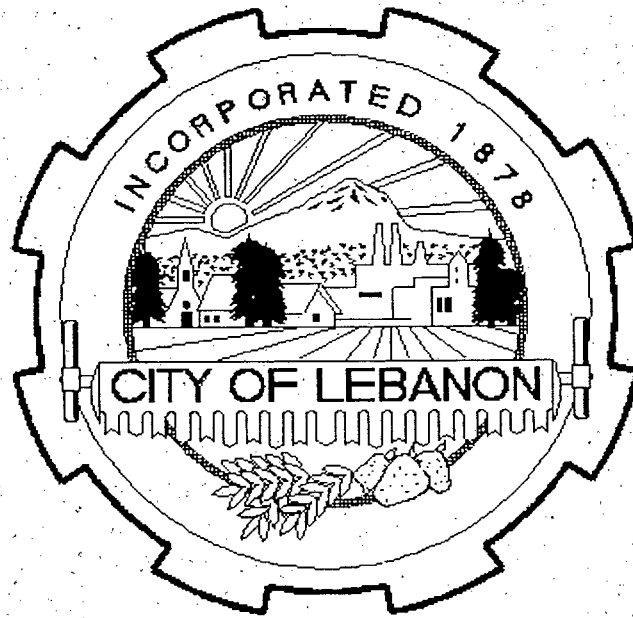
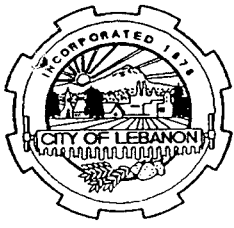


Council Agenda



May 23, 2001
7:30 p.m.



CITY COUNCIL MEETING

May 23, 2001

7:30 p.m.

School District Board Room
485 S. 5th Street

AGENDA

CALL TO ORDER/FLAG SALUTE

ROLL CALL

CITIZENS COMMENTS

APPROVAL OF MINUTES

- 1) MINUTES OF APRIL 25, 2001 CITY COUNCIL WORK SESSION
- 2) MINUTES OF APRIL 25, 2001 CITY COUNCIL MEETING

PUBLIC HEARING

- 3) ANNUAL LIQUOR LICENSE RENEWALS
Presented by: Mr. Mike Healy, Police Chief
Approval/Denial by MOTION
- 4) CHANGE OF OWNERSHIP - Tobacco Road South
Presented by: Mr. Mike Healy, Police Chief
Approval/Denial by MOTION

LEGISLATIVE SESSION

- 5) ANIMAL CONTROL DISCUSSION
Presented by: Mr. John Hitt, City Administrator
Discussion Only
- 6) WWTP EFFLUENT DISCHARGE ALTERNATIVE
Presented by: Mr. Jim Ruef, Director of Public Works
Approval/Denial by MOTION

7) APPROVAL OF CITY-SCHOOL DISTRICT INTERGOVERNMENTAL AGREEMENT

Presented by: Mr. Allen Dannen, Senior Engineer

Approval/Denial by MOTION

8) APPROVAL OF 5TH STREET EXTENSION PLANS & SPECIFICATIONS

Presented by: Mr. Allen Dannen, Senior Engineer

Approval/Denial by MOTION

9) SUBRECIPIENT AGREEMENT W/LINN COUNTY AFFORDABLE HOUSING

Presented by: Mr. Casey Cole, Finance Director

Approval/Denial by MOTION

10) APPROVAL TO AWARD WESTSIDE INTERCEPTOR PUMP STATION CONTRACT

Presented by: Mr. Allen Dannen, Senior Engineer

Approval/Denial by MOTION

11) APPROVAL TO AWARD 2ND STREET BRIDGE CONTRACT

Presented by: Mr. Allen Dannen, Senior Engineer

Approval/Denial by MOTION

12) ACCEPTANCE OF OAK & 5TH STREET RIGHT-OF-WAY DEDICATIONS

Presented by: Mr. Allen Dannen, Senior Engineer

Approval/Denial by MOTION

13) PRIVATE SEWER LATERAL REPAIR ON TRUCK ROUTE

Presented by: Mr. Jim Clark, City Engineer

Approval/Denial by RESOLUTION

14) REQUEST FOR SEWER SERVICE OUTSIDE CITY LIMITS - 7 Oaks Middle School

Presented by: Mr. Jim Clark, City Engineer

Approval/Denial by RESOLUTION

15) CITY ADMINISTRATOR'S REPORT

Presented by: Mr. John Hitt, City Administrator

Discussion Only

EXECUTIVE SESSION

- 16) Per ORS 192.660(1)(d) To conduct deliberations with persons designated by the Council to carry on labor negotiations.
- 17) Per ORS 192.660(1)(e) To conduct deliberations with persons designated by the Council to negotiate real property transactions.

ADJOURNMENT

AGENDA ITEM 1

**MINUTES
CITY OF LEBANON
BUDGET TRAINING WORKSHOP
APRIL 25, 2001**

COUNCIL PRESENT Mayor Scott Simpson; Councilors Mel Harrington, Ron Miller, Roger Munk, Dan Thackaberry, Ken Toombs, Stan Usinger

COMMITTEE PRESENT Bob Elliott, Floyd Fisher, Ella Garboden, Mike Lee, Bob Smith

STAFF PRESENT City Administrator John Hitt, City Attorney Tom McHill, Finance Director Judy Hill, Casey Cole (incoming Finance Director), Chief of Police Mike Healy, Senior and Disabled Services Program Manager Susan Tipton, Library Program Manager Susan Messersmith

This Budget Training Workshop, held April 25, 2001 at 5:45 P.M. in the School District Board Room, was conducted by Judy Hill, Finance Director. Mrs. Hill opened the Workshop by asking the members to introduce themselves.

With the use of an overhead projector, Mrs Hill reviewed a packet given to the Council, Committee and Staff which explained the purpose and process of budgeting. (See Attachment "A") Included in her presentation Mrs. Hill reviewed papers given the members on the *Enterprise Fund* and *Personnel and Monthly Salary Schedule*. A calendar of the Budget Committee meetings was also presented. (See Attachments "B", "C" and "D".

Councilor Munk asked if there is ever a situation where the budget is exceeded by a department. Is the ceiling what has been budgeted? Mrs. Hill responded, "Yes, Oregon Budget Law severely restricts how we can increase the budget. The Council may, by resolution, increase the budget because of gifts, grants, or some unintended thing." Mrs. Hill also stated that if Staff knows that something may come up, it must be put in the budget. The only exception is for grants that have been applied for, but Staff is not sure they will be received.

The Workshop ended at 7:10 P.M.

Recorded and transcribed by Dorothy Nicholson

J. Scott Simpson, Mayor	<input type="checkbox"/>
Ken Toombs, President	<input type="checkbox"/>

ATTEST:

John E. Hitt, City Recorder

AGENDA ITEM 2

**MINUTES
LEBANON CITY COUNCIL
APRIL 25, 2001**

MEMBERS PRESENT

Mayor Scott Simpson, Councilors Mel Harrington, Ron Miller, Roger Munk, Dan Thackaberry, Ken Toombs, Stan Usinger

STAFF PRESENT

John Hitt, City Administrator; Tom McHill, City Attorney; Judy Hill, Finance Director; Mike Healy, Chief of Police; Jim Ruef, Director of Public Works; Jim Clark, City Engineer

CALL TO ORDER / FLAG SALUTE / ROLL CALL

The regular meeting of the Lebanon City Council was called to order April 25, 2001 at 7:30 P.M. in the School District Board Room, 485 S. 5th Street. There were six members present

Mayor Simpson stated that Item #1 of the Agenda be moved to the next City Council meeting. Mayor Simpson also stated that a second Agenda item to be added under Executive Session, to be Agenda Item #14.

CITIZEN COMMENTS

Mayor Simpson announced that the issue of the proposed "Pet Ordinance" is scheduled for the Agenda on May 23, 2001. A Public Hearing on this issue will follow in approximately one month.

Dan Phelps (no address given) stated he was surprised when he first heard about the Pet Ordinance being proposed and was not aware that the police officers would have time to do this patrol work. He wondered what the cost would be do put up a facility to impound the cats taken in. He opposed the idea of leashing the cats. He was not opposed to the licensing of cats and was very much in favor of neutering the cats. He stated that what causes the most problems are the feral cats and "how do you round them up?"

Kathleen McGrew, 655 W. Rose, stated she is concerned that everyone in Lebanon should know what the procedure is in dealing with the problem of cats.

Dominic Olvera, 37245 Skyline Dr., a senior at Lebanon High School, stated he doesn't like cats at all and feels a lot of expense is being talked about to handle the problem and feels it is a waste.

Director of Public Ruef stated they are putting this issue on the City's Web site so people can get information on this issue.

Lyle Winters asked if the issue of sewers is going to be discussed. City Administrator Hitt stated this will be reported in his City Administrator's Report.

PRESENTATIONS

2. MALCOLM BALDRIGE QUALITY AWARD PRESENTED TO THE CITY

Steve Simpson of O.M.I. presented a Malcolm Baldrige Quality Award plaque to the City. Director of Public Works Ruef stated that of all the sites that the group of people selecting cities

for this award came to Lebanon to see if the City deserved it. Only four were selected and Lebanon won.

3. SERVICE AWARD PRESENTED TO JUDY HILL

Mayor Simpson presented a plaque to Judy Hill and thanked her for her fourteen years of dedicated service as Finance Director. She will be leaving this position on May 3, 2001.

APPROVAL OF MINUTES

4. MINUTES OF APRIL 11, 2001 CITY COUNCIL MEETING

Correction: Pg. 4, add *Mayor Simpson closed the Public Hearing at 8:46 P.M.*

A motion was made by Councilor Munk, seconded by Councilor Usinger and passed unanimously that:

The Minutes of April 11, 2001 City Council Meeting be approved as corrected.

PUBLIC HEARING

5. 5th STREET SIDEWALK LOCAL IMPROVEMENT DISTRICT (LID)

Mayor Simpson opened the Public Hearing at 7:54 P.M.

Senior Engineer Dannen stated that on 5th Street from Mary Street to Tangent Street, there are several gaps in the existing public sidewalks. These contain full lot frontages, a railroad right-of-way and a City owned tax lot. The expense for the City owned lot has been included in the 2001-02 budget. The City will be asking the Willamette Railroad to install the sidewalks across their tracks. All driveways are completed so they will not have to be included in this LID. The remaining missing sidewalks will be included in this LID. A neighborhood meeting was held last week.

There was no one in the audience who wished to speak in favor or in opposition to this proposed LID.

Mayor Simpson closed the Public Hearing at 7:56 P.M.

City Attorney McHill read the following Resolution by title:

A BILL FOR AN ORDINANCE CREATING THE 5TH STREET SIDEWALK LOCAL IMPROVEMENT DISTRICT

A motion was made by Councilor Toombs, seconded by Councilor Thackaberry and passed unanimously by roll call that:

The Bill for an ordinance creating the 5th Street Sidewalk Local Improvement District be approved.

LEGISLATIVE SESSION

6. APPROVAL TO ADVERTISE FOR 2ND STREET BRIDGE PROJECT

Senior Engineer Dannen stated he is requesting approval for the project to widen the existing bridge over the Santiam Canal and reconstruct 2nd Street to City standards between "H" and "J" Streets. This will include reconstruction of the waterline crossing the Canal and miscellaneous storm drain work. The project will also include the construction of sidewalks to provide a continuous pedestrian connection along 2nd Street. As part of the 2nd Street LID, property owners will be assessed for the cost of the sidewalks adjacent to their property. The rest of the funding will come from the Lebanon Urban Renewal District. The engineer's construction estimate is approximately \$520,000. Mr. Dannen recommended that the City Council pass a motion to approve the contract documents and authorize the City Staff to advertise for bids.

A motion was made by Councilor Miller, seconded by Councilor Harrington and passed unanimously that:

The City Council approve the contract documents for the 2nd Street Project and authorize the City Staff to advertise for bids.

7. RIGHT-OF-WAY DEDICATION FOR FRONTAGE ROAD

City Engineer Clark explained that with the development of the new Cedar Green retail center, a right-of-way dedication is required along a portion of the former Oriole Drive and approximately 100 feet at the southern end of the developed property. ORS requires that the City Council accept rights-of-way.

A motion was made by Councilor Usinger, seconded by Councilor Toombs and passed unanimously that:

The right-of-way dedication for portions of Oriole Drive at the new Cedar Green retail center be approved.

8. APPROVAL OF INTERGOVERNMENTAL AGREEMENT FOR HOUSING REHABILITATION

Finance Director Hill stated that the State has determined that in order to receive housing rehabilitation a jurisdiction can no longer apply on their own. They must form a partnership. One member of the partnership applies for the grants and the other two members provide some kind of support. The City of Lebanon's partnership has been formed with Linn County and the City of Scio. Linn County has received their grant but cannot receive any money until the Intergovernmental Agreement is approved.. A subrecipient agreement with Linn County Affordable Housing will be presented at the next Council Meeting.

Mrs. Hill stated that Lebanon's goal is to encourage the housing partnership to address the failing septic systems especially on Joy and Dorothy Streets.

City Attorney McHill read the following Ordinance by title:

A BILL FOR AN ORDINANCE APPROVING THE CREATION OF AN INTERGOVERNMENTAL ENTITY, THE LINN COUNTY HOUSING REHABILITATION PARTNERSHIP AND DECLARING AN EMERGENCY

A motion was made by Councilor Miller, seconded by Councilor Thackaberry and passed unanimously by title that:

The Bill for an Ordinance approving the creation of an Intergovernmental entity, the Linn County Housing Rehabilitation partnership and declaring an emergency be approved.

9. APPROVAL TO ADVERTISE FOR WESTSIDE INTERCEPTOR PUMP STATION PROJECT

Senior Engineer Dannen stated that the new Westside Interceptor cannot be used until a new pump station is constructed at the Wastewater Treatment Plant. The engineer's estimate for construction is approximately \$1,600,000. This will also include the installation of the 1250 kilowatt diesel generator. Funding for the pump station will come from the Northwest Urban Renewal District. Mr. Dannen recommended that the City Council approve the contract documents and authorize City Staff to advertise for bids.

A motion was made by Councilor Toombs, seconded by Councilor Harrington and passed unanimously that:

The City Council approve Staff to advertise for bids for the Westside Interceptor Pump Station Project.

10. APPROVAL TO AWARD OAK STREET IMPROVEMENT CONTRACT

Senior Engineer Dannen stated that the City has received five bids on the roadway widening and traffic signal project on Oak Street at Fifth Street. The low bidder is Morse Bros, Inc. with a bid of \$428,501.00.

Councilor Harrington asked who goes out and inspects the overlay, the City or the County. Mr. Dannen responded that the City does it. Councilor Miller asked why there were bids showing \$7,000 more for traffic signals than other bids. Mr. Dannen stated he thought it was because the company to do the electric work quoted the lower price and the contractors chose to increase that cost. Mayor Simpson asked if this project will make a difference for trucks turning east or west on Oak and turning north on 5th Street. Will it cut down on that huge radius required by the trucks? Mr. Dannen stated they will still monopolize the two lines but it will be their lane and the turn lane used rather than blocking traffic from both directions. Councilor Munk asked what the difference of \$225,000 between the Engineers Estimate and the low bidder, will be used for. Mr. Dannen stated it can be used in the street preservation program by overlaying some streets.

Sherry Stitzell, from the audience, asked why the log trucks are using 5th Street to get to the drop off place on Sherman and 3rd Street. Mayor Simpson explained the new improvements to this intersection should help alleviate this problem.

A motion was made by Councilor Munk, seconded by Councilor Thackaberry and passed unanimously that:

The bid for the improvements at Oak and 5th Streets be awarded to Morse Bros, Inc. for the cost of \$428,501.00.

11. CITY OWNED SURPLUS PROPERTY

City Administrator Hitt stated that the Lebanon Library has a card catalog they would like to donate to the Sweet Home Geological Society. Also a list was submitted showing other property to be sold through State surplus, sealed bid, or by other methods. This must be done by resolution to declare this property as surplus.

City Attorney McHill read the following resolution by title:

A RESOLUTION AUTHORIZING THE SALE, DISPOSAL, AND DONATION OF CITY OWNED PERSONAL PROPERTY

A motion was made by Councilor Thackaberry, seconded by Councilor Munk and passed unanimously that:

The Resolution authorizing the sale, disposal, and donation of city owned personal property be adopted.

12. CITY ADMINISTRATOR'S REPORT

Downtown Improvements

Mr. Hitt stated an additional grant of \$255,000 has been received for the downtown beautification. The Downtown Development Committee, City Planner Doug Parker, as well as several property owners of downtown property are working to get as much public involvement as possible in deciding what is the best way to do these improvements.

