

LOCAL FUND EXCHANGE AGREEMENT

THIS AGREEMENT entered into this 24 day of September, 2001, by and between the League of Oregon Cities, an intergovernmental agreement agency created by political subdivisions of the State of Oregon, hereinafter referred to as **LOC** and the City of Newberg, Oregon, a political subdivision of the State of Oregon, hereinafter referred to as **City**.

RECITALS:

1. **LOC** has negotiated an exchange with Tri-Met to provide non-federal funds for Oregon cities and counties.
2. Tri-Met has agreed to provide Tri-Met General Funds for Oregon cities and counties in exchange for receiving city and county allocations of Federal Surface Transportation Plan funds, hereinafter referred to as STP Funds, based on the following ratio:

\$100 Federal STP Funds for \$92 Tri-Met General Funds.

3. The Oregon Department of Transportation, hereinafter referred to as ODOT, has agreed to receive the Tri-Met General Fund dollars and distribute them to **LOC** and the Association of Oregon Counties.
4. **LOC** is responsible for obtaining authorizations for the reduction of City STP funds and for paying the exchanged funds to the City at a discounted ninety-two (92) percent exchange rate.
5. The City is responsible to spend the exchange funds with the same limitations as Oregon State Highway Fund revenues, and all other applicable state and federal laws. **LOC** makes no representations or commitments as to the legality of expenditures of Tri-Met funds by the City.

AGREEMENT:

1. City agrees to reduce their allocation of STP Funds by \$7,870.
2. Subject to payment by ODOT to **LOC**, **LOC** will pay City \$90,515 by August 15, 2001, or within fifteen calendar days after **LOC** receives the Tri-Met General Fund Dollars from ODOT whichever comes later.
3. Interest earned by **LOC** from the Tri-Met General Fund Dollars in the **LOC** account between receipt of the Tri-Met General Fund Dollars and payment to City, if any, shall be paid to the **LOC** Budget.

4. City intends to use the funds received from LOC, as stated in paragraph 2, to pay for a portion of the Mountainview project between Villa and College, or for traffic control improvements at College and Foothills. However, if for some reason the City decides not to use the funds for this project, the City hereby certifies that the funds shall be used only for a project with the same limitations and only for purposes for which the Oregon State Highway Fund revenues may by law be used.
5. City shall complete the projects identified by December 31, 2002.
6. City agrees to indemnify and hold LOC harmless for any expenditures by City of funds described in paragraph 4 of this agreement that are made for a purpose other than that authorized by law.

AGREED to this 24 day of September, 2001:

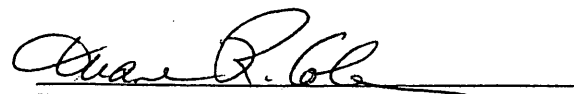
LEAGUE OF OREGON CITIES


Richard C. Townsend
Executive Director

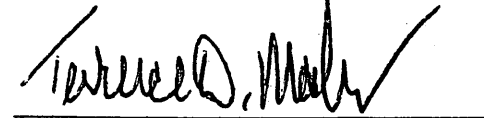
CITY OF NEWBERG

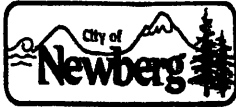

Charles Cox
Mayor

Attest:


Duane R. Cole
City Recorder

APPROVED AS TO FORM AND CONTENT:


Terrence D. Mahr
City Attorney



RESOLUTION No. 2001-2307

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN THE LOCAL FUND EXCHANGE AGREEMENT FOR LOCAL STREET IMPROVEMENT PROJECTS.

RECITALS:

1. Oregon Department of Transportation (ODOT) eliminated the fund exchange program and the League of Oregon Cities (LOC) and Association of Oregon Counties have worked with local governments and entities across the state to reinstate the program.
2. The new program will reinstate \$10 million over the next two years with \$3 million for counties and \$2 million for cities. The exchange rate will be \$.92 on the dollar.
3. The reason for the exchange is due to the difficulty cities have complying with all of the federal statutes that are required when Federal Highway Administration dollars are spent.
4. The City's transportation funding is in need of additional resources in order to fund local projects.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The Mayor is delegated the authority to do all necessary acts including negotiating and executing any necessary documents to enter into a fund exchange agreement with the LOC.
2. The proposed fund exchange agreement is attached as Exhibit "A" and will be substantially the same as the final agreement.

ADOPTED by the City Council of the City of Newberg, Oregon, this 18th day of June, 2001.

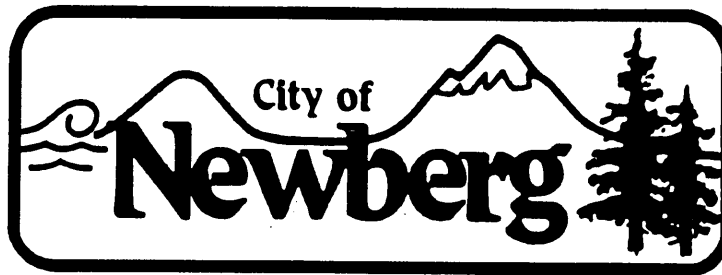
Duane R. Cole, City Recorder

ATTEST by the Mayor this 19 day of June, 2001.

Charles Cox, Mayor

City Manager
(503) 538-9421

City Attorney
(503) 537-1206



414 East First Street
PO Box 970
Newberg, Oregon 97132

October 15, 2001

Dick Townsend, Director
League of Oregon Cities
P.O. Box 928
Salem, Oregon 97308

SUBJECT: Agreement with the City of Newberg

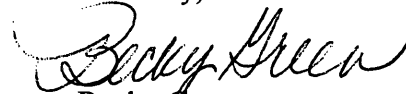
Dear Dick:

In June, 2001, the City of Newberg approved Resolution No. 2001-2307 which authorizes our Mayor to sign the Local Fund Exchange agreement for local street improvement projects (see attached). Along with it was an intergovernmental agreement with the League of Oregon Cities. This needed to be signed by you and I believe Duane hand delivered this to your office and it was suppose to be returned to the City for final filing.

We have yet to receive this document back from your office and I was wondering if it was still somewhere around there and has just not been returned to the City of Newberg. I have copied both the resolution and the agreement. If you don't have an original, would you please signed the enclosed copy and return it to the City. You may want to make a copy for your files also.

Thank you for looking into this matter.

Sincerely,


Becky Green
Administrative Assistant

Enc.

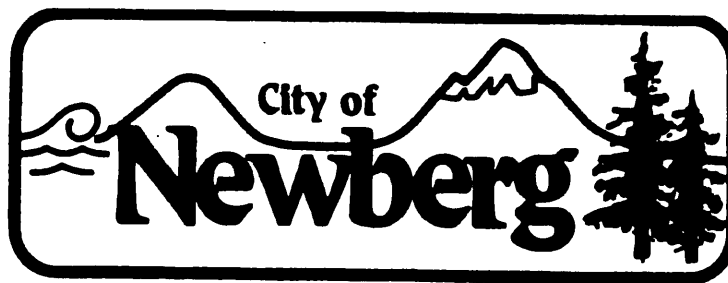
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CITY MANAGER'S OFFICE: e-mail: nctymgr@ci.newberg.or.us Fax: 537-5013
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Municipal Court Fax: 538-5393 • Community Development Fax: 537-1272 • Library Fax: 538-9720

"Working Together For A Better Community - Serious About Service"

City Manager
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City Attorney
(503) 537-1206



414 East First Street
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Newberg, Oregon 97132

June 19, 2001

Tri-Met
Attn: Dick Feeney
4012 SE 17th Avenue
Portland, Oregon 97202-3940

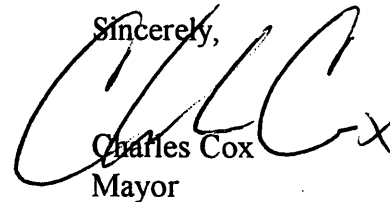
SUBJECT: Partial Reinstatement of the Local Fund Exchange Program

Dear Mr. Feeney:

At the City of Newberg City Council meeting held on Monday, June 18, 2001, the Council authorized me to sign the Local Fund Exchange Agreement for Local Street Improvement Projects.

The money allocated has been made possible through Tri-Met's agreement to provide Tri-Met General Funds for Oregon cities and counties in exchange for receiving city and county allocations of Federal Surface Transportation Plan funds, referred to as STP Funds, based on the following ratio: \$100 Federal STP Funds for \$92 Tri-Met General Funds. Based upon this formula the City of Newberg's allocation would be \$98,386. The City of Newberg is agreeing to a reduction in their allocation of the STP Funds by \$7,870 and are asking to receive funds in the amount of \$90,515. These funds will be used for two street improvement projects in the City. Both projects will be very beneficial to the future of the City.

We want to express our deepest appreciation for making these funds available to cities in the State of Oregon.

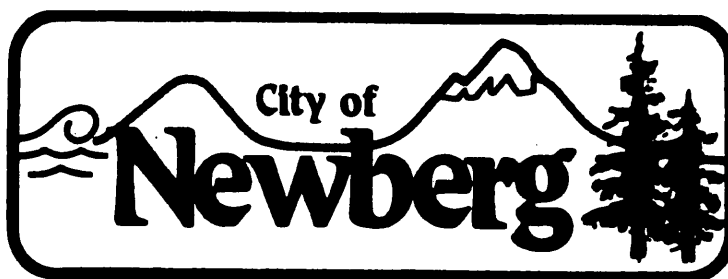
Sincerely,

Charles Cox
Mayor

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June 19, 2001

Andrea Fogue, Senior Staff Associate
League of Oregon Cities
P.O. Box 928
Salem, Oregon 97308-0928

SUBJECT: Partial Reinstatement of the Local Fund Exchange Program

Dear Ms. Fogue:

At the regular City of Newberg City Council meeting held on Monday, June 18, 2001, the Council approved the attached Resolution No. 2001-2307. This resolution authorizes the Mayor to sign the Local Fund Exchange Agreement for Local Street Improvement Projects.

A signed fund exchange agreement is also attached to this letter. These funds will be used for projects within the City of Newberg as outlined in the agreement. Please note that the amount the City is to be allocated for the two projects is \$90,515. This is a reduction in the allocation of the STP Funds by \$7,870. These funds are to be paid to the League of Oregon Cities from ODOT and then turned over to the City of Newberg by August 15, 2001.

We want to express our appreciation of these funds and they will be used to benefit the City's future.

Sincerely,

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Charles Cox
Mayor

Enc.

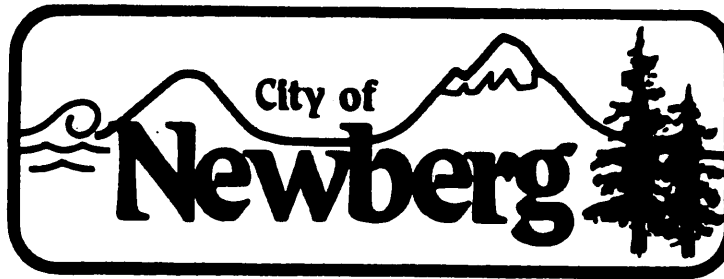
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Charles Cox
Mayor

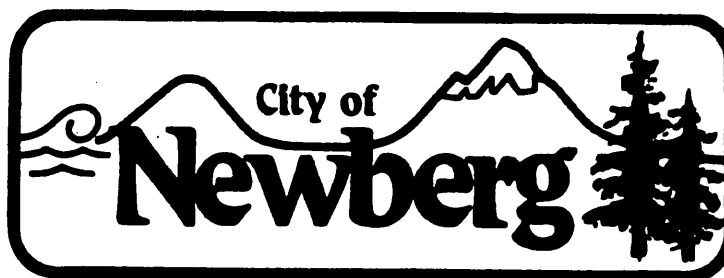
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Charles Cox
Mayor

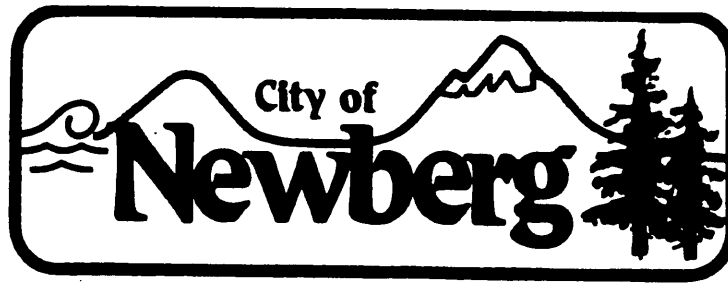
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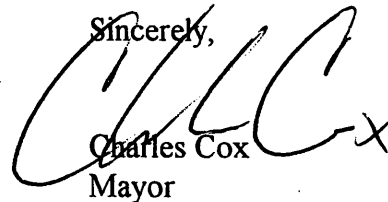
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