated herein.

Section 2. Inasmuch as it is in the best interest of the citizens of Canby, Oregon, to complete this project as soon as possible, an emergency is hereby declared to exist and this ordinance shall therefore take effect immediately upon its enactment after final reading.

SUBMITTED to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, September 7, 2011; ordered posted as required by the Canby City Charter and scheduled for second reading on Wednesday, September 21, 2011, after the hour of 7:30 pm at the Council Meeting Chambers located at 155 NW 2nd Avenue, Canby, Oregon.

Kimberly Scheafer, CMC
City Recorder

PASSED on second and final reading by the Canby City Council at a regular meeting thereof on the 21st day of September 2011, by the following vote:

YEAS _____

NAYS _____

Randy Carson
Mayor

ATTEST:

Kimberly Scheafer, CMC
City Recorder

CONTRACT FOR CONSTRUCTION

THIS AGREEMENT is dated as of the _____ day of _____ in the year 2011 by and between

City of Canby
(hereinafter called OWNER) and

Canby Excavating, Inc.
(hereinafter called CONTRACTOR)

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 - WORK

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents:

**City of Canby
3rd, 4th, Grant & Holly Street Reconstruction**

The scope of work consists of removing existing improvements and reconstructing approximately 1,600 lineal feet of 45 foot wide street improvements with associated curbs and sidewalks, as well as approximately 450 lineal feet of 15" storm drainage improvements and associated catch basins.

ARTICLE 2 - ENGINEER

The Project has been designed by CURRAN-McLEOD, INC., Consulting Engineers, who is hereinafter called ENGINEER and who will assume all duties and responsibilities and will have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

ARTICLE 3 - CONTRACT TIME

- 3.1 The Work will be substantially completed within 75 calendar days after the date when the Contract Time commences to run as provided in paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 14.07 of the General Conditions within 30 days after the date when the issuance of the Certificate of Substantial Completion including punch list items.

- 3.2 Liquidated Damages: OWNER and CONTRACTOR recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not substantially complete within the time specified in paragraph 3.1 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. They also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by OWNER if the Work is not substantially complete on time.

Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay OWNER or the OWNER may withhold from amounts due the CONTRACTOR Four Hundred Dollars (\$400.00) for each day that expires after the time specified in paragraph 3.1. for Substantial Completion until the Work is substantially complete AND/OR for each day of delay beyond the deadline for Final Completion.

ARTICLE 4 - CONTRACT PRICE

- 4.1 OWNER shall pay CONTRACTOR for performance of the Work in accordance with the Contract Documents in current funds by check, an amount totaling

Five Hundred Fifty-Nine Thousand Nine Hundred Seventy-Nine ----- Dollars

(559,979.00) as shown in the attached Bid Proposal.

ARTICLE 5 - PAYMENT PROCEDURES

CONTRACTOR shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by ENGINEER as provided in the General Conditions.

- 5.1 Progress Payments: OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR'S Applications for Payment as recommended by ENGINEER, on or about the 25th day of each month during construction as provided below. All progress payments will be on the basis of the progress of the Work measured by the schedule of values provided for in paragraph 14.01 of the General Conditions.

- 5.1.1 Prior to Substantial Completion progress payments will be in an amount equal to:

- (a) 95 % of the Work completed; and

- (b) 95 % of materials and equipment not incorporated in the Work but delivered and suitably stored, less in each case the aggregate of payments previously made.

5.1.2 Upon Substantial Completion, OWNER shall pay an amount sufficient to increase total payments to CONTRACTOR to 95% of the value of the Contract Work completed, less such amounts as ENGINEER shall determine in accordance with paragraph 14.02 of the General Conditions.

5.2 Final Payment: Upon final completion and acceptance of the Work in accordance with paragraph 14.07 of the General Conditions, OWNER shall pay the remainder of the value of the Contract Work completed, as recommended by ENGINEER as provided in said paragraph 14.07.

ARTICLE 6 - INTEREST

All monies not paid when due hereunder shall bear interest at the maximum rate allowed by law at the place of the Project, when requested in accordance with ORS 279C.570

ARTICLE 7 - CONTRACTOR'S REPRESENTATIONS

In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

- 7.1 CONTRACTOR has familiarized himself with the nature and extent of the Contract Documents, Work, locality, and with all local conditions and federal, state and local laws, ordinances, rules and regulations that in any manner may affect cost, progress or performance of the Work.
- 7.2 CONTRACTOR has studied carefully all reports of investigations and tests of subsurface and latent physical conditions at the site or otherwise affecting cost, progress or performance of the Work which were relied upon by ENGINEER in the preparation of the Drawings and Specifications and which have been identified in the Supplementary Conditions.
- 7.3 CONTRACTOR has made or caused to be made examinations, investigations and tests and studies of such reports and related data in addition to those referred to in paragraph 7.2 as he deems necessary for the performance of the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents; and no additional examinations, investigations, tests, reports or similar data are or will be required by CONTRACTOR for such purposes.

- 7.4 CONTRACTOR has correlated the results of all such observations, examinations, investigations, tests, reports and data with the terms and conditions of the Contract Documents.
- 7.5 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

ARTICLE 8 - CONTRACT DOCUMENTS

- 8.1 This Agreement
- 8.2 Exhibits to this Agreement.
- 8.3 Performance and other Bonds
- 8.4 Notice of Award.
- 8.5 General Conditions of the Construction Contract
- 8.6 Supplementary Conditions
- 8.7 Technical Specifications as listed in the Table of Contents.
- 8.8 Specifications bearing the following general title:

City of Canby
3rd, 4th, Grant & Holly Street Reconstruction
- 8.9 Addenda number 1.
- 8.10 CONTRACTOR'S Bid
- 8.11 Any Modification, including Change Orders, duly delivered after execution of Agreement.

There are no Contract Documents other than those listed above in this ARTICLE 8. The Contract Documents may only be altered, amended or repealed by a Modification (as defined in Article 1 of the General Conditions).

ARTICLE 9 - MISCELLANEOUS

- 9.1 Terms used in this Agreement which are defined in Article 1 of the General Conditions shall have the meanings indicated in the General Conditions.

- 9.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically by without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.
- 9.3 OWNER and CONTRACTOR each binds himself, his partners, successors, assigns and legal representatives to the other party hereto, his partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.
- 9.4 In the event a suit, arbitration or other legal action is required by either the OWNER or the CONTRACTOR to enforce any provisions of this Agreement, the prevailing parties shall be entitled to all reasonable costs and reasonable attorney's fees upon trial or subsequent appeal.

IN WITNESS WHEREOF, the parties hereto have signed three counterparts of this Agreement.

This Agreement will be effective on _____, 2011.

OWNER:

**City of Canby
111 NW 2nd Avenue
P.O. Box 930
Canby, OR 97013**

CONTRACTOR:

**Canby Excavating, Inc.
P.O. Box 848
Canby, OR 97013**

By: _____

By: _____

Name/Title: _____

Name/Title: _____

Name/Title: _____

Attest: _____

Address for giving notices:

City of Canby													
Project: 3rd, 4th, Grant & Holly Street Reconstruction													
Bid Date: 08/30/2011													
			1	2	3	4	5	6	7	8	9	10	
BID TABULATION			Canby Excavating	Goodfellow Bros.	M.L. Houck Construction	Dirt & Aggregate Interchange	Eagle-Elsner	R&R General Contracting	Jim Smith Excavating	Pacific Excavation	Brown Contracting	Kodiak Pacific	
Basic Bid Items:			Units	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	
A. Site Preparation													
A.1	Mobilization	1	LS	\$ 19,000.00	\$ 41,500.00	\$ 43,000.00	\$ 20,400.00	\$ 38,000.00	\$ 31,000.00	\$ 20,000.00	\$ 49,000.00	\$ 74,000.00	\$ 46,315.75
				\$ 19,000.00	\$ 41,500.00	\$ 43,000.00	\$ 20,400.00	\$ 38,000.00	\$ 31,000.00	\$ 20,000.00	\$ 49,000.00	\$ 74,000.00	\$ 46,315.75
A.2	Temporary Protection & Direction of Traffic	1	LS	\$ 7,450.00	\$ 12,000.00	\$ 24,000.00	\$ 6,786.00	\$ 7,500.00	\$ 3,500.00	\$ 11,505.00	\$ 5,000.00	\$ 5,000.00	\$ 57,760.00
				\$ 7,450.00	\$ 12,000.00	\$ 24,000.00	\$ 6,786.00	\$ 7,500.00	\$ 3,500.00	\$ 11,505.00	\$ 5,000.00	\$ 5,000.00	\$ 57,760.00
A.3	Erosion Control, Tree & Landscape Protection	1	LS	\$ 3,500.00	\$ 5,000.00	\$ 3,700.00	\$ 8,870.00	\$ 8,608.50	\$ 2,000.00	\$ 3,933.00	\$ 2,500.00	\$ 2,000.00	\$ 10,800.00
				\$ 3,500.00	\$ 5,000.00	\$ 3,700.00	\$ 8,870.00	\$ 8,608.50	\$ 2,000.00	\$ 3,933.00	\$ 2,500.00	\$ 2,000.00	\$ 10,800.00
A.4	Clearing & Grubbing	1	LS	\$ 4,000.00	\$ 5,000.00	\$ 2,100.00	\$ 1,000.00	\$ 4,500.00	\$ 2,000.00	\$ 1,000.00	\$ 2,500.00	\$ 2,000.00	\$ 300.00
				\$ 4,000.00	\$ 5,000.00	\$ 2,100.00	\$ 1,000.00	\$ 4,500.00	\$ 2,000.00	\$ 1,000.00	\$ 2,500.00	\$ 2,000.00	\$ 300.00
A.5	Common Excavation	5,800	CY	\$ 11.70	\$ 11.50	\$ 10.00	\$ 13.50	\$ 13.00	\$ 12.00	\$ 16.00	\$ 12.00	\$ 18.00	\$ 21.00
				\$ 67,860.00	\$ 66,700.00	\$ 58,000.00	\$ 78,300.00	\$ 75,400.00	\$ 69,600.00	\$ 92,800.00	\$ 69,600.00	\$ 104,400.00	\$ 121,800.00
A.6	Subgrade / Trench Stabilization	50	CY	\$ 42.00	\$ 45.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 40.00	\$ 39.00	\$ 50.00	\$ 120.00	\$ 50.00
				\$ 2,100.00	\$ 2,250.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,000.00	\$ 1,950.00	\$ 2,500.00	\$ 6,000.00	\$ 2,500.00
A.7	Sawcut Asphalt/ Concrete Pavement	600	LF	\$ 1.50	\$ 2.00	\$ 1.00	\$ 2.90	\$ 1.50	\$ 2.00	\$ 3.00	\$ 1.00	\$ 3.00	\$ 2.00
				\$ 900.00	\$ 1,200.00	\$ 600.00	\$ 1,740.00	\$ 900.00	\$ 1,200.00	\$ 1,800.00	\$ 600.00	\$ 1,800.00	\$ 1,200.00
A.8	Remove, Salvage and Relocate Existing Signs and Existing Posts	19	Ea.	\$ 135.00	\$ 150.00	\$ 150.00	\$ 200.00	\$ 120.00	\$ 140.00	\$ 275.00	\$ 250.00	\$ 150.00	\$ 130.00
				\$ 2,565.00	\$ 2,850.00	\$ 2,850.00	\$ 3,800.00	\$ 2,280.00	\$ 2,660.00	\$ 5,225.00	\$ 4,750.00	\$ 2,850.00	\$ 2,470.00
A.9	New Signs and Posts (ADA No Parking to match existing NW 3rd Ave)	1	Ea.	\$ 250.00	\$ 350.00	\$ 325.00	\$ 165.00	\$ 250.00	\$ 300.00	\$ 440.00	\$ 350.00	\$ 320.00	\$ 260.00
				\$ 250.00	\$ 350.00	\$ 325.00	\$ 165.00	\$ 250.00	\$ 300.00	\$ 440.00	\$ 350.00	\$ 320.00	\$ 260.00
A.10	Ground Preparation and Sod Placement	5,000	SF	\$ 1.10	\$ 1.40	\$ 3.00	\$ 3.80	\$ 4.25	\$ 2.00	\$ 2.00	\$ 3.00	\$ 1.00	\$ 2.00
				\$ 5,500.00	\$ 7,000.00	\$ 15,000.00	\$ 19,000.00	\$ 21,250.00	\$ 10,000.00	\$ 10,000.00	\$ 15,000.00	\$ 5,000.00	\$ 10,000.00
A.11	Site Restoration	1	LS	\$ 3,890.00	\$ 5,000.00	\$ 3,750.00	\$ 4,000.00	\$ 4,000.00	\$ 2,500.00	\$ 3,765.00	\$ 2,500.00	\$ 1,000.00	\$ 2,100.00
				\$ 3,890.00	\$ 5,000.00	\$ 3,750.00	\$ 4,000.00	\$ 4,000.00	\$ 2,500.00	\$ 3,765.00	\$ 2,500.00	\$ 1,000.00	\$ 2,100.00
Subtotal Site Preparation				\$ 117,015.00	\$ 148,850.00	\$ 155,825.00	\$ 146,561.00	\$ 165,188.50	\$ 126,760.00	\$ 152,418.00	\$ 154,300.00	\$ 204,370.00	\$ 255,505.75
Basic Bid Items:			Units	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total	Unit / Total
B. Paving & Surfacing													
B.1	1"-0" Crushed Rock Base (12" deep)	6,850	SY	\$ 7.70	\$ 10.00	\$ 8.00	\$ 10.14	\$ 8.60	\$ 9.40	\$ 9.00	\$ 9.00	\$ 19.00	\$ 10.30
				\$ 52,745.00	\$ 68,500.00	\$ 54,800.00	\$ 69,459.00	\$ 58,910.00	\$ 64,390.00	\$ 61,650.00	\$ 61,650.00	\$ 130,150.00	\$ 70,555.00
B.2	1" Open Graded Crushed Rock Base (20" deep)	1,760	SY	\$ 15.35	\$ 12.50	\$ 13.00	\$ 18.60	\$ 12.40	\$ 16.00	\$ 15.00	\$ 20.00	\$ 17.00	\$ 24.20
				\$ 27,016.00	\$ 22,000.00	\$ 22,880.00	\$ 32,736.00	\$ 21,824.00	\$ 28,160.00	\$ 26,400.00	\$ 35,200.00	\$ 29,920.00	\$ 42,592.00
B.3	Standard Concrete Curb (16" deep)	3,200	LF	\$ 7.60	\$ 9.00	\$ 8.50	\$ 8.40	\$ 10.00	\$ 15.00	\$ 8.00	\$ 10.00	\$ 10.00	\$ 7.30
				\$ 24,320.00	\$ 28,800.00	\$ 27,200.00	\$ 26,880.00	\$ 32,000.00	\$ 48,000.00	\$ 25,600.00	\$ 32,000.00	\$ 32,000.00	\$ 23,360.00
B.4	8" Concrete Walk Way w/ Leveling Rock for Mid-Block Crossing	170	SY	\$ 57.60	\$ 48.00	\$ 43.00	\$ 48.00	\$ 55.00	\$ 42.00	\$ 47.00	\$ 60.00	\$ 68.00	\$ 53.50
				\$ 9,792.00	\$ 8,160.00	\$ 7,310.00	\$ 8,160.00	\$ 9,350.00	\$ 7,140.00	\$ 7,990.00	\$ 10,200.00	\$ 11,560.00	\$ 9,095.00
B.5	6" Concrete Residential Driveway w/ Leveling Rock	55	SY	\$ 44.50	\$ 40.00	\$ 37.00	\$ 45.00	\$ 47.00	\$ 77.00	\$ 39.00	\$ 55.00	\$ 50.00	\$ 45.50
				\$ 2,447.50	\$ 2,200.00	\$ 2,035.00	\$ 2,475.00	\$ 2,585.00	\$ 4,235.00	\$ 2,145.00	\$ 3,025.00	\$ 2,750.00	\$ 2,502.50
B.6	6" Concrete Commercial Driveway w/ Leveling Rock & WWF or Reinforced Fiber Mesh	100	SY	\$ 45.75	\$ 41.00	\$ 35.00	\$ 49.50	\$ 45.00	\$ 58.00	\$ 42.00	\$ 56.00	\$ 50.00	\$ 47.75
				\$ 4,575.00	\$ 4,100.00	\$ 3,500.00	\$ 4,950.00	\$ 4,500.00	\$ 5,800.00	\$ 4,200.00	\$ 5,600.00	\$ 5,000.00	\$ 4,775.00
B.7	4" Concrete sidewalk w/ Leveling Rock	1,900	SY	\$ 34.35	\$ 30.00	\$ 28.00	\$ 27.30	\$ 31.00	\$ 31.50	\$ 31.00	\$ 40.00	\$ 25.00	\$ 37.75
				\$ 65,265.00	\$ 57,000.00	\$ 53,200.00	\$ 51,870.00	\$ 58,900.00	\$ 59,850.00	\$ 58,900.00	\$ 76,000.00	\$ 47,500.00	\$ 71,725.00
B.8	Detectable Warning Tile (ADA Ramp)	32	Ea.	\$ 225.00	\$ 200.00	\$ 215.00	\$ 215.00	\$ 225.00	\$ 490.00	\$ 220.00	\$ 235.00	\$ 270.00	\$ 210.00
				\$ 7,200.00	\$ 6,400.00	\$ 6,880.00	\$ 6,880.00	\$ 7,200.00	\$ 15,680.00	\$ 7,040.00	\$ 7,520.00	\$ 8,640.00	\$ 6,720.00
B.9	½" Hot Dense Mix Asphalt Pavement, Level II	1,560	Tons	\$ 69.00	\$ 66.00	\$ 70.00	\$ 70.40	\$ 65.00	\$ 65.50	\$ 72.00	\$ 73.00	\$ 73.00	\$ 70.00
				\$ 107,640.00	\$ 102,960.00	\$ 109,200.00	\$ 109,824.00	\$ 101,400.00	\$ 102,180.00	\$ 112,320.00	\$ 113,880.00	\$ 113,880.00	\$ 109,200.00
B.10	½" Open Mix AC Pavement, Level II	405	Tons	\$ 83.00	\$ 79.00	\$ 80.00	\$ 84.65	\$ 78.50	\$ 78.75	\$ 87.00	\$ 88.00	\$ 85.00	\$ 94.85
				\$ 33,615.00	\$ 31,995.00	\$ 32,400.00	\$ 34,283.25	\$ 31,792.50	\$ 31,893.75	\$ 35,235.00	\$ 35,640.00	\$ 34,425.00	\$ 38,414.25
B.11	Yellow Painted Curb	120	LF	\$ 2.00	\$ 2.00	\$ 2.20	\$ 2.15	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 3.00	\$ 2.10
				\$ 240.00	\$ 240.00	\$ 264.00	\$ 258.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 360.00	\$ 252.00
B.12	Pavement Striping, Thermoplastic Extruded, Non-Profile, 90 mil (4" White)	1,250	LF	\$ 2.00	\$ 1.80	\$ 2.00	\$ 1.95	\$ 1.90	\$ 1.80	\$ 2.00	\$ 2.00	\$ 2.00	\$ 1.90
				\$ 2,500.00	\$ 2,250.00	\$ 2,500.00	\$ 2,437.50	\$ 2,375.00	\$ 2,250.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,375.00
B.13	Pavement Striping, Thermoplastic Extruded, Non-Profile, 90 mil (4" Yellow) w/ reflectors	360	LF	\$ 2.00	\$ 2.50	\$ 2.50	\$ 2.60	\$ 2.50	\$ 2.40	\$ 3.00	\$ 2.75	\$ 3.00	\$ 2.50
				\$ 720.00	\$ 900.00	\$ 900.00	\$ 936.00	\$ 900.00	\$ 864.00	\$ 1,080.00	\$ 990.00	\$ 1,080.00	\$ 900.00
B.14	Thermoplastic Handicap Stencils	3	Each	\$ 132.00	\$ 130.00	\$ 135.00	\$ 134.50	\$ 130.00	\$ 125.00	\$ 138.00	\$ 150.00	\$ 140.00	\$ 130.00
				\$ 396.00	\$ 390.00	\$ 405.00	\$ 403.50	\$ 390.00	\$ 375.00	\$ 414.00	\$ 450.00	\$ 420.00	\$ 390.00
B.15	Thermoplastic Continental Cross Bars	2,250	SF	\$ 3.25	\$ 3.25	\$ 3.30	\$ 3.35	\$ 3.25</					

Management Team Meeting Minutes
August 8, 2011
2:00 PM
City Hall Conference Room

In attendance: Greg Ellis, Amanda Klock, Renate Mengelberg, Bryan Brown, Sue Engels, Eric Laitinen, Penny Hummel, Julie Wehling, Bret Smith, and Darvin Tramel.

Amanda Klock

- Effective August 22 Ryan will be on site for IT services five days a week with no additional cost to annual contract. This will continue through the end of this fiscal year.

Sue Engels

- Police Station project bond closing will be August 9. Bond sale was successful and overall interest rate was 4.92%.
- Cut off for routine revenues and expenses are August 15. Finance will start work on the June 30, 2011 financial statements after the cut off.

Eric Laitinen

- Discussed recent letter to the editor. He replied with an apology letter and already did in-service training to insure better responses from all staff members.

Greg Ellis

- Went to several businesses on August 5th that participated in the Main Street's First Friday Program. There was a lot of activity at each of the businesses he visited.
- Attended the Vietnam Memorial on Saturday and it was well attended; both from Canby citizens and from people from out of town
- Will be doing the URD presentation on Friday at Canby Rotary

Bryan Brown

- 99E Gateway Grant Project – Matilda had a meeting with team members to better define the proposed “pedestrian/trail/bike” concept improvements along the highway between Elm Street and Locust. It involves placing a curb tight “wide” off street pathway along the north side and connecting it to the logging road overpass.
- Will discuss the 911 Courtyard Educational Area planned at the Fire District property with the Fire Marshal

Darvin Tramel

- Working on closing Phase III of the contract with R & G Excavating
- Working on resolving odor issue from new biosolids dryer
- Working on performance evaluations from when he served as Interim Public Works Director
- On vacation August 20 – September 6

Julie Wehling

- Dell Donoho is the new General Manager (GM) for MV Transportation. Georgenia Bettencourt's last day at CAT will be next week.

- A public meeting regarding recent changes to CAT will be held on August 10th at Hope Village Community Center
- Considering implementing shopping shuttles to manage the service demand on the General Public Dial-A-Ride during the mid day.

Bret Smith

- “National Night Out” event went well with good participation from the community. More “city” emphasis should be placed on the event since there is little city participation. He promoted more neighborhood related events. A single city park related event limits citizen’s ability to know their neighbors.
- Scott Cunningham’s case was recently published in the *Canby Herald* and he is decertified as a police officer. If anyone has questions they should talk to the Chief.
- Ground breaking ceremony for new Police Department will be on August 11th at 10:30 AM
- Plans are underway for the Clackamas County Fair
- Plans and preparation are underway for the 10th Anniversary of 9/11. A memorial site is being built at the Canby Fire District Station that will honor the Fire & Police Personnel who died. This project couldn’t be accomplished without the generous donation of time, materials and finances from our community members and business representatives.

Renate Mengelberg

- Pioneer Pump will likely be applying for an SDC incentive for approval by the UR Agency in September
- Will provide input on CUB power rate increase options from an economic development perspective
- Annie Tran will be Canby’s RARE Student beginning in mid-September to support Economic Development and Main Street efforts.

Minutes by Sue Ryan and Kim Scheafer

Management Team Meeting Minutes
August 22, 2011
2:00 PM
City Hall Conference Room

In attendance: Greg Ellis, Amanda Klock, Renate Mengelberg, Bryan Brown, Sue Engels, Eric Laitinen, Penny Hummel, Jorge Tro, and Julie Wehling.

Jorge Tro

- The Fair operations went very well with no major issues
- Space Age gas station experienced a burglary, for which a warrant will be forth coming for the perpetrator
- Bret Smith out of the office this week

Amanda Klock

- Noted that “eventually” the downtown maple trees will need to be removed to address the fact they are outgrowing the tree wells and causing liability concerns for adjacent business owners. The City needs to devise a strategy for their removal and an appropriate replacement species and planting modifications with possible root barriers to eliminate heaving of sidewalk.
- Will be out of the office next week

Penny Hummel

- Will be bringing a cultural event to the library with an artist to do workshop for kids

Greg Ellis

- Unfortunately, Canby was not awarded a Safe Route to School grant
- Greg provided two recent presentations about the formation, operation, and benefits of Canby’s Urban Renewal District at Rotary and the Oregon City Planning Director’s Association Board meeting hosted by Bryan in Canby
- The police bond issue money is now deposited in the City coffers for use with the police facility

Bryan Brown

- Planning Department accepted a Conditional Use & Design Review application for the expansion of the Village of the Lochs manufactured home park on S. Elm Street
- Discussed and sought advice as to whether an intern for special projects might be possible to address an inquiry made

Eric Laitinen

- Council forwarded measure to County Elections Office for swim center 5-year levy
- Two staffer’s on annual kayak trip this week with Eric out next week
- Pool to be closed September 4 -11 for annual maintenance

Sue Engels

- Sharon completing payroll, then off until next payroll
- Finance preparing to do financial statements

- Consultant advising on flow charting of accounting processes – all to assist with internal controls to help the City find human mistakes more quickly

Renate Mengelberg

- City hosted a booth at the Fair last Thursday. Visitors to the booth were fairly light but some had detailed and specific questions. Thanks go to Police, Swim Center, and Transit for providing handouts for the public. Signs were placed at major thoroughfares to catch visitor's eye to come enjoy downtown Canby.
- Another 1st Friday will be held September 6th with a "Back To School" theme
- There was a great article on the Main Street program and 1st Friday events in the *Canby Herald* by Editor John Baker this week
- Clearing of previous industrial park police site of blackberries and brush will be completed on Tuesday to help market it for sale

Julie Wehling

- Public meeting held at Hope Village. CAT distributed survey and got input on service changes. Gathered comments and suggestions regarding what people like and do not like. Discussed possible changes to the Dial-A Ride service, which would include a shopping shuttle.
- Public meeting on September 14th will focus on modifications to Orange Line, which will eliminate traveling through several shopping centers. Instead the buses will stay on 99E, which will improve schedule delays in the afternoons caused primarily by traffic.
- MV Transportation's General Manager, Del Donoho, started on August 8th. He did a good job dealing with a recent accident, which involved an elderly citizen falling out of the bus.
- CAT provided 470 rides on the County Fair shuttle.

Minutes taken by Bryan Brown

Management Team Meeting Minutes
August 29, 2011
2:00 PM
City Hall Conference Room

In attendance: Greg Ellis, Bryan Brown, Sue Engels, Penny Hummel, Bret Smith, Kim Scheafer and Julie Wehling.

Kim Scheafer

- Reviewed Agenda for the September 7 City Council Meeting
- Jane Moe-Wright started today as the City's new Court Clerk
- Val is not in. Be sure and submit your IT work orders via email

Penny Hummel

- E-book circulation is up in Canby
- New computer classes will be starting in the Fall
- National Library Card Month starts on September 1

Julie Wehling

- Looked at new bus from vendor on the State contract
- Reaching bounds of service capacity. May need to adjust service.

Sue Engels

- Still looking for location for another utility pay station
- In process of determining if single audit is needed in addition to regular audit
- Will have estimated cash carryover numbers by end of September

Bryan Brown

- Working on issues with Permit Pack software
- Hope Village is bringing forth another annexation
- Vacation for abandonment of Walnut Street will go to Council in October

Bret Smith

- Working on internal audits
- Finished accreditation for Police Department
- Police Department has new patches
- A September 11 ceremony will be held at Ackerman and the Fire Station
- Constantly updating web page

Greg Ellis

- Jury duty orientation on Tuesday
- Received a request for formation of an Arts Commission
- Working on Regulatory Environmental Services Manager job description

Minutes taken by Kim Scheafer