Sewer Laterals

Mr. Hitt stated he and Director of Public Works Ruef have been discussing ways to solve the problems related to the sewer laterals. This will involve a policy change. Mr. Ruef stated that one of the problems is traffic control involved in sewer work on a truck route. It is very expensive. He stated that with the 100's of miles of sewers running under truck routes, roads, highways, etc. there has never been a correlation of the problem being caused by traffic running over these roads. The ideal solution would be to do an incentive program where the City would help the resident living on a truck route with 25% to 50% of the cost for repairing or replacing the sewer from the main line to the property line. Councilor Toombs asked how this work would be funded by the City. Mr. Ruef stated it would be paid out of the City's Sewer Fund. Lyle Winters, from the audience spoke about a situation involving a sewer line on Maple Street and Mrs. Emerson's situation on Williams

Street. The Councilors agreed that Staff should talk to the property owner on Maple Street and will look into the problem on Williams Street.

City Attorney McHill stated that in 1987 an Ordinance was adopted regarding the sewers. Mayor Simpson read (in part) from this Ordinance, "property owners shall install and maintain at property owner's expense, laterals for collection of wastewater from the premise to the mains."

Senior Center

Mr. Hitt stated that the Elks Club has agreed to lease to the Senior Center for another two more years.

Santiam Travel Station

The Santiam Travel Station Oversight Committee will meet when the architect is available.

Planning Commission Issues

Mr. Hitt referred to the Councilors' Read File containing a draft of a letter in response to a letter received at the last Council Meeting. He is planning to mail out the responses tomorrow.

Miscellaneous Matters

Mr. Hitt and possibly Councilor Munk will attend a seminar in Cottage Grove on developing Community Centers.

The City / County Dinner will be May 2, 2001 at 6:00 at Mama Linda's.

Mr. Hitt asked the Councilors if it would be more convenient to miss the first or the second meeting in July. The Councilors are to let him know which they prefer.

13. EXECUTIVE SESSION

Mayor Simpson announced that the Lebanon City Council was moving into Executive Session as authorized under ORS 192.660(1)(d) *To conduct deliberations with persons designated by the Council to carry on labor negotiations.*

Mayor Simpson announced that there no action anticipated after the Executive Session.

ADJOURNMENT

There being no further business or discussion for the regular council Meeting and no business expected to be conducted after the Executive Session, Mayor Simpson adjourned the meeting of the Lebanon City Council at 9:06 P.M.

LEBANON COUNCIL MEETING REOPENED

There being further discussion desired by the Councilors, Mayor Simpson reopened the Council Meeting at 9:40 P.M.

At the request of Councilors, Mayor Simpson stated that the three seats on the Planning Commission that are up for re-appointment be discussed. They are now being filled by Bob Elliott, Retha Larson and Dan Miner. Councilor Harrington stated that he would like to seek candidates for all three positions. Councilor Thackaberry agreed and stated he is disappointed in the way the Planning Commission is being run. He stated that Staff are dominating the meetings. Mayor Simpson stated he would like to keep this discussion in general terms and not in specifics. Councilor Munk stated he feels these three members have diverse backgrounds, which is what is wanted on the Commission. He stated he does not feel it is a bad thing to advertise for potential competitors so there is a bigger field to choose from. Councilor Miller stated he agreed. Mayor Simpson asked that the Councilors bring names of new candidates to the next Council Meeting.

City Attorney McHill stated one of these members was appointed in 1995 and two of them in 1997. Members serve for four year terms and cannot have more than two consecutive terms and can be reappointed in intervals of two years. He read the requirements and restrictions on employment, residency, etc.

Mayor Simpson stated the three open positions will be advertised.

ADJOURNMENT

There being no further business or discussion for the Council Meeting, Mayor Simpson adjourned the meeting of the Lebanon City Council at 9:45 P.M.

Recorded and transcribed by Dorothy Nicholson

J. Scott Simpson, Mayor	<input type="checkbox"/>
Ken Toombs, President	<input type="checkbox"/>

ATTEST:

John E. Hitt, City Recorder

AGENDA ITEM 3



CITY OF LEBANON

MEMORANDUM

TO: John Hitt, City Administrator

DATE: May 14, 2001

FROM: Michael Healy, Police Chief 

SUBJECT: Liquor License Renewal

City License File

The following establishment are requesting that the Lebanon City Council recommend approval of their liquor license renewal:

5th-N-Rose Mini Mart	400 W. Rose Lebanon, Or	Judith Baker	PS
7-Eleven Store #2353-2423A	1490 S Main Street Lebanon, OR	Novella P Ciochon Timothy M Ciochon	PS
American Legion Post #51	480 Main Street Lebanon, OR	American Legion Post #51	DBS
Appletree Restaurant	1890 S Main Street Lebanon, OR	Bob G Mitchell Sharon F Mitchell	DA
Blue Sky Chinese Restaurant, Lebanon	1060 S Main Street Lebanon, OR	Weidong Zhou	R
Bojangles	76 E Sherman Lebanon, OR	Ty & Shay, Inc.	DA
Center Market #4 (Loveleen, Inc.)	1225 E Grant Street Lebanon, OR	Rajinder K Dhote Rajinder S Dhote	PS
Clementine's	45 W Sherman Lebanon, Or	Gale E Kleint Sharon S Kleint	DA
El Charro Restaurant	1755 Main Street Lebanon, Or	Jose G Pena	DC

Elks Lodge #1663, Lebanon	633 Park Street Lebanon, OR	Elks Lodge #1663, Lebanon	DBC
Fire Pit	2230 S Santiam Hwy Lebanon, OR	James D Holt	RMB
Ixtapa Family Mexican Restaurant	25 N Santiam Hwy Lebanon, OR	Ixtapa-Lebanon, Inc	DA
Jack's Market	590 Tangent Street Lebanon, OR	Kun H Kim Hyon S Kim	PS
Juan's Mexican Restaurant	1112 Main Street Lebanon, OR	Juan Sanchez Maria Sanchez	DC
Knothole Market & Texaco	2412 S Santiam Hwy Lebanon, OR	N & P, LLC	PS
Kuhn Cinema Café	668 Main Street Lebanon, OR	Glinna A White Michael D White	R
Lebanon Shop N Kart	1950 Main Street Lebanon, OR	B & E2, LLC	PS
Linn Lanes	2250 S Main Road Lebanon, OR	Gary B Heintzman	DA
M & M Mart #5	805 Park Street Lebanon, OR	M & M Rentals Co.	PS
Mama Linda's Great Pasta Co.	50 W Oak Street Lebanon, OR	Linda L Borg Charles J. Borg	R
Mama Linda's Great Pasta Co.	50 W Oak Street Lebanon, OR	Linda L Borg Charles J. Borg	O
Mike's Shell	3510 S Santiam Hwy Lebanon, OR	Louris Y Afram	PS
Oak Market & Deli	290 W Oak Street Lebanon, OR	Thom N Mau	PS
Pizza Hut	1704 Main Street Lebanon, OR	Pizza Hut of SE Kansas, Inc	R
Pizza King of Lebanon	1188 Main street Lebanon, OR	William R Bickford	RMB

Planet Pizza	1765 S Main Street Lebanon, OR	Planet Pizza, LLC	L
Redbeard's Fish & Chips	1581 S Main Lebanon, OR	Redbeard's, Inc.	R
Rite Aid #5369	30 E Oak Street Lebanon, OR	Thrifty Payless, Inc.	PS
Roth's IGA Foodliner	2540 S Santiam Hwy Lebanon, OR	Roth IGA Foodliner	PS
Safeway Store #1558	1983 S Santiam Hwy Lebanon, OR	Safeway, Inc.	PS
Star Lite Tavern	638 Main Street Lebanon, OR	BET Corporation	RMB
Taqueria Dos Arbolitos	590 Main Street Lebanon, OR	Alonzo Gutierrez Ramiro Gutierrez Sandra Gutierrez	R
Teri's Town Tavern	679 Main Street Lebanon, OR	Theresa A Wiser	RMB

The Police Department has approved Bojangles with conditions and does not possess any documented evidence to support the denial of this request for the rest of the entities listed above..



LEBANON POLICE DEPARTMENT

40 East Maple Street, Lebanon, Oregon 97355
(541) 451-1751 Facsimile (541) 451-1716

Michael D. Healy, Chief of Police

May 14, 2001

Randy Holmes
Bojangle's Restaurant & Lounge
76 East Sherman Street
Lebanon, OR 97355

Dear Mr. Holmes:

Thank you for meeting with Tom Montgomery from the OLCC, Lieutenant Schulte and I on May 8, 2001. We have agreed to put forth a positive recommendation to the City Council for the renewal of your liquor license subject to the following conditions:

- Bojangle's continues to call the Police Department when needed,
- Increased security on Tuesday's and Thursday's,
- Wait staff to give more specific information on any complaints,
- Increased security on the bathrooms,
- Continue to display signs posting the "Zero Tolerance" policy,
- Continue using and updating the "86 List",
- Hold an update class with the OLCC within the next 30 days for all employees,
- Require either the manager or yourself to be on the premises at all times when open for business.

Please let us know if you have any questions.

Sincerely,


A handwritten signature in black ink that reads "Michael D. Healy". The signature is fluid and cursive.

Michael D. Healy
Chief of Police

"Integrity, Professionalism and Teamwork"



**LEBANON POLICE DEPARTMENT
MEMORANDUM**

TO: John Hitt, City Administrator
FROM: Michael D. Healy, Chief of Police 
DATE: May 3, 2001
RE: Liquor License Recommendation
CC:

Tobacco Road South, 2684 Santiam Highway, Lebanon has requested change of ownership status (Off-Premises Sales) for their liquor license. I recommend the denial of this request based on Bradley Allen Newport's conviction of Driving Under the Influence of Intoxicants which occurred October 17, 1986. This denial is based on Lebanon Municipal Code 5.10.060A.4.a which states that the City Council may make an unfavorable or conditionally favorable to the OLCC on any application if the applicant has been convicted of or plead guilty to driving under the influence of intoxicants.


Action recommended: motion to deny request

"Integrity, Professionalism and Teamwork"

AGENDA ITEM 4



**LEBANON POLICE DEPARTMENT
MEMORANDUM**

TO: John Hitt, City Administrator
FROM: Michael D. Healy, Chief of Police 
DATE: May 3, 2001
RE: Liquor License Recommendation
CC:

Tobacco Road South, 2684 Santiam Highway, Lebanon has requested change of ownership status (Off-Premises Sales) for their liquor license. I recommend the denial of this request based on Bradley Allen Newport's conviction of Driving Under the Influence of Intoxicants which occurred October 17, 1986. This denial is based on Lebanon Municipal Code 5.10.060A.4.a which states that the City Council may make an unfavorable or conditionally favorable to the OLCC on any application if the applicant has been convicted of or plead guilty to driving under the influence of intoxicants.

Action recommended: motion to deny request

"Integrity, Professionalism and Teamwork"



CITY OF LEBANON

MEMORANDUM

TO: Mayor Simpson & City Council

DATE: May 17, 2001

FROM: John Hitt, City Administrator

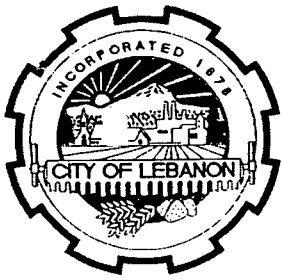
SUBJECT: Animal Control Discussion

This item has been placed on your agenda in order to receive *public input only*.

Staff recommends that, because of the likely large volume and range of that input, you take no further action or discussion on May 23. You may or may not want to set a future meeting at which time you could discuss it further for the purpose of giving staff direction in order to develop a final proposal.

JEH/Igk

AGENDA ITEM 6



**CITY OF LEBANON
PUBLIC WORKS DEPARTMENT**

MEMORANDUM

TO: John Hitt, City Administrator *JH*

DATE: May 16, 2001

FROM: James P. Ruef, Director of Public Works

SUBJECT: Wastewater Effluent Outfall Alternatives

Staff is prepared to present a report on our investigation into the possible alternatives to discharging our wastewater effluent into the South Santiam River. We will discuss this with City Council at their work session on May 23rd. If City Council wants any of the alternatives to be investigated farther, they should direct staff to proceed by motion.

AGENDA ITEM 7



**CITY OF LEBANON
PUBLIC WORKS DEPARTMENT**

MEMORANDUM

TO: John Hitt, City Administrator *JH*

DATE: May 16, 2001

FROM: James P. Ruef, Director of Public Works

SUBJECT: Intergovernmental Agreement for
Construction

The City of Lebanon and the Lebanon School District are continuing to look at ways we can cooperate and join forces to save the taxpayers money and to meet each others goals. The School District staff has proposed that our Fifth Street Extension project be added to their Pioneer School Construction Project. The result will save money for each project because of the increase in quantities. The biggest benefit may be the increased construction coordination on both projects since the work for each project will be concurrent and adjacent. There will need to be a great deal of attention spent on a smooth and timely construction schedule if the new school is to be opened in time for the 2002-03 school year. This cooperative effort will help.

I concur with the recommendation from Allen Dannen, Senior Engineer, to approve the attached agreement.



**CITY OF LEBANON
PUBLIC WORKS DEPARTMENT - CAPITAL
IMPROVEMENTS**

MEMORANDUM

TO: Jim Ruef, Director of Public Works DATE: May 15, 2001

FROM: Allen Dannen, Senior Engineer ASD

**SUBJECT: INTERGOVERNMENTAL AGREEMENT FOR CONSTRUCTION
5th Street Extension - Project No. 00702**

This memo requests a City Council motion authorizing the Mayor and City Recorder to execute an intergovernmental agreement between the City and the Lebanon Community School District for joint bidding and construction of the Pioneer School Site improvements. A draft of the agreement is attached for review. The final draft will be brought to the City Council meeting on May 23, 2001. Any substantive changes to the agreement will be presented to the Council at the meeting.

BACKGROUND

The City and the School District have previously agreed to cooperate in the development of the Pioneer School Site. The City is funding the design and construction of the public improvements required by the Planning Commission for the development of the school site in exchange for considerations provided by the School District. The public improvements include the extension of 5th Street from Mary Street to Reeves Parkway with associated storm drainage, waterline, and pedestrian improvements. In addition, sidewalk improvements will be made from Tangent to Mary Street as part of the 5th Street Sidewalk Local Improvement District. These sidewalk improvements will be funded by adjacent property owners but constructed in conjunction with the other public improvements.

Since the school site improvements and the public improvements will be constructed on approximately the same schedule, there is an opportunity to save both time and money by issuing a joint contract. By combining the quantities of asphalt, concrete, and other materials to be constructed on and off site under one contract, both the City and the School District should realize the benefits of economies of scale during bidding. Using one contractor for both the site and public improvements will also reduce the cost and time required to coordinate construction activities. The City also saves the costs associated with publicly bidding the 5th Street Extension project since these duties will be performed by the School District.

The attached intergovernmental agreement structures the roles of the City, School District, and their contractor. City staff will provide construction documents for the 5th

Allen Dannen to Jim Ruef Memo
Intergovernmental Agreement for Construction
5th Street Extension - Project No. 00702

May 15, 2001
Page Two

Street Extension project to the School District and their Construction Manager/General Contractor (CM/GC). The CM/GC will include the documents in their bid package as a separate bid schedule. Once bids have been opened, the results will be brought to City Council for concurrence prior to awarding the contract. City staff will be responsible for inspection of the public improvements and for calculating quantities for payment. The CM/GC will coordinate all construction activities both on and off the school site.

RECOMMENDATION

I recommend a motion authorizing the Mayor and City Recorder to execute the Intergovernmental Agreement.

INTERGOVERNMENTAL COOPERATION AGREEMENT

City of Lebanon - Lebanon School District

This agreement is made and entered into by and between the Lebanon Community School District, hereinafter known as the District, and the City of Lebanon, hereinafter known as the City, a Municipal Corporation of the State of Oregon, the promises of each being given in consideration of the promises of the other.

Whereas, the District intends to construct a new school on the property described in the Mid-Valley Health Care, Inc. Partition Plat (City of Lebanon Planning Action Number MLP-01-03), more commonly referred to as the Pioneer School Site, said property being located within the City Limits of Lebanon; and

Whereas, the City of Lebanon Planning Commission will require the construction of certain public improvements as conditions of the acceptable development for the site, said improvements hereinafter referred to as the "public improvements" and including but not limited to the extension of 5th Street from Mary Street to Reeves Parkway, pedestrian improvements constructed as part of the 5th Street Sidewalk Local Improvement District (Tangent to Mary Street), and other associated utility and pedestrian improvements; and

Whereas, the District and the City have previously agreed by Intergovernmental Agreement that the City shall fund the design and construction of said public improvements in exchange for considerations provided by the District; and

Whereas, the District and the City are required, as public agencies, by Oregon Revised Statutes (ORS 279), to employ a competitive process for the award of a contract for construction of both on-site and off-site improvements; and

Whereas, certain economic advantages and efficiencies can be gained by employing a joint competitive contract award process and joint administration of certain responsibilities of said contract.

NOW THEREFORE, PURSUANT TO THE PROVISIONS OF ORS 190, the parties agree to the following:

1. **Term:** This agreement shall become effective upon the date that each party signs this agreement and shall terminate upon final acceptance of the public improvements by the City.
2. **Coordination:** The City and the District shall cooperate fully in order to achieve all of the provisions of this agreement. The City shall provide design and construction inspection for the public improvements. The District shall be responsible for coordination of the design and construction of the site improvements with the public improvements. Any costs associated with a failure to coordinate during design and/or construction that are not a direct result of deficiencies in the City's design and/or inspection shall be the responsibility of the District.

3. Design Phase: For design and bidding of the project, the parties agree as follows:

- a. The City will perform all necessary design related to the construction of the public improvements including, but not limited to, the extension of 5th Street and associated public pedestrian, waterline and storm drainage improvements. The District will periodically review the design to insure agreement with the ongoing site design.
- b. Unless noted otherwise on the project plans or by other agreement between the parties, the City shall be responsible for all City-owned/maintained facilities within public rights-of-way or easements. The District shall be responsible for extension of private utilities within public rights-of-way and all improvements normally owned and maintained by adjacent property owners.
- c. The City will provide to the District a complete set of final plans, specifications, a bid schedule, and an Engineer's estimate for the purpose of constructing the public improvements. These documents will be used to create a separate bid schedule for the public improvements when the project is advertised for bids.
- d. The District shall advertise the project for bids and open the bids. The District will be solely responsible for compliance with all of the provisions of ORS 279 and other applicable statutes concerning public contracts. After the District has opened bids, the District shall submit to the City the bidders' proposals for concurrence by the City prior to awarding the contract.
- e. The City shall provide any addenda pertaining to the plans or specifications for the public improvements during the advertisement period. The District will be responsible for any other addenda deemed necessary and for issuing any and all addenda.

4. Construction: For construction of the project, the parties agree as follows:

- a. The City shall be responsible for all construction inspection of the public improvements. The City Engineer or representative thereof shall have final authority for all decisions related to the construction and acceptance by the City of the public improvements.
- b. The District will be solely responsible for ensuring that all insurance requirements and prevailing wage requirements are met. Insurance requirements for the public improvements shall be per the City's Standard Specifications as supplemented by Special Provisions provided specifically for this project. The City of Lebanon shall be named as the insured on certificates of insurance provided by the contractor(s) constructing the public improvements. Insurance certificates shall be submitted to the City and approved prior to beginning construction of the public improvements.
- c. The District shall require that the contractor provide payment and performance bonds in the amount of the contract for the public improvements and which are

acceptable to the City. The City shall have first priority for any claims arising against the payment or performance bonds. Payment and performance bonds must be approved by the City prior to beginning construction of the public improvements.

- d. The District's Contractor will be responsible for construction staking of the public improvements. The City will provide three survey control points for the Contractor's reference in staking the public improvements. The Contractor will provide cut sheets to the City when construction staking occurs.
 - e. The City will review and approve all submittals and test results for the public improvements as required in the City of Lebanon's Standard and Supplemental Specifications.
 - f. Any changes to the scope of the public improvements must be reviewed and approved by the City Engineer or representative thereof prior to beginning work. All change orders to the public improvement contract shall have space for signature by the City and District to designate their approval and shall conform to the City's Standard Specifications.
 - g. The City Inspector will direct the public improvement contractor(s) to dispose of small amounts of material from the street excavation at specified locations within 3 miles of the site by the District's contractor(s). The balance of the excavated material shall be available for use as fill on the school site. Disposal of any unused excavated material shall be the contractor's responsibility.
 - h. The City shall measure all constructed quantities as listed in the bid schedule provided. Progress payments will be to the District by the City according to quantities measured. The City will also provide a schedule for progress payments.
5. Construction Schedule: It is the intent of both the City and the District to construct the project prior to the beginning of the school year in the fall of 2002. The District shall be responsible for providing a construction schedule for the contractor which shall include the following provisions:
- a. The City accepts no liability for schedule delays due to work that is unacceptable or that does not meet specifications.
 - b. Within reason, the City shall provide inspection in a timely manner. The District and/or their contractor(s) must provide a written schedule of construction activities to the City prior to beginning work. Any deviation from this schedule which causes delay will not be the responsibility of the City.
 - c. All coordination issues between the public improvements, private utilities, and site work on school property shall be the responsibility of the District and their contractor(s).

- d. All facilities constructed as part of the public improvements will not be open for public use until the City has issued written final acceptance of the facility.
6. Contract Claims: The District shall be responsible for the administration of all claims which may be filed by the contractor(s). The City and the District agree to cooperate for the resolution of all contract claims pertaining to the public improvements. No contract claim pertaining to the public improvements shall be settled without written approval by the City.
7. Liability: Subject to the Oregon Constitution and the Oregon Tort Claims Act, each party agrees to hold the other party, their officers, agents and employees, harmless against any claim for injury or damage and all loss, liability, cost or expense, including court costs and attorney's fees which may result from that party's actions or failures to act pursuant to the terms of this agreement.
8. Equipment, Supplies, and Transportation: Each party to this agreement shall supply all needed equipment and supplies necessary to perform their work identified in the scope of work above.

CITY OF LEBANON

SCHOOL DISTRICT

J. Scott Simpson, Mayor

Dan Wilkerson, Board Chair

Date: _____

Date: _____

John E. Hitt, City Recorder

Jim Robinson, Clerk

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Tom McHill, City Counsel

Thomas J. Wettlaufer, District Counsel

Date: _____

Date: _____

AGENDA ITEM 8

JEA



**CITY OF LEBANON
PUBLIC WORKS DEPARTMENT - CAPITAL
IMPROVEMENTS
MEMORANDUM**

TO: Jim Ruef, Director of Public Works DATE: May 15, 2001
FROM: Allen Dannen, Senior Engineer ASD
SUBJECT: APPROVAL OF PLANS AND SPECIFICATIONS
5th Street Extension - Project 00702

This memo requests a City Council motion to approve plans and specifications for the 5th Street Extension project for the purposes of jointly bidding the project with the School District. The plans and specifications are included for review.

BACKGROUND

As agreed previously by the City of Lebanon and the Lebanon Community School District, City staff has completed the design of the 5th Street Extension project. This project will construct the public improvements required by the Planning Commission for the development of the Pioneer School Site. The public improvements include the extension of 5th Street from Mary Street to Reeves Parkway with associated storm drainage, waterline, and pedestrian improvements. In addition, sidewalk improvements will be made from Tangent to Mary Street as part of the 5th Street Sidewalk Local Improvement District. The engineer's estimate for construction of the project is approximately \$1,060,000.

Under the proposed intergovernmental agreement for joint bidding and construction of the Pioneer School Site improvements, the plans and specifications will included as a separate bid schedule in the School District's bid package. The apparent low bid will be brought to City Council for concurrence prior to awarding a contract. City staff will be responsible for inspection of the public improvements.

RECOMMENDATION

I recommend a Council motion approving the plans and specifications for joint bidding with the Pioneer School Site improvements.

AGENDA ITEM 9



CITY OF LEBANON
FINANCE
MEMORANDUM

TO: John E. Hitt, City Administrator *JH*

DATE: May 15, 2001

FROM: Casey Cole, Finance Operations Manager *CC*

SUBJECT: Subrecipient agreement

This is the last piece needed to be put in place by the City so that we may apply for Housing Rehabilitation grants as part of a partnership with Linn County and the City of Scio. The City Council approved an ordinance at the April 25, 2001 meeting creating an intergovernmental entity known as the Linn County Housing Rehabilitation Partnership. Each member of the partnership now needs to enter into an agreement known as the "Subrecipient Agreement" with Linn County Affordable Housing. Linn County approved their subrecipient agreement on March 21, 2001.

Linn County Affordable Housing is a 501 (c) (3) non profit community development corporation through which the grant funds can be defederalized.

Action required:

Motion to approve/deny subrecipient agreement with Linn County Affordable Housing.

SUBRECIPIENT AGREEMENT

This Subrecipient Agreement ("**this Agreement**") is entered into between **the City of Lebanon** ("**City**"), and **Linn County Affordable Housing** ("**Subrecipient**").

RECITALS

- A. The City has received the following awards from the State of Oregon, acting through its Economic and Community Development Department ("**State**"): Community Development Block Grant (CDBG) **Contract H93950**, which is a closed grant and is the subject of a Grant Closeout Agreement ("**Closeout Agreement**") with State. The Closeout Agreement is attached as **Exhibit A** and is incorporated herein. Using the proceeds of this grant, City made no-interest deferred payment loans to low and moderate income homeowners in Lebanon, to rehabilitate their homes. City now holds a portfolio of such loans. City desires to contract with Subrecipient to receive the program income currently in the City's possession, as well as future program income from the portfolio, to deposit such program income into the LCHRP Revolving Loan Fund (see paragraph B below), and to operate such Revolving Loan Fund in a manner that will "defederalize" the income from the portfolio, thereby providing maximum flexibility in the use of funds derived from grant 93950.
- B. Pursuant to ORS Chapter 190, Linn County and the Cities of Scio and Lebanon, have entered, or will enter, into an "*Intergovernmental Agreement Creating the Linn County Housing Rehabilitation Partnership*" ("**the IGA**"), in order to coordinate their efforts in meeting the housing needs of residents of their jurisdictions. The IGA establishes the **Linn County Housing Rehabilitation Partnership** ("**LCHRP**"). The IGA is attached as **Exhibit B** and is incorporated herein. The purposes of the LCHRP include:
1. Determining housing rehabilitation policy.
 2. Providing representation, not to exceed 50% of the membership, on the Loan and Advisory Committees established by the subrecipient to advise the subrecipient on operation and management of initial loan programs and the revolving loan fund.
 3. Ensuring that a Revolving Loan Fund ("**Revolving Loan Fund**") for housing rehabilitation and other related activities is established by a qualified non-profit organization (subrecipient), for the more flexible use of grant funds through defederalization (that is, by converting program income to "miscellaneous income" (also called "non-program income").
 4. Providing a mechanism for municipalities within Linn County to participate in the rehabilitation and maintenance of low and moderate income housing units within their jurisdictions.
- C. Subrecipient is a qualified nonprofit organization through which the CDBG funds can be defederalized.
1. It is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986;
 2. It serves the development needs of the community covered by this Agreement; and
 3. It carries out community economic development programs.
- D. In accordance with ORS 279.051 and ORS 279.056, Subrecipient has been selected to provide the services called for by this contract, based on Subrecipient's specialized skills, knowledge and resources that enable it to exercise its sound professional judgment in carrying out the services required by this Agreement.

E. The City desires to engage Subrecipient to

1. establish and operate the Revolving Loan Fund pursuant to Subrecipient's agreement with Linn County, which will include program income from City's existing loan portfolio, assets contributed by Linn County and the City of Scio, and such other assets as may be deposited into the Revolving Loan Fund in the future by these or other Linn County jurisdictions or by other private entities, and
2. work with LCHRP, in such manner to (a) defederalize the loan repayments and other income resulting from the operation of the Revolving Loan Fund and (b) continue to rehabilitate and maintain affordable housing for low and moderate income residents in the City.
3. perform certain grant closeout agreement responsibilities on behalf of the City for grant contract H93950.

THEREFORE, the parties agree as follows:

I. ELIGIBLE ACTIVITIES

- A. For program income, eligible activities are those set out in § 105(a) of the Housing and Community Development Act of 1974.
- B. For the use of defederalized funds, the eligible activities are those as determined by the Subrecipient in consultation with the LCHRP.
- C. In all cases, the activities will meet the national objective of principal benefit to low- and moderate-income persons. Eligible activities shall include individual water and wastewater system repair and replacement, housing rehabilitation, and other housing related activities.

II. RESPONSIBILITIES OF CITY

City has these responsibilities:

- A. Contributions of Assets to Revolving Loan Fund.** In accordance with Exhibit C, Schedule of City Contributions, City shall make the following contributions to the Revolving Loan Fund.
 1. not less than \$9,000 in cash, which represents program income that the City has on hand from Grant 93950, with the understanding that a portion of such Revolving Loan Fund can be used by Subrecipient to administer the Revolving Loan Fund; such contribution shall be made as soon as is practicable after the later of the date the Revolving Loan Fund is set up by Subrecipient or the date this Subrecipient Agreement is signed by the parties.
 2. all future program income resulting from Grant H93950; City shall transfer this income to Subrecipient within 30 days after the end of City's fiscal year.
- B. Operation, Monitoring and Oversight of City's Loan Portfolio.** City shall be responsible for operating its loan portfolio in accordance with the Closeout Agreement related to Grant 93950, and for making transfers of program income to Subrecipient in accordance with Section IIA.2 above.
- C. Monitoring and Oversight of Subrecipient.** With regard to any program income, City shall:
 1. provide monitoring and oversight as required by the Act, the Regulations and the applicable grant contracts,
 2. ensure that Subrecipient complies with the Act, the Regulations, and applicable grant contracts, and
 3. to the extent allowed under Section VII of this Agreement (Suspension and Termination), recover on behalf of the state any liabilities that may arise as the result of the breach of the grant contract by Subrecipient.
- D. Participation in LCHRP.** City shall participate in the LCHRP as required by the IGA;
- E. Future Grants.** With the concurrence of the LCHRP Board, City may contract with Subrecipient

as the Grant Administrator and Program Manager for any future CDBG Housing Rehabilitation grants.

F. Insurance. City shall maintain at all times comprehensive liability insurance and property damage insurance covering its activities and operations under this Agreement.

G. Notices. City shall provide Subrecipient with a copy of all notices received by the City from the State related to the Closeout Agreement.

H. Other Responsibilities. City shall fulfill any other responsibilities it has undertaken in this Agreement or in the Closeout Agreement.

III. RESPONSIBILITIES OF SUBRECIPIENT; SCOPE OF SUBRECIPIENT SERVICES

A. Generally

1. Subrecipient shall set up, administer and operate the Revolving Loan Fund described in Section IIIB below.
2. Subrecipient shall own, control and manage the assets of the Revolving Loan Fund, subject to the terms of this Agreement and the Policies and Procedures established pursuant to Section IIIB below.
3. Subrecipient shall perform certain grant closeout agreement responsibilities on behalf of the City for grant contract H93950 as set forth in Section IIIC below.

B. Program Management of Revolving Loan Fund: Subrecipient shall perform all tasks necessary to set up and operate the **Revolving Loan Fund** called for in Grant Contract 99006 between the State and Linn County. This includes the following duties:

1. Capitalization. The Revolving Loan Fund shall be capitalized with the City contributions set forth in Section II.A above, with contributions from other member jurisdictions of the LCHRP as set forth in the IGA, and with other assets that Subrecipient or others may contribute. The Revolving Loan Fund will also include income generated by such assets. Income resulting from loans made by Subrecipient, including loan repayments and interest, if any, shall be treated as non-program income (defederalized funds). As such income is received, Subrecipient shall deposit such income into the Revolving Loan Fund as non-program income. The Revolving Loan Fund shall separately account for and track program income and non-program income.

2. Monitoring Loan Portfolio. Subrecipient shall

- a) set up systems to monitor the loan portfolio of the Revolving Loan Fund, including assuring that borrowers maintain required property insurance, pay property taxes, and are not in default on other loans secured by the property.
- b) Develop systems for and maintain records sufficient for project monitoring by the City and by the State. (See also Section IX.B)
- c) Develop systems to assure compliance with federal and state regulations,
- d) Evaluate project results, and monitor project activities, progress and compliance with the Grant Contract and federal and state requirements.

3. Lending: Upon receipt of program income from City, Subrecipient shall deposit such income into the Revolving Loan Fund, as program income, and then loan the proceeds, less any amounts due Subrecipient as compensation under Section V below. Loans shall be made in accordance with the Policies and Procedures of the Revolving Loan Fund.

4. Policies and Procedures of the Revolving Loan Fund. With the advice of the LCHRP, Subrecipient shall establish Policies and Procedures that describe how the Revolving Loan Fund will operate, the housing activities to be supported, the makeup and function of the advisory and loan committee(s), how decisions will be made, where Revolving Loan Funds

will be used each year, and systems for recordkeeping, reporting and financial management.

5. Advisory Committee and Loan Committee. Subrecipient shall set up and administer an Advisory Committee and a Loan Committee. The Board of Directors of the LCHRP shall participate on the Advisory Committee to the Revolving Loan Fund. Subrecipient shall consult with the Advisory Committee in developing the Policies and Procedures referred to above. Subrecipient shall appoint a Loan Committee which includes, among others, members of the Advisory Committee, a lender representative, a public representative, and a representative from Subrecipient. The Loan Committee will approve or deny applications for loans made from the Revolving Loan Fund. Neither the Loan Committee nor the Advisory Committee shall have more than 50% of its members be representatives of the LCHRP.

6. Model Documents. In conjunction with the LCHRP, Subrecipient shall develop model documents, including inter-jurisdictional agreements, subrecipient agreements, loan transfer documents, loan documents.

7. Assistance to Communities in Region: The Subrecipient will seek to enter into a Subrecipient Agreement with the city of Scio, in accordance with the provisions of the IGA. The Subrecipient will encourage and assist other local governments in the region that do not have housing rehabilitation programs to join the revolving loan fund. Such assistance may include the provision of information about the revolving loan fund to governing bodies and help with the preparation of grant applications.

8. Private Lender Involvement. Subrecipient shall recruit private lenders to participate financially in the Revolving Loan Fund, to serve on the Loan Committee, and to make loans to eligible applicants in order to leverage public investment in the Revolving Loan Fund. Any private funds added to the Revolving Loan Fund will be considered Defederalized Funds.

C. Closeout Agreement Responsibilities (H93950)

1. Subrecipient shall assume the following responsibilities of City contained in the Closeout Agreement:

- a) To use program income only for housing rehabilitation loans to low and moderate income homeowners;
- b) To manage such income consistent with state and federal regulations applicable to program income;
- c) To use not more than 20% of such program income for grant administration and program management costs;
- d) To not spend any income anticipated to be less than \$25,000 until after the end of the applicable annual period (July 1 to June 30), unless it is spent in compliance with CDBG rules;
- e) To submit a report each year on the amount of program income and other funds received as a result of activities related to the Closeout Agreement;

2. Subrecipient shall set up systems to separately track and report program income earned by the loan portfolio, in accordance with the requirements of the Closeout Agreement.

D. Staffing

1. Subrecipient shall assign such staff as is appropriate to carry out its responsibilities in a timely and professional manner.
2. Upon request from City, Subrecipient shall provide the names and responsibilities of key staff assigned to this Agreement, and shall notify City in the event of changes in key staff assigned to this Agreement.

IV. TIME OF PERFORMANCE; TERM OF AGREEMENT

A. Revolving Loan Fund Activities. Services of Subrecipient related to the Revolving Loan Fund shall start on May 1, 2001 and end on April 30, 2002

B. Closeout Agreement Services: Services of the Subrecipient related to the Closeout Agreement shall start on May 1, 2001 and end on April 30, 2002.

C. Term of Agreement: The Initial Term of this Agreement is from May 1, 2001 until April 30, 2002. Unless otherwise terminated pursuant to Section VII below, this Agreement shall be automatically extended from year-to-year on the same terms and conditions.

V. COMPENSATION

A. For "administration and program management" of activities funded by program income, Subrecipient shall be entitled to receive as compensation up to 20% of the amount of each transfer of program income from the City to Subrecipient. Eligible expenses for "administration and program management" are defined in the State's Grant Management Handbook and Program Guidelines. In no event shall Subrecipient's compensation for "administration and program management" exceed 20% of program income. Payments will be made as expenses are actually incurred by the Subrecipient.

B. In addition to compensation for administration and program management, Subrecipient shall be entitled to reimbursement for its out-of-pocket expenses such as recording fees and title reports. These amounts are not subject to the 20% limit set forth in subparagraph A.

C. Subrecipient's compensation and expense reimbursement may be paid from assets of the Revolving Loan Fund or from other available sources.

D. For services for activities funded by defederalized funds (non-program income or miscellaneous income), whether under the current Agreement or upon renewal of the Agreement, the parties shall negotiate a reasonable compensation to be paid to Subrecipient.

E. Progress Reports: The Subrecipient shall submit regular progress reports to the City in the form, content and frequency as required by the City. Subrecipient shall annually report on its use of funds, including a summary of the current status of all open grants under management, a summary of all loans made from initial loan programs, a summary of all loans and other distributions made from the revolving loan fund, and a summary of account activity, including management of funds from closed grants.

VI. NOTICES

Until otherwise notified in writing, communications and details concerning this Agreement shall be directed to the following representatives:

	City	Subrecipient
Name & Title	Casey Cole, Finance Director	Diana Cvitanovich, Executive Director Linn County Affordable Housing
Address:	925 Main Street	745 Main St
City, State, ZipCode	Lebanon, OR 97355	Lebanon, OR 97355
Telephone:	541-451-7475	541-259-2166
Fax Number:	541-451-1260	541-258-3791
Email:	ccole@ci.lebanon.or.us	lcah@proaxis.com

VII. SUSPENSION OR TERMINATION OF AGREEMENT

A. Voluntary Termination: The parties may jointly agree to terminate this Agreement, upon such terms and conditions as they mutually agree to. Subrecipient shall relinquish control of all program income in its possession, and City must ensure that such funds are used as originally intended in the Grant Contract.

B. Involuntary Termination

1. Written Notice and Opportunity to Cure. If either party substantially fails to comply with any material term of this Agreement, or with any of the rules, regulations or provisions referred to herein, the other party shall give written notice of such noncompliance to the party allegedly in default. The notice shall state the specific manner in which the party has failed to comply with this Agreement or rules, and shall give that party no less than 30 days, or such longer time as may be reasonably necessary under the circumstances, in which to remedy such breach. If such noncompliance is not corrected within the time provided, the party not in default may suspend or terminate this Agreement, in whole or in part.

2. Suspension of Payments. If City has provided the written notice required by subparagraph 1, the City may withhold any further compensation to Subrecipient, until such time as the Subrecipient is in compliance with this Agreement.

3. Remedies

a) If there is a breach by Subrecipient and the Revolving Loan Fund contains any assets that are or will lead to program income, City must ensure that such assets and program income are used as originally intended.

b) If there is a breach by Subrecipient and the Revolving Loan Fund contains any defederalized assets, Subrecipient shall relinquish control of such assets to either another eligible Subrecipient or to City, at City's discretion and direction. City has the following options which it may pursue in its discretion:

(1) City can require Subrecipient to relinquish control of such assets to City. In this case, the returned "non-program income" funds and assets would revert to being considered program income, subject to all the Community Development Block Grant federal requirements. City can choose to either continue to operate the housing rehabilitation program on its own, or to return all program income to the State.

(2) City can require Subrecipient to relinquish control of such assets to City,

which transfers them in due course to another eligible non-profit. The City's receipt of these funds does not trigger program income requirements provided the intended use is the same and the City does not retain ownership of them.

(3) City can require Subrecipient to relinquish control of such assets directly to another eligible Subrecipient. In this case the assets continue to be defederalized and are not subject to Community Development Block Grant program income requirements.

- c) The party not in default shall be entitled to recover from the defaulting party any sums that may become due as a result of a breach of this Agreement.
- d) In the event of termination by City, Subrecipient shall be compensated for any services satisfactorily performed.

VIII. GENERAL CONDITIONS

A. General Compliance: Both parties agree to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Department of Housing and Urban Development regulations for Community Development Block Grants) applicable to funds provided through states, to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement, and to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. Conflict of Interest: No employee, agent, consultant, officer, or elected or appointed official of the City or the Subrecipient receiving CDBG funds who exercises or has exercised any functions or responsibilities with respect to CDBG activities assisted by the grant for project # H93950, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have any interest or benefit, direct or indirect, in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, for themselves or those with whom they have family or business ties, as defined in the program policies, during his/her tenure or for one year thereafter.

C. Independent Contractor:

1. Nothing in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall be responsible exclusively for payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance for its officers, agents and employees.
2. The Subrecipient and City agree that there is no relationship under this agreement except as specified herein. The City exercises no control over, is not responsible for the acts of, assumes no specific responsibilities to or for officers, employees or agents or the public in general, except as specified in this Agreement. The Subrecipient shall not claim any relationship with the City as agent, representative or employee which is not expressly set forth in this agreement.

D. Third Party Beneficiaries: Except for the State of Oregon, nothing in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties to this Agreement, any right or remedy of any nature whatsoever.

E. Indemnification and Hold Harmless. Each party shall hold harmless, defend and indemnify the other party from any and all claims, actions, suits, charges, and judgments whatsoever that arise out of the party's performance or nonperformance of the services or subject matter called for in this Agreement.

F. Workers' Compensation The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement before work under the Agreement commences. The Subrecipient shall ensure that its contractors do likewise.

G. Insurance and Bonding

1. The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City, and a performance bond ensuring faithful performance of the Agreement.
2. The Subrecipient shall comply with the bonding and insurance requirements of Attachment B of OMB Circular A-110, Bonding and Insurance.
3. The Subrecipient shall maintain at all times comprehensive liability insurance and property damage insurance covering its activities and operations under this Agreement, and naming City, its officers, agents and employees as additional named insureds. Such insurance shall be in the forms and amounts not less than set forth in ORS 30.270. City shall be furnished a certificate of insurance providing at least ten days written notice if the insurance coverage is canceled or reduced.

H. Recognition of Fund Sources The Subrecipient shall insure recognition of the role of the City and the federal and State of Oregon Community Development Block funding in providing services through the Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

I. Copyright. If this contract results in any copyrightable material or inventions, the City and the State reserve the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

J. Assignment. Either party may assign this Agreement, but only with the written consent of the other party, which consent shall not be unreasonably withheld.

K. Amendments

1. The City and Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations, and approved, if necessary, by the City's governing body.
2. The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts. City shall notify Subrecipient in writing of any such amendment. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications must be by written amendment, signed by both City and Subrecipient.
3. Changes to the project goals, scope of services, schedule, or budget related to the Grant Contract may, unless otherwise noted, be made only through a written amendment to this Agreement, signed by the Subrecipient and City. The State of Oregon Economic and Community Development Department shall have a minimum of ten days to review proposed amendments prior to signing by the parties.

L. Attorney Fees: In the event there is any court action related to this Agreement, the prevailing party shall be entitled to attorney fees and court costs, at trial and on appeal.

M. Severability If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IX. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards. Subrecipient agrees to comply with Attachment F of OMB Circular A-110 and agrees to adhere to the accounting principles and procedures required therein, to utilize adequate internal controls, and to maintain necessary source documentation for all costs incurred.

2. Cost Principles. Subrecipient shall administer its program in conformance with the policies, guidelines and requirements of OMB Circulars A-122, "Cost Principles for Non-Profit Organizations, or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied to all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-keeping

1. Records to be Maintained

- a) The Subrecipient shall maintain all records required by the State of Oregon pursuant to federal regulations at CFR Part 570.490, that are pertinent to the activities to be funded under this Agreement. Instructions from the State are included in a Grant Management Handbook and by communication from State employees.
- b) The Subrecipient shall maintain any other records pertinent to this Agreement in such a manner as to clearly document the Subrecipient's performance.
- c) For fair housing and equal opportunity purposes, the Subrecipient's records shall include, to the extent available, data on the racial, ethnic and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program.

2. Retention

- a) The Subrecipient shall retain and keep accessible all such books, accounts, records, reports, files, and other papers, or property for a minimum of seven (7) years from closeout of the grant hereunder, or such longer period as may be required by applicable law, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.
- b) **Property Records** The Subrecipient shall maintain real property inventory records which clearly identify property purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "change of use restrictions" specified in 24 C.F.R. Part 570.489(j).

3. Close-Outs The Subrecipient's Grant Contract obligations to the City shall not end until the State determines that the project can be administratively closed.

4. Audits and Inspections

- a) Subrecipient shall provide to the LCHRP an annual financial report or audit, as required by the LCHRP. Such report or audit shall be prepared by a CPA and shall report on the financial condition of the Revolving Loan Fund. To the extent applicable, Audits shall be conducted annually in accordance with the Single Audit Act of 1984, 31 U.S.C. §§7501-7507 (1994) *as amended by* Pub. L. 104-156, §§1-3, 110 Stat. 1397 (1996) and the regulations promulgated pursuant thereto, 24 C.F.R. §§44.1-44.18 (1997), and the Office of Management and Budget (OMB) Circular A-133, 24 C.F.R. §§45.1-45.5 (1997). (See also Section V.C.2)
- b) The City, the State, and the federal government (including but not limited to the U.S. Department of Housing and Urban Development, the Inspector General, and the General Accounting Office) and their duly authorized representatives shall have access to all of Subrecipient's books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits in order to perform examinations and audits and make excerpts and transcripts.

c) The Subrecipient shall provide citizens with reasonable access to records regarding the use of CDBG funds consistent with State and local requirements concerning the privacy of personal records.

5. Procurement To the extent applicable, Subrecipient shall procure all materials, property or services in accordance with State Law and with the Uniform Administrative requirements of OMB Circular A-110 (implemented at 24 C.F.R. part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provision, as specified in this paragraph.

a) Subpart A--"General";

b) Subpart B--"Pre-Award Requirements," except for 84.12, "Forms for Applying for Federal Assistance";

c) Subpart C--"Post Award Requirements," except for;

(1) Section 84.22, "Payment Requirements";

(2) Section 84.23, "Cost Sharing and Matching";

(3) Section 84.24, "Program Income." In lieu of 84.24, the Subrecipient shall follow 570.489(e);

(4) Section 84.25, "Revision of Budget and Program Plans";

(5) Section 84.32, "Real Property." In lieu of 84.32, the Subrecipient shall follow 570.505;

(6) Section 84.34(g), "Equipment." In lieu of the disposition provisions of 84.34(g), the following applies:

(a) (A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(b) (B) Equipment not needed by the Subrecipient for CDBG activities shall be transferred to the City or shall be retained after compensating the recipient;

(7) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Program Performance";

(8) Section 84.52, "Financial Reporting";

(9) Section 84.53(b), "Retention and access requirements for records." The retention period starts from the date of submission of the State's Consolidated Annual Performance and Evaluation Report, as described in 24 CFR 91.520, in which the specific activity is reported on for the final time;

(10) Section 84.61, "Termination." In lieu of the provisions of 84.61, the Subrecipient shall comply with paragraph VII of this Agreement, and

d) Subpart D--"After-the-Award requirements," except for 84.71, "Closeout Procedures."

X. OTHER CONDITIONS RELATED TO GRANT CONTRACT H99006

A. Lobbying. Subrecipient shall sign **Exhibit D**, the "Certification Regarding Lobbying," and shall cause all its first tier contractors or subrecipients receiving subcontracts in excess of \$100,000.00 to sign and file with the Subrecipient a copy of Exhibit D.

B. Project Sign: All construction projects in excess of \$50,000.00, which are undertaken using funds from this Grant Contract, shall have a Project sign (which sign shall be in the form approved by

the State) located prominently at the Project site. This sign shall be installed prior to construction and shall be maintained for the duration of the construction period.

C. Lead-Based Paint. No lead-based paint will be used in residential units. The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken.

D. Nondiscrimination The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause

E. Subrecipient and Contractor/Subcontractor Covenants – Compliance with Laws.

Subrecipient agrees to comply, and cause its agents and contractors to comply, with all applicable state and federal laws, regulations, policies, guidelines and requirements with respect to the use of and the administration, distribution and expenditure of the funds provided under this Agreement

CITY OF LEBANON

**LINN COUNTY AFFORDABLE HOUSING
SUBRECIPIENT**

City Administrator or Mayor Date

Signature Date

City Recorder Date

By: _____
(Print Name and Title)

Approved as to Form:

City Attorney Date

LIST OF EXHIBITS

- Exhibit A. Closeout Agreement H93950
- Exhibit B. Intergovernmental Agreement
- Exhibit C. Schedule of Contributions (City of Lebanon)
- Exhibit D. Certification Regarding Lobbying



September 18, 1996

Honorable Robert Smith
Mayor of Lebanon
925 Main Street
Lebanon, OR 97355

RE: Administrative Closeout of Oregon Community Development Block Grant, Project No. H93950, (\$300,000), City of Lebanon, Citywide Housing Rehabilitation Project

Dear Mayor Smith:

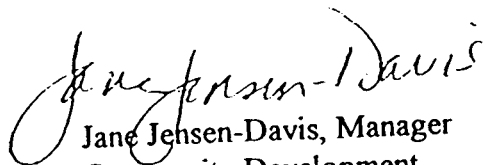
We have received and reviewed the Project Completion Report and Certification for the above project. The project has been determined to be complete by Jane Ambrosek, Project Coordinator for the program.

The grant contract will remain open until the state receives and accepts the city's Fiscal Year 1996-1997 audit report. A copy of the audit must be submitted to our office within 30 days of the date it is completed.

Following Oregon Community Development acceptance of the final audit, you will be notified that the grant is formally closed and you will receive a Project Completion Report and Certification form signed by the state.

If you have any questions or need assistance, please contact Jane Ambrosek at (503) 986-0137.

Sincerely,


Jane Jensen-Davis, Manager
Community Development

c: David VanDerlip

F:\USER\CD\SUP\TEMP\TEMP6206



Oregon Economic Development Department
 Community Development Programs
 775 Summer Street NE
 Salem, OR 97310

**OREGON COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (OCDBG)
 PROJECT COMPLETION REPORT AND CERTIFICATION (PCRC)**

Grantee City of Lebanon

Grant No. H93950

Project Name Citywide Housing Rehabilitation Project

PART A – NARRATIVE

About one third of the city's housing stock was constructed between 1940 and 1959. The grant provided funds to rehabilitate 34 owner-occupied homes. The initial grant of \$300,000 was increased to \$500,000 within six months of the award. The city was recently notified that it received a 1996 housing rehabilitation grant to further improve the housing stock in the area.

PART B – PROPOSED ACCOMPLISHMENTS AND RESULTS

Fill in the following using the proposed accomplishments you received at the start of the grant period in the "Open New Account" form:

Proposed Accomplishments	Original Budget		Actual Accomplishments	Final Cost	
	OCDBG	Other		OCDBG	Other
Rehabilitate 30 housing units	\$ 429,000	\$ 70,000	34 units completed	\$ 430,507	\$ 53,367
Program Management	63,500	8,000	completed	62,993	13,482
Grant Administration	7,500	0	completed	6,500	0
	0	0		0	0
	0	0		0	0
TOTAL	\$ 500,000	\$ 78,000	TOTAL	\$ 500,000	\$ 66,849

PART C – COMPUTATION OF GRANT BALANCE

	Amount
1. Grant amount per Grant Contract	\$ 500,000
2. Grant amount applied to project costs	\$500,000
3. Grant funds received to date	\$500,000
4. Remaining grant balance (line 1 - line 2)	0
5. Less grant amount reserved for final audit costs	0
6. Unused grant to be cancelled	\$ 0

Notes: Overpayment. If line 3 exceeds line 2, the difference must be repaid to OCD by check. Please include check when this form is submitted. Line 5: The approved Grant Budget in the contract must include a line item for audit costs in order to enter an amount here.

PART D – UNPAID COSTS AND UNSETTLED THIRD-PARTY CLAIMS

List any unpaid and unsettled third-party claims against the grant. Describe circumstances and amounts involved. Attach additional sheets if necessary.

NONE

PART E – PROGRAM BENEFICIARIES

Direct Beneficiaries

List the number of actual users/beneficiaries if the grant was for one of the following types of projects: housing rehabilitation, job creation/retention, and limited clientele activities such as senior and day care facilities:

<u>34</u> Total Beneficiaries	<u>33</u> White, not Hispanic	<u>17</u> Female Heads of Households
	Black, not Hispanic	<u>10</u> Handicapped
	<u>1</u> Hispanic	<u>34</u> Low & Moderate Income
	Asian or Pacific Islander	
	American Indian/Alaskan Native	

Source of Data: Program records

Areawide Beneficiaries

Complete the following when a project benefits the residents of an area in general (i.e., extensions or improvements to a publicly-owned water or sewer system).

List the number of areawide beneficiaries by category:

<u> </u> Total Beneficiaries	<u> </u> White, not Hispanic	<u> </u> Handicapped
	Black, not Hispanic	<u> </u> Low & Moderate Income
	Hispanic	
	Asian or Pacific Islander	
	American Indian/Alaskan Native	

Source of Data: _____

PART F – PROPERTY (OR EQUIPMENT) ACQUISITION

Itemize real and personal property or equipment acquired in whole or part with funds from this program in the following list:

Property	Serial Number	Acquisition Cost	Use	Location
NA				

Attach additional sheets if necessary.

PART G – PROGRAM INCOME

Program Income on hand as of the date of the grantee signature below: \$ 0

Source of income: N/A

Note: A Close-out Agreement is necessary and must be attached for most Economic Development and Housing Rehabilitation grants which generate program income. See Project Completion Report instructions for more information.

PART H – CERTIFICATION OF GRANTEE

It is hereby certified that all activities undertaken by the Grantee with funds provided under the grant contract identified in this report have, to the best of my knowledge, been carried out in accordance with the grant contract; that proper provision has been made by the Grantee for the payment of all unpaid costs and unsettled third-party claims identified hereof, that the State of Oregon is under no obligation to make any further payment to the Grantee under the grant agreement in excess of the amount identified in Part C, Line 5 hereof; and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date.

It is understood that the State will not formally close the grant contract until a final audit has been reviewed and accepted by the State and that the State has the right to recover funds from the Grantee based on the audit.

9-3-96
Date

Robert G. Smith, Mayor
Typed Name and Title
of Highest Elected Official

Robert G. Smith
Signature of Highest
Elected Official

OREGON ECONOMIC DEVELOPMENT DEPARTMENT
COMMUNITY DEVELOPMENT BLOCK GRANT CLOSEOUT AGREEMENT

This Grant Closeout Agreement is made and entered into by and between the State of Oregon ("State") and the city of Lebanon ("Recipient"). The Agreement refers to Project Number H93950 named City-Wide Housing Rehabilitation ("Grant Project"), for which a Grant Contract between the State and the Recipient was executed by the State.

This Agreement is intended to establish the purposes for which the Recipient will use program income generated by the grant project and to reaffirm Recipient's obligation to comply with applicable state and federal laws and regulations regarding the expenditure of that program income.

"Program income" is defined as gross income received by a unit of general local government that is generated from the use of federal Community Development Block Grant (CDBG) funds distributed by the State.

"Program income" includes, but is not limited to the following:

- Payments of principal and interest on loans made using CDBG funds;
- Proceeds from the lease or disposition of real property acquired with CDBG funds;
- Interest earned on CDBG funds held in a revolving fund account; and
- Interest earned on any program income pending disposition of such income.

A complete listing of the potential sources of program income is in 24 Code of Federal Regulations (CFR) Part 570.489(d).

"Program income" does not include revenue from the above, or other sources cited at 24 CFR 570.489(d), that totals less than \$25,000 in a single year. For the purposes of this agreement, each annual period shall begin on July 1 of one year and end on June 30 of the following year.

1. This agreement applies to program income in the amount of \$ 0 that is currently on hand and any subsequent interest earned and loan payments received as a result of activities funded by the subject Project Number H93950.

GRANT CLOSEOUT AGREEMENT

2. The Recipient certifies that it shall use the above program income for the purposes listed below:

The Continuation of a Housing Rehabilitation program for the benefit of low and moderate income persons.

3. The Recipient shall manage program income in compliance with regulations of the Department of Housing and Urban Development, 24 CFR Part 570 which apply to the state-administered Community Development Block Grant Program and rules established by the State of Oregon, Economic Development Department, Oregon Administrative Rules (OAR) Chapter 123, Division 80, as may be amended from time to time.

4. The Recipient shall not expend any income anticipated to be less than \$25,000 until after the end of the applicable annual (July 1 to June 30) period unless it is spent in compliance with Community Development Block Grant rules.

5. The Recipient agrees that if it at any time elects to stop using the program income for the above-stated purposes, it will return any program income which is on hand at the time the decision is made, and all future program income from the grant project, to the State.

6. The following special conditions from Exhibit "B" of the original Grant Contract continue to apply to the use of program income:

No special conditions from the original Grant Contract apply.

7. Other conditions which apply to the closeout agreement are as follows:

The Recipient shall designate no more than 20% of the program income it receives for administrative and program management costs.

8. The Recipient shall comply or cause its agents to comply with all applicable state and federal laws and regulations in administering and distributing the program income identified above, particularly those laws and regulations cited in Exhibit "A" of this Closeout Agreement.

9. The State shall provide technical assistance to the Recipient as appropriate to assist in the Recipient's compliance with state and federal laws and regulations.

GRANT CLOSEOUT AGREEMENT

- 10. The Recipient shall submit a report each year, on a form to be specified by the State, on the amount of program income and other funds received as a result of the Community Development Block Grant project covered by the agreement.
- 11. The State reserves the right to periodically inspect the Recipient's records to determine that state and federal laws and regulations are being met and to request annual or more frequent reports from the Recipient on its use of program income.
- 12. Any modification to this Agreement must be approved in writing by the State. Such written modification will be made a part of this Agreement and subject to all other Agreement provisions.
- 13. The State reserves the right to terminate this Agreement for just cause and without liability, upon notice, practical in the circumstances, to the Recipient. The State reserves the right to terminate this Agreement should the Recipient fail to perform as described in this Agreement. The State may impose sanctions on the Recipient for failure to comply with provisions of this Agreement. When sanctions are deemed necessary, the State may require return of all future program income from the grant project to the State and/or require repayment of program income expended prior to the date of notice of cancellation.

This Closeout Agreement is hereby executed by the Parties, on the dates set forth below:

STATE OF OREGON
Economic Development Department

RECIPIENT

*Jessie Ann-Davis for
Yvonne Aldington*
(signature)

Robert K. Smith
(signature)

Manager
Regional Development Division

7
(title) Mayor, City of Lebanon

9/18/96
Date

9-3-96
Date

**RECIPIENT'S CERTIFICATIONS OF COMPLIANCE
WITH STATE AND FEDERAL LAWS AND REGULATIONS**

Funds for the Oregon Community Development Block Grant Program are provided through a grant to the State from the U.S. Department of Housing and Urban Development, under Title I of the Housing and Community Development Act of 1974, as amended. These funds are subject to various federal statutes and regulations as well as state laws and administrative rules

- A. The Recipient hereby covenants it will comply with all relevant state and federal laws, regulations, policies, guidelines and requirements with respect to the use of program income derived from Oregon Community Development Block Grant funds. The Recipient specifically covenants to adhere to the following requirements:
1. The Recipient will comply with all provisions of Title I of the Housing and Community Development Act of 1974, as amended, and with all related applicable laws, rules and regulations.
 2. The Recipient will not attempt to recover any capital costs of public improvements assisted in whole or part with the Title I funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless, (a) Title I funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than Title I funds, or (b) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the Recipient certifies that it lacks sufficient Title I funds to comply with the requirements of clause (a).
 3. The Recipient's chief executive officer (or other designated officer of the Recipient):
 - (a) Consents to assume the status of a responsible federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of federal law which further the purposes of NEPA, as specified at 24 CFR Part 58.
 - (b) Is authorized and consents on behalf of the Recipient and himself/herself to accept the jurisdiction of the federal courts for the purpose of enforcement of his/her responsibility as such an official.
 4. The Recipient will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under Section 570.488 and Federal implementing regulations at 49 CFR part 24; the requirements in Section 570.488 governing the residential antidisplacement and relocation assistance plan under Section 104(d) of the Act; and the relocation requirements of Section 570.488 governing optional relocation assistance under Section 105(a)(11) of the Act.

5. The Recipient has adopted and will enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations, and enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction in accordance with Section 104(l) of Title I of the Housing and Community Development Act, as amended.
6. The Recipient will conduct and administer the grant program in compliance with the following requirements:
 - (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1) which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.
 - (b) Title VIII of the Civil Rights Act of 1968 (42 USC 3601-20), as amended, popularly known as the Fair Housing Act, which provides that all programs and activities relating to housing and community development be administered in a manner to affirmatively further fair housing, and will take action to affirmatively further fair housing, and the provision of brokerage services
 - (c) Section 109 of the Housing and Community Development Act of 1974, as amended, which provides that no person in the United States shall, on the grounds of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds provided by the Federal Government.
 - (d) Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project. The Recipient shall cause or require to be inserted in full in all contracts and subcontracts for work financed in whole or in part with assistance provided under this Grant Contract, the Section 3 clause as stated above and set forth in 24 CFR 135.20(b).

- (e) Executive Order 11063 as amended by Executive Order 12259 and implementing regulations at 24 CFR Part 107 regarding equal opportunity in housing and nondiscrimination in the sale or rental of housing built with federal assistance.
- (f) Executive Order 11246, as amended by Executive Orders 11375 and 12086 and implementing regulations issued at 41 CFR Chapter 60 which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of federal or federally assisted construction contracts. Contractors and subcontractors on federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- (g) The Age Discrimination Act of 1975 (42 USC 6101 et seq) which prohibits discrimination on the basis of age.
- (h) Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112) which prohibits discrimination with respect to an otherwise qualified handicapped individual.
- (i) All laborers and mechanics employed by contractors or subcontractors on construction work assisted under this part shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), and shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), and the contractors and subcontractors shall comply with all regulations issued pursuant to these Acts and with other applicable Federal laws and regulations pertaining to labor standards. This section shall apply to the rehabilitation of residential property only if such property contains not less than eight (8) units.
- (j) The requirements imposed by the State concerning special requirements of law, program requirements, and other grant administration requirements, approved in accordance with procedures set forth in the Grant Management Handbook, provided by the State, as they relate to the acceptance and use of funds provided under this Grant Contract and as modified by the State.

7. No member, officer, or employee of the Recipient, or its designee or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for themselves or those with whom they have family or business ties, for work to be performed in connection with the program assisted under the grant. Recipient shall incorporate, or cause to be incorporated, in all contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this covenant.

The Recipient shall also establish safeguards to prohibit employees from using their position for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

8. The Recipient will comply with the provisions of the Hatch Act which limits the political activity of employees.
 9. The Recipient will give the State and the U.S. Department of Housing and Urban Development (HUD) or any authorized representative of the State or HUD access to and the right to examine all records, books, papers, or documents related to the grant.
 10. The Recipient will comply with the lead-based paint requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 USC 4801 et seq).
 11. The Recipient will assume the responsibilities for environmental review, decision-making and other action that would otherwise apply to HUD under NEPA and other provisions of law that further the purposes of NEPA, in accordance with section 104(f) of Title I. Recipients will perform reviews in accordance with 24 CFR Part 58 and the other Federal authorities listed at 24 CFR 58.5
- B. The activities undertaken using program income must meet one of three national objectives established by the U.S. Congress. The Recipient covenants the activities it will undertake with the program income will meet the following National Objective (check one):
1. Activities primarily benefitting low- and moderate-income persons;
(24 CFR 570.483(b))
 2. Activities which aid in the prevention or elimination of slums and blight;
(24 CFR 570.483(c))
 3. Activities designed to meet community development needs having a particular urgency.
(24 CFR 570.483(d))

**INTERGOVERNMENTAL AGREEMENT CREATING
THE LINN COUNTY HOUSING REHABILITATION PARTNERSHIP**

PARTIES: This is an intergovernmental agreement under ORS 190.003 to 190.110, by and between the following signatory "units of local government," as that term is used in ORS 190.003: LINN COUNTY, CITY OF LEBANON, and CITY OF SCIO.

WHEREAS, Linn County, the City of Lebanon and the City of Scio desire to partner to provide low cost housing rehabilitation loans to low and moderate income households within their jurisdictions through Community Development Block Grants; and

WHEREAS, the most effective means of partnering in this matter is to create an intergovernmental entity to perform the functions desired between the parties; and

WHEREAS, each of the units of local government signatory hereto have ratified, by local legislation adopted pursuant to ORS 190.085, the entity referred to as the Linn County Housing Rehabilitation Partnership.

NOW, THEREFORE, the parties mutually agree as follows:

ARTICLE I

Establishment, Authority, and Purpose: There is hereby established an intergovernmental organization to be known as the Linn County Housing Rehabilitation Partnership, hereinafter LCHRP. The organization shall have the authority to act on behalf of its member jurisdictions as set forth in this agreement, in matters relating to rehabilitating and maintaining low and moderate income housing units in Linn County.

The Board of Directors and/or its designees shall supervise and exercise day to day management of this organization. On behalf of its member jurisdictions, LCHRP shall have authority to conduct requests for proposals, develop contracts and sub-recipient agreements, select contractors and sub-recipients, and monitor the performance of contractors and sub-recipients. LCHRP may not enter into sub-recipient agreements or provide payment of Community Development Block Grant (CDBG) funds to any person or organization for services provided pursuant to any CDBG housing rehabilitation grant.

The purpose of LCHRP shall include:

1. Determining housing rehabilitation policy,
2. Providing representation, not to exceed 50% of the membership, on the loan and advisory committees established by the Subrecipient to advise the Subrecipient on operation and management of initial loan programs and the revolving loan fund.
3. Ensuring the establishment of a revolving loan fund by a qualified non-profit organization (Subrecipient) for the creation of flexible future funds from loan repayments, and
4. Providing a mechanism for municipalities within Linn County to participate in the rehabilitation and maintenance of low and moderate income housing units within their jurisdictions.

LCHRP INTERGOVERNMENTAL AGREEMENT

March 12, 2001, Page 1

ARTICLE II

Membership in the Organization: The Linn County Housing Rehabilitation Partnership shall consist of Linn County, the City of Lebanon and the City of Scio.

ARTICLE III

Party Responsibilities: Each party shall be responsible for:

1. Funding: Each party will transfer to the Sub-recipient that portion of its existing CDBG loan portfolio and cash as set forth in ARTICLE VII of this agreement. These funds shall be for the purpose of initially capitalizing a revolving loan fund to be administered and operated by a sub-recipient. Each party will periodically apply for new CDBG grants for housing rehabilitation and commit those funds as specified in Article VII. At the discretion of the Board, funding requirements may include establishment of an operating fund to assure timely contractor payments.
2. Compliance: Each party will comply with the terms and conditions of each CDBG housing rehabilitation grant (grant) it has applied for and received. Each party will comply with applicable state and federal laws including budget and public contracting laws.
3. Grant Expenditures: Each party will assure that all expenditures approved from grant funds it has received are for qualifying activities under that grant.
4. Contracts: Each party will enter into those contracts necessary to fulfill its grant obligations.
5. Payments to Contractors: Each party will pay the contractors and sub-recipients who provide services to carry out the party's responsibilities under each of its grant contracts.
6. Performance of Contractors: Each party will assure that contractors and sub-recipients carry out those activities required to satisfy each of its grant contracts.
7. Sub-recipient Agreement: The initial sub-recipient agreements shall be between each party and Linn County Affordable Housing (Sub-recipient), the qualified 501(c)(3) organization specified in grant contract #H99006 between Linn County and the Oregon Economic and Community Development Department (OECDD). Sub-recipient agreements shall conform to the model agreement approved by the Board. The purpose of these agreements is to establish and operate a Revolving Loan Fund and to create in a timely manner flexible future funds from loan repayments. Sub-recipient agreements shall also define the relationship between each member jurisdiction and the sub-recipient. A sub-recipient agreement may include provisions for the administration of CDBG grants and for the operation of initial CDBG loan programs. "Operation of initial CDBG loan programs" is defined as conducting the activities necessary for making the initial loans from each housing rehabilitation grant.

8. Miscellaneous (non-program) income: As used in the context of this agreement, the terms "miscellaneous income" and "non-program income" refer to the same class of funds which are not "program income." Each party that has received CDBG housing rehabilitation grants prior to becoming a member of this partnership and that elects to retain miscellaneous income, shall use that income in a manner consistent with the rules of the OECDD.

ARTICLE IV

A. *Board of Directors Membership*: The Board of Directors shall have three members and shall consist of the following:

1. Linn County: One (1) County Commissioner or designee;
2. City of Lebanon: City Administrator or designee;
3. City of Scio: Mayor or designee;

B. *Board Responsibilities*: The Board of Directors shall be responsible for:

1. Governance: Develop governance policies and procedures. Review and approve administrative policies and procedures in order to assure successful service delivery and to maximize the percent of public funds spent on service delivery. Establish annual performance goals and measures.
2. Strategic Planning: Develop strategic plan consistent with LCHRP mission and priorities.
3. Contracting: Review and approve contracts and agreements for grant administration, operation of loan programs, and the establishment and operation of a revolving loan fund. Enter into contracts for other services, as they deem necessary to accomplish the purpose of the organization. Monitor performance of contractors and approve sanctions.
4. Risk Management: Oversee the organization's response to fiscal and legal risks.
5. Financial: Establish and approve a budget for the organization. Set policies regarding applications for grant funds and distribution of grant funds. Assure proper management of the assets of the Partnership. Annually receive, review and approve a financial report or audit as required, prepared by a CPA and provided by the Sub-recipient, of Revolving Loan Fund activities and the use of funds described in ARTICLE VII. If required, obtain audit reports of LCHRP finances and take or recommend action.
6. Loan Committee for Initial Loan Programs: The Board or its representative(s) shall participate on the Sub-recipients Loan Committee for the initial loan program resulting from each housing rehabilitation grant. The purpose of this Loan Committee shall include:
 - a) Monitoring initial loan program activities, reviewing those loan applications that may

require consideration of factors outside of the normal loan policy criteria, and approving or denying applications reviewed.

b) Advising the Sub-recipient on matters related to operation of initial CDBG loan programs.

7. Advisory and Loan Committees for Revolving Loan Fund: The Board shall participate on advisory and loan committees appointed by the Sub-recipient. The purpose of the advisory committee will be to advise the Sub-recipient on the purpose, policies, operation and management of the Revolving Loan Fund. The purpose of the Sub-recipient's loan committee will include approval or denial of applications for loans made from the Revolving Loan Fund.
8. Ensure equitable distribution of grant funds among member jurisdictions.
9. Other Duties: All other duties and functions necessary to further the purpose of the organization.

C. Voting Authority; Quorum

1. Voting Authority: Except for amendments to this Agreement governed by Article XII, decisions of the Board of Directors shall be made by a majority of those directors present, provided a quorum has been established. Each director shall have one (1) vote.
2. Quorum: A quorum shall consist of three (3) directors.

D. Board Organizational Structure: The Board shall elect from its own membership a Chair and a Vice-Chair. The term of each office shall be two years. The Chair shall preside over the meetings of the Board of Directors and shall see that decisions and resolutions of the Board of Directors are carried into effect. The Vice-Chair shall act as Chair in the absence of the Chair. A director may not serve more than two consecutive terms as Chair.

E. Board Meetings: The Board shall meet periodically, and at least semiannually. All meetings are subject to the provisions of ORS Chapter 192. Minutes of all meetings shall be recorded and maintained. Robert's Revised Rules of Order shall govern meetings. The Board may also formulate additional or special rules to govern its meetings.

ARTICLE V

Support Staff: Linn County shall provide necessary support staff for the Board of Directors and LCHRP for the first year of this Agreement. Thereafter, staff support for day to day operations shall be by contract or agreement.

ARTICLE VI

Financial Administration: The Board of Directors shall assure that the financial assets of the Partnership are properly administered. The Board may contract with qualified persons for financial services needed by the Partnership. The Board shall ensure that financial records clearly document the

LCHRP INTERGOVERNMENTAL AGREEMENT

March 12, 2001, Page 4

contributions of each party to this agreement.

ARTICLE VII

A. *Funding*: The parties agree that:

1. Parties will continue to apply for CDBG housing rehabilitation grants to supply funding for operation of initial CDBG loan programs.
2. Parties receiving a CDBG housing rehabilitation grant applied for as a party to this agreement shall place not less than 100 percent of the program income, miscellaneous income and interest earned thereon into the Revolving Loan Fund established by the Sub-recipient on behalf of LCHRP.
3. The Sub-recipient shall be named as the beneficiary on each deed of trust created after the date of this agreement and as the result of operation of initial CDBG loan programs.
4. Parties will supply funding as soon as is practical after the date of this agreement for the initial capitalization of the Revolving Loan Fund and for other specified purposes in the manner and amounts as follows:
 - a) Linn County: An amount not to exceed \$755,000.00 consisting of:
 - i. the entire loan portfolio from grant contract #H95019, including all program income and all miscellaneous income, up to \$235,000.00, and interest thereon,
 - ii. miscellaneous income and interest on hand derived from grant contract #H95019 in the amount of not less than \$20,000.00, and
 - iii. all proceeds from grant contract #H99006, including all program income and all miscellaneous income, up to \$400,000.00, and interest thereon; and \$100,000.00 for grant administration, management of the initial loan program, and development of the Revolving Loan Fund under grant contract #H99006, and grant closeout services for grant contract #H95019.
 - b) City of Lebanon: An amount not to exceed \$390,000.00 consisting of:
 - i. all program income from grant contract #H93950, up to \$381,000, and interest thereon, and
 - ii. program income received and interest on hand derived from grant contract #H93950 in the amount of not less than \$9,000.00.
 - c) City of Scio: An amount not to exceed \$88,000.00 consisting of:
 - i. one half of the loan portfolio from grant contract #H87026 including miscellaneous income up to \$82,000.00, and

LCHRP INTERGOVERNMENTAL AGREEMENT

March 12, 2001, Page 5

- ii. miscellaneous income and interest on hand derived from grant contract #H87026 in the amount of not less than \$6,000.00.

B. Use of Funds: Use of these funds by the Sub-recipient shall be described in the agreement made between each party and the Sub-recipient. Such agreement may place conditions on the use of miscellaneous income initially contributed by such party, so that such non-program income continues to benefit the residents in that party's jurisdiction. The Sub-recipient shall annually provide the Board with an program report of its use of these funds and the activities of the Revolving Loan Fund. The report shall include a summary of the current status of all open grants under management, a summary of all loans made from initial loan programs, a summary of all loans and other distributions made from the revolving loan, and a summary of account activity for each party's account including management of funds from closed grants.

ARTICLE VIII

Assets and Liabilities: Assets acquired by LCHRP through the LCHRP budget shall be the joint property of the parties. The term "assets acquired by LCHRP" does not include loan portfolios, program income, miscellaneous income, or cash placed in a revolving loan fund and managed by a sub-recipient. If LCHRP is dissolved, the assets acquired by LCHRP shall be divided based on contribution by the parties to this Agreement. Any outstanding debts remaining after exhaustion of the LCHRP funds available for debt repayment shall be shared equally among the parties.

ARTICLE IX

Insurance: LCHRP shall purchase liability insurance as needed and in the amounts equal to the limits set in the Oregon Tort Claims Act to protect its board members, employees and member agencies. Liability insurance shall be sufficient to cover multiple claims or occurrences with each occurrence covered up to the limits of the Oregon Tort Claims Act.

ARTICLE X

Review/Evaluation: This Agreement will be reviewed annually by the Board of Directors to evaluate the efficiency of the present organizational structure. Adjustments or modifications to the roles and responsibilities described in this Agreement shall be made in writing through the amendment process in accordance with Article XI.

ARTICLE XI

Amendments: This agreement may be amended only by majority vote of each of the governing bodies of the parties to this Agreement.

ARTICLE XII

Admission of New Parties: Additional units of local government may be added to the LCHRP through

the amendment process in accordance with Article XI and by the new party adopting a local ordinance ratifying the creation of the LCHRP. A new party having an existing CDBG funded housing rehabilitation loan portfolio shall also commit a portion of that portfolio to the Revolving Loan Fund in an amount to be determined by the Board. Additional jurisdictions may request or be invited to become members of LCHRP. If order of preference for membership must be determined, it shall be by the greatest need as established in the "Distressed Area Index" published by the Oregon Economic and Community Development Department. If that index is not available, the Board shall use a method it deems equivalent.

ARTICLE XIII

A. Termination: Any party to this agreement may withdraw on not less than ninety (90) days written and concurrent notice to the other parties to this Agreement and the Sub-recipient administering the Revolving Loan Fund. Upon termination by a party, whether voluntary or involuntary, the loan portfolios, program and miscellaneous income, cash and other assets assigned to the Sub-recipient by the terminating party, along with interest earned, shall remain the property of the Sub-recipient. Assets acquired jointly through the LCHRP budget shall remain the property of LCHRP. In the event a party withdraws from LCHRP, the agreement forming LCHRP shall remain in full force and effect as to the remaining parties.

B. Involuntary Termination: A non-performing member may be involuntarily terminated upon an affirmative vote of the governing body of all the other parties to this Agreement. A party may only be involuntarily terminated after the party has been placed on written notice of non-performance (including the specific basis for or acts of non-performance and necessary remedial action) and provided that the Board has given the non-performing member at least six months to correct said non-performance.

ARTICLE XIV

Breach by Sub-recipient: In the event of a breach by the Sub-recipient of one or more of the provisions of a sub-recipient agreement, a member jurisdiction shall be entitled to timely recovery from the Sub-recipient of any sums that may become due as a result of that breach. A member jurisdiction shall have the following remedies and responsibilities:

1. For those assets of the Revolving Loan Fund which were not originally part of the CDBG program or not subject to CDBG program rules, a member jurisdiction may require the Sub-recipient to relinquish ownership and control of such assets. Assets of this class shall revert to their prior status and shall not be considered part of the CDBG program and shall not become subject to CDBG program rules.
2. For those assets of the Revolving Loan Fund which were originally part of the CDBG program and subject to CDBG program rules, the affected member jurisdiction(s) shall require the Sub-recipient to relinquish ownership and control of such assets. Assets of this class shall revert to their prior status and shall be considered part of the CDBG program and shall be subject to CDBG program rules. The available remedies include:

LCHRP INTERGOVERNMENTAL AGREEMENT

March 12, 2001, Page 7

- a) Require Sub-recipient to relinquish control of such assets to the affected member jurisdiction(s), which will return all program income and interest thereon to the State.
 - b) Require Sub-recipient to relinquish control of such assets to the affected member jurisdiction(s), which will operate the housing rehabilitation program on its/their own. In this case, the returned assets would be considered program income and be subject to all CDBG program income requirements.
 - c) Require Sub-recipient to relinquish control of such assets to the affected member jurisdiction(s), which will transfer them to another eligible non-profit. Receipt of these assets by jurisdiction will not trigger program income requirements, provided that the intended use of the assets is unchanged and the city or county does not retain ownership of them.
 - d) Require Sub-recipient to relinquish control of such assets directly to another eligible sub-recipient approved by the Board. In this case the assets continue to be defederalized and are not subject to Community Development Block Grant program income requirements.
3. Member jurisdiction(s) shall cooperate in such actions and proceed only with the approval of the Board.
 4. For recovery of assets which are not immediately available or which are co-mingled, the Board shall determine the recovery method, time line, and the pro-rata share to be distributed to each member jurisdiction.

ARTICLE XV

Automatic Extension: This Agreement shall be automatically extended from year-to-year on the same terms and conditions unless it is terminated by unanimous vote of the parties.

ARTICLE XVI

Ratifying Legislation: Each party to this Agreement has adopted legislation ratifying the creation of the LCHRP.

ARTICLE XVII

Effective Date of Agreement: This Agreement shall become effective and will be immediately implemented upon the approval of the governing bodies of Linn County, City of Lebanon and the City of Scio. The first meeting of the Board of Directors shall be held within 30 days of the effective date of this Agreement.

ARTICLE XVIII

Validity of Agreement: If any part, paragraph, article or provision of this Agreement is adjudged to be invalid by any court of competent jurisdiction, such adjudication shall not affect the validity of any remaining part, paragraph, article or provision of this Agreement. This Agreement shall be executed on behalf of each party upon written authorization from its governing body.

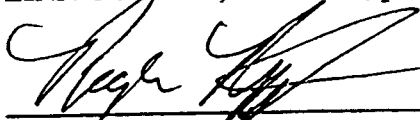
ARTICLE XIX

Counterparts: Triplicate originals of this agreement shall be executed by the parties and retained by each party's respective governing body.

LCHRP INTERGOVERNMENTAL AGREEMENT

SIGNATURE PAGE
Linn County

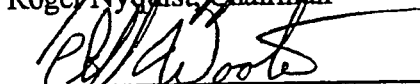
BOARD OF COUNTY COMMISSIONERS FOR
LINN COUNTY, OREGON, pursuant to Linn County Order # 2001-136 :



Roger Nyquist, Chairman

3/14/01

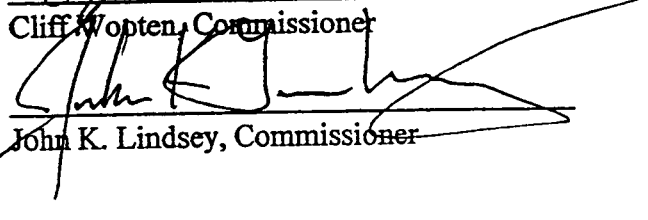
Date



Cliff Wooten, Commissioner

3/14/01

Date

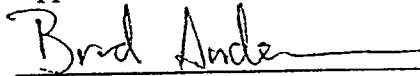


John K. Lindsey, Commissioner

3/14/01

Date

Approved as to Form:



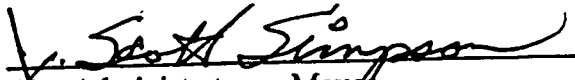
Brad Anderson
Linn County Legal Counsel

3/12/01

Date

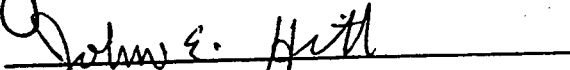
LCHRP INTERGOVERNMENTAL AGREEMENT

SIGNATURE PAGE
City of Lebanon



City Administrator or Mayor

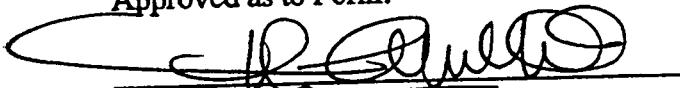
27 APR 01
Date



City Recorder

April 25, 2001
Date

Approved as to Form:



City Attorney

4/30/01
Date

LCHRP INTERGOVERNMENTAL AGREEMENT

SIGNATURE PAGE
City of Scio

City Manager or Mayor

Date

City Recorder

Date

Approved as to Form:

City Attorney

Date

Exhibit C

Schedule of Contributions: City of Lebanon

City of Lebanon ("City") shall make the following contributions to the Revolving Loan Fund:

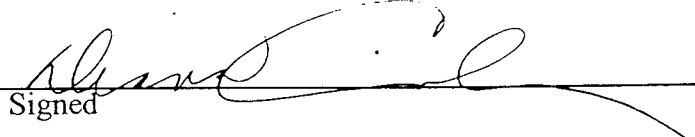
1. Not less than \$9,000, representing program income that the City has on hand from Grant H93950, to be made within 30 days after the later of the date the Revolving Loan Fund is set up by Subrecipient or the date this Subrecipient Agreement is signed by all parties;
2. Annually, within 30 days after the end of the City's fiscal year, all program income earned during that fiscal year as a result of Grant H93950. The first of these annual contributions shall be made within 30 days after the end of the City's 2000-2001 fiscal year.

EXHIBIT D. CERTIFICATION REGARDING LOBBYING
(Community Development Block Grant Awards of \$100,000 or more)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.


Signed

Diana Cvitanovich
Title: Executive Director

May 14, 2001
Date

AGENDA ITEM 10

JAD



CITY OF LEBANON
PUBLIC WORKS DEPARTMENT - CAPITAL IMPROVEMENTS
MEMORANDUM

TO: Jim Ruef, Director of Public Works DATE: May 15, 2001
FROM: Allen Dannen, Senior Engineer ASD
SUBJECT: AWARD OF CONTRACT
Westside Interceptor Pump Station - Project No. 99721

On April 25, City Council authorized City staff to advertise the Westside Interceptor Pump Station project for bids. The primary element of the project is construction of a 35 foot deep, trench-style pump station with four submersible pumps. The contract also includes the installation of a new 1250 kilowatt standby generator at the Wastewater Treatment Plant (WWTP) and other minor alterations to the WWTP's sampling and drainage systems.

The bid opening for this contract is scheduled for Monday, May 21. City staff will present the results of the bid opening and a recommendation for award at the City Council meeting on May 23.

AGENDA ITEM 11



Handwritten initials

CITY OF LEBANON
PUBLIC WORKS DEPARTMENT - CAPITAL IMPROVEMENTS
MEMORANDUM

TO: Jim Ruef, Director of Public Works DATE: May 15, 2001
FROM: Allen Dannen, Senior Engineer ASD
SUBJECT: AWARD OF CONTRACT
2nd Street Bridge - Project No. 97740

On April 25, City Council authorized City staff to advertise the 2nd Street Bridge project for bids. The project will widen the existing bridge over the Santiam Canal and reconstruct 2nd Street to City standard between "H" and "J" Streets. Reconstruction of the waterline crossing the Canal and miscellaneous storm drain work will also be done. The project also includes the construction of sidewalks to provide a continuous pedestrian connection along 2nd Street. Property owners will be assessed for the cost of the sidewalks adjacent to their property as a part of the 2nd Street Sidewalk Local Improvement District.

The bid opening for this contract is scheduled for Tuesday, May 22. City staff will present the results of the bid opening and a recommendation for award at the City Council meeting on May 23.

AGENDA ITEM 12



JW

CITY OF LEBANON
MEMORANDUM

TO: Jim Ruef, Director of Public Works

DATE: May 15, 2001

FROM: Allen Dannen, Senior Engineer ASD

SUBJECT: RIGHT-OF-WAY ACCEPTANCE - 5TH & OAK STREET
Oak Street Improvements - Project No. 00704

This memo recommends Council accept additional right-of-way at the intersection of 5th and Oak Street.

Background

As a part of the Oak Street Improvements project, a traffic signal will be installed at 5th and Oak Street and the intersection will be widened to three lanes in all directions. In order to accommodate curb ramps and the placement of signal poles, small parcels of right-of-way are required from the properties owned by Sunny Properties Innovation, Inc. at the northeast corner and Marc Willard at the southeast corner of the intersection.

The attached dedication forms provide for the subject rights-of-way. A map is also included which indicates the dedicated areas.

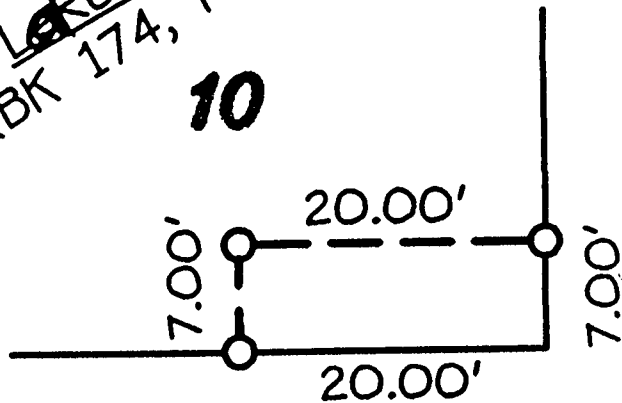
Recommendation

ORS requires Council accept rights-of-way. I recommend a council motion to accept the attached right-of-way dedications for the intersection of 5th and Oak Street.

c: Tom McHill, City Attorney

LOEUE TRACT
(BK 174, PG 379)

10



OAK STREET

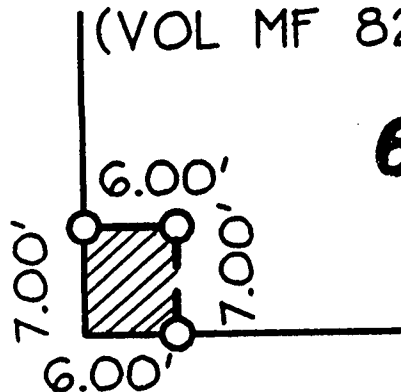
N 90°00'00" E

N 00°14'34" W

SUNNY PROPERTIES
INNOVATION, INC
TRACT

(VOL MF 822, PG 253)

6



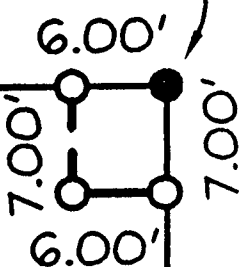
STREET

5.54'

FD MONUMENT (54)

S27°03'01"E 0.31'

FROM TRUE POSITION

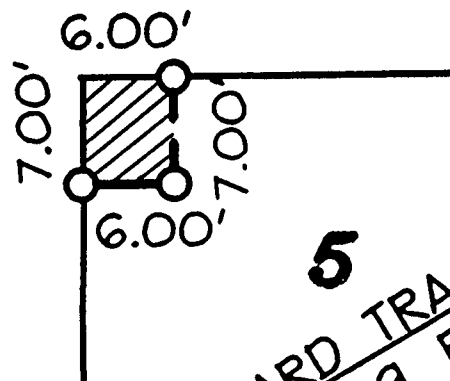


LAY TRACT
(VOL MF 257, PG 982)

1

N 00°17'14" E

POINT "E"



FIFTH

5
WILLARD TRACT
(VOL MF 609, PG 499)

RIGHT-OF-WAY DEDICATION

KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the sum of \$158.76, receipt of which is hereby acknowledged, the undersigned, Marc J. Willard, City of Lebanon, County of Linn, State of Oregon, owner of the land below described, hereinafter called Grantor, hereby grants, bargains, sells and conveys to the CITY OF LEBANON, a Municipal Corporation located within Linn County, Oregon, hereinafter called Grantee, its successors and assigns, a perpetual municipal right-of-way in, over and upon property situated in Linn County, Oregon, more fully described as follows:

A portion of a parcel of land conveyed to Marc J. Willard recorded August 20, 1992 in Volume 609, Page 499, Linn County, Oregon Official Records and being more particularly described as follows:

Beginning at the northwest corner of Lot 5, Block 7 of "HIGHLAND ADDITION TO LEBANON, OREGON", a subdivision of record in Linn County, Oregon, thence South 00° 15' 13" West, along the west line of said lot, a distance of 7.00 feet; thence EAST, parallel with the north line of said lot, a distance of 6.00 feet; thence North 00° 15' 13" East, parallel with said east line, 7.00 feet to a point on the north line of said lot; thence WEST 6.00 feet to the Point of Beginning.

Parcel contains 42 square feet.

The purpose of this right-of-way is to provide property for the construction of a traffic signal on the above-described property.

This right-of-way includes the rights of ingress and egress at any time over and upon the above-described land of the Grantor, and other land of the Grantor adjoining said right-of-way that is necessary to exercise the rights of ingress and egress.

There is reserved to Grantor, their heirs and assigns, the right and privilege to use the above-described land of the Grantor at any time, in any manner, and for any purpose not inconsistent with the full use and enjoyment by the Grantee, its successors and assigns, of the rights and privileges herein granted.

Grantee shall be responsible for the construction, maintenance, operation and replacement of the right-of-way for which the granting of this right-of-way dedication has been given.

IN WITNESS WHEREOF, we have set our hands hereto this 20th day of April, 2001.

STATE OF OREGON)
County of Linn)ss.
City of Lebanon)

Marc J. Willard
Marc J. Willard

IN WITNESS WHEREOF, we have set our hands hereto this _____ day of _____, 2001.

STATE OF OREGON)
County of Linn)ss.
City of Lebanon)

J. Scott Simpson, Mayor
John E. Hitt, City Recorder

GRANTOR

On the 20th day of April, 2001, personally appeared the within named Marc J. Willard who acknowledged the foregoing instrument to be a voluntary act and deed.

BEFORE ME: pat alden
NOTARY PUBLIC FOR OREGON

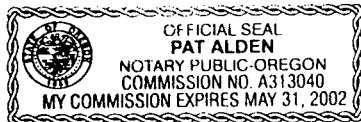
My commission expires: 5/31/2002

GRANTEES

On the _____ day of _____, 2001, personally appeared J. Scott Simpson and John E Hitt, who each being duly sworn, did say that the former is the Mayor and the latter is the Recorder for the City of Lebanon, a Municipal Corporation, and that the seal affixed to the foregoing instrument was signed and sealed in behalf of said corporation by authority of its City Council, which accepted this easement on the _____ day of _____, 2001; and each of them acknowledged said instrument to be its voluntary act and deed.

BEFORE ME:
NOTARY PUBLIC FOR OREGON

My commission expires: _____



RIGHT-OF-WAY DEDICATION

KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the sum of \$153.72, receipt of which is hereby acknowledged, the undersigned, Sunny Garcia and Ann M. Garcia for Sunny Properties Innovation, Inc., City of Lebanon, County of Linn, State of Oregon, owner of the land below described, hereinafter called Grantor, hereby grants, bargains, sells and conveys to the CITY OF LEBANON, a Municipal Corporation located within Linn County, Oregon, hereinafter called Grantee, its successors and assigns, a perpetual municipal right-of-way in, over and upon property situated in Linn County, Oregon, more fully described as follows:

A portion of a parcel of land conveyed to Sunny Garcia and Ann M. Garcia for Sunny Properties Innovation, Inc. recorded August 27, 1996 in Volume 822, Page 253,254,255, Linn County, Oregon Official Records and being more particularly described as follows:

Beginning at the southwest corner of Lot 6, Block 4 of "J A RALSTON 4th ADDITION TO LEBANON, OREGON", a subdivision of record in Linn County, Oregon, thence North 00° 14' 34" West, along the west line of said lot, a distance of 7.00 feet; thence EAST, parallel with the south line of said lot, a distance of 6.00 feet; thence South 00° 14' 34" East, parallel with said west line 7.00 feet to a point on the south line of Lot 6; thence WEST 6.00 feet to the Point of Beginning.

Parcel contains 42 square feet.

The purpose of this right-of-way is to provide property for the construction of a traffic signal on the above-described property.

This right-of-way includes the rights of ingress and egress at any time over and upon the above-described land of the Grantor, and other land of the Grantor adjoining said right-of-way that is necessary to exercise the rights of ingress and egress.

There is reserved to Grantor, their heirs and assigns, the right and privilege to use the above-described land of the Grantor at any time, in any manner, and for any purpose not inconsistent with the full use and enjoyment by the Grantee, its successors and assigns, of the rights and privileges herein granted.

Grantee shall be responsible for the construction, maintenance, operation and replacement of the right-of-way for which the granting of this right-of-way dedication has been given.

IN WITNESS WHEREOF, we have set our hands hereto this 13th day of April, 2001.

IN WITNESS WHEREOF, we have set our hands hereto this _____ day of _____, 2001.

STATE OF OREGON)
County of Linn)ss.
City of Lebanon)

STATE OF OREGON)
County of Linn)ss.
City of Lebanon)

Sunny Garcia
Sunny Properties Innovation, Inc.
By Sunny Garcia

J. Scott Simpson, Mayor

Sunny Garcia for Ann M Garcia
Sunny Properties Innovation, Inc.
By Ann M. Garcia

John E. Hitt, City Recorder

GRANTOR(S)

GRANTEES

On the 13th day of April, 2001, personally appeared the within named Sunny Garcia and Ann M. Garcia for Sunny Properties Innovation, Inc. who acknowledged the foregoing instrument to be a voluntary act and deed.

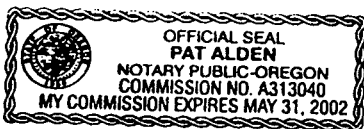
On the _____ day of _____, 2001, personally appeared J. Scott Simpson and John E Hitt, who each being duly sworn, did say that the former is the Mayor and the latter is the Recorder for the City of Lebanon, a Municipal Corporation, and that the seal affixed to the foregoing instrument was signed and sealed in behalf of said corporation by authority of its City Council, which accepted this easement on the _____ day of _____, 2001; and each of them acknowledged said instrument to be its voluntary act and deed.

BEFORE ME: pat alden
NOTARY PUBLIC FOR OREGON

BEFORE ME: _____
NOTARY PUBLIC FOR OREGON

My commission expires: 5/31/2002

My commission expires: _____



DURABLE GENERAL POWER OF ATTORNEY

I, Ann Margaret Garcia do hereby make, constitute and appoint Armando Garcia my Agent and attorney in fact (hereinafter called Agent), with power and authority:

1. Support. To make expenditures for my care, maintenance, support and general welfare, and to distribute such sums as are necessary for the care, maintenance, education and support of members of my immediate family who are or become dependent upon me for support;

2. Management. To take possession of, manage, administer, operate, maintain, improve and control all my property, real and personal; to insure and keep the same insured; and to pay any and all taxes, charges and assessments that may be levied or imposed upon any thereof;

3. Collections. To collect and receive any money, property, debts or claims whatsoever, now or hereafter due, owing and payable or belonging to me; and to forgive debts; and to give receipts, acquittance or other sufficient discharges for any of the same;

4. Checks and Notes. To sign, endorse, sell, discount, deliver and/or deposit checks, drafts, notes and negotiable or nonnegotiable instruments, including any payments to me drawn on the Treasury of the United States or the State of Oregon or any other state or governmental entity, and to accept drafts;

5. Investments. To retain any property in the hands of the Agent in the form in which it was received; and to make investments and changes of investments in such securities, including common and preferred stocks of corporations or other property, real or personal, as my Agent may deem prudent;

6. Debts. To pay my debts and other obligations;

7. Litigation. To sue upon, defend, compromise, submit to arbitration or adjust any controversies in which I may be interested; and to act in my name in any complaints, proceedings or suits with all the powers I would possess if personally present and under no legal disability;

8. Acquisition. To bargain for, buy and deal in property and goods of every description;

9. Disposition. To sell, convey, grant, exchange, transfer, option, convert, mortgage, pledge, consign, lease and otherwise dispose of any of my property, whether real or personal;

1 - DURABLE GENERAL POWER OF ATTORNEY

10. Borrowing. To advance or loan the Agent's own funds on my behalf; and to borrow any sums of money on such terms and at such rate of interest as my Agent may deem proper and to give security for the repayment of the same;

11. Agreements. To make and deliver any deeds, conveyances, contracts, covenants and other instruments, undertakings or agreements, either orally or in writing, which my Agent may deem proper;

12. Voting. To appear and vote for me in person or by proxy at any corporate or other meeting;

13. Safety Deposit Box. To have access to any safety deposit box which has been rented in my name or in the name of myself and any other person or persons;

14. Withdrawal of Funds. To withdraw any monies deposited with any bank, mutual savings bank, credit union, savings and loan association, mutual fund, money market account, investment advisor or broker in my name or in the name of myself and any other person or persons and generally to do any business with any such financial institution or agency on my behalf;

15. Tax Returns. To sign and file on my behalf all city, county, state, federal and other governmental or quasi-governmental tax returns or reports, including income, gift, sales, business, and property tax returns or reports of every kind whatsoever; to execute waivers, extension agreements, settlement agreements and closing agreements with respect to those returns and to appear for me, in person or by attorney, and represent me before the United States Treasury Department or the Oregon Department of Revenue or the taxing authority of any other state or governmental entity;

16. Government Benefits. To do and perform every act necessary or desirable and to serve as representative payee with respect to rights and entitlements for my benefit and the benefit of my spouse from Social Security, Medicare and military service;

17. Treasury Bonds. To purchase U.S. Treasury bonds or other instruments redeemable at par in payment of federal estate taxes;

18. Additions to Trust. To add any or all of my assets to a trust created by me alone or in conjunction with one or more other persons and already in existence at the time of the creation of this power if the trust provides that the income and principal shall be paid to me or applied for my benefit during my lifetime;

2 - DURABLE GENERAL POWER OF ATTORNEY

JEFFREY J. BLIXT
Attorney At Law
P.O. Box 7096
Eugene, Oregon 97401
Telephone: (541) 672-5544

19. Business Interests. To continue as a going concern any business interest owned by me, either individually or as a co-partner;

20. Substitution and Delegation. To appoint and substitute for my said Agent any Agents, nominees or attorneys to exercise any or all of the powers herein and to revoke their authority at pleasure.

General Authority. I authorize my Agent for me in my name generally to do and perform all and every act and thing necessary or desirable to conduct, manage and control all my business and my property, wheresoever situate, and whether now owned or hereafter acquired, as my Agent may deem for my best interests and to execute and acknowledge any and all instruments necessary or proper to carry out the foregoing powers, hereby releasing all third persons from responsibility for my Agent's acts and omissions and I empower my Agent to indemnify all such persons against loss, expense and liability.

Third Party Reliance. Third persons may conclusively rely upon the continued validity of this Power of Attorney until receiving actual knowledge of its revocation. Third persons may conclusively rely on a copy of this instrument in its entirety or any portion thereof certified as such by my Agent.

Durability. These powers of attorney shall be exercisable by my Agent on my behalf notwithstanding that I may become legally disabled or incompetent.

Governing Law. All questions pertaining to validity, interpretation and administration of this power shall be determined in accordance with the laws of Oregon.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 20th day of May, 1996.

Ann Margaret Garcia
Ann Margaret Garcia

STATE OF OREGON)
) ss. May 20, 1996.
County of Linn)

Personally appeared before me Ann Margaret Garcia and acknowledged the foregoing instrument to be her voluntary act and deed



Jeffrey J. Blixt
Notary Public for Oregon
My Commission expires: 9/29/99

3 - DURABLE GENERAL POWER OF ATTORNEY

AGENDA ITEM 13



CITY OF LEBANON
PUBLIC WORKS DEPARTMENT
MEMORANDUM

TO: John Hitt, City Administrator *JH*

DATE: May 16, 2001

FROM: James P. Ruef, Director of Public Works

SUBJECT: Sewer Laterals Under the Truck Route

At the request of City Council, staff has developed an assistance program to help reduce the cost to property owners who have to replace their private sewer laterals under truck routes. This program has the advantage of defraying the additional costs which property owners may have to bear because of the truck route while not giving them additional compensation not afforded other property owners. The City also does not take on the ownership of private laterals.

If City Council feels that an assistance program is warranted, then I recommend that they approve the attached program.



CITY OF LEBANON
MEMORANDUM

TO: Jim Ruef, Director of Public Works **DATE:** May 15, 2001
FROM: Jim Clark, City Engineer *Jim Clark*
SUBJECT: Repair of Sewer Laterals under Truck
Route

This memo presents a staff recommendation for repair of sewer laterals under the truck route.

Background

Lebanon's Municipal Code section 13.04.210 places responsibility on the property owner for installation and repair of the entire sewer lateral - from the premises to the sewer main. Recently, several property owners along the city truck route have needed to repair their sewer lateral and have insisted that the city's requirement is unfair. Their argument is that sewer lateral failures are accelerated by truck traffic.

City staff have investigated this allegation and have found no merit in the allegation that truck traffic causes sewer lateral failures. Strictly from an engineering point of view, all street surcharge loadings are completely dispersed at an approximate depth of 3 feet. Further, historical evidence has not shown a correlation between sewer lateral failures and the truck route (i.e. none).

However, sewer lateral repair under a truck route is more expensive than other streets primarily because of additional traffic control and the thicker street section. Because the property owner's responsibility is more expensive in this scenario, staff has recommended an incentive program for these situations.

We solicited five quotes from local contractors experienced and pre-qualified to do sewer lateral repair and have received three quotations (\$3,578.00, \$8,000.00 and \$5,780.00). The average total cost for repair within the public right-of-way is \$5,786.

Recommendation

We have developed a recommended incentive program, attached. The essence of the program is city funding for half the actual right-of-way repair cost up to a maximum amount of half of the above average estimated repair cost - \$2,500. Assuming one instance per year, the total estimated impact to the wastewater utility would be \$2,500 per year, assuming one application per year.

DRAFT
FINANCIAL INCENTIVE PROGRAM
FOR REPAIR OF PRIVATE SEWER LATERALS
UNDER CITY TRUCK ROUTE

Applicability:

- Lebanon Municipal Code, section 13.04.210 places on the property owner responsibility for installation and repair of sewer laterals from the premises to the sewer main. This program is not a waiver of that responsibility.
- This program only applies to sewer lateral replacement under the current city truck route as defined in the Lebanon Municipal Code.
- Those seeking compensation under this program must provide evidence or demonstrate that a problem exists, and that the problem instigating repair (blockage, collapse, etc.) is located within the public right-of-way. This program does not apply outside of public rights-of-way.
- This program applies only to that portion of the sewer lateral within the public right-of-way. No compensation will be made for that portion of the lateral on private property.
- The entire lateral within the public right-of-way must be replaced. This program does not apply to spot repairs.

Procedure:

- A right-of-way permit must be issued.
- A minimum of three quotes must be obtained, with the work performed by the lowest bidder.
- After the work is completed, inspected and approved by the city, a statement of final actual costs must be submitted to the city. This statement must include actual cost for that portion within the public right-of-way.

Amount of City Funding:

- A qualified applicant will pay for a right-of-way encroachment permit only (\$40). None of the other normal associated right-of-way permit fees will be charged.
- For that portion of work within the public right-of-way, the city will reimburse the qualified applicant 50% of the final actual submitted cost, up to a maximum amount of \$2,500.

AGENDA ITEM 14



CITY OF LEBANON
PUBLIC WORKS DEPARTMENT
MEMORANDUM

TO: John Hitt, City Administrator *JHitt*

DATE: May 16, 2001

FROM: James P. Ruef, Director of Public Works

SUBJECT: Request for Sewer Service Outside City
Limits

The Lebanon School District has requested that City Council grant them permission to hook up to the City Sewer System. The reason they need special consideration from City Council is they are not annexed into the City limits. They cannot annex into the City unless two or more intervening properties also annex with them. The Lebanon Municipal Code allows properties outside the City limits to hook up to the sewer as a temporary measure to alleviate a health hazard. To make this a temporary measure, the City should require that they annex as soon as they are adjacent to City limits.

I recommend that City Council move to approve their request along with the condition that the School Board submit a letter agreeing to annex as soon as their property is adjacent to City limits. Once we are in receipt of that letter, staff will bring back the necessary resolution as called for in the Municipal Code.



CITY OF LEBANON
MEMORANDUM

TO: Jim Ruef, Director of Public Works

DATE: May 15, 2001

FROM: Jim Clark, City Engineer *JM. Clark*

SUBJECT: Sanitary Sewer Service Outside of City
Limits - Seven Oak Middle School

Lebanon Community School District has submitted a request (attached) for sewer service to Seven Oak Middle School.

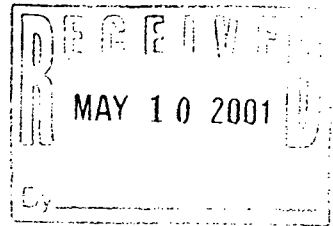
This property is presently outside of city limits and unable to annex due to lack of contiguity. Lebanon Municipal Code Section 13.04.240 allows city council, by resolution, to provide service under the listed circumstances. The situation described by the school district and Linn County staff seem to allow council to authorize sewer service under this section of the LMC.

Several possible routes for sewer extension are available; staff is coordinating with the school district's engineer on a specific alignment. Whichever route is chosen will serve the entire Crowfoot area to the extent of the UGB.

Presently, the city's sewer rate structure would impose billing at the same rate as within the city. Should sewer service be provided, some mechanism is needed to assure subsequent annexation when feasible.

Recommendation

Staff recommends a council motion directing staff to prepare a resolution allowing this service, contingent on School Board agreement to annexation when feasible.



May 10, 2001

TO: Lebanon City Council Members

RE: Extension of City Sewer Services To Seven Oak Middle School
Outside Of Existing City Limits.

Dear Council Members:

Seven Oak Middle School is proposing an expansion to 750 students which requires a septic need that exceeds the onsite capabilities per Linn County Environmental Health Department's Site Evaluation. Under Section 13.04.240 of the City of Lebanon Ordinance we request that the Council issue a resolution to allow Seven Oak to be connected to City Sewer. We feel that due to the fact that Seven Oak has insufficient onsite capabilities we are eligible for this request per the subsections of the noted Ordinance.

Sincerely,

BY: Ken Ray
Lebanon Community School District



CITY OF LEBANON
PUBLIC WORKS DEPARTMENT
MEMORANDUM

TO: Jim Ruef, Director of Public Works **DATE:** May 15, 2001
FROM: Doug Parker, City Planner *DP*
SUBJECT: Seven Oak School Annexation

Seven Oak School is requesting sewer service. The provision and use of City utility services typically follows the annexation of a property. At this time, Seven Oak is not contiguous or adjacent to city limits and therefore it is not possible for the Seven Oak school site to annex. Nevertheless, the Seven Oak school site will become contiguous to city limits at some time in the future. Planning staff recommends that if the City Council decides to extend city sewer service to Seven Oak school in advance of annexation, that this decision include a condition of approval that the entire school site must be annexed to the city as soon as it is contiguous to city limits. The reason for this annexation requirement is that if the school does not annex it will become an obstacle or blockage for more distant properties to annex. The school may not be motivated to annex if it already enjoys the benefits of city utility services. Therefore, in order to assure an orderly pattern of annexation and incremental city growth, it is recommended to require the school to enter into a delayed annexation agreement as a timely annexation of the school site is in the City's as well as the neighborhood's best interests.

It is the recommendation of Planning staff that any agreement to provide sewer service to the Seven Oak school site includes a requirement that the school site annex to the city as soon as it becomes contiguous to city limits.

may waive this requirement in cases where the main extension would serve no useful purpose. (Ord. 2026 § 18 (part), 1987)

13.04.220 Service connections.

A separate service connection will be required for each dwelling, place of business, and institution served which lies on separate parcels of land. Separate dwellings, places of business or institutions on the same parcel and under single control or management may be served, at the option of the property owner, through separate service connections to each unit or through a single service connection. (Ord. 2026 § 18 (part), 1987)

13.04.230 Furnishing of water to others by system users—Restriction.

No system user shall furnish water to any family, business or institution other than those occupied and operated by himself. (Ord. 2026 § 18 (part), 1987)

13.04.240 Service outside city limits.

A. Under no circumstances shall service be extended to persons or properties located outside of the city limits of the city without the expressed permission of the city council by resolution. The council may grant service outside the city only under the following circumstances:

1. As a temporary measure to alleviate a health hazard;
2. Under emergency circumstances to alleviate human suffering, but only for the duration of the emergency;
3. In return for right-of-way, service is to grantor only;
4. To an industrial or commercial customer when the grant of service can be shown to be of significant benefit to the economy of the city and the grantee consents to annexation of the property upon request of the city.

B. This provision shall not be deemed to affect existing services to property located outside the city limits as of November 15, 1985, except that extensions or enlargements of their

services shall not be allowed unless either the circumstances set out in subsections A1, A2, A3 or A4 of this section exist. The city council shall be the final judge of the applicability or existence of the circumstances set out in subsections A1, A2, A3 or A4 of this section. (Ord. 2026 § 21, 1987)

13.04.250 Changes in service.

Meters or services moved for the convenience of the customer will be relocated only at the customer's expense. Change in the size of service shall be accomplished on the basis of a new connection. Where the service connection to any premises has been abandoned or not used for a period of one year or longer, the system may remove such service connection. New service shall be placed only upon owner's making an application and paying for a new connection in the regular manner. (Ord. 2026 § 19, 1987)

13.04.260 Termination of service—City's rights.

The city shall have the right to discontinue, remove or close wastewater or water connections and enter upon the property for accomplishing such purpose. (Ord. 2026 § 7 (part), 1987)

13.04.270 Termination of service—Reasons.

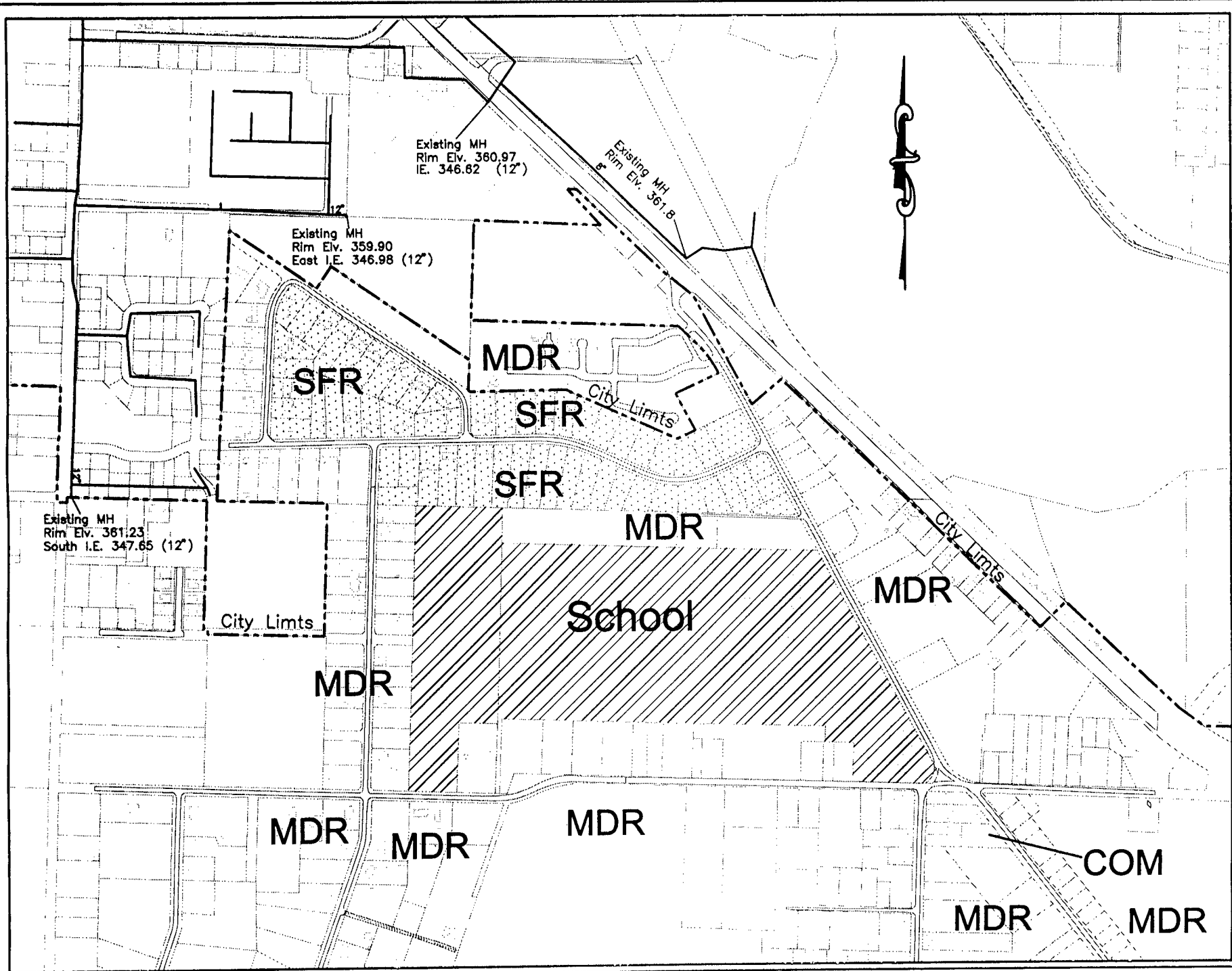
Service to any customer may be terminated upon any of the following events:

- A. System capacity is no longer sufficient to provide adequate service;
- B. The purity of water in the system cannot be guaranteed;
- C. In case of emergency or damage by casualty to the system;
- D. The customer has been convicted on two or more occasions within the preceding forty-eight months for violation of this chapter or rules, or for violation of water or wastewater restrictions, or for trespass upon the treatment plant or reservoir properties or for endangering the water system water supply, or for tampering with a service cock or meter;

Crowfoot School

Existing Sanitary Sewer System

FILE: W:\PDM\INSP\A\SCHOOLS\GROWFOOT.DWG



AGENDA ITEM 15



CITY OF LEBANON

MEMORANDUM

TO: Mayor Simpson & City Council

DATE: May 17, 2001

FROM: John Hitt, City Administrator *JH*

SUBJECT: City Administrator Report

At the Council Meeting, I will give you an oral update on the following matters:

- ✓ FY 2001-02 Budget
- ✓ City Administrator's Vacation
- ✓ City Administrator's Evaluation
- ✓ Miscellaneous Items

JEH/lgk

Executive Session (16)

Per 192.660(1)(d) To conduct deliberations with persons designated by the Council to carry on labor negotiations.

Preliminary bargaining sessions with both AFSCME and Teamsters (Police) have been held. An oral status report will be given during this session.

Executive Sessions are closed to the public due to the highly confidential nature of the subject. Therefore, it is unlawful to discuss anything outside of the Executive Session.

Executive Session (17)

Per RS 192.660(1)(e) To conduct deliberations with persons designated by the Council to negotiate real property transactions.

Executive Sessions are closed to the public due to the highly confidential nature of the subject. Therefore, it is unlawful to discuss anything outside of the Executive Session